



Home



Subscribe



Advertise



Contact Us

- [Table of Contents](#)
- [Corporate Reports](#)
- [Real Estate Analysis](#)
- [Leads and Deals](#)

- [Our Staff](#)
- [Back Issues](#)
- [Site Info](#)

## Corporate Reports

### Steady As She Goes

**While some firms move in, local companies grow in fertile Pasco business-scape.**

*By Melissa Wells*

If there is an equation for economic success, Pasco County appears to have most of the right elements in place. There's no question that there's plenty of developable land available along with the appropriate zoning for commercial uses. Add to that a \$350 million investment to improve the county's roadways, state-of-the-art water and waste treatment systems and a steady supply of affordable housing for a growing workforce. If anything is wrong with this picture, it's the absence of developers who will put up the buildings for those companies that will come.

"We're working very hard to attract more developers to Pasco," says Judith Rochelle, president of the Pasco Economic Development Council and assistant vice president at Saint Leo University. "We have everything here that could make a developer happy - a good permitting process, reasonable impact fees and a county commission filled with business people who are willing to do what they can to bring in new business."

The good news is that a million square feet of office and industrial space has been developed or absorbed either by companies relocating into the market or by local businesses expanding this year. Much of that space has been developed at Trinity Commerce Park and West Pasco Industrial Park.

A developer that is active in Pasco County, Brooksville-based Pearson Industries, has a conservative spec program at the Zephyrhills Airport Industrial Park and One Pasco Center. "Our standard 10,800-square-foot office/warehouse combination has worked well for more than 10 years," says developer Rick Pearson. "I believe that this spec building is about where it needs to be. I want to make sure the demand far exceeds what we have. You hear people say they need 25,000 square feet or 50,000 square feet quite frequently, but I don't believe you have to have those size of buildings sitting vacant.

"But in the absence of large spec buildings, the Economic Development Council has done lots of hand wringing as companies with an immediate need for extensive space walk away from the area, says Rochelle.

"We have a real absence of spec space and could use about 10 more developers. We've had to turn away 40 companies this year because they want space already up. But because Pasco has not been previously known as an area of high growth, developers have shied away from it," she says.

Perhaps not for very much longer. Highwoods Properties, the self-proclaimed largest bay area owner of office and flex space, has its eye on Pasco. "In the years ahead Pasco will emerge as a viable alternative, particularly along the Suncoast Parkway," says Skipper Peek, the REIT's vice president. "We've talked about it but haven't done anything about it at this point."



**Jerry Flatt, Soule Co. managing partner, plans to develop the new Wesley Chapel Corporate Park to accommodate his firm's expansion.**

#### Parkway Catalyst

The Suncoast Parkway, an extension of the Veterans Expressway in Hillsborough County through central Pasco, will be completed next January. That and other road construction "will open up the county," says Mary Jane Stanley, the EDC's executive director. "A new interchange is being constructed at I-75 at State Road 56. And improvements at U.S. Highway 41, Little Road and State Road 54 are under construction." With these improvements coming to completion, Stanley sees "momentum picking up for Pasco.



**Welbilt Technology Center Inc. moved into its new 25,000-square-foot research and development center in Trinity Commerce Park early last year.**

Companies want buildings with land and ease of access to the Interstate, airport and universities. (Commuters from) the southeast part of Pasco County can be at the University of South Florida's Tampa campus in 10 minutes,"she says. "We have the right environment for business, for raising a family and enjoying nature.

"These are the reasons that Jerry Flatt, the managing partner at the Soule Co., has cited for his latest venture, development of the Wesley Chapel Corporate Park at Interstate 75 and State Road 54. The Soule Co., a manufacturer of foam and packaging products, is building a 100,000-square-foot facility as the first tenant at the business park. "We have three facilities in Tampa that will be shifted to Pasco,"Flatt says. "Pasco has room for expansion and land prices that are attractive."

Although Flatt only requires 10 acres for his company's expansion, he bought 148. "I didn't need all those acres and decided to develop, as opposed to selling the extra land,"he says.

### **SmartPark comes to Pasco**

Because of a few phone calls from the Pasco EDC to GTE, the business park will become the county's first GTE SmartPark, wired for state-of-the-art technology. Flatt plans to develop the acreage as a high-scale Class A technology park. "We'll mitigate less than three acres," Flatt says. "It has all kinds of big oak trees and will be pleasant to drive through with its natural look. I've already had dozens of queries without even looking for anyone."

Although Flatt's first priority is to get his new manufacturing facility up and running, he plans to also build daycare and fitness centers as amenities.

The Soule Co., founded in 1956, has annual revenues of \$10 million and manufactures packaging products - cardboard boxes and foam blocks -and distributes adhesive tapes, plastic bags and Styrofoam bubbles to companies throughout Florida. Its medical division manufactures foam products for radiation therapy, physical therapy and surgical suites. The firm currently employs 50 workers and Flatt estimates that figure will rise to 65 when the new facility is completed in June.

### **High-growth locations**

As to the location, "that whole area is growing rapidly,"Flatt says. "It has a potential pool of employees with affordable, mid-range and executive homes. I like the variety in that area."

The southeast section of Pasco has been noted over the years more for its successes in residential development.

"Meadow Pointe at County Road 581 is one of the most successful single-family developments in the area,"says Lee Arnold, CEO of Clearwater-based Colliers Arnold Commercial Real Estate Services. "The synergy along State Road 54 is showing impressive numbers with other single-family residential developments."

Devco Corp. has developed 1,800 homes at Meadow Pointe and is in the early stages of developing Oakstead, another residential community with 1,200 homes. Earlier in the year, Toronto-based Schickedanz Brothers bought 1,168 acres of land east of Interstate 75 and State Road 54 to build a 1,600-home subdivision. Adjacent to that community is Lexington Oaks, Pulte Home Corp.'s new 1,600-home development.

"We have a lot of residential construction going on,"says Stanley. "For the first six months of last year we were up 28 percent in new home starts. Nationally it was 5 percent. Hills- borough was up 16 percent and Pinellas down 14 percent."

"Wesley Chapel Lakes is going to have 2,000 homes,"Rochelle says. "And the magnificent Lake Jovita community will have two championship golf courses, a private country club and homes priced to \$1 million or more. They're looking to attract executives. For some people it will be a second home. We hope they'll make it their first home and move their business here."

### **Working where you live**

Two owners of high-growth technology firms in Pasco County have done just that. Lou Mendelsohn at Market Technologies Corp., a provider of investment software that ranked 17th on the 1999 Tampa Bay Technology Fast 50 roster and 29th on the University of Florida's list of 100 fastest-growing privately held companies in the state, has lived in the county for 13 years. "I love it here,"he says. "This area is growing tremendously."

As to the success of his Wesley Chapel firm, "the financial industry is dynamic and our software looks at intermarket analysis, a growing area of the industry,"he says. "As the world's economies have become more globalized, our software has provided the right approach at the right time."

Optima Technologies Corp., which recycles laser printer cartridges, has a Port Richey location because owner Steve Jensen, a former pilot in the United States Air Force, owns a home on an airstrip in the area. "I always wanted a house on a runway," he says. "My family likes the area and I don't know if you could talk me into moving away."

Jensen's firm of 60-plus employees and with annual revenues of \$5 million, has grown so rapidly that it placed 12th on the 1999 Tampa Bay Technology Fast 50 list and 53rd on the Florida 100. Last year the firm ranked 194th on the national Fast 500. Another recent accolade comes from Wisconsin-based Industry World magazine, which cited Optima as one of the 25 most successful manufacturing firms in the nation.

The firm has recently opened a sales and manufacturing facility in Atlanta and its next expansion is the new E3 product line. Optima is partnering with work centers that employ disabled workers to produce technology-related products, such as computer systems, stand-alone work stations and surge protectors, which are sold to local, state and federal government agencies. "E3 stands for employ, enable and empower," Jensen says. "Looking at today's economy with such a low unemployment rate, it's difficult to hire employees. With disabled people, the unemployment rate is 75 percent. Many have the ability to do the jobs we need done. With this new product line we expect our annual revenues next year to be more than \$9 million. This venture is taking off very quickly."

### **Applying torque**

Another business in west Pasco that has taken off rapidly is Customs Converter Sales Inc., which remanufactures torque converters for transmissions of all types of vehicles and sells them to transmission shops throughout the state. The 38-employee firm, which started four years ago in the back of a transmission shop, last year purchased a 15,000-square-foot facility in Holiday.

"We produce 1,000 units a week," says Ron Vassallo, the firm's president and CEO. "Other mom and pop shops are at 50 to 100 units a week. We're the largest independent in the state right now and one of the largest in the country, based on the number of units we produce."

The company is in the process of setting up distribution along the entire east coast. "We'll be in three states in the first quarter of 2000," says Vassallo. "We also export to Latin America."

Customs Converter makes 600 types of converters. "We have new, state-of-the-art equipment," Vassallo says. "But we're still an old-fashioned, labor-intensive industry, using the hammer and chisel. We build one unit at a time."

Vassallo likes his Pasco location for recruiting employees. "We felt Pasco would be the best place to get the type of people (we need) to train," he says. "That has worked out well. We have a deal with the Tarpon correctional facility. We take inmates out of a halfway house, train them and have six who are now full-time employees. That's been a plus for us. We also recruit from the Marchman automotive school."

The company is doing so well that Vassallo anticipates adding a second shift as the national distribution is put into place. "We're facing a tight job market," he says, "and that's the only thing slowing us down."

### **Heading to Trinity**

Evolutions Healthcare Systems faces the same obstacle and is moving from Holiday to a new 40,000-square-foot facility in Trinity Commerce Park. "We're actually hoping that being a little closer to Tampa will help us draw (employees) from that market," says Steve McEnerney, the firm's CEO. "On the positive side, people who choose to come work in Pasco from the south are ecstatic about the commute (against the heaviest flow of rush hour traffic). Our business is one of the few in the health care industry where people can get a professional position outside of Tampa."

Evolutions was founded seven years ago in Pasco and has 95 employees. "We create PPO networks," says Allen Cranford, the firm's chief operating officer. "We create networks of all types -physicians, hospitals, ancillary facilities, durable medical equipment, anything from a health care provider standpoint. We offer these networks to insurance companies, third-party administrators and self-insured employers."

The firm's executives decided to expand their facility with a new building because it "allowed us to design for maximum work flows and efficiencies to our specifications," Cranford says. "The building process has gone fairly seamlessly. The county government has been supportive and cooperative."

The choice of Trinity Commerce Park was a given to the executives because of its "attractive location," McEnerney says. "The developer has set aside a lot of land to keep it natural. There's a balance between residential, nature areas and the commerce park."

### **Pasco-on-the-Water**

Perhaps a less well-known feature of life in Pasco County is its "affordable, available waterfront," McEnerney says. "There are tremendous values in homes on the water and it's good, navigable water. This is a place where dollars

are the most cost effective."

A corporate neighbor to Evolutions is Welbilt Technology Center Inc., which earlier last year occupied its new 25,000-square-foot research and development center in Trinity Commerce Park.

At West Pasco Industrial Park in Odessa several firms are in an expansion mode. Eden Laboratories Inc. is a firm that started two years ago at founder and president Gene Weitz's home in Pinellas County. "We have a 10,000-square-foot facility to make over-the-counter pharmaceutical products, specifically topical preparations,"he says. "We sell all over the country and we are in Australia, Canada and the United Kingdom."

While the firm has sold through mail order in the past, "we're in the process of rolling product out to retail,"Weitz says. "Florida will be our first region, with our product on the shelves of pharmacies like Eckerd and Walgreens."

Weitz chose the Odessa location for his 20-employee company because he wanted a half-hour commute from his home in north Pinellas County. "We were looking all over Tampa Bay,"he says. "I had trouble finding a facility to upgrade to meet FDA requirements for a drug manufacturer without having to build a new one. This building wasn't even for rent but the real estate agent knew we were looking and gave us first dibs on it."

Although the building he occupies has been improved and approved by the FDA and the TGA, the equivalent agency in Australia, Weitz expects to expand again fairly quickly. "We'll need to move into a 50,000-square-foot facility minimum,"he says. "We may build this time and it will most likely be in this direction, a half-hour drive north of Pinellas. I've gotten used to commuting against traffic. It's a real nice drive."

### **Tri-county corner**

Another benefit of that location is "we're on the corner of three counties,"Weitz says. "We can draw employees from Tampa, north Pinellas and southern Pasco. We have no problem finding qualified staff."

Contemporary Design Instruments is another firm in the process of moving to West Pasco Industrial Park from north Pinellas. The five-employee firm, which specializes in products for cosmetic and reconstructive surgeons, will occupy 3,600 square feet of its new 11,250-square-foot building.

"This is a very well-planned and well-maintained community,"says Chris-topher O'Leary, the firm's president. "It's a change of lifestyle, with less hustle and bustle. It's very easy to build in Pasco."

Bruce Knecht, president of BK Plastics Industry Inc., likes the support he has received from Pasco's Economic Development Council for his company's expansion. Knecht started his firm, which produces custom plastic parts for the automotive and aviation industries, in his garage three years ago. He has watched the company grow to annual revenues of \$2 million with a workforce of 20.

"We just added 11,000 square feet to our building in Odessa for a total of 23,000 square feet,"he says. "I chose Pasco because the economies of rent were more economical than (neighboring areas). When we outgrew the rental facility, I chose to buy this building and land in Pasco for the same reason. We have 3.7 acres here and are not land locked. We can throw up another 11,000-square-foot addition when we're ready to expand again."

Knecht has found a creative solution to his needs for additional staff through World Relief, a non-profit agency in Port Richey that places refugees from foreign countries into jobs. "It's hard finding people who want to work,"Knecht says. "We've been fortunate to have two key workers we've hired through them. One is from Africa and the other from Bosnia. These are people who give 100 percent and appreciate having a job."

### **Weather advantage**

John Boone, president of CNC Products Tampa Inc., appreciates Pasco "for the weather,"he says. "I moved here from New York three years ago and found a beautiful industrial park in Odessa."

His firm produces prototypes for the injection molding industry in a 3,000-square-foot facility at West Pasco Industrial Park. "Our customers are nationwide in the automotive, medical and business machines industries,"he says. "We're designing a machine and process that produces up to 1,000 injection molded parts in a week. Generally, 16 weeks is what you hear for an injection molded part. In an industry where one or two weeks make a program a 'go' or 'no

go,' we'll be able to bail out companies that find themselves in a bottleneck and need rapid turnaround of molded items."

Boone plans not only on providing molded parts to his customers but also equipment that produces the parts. "It's a \$225,000 machine that we'll be offering, patent pending. It's a future expansion for the company that we'll offer late this year."

### Water works

An expansion is in the works at Zephyrhills Spring Water Company. The firm, already operating in a 250,000-square-foot water packaging facility, plans to double the size of its operation. "We have eight production lines and plan on adding a ninth," says Meg Andronaco, the firm's natural resource manager and geologist. "We're also adding warehouse space. As the facility has grown and added production lines, it has cut into our warehouse space."

The Zephyrhills bottled water business started in the mid-1960s, but it was acquired by the Perrier Group of America, based in Greenwich, Conn., in 1987. "We started bottling spring water in 1989 and this facility was built in 1990," Andronaco says. "We expanded this plant to its current size in 1995."

The company had annual revenues of \$100 million last year. Capital investment by the Perrier Group has been \$36 million in new plant equipment over the past two years. Employment has tripled to 175 workers. "We may add 20 people over the course of this year," says Andronaco.

Another 200 or more jobs are in the works in Zephyrhills with the opening of a new call center by Accent Marketing Services, a company based in Louisville, Ky. "This really sets up our strategy of hub-and-spoke type logistics for our call centers," says Tom Hanson, the firm's CEO. "Our goal is to find a great location in regard to talent, and build other centers within a 35-mile radius. We found Zephyrhills to be a great location and everyone has been a joy to work with."

### Food for the world

Vitality Foodservice Inc. added 50 jobs to the Zephyrhills market when it acquired Bartow-based Orangeco. "We've consolidated their food service business into our facilities," says Ron Frump, the firm's president and chief operating officer.

Vitality also acquired Pride in November, with manufacturing facilities in British Columbia, Alberta and Ontario. "We'll continue to operate those in Canada," Frump says. "Each acquisition has its strategic value. Orangeco had similar product lines and customer base, which we can better serve unified. Pride is the leading beverage company in Canada, and they offered a line of products that complement the Vitality products. By bringing the two companies together, we're actually able to better serve both countries with an expanded line of products."

Last summer parent company Lykes sold its citrus assets and changed the name of its company to Vitality Beverage, headquartered in Tampa. "With our new investors we are more aggressive with the financial resources to grow faster through acquisitions," Frump says. "This has made for an exciting year."

Adding to the excitement has been the success of Vitality's partnership with Sunkist to package their citrus products. "This past year we formed a strategic partnership for cranberry products at Ocean Spray," says Frump. "We're very optimistic about results with their strong brand awareness."

### Branding education

Another eastern Pasco institution has been working on its brand awareness. Saint Leo College late last year changed its name to Saint Leo University and is in the midst of developing a master plan that calls for a new road system around the 170-acre campus as well as new buildings and playing fields. Currently, the university is building a \$6-million plant to replace air conditioning and lighting systems. "The building will house electrical generation as a backup power supply for the whole campus," says Ben Donatelli, the university's vice president of business affairs. "It will be an excellent county resource for hurricane evacuation."

| Pasco County<br>by the Numbers    |               |
|-----------------------------------|---------------|
| <b>Population</b>                 |               |
| 1998                              | 321,074       |
| 2010                              | 403,900       |
| <b>Age (Median of Population)</b> |               |
| 1997                              | 48.5          |
| <b>Number of Households</b>       |               |
| 1997                              | 136,636       |
| 2000                              | 145,100       |
| <b>Effective Buying Income</b>    |               |
| 1998                              | \$4.5-billion |
| 2002                              | \$5.9-billion |
| <b>Total Retail Sales</b>         |               |
| 1997                              | \$2.1-billion |
| 2002                              | \$2.5-billion |
| <b>Number of Businesses</b>       |               |
| 1996                              | 5,539         |
| <b>Unemployment Rate</b>          |               |
| 1997                              | 3.7%          |
| 1998                              | 3.8%          |
| <b>Total Employed</b>             |               |
| 1997                              | 120,803       |
| 1998                              | 127,149       |
| <b>Employment by Industry*</b>    |               |
| Agriculture/Mining                | 2,738         |
| Construction                      | 4,574         |
| Manufacturing                     | 4,242         |
| Trans/Comm/PU                     | 2,312         |
| Wholesale/Retail                  | 20,594        |
| F.I.R.E.                          | 2,832         |
| Services                          | 23,448        |
| Government (Public Admn.)         | 4,553         |

\*Figures are for 1998 annual average monthly employment.  
Source: U.S. Census Bureau, Florida Department of Labor and Employment Security, Sales & Marketing Management



**BK Plastics Industry Inc. recently added 11,000 square feet to its Odessa building, where 20 employees make custom plastic parts for the automotive and aviation industries.**

Donatelli adds that the university has invested \$3 million in its information technology system that "links our 25 locations over a zoned network as well as the Internet so that everyone has the same information every day."

As many people in the Tampa Bay area know, the university has been a leader in distance learning. (See related essay by Saint Leo University President Arthur F. Kirk Jr., page 18) "We've been doing it for years," Donatelli says. "We're also the largest supplier of education to the military."

#### **Changes at the EDC**

While the story of Pasco County's growth revolves around companies and their leaders and employees, it is also pertinent to note that after a series of personnel changes, the county's Economic Development Council has apparently settled in for the long haul with Mary Jane Stanley as the executive director. And a familiar name, John Walsh, has been recruited to work with businesses, helping their expansion projects. "John used to be in Pasco in the early '90s," Stanley says. "He knows our politicians and has a strong knowledge of our companies. He's well respected in our community."

Copyright Maddux Report L.C. 1999