Coastal Real Estate News

OakLeaf developer plans St. Johns DRI

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ST. JOHNS COUNTY -- The plantations of Florida once grew cotton, sugar cane and timber.

Now they grow houses by the tens of thousands.

Continuing the recent trend toward large, master-planned communities of mixed use, Hutson Cos., the development group responsible for the massive OakLeaf Plantation project in northern Clay and southern Duval counties, is now proposing a similar undertaking in St. Johns County, to be cultivated on what is now thousands of acres of agricultural land.

SilverLeaf Plantation, a 7,500-acre project planned for the northwest area of the county, would create 10,700 residential units, 1.7 million square feet of commercial space, six schools and 200 acres of recreation space over 15 years. The total value of the project could be as much as $3 billion at buildout, according to the company.

If approved as a development of regional impact by the state, regional and county regulatory bodies charged with managing growth in the area, the multi-phased SilverLeaf would join Julington Creek Plantation, Amelia Island Plantation, Fleming Island Plantation and OakLeaf Plantation in a litany of like-named residential communities in the Jacksonville metropolitan statistical area.

SilverLeaf, like its sister development OakLeaf, would involve massive road improvements, amendments to its chosen county's land use plan, wetland mitigation and school site donations.

According to its preliminary estimates, Hutson Cos. would spend $100 million in transportation improvements to build part of a planned north-south corridor west of I-95, construct regional roadways and set aside a portion of its property for a proposed outer beltway.

Hutson also would donate six public school sites to the St. Johns County School Board and a 100-acre park to St. Johns County Recreation & Parks.

Much of the ambitious plan hinges on what Don Hinson, president of Hutson, said is a coming employment boom in St. Johns County over the next decade, clustered around Flagler Center and Bartram Park to SilverLeaf's north and World Golf Village and World Commerce Center to its south.

"It doesn't take a marketing genius in this part of the county to see there's a demand," said Doug Miller, CEO of local engineering and land planning firm England, Thims & Miller Inc., which is working with Hutson on SilverLeaf.

The firm also worked on OakLeaf and Julington Creek plantations and is working with the Davis family's PARC Group on the looming 14,000-unit Nocatee project. Despite the sheer mass of Nocatee to SilverLeaf's east and the recent approval of The St. Joe Co.'s 4,500-unit RiverTown project to its west, Hinson and Miller say there is still a market for SilverLeaf based on its location.

The property cuts a meandering swath from the boundary of World Golf Village and I-95 to the east, touches both County Road 16A and State Road 16 to the south and west, and creeps up Leo Maguire Road to the north, stopping just short of the booming County Road 210 corridor.

Miller calls SilverLeaf a "centroid," a mathematical term referring to the center of a triangle or to an object's center of gravity.

"We think the right use for this location is residential, to serve these two job centers," Miller said. "There are 90,000 total jobs coming online in St. Johns County over the next 15 years."

The University of Florida Bureau of Economic & Business Research's Florida Long-term Economic Forecast, issued in 2002, projects that St. Johns County will employ about 59,400 people in non-farm wage and salary jobs by 2015, the latest year covered by the study.

But Hutson is including Flagler Center and Bartram Park, both in Duval County, in its projections. Those commercial projects, according to their developers, will eventually add 41,600 jobs to the region near SilverLeaf.

Ray Rodriguez, president of the Real Estate Strategy Center of North Florida Inc., said many regions of the MSA are counting on high job growth and it's not likely all of it will occur.

"What industry is going to bring 90,000 jobs to these areas?" Rodriguez said. "If you told me McDonnell Douglas [now The Boeing Co.] is coming, then I would believe that number. But I'm pretty sure the people at Cecil Commerce Center and Downtown are knocking on the same doors."

And while the various regions of the MSA fight over jobs, developers and builders compete for home buyers. Single-family homes, condominiums, townhouses and even apartments are all part of the equation, and new construction increasingly competes with existing inventory for market share.

The Florida Association of Realtors reports the number of existing home sales in the Jacksonville area in October rose 2 percent over the same month a year ago and prices for those homes were up 18 percent, signaling a strong demand for immediately available inventory.

But the main selling points for master-planned communities are their expansive amenity centers, sparkling new feel and well-thought-out designs, in which planners often must create a sense of community from scratch.

So far, 871 buyers have embraced the concept at OakLeaf Plantation since the first unit sold in April 2003, according to data provided by the Real Estate Strategy Center. That number, based on recorded deeds, is large, but Hutson has platted 2,676 residential lots in OakLeaf to date and plans a total of about 11,000 units over a 10-year period.

"Rising interest rates are good for resales, but not for new construction," Rodriguez said. "And all this existing inventory affects anybody that's in the business."

But Hinson and Miller are confident demand exists for more large-scale residential development in the region, and say buyers are looking for well-planned communities in an appealing environment.

"We've done this type of thing before," Hinson said. "We do see this as an OakLeaf type of development. It goes back to [the idea of] a small-town feel surrounding a high school."

One of Hutson's innovative ideas for SilverLeaf is a proposed academic center, which would group a high school, a middle school, a community college annex, a library, sports and recreation facilities and parking in a common area.

The buildings' users would share parts of the complex, such as the library and recreation areas, reducing the number of separate facilities the community would need to build.

Hutson is offering to donate six sites for schools in the community and would advance-fund construction of an elementary school and K-through-8 school, which could both be leased by the school district until it is ready to buy the buildings.

Tom Manuel, a St. Johns County resident and the school district's appointee to the county's planning and zoning agency, said he had not yet seen the proposal but was encouraged by some of its ideas.

"On a conceptual basis it sounds very intriguing," Manuel said. "Any time you can leverage facilities, that's something that needs to be done."

Hutson is scheduled to meet with regional regulatory agencies on Dec. 8 to formally present its proposal for SilverLeaf.