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Local family buys Ormond Crossings site

By Clayton Park

A DeLand family has stepped up to acquire 6,000 acres of undeveloped land in Ormond Beach with plans to revive a long-stalled project that could create nearly 3,000 homes and 4.5 million square feet of commercial space.

The Ford family, doing business as Ormond Crossings and Land Swamp LLC, agreed to pay \$21 million to acquire the development site known as Ormond Crossings from Allete Inc., which disclosed the sale amount in its latest quarterly earnings report filed with the Securities and Exchange Commission.

The sale of Allete subsidiary Tomoka Holdings LLC, whose assets consist of the Ormond Crossings development site, closed Sept. 22.

The Duluth, Minnesota-based public company, in its Nov. 4 filing with the SEC, reported that it received an initial down payment of \$8 million, with the remainder to be paid over five years.

The family, which owns real estate under the name Ford Properties, has already begun talks with the city about developing Ormond Crossings, said Joe Mannarino, the city's economic development director.

Allete, via its Tomoka Holdings subsidiary, had been working since 2002 to develop Ormond Crossings on the land it owned south of U.S. 1, on both sides of Interstate 95.

Only small portions front U.S. 1, as most of the land is behind a strip of existing businesses along U.S. 1 that includes gas stations, fast-food restaurants, hotels and an auto repair/towing business. S.R. Perrott beverage distribution plant, small multitenant office parks and industrial buildings.

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The west portion of Ormond Crossings is across the street from Destination Daytona.

Mannarino described Ormond Crossings as "the future of Ormond Beach. We don't have the land elsewhere to attract new companies or for existing ones to expand."

Allete's plans to develop Ormond Crossings were stymied by the Great Recession, which forced the company to put the project on hold.

It did manage, however, to develop another big mixed-use development in the area: the 1,557-acre Town Center at Palm Coast, which Allete is still building out.

Allete earlier this year announced that it was looking to get out of the real estate development business to focus on its core business of making and selling electricity.

Finding local buyers who are committed to proceeding with developing Ormond Crossings is "good news," Mannarino said on Wednesday. "We've had good dialog with them. There's a lot of enthusiasm on their part."

While the city, county and state have already granted general approval of Ormond Crossings, approvals from the city would still need to be obtained for specific aspects such as location of plats, roadways and the configuration of lots, he said.

"The next step is deciding the platting and layout of the roads and infrastructure," Mannarino said.

"There are physical challenges to the property," Mannarino said, noting for example the Florida East Coast Railway line that cuts through a portion of the development site.

Roughly half of Ormond Crossings would be set aside as conservation/wetlands areas. Of the half that could be developed, the bulk of the up to 2,950 homes allowed would be built on the west side of I-95, along with a town center that would neighborhood service businesses. The commercial development, which would include an industrial park, would be on the east side of the interstate.

The proposed commercial portion of Ormond Crossings would be roughly four times the size of Volusia Mall.

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Local observer, Chris Butera, a commercial real estate agent with SVN Alliance Commercial
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Ormond Crossings would likely need to be built in phases over several years.

"The numbers that we've seen to do all the utility work (alone) are above \$30 million to do what needs to be done for the entire project," Butera said.

Butera said it is likely the Ford family would start by building a portion of the residential component for Ormond Crossings.

The News-Journal was unable to immediately reach Ford family members for comment.

"Ormond Crossings is in a strategic location and has received all of the primary development approvals from the various governmental authorities," stated Frank Ford, manager of Ormond Crossings and Land Swamp LLC, in a news release. "We are looking forward to working closely with the City of Ormond Beach staff and officials to move the 3,000-acre mixed-use project ahead."

Ormond Beach Mayor Bill Partington, in the news release, stated, "A majority of the city's future business and residential growth will occur within Ormond Crossings and I am excited that a local family group has purchased the property."

Ford's daughter, Lisa Ford Williams, is board chair of Team Volusia Economic Development Corp., whose mission is recruiting companies to Volusia County.

Some of those companies could potentially become tenants at Ormond Crossings, given the area's need for shovel-ready sites for commercial developments, Butera said.