



T H E

ROSS REALTY

G R O U P, I N C.

*Newsline*

## new assignments

The Ross Group was recently awarded the leasing responsibilities of three properties owned and managed by Glenborough Realty Trust, headquartered in San Mateo, California. The prestigious Park Place complex in



Park Place

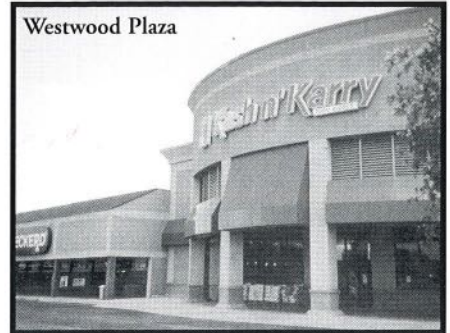
Clearwater is comprised of a 164,538 square foot six-story Class "A" office building and three single-story office/retail buildings known as The

Promenade. Ross associate, Shari Green, states: "With easy access to Gulf to Bay Boulevard, this property is located minutes from the Tampa and St. Petersburg Airports as well as restaurants, shopping and a health club. Having on-site management and a park-like environment also make this complex very attractive to tenants."

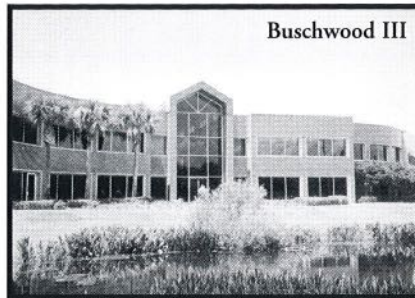
Another Glenborough property is Buschwood III, a beautiful Class "A" two-story 76,930 square foot office building located in Tampa. This property offers

competitive rates and convenient access to North Dale Mabry, I-275 and Veterans Expressway. The two-story glass atrium and suites with floor-to-ceiling windows truly

enhance this property. The third assignment to Ross is Westwood Plaza Shopping Center located on Gunn Highway in the affluent Carrollwood community of Tampa. This newly renovated 99,304 square foot center is anchored by Kash N' Karry and Eckerd. As stated by Elliott Ross,



Westwood Plaza



Buschwood III

"Our mission is to procure the most creditworthy tenants through the use of creative and pro-active marketing strategies. This will in turn generate higher net effective rents and maximize the value of each property."

## could the **color** of your building boost occupancy?

By Julie Fine, Ross Associate

**Take a shopping center painted "Florida pink", paint an unattached vacant section Sail-cloth white with teal trim accents, and in 60 days 3,700 square feet is leased and 24,000 square feet is under negotiation.**

**FACT or FICTION?** Read on . . . Color is a marketing tool in every consumer product. There is even an association of professionals with 1,500 members from all industries who forecast the direction of color. It is the driving force in decisions to buy everything from cereal to the latest ski

outfit. Just as fellow skiers would know by the color of your outfit how connected one is with the sport, our consumers sense the personality of the complex by its updated look. The bold look that drew attention in the 80's has been softened to the 90's with the word "classic". Colors are warm, soft, natural and unobtrusive. We are in a fast-paced, exhaustive lifestyle, and natural tones help us get back to the basics. They relax and calm.

One or two "natural" tones with 10-15% of strong accent color appear to be the key in current color choices.

con't on pg. 3



## teamplayers

The Ross Group property management/asset management team provides the expertise to manage all types of commercial/investment real estate. "Our expertise can assist the owner achieve his or her objectives from asset management decisions to hands-on implementation of successful plans that effect the bottom line and add value to the asset," says Ross Senior Property Manager Keith Riddle. Supported by financial and project activity reporting to constantly evaluate the performance of these plans, the Ross staff is pro-active in making decisions to achieve the owner's objectives.

The Ross Realty Group believes that property/asset management is a cost that is not an expense but a value-added service to the owner.

Keith A. Riddle, CCIM, CPM, is the Senior Property Manager monitoring all phases of our management program. Keith has over 30 years experience in commercial real estate, successfully managing, leasing, and selling retail, industrial, office and residential properties. He also has experience with a financial institution as a "work out" officer specializing in turn-around projects. Keith has shown his commitment to commercial real estate by earning the professional designations of Certified Commercial Investment Manager (CCIM) and Certified Property Manager (CPM). Additionally, Keith is a Realtor, a Florida real estate and mortgage broker as well as a licensed Captain by the U.S. Coast Guard.

Another member of the Ross management team, Floyd Johnson, CPM, recently joined the Ross team with 20 years experience in real estate management emphasizing in tenant relations, contract negotiations, tenant finish construction and lease negotiations. He has effectively managed commercial properties in excess of 1,800,000 square feet, including office, retail and industrial complexes. Floyd's responsibilities at Ross include the Pinellas County retail and office properties of Harbor Park, Newport Square Office Complex, Palm Harbor Shops, Trophy Plaza, The Shoppes on Sand Key and the newly acquired Largo Bazaar.

## impactfees

Beginning in the 60's and early 70's, several major factors occurred which would change Florida forever. **New interstate highway**

**systems opened inexpensive travel to millions of tourists.**

**Improved air travel and higher demand resulted in major**

**Florida air terminals being built.** Hundreds of motels and

restaurants were built along the interstates and around the airports.

Manufactured homes and recreational vehicles became very popular.

Disney World opened in 1972 followed by other major theme parks.

And, the Florida cruise ship industry capitalized on the tourist trade

making Florida the cruise capitol of the world.

All of these factors created thousands of new jobs, and Florida's population increased by nearly 5 million people between 1970 and 1980. As a result, the infrastructure (municipal utilities, roads, schools, police and fire departments as well as waterways) was in serious trouble. In response, Florida legislature commissioned a study and in 1985, the Florida Growth Management Law went into effect. It stated that all municipalities in the state had to have a plan as to how it would handle growth to the year 2000. Some implementation began in 1986 and by 1990, most municipalities had the plan in full force. Since 1990, two major expansions of the plan were required to cope with the growth to the year 2010 followed by the year 2015.

As part of the Growth Management Act, a new tax called "Impact Fees" was instigated. As a result, all new development must pay for how it impacts transportation (roads), municipal utilities, schools, police, fire, environment and other agencies. Impact fees are determined by complex mathematical formulas and are negotiable. Each municipality can determine how low (zero) or how high it will charge. The following two land transactions completed by Ross agent Verdon E. "Don" Alexander, Jr., CCIM, exemplify how impact fees affect the real estate business.

**1** The Buyer purchased a small parcel of land in Tampa for \$69,000 to construct a 3,200 square foot medical office building. The first quote by the city for impact fees was \$46,000. By reducing the building square footage to 1,300 square feet on the ground floor and the same square footage on the second floor,



It is amazing that Congress can assemble the largest group of tax changes since 1986 (over 300 major changes) and have the audacity to call the Act ... "Tax Relief". Such is the way of Congress. We are all left attempting to decipher the changes made, so that we can take advantage of the opportunities and avoid the pitfalls for both ourselves and our clients. "Tax Complexity" continues to mount. While we await the battery of technical corrections to the Act, we find nestled within the "quagmire" five categories of capital gains taxation and four categories of IRA's to choose from.

In the meantime, the following tax planning techniques can be used to cut away from a real estate deal the negative elements of income, capital gains and estate taxation:

- **1031 Like Kind Exchanges**
- **Charitable Remainder Trusts**
- **Capital Gains Tax Planning**
- **Pension Contribution Design**
- **Numerous Others**

# The Tax Relief Act of 1997 & The Real Estate Industry

By Nicholas L. Gregory, CFP, CEBA, CIC

In addition, for depreciated real estate held more than 18 months, "capital gain" will be taxed as in the following example:

Mr. and Mrs. Tax Averse (39.6% tax bracket) own a rental property which they purchased 7 years ago for \$200,000. So far, they have taken \$30,000 in depreciation deductions, so that the property's adjusted tax basis is now \$170,000.

They receive an offer on the property in 1998 for \$300,000 realizing a \$130,000 long term capital gain but hesitate because of the taxation. Under the new law the depreciation recapture amount (\$30,000) will be taxed at only 25% (was 28%). The remainder of the gain of \$100,000 will be subject to tax of only 20% (was 28%). A tremendous tax advantage (in this case; \$8,900 of tax reduction versus prior law) and a potential "Deal Closer"!

Being that both the IRS as well as both real estate sellers and buyers treat "ignorance" as "no excuse", perhaps we should all become more familiar with the new tax changes surrounding real estate transactions.

**Building Color** con't from pg. 1

The advice of a color professional, designer, architect, etc. is paramount to making a wise decision on the direction of the property. A color facelift is necessary to compete and to set a strong and positive tone. Does your property look hi-end, budget, cutting edge or backward? Does the look match the lifestyle (color, design, cleanliness) of the shoppers you wish to attract? If The Ross Realty Group manages or leases your property, you already know this is just one of our methods of achieving the maximum income and value for your investment.

It is a FACT! Belleair Place Retail/ Office Center in Largo is reaping the benefits of the new color scheme. Other Ross listings that have benefited from exterior color changes include the upscale Shoppes On Sand Key in Clearwater and East Bay Plaza in Largo.

For a copy of a recent article on the impact of color in shopping centers contact Julie Fine or your agent at The Ross Group. Julie Fine, CSM, is certified by the International Council of Shopping Centers and has been involved in commercial real estate since 1972. Email at juliefine@rossrealty.com.

**Impact Fees** con't from pg. 2

Don was able to negotiate the impact fees down to \$22,000.

*NOTE: All municipal utilities were to the site and the street had just been widened to four lanes with storm drainage in front of the site. The \$22,000 was a tax for the right to build.*

**2** The purchase of 37.5 acres for \$450,000 by a municipality (the Buyer). A tour of the property revealed the following: many auto, truck and tractor tire discards, two collapsed manufactured homes, petroleum surface soil stains, a trailer which stored herbicides, thousands of wooden tomato stakes and numerous other items strung throughout the acreage. The Seller (a Mexican Trust) looked to the broker, Don Alexander, to solve his problems to effect the sale. One environmental company wanted to dispose of the herbicides in Michigan and another wanted to dispose the material in Arkansas. However, with Don's persistence, he was able to locate Florida state-approved disposal facilities for the tires, another facility to burn the petroleum contaminated soil, and a third facility to bury the contaminated herbicide soil. By contracting with three different companies to perform specific clean-up tasks, Don was able to reduce the property clean-up cost from as much as \$75,000 to approximately \$18,000.

These are examples of the value of utilizing an experienced and knowledgeable real estate professional who treats his clients' challenges as if they were his own.



# CURRENT OPPORTUNITIES



THE  
**ROSS REALTY**  
GROUP, INC.

## land:

### **Laurel Street/Westshore**

2.15 Acres MOL. Tampa's Premier Office District conveniently located close to Tampa International Airport and Westshore Business District.

### **I-75/State Road 60**

5.0 Acres MOL. Pride Road, east of I-75 and North of State Road 60

### **126th Avenue North**

5.05 Acres located on the south side of 126th Avenue North.

### **Park Blvd./84th Lane**

3 Acres MOL. Southeast corner of Park Blvd. and 84th Lane, zoned C2- General Commercial.

## office:

### **Harbor Park**

Premier Class A office building located in upscale Palm Harbor, minutes from Countryside Mall.

### **ICOT Office Center**

Garden offices in park-like setting located off Ulmerton Rd. Suites available from 1,924 to 7,358 SF.

### **Crownpointe Business Park**

3,500 SF Combination Office/Warehouse space. Great central location on the corner of Ulmerton and Starkey.

### **The Keenan Building**

Contemporary professional complex strategically located mid-county on a major north-south artery (66th St.).

## retail:

### **Palm Harbor Shops**

Highly Visible Center on US19, Pinellas County's main highway. Located just north of Alderman Road, with ample parking.

### **The Shoppes on Sand Key**

The only retail center on exclusive Sand Key. Surrounded by upscale waterfront estates & condos, with excellent exposure and customer parking.

### **The Fountains**

Upscale office/retail center with great demographics. Located in a high traffic corridor with frontage on US 19.

### **Belleair Place Shopping Center**

Unique Winn-Dixie Anchored retail/professional center on 5-acre lake. Serves two markets: exclusive Belleair and mid-income Largo area.

### **East Bay Plaza**

Albertson's/Scotty's anchored center with a highly visible mid-county location at busy East Bay Drive and Belcher Road.

## industrial:

### **Tyrone Area**

Modern attractive office/light manufacturing condo 3,390 SF. Located off 66th St. N on CR16, offering easy access to mid-Pinellas and Tampa.

### **Sunshine Industrial**

5,000+ SF units for lease on 126th Av. North

### **Gulf Park Industrial**

Warehouse units from 300 SF to 2,650 SF conveniently located near I-275 and E. Fletcher. Zoned CG.

### **Elliott M. Ross, CCIM**

President

### **Associates**

Verdon E. Alexander, Jr. CCIM

Shari Green, Office

Julie Fine, CSM, Retail

Lill Hanson, Retail

Judy Haner, Office

Gerald Pendrick, Retail/Office

Karin Stewart, Office/Retail

Mike LaRussa, Office/Retail

Diane Hamilton, Office

### **Property Management**

Keith Riddle, CCIM, CPM, Sr. Property Manager

Floyd Johnson, CPM, Property Manager

Johanna Clemons, Property Manager

Randy Hegwood, Property Manager



THE  
**ROSS REALTY**  
GROUP, INC.

First Union Building • Clearwater Mall  
20505 U.S. Hwy. 19 North, #502  
Clearwater, Florida 33764-7313

Phone: 727.725.2800  
Fax: 727.726.6780

BULK RATE  
US POSTAGE  
PAID  
St. Petersburg, FL  
Permit # 441