

Changing Faces

From citrus groves to homes; from phosphate mines to industry; even from "milk to wine," this county in the center of the state is undergoing a massive makeover as businesses, people and tourists pour in.



A SPIRITED BUNCH
Don Laroche (left), Sam Nimah (center) and Rod Crowley, Southern Wine & Spirits execs, are setting up operations at the firm's new facility in Lake-land.

When Southern Wine & Spirits opened its new warehouse in Lakeland this January, it made news here. That's significant in a town that draws a lot of distribution facilities thanks to its centrality in Florida.

"This is the biggest deal we've talked about in economic development for 20 years," says Steve Scruggs, executive director of the Lakeland Economic Development Council. At the groundbreaking, Lakeland Mayor Buddy Fletcher looked at the site, a former dairy farm, and said, "We're going from milk to wine!"

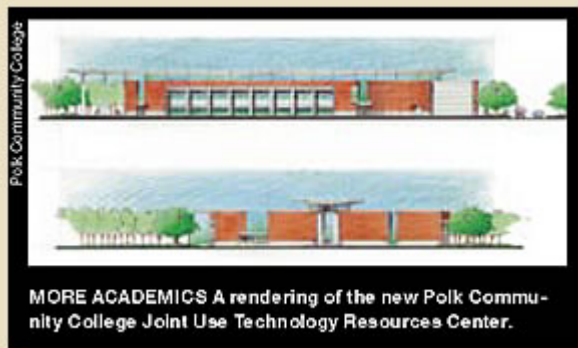
Headquartered in Miami, with distribution facilities there and in Pensacola, Southern's new facility is 653,000 square feet, expandable to more than 1-million square feet. Upon opening, the wine and spirits wholesaler already employed 330 people. Size aside, what makes this place significant is its dynamic technology. "It gives us a state-of-the art facility," says Sam Nimah, Southern's director of operations. "It more than triples the number of cases we can deliver to the customer. And it greatly increases our order accuracy and order fulfillment. "It's been amazing how the business community, economic development, the city and the county have welcomed us with open arms," Nimah says. "It's been a dream, really."

School Bells

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Discussions of a new USF Lakeland
master plan School Bells***

The announcement that the University of South Florida intends to open a new campus in Polk was among the county's highlights in 2005. The Williams Acquisition Holding Company donated the land. Discussions of a new USF Lakeland master plan and anticipated development on parcels adjacent to the site of the new campus is continuing. Earth will start being moved on the site – at the eastern intersection of I-4 and the Polk Parkway – by early 2007.



But while the details wait, anticipation is building. "It's huge," says Steve Scruggs, executive director of the Lakeland Economic Development Council. "A major research university will definitely help us."

Scruggs is quick to note that while the USF expansion delineates the future of higher education in Polk, it's not the only school expanding here. Polk Community College, Keiser College, Southeastern University (formerly Southeastern College) and Florida Southern College are all in the process of multimillion-dollar expansion projects. "It bodes well for our future," Scruggs says. "They will produce graduates that will hopefully stay in our market."

- Southeastern spent \$50 million on improvements. "It attracts students from all over the world; the students that go there just love it," says Scruggs. "They require their students to do community service. We love that, because a lot of those graduates get a heart for Lakeland or Polk and they wind up staying."

- Florida Southern College announced two

major residential projects on Lake Hollingsworth valued at \$10 million. It also boasts a new campus design that is pedestrian friendly.

- Keiser College doubled its campus size in February.
- Polk Community College (PCC) is building a third academic building on its Lakeland campus, which it shares with USF. The \$28.7-million Joint Use Technology Resources Center should be ready for occupancy this fall. PCC is also establishing a presence in Lake Wales, converting the former city hall into a special purposes center.

Meantime on the other side of Polk County, an explosion of real estate development and a flurry of corporate expansions, a boost in tourism from the reopening of Cypress Gardens Adventure Park and continued low unemployment kept the good news coming in this part of Central Florida. There's no chance of the economic good times slowing County down any time soon, either. "We moved forward on all fronts," says Dave Touchton, vice president of the Central Florida Development Council (CFDC).

Thousands of new residents are streaming into the county, particularly along the eastern ridge re-presented by U.S. 27, as homebuilders turn former orange groves into a multitude of new communities.

"We continue to diversify the economy and we continue to see the east side of the county come into its own, economically speaking," says Greg Littleton, president of the CFDC and president and CEO of Citizens Bank & Trust in Frostproof. "It's a long way from where it was five years ago."

Countywide, the CFDC announced 15 projects in 2005 representing new capital investment of \$86.7 million and 861 jobs. Some of the new additions included a pet-bedding manufacturer that located from New York, a distributor of quality furniture and a company from Canada that makes trusses for the housing industry.

ONE OF THE BIG NAMES for Lake Wales easily is the \$3.5-million Ridge Harley-Davidson, which occupies seven acres with a combination of service, assembly, distribution and commercial sales in the Longleaf Business Park. It created 30 new jobs.

"I couldn't think of a more known company in the whole country to move in than Harley-Davidson," says developer Joe Miranda. "It was the name we were looking for; it put Longleaf on the map."

For Harold Gallup, economic development director for Lake Wales, Longleaf gives him a place to locate companies that have been interested in Lake Wales for years but had nowhere to go. "I have a commitment from the developer to roll out 50,000 square feet every nine months," Gallup says. "Whoever is looking at Lakeland, I now want a shot at."

Another Longleaf move-in was Rotanis Pet Products, formerly of New York. The company created 68 new jobs and spent an estimated \$2.5 million in capital investment. In Haines City, the largest independent paper converter in North America moved in. Cellynne Corp. received state incentives and training grants for its \$27-million expansion. The company will create 30 new jobs with an average annual wage of \$44,000.

"That's our premier activity," says Paty Wright, 2006 president and COO of the Haines City Economic Development Council. "But



overall, our inquiries are considerable. Our leads are coming out of not only Orlando but also Texas, California, Canada and West Palm Beach.”

Meanwhile in Winter Haven, Emerson Trailers expanded into new manufacturing space and added 50 jobs, more than doubling staff at its plant in Lake Alfred. The company, which opened 30 years ago, manufactures utility trailers and has five locations throughout the state.

One of Winter Haven’s most recent additions is Hanson Pipe & Products Inc., with its state-of-the-art facility that will manufacture concrete pipe products. The project represents a \$45-million capital investment and will provide 50-plus jobs with hourly salaries between \$10 and \$25.

Back in west Polk, Mulberry’s Food Technology Service Inc. is building a warehouse adjacent to its irradiation facility. The warehouse will provide 8,000 square feet of storage and will be leased to a current customer. “This expansion, which is the first in company history, will benefit both Food Technology Service and one of our largest customers,” says CEO Richard Hunter. “It will allow that customer to store and ship their products from Mulberry and avoid shipping expenses to a remote warehouse after the products are sterilized. ”

Lockheed Martin’s expansion was another Lake-land highlight in which the company moved a new division to its existing 70,000-square-foot office facility, creating 100-plus high-skill, high-wage jobs that average close to \$60,000 annually.

And Rooms To Go, the furniture retailer head-quartered in Lakeland, is adding another 220,000 square feet to an existing warehouse, putting the company over 1.7 million square feet in the city. “Last year they filmed one of their commercials in there with a NASCAR driver,” Scruggs says. “He drove right through the ware-house. It’s unbelievable how big it is.”

Meanwhile, Havertys Furniture recently opened a new 225,000-square-foot distribution center at State Road 33 and Interstate 4. The company employs 140 persons at its warehouse in First Industrial’s Bridgewater business park. Capital investment for the building and equipment is estimated at \$9 million.

ButterKrust Bakery, a 90-year old local business, added a \$17-million production line for buns and rolls. Its expansion created 25 new jobs.

Perhaps the hottest industry sector over the past year has been building and construction materials. Seven projects were announced in this category – no surprise given the hot real estate market. And one of the

By the Numbers	
Population	
2004	514,000
2010	572,600
Age (Median age of Population)	
2003	39.2
Number of Households	
2004	199,100
2009	214,000
Effective Buying Income	
2004	\$8.6-billion
2009	\$10.3-billion
Total Retail Sales	
2004	\$5.6-billion
2009	\$6.1-billion
Number of Businesses	
2004	10,053
Average Wages	
2003	\$29,631
2004	\$30,137
Unemployment Rate	
2003	6.0%
2004	5.0%
Total Employed	
2003	205,140
2004	247,821
Employment by Industry	
Agriculture/Mining	8,915
Construction	11,944
Manufacturing	17,050
Transportation/ Warehousing	10,803
Utilities	542
Information	2,151
Wholesale/Retail	31,377
F.I.R.E.	10,913
Services	83,770
Government (Public Admin.)	12,523

Source: University of Florida, Bureau of Business and Economic Research; Sales & Marketing Management Survey of Buying Power and Media Markets, September 2004; Florida Department of Labor and Employment Security

county's biggest winners is Auburndale, where Manu-fab Building Components of Manitoba, Canada, purchased the former Simmonds manufacturing facility to construct trusses. Joining Manu-fab there were BrickAmerica, Clearwater-based Amerimix and Southern Truss Company.

Real estate á go-go

Bartow has largely remained on the sidelines during the great Polk County land rush of the 21st century as it waited for the Clear Springs Land Company to work its way through the development of regional impact (DRI) process.

This year, the wait is over. "We're going to file our DRI in mid-February and hopefully have permits for 6,000 acres approved by late summer," says Clear Springs President Susan Spelios. "What's planned is professional office space, retail space, 2-million square feet of industrial and flex space and 4,500 homes."

Clear Springs annexed 11,000 acres into Bartow.

There is no doubt that what the company plans to accomplish in the next decade will change the small town life here. "It's going to be a lot of new people over time," Spelios says. "We'll develop a lot of the commercial property ourselves."

Brian D. Hinton is chairman of the Greater Bartow Chamber of Commerce Committee of 100 and president of Bartow Consulting Group. He expects the impact of the Clear Springs DRI will be "pretty dramatic."

"Bartow has a population now of 15,500. If they do a DRI of 4,000 homes, that's a pretty major increase," Hinton says. He points out that Clear Springs is not the only development bringing new housing units to town – and with the phosphate companies heading south in search of productive mines, there is even more land coming available.

"We've got a 480-unit townhouse condominium project approved on the west side of town, a 180-unit facility for senior living that just opened, 300 afford-able living apartments near downtown, plus lots of subdivisions going in," Hinton says. "If you start adding all those developments up, Bartow's population goes from 15,000 to 30,000 in five years. Bartow, with annexation, is the second largest geographically in the county. I'm a city commissioner, too. We have a lot of concerns. We have water capacity. That's not an issue. But we'll have to upgrade our wastewater facility and our fire/police."



Global Ties

In November, as part of Florida Gov. Jeb Bush's trade mission to Bavaria, CFDC staff also visited London, Paris, Munich and Treviso, Italy, where it met with companies locating to and expanding in Polk County...

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And then there's eastern Polk County, long predicted to boom because of its proximity to the many worlds of Disney, just a few miles east on I-4.

"Growth in Polk has traditionally come from the west," says Jim DeGennaro, director of business development for the CFDC. "But now half the county population is on the east

side."

As in Bartow, there are questions in the eastern part of the county about whether it is truly ready for the explosion that has already begun. "We've been saying for 10 years, 'Growth is coming.' We've seen some infrastructure in place for a little time," says CFDC President Greg Littleton. "In other respects, we're not ready. The U.S. 27 widening will relieve a lot of pressure when that comes. Lake Wales had to put in a development moratorium for six to nine months while it got plans in place. Haines City is very progressive but it doesn't have the water it needs to continue development there. Those emergency fixes have taken place."

LAKE WALES TAKES PRIDE in its time-out from development. "We rewrote the comp plan so growth could be positive," says Harold Gallup, Lake Wales' economic development director. "We're running more than 9,000 units through the approvals process. We want to re-instill the quality of life that is perceived but still go forward. You can have good growth, positive growth, and not give up pastoral factors. But it is painful."

In Winter Haven, 890 new housing units received certificates of occupancy in 2005. The city has, on average, more than 8,000 units in the review process at any time and is issuing 100 permits a day. And the city annexed 4,027 acres; the majority of it is undeveloped land and 90 percent of it already has firm development plans. "

Abounding Healthcare

The medical industry in Polk County continues its burgeoning growth as it tries to keep pace with demand and population growth....

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Along Rattlesnake Road (CR 653), nearly 1,250 acres were annexed by developers, resulting in more than 2,000 new homes and 200,000 square feet of commercial development," says Mike McMahon, community and economic development director for Winter Haven.

In the past two years, nearly 40 new subdivisions have been permitted, representing more than 11,000 new homes. It is estimated that by 2016, Winter Haven will double in population from 26,000 to more than 50,000. Carlton Arms recently completed construction of the first phase of a 900-unit apartment complex on Cypress Gardens Boulevard. The first 550 units were pre-leased prior to completion. The 450-unit second phase is planned for completion in the summer of 2006.

On the downtown residential side, Winter Haven partnered with Maxcy Development Group to build a luxury, gated condominium community on the shores of Lakes May and Howard. It is the first major new housing to come to downtown in 20 years. The project includes two 90-unit towers and a 250-slip marina. The project is estimated to have a taxable value of nearly \$50 million.

"Winter Haven is really, really growing," says John Blakley, broker and president of Tampa-based Maxcy Development Realty. "Their permit level literally doubled."

Among the many changes coming Polk County's way is the very image of what Polk County is.

"The changes today are primarily in the landscape," says Littleton. "Every corner, you see a grove gone and houses coming up. In a few years, it'll be different in other ways. There is a lot more permitted and coming and we will really feel the changes. That is happening in all the little towns up and down the ridge.

"It's obvious there are a lot of good things happening in Polk," he adds, refusing to get mired in the potential negatives. "Where we are, positioned between Tampa and Orlando, this is going to happen whether we control it or not. But we are in control of our own destiny."

Rooms, Please!!

If Mars needs women (and more than 51,000 links on Google must make it true), then Polk County needs hotel rooms. Help is on the way: in Lake Wales three hotels are on the boards, including an 80-room Hampton Inn & Suites with a conference center.....

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In Lakeland, the real estate development of note comes from two very different categories: major retail and downtown residential. Both, however, are improving quality-of-life issues. Lakeside Village, for example, is a 700,000-square-foot shopping center that signals the entrance of upscale retail into Polk County. "We haven't had a big center like that since Lakeland Square Mall opened in 1988," says Scruggs of the Lakeland EDC. "It's got an 18-screen, stadium-seating movie theater. We didn't even have that before. It has retailers

we didn't have, like Kohl's, Chico's, Jos. A. Bank, Cold Stone Creamery, Starbucks and Talbots. People used to have to go to Tampa or Orlando to shop at those types of stores."

Downtown, several projects are creating a residential category that didn't even exist in Lakeland two years ago. There are 9,000 people that work in downtown Lakeland," Scruggs says. "And nobody that works in downtown Lakeland has lived in down-town until this year."

Some examples:

- Jerry Herring is doing the 14-unit Lofts on the Park and is looking at a second phase because he had 76 people down for the 14 units. He's also involved in a 440-unit project north of police headquarters.
- The former 20-acre Florida Tile facility was torn down and a South Florida developer has a contract to develop high-end residential and retail there.
- The Lake Mirror Tower apartment building was restored in 2005 by Miami's Carlisle Development Group. It is 97-percent leased with rents ranging from \$750 to \$2,000 per month.