

Home Depot Enters Clermont's Big-Box Battle

By Alex Finkelstein

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CLERMONT, FL—Big-box retailers have discovered Clermont, an Orlando bedroom community of 8,650 permanent residents, 25 miles west of Downtown, where land is still plentiful, relatively inexpensive and not far from major roadways. State Road 50 is the hot highway here.

The only problem is Clermont has also discovered the big-box players and not everyone here is putting out the welcome mat for them.

Wal-Mart tried and failed to become a good corporate citizen after three years of negotiations and a \$2.3 million land investment. Target made the cut in February, but barely. Now Home Depot is stepping up to the plate.

The roadblock is Clermont's 100,000-sf construction cap on big-box structures. Target broke through that barrier with its 187,000-sf SuperTarget, setting a precedent. Home Depot wants to follow on Target's path with a 145,320-sf store.

"If they go by the book and work closely with the city and residents, they'll make it," Darryl M. Carter, president of Maury L. Carter & Associates Inc. of Orlando, tells GlobeSt.com.

Darryl Carter and his father, Maury Carter, a longtime commercial real estate broker here, directed Target's successful foray into Clermont's big-box arena.

If Home Depot gets the green light, Clermont's big-box ordinance is dead in the water, developers and brokers tell GlobeSt.com.

"They put a law on the books they knew they couldn't enforce and now they are back-tracking and eating crow," a developer's representative tells GlobeSt.com on condition of anonymity. "The city wants to be a responsible growth planner, but it doesn't quite know how to pull it off."

For example, Wal-Mart Stores Inc., the world's largest retailer, left in a huff last year after three years of unsuccessful talks and the purchase of a \$2.3 million, 32-acre tract where it planned to build a 125,000-sf, \$10 million superstore. Clermont council wouldn't approve the project.

Now Home Depot wants to put up an \$11 million store replete with garden center and two outparcels, not far from the Wal-Mart site and still in the general vicinity of Target's planned \$15 million SuperTarget store.

Wal-Mart's mistake was buying the land before its project was approved. Target didn't make that error and Home Depot isn't making it, either, brokers familiar with Clermont's development guidelines tell GlobeSt.com.

"The number of big boxes should not be that great over the next 10 years," John M. Crossman, senior vice president and director of retail services, Trammell Crow Co., Orlando, tells GlobeSt.com. "But the ones that do come should be welcomed" because "every town in America is seeking this Mayberry-type of existence" today.

Wal-Mart has its dirt up for sale these days at the southeast corner of U. S. 27 and State Road 50. Another national retailer is interested and may shortly put a contract on the 32 acres, GlobeSt.com has learned from area land brokers.

Wal-Mart paid \$71,875 per acre or 1.65 per sf for its tract. Comparable land that was formerly citrus groves sold for \$5,000 per acre (11 cents per sf) 25 years ago.

"Clermont is a great community and people are attracted to it, so they keep moving there, which drives demand, which attracts" big-box retailers such as Home Depot, Wal-Mart and Target, Crow's Crossman tells GlobeSt.com.

"Clermont should try to capture the needs of their residents while maintaining their community feel, and I believe they will do it."