



New owner cites tremendous potential of Shops at World Golf Village

By Stuart Korfhage
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Whether it was timing, strategy, location or something else, the Shops at World Golf Village is a venture that just hasn't lived up its billing.

But there's at least one investment group that thinks the mostly empty shopping center can still fulfill its potential almost 20 years after getting off to a sluggish start and never quite recovering.

The latest buyer is American Commercial Realty Corp., which just closed on the Shops near the World Golf Hall of Fame and the World Golf Village Renaissance St. Augustine for a reported \$4 million.

President and COO of ACR Rick Baer told *The Record* that just because previous owners of the 80,000 square feet of commercial space didn't find great success, that doesn't mean it isn't possible.

"It's a great property that has been neglected," Baer said. "Now that word has begun to get out and there are new owners and the new owners are interested in working with others to see this development (succeed)."

There is something of a stigma attached to the property because shoppers have seen everything in that strip of retail space go out of business other than the Murray Bros. Caddyshack Restaurant, which has been a continued success.

The biggest blow to the center was the closing of the PGA Tour Stop, a 31,000-square-foot golf store, near the end of 2013. It had been the anchor tenant since 1998.

But Baer and others said that closing was not solely about customer traffic. The store's parent company, W.C. Bradley Co., was more focused on its large brands Char-Broil LLC (grills and outdoor cookware) and Zebco (fishing equipment), it announced at the time of the closing.

Also, the Shops were owned by a bank following a foreclosure on the former owners MW Golf Properties LLC. Banks aren't real estate companies and therefore don't operate like them. Baer said it makes a huge difference when a dedicated real estate company is running a property.

The other advantage ACR has is timing, Baer said. It was 2006 when MW Golf Properties bought the Shops and the real estate market was absolutely scorching. The company paid \$13.5 million for the Shops, according to BusinessWire.

Two years later, the recession was crushing the economy.

To make matters worse, the golf-centric shopping center was dealt a blow with the declining popularity of golf. According to the National Golf Foundation, the number of golfers in the country dropped from 30.6 million in 2003 to 24.7 million in 2014.

Now in 2017, Baer said conditions are much more favorable for the property.

“We’re very fortunate that the state of the economy, the condition of the World Golf Village and northern St. Johns County are all better than those three things have been in the last 20 years,” Baer said. “The timing is very good for us in putting the pieces together.”

The World Golf Village area is indeed thriving, like most of the county. Since 2000, the county has added about 110,000 residents and has the highest median household income in the state.

“There are lots of types of retail and quasi-retail that can prosper if properly developed,” Baer said. “We’re very bullish on the North Florida market. We think that Northeast Florida is the opportunity and the future within Florida.”

Rick Pariani of Davidson Development agrees with Baer’s optimism, but he doesn’t have any intimate knowledge of ACR’s ultimate strategy for the Shops.

Davidson is the master developer of World Golf Village, and Pariani was contracted to be the land planner and site designer for the project before he ended up joining Davidson.

Having all of those shops opening around the hotel, the World Golf Hall of Fame, and the golf course and the neighborhoods was an ambitious plan, perhaps too ambitious for a relatively unknown area of the county at the time.

Pariani noted most large developments wait until there is a tremendous build out of homes before starting the commercial building. The World Golf Village build out was basically simultaneous, which is something not really seen here, even in large, successful developments like Nocatee.

But the Shops and the rest of the commercial aspects of the World Golf Village were seen as being tourist-driven, and that’s a highly competitive market just within the county and super competitive in the region.

While the Hall of Fame and Slammer & Squire golf course are nice draws, Pariani said the original launch of the retail project might have been too reliant on tourism — and golf tourism in particular.

Both Baer and Pariani said it’s important to focus on the locals first.

“It really needs to be Hall-visitor complemented and resident-driven for a lot of the operators that want to have shops and restaurants there,” Pariani said. “I think the Achilles’ heel of the project was it did not have sufficient density, households, in close proximity at the time it was launched.”

A focus on the people who live in the area now can finally unleash the potential of the shopping center, Pariani said. He added the Shops still have a captive audience with so many close neighbors.

“There is pent-up demand for quality services and shops, and particularly dining,” Pariani said. “And to be able to play into the built-in residency and don’t depend (on) tourist traffic and spillover from St. Augustine. You have to have all of that in play. Day to day, you have to appeal to the resident base that’s already here.”

At the same time, Pariani said the shopping center is a unique place that, with the proper businesses and marketing, can still flourish. With its beauty, available parking and spacious design, Pariani said the property can gain admirers with the right special events.

“There’s lots of opportunities to use it as a platform, as a venue,” Pariani said.