

# **Village of Wellington**

*12300 Forest Hill Blvd  
Wellington, FL 33414*



## **Action Summary - Final**

**Monday, January 9, 2023**

**2:00 PM**

**SR-7/Village Project Update**

**Village Hall - Council Chambers**

## **Village Council Workshop**

*Anne Gerwig, Mayor  
Michael Drahos, Vice Mayor  
John T. McGovern, Councilman  
Michael Napoleone, Councilman  
Tanya Siskind, Councilwoman*

*While this is a public meeting, there will be no opportunity for public comment at this workshop. This workshop will be live streamed, recorded and posted to the Village website for viewing.*

## 1. CALL TO ORDER

Mayor Gerwig called the meeting to order at 2:04 p.m.

Council Members in Attendance: Anne Gerwig, Mayor; John McGovern, Councilman; and Tanya Siskind, Councilwoman.

Councilmembers Absent: Michael Drahos, Vice Mayor and Michael Napoleone, Councilman.

## 2. STATE ROAD 7 UPDATE

Mr. Barnes introduced the item. He stated that this was the SR-7/Village Project Update. He mentioned that representatives are present from the Wellington Mall and the Treasure Coast Regional Planning Council to provide an update.

Mr. O'Dell said that this is the wrap up of the State Road 7 Corridor Study; which was done in three phases, this is the Final Economic Phase of the overall mall. He mentioned that Dana Little/Urban Design Director for the Treasure Coast Regional Planning Council (TCRPC) and Bill Moston and Asad Sadiq of Spinoso/Real Estate Group representatives of the Wellington Green Mall, are present.

### **Wellington Green Mall**

Mr. Sadiq provided an update on traffic, sales, and marketing events at the center. He highlighted the following events: Santa's Arrival and Share the Spirit. He mentioned Apple's lease renewal and leases with a few restaurants. He indicated some are in the planning phase and some are in the permitting process.

Mr. Moston introduced himself and thanked Council for their support and effort with the property. He mentioned that there have been a couple of meetings with Mr. Barnes and staff regarding what to do. He said that a national planning firm has been engaged to help put a master plan together for the shopping center. He advised that the center is doing very well. He discussed ideas for primarily residential as additions to the center along with healthcare, entertainment and hospitality. He noted that the center has a series of owners; the anchor tenants own their parcels and Spinoso Real Estate Group owns part. He stated that ideas have been shared with anchor tenants, adjacent property owners and great feedback was received. Ms. Moston said that the study has helped provide context and we are trying to determine what is the right strategy for the mall to move it to the next level. He commented that he is happy to

be working with staff in order to get the process moving.

Mayor Gerwig asked whether the movie theater is getting the crossover business.

Mr. Sadiq said that the movie theater has been outperforming the past two months; the performance is based on what movies are coming out and the highly anticipated movies.

Mayor Gerwig asked whether any restaurants are coming into the Ford's Garage and The Beauty and The Beeeef spaces.

Mr. Sadiq responded to a question from Mayor Gerwig.

There was discussion regarding the mall ownership, receivorship, and the plans for the mall.

Councilman McGovern inquired whether Planning staff have been briefed on the ideas.

Mr. Moston advised that it is conceptual at this time. He said that it is a complicated process and there are many components working with the various landowners.

Mayor Gerwig inquired if the Nordstrom site is still owned by the same owner.

Mr. Moston responded to Mayor Gerwig's inquiry.

Discussion ensued regarding traffic, sales, and restaurant space.

Mr. Sadiq and Mr. Moston responded to questions from Councilman McGovern.

Councilman McGovern inquired about the petition to the Value Adjustment Board to lower the price of the mall. He asked if a similar petition has been made this year.

Mr. Moston said that he cannot answer, as this would come from their internal accounting department. He said that he has not had any conversations with the department about it.

Mr. O'Dell referenced that there is conversation within the presentation regarding the mall value.

Councilman McGovern asked Mr. O'Dell if a petition has been submitted to the Value Adjustment Board to lower the value of the mall.

Mr. O'Dell responded that he is not aware of any petitions at this point.

Councilman McGovern commented on several petitions in the past. He asked staff to find out and let him know.

Mr. O'Dell said that he will find out.

Councilman McGovern asked Mr. Sadiq what is the term length of the Apple lease.

Mr. Sadiq said that he does not know the exact number; the average renewal process is 2 - 3 years.

Councilman McGovern commented that the Village is here to work with the mall and see the property thrive and survive; whether it be a mall or anything else. He said that the mall is an entrance point to the Village and it is something that the Village takes seriously.

Mr. Moston commented that the mall is doing very well. It is a good center from a traffic and sales perspective. He said that there is an opportunity to do mixed-use and add creative concepts to the center.

Councilman McGovern asked about the mall vacancy rate.

Mr. Sadiq responded that it is 15%.

Mayor Gerwig asked whether the museum is a partner or lease holder.

Mr. Sadiq responded to a question from Mayor Gerwig.

Councilwoman Siskind asked if traffic and sales are affected by the seasons.

Mr. Sadiq responded to a question from Councilwoman Siskind.

Councilwoman Siskind inquired whether lease prices have gone up or stayed the same.

Mr. Sadiq said that it is a case by case basis. There is usually a 3% increase.

Councilman McGovern inquired if there are fears of major closures.

Mr. Sadiq advised that "Things Remembered" is in the process of closing. There are 130 stores closing in other locations.

Councilman McGovern inquired if this is the most significant closure.

Mr. Sadiq responded to Councilman McGovern's inquiry.

Mayor Gerwig asked what can the Village do to be better partners to drive the actual industry.

Mr. Moston responded to a question from Mayor Gerwig.

### **Treasure Coast Regional Planning Council**

Mr. O'Dell provided an update on the process of Phase III: Economics. He mentioned that Mr. Little will provide an update as to how we got here. He reminded Council that staff gave the mall ideas of things that the Village is interested in seeing. He said that staff does recognize that the things the Village is proposing have not been fully vetted as there are a lot of things to think about. He noted that the ownership issue complicates issues and the 97 acres of land inside a large piece of property. He stated that there are many ways to redevelop the property. However, staff has not gotten to that process. Staff is looking forward to working with the ownership to make those ideas happen.

Dana Little, Urban Design Director for the Treasure Coast Regional Planning Council (TCRPC) thanked Council for having him. He provided a brief update and overview of SR-7/Village Project Update. He noted that this started back in 2019. He advised that the TCRPC's role is to help equip the Village with a long-term solution. He noted that Tom Lavash and Tom Moriarity are present via Zoom.

Mr. Little presented a PowerPoint Presentation. He discussed the Process and the Three Phases.

Tom Lavash, Real Estate & Economic Advisor of WTL+a presented a slide of the Wellington/State Road 7 Corridor Market Study Phase 3: Market Study Update & Economic Impacts, and Why Focus on Redevelopment? He stated that the taxable Value of the Wellington Mall has declined by almost 71% and the ad valorem/property taxes for all entities in Palm Beach County including the Village of Wellington has declined by 72% over the past 6 years. He compared the taxable values and the mall core of the Palm Beach Gardens Mall, Wellington Mall and

Boca Town Center.

Councilman McGovern asked about the increases in value of the Palm Beach Gardens and the Boca Mall.

Mr. Lavash advised that the taxable value of Palm Beach Gardens Mall increased by 36% from \$266 million to \$363 million; and Boca Town Center increased by 41% from \$444 million to \$627 million.

Mayor Gerwig commented on Palm Beach Gardens Mall foot print. She inquired if this is the overall campus and whether apples to apples were being compared.

Mr. Lavash responded to Mayor Gerwig's comments and inquiry.

Mr. Little advised that this does not include Dillard's or the large anchor stores.

Mayor Gerwig asked about the footprint of the Boca Town Square.

Mr. Lavash answered a question from Mayor Gerwig.

Councilman McGovern commented that Boca expanded and added an outdoor area.

Mr. Lavash stated that the retail industry has been significantly challenged over the last several years.

Mayor Gerwig asked whether population growth has been attributed to this. She mentioned the talks regarding Wellington's low density being difficult and asked is this a part of it.

Mr. Lavash stated that he does think relative population density is a part of it. He said that it is higher in Boca Raton and may be a little higher in Palm Beach Gardens. He noted that there has been quite a bit of loss in sales also known as retail leakage to other locations. He mentioned the 2020 study regarding the retail leakage in the Village of Wellington; which is money leaving Wellington being spent somewhere else. Mr. Lavash mentioned that in 2020 there was \$45 million being lost in household retail sales every year. At the same time, both the City of Boca Raton and City of Palm Beach Gardens experienced retail sales. Boca Raton experienced retail sales inFlow in part due to the strength of both of the malls.

Mayor Gerwig inquired if this is retail or online retail.

Mr. Moriarity responded to Mayor Gerwig's inquiry.

Mr. Little said that it is important to note that while this is a startling slide and a very important metric; it is only one of many metrics, this is not a conclusion.

Councilman McGovern commented that this does not seem to comport with what Council was just advised by the representative of the mall; this is what he is having problems with.

Councilwoman Siskind asked how much can location contribute to this compared to the location of the Wellington Mall.

Mr. Lavash advised that visibility strengthens the anchors, the inline tendencies and population. He said that there are a host of metrics that form those numbers.

Mayor Gerwig asked if all mall retail is suffering along this process.

Mr. Lavash responded to a question from Mayor Gerwig.

Mr. Moriarity commented that there has been a significant shake out in the shopping mall industry. The International Council of Shopping Centers (ICSC) of Malls indicated that up to one-third of all malls in the United States will likely close. He explained what it means for well-established malls such as Boca Town Center and the Palm Beach Gardens Mall that are on the strong survival list. There is a list of malls in various states of condition and occupancy that have a bigger struggle ahead.

There were comments by Council regarding the positioning of the mall.

Mr. Little responded to comments made by Council.

Mr. Lavash continued with the presentation and discussed the Market Summary: Housing.

There was discussion regarding residential and commercial uses.

Mr. Moriarity discussed the Market Summary: Retail & Hotel slide. He mentioned that there is a lot of new competition coming in the immediate area.

Mr. Lavash clarified that the number of rooms approved at Avenir is 300 and 150 rooms are planned for Westlake.

Mayor Gerwig commented that Avenir is a significant distance from Wellington; whereas Westlake is much closer.

Mr. Lavash responded to comments from Mayor Gerwig. He noted the net absorption for retail space in Wellington and decline of retail space.

Mr. Little mentioned the mixed-uses and the induced markets.

Mr. Lavash commented that the plan approved needs to have sufficient flexibility to respond to the market conditions; as the conditions will change over time.

Mayor Gerwig commented on the Palm Beach Outlet Mall and inquired why it was not brought up. She asked if this is just another category and what are the trends happening there.

Mr. Moriarity and Mr. O'Dell responded to comments and questions from Mayor Gerwig.

There were comments and discussion regarding traffic, outlet malls and downtowns.

Mr. Lavash continued the presentation and presented the slide Market Summary: Office. He advised that office and retail have been a challenge because of the pandemic. However, regarding the industry as a whole, there are uncertainties in part because of working from home. This would suggest caution in the market update.

Mayor Gerwig commented that she does not hear this from anyone else.

Mr. Lavash responded to comments from Mayor Gerwig.

Mayor Gerwig commented on the retail and restaurant spaces that turned into office, medical office and line office space. She inquired if this tracked into the table uniquely.

Mr. Lavash responded to comments and questions from Mayor Gerwig.

Mayor Gerwig asked staff to find out why restaurants are turning into medical office space but Lotus cannot rent out their medical office space.

There was discussion regarding backfilling existing inline retail and restaurants classified as B and C Grade office space being different than leasing brand new office space.



Mr. Moriarity continued and presented slide the Multi-Functional Sports Complex (75-100,000 s.f).

Mr. Little pointed out that this was not one of the industry sectors part of the market study. He stated that the TCRPC is not saying that this is supportable; but in meetings with staff and Mr. O'Dell's meeting with the Sports Commission, there is a feeling that there is a need for this type of tailored facility. He stated TCRPC's interest from a planning perspective. He presented and discussed the Design Concepts.

Mr. Lavash presented the Economic Impacts.

Mr. Moriarity presented the Implementation Issues and Strategies.

Mayor Gerwig inquired on the light rail transit project.

Mr. Little responded to Mayor Gerwig's inquiry.

Mr. Moriarity continued presenting the Implementations. He stated it critical to revisit the state of the mall.

Mr. Little presented the Project Report. He noted that the next steps are being developed for the Project Report. He said that it is critical that the momentum and the dialog remain. He mentioned the two articles in the Palm Beach Post.

There were comments by Council regarding the articles and the commute.

Mr. Little responded to comments from Council. He thanked Council for their time. He said TCRPC hopes to submit the first draft at the end of this month or ideally the first week of February. He said that it has been an absolute privilege to work with Mr. O'Dell the past two years.

There were comments by Council regarding the data for the report.

Mr. Little responded to comments from Council.

Mayor Gerwig asked Mr. Barnes if there is anything to add.

Mr. Barnes responded to a question from Mayor Gerwig.

### **3. COUNCIL COMMENTS**

None.

**4. ADJOURN**

There being no further business to discuss, the workshop adjourned at 3:55p.m.