



‘City within a City’

By Mark Gordon | Managing Editor - Friday, July 17, 2015

Executive Summary

Company. Mattamy Homes-Thomas Ranch/The Ranch Land Partners Industry. Development, real estate Key. Planning for a 40-year project takes a deft approach.

When Marty Black was a young planner for the city of Tallahassee, in the 1990s, he wasn't afraid to say no.

There was the time, at a meeting, when he rejected a Target store because it didn't meet regulations. Right after his decision a city official leaned over and whispered to Black that the

developer was the mayor's significant other, so that might have been a bad call. Black, a zoning administrator, was unmoved.

"You have to do what you say you're going to do," says Black, "and you have to do the right thing for the right reasons."

Black, who has worked for government and developers in a 30-year career, says that approach, combined with an easy-going, even-keeled demeanor, works well. Says the cowboy boots-wearing Black: "I can go up to anyone who I've worked with or against and greet them with a handshake and a hug."

Black, 53, seeks one last hug and handshake with his latest project, what he calls a career pinnacle: Turning Thomas Ranch, a 9,650-acre property in south Sarasota County, into a live, work and play development that can rival the giants of the master-planned community industry statewide. Plans include up to 20,000 homes and at least 3 million square feet of non-residential space.

MAN IN BLACK

Marty Black is the executive in charge of delivering the next master-planned community in Florida, a Mattamy Homes project in south Sarasota County. A native of Buffalo, N.Y., Black's had a diverse career. He's spent most of the past decade in the private sector, consulting on land planning for municipalities and developers. Other career stops include:

- **Tallahassee:** Utilities support manager and zoning administrator;
- **Longboat Key:** Community services general manager;
- **Venice:** Deputy city manager, city manager;
- **Kimley-Horn and Associates:** Senior practice builder/project manager;
- **Green River, Wyo.:** City administrator

Florida is a national leader in master-planned communities like this. On the Gulf Coast, the list of established master-planned communities includes FishHawk Ranch in Hillsborough County and Lakewood Ranch in east Manatee County. There's also Babcock Ranch in Charlotte and Lee counties, a project slowed by the recession.

Black says the first selling point for the project is what any visitor sees right away. The site, off River Road and Tamiami Trail, part in the city of North Port and part in unincorporated Sarasota County, is massive. In an area called the West Villages, Thomas Ranch is 10 minutes from Manasota Beach and some of it borders the Myakka River. "This isn't a piece of virgin Florida we are calling a ranch just so we could cut down some trees," quips Black.

The project is big in another way: Ontario, Canada-based Mattamy Homes and some minority partners bought the property from Thomas Enterprises in May 2014 for \$86.25 million.

The ownership includes local minority partner Vanguard Land, a Sarasota-based firm founded by John Peshkin, former CEO and president of the North American unit of

Taylor Woodrow. The entity that oversees the partnership is The Ranch Land Partners, and the project, for short, is simply The Ranch.

The deal for the land was the largest single land residential purchase, in acres, in the country in 2014, says Black. It was also the largest U.S. purchase ever for Mattamy Homes, a \$1.7 billion dollar firm currently in rapid expansion mode in Florida. It bested a deal earlier in 2014 for 3,800 acres in Jacksonville.

Mattamy corporate executives call the Thomas Ranch purchase opportunistic. “This is unique,” says Mattamy COO Brian Johnston. “It’s not something you start out the year saying ‘I’d like to have 10,000 acres.’”

Yet challenges loom. For one, North Port, while fast growing in recent years, was an area leader in foreclosures and defaults during the bust. And master-planned communities nationally have recently seen a decline in overall sales. Total home sales at Lakewood Ranch, for example, dropped from 618 in 2013 to 493 last year, a 20% decrease. Lakewood Ranch remains a top 10 master-planned community in the country in sales.

Timely move

Details of the master-planned community, include:

Space for the 20,000 homes, built over 40 years. Construction could begin by October on the first community, The Preserve at The West Villages, which will be about 100 homes. Next up is the Renaissance at the West Villages, about 700 homes. A unit of Mattamy Homes will be among the homebuilders, but The Ranch Land Partners will also sell lots to other builders.

AT A GLANCE

Mattamy Homes

Founded: 1978, in Burlington, Ontario, Canada

Founder and CEO: Peter Gilgan

Headquarters: Ontario, Canada

Revenues: \$1.7 billion, fiscal 2014 (Canadian)

Closings: 4,039 homes, fiscal 2014

Employees: 1,000

Locations: Homes for sale in 60 communities in Canada and the United States.

Hoover Realty agent Ali Johnston, a specialist in south Sarasota County, hopes The Ranch, combined with smaller nearby projects, like Gran Paradiso from Lennar and IslandWalk from DiVosta Homes, will prove timely. That part of the county has been a recent leader in permits pulled for new home starts, say Mattamy officials. “North Port struggled for years with the recession,” says Johnston. “Now you can really get a lot of bang for your buck.”

About 3 million square feet of non-residential space. The first phase, says Black, will be a Main Street like-center with retail, restaurants with outdoor seating and a grocery component. Streets will be walking/biking friendly. Construction on that phase could begin by the end of 2016. “We’re not going to do a traditional strip center, and make it like everything else you see,” says Black.

Sarasota Memorial Hospital will have an urgent care facility and medical offices;

Mattamy officials have offered to work with Sarasota County schools on a site, 40-50 acres, for a campus that



could go up to or include high school. Higher education is already there, with the State College of Florida-Venice campus down the road from The Ranch entrance.

At least 70 acres will be preserved for conservation, and plans call for walking and biking trails.

More than land

Black says despite the project's heft, and potential, he can't shake the biggest challenge — that people don't know it's there.

He's begun to address that. He and his staff give 90-minute tours to chamber and area business officials. And late last year Black hired Sondra Guffey, a former Bay News 9 TV anchor and head of communications for Lakewood Ranch developer Schroeder-Manatee Ranch. Guffey heads up marketing for The Ranch.

A close cousin of marketing, in a project with this scope, of course, is public perception in the battle developers often face against residents and community groups. The strategy there, says Black, is to remain transparent, honest and upfront. "We're not just here to flip houses and flip commercial real estate," Black says. "We understand how to build a city within a city. We are here to stay."

Black isn't only dispensing information about The Ranch. He's also gathering it. For instance, he and his team spoke with dozens of real estate agents about the intricacies of the community. Says Black: "We talked to Realtors about people who were here last season who didn't buy and why they didn't buy."

There's also more to The Ranch than home sales and land planning. The property has a ranching history that dates back to the 1930s. Prior to Mattamy it was used for sod, watermelon, citrus, hay and grazing, among other agriculture activities.

Black and his team continue to run an agriculture business on the site. That includes wetland harvesting and selling hay and road aggregate materials. He recently hired Punta Gorda-based Three Suns Ranch to manage the property's 700 heads of cattle.

All of that work, from ranch to research, isn't cheap. Black says the partnership currently pays at least \$1 million a year in carrying costs, taxes and fees, and has spent another \$1 million on ranch gear and equipment. "It's not just a land development play," says Black. "We will be in the agriculture business for 20 or 30 years while we develop the property."

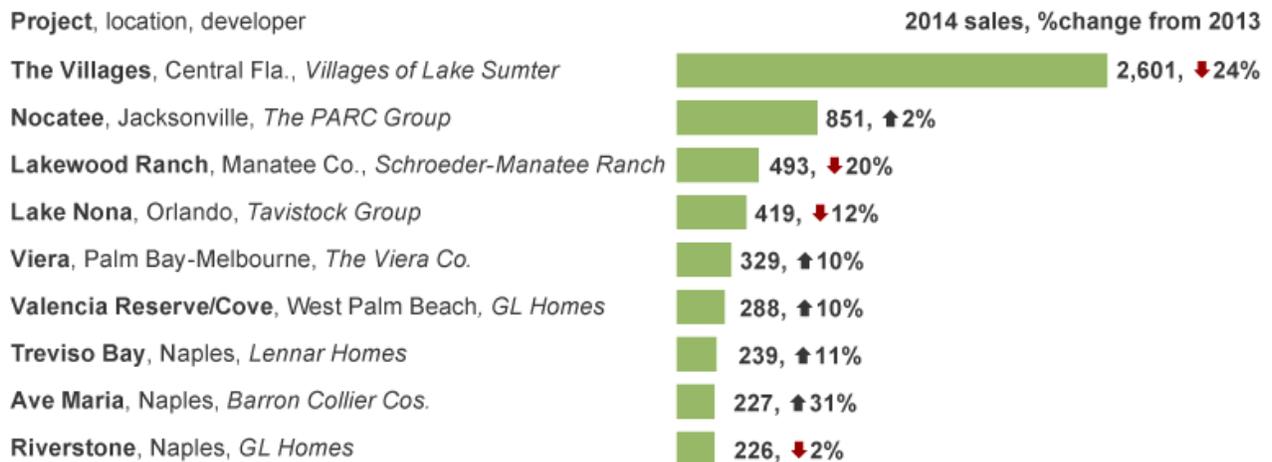
Sales drop

The market share for home sales in master-planned communities in relation to the overall national residential market is on the decline.

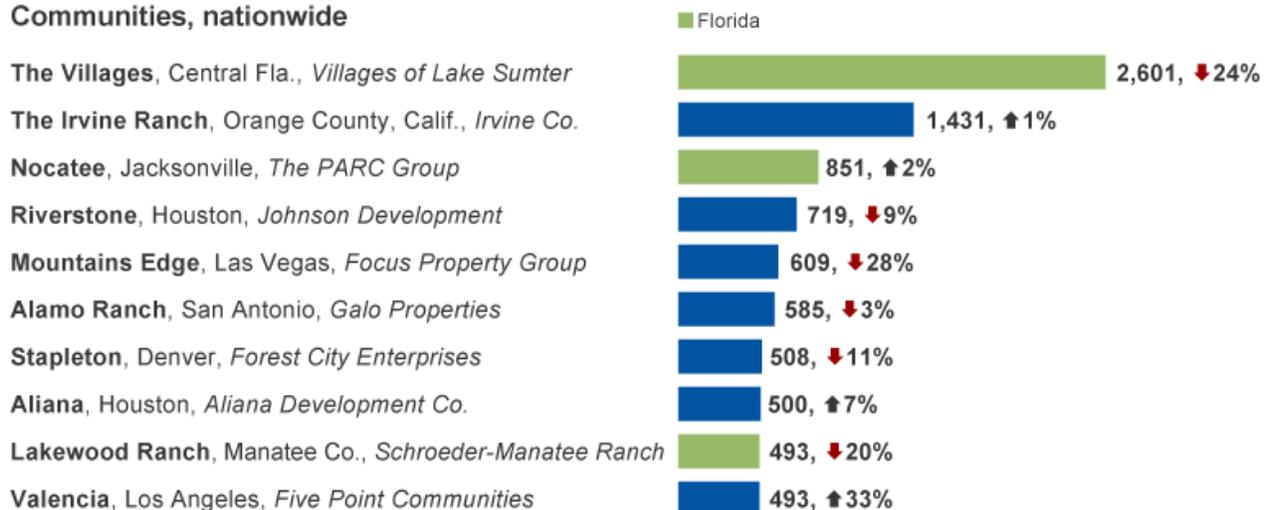
Sales in the top 20 master-planned communities fell 10% in 2014 over 2013, for example, according to a January 2015 report from Irvine, Calif.-based John Burns Real Estate Consulting. Sales in the top 50 communities fell 4%.

The firm cites several reasons for the decrease. Those include higher new home prices, waning lot supplies and changes in 2014 FHA loan limits. Here's a glance at the data from the top 10 and the Florida communities.

Florida communities



Communities, nationwide



Source: JOHN BURNS REAL ESTATE CONSULTING