

TOWN OF HOWEY-IN-THE-HILLS
MAJOR DEVELOPMENT SUMMARY
OCTOBER 2024



PREPARED BY
TMH CONSULTING, INC.

INTRODUCTION

In the period between 2005 and 2008, the Town approved a series of major development projects using planned unit development zoning for the most part and developing projects that conformed to the Village Mixed Use land use classification added to the Town's comprehensive plan in 2010. Many of these projects stalled during the recession beginning in 2008, and as the Florida economy moved out of the recession, there were several requests to revise the approved projects based on changes in the housing market and other factors that were applicable to the individual projects. Additionally, the very active housing market that has emerged in Florida generally and in Central Florida prior to the pandemic increased pressure to move these suspended projects through the approval process.. That strong market continued to some degree through the pandemic and resumed growth thereafter. More recently the rise in interest rates has affected some of the players in the Central Florida housing market including projects proposed in Howey, but demand for additional housing remains evident.

Since 2020, TMH Consulting Inc. has prepared an annual summary of major development projects with the report typically issued in the Fall months. In 2024 the Town Council will undergo a significant change with three new members being seated. Hopefully, this updated report can be an educational tool providing the status of the ongoing projects.

This report serves as this status report. The attached map titled "Howey-in-the-Hills Major Projects October 2024" provides a location for each project. The report will provide a summary of each project and offer some information about the project status. The information provided addresses the comprehensive plan and zoning status of each project. The data profile has been expanded to include information on the provision of public services and to present information about the comprehensive plan and zoning status in a tabular format for easier reference. As has been done previously, the projects have been divided into groups with the first group being projects that have some level of development approval; the second group being projects that are more speculative in nature as no final development approvals have been issued; and a third group of projects that have no active development proposal. In some cases, non-local approvals such as state permits are still required. As a number of projects have changed names, the reference in the report and on the map have been updated to reflect the most current data.

Since the 2023 update the Talichet development has essentially been built out and the Venezia Townhouse project is rapidly nearing completion. Of the other major projects with zoning approval only Hillside Groves has a final subdivision approval for the first phase of residential development and is ready to construct subdivision improvements. The Mission Rise project has received final zoning approval along with an approved concept development plan. The Watermark project has filed an application to expand the project by adding approximately 33 acres to the south side of development. The expanded plan still needs final approval and therefore it is identified separately in the report.

Table 1 lists recently completed projects. These include Venezia Townhomes and Talichet Phase 2.

TABLE 1 RECENTLY COMPLETED DEVELOPMENT PROJECTS TOWN OF HOWEY-IN-THE-HILLS OCTOBER 2024			
PROJECT	SINGLE-FAMILY	MULTI-FAMILY	TOTAL UNITS
Venezia Townhomes		113	113
Talichet Phase 2	21		21
Total	21	113	134

TABLE 2 MAJOR DEVELOPMENT PROJECT PROPOSALS TOWN OF HOWEY-IN-THE-HILLS OCTOBER 2024		
DEVELOPMENT ENTITLEMENT	SPECULATIVE	NOT ACTIVE
Lake Hills	Whispering Hills	Thompson Grove
Mission Rise	Cedar Creek	Westminster Parcel
The Reserve/Hillside Groves		J5 Equities
Watermark		

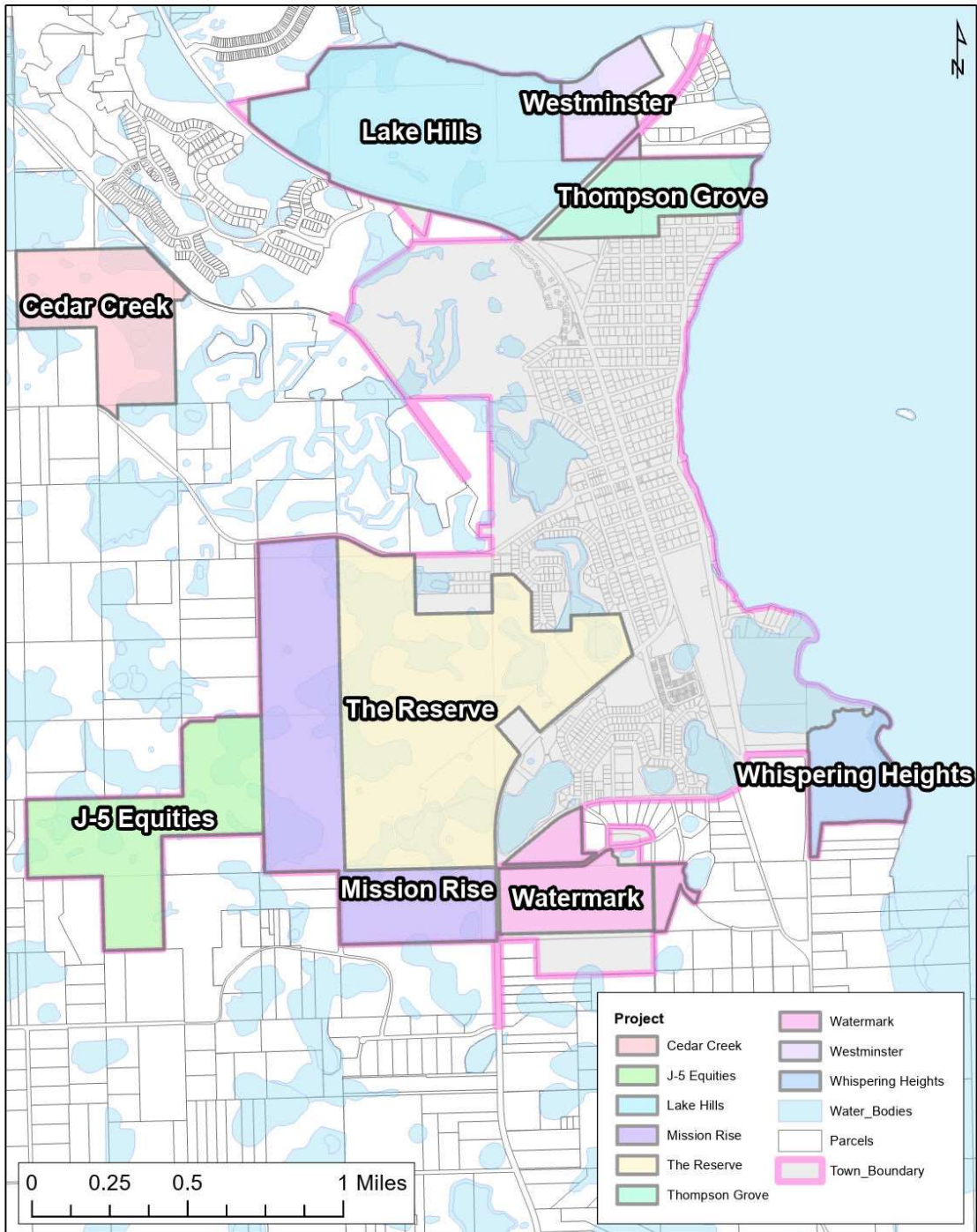
PROJECT SUMMARIES

The individual projects will be reviewed in the following sections except for the Venezia Townhouse and Talichet Phase 2 developments which have moved into the completed stage. The projects are grouped as those projects with at least zoning approval; those projects which need a final zoning approval; and past projects that have been discussed generally or submitted for development approval but are not active currently. Projects which are inactive will require a new application for development review.

Ongoing Projects and Projects with Some Approval Status

The following projects have zoning approval with the ability to move through the development review process to initiate construction.

Howey in the Hills Major Projects October 2024



Lake Hills Development

The Lake Hills project is located at the intersection of CR 48 and SR 19. The current project was approved in a revised development agreement completed in 2016. As designed the project allows up to 780 housing units divided among single-family lots in a variety of lot sizes, attached dwellings and townhouses. The project also allows 150,000 square feet of commercial use and 176,000 square feet of institutional use. The Lake County School District has purchased the institutional land use tract of 19-acres for use as a future school site, and the Town has purchased a two-acre tract off County Road 48 for the north water plant replacement. The water plant replacement is underway.

With regard to the residential portion of the development, the Town approved an application for preliminary subdivision plan approval for 571 units, which are to be age restricted to 55 years of age and older. The residential area is proposed for development in five phases as summarized in the table below. The project will have adequate water available to support development once the new wells are installed. The project still needs a sewage treatment capacity commitment.



LAKE HILLS RESIDENTIAL UNITS BY TYPE AND PHASE

Lot Size	Unit Type	Phase 1	Phase 2	Phase 3	Phase 4	Phase 5	Total
40	2 Family	0	18	42	38	0	98
50	SFR	31	44	149	60	37	321
60	SFR	26	32	25	36	33	152
Total		57	94	216	134	70	571

In addition to the residential development the Town has granted a preliminary site plan approval to the commercial portion of the project. The project proposes a grocery store (50,800 square feet), a liquor store (2,100 square feet) and a retail building of 8,400 square feet. The project will also include four outparcels as follows:

Outparcel A 3.58 acres
Outparcel B 0.97 acres

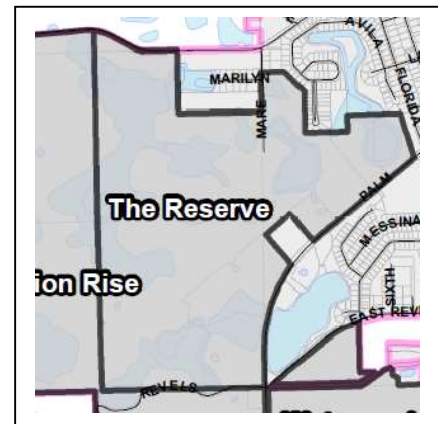
Outparcel C 1.09 acres
Outparcel D 2.34 acres

The Reserve (Hillside Groves)

The residential portion of the Reserve project was amended in November 2021 (Ordinance 2021-010) to modify the street layout and types of units permitted. The 2021 amendment included 284 single-family homes on standard lot designs, 291 single-family cluster homes and 153 townhouse units. Additionally, the plan allows a self-storage facility of up to 105,000 square feet, office, and commercial space up to 300,000 square feet and institutional use up to 100,000 square feet. The master plan also includes six single-family lots along South Florida Avenue that match the lot sizes of the units on the east side of South Florida Avenue. The revised plan for the residential sections of the project includes major revisions to the street layout, a completely revised park plan, and an expanded bicycle and pedestrian network.

In September 2022, an amendment to the November 2021 preliminary subdivision plan was submitted that refined the residential portion of the project. The unit mix was revised to include 302 single-family units, 280 cluster units and 146 townhouse units, but the major changes were to the roadways. The collector road through the residential portion of the project was reduced to two-lanes and several other road alignments were modified.

The residential portion of The Reserve PUD has been named Hillside Groves. On November 13, 2023, the Town Council approved the final subdivision plan for Phase 1 of the residential portion of the project. This approval allows for construction of subdivision improvements, but to date no construction has begun. The Reserve project does have a sewer commitment with reserved capacity, and the Town has the ability to serve the project with potable water.



The non-residential portions of The Reserve have not begun development other than the Howey Self-Storage project which has received a final site plan approval. No timeline is available for the construction of the self-storage project.

HILLSIDE GROVES RESIDENTIAL UNITS BY TYPE AND PHASE

Lot Size	Unit Type	Phase 1	Phase 2	Phase 3	Phase 4	Total
50 x 80	SFR	129	0	103	48	280
50 x 115	SFR	116	0	32	154	302
27 x 100	TH	0	146	0	0	146
Total		245	146	135	202	728

Watermark (Simpson Parcel)

The Watermark project is located at the southeast corner of the intersection of Revels Road with SR-19. On November 28, 2022, the Town Council approved Ordinance 2022-16 allowing the Watermark development with 225 single-family lots. The lots measure 80 x 120 and 70 x 120 with at least 50% of the lots being 80 feet wide. The development agreement for the project was fully executed and recorded in March 2023. There is water capacity for the project, but sewer capacity still needs to be reserved. Line extensions for both services will also be required.

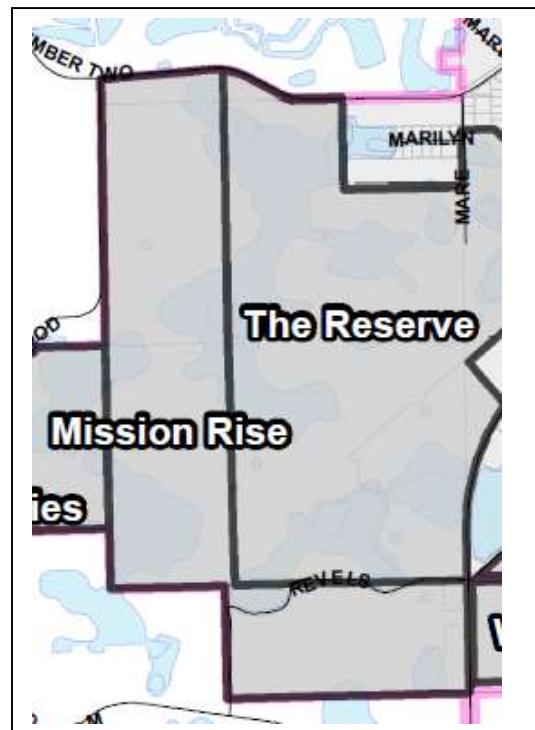


In late June 2024, the Watermark developer submitted an application to modify the project to increase the project size by 80 units based on the inclusion of a 33+/- acre parcel adjacent to the south boundary of the original project into the expanded project. The application was reviewed by the Town's Development Review Committee in August 2024. In accordance with the recently adopted comprehensive plan amendments, the applicant was advised that any lots added to the project based on the increase project size needed to be a minimum of one-quarter acre in size. The quarter-acre lots may be placed anywhere within the project based on design needs, but any lots above the originally approved 225 lots need to be the larger size. The Town is waiting for a resubmittal of the plan and the revised development agreement.

Mission Rise

The Mission Rise development is a large L-shaped parcel connecting between SR 19 and Number Two Road. The project has been through several iterations with different combinations of unit types and lot sizes. In early 2024, the Town Council approved Ordinance 2024-001 and the associated development agreement that allows an approved project of 410 units. According to the agreement, 20% of the lots must be at least 9,600 square feet and the balance of the lots must be at least 8,400 square feet. These lot sizes are roughly equivalent to the Town Center Residential (TC-R) and Town Center Flex (TC-F) zoning.

This project does not include any commercial development component, but it does have an enhanced recreation element including a multi-use bike/pedestrian facility connecting Number Two Road and SR 19.



Speculative Projects

The projects that have been designated as speculative projects are proposed developments that have been presented to the Town for review but have not yet attained any formal approval status. Depending on future actions, these projects may be approved as submitted, undergo modification prior to approval or fail to obtain development approvals. In addition to the following projects being considered by the Town, there is a nearby project, Drake Point, which includes 530 single-family units located north along CR 48 that has been approved by Lake County and would clearly impact traffic in Howey. The Drake Point project has been approved to provide its own water and sewer plants. The Drake Point project has not seen development activity since the approval.

Whispering Heights (Formerly Whispering Hills)

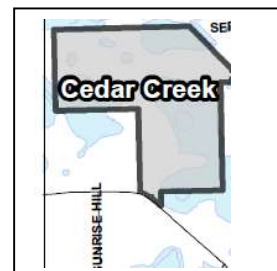
Whispering Heights has been added to the speculative project list due to the confusion over the zoning status of the project. It was believed that the project had been rezoned from MDR-1 to MDR-2 to allow for a modest increase in the total number of units in exchange for moving the project from onsite septic systems to Town sewer. The project had gone through an approved preliminary subdivision plan based on MDR-2 zoning and had applied for final subdivision plan when it was discovered that neither the MDR-2 zoning, nor the accompanying development agreement had been fully documented as being completed. The legal staff determined the original MDR-1 zoning remains in place. The applicant is seeking a rezoning action to return the site to MDR-2 zoning, but the outcome of this request has yet to be determined,

As proposed under the MDR-2 zoning the Whispering Heights project would consist of 156 single-family lots within minimum lot sizes of 75 x 120 feet or 9,000 square feet. The lots fronting on Little Lake Harris are larger with 100-foot minimum lot widths. The project has some extensive off-site improvements as longer runs are needed to connect to Town water and sewer. The project is proposed as a gated community with private streets.



Cedar Creek (Carter Trust Property)

This project consists of approximately 161 acres located west of the Mission Inn development and north of Number Two Road. The project is in unincorporated Lake County but within the Town's utility service area. The applicants are pursuing development approval under Lake County regulations with an agreement to annex into the Town and connect to the Town's water system. The current plan calls for 105 single-family homes with access from Number Two Road.



Currently Inactive Projects

There are three additional projects that have generated some discussion regarding potential development but are currently inactive. The Westminster parcel and the J5-Equities parcel never achieved any status beyond conceptual discussions. The Thompson Grove project did generate an application for amendment of the comprehensive plan and rezoning to allow development on smaller lots than would be permitted under the current land use and zoning designations. The Thompson Grove project was suspended, and the time elapsed since the last action on the project has resulted in the proposal being declared abandoned. Any development proposal will need to start with a new application.

Thompson Grove

This project is located at the southeast corner of the intersection of CR 48 with SR-19 and extends from SR 19 to the northern end of "Old Howey" east of SR 19. The proposal submitted was for 272 single family lots and an amenity center. Proposed lot sizes include 100 x 120 (21 lots), 60 x 120 (58 lots) and 50 x 120 (193 lots). The proposal exceeds the maximum density of two units per acre allowed by the Low-Density Residential Land Use applied by the comprehensive plan. The property owner was seeking approval to amend the future land use designation to medium density residential (now maximum three units per acre) and to approve a PUD permitting lot sizes as described above. A minor annexation is also required. These applications went through technical review through the Town's development review process, and in February 2023, the applicant requested that review of the applications be suspended until further notice. The project has been declared abandoned.



The property owner was seeking approval to amend the future land use designation to medium density residential (now maximum three units per acre) and to approve a PUD permitting lot sizes as described above. A minor annexation is also required. These applications went through technical review through the Town's development review process, and in February 2023, the applicant requested that review of the applications be suspended until further notice. The project has been declared abandoned.

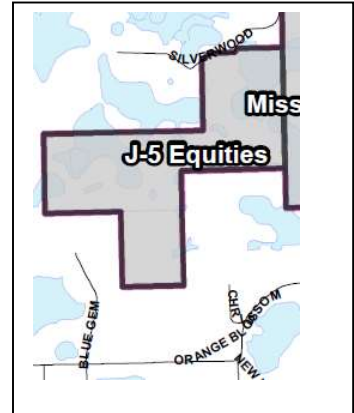
Westminster Parcel

This project site is located just west of the bridge on the north side of SR-19. It abuts the eastern end of the Lake Hills property. The conceptual discussion for the project was for senior housing in two basic types. The project was considering 300 to 350 townhouse units for independent living and an ALF of undetermined size. Based on the parcel size, residential density will approach ten units per acre. The property is still within unincorporated Lake County and will require annexation, amendment to the comprehensive plan and application of suitable zoning. This project is currently on hold pending further action by the applicant.



J-5 Equities Proposal

This project proposal would encompass the remaining Town area west of the Mission Rise location. The Town has held a pre-application meeting for the project area, but no formal applications have been received. The project proposed about 600 residential units which will require development under the Town’s Village Mixed Use land use classification, which is the land use designation currently applied to the property. The property is currently zoned agriculture and is being used in that manner. Proposed residential lot sizes have not been determined. If the development proceeds, a rezoning to PUD is required by the comprehensive plan, and development must meet the Village Mixed Use requirements. A portion of the project area falls within the County’s Yalaha-Lake Apopka Rural Protection Area. There is no information at this time on how this designation might impact the project design.



STATISTICAL SUMMARY

The following tables summarize the individual projects that have some level of approval to provide an overall planned development total for the Town and those projects that have been proposed but do not yet have approval status. The single-family component for Venezia South is excluded as these units are essentially part of the developed portion of the Town.

TABLE 3 DEVELOPMENT PROJECT PROFILES APPROVED PROJECTS					
Project	Single-Family	Multi-Family	Total Units	Commercial Area	Other Area
Venezia South				85,000	
Lake Hills	571		571	150,000	176,000
The Reserve	582	146	728	300,000	205,000
Watermark	225		225		
Mission Rise	410		410		
TOTAL	1788	146	1934	535,000	381,000

Notes:

1. Venezia South residential phases are complete. Only commercial area remains.
2. Lake Hills is the approved preliminary subdivision plan. Some units are attached.
3. The Reserve data is the most recent approved amendment total.

TABLE 4 DEVELOPMENT PROJECT PROFILES PROPOSED PROJECTS WITH NO APPROVAL STATUS					
Project	Single-Family	Multi-Family	Total Units	Commercial Area	Other Area
Whispering Heights	156		156		
Watermark Addition	80		80		
Cedar Creek	105		105		
TOTAL	341		341		

Notes:

1. Whispering Heights total is the most recent plan.
2. Watermark Addition is the estimate of unit yield from the additional project area.

Tables 5 and 6 provide additional information on the status of those projects that have received some level of development approval. Table 5 identifies the current land use designation from the comprehensive plan, the current zoning assigned to the property and the project status in the subdivision process. The Preliminary Subdivision Plan lays out the basic lot and street patterns. The Final Subdivision Plan includes the detailed engineering necessary to verify compliance with the state and local codes and authorizes the start of construction. The Final Plat formally records the lots in the public records and allows the lots to be sold.

Table 6 provides a summary of the project status regarding potable water, sanitary sewer, and the provision of recreation facilities. For water and sewer, the table identifies if the project has a commitment of treatment capacity and whether distribution and collection lines have been extended to the site. The status on recreation notes whether the project includes parks and/or community facilities such as a community building.

TABLE 5 DEVELOPMENT PROJECT STATUS LAND USE, ZONING AND SUBDIVISION MARCH 2023					
Project	Comp Plan	Zoning	Prelim Sub. Plan	Final Sub. Plan	Final Plat
Venezia South	VMU	PUD	Yes	Yes	Yes
Whispering Heights	MDR	MDR-1	No	No	No
Lake Hills	VMU	PUD	Yes	No	No
The Reserve	VMU	PUD	Yes	Yes	No
Watermark	MDR	PUD	Yes	No	No
Watermark Addition	MDR	MDR-1	No	No	No
Mission Rise	VMU	PUD	Yes	No	No

Note: VMU is Village Mixed Use and MDR is Medium Density Residential.

The Reserve Final Subdivision Plan is Residential Phase 1.

TABLE 6 DEVELOPMENT PROJECT STATUS WATER, SEWER, AND RECREATION MARCH 2023					
Project	Water		Sewer		Recreation
	Capacity	Lines	Capacity	Lines	
Venezia South	Yes	Yes	Yes	Yes	No
Whispering Heights	Yes	No	No	No	Yes
Lake Hills	Yes	No	No	No	Yes
The Reserve	Yes	No	Yes	No	Yes
Watermark	Yes	No	No	No	Yes
Watermark Addition	Yes	No	No	No	Yes
Mission Rise	Yes	No	No	No	Yes

Development project tracking is a dynamic process as project concepts can change rapidly and new projects are presented. Most Howey residents are aware of highly active development proposals further west in the Leesburg area and Groveland to the south has been a very active development area in recent years. The Town has received inquiries about land area along the Town’s southern border, but none of these inquiries have moved to the point of preliminary discussions sufficient to identify a project scope.

DEVELOPMENT TRENDS

2024 is the fourth consecutive year that this major development summary has been produced. Over the past three years some development trends have emerged, and it seems appropriate to call out these trends as the Town reviews projects and looks to decide on the future of the developments, both entitled and prospective. The key trends and issues identified to date are as follows:

Smaller lot sizes: There is almost a universal push from the development community to build on smaller lots developed as single-family ownerships. The predominant size for requested lots is for a 50-foot-wide lot with varying lot depths from 100 feet to 120 feet. With Watermark, Mission Rise, and the pending Cedar Creek, the Town has been successful in moving the projects to include larger lots than originally proposed. The Town has also taken formal action to amend the comprehensive plan and land development regulations to require a minimum of one-quarter acre lots for most development where there are no current entitlements.

House sizes remain large: While lots are shrinking, house sizes are not. Few units are being constructed at the minimum dwelling unit size required by code. Having larger houses does help maintain higher property values, but

the parcels have relatively high lot coverage and smaller setbacks, especially for side yards. The outcome is houses that are close together, typically 10 feet between units, and reduced space to accommodate accessory structures including sheds and swimming pools. Again, the Town has amended land development regulations to require more space between houses.

Single-family units dominate: While the Village Mixed Use land use category and the use of planned unit development zoning offers the opportunity to develop mixed use communities, single-family units dominate the building types. The Town has expressed a strong sentiment for owner-occupied single-family units and this desire may be directing the proposed unit mix to some extent.

Affordable housing is limited: The dominance of single-family units in the product mix and the continued larger size of housing units negatively impact the affordability of new housing stock. While unit type and unit size are far from the only factors limiting housing affordability they will have a negative effect on affordability.

Subdivisions not neighborhoods: Except where the Village Mixed Use land use category demands the inclusion of recreation opportunities and civic land uses including community centers, churches and schools, most projects are simply subdivisions with no elements that contribute to neighborhood identity and opportunities for social interaction. Venezia South and the Talichet subdivisions are clear examples of this trend. They offer no community-based assets that might promote social interaction among subdivision residents. The only common areas are stormwater retention ponds. The large Village Mixed Use projects such as The Reserve, Watermark, and Lake Hills do include parks, walking and cycling trails, and community facilities because they are mandated by the VMU policies or negotiated through the PUD process.

Early commercial interest: When the Lake Hills project appeared to be moving forward with its residential development, the Town saw the first interest in developing in any of the approved commercial areas. This action suggests the Town and environs are getting close to the residential base that would support additional commercial development. The Lake Hills commercial area has received a preliminary site plan approval, but no final site plan has been submitted as yet.

Traffic issues are emerging: The most recent traffic impact assessments show intersection issues at key locations along SR 19. As development impacts Number Two Road, this route will need some upgrade as well. It is substandard in width and the right-of-way is limited for much of its length. The Town is working on a fair share program for traffic mitigation as a partial solution to these problems. Coordination will be required with FDOT and Lake County as the controlling agencies for the arterial and collector roads serving the Town, and quite a bit of work remains to put the fair share system in place.

New school capacity: The new residential projects are encountering concurrency issues with schools and Lake County Schools are experiencing capacity problems at the elementary, middle, and high school levels. The school district has responded by purchasing a 19-acre school site identified within the Lake Hills development, and by entering into mitigation agreements that provide funding to assist with other school capacity projects.

Regional impacts: As the Town considers development within its borders, it is important to keep in mind that extra-jurisdictional impacts are still likely. The closest example of this is the approved Drake Point project on CR 48 between SR 19 and Yalaha. But there are also projects in Leesburg to the west and Groveland to the south which will impact Howey, especially roads, to some degree.

SHORT-TERM CHALLENGES

As the pending development projects move forward in the development review process there are four short-term challenges that need to be addressed and resolved.

- The Town needs to complete the construction of the north water treatment plant and bring it online. This project is essential to supporting the cluster of projects in the SR-19 and CR-48 area, as well as supporting water supply and water pressure for the northern half of the Town.
- The Town needs to finally resolve the sewage treatment capacity issues with the current provider or put forward an alternative solution for sewage treatment. The community development district has recently changed its position on available capacity, but most of the pending projects still need to lock in service agreements.
- For the southern half of the Town, one of the approved projects needs to initiate the extension of water and sewer lines to the emerging development area there. The Reserve is in the best position to initiate the line extensions, but the project has been slow to initiate construction. Projects including Mission Rise and Watermark are likely depending on service line extensions from The Reserve to allow for their developments to move forward. Absent a private development extending services, the Town may need to consider options to providing service.
- The Town needs to work through a fair-share contribution program for traffic improvements. Traffic circles have been proposed for the SR-19/CR-48 and SR-19/Revels Road intersections in place of traffic signals. While supported by FDOT these are expensive projects that are not currently in the FDOT work program. To the extent the Town can generate review from fair-share contributions from private development, these improvements can be advanced.