



Spec offices to be built in northern St. Johns County will fill growing need

By Colleen Jones

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It's been more than three years since a speculative office building went up in St. Johns County.

Tuesday, the St. Johns County Commission approved an incentive package that would allow for the construction of two new spec office complexes in the northwest sector of the county. One, in Nocatee, and another, on St. Johns Parkway, will likely house medical professionals, according to the developer.

Melissa Glasgow, the county director of economic development, said the buildings will help meet the need for commercial and office space in the fastest growing area of St. Johns County, adding that with little inventory on the market, certain projects she's fielded inquires about have faced obstacles.

Daryl Grubbs, president/owner of Custom Builders in Neptune Beach, is the developer behind both projects. Following commissioners' approval of the building incentive, Grubbs told The Record: "We think both areas [where the offices will be located] are really underserved for this kind of space, particularly with the retirement community."

One development, to be called the Palms Professional Park, will take up 24,896 square feet on St. Johns Parkway. Planners expect to break ground this fall and complete construction by late 2020. The project scored a five in the county's business incentive program, making it eligible for expedited permitting and an economic development grant of up to 100 percent of impact fees paid to the county and four years ad valorem taxes paid by the applicant on capital improvements. The total estimated value of the incentive is \$153,539.

The other project, tentatively called Pyrotek E3, would encompass 15,000 square feet of office space located in Nocatee along Valley Ridge Boulevard. Construction should begin by the end of 2020 and conclude in 2022. The application scored three points toward the business incentive program. That makes it eligible for expedited permitting and an economic development grant of up to 50 percent in impact fees and two years ad valorem taxes paid to the county by the applicant. The total estimated value of that incentive is \$48,218.

Both the complexes will offer Class-A office space.

Grubbs said since marketing efforts haven't begun yet, he did not yet have any tenants officially locked into leases.

In 2016, the International Management Company constructed a 62,000-square-foot office building in the Fort Wade Road Office Park in Nocatee at a time when sales in the master-planned community were beginning to pick up again following the economic recession.

The last speculative office building to be constructed before that one goes all the way back to 2008.

"Developers sometimes are reluctant to build office space without a tenant signed on first, but because of the fact that St. Johns County is growing so much these [speculative developments] make sense," Glasgow said.

Creating more office vacancy, of course, also has the potential to motivate companies to consider relocating to or opening new locations in St. Johns County.