

FLORIDA INVESTOR

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Back Row – L-R: Matt Messier, Dan Caligiuri, Lance Pokorny, Nick McKinney, Tim Kilkelly Middle Row – L-R: Jimmy Johnson, Gregg Ickes, Jason Schrago, Brad Chrischilles, Rick Coe Front Row – L-R: Paul Ellis, Scott Renaud, Jim Wells, Jimmy Grisham. Not pictured – John McRae



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CNL Commercial Real Estate Continues to Expand Despite a Tough Economy



This photo was taken at a planning meeting of the principals. From Left to Right: Lance Pokorny, Jimmy Johnson, Paul Ellis, Tim Kilkelly, Scott Renaud, Dan Caligiuri, Gregg Ickes, Jason Schrago, Nick McKinney, Brad Chrischilles, Matt Messier, Chip Lilley, John McRae.

Every career has milestones – those significant moments when you know the decisions you make will forever impact your life, and others.

For the founders of CNL Commercial Real Estate, that moment came on October 30, 2006, when they received word that Trammell Crow Company, the real estate firm many of them had spent more than a decade with, was being acquired by CB Richard Ellis.

Like in many acquisitions, it isn't uncommon for those involved to take a step back and find themselves entering into a season of reflection – a time when one begins to weigh his or her options. For Paul Ellis, President of CNL Commercial Real Estate, and several other Trammell Crow colleagues, they found this to be a pivotal moment in their careers.

"We weren't choosing to vote for or against a company. It was more about a crossroads being placed in front of us and determining how we felt called to respond," Ellis said. "Our team had developed an uncommon set of relationships over the course of a decade at Crow, and we all felt led to build something new together."

Three months later, that vision became reality when twelve former Trammell Crow colleagues joined CNL Financial Group Inc. to form CNL Commercial Real Estate. Ellis was named president and the company opened offices in Orlando, Tampa and Jacksonville.

"This was a very talented group of individuals that collectively wanted to be a part of an entrepreneurial real estate platform," says Jim Seneff, executive chairman of CNL. "A fundamental component of our business is our TIC Principle" – putting the right Talent to work on the right Ideas and infusing the Capital needed to succeed. This team is an ideal example of that principle at work, and they have added great strengths to CNL's franchise."

Despite the near collapse of the financial industry and one of the worst commercial real estate markets in decades, CNL Commercial Real Estate has maintained a significant growth trajectory. Since its

2007 inception, the firm has grown to more than 65 employees and seen its revenue increase more than fivefold. Revenue growth aside, they are quick to point out the statistic of which they are most proud – the fact that all of the founding partners remain with the firm today.

"We are in a unique environment today where people in our sector are craving a platform where they have the freedom to exercise their gifts and a passion to build something together," Ellis said. "Our business plan has been pretty simple: Operate in a culture and a platform that allows talented people to flourish and the rest of the details will take care of itself."

"This was a very talented group of individuals that collectively wanted to be a part of an entrepreneurial real estate platform."

Jim Seneff

A good example of this occurred in May 2010, when CNL Commercial Real Estate expanded its presence beyond the Southeast, opening an office in Dallas. Jim Wells, a former Trammell Crow associate with 27 years in commercial real estate, was one of several recruited by CNL Commercial Real Estate to launch its Texas operations. Formerly, Wells served as the Alliance Director for CB Richard Ellis' Hewlett-Packard Company account, where he led a staff of more than 350 employees and oversaw a portfolio of 24 million square feet in over 30 countries.

"When I first visited the CNL team in Orlando and met with Jim Seneff and the leadership group, the company's culture was highly apparent after the first five minutes of conversation. It took me back to what I had envisioned Trammell Crow and Don Williams were doing in the '70s," said Wells. "At this stage in my professional career, to find a company that has the wherewithal to grow a competitive business in the Texas market and to be able to put my fingerprints on how

we operate that business – that type of opportunity doesn't come along too often."

A Blank Canvas

One of the things you will often hear from the partners at CNL Commercial Real Estate is that they were given a "blank canvas" in 2007 and challenged to create something distinctive. An interesting anecdote to this challenge has been the rapid expansion of their faith-based, educational and not-for-profit real estate services platform. This division, led by Matt Messier and Nick McKinney, has successfully expanded into a fully diversified national real estate presence from its local brokerage operation days at Trammell Crow. The team is actively working in 25 states and serves as the real estate advisor to more than \$150 million of non-traditional assets for a number of the largest denominational headquarters, public school systems and national lending institutions in the country.

"We consider CNL a true partner, not just another service provider, and we heavily rely on their 'extended hands' services to assist us on a nationwide basis," said Rick Lauer, who leads real estate for the Lutheran Church Extension Fund.

In addition to providing a broad set of services to this specialized client base, this team also remains busy with an active development arm. CNL recently led the development of a 55,000-square-foot international ministry headquarters in Moss Park, and last month, the company broke ground on the new 100,000-square-foot headquarters facility for Second Harvest Food Bank of Central Florida. Second Harvest is a not-for-profit organization that distributes food to more than 500 partner agencies in six counties throughout Central Florida, and CNL has been a long-time partner with Second Harvest in serving the needs of the surrounding community.

The Way Forward

While the first four years of CNL

Commercial Real Estate have been quite successful, Ellis says the company is just beginning to embark on its journey and expects significant growth and continued diversification in the future. In fact, CNL Commercial Real Estate will spearhead all U.S. acquisition efforts for two non-traded REITs that were launched by CNL Financial Group during the past 18 months.

"Many aspects of our space have not changed in more than 20 years, and we



Back Row, left to right: Nick McKinney, Dan Caligiuri, Chip Lilley, Lance Pokorny, Jason Schrago. Front and middle, left to right: Jimmy Johnson, Matt Messier, John McRae, Brad Chrischilles, Gregg Ickes, Tim Kilkelly, Paul Ellis.

have the opportunity to operate in an innovative company that is attractive to the best people within our industry," said Ellis. "We have been truly blessed during our first chapter at CNL, but I am pleased to say this is just the beginning of our story."

About CNL Commercial Real Estate

Today, the firm offers a full range of commercial real estate services, including tenant representation, project management, facilities management, brokerage and advisory services as well as an investment platform.

About CNL Financial Group

CNL Financial Group Inc. (CNL) is a leading private investment management firm providing global real estate and alternative investments. Since inception in 1973, CNL and/or its affiliates have formed or acquired companies with more than \$24 billion in assets. CNL is headquartered in Orlando, Florida. ■