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# **PORT ST. LUCIE CITY CENTER MASTER PLAN PROJECT ANALYSIS, ST. LUCIE, FL**

**November 2022**

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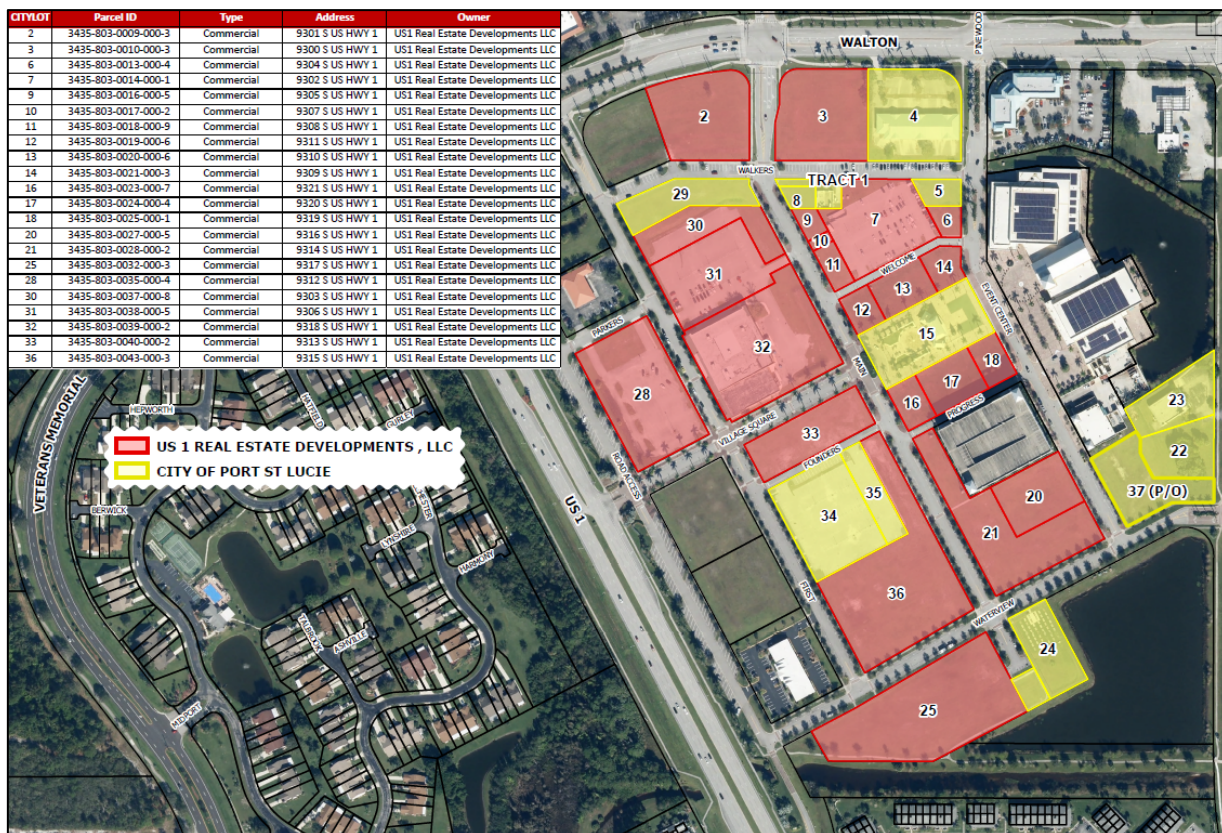
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## Executive Summary

- The City of Port St. Lucie, Florida ("City") is currently in the process of developing its City Center Master Plan ("CCMP") associated with its assemblage of twenty-two parcels totaling an estimated 30+/- acres adjacent to its MIDFLORIDA Credit Union Event Center (and parking garage) located at the intersection of Walton Road and US 1 in the City. To develop the CCMP, the City is overseeing a CCMP Team that includes three entities retained by the City: (1) the Treasure Coast Regional Planning Council (TCRPC) is leading the CCMP process and responsible for visioning, public engagement, and land use planning and design; (2) PFM Group Consulting LLC ("PFMGC") is providing both market analysis and financial analysis of the project and input towards the CCMP; and (3) HVS, Inc. is providing a convention center feasibility study and input towards the CCMP.
- The initial market analysis includes an evaluation of market demand at the site for the following uses: 1) residential (multi-family) for-rent and for-sale; 2) retail; 3) office; and 4) hotel. Based on the information provided in the market and financial analysis as well as focus group, city staff feedback, and other public input, the CCMP team will develop a vision plan and recommended land use plan for the CCMP parcels along with a recommended disposition strategy. Map E1 provides the CCMP parcels and adjacent parcels.

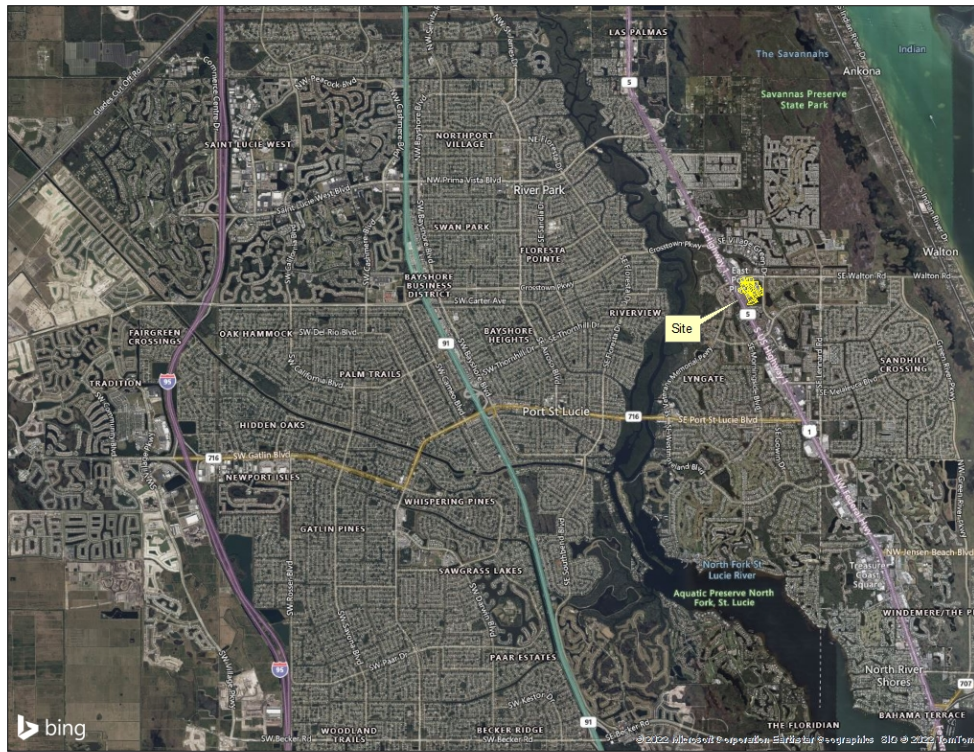
Map E1. City Center Master Plan Parcels



Source: City of Port St. Lucie



## Map E2. General Site Location



Source: PFM Group Consulting

- PFMGC conducted a market analysis for the developable acreage that comprise the CCMP parcels with respect to development volumes for residential, retail space, office space, and hotel rooms. The conceptual development program for the CCMP is anticipated to include a mix of residential (primarily rental apartment), retail, office, hotel (if supportable), and public space. Based on feedback to date from stakeholders and focus groups, there appears to be a general desire to focus on retail and other non-residential development with the understanding that a mixed-use project represents the best chance to create the necessary critical mass for development purposes.
- PFMGC reviewed data regarding residential development in the market. Not surprisingly, the vast amount of housing stock is single family residential units. With respect to the mix of residential at the CCMP site, PFMGC focused its analysis on apartments, but also considered condominium and townhome development. Based on the existing development pipeline and historic development patterns, apartment development at the site appears to be the optimal residential product. It appears that in any one year there are likely to be one (1) to five (5) new apartment projects being developed and competing for market share. PFM believes a potential CCMP residential component would likely be in the form of multi-family, either rental or owner-occupied, and would capture its share of new demand. In addition, the mixed-use nature of the project lends itself to the CCMP residential component potentially capturing greater than its 20% share. Through 2040, PFMGC estimates the project could support a total of 1,919 apartment units. Through 2031, PFMGC estimates the project could support a total of 910 apartment units. Through 2026, PFMGC estimates the project could support a total of 392 apartment units.



- Based on data to date, the Phase 1 apartments would likely to have an average rental rate ranging from \$1,500 to \$2,500 for 1-bedroom to 3-bedroom apartments. These rates represent an average rate per square foot of \$2.18. The units would range in size from: 1-bedroom (475 sqft – 700 sqft); 2-bedroom (1,000 sqft – 1,100 sqft) and 3-bedroom (1,200+ sqft). The potential unit mix for the forecasted apartment demand at the site through 2031 would be approximately 40% 1-bedroom, 45% 2-bedroom and 15% 3-bedroom.
- The market strength of City Center is as a public open-space oriented, mixed-use development with significant public uses. This is a natural attractor for restaurant uses. The Civic Center and outdoor event and stage areas will attract significant local interest, participation, and attendance. The foot traffic generated by public use combined with on-site residential growth could support from 85,000 to 175,000 square feet of restaurant and retail space over a twenty-year horizon (see Table E2).

**Table E2. Market Estimated Retail Demand and Retail Growth**

Food and Beverage within 10 minutes growth 2021-2026	Sales	5-Yr SQFT Need	10-Yr SQFT Need	15-Yr SQFT Need	20-Yr SQFT Need
All FOOD	\$29,340,371	73,351	146,702	220,053	293,404
All Personal Care	\$4,372,528	10,931	21,863	32,794	43,725
<b>TOTAL (10-Minute Market)</b>		<b>84,282</b>	<b>168,564</b>	<b>252,847</b>	<b>337,129</b>
25% Mkt Capture of 10-Min Mkt (All Food)		18,338	36,675	55,013	73,351
25% Mkt Capture of 10-Min Mkt (All Personal Care)		2,733	5,466	8,198	10,931
<b>Total Food, Beverage, Personal Svc</b>		<b>21,071</b>	<b>42,141</b>	<b>63,212</b>	<b>84,282</b>

Food and Beverage within 20 minutes growth 2021-2026	Sales	5-Yr SQFT Need	10-Yr SQFT Need	15-Yr SQFT Need	20-Yr SQFT Need
All FOOD	\$151,460,314	378,651	757,302	1,135,952	1,514,603
All PERSONAL SERVICE	\$21,948,220	54,871	109,741	164,612	219,482
<b>TOTAL (20-Minute Market)</b>		<b>433,521</b>	<b>867,043</b>	<b>1,300,564</b>	<b>1,734,085</b>
10% Mkt Capture of 20-Min Mkt (All Food)		37,865	75,730	113,595	151,460
10% Mkt Capture of 20-Min Mkt (All Personal Care)		5,487	10,974	16,461	21,948
<b>Total Food, Beverage, Personal Svc</b>		<b>43,352</b>	<b>86,704</b>	<b>130,056</b>	<b>173,409</b>

Source: ESRI and PFM Group Consulting LLC



- PFMGC estimates that the subject property could support an estimated 105,610 square feet of office space through 2040. Table E3 summarizes the findings.

**Table E3. CCMP Project Capture - Office Space Forecast**

Project Market Capture						
Year	2023	2024	2025	2026	2027	2028
Office Space Construction (SqFt)	3,105	3,879	13,380	6,516	11,095	0
Year	2029	2030	2031	2032	2033	2034
Office Space Construction (SqFt)	11,591	605	4,415	6,240	2,743	3,372
Year	2035	2036	2037	2038	2039	2040
Office Space Construction (SqFt)	2,036	5,306	7,476	6,516	11,095	6,240
Avg. Annual Market Capture (5-Mile)	50%					
Avg. Annual Market Capture (SQFT)	5,867					
Project Capture Total (FORECAST)	105,610					

Source: PFM Group Consulting LLC, CoStar, St. Lucie County Property Appraiser

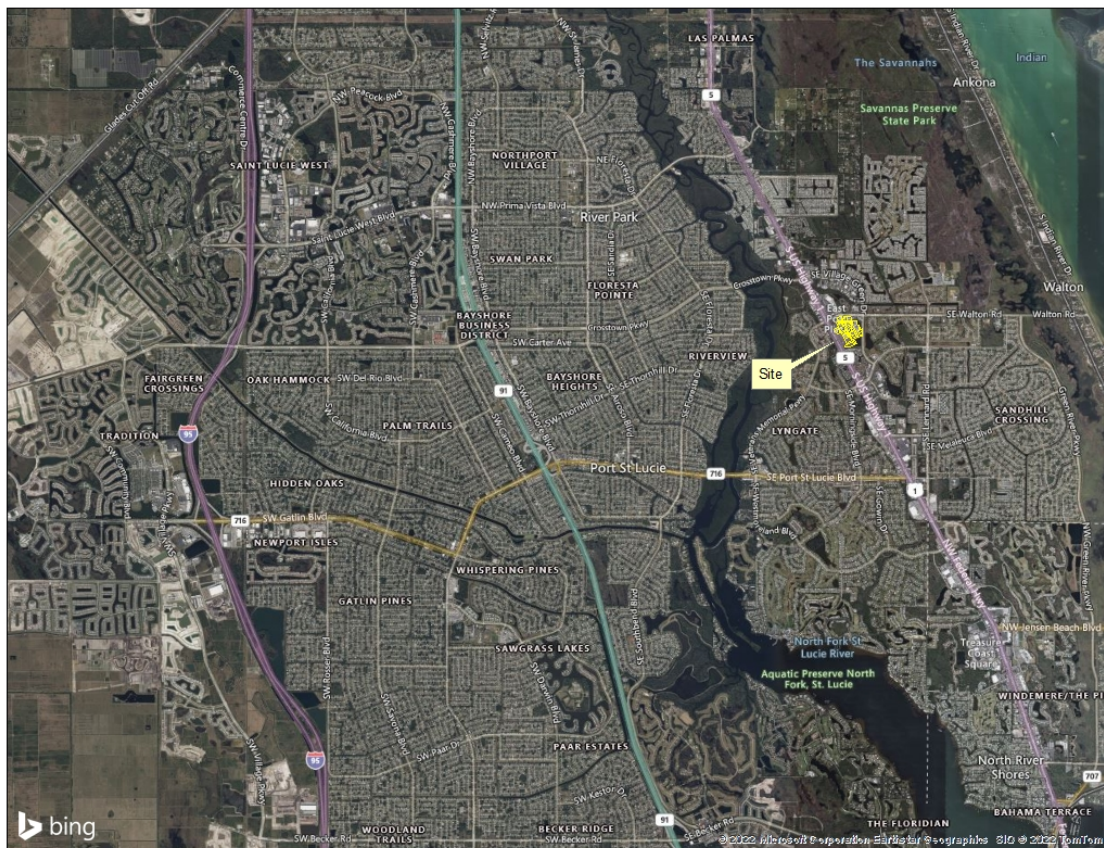
- The current hotel market is dominated by hotel development trends which favor development at the coast/barrier islands or along I-95, specifically the Tradition interchange locations. PFMGC believes that development of a hotel at the CCMP site will be predicated on the Events Center activity and associated expansion plans. Based on current demand and locational constraints the site does not support a hotel. However, at this time, PFMGC recommends maintaining development flexibility to support a 100-room upper midscale hotel, which will need an estimated 2.5 acres. To the extent the City decides to continue to operate the Events Center “as is” or with limited improvements, PFMGC would recommend an alternate development use for the 2.5 acres set aside for hotel use.
- As part of the CCMP Team, PFMGC will develop a financial analysis as described in Section 7.0 and 7.1. This will include a pro forma analysis as well as an estimated fiscal impact analysis of the project to the City. It is important to note the nature of the development assumptions especially as related to how the City handles the existing special assessment debt associated with the development parcels will impact the financing assumptions and associated results.



## 1.0 Introduction and Background

The City of Port St. Lucie, Florida (“City”) is currently in the process of developing its City Center Master Plan (“CCMP”) associated with its assemblage of twenty-two parcels totaling an estimated 21+/- acres adjacent to its MIDFLORIDA Credit Union Event Center (and parking garage) located at the intersection of Walton Road and US 1 in the City. To develop the CCMP, the City is overseeing a CCMP Team that includes three entities retained by the City: (1) the Treasure Coast Regional Planning Council (TCRPC) is leading the CCMP process and responsible for visioning, public engagement, and land use planning and design; (2) PFM Group Consulting LLC (“PFMGC”) is providing both market analysis and financial analysis of the project and input towards the CCMP; and (3) HVS, Inc. is providing a convention center feasibility study and input towards the CCMP. The initial market analysis includes an evaluation of market demand at the site for the following uses: 1) residential (multi-family) for-rent and for-sale; 2) retail; 3) office; and 4) hotel. Based on the information provided in the market and financial analysis as well as focus group, city staff feedback, and other public input, the CCMP Team will develop a vision plan and recommended land use plan for the CCMP parcels along with a recommended disposition strategy. Map 1 provides the general site location, and Map 2 shows the CCMP parcels and adjacent parcels.

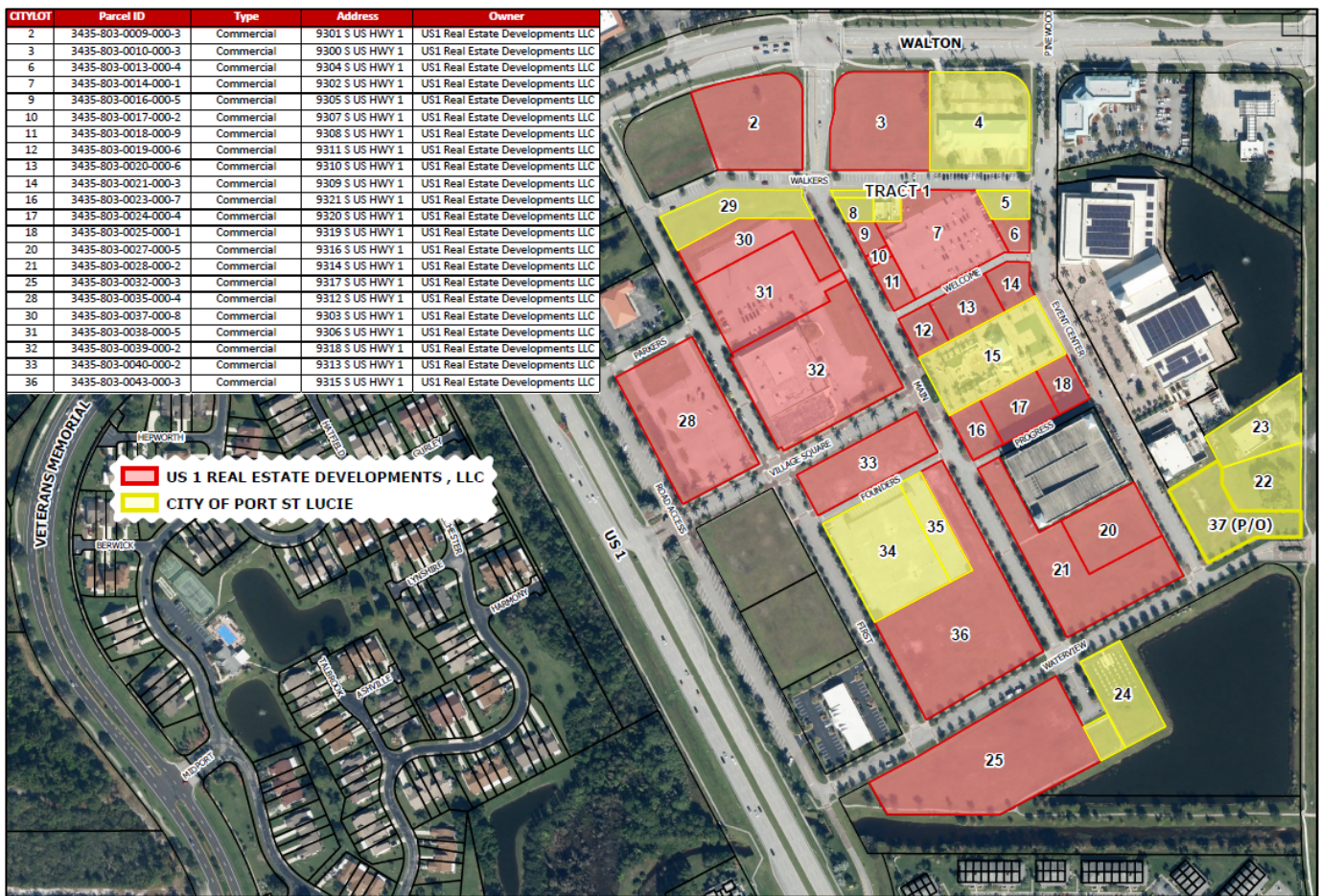
**Map 1. General Site Location**



Source: PFM Group Consulting LLC



Map 2. City Center Master Plan Parcels



Source: City of Port St. Lucie



## 2.0 Macroeconomic Environment

### 2.1 Summary of U.S. Economic Conditions and Forecast

An overview of historical, current and forecast economic conditions through 2032 is provided in Figure 1 by the Congressional Budget Office of the United States in its “The Budget and Economic Outlook: 2022 to 2032.”<sup>1</sup> Since the release of this report, national economic conditions are changing due to a rapidly increasing interest rate environment, which has been instituted to limit and reduce persistent inflation. This may negatively impact the 2023/2024 CBO Outlook.

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<sup>1</sup> United States Congressional Budget Office 2022:  
<https://www.cbo.gov/publication/58147#:~:text=CBO%20projects%20that%20the%20federal,trillion%20from%202023%20to%202032.>

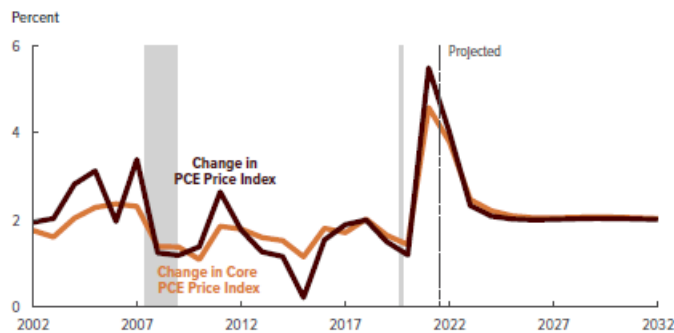


Figure 1. National Economic Outlook Summary 2022 - 2032



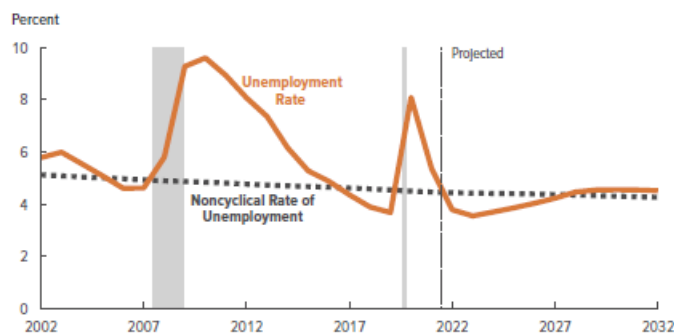
Real GDP grows by 3.1 percent in 2022 in CBO's projections. After 2022, growth of real GDP slows because of tightening monetary policy, waning fiscal support, and other factors.

See Figure 2-1 on page 22



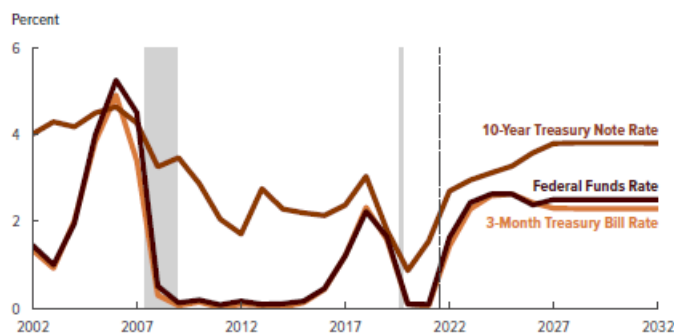
Inflation has recently reached its fastest pace in four decades. It is expected to remain high in 2022 because of various factors that continue to restrain supply in the face of strong demand in product and labor markets. Inflation slows in 2023 and 2024 in CBO's projections, nearing the Federal Reserve's long-run goal of 2 percent by the end of 2024.

See Figure 2-4 on page 39



The unemployment rate is projected to fall over the next year because of the ongoing expansion of the economy.

See Figure 2-3 on page 37



CBO expects the Federal Reserve to rapidly increase its target range for the federal funds rate over the next two years. In CBO's projections, the interest rate on 3-month Treasury bills rises in tandem with that increase.

See Figure 2-4 on page 39

Source: United States Congressional Budget Office May 2022 (Additional Information About the Budget Outlook: 2022 to 2032)



## 2.2 Summary of Florida Economic Conditions and Forecast

During the Great Recession and early part of the recovery, PFMGC believes that Florida underperformed the nation by a wide margin for two main reasons. First, the specific structure of the Great Recession focused on finance and housing, which was particularly problematic for Florida and Florida's job growth. Florida's unemployment rates were higher than the national average from early 2008 through late 2012, almost five years. Second, Florida policies concerning land use, impact fees, insurance, and property taxation temporarily made Florida less competitive and less attractive than it used to be. The combination produced a contraction that was not only deeper in Florida but lasted longer than for the U.S. During the 2010-2014 period these policies and conditions were reversed to a large degree. Home prices fell, restrictive land use policies were eased at the State level, and many locales reduced or eliminated impact fees. In addition, job growth resumed, and unemployment levels fell to parity with national levels. From 2014 through 2018, Florida's population growth attained historic average growth levels with a slowdown in 2019.

The COVID-19 Pandemic ("Pandemic") started in early 2020 and continues to impact the global and national economy as of June 2022. The Pandemic disproportionately affected the Florida economy given its impact to the service economy, specifically the visitor/tourist economy. Since the rollout of the national vaccination effort in December 2020, 67% of the United States adult population has been fully vaccinated (June 2022). Employment conditions remain tight, and Florida has essentially replaced all employment lost during the Pandemic.

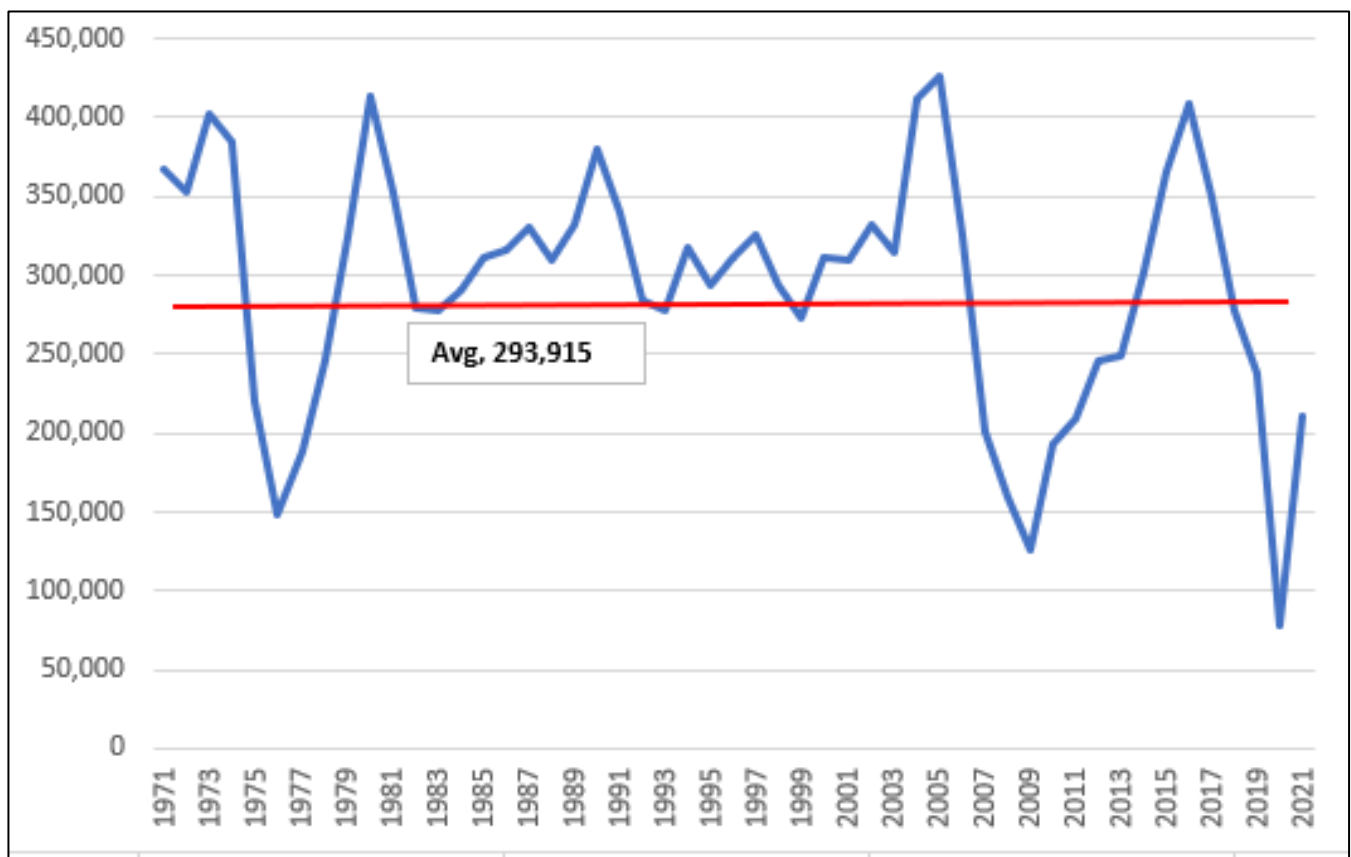
A slowing since 2016 combined with the Pandemic has also slowed Florida's population growth. However, the state remains the second fastest growing state in the nation and recipient of the largest volume of both domestic population growth and international population growth (moderated only by a decline in natural increase due to the high proportion of retirees statewide). Florida is a premier retirement destination and increasingly a remote work/work from home location for professional services.

Beginning in April 2021, inflation began to increase from its historic 2% levels and has steadily increased through March 2022, with a leveling off from March through September 2022 at 8%. Current inflation and the rising interest rate environment to combat inflation are likely to result in a general deceleration in overall economic growth, resulting in a slowdown in population and employment growth.

Figure 2 displays Florida's annual population growth from 1970 to the present. Table 1 details the 2020 population growth at the state level. Among all states, Florida had both the largest domestic and international population in-migration volumes in the nation during 2019 and 2020. By comparison during 2020, California had more than 242,000 net decline in domestic migration. Similarly, all states in the northeast, mostly in New England, as well as Michigan, Illinois, and Ohio had a net decline (lost population) in domestic migration during 2020. These areas are key population sending states to Florida, representing the primary source of Florida's strong population growth.



Figure 2. Florida's Population Growth 1970-2021



Source: PFM Group Consulting LLC (St. Louis Federal Reserve)

**Table 1. Population Growth 2020 for the 20 Fastest Growing States**

No.	State	2020 Population Growth	Natural Increase	Net Migration	
				International	Domestic
-	United States	1,154,170	677,141	477,029	0
1	Texas	373,965	157,330	54,650	162,299
2	Florida	241,256	(10,400)	78,072	174,645
3	Arizona	129,558	15,066	9,272	105,434
4	North Carolina	99,439	15,934	13,387	70,229
5	Georgia	81,997	31,180	13,275	37,563
6	Washington	79,588	22,674	18,301	38,473
7	South Carolina	60,338	803	6,023	53,671
8	Tennessee	56,509	6,600	3,280	46,732
9	Colorado	49,233	20,550	3,118	25,498
10	Nevada	47,488	7,736	4,562	35,202
11	Utah	46,496	28,531	2,189	15,689
12	Idaho	37,853	7,019	678	30,283
13	Virginia	33,921	22,326	20,721	(9,130)
14	Oregon	25,391	2,335	1,908	21,128
15	Indiana	23,943	13,740	8,743	1,323
16	Oklahoma	20,107	5,567	2,821	11,682
17	Minnesota	17,289	19,610	7,360	(9,757)
18	Alabama	13,567	(1,615)	2,078	13,115
19	Missouri	11,073	6,937	5,360	(1,267)
20	Montana	10,454	558	990	8,960

Source: U.S. Census

In the depth of the Great Recession, more than half of Florida counties lost population. Much of the population loss in 2009 can be attributed to the sharp job losses that took place in construction, manufacturing, and professional services throughout the state. Nearly all of Florida's major metropolitan areas lost net population in 2009 and for many again in 2010, and in those areas, job losses exceeded the population losses by as much as four-fold.

Today the nature and origins of the State's population growth distribution among counties can be characterized by three main groupings. These are: 1) the largest most diverse metropolitan core counties, 2) secondary metro areas, and 3) small rural counties affected by agricultural losses, lacking in key services. Population growth is characterized in the first group by very large volumes both of domestic and international migration. These are the core counties in Florida's largest major metropolitan areas. There is significant diversity in these core area economies, which include high job growth, major retirement populations, and dramatic international investment and accompanying immigration. With only one or two exceptions, these major core locations have as much or more international in-move as domestic in-move (see Table 2).



The second tier of growth is more dependent on retirement, primarily in the form of domestic in-move. There is a noted lack of international migration by comparison to primary core counties. A higher proportion of retirees causes low volumes in natural increase. These areas are also urbanized but smaller. They are Florida's secondary metropolitan areas and are generally less economically diverse. St. Lucie County, the location of the subject property, is among this group of secondary metro areas.

The third group consists of rural counties, made more remote by a lack of transportation access. These locations are affected by agricultural losses and limited new job formations. They lack key urban services and are economically challenged. Over the past ten years they have been characterized by very little net population growth and some have experienced pronounced domestic outmigration as a proportion of total population.

**Table 2. Population Growth 2010-20 in Florida - Selected Counties**

County	Population 2020	Pop Change 2010-2020	Natural Increase	Migration	
				Net Domestic	Net International
Orange County	1,404,396	258,447	86,657	44,362	126,777
Hillsborough County	1,497,957	268,750	67,232	116,913	83,588
Miami-Dade County	2,707,303	209,300	119,360	-322,450	411,973
Broward County	1,958,105	209,947	69,047	-12,743	154,945
Palm Beach County	1,507,600	187,476	1,693	96,967	88,703
Alachua County	271,218	23,881	9,579	2,982	11,337
Collier County	392,973	71,459	-742	49,432	22,644
Escambia County	322,364	24,732	5,433	12,848	6,519
Marion County	373,513	42,217	-15,053	52,052	5,241
St. Lucie County	337,186	59,929	-984	53,011	7,775
Highlands County	106,639	7,853	-6,755	11,278	3,406
Columbia County	72,654	5,128	-4	4,744	395
DeSoto County	38,520	3,658	600	1,632	1,440
Hendry County	42,813	3,672	2,974	-2,683	3,270
Okeechobee County	42,297	2,310	911	716	693

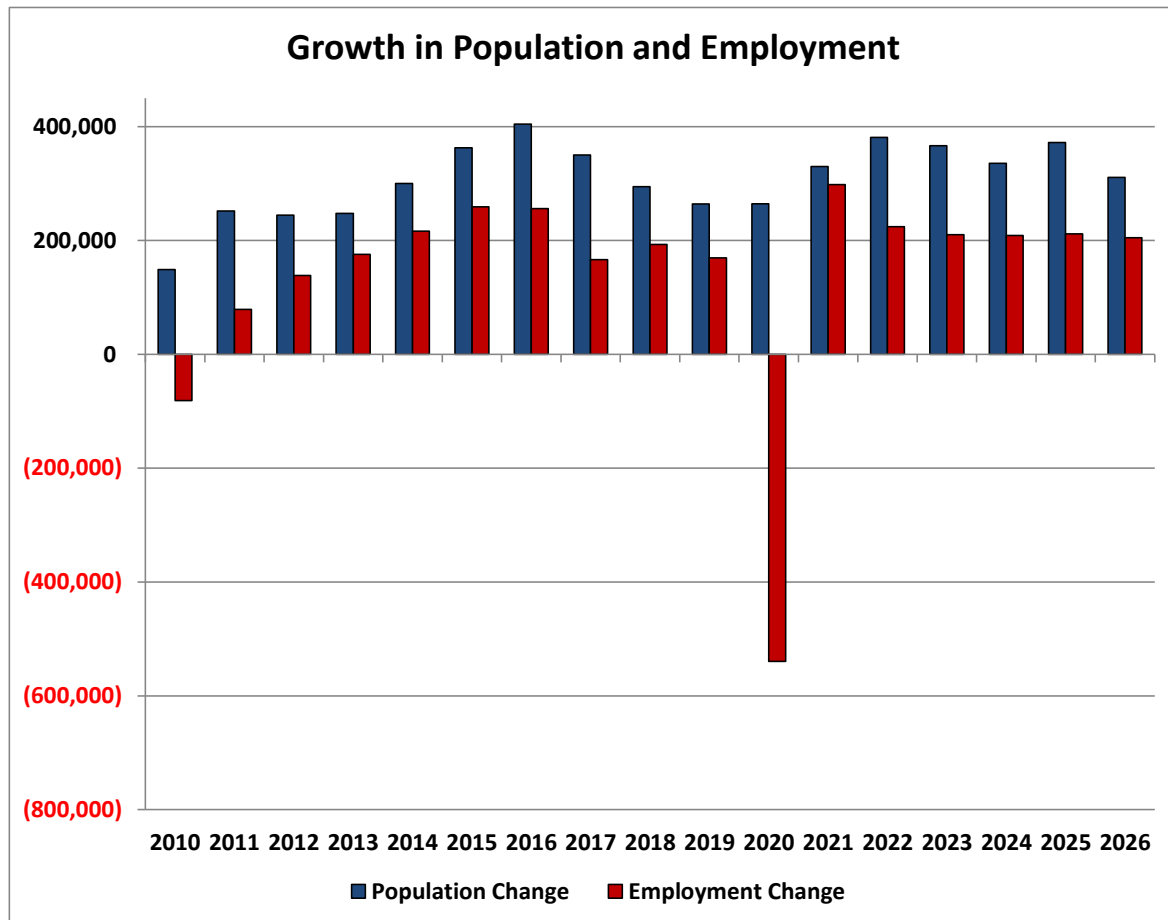
Source: U.S. Census

Figure 3 presents the Florida forecast for growth in population and employment. Because of residential overbuilding, foreclosures and job losses, Florida recovered slowly from the Great Recession during the 2009-2014 period. Population growth finally recovered to just below historic annual averages in 2014 and peaked in the current business cycle in 2016 with annual growth in excess of 400,000 net new residents, maintaining near average growth levels through 2018. Growth during 2019 and 2020 averaged just above 80% of the 50-year historic average. Recessions focused on financial and housing markets are particularly hard on Florida. With the rebound in employment growth during 2021, current forecasts call for annual growth from 2021-2026 to exceed 2020 levels, maintaining at or above historic annual growth averages. Barring additional economic shock, strong growth is expected through 2026. In association with the Federal Reserve's continued goal of lowering existing inflation in the economy, the forecasted economic outlook in the short-term suggest the possibility of a mild



recession during the forecast horizon; however, this is likely to have a limited impact on overall population and employment through the forecast horizon.

**Figure 3. Growth in Population and Employment in Florida**



Source: PFM Group Consulting LLC

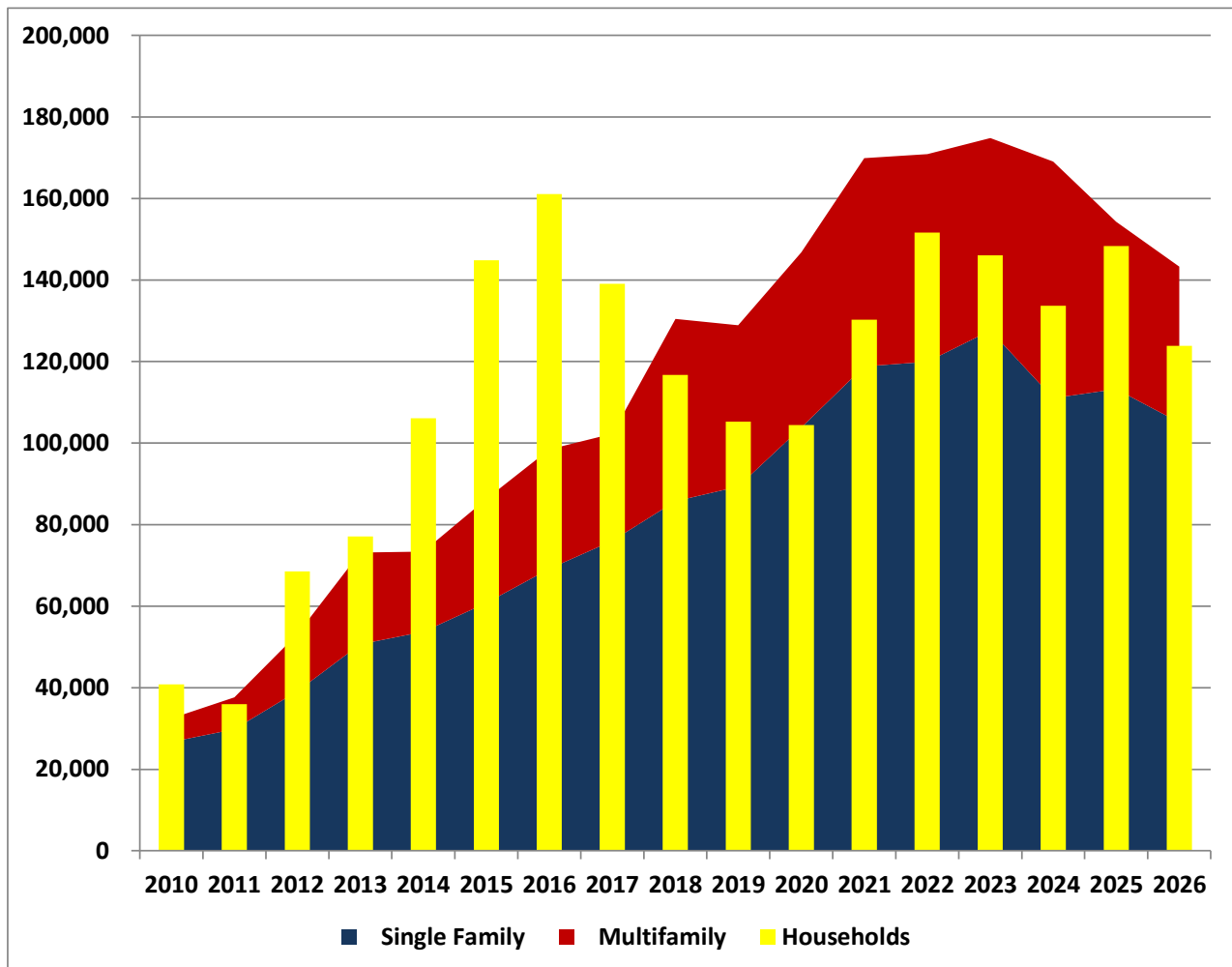
The U.S. economy encountered a short lived pandemic related recession during 2020. Despite the recession, population sending areas for Florida including the Northeast and Midwest states continued to provide Florida with domestic population growth. These markets have generated reliable levels of domestic net migration into Florida.

Figure 4 provides a review of the Florida housing market. From 2003 through 2007, Florida's housing market, along with markets in Arizona, Nevada, and California, became significantly overbuilt in the few years prior to the Great Recession. Prices also registered sharp increases, and the inventories of new unsold homes began piling up. Starts contracted sharply in 2006 and 2007, but it was too late to ease overbuilding conditions. By then, household formations were dropping, making a return to equilibrium in housing markets more difficult. Unfortunately, the inventory reduction process was halted in 2009 as additional starts exceeded the levels of net negative household formations stemming from population and job loss. A national recession was well underway. Post-recession starts recovered slowly through 2014. This reflected weak new housing demand, earlier overbuilding, and an



overhang of foreclosed units. Housing markets reached equilibrium in 2015-2016, having absorbed the overhang and excess unit inventory. Still, since 2016 housing starts have underperformed, barely meeting demand from population growth. This has resulted in rising residential prices and very low for-sale inventory. Through 2026, housing markets are expected to stabilize as population growth slows to average levels, and annual starts improve. Figure 4 summarizes Florida starts and household formations from 2010 through 2026.

**Figure 4. Florida Housing Starts Compared to Household Formation**

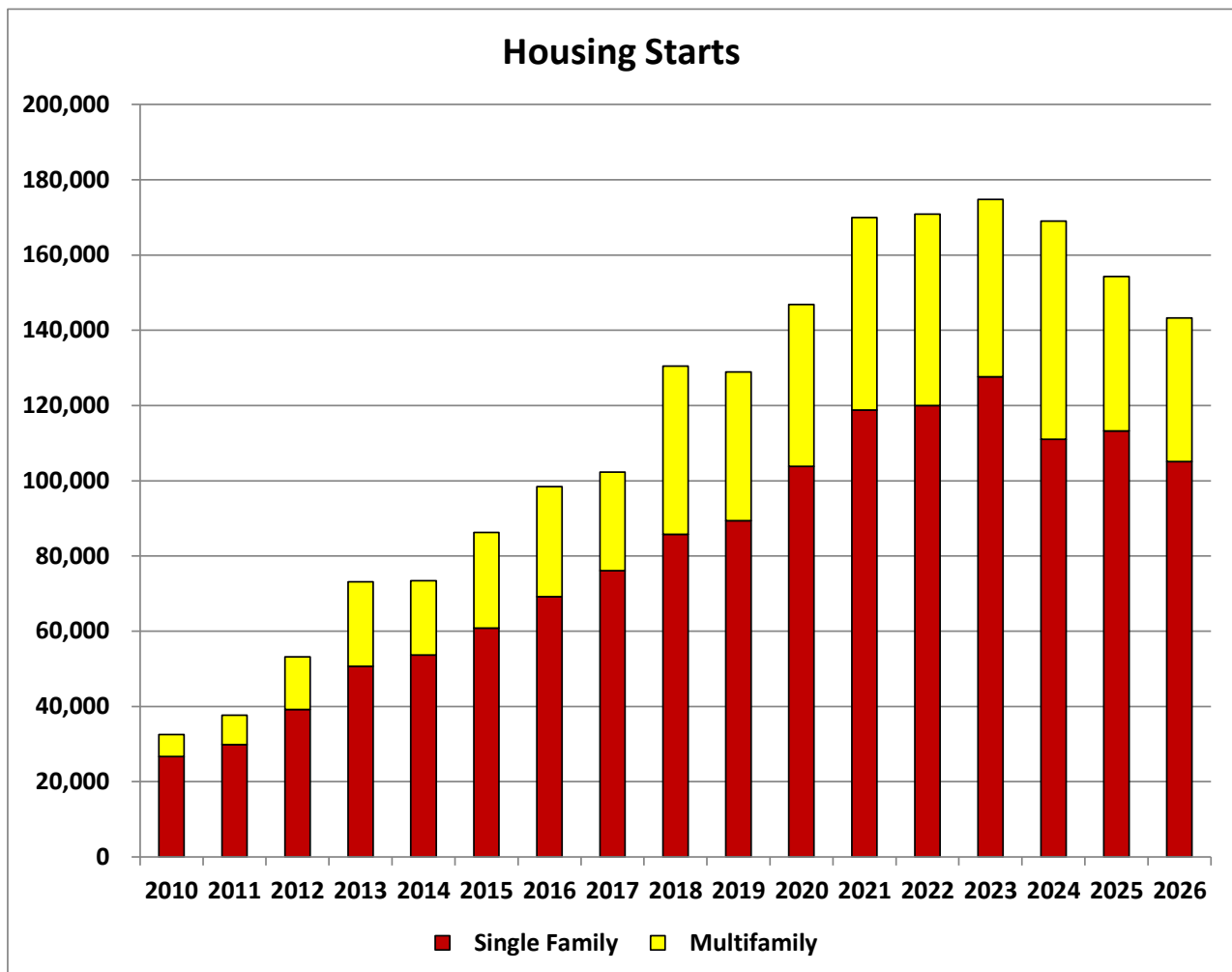


Source: PFM Group Consulting LLC

Figure 5 displays these trends for starts by focusing on the starts data alone. Starts moved only marginally higher in 2010 and 2011 with normalizing but slow recovery occurring 2012-2014 and expanding incrementally through 2019. The forecast anticipates strong starts in 2021 as a result of continued population growth and then stabilization of starts through the forecast horizon.



Figure 5. Florida Housing Starts

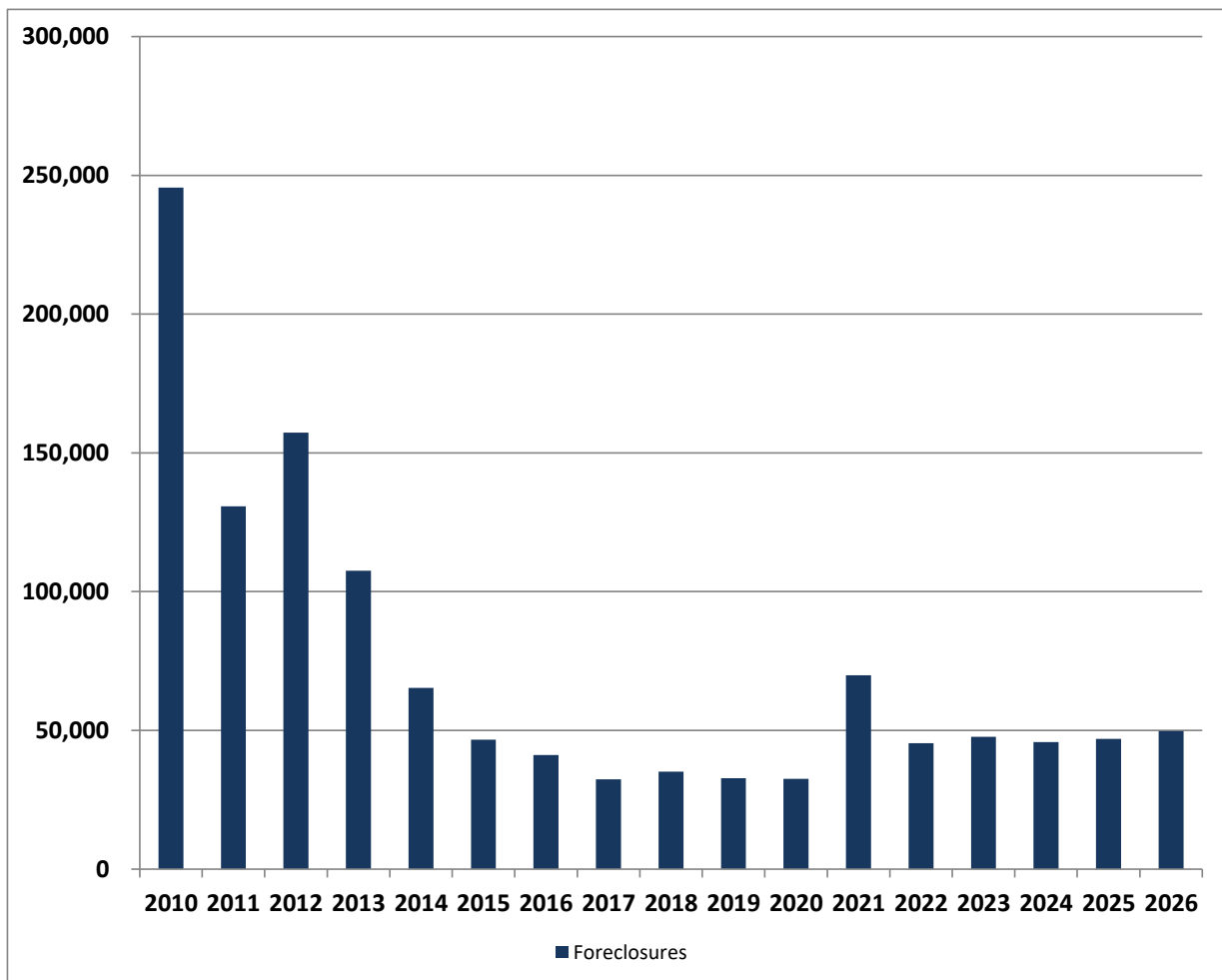


Source: PFM Group Consulting LLC

As a result of the 2007-2009 disequilibrium in the housing marketplace, fueled by speculative demand and subsequent sharp housing price declines, foreclosures spiked. Foreclosure filings of all types reached nearly 400,000 during 2009. Legal challenges to the foreclosure process, poor record-keeping on the part of banks and mortgage companies, and the overwhelming volume slowed the process by which foreclosed units were cleared from the market, thus keeping foreclosure volumes very high through 2013. Market effects from foreclosures exerted considerable downward pressure on home prices. This drove existing home prices to 2003 levels in Florida and kept them there through 2011. As foreclosures fell and sales volume improved, remaining excess inventory finally cleared in 2015, bringing the markets to equilibrium (Figure 6). Since then, foreclosures have remained steady but within historical norms and are forecast to remain within historical norms through 2026, with a likely increase in foreclosures in 2021, resulting from the Pandemic.



Figure 6. Florida Foreclosure Filings

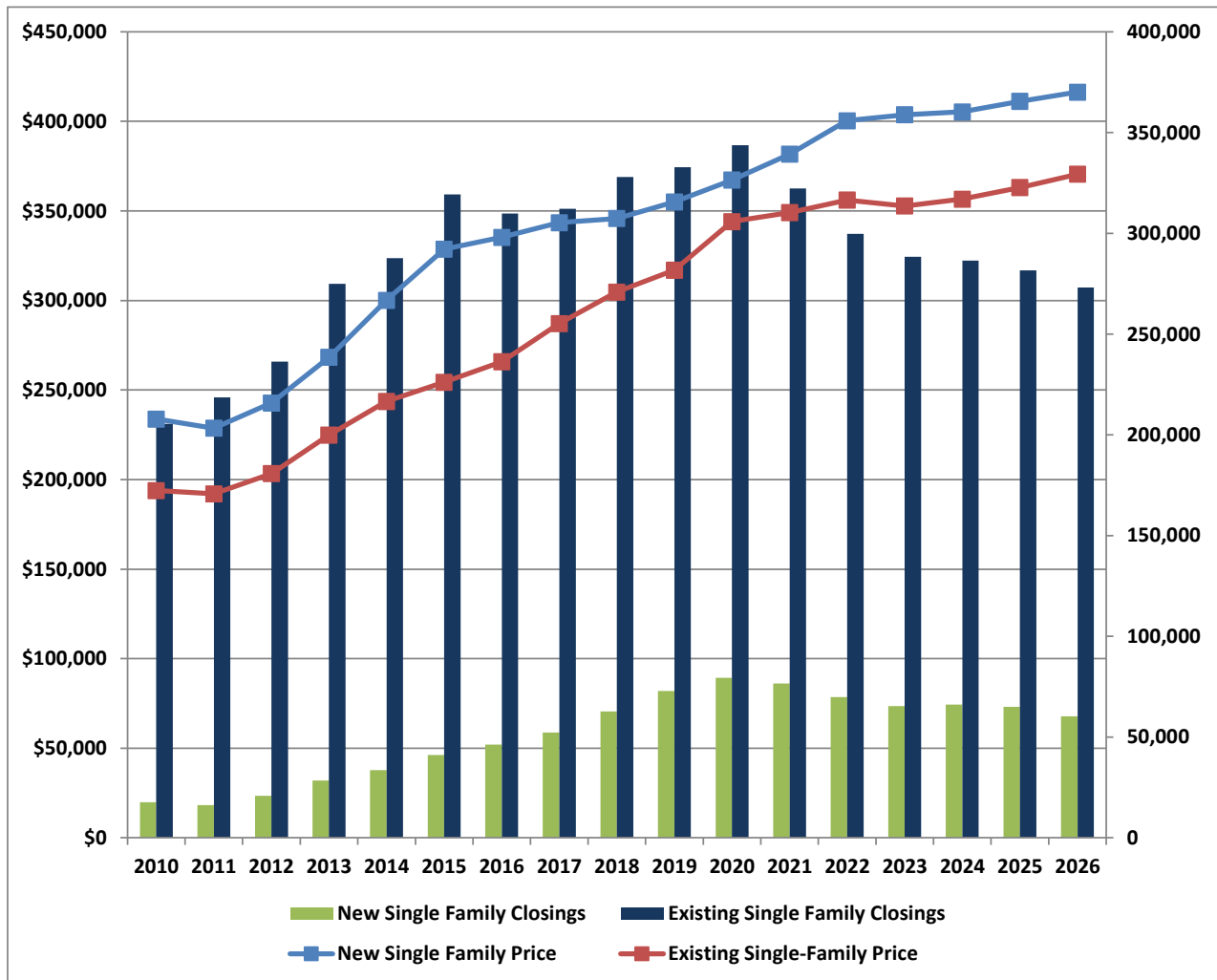


Source: PFM Group Consulting LLC

Figure 7 traces the patterns for the average closing prices paid for new and existing homes. Since 2010, both new and existing home prices have increased by approximately 50 percent. Beginning in 2012, the rate of increase of new home prices accelerated faster than existing home prices. This is in part because the bottom segment of the new home market, first time home buyers, has been weak to recover. This has left the move-up market and luxury market with a larger share of new homes built, thus leading to faster new home price growth compared to existing homes. With respect to forecasted home prices, new home prices are forecast to maintain their pricing power while existing homes will lag through the forecast horizon.



Figure 7. Florida Closing Prices for New and Existing Single-family Homes



Source: PFM Group Consulting LLC



## 2.3 Analysis of St. Lucie County Economic Conditions and Forecast

St. Lucie County is in southeast Florida, with the county seat of Fort Pierce.

PFMGC has identified four significant economic drivers within the market:

- Tradition Master Planned Community
- I-95 and Becker Road Interchange
- 12 million square feet of commercial and office space approved
  - The next major suburban office/commercial center likely to emerge along I-95 between Becker and Gatlin Roads
- Growth Restrictions in Martin and Palm Beach Counties divert growth into St. Lucie County

For comparison purposes, PFMGC gathered basic demographic data for Port St. Lucie, St. Lucie County, and the State of Florida for 2020. Table 4 summarizes the findings.

Historically, St. Lucie County has captured its share of the retiree population. Table 5 summarizes the forecasted population levels through 2045 for Florida and the share of the population that is estimated to be greater than the age of 55. In addition, Table 5 shows the profile for St. Lucie County. St. Lucie County currently has a larger percentage of 55+ within its market (36%) compared to Florida and is forecast to have an estimated 37 percent of its population greater than 55+ by 2025.

Figure 8 shows the age by cohort for St. Lucie County through 2045. As the data show, the population of 55+ is expected to grow by nearly 15,000 (1%) from 2020 to 2025 in St. Lucie County, with this number growing by over 54,000 by 2045 (nearly 39%).



**Table 3. Demographic Comparison (2021)**

Summary	City of Port St. Lucie		St. Lucie County		Florida	
Population	202,769		331,392		21,733,419	
Households	74,479		128,103		8,514,543	
Families	54,455		87,646		5,499,508	
Average Household Size	2.71		2.56		2.50	
Owner Occupied Housing Units	59,728	80%	97,867	76%	5,633,437	66%
Renter Occupied Housing Units	14,751	20%	30,236	24%	2,881,106	34%
Median Age	42.4		44.8		42.8	
<b>Households by Income</b>	Number	Pct	Number	Pct	Number	Pct
<\$15,000	4,852	6.5%	12,430	9.7%	845,875	9.9%
\$15,000 - \$24,999	5,103	6.9%	11,370	8.9%	764,395	9.0%
\$25,000 - \$34,999	7,720	10.4%	14,623	11.4%	809,736	9.5%
\$35,000 - \$49,999	8,810	11.8%	16,383	12.8%	1,149,645	13.5%
\$50,000 - \$74,999	17,116	23.0%	26,423	20.6%	1,591,083	18.7%
\$75,000 - \$99,999	11,840	15.9%	17,632	13.8%	1,095,772	12.9%
\$100,000 - \$149,999	12,016	16.1%	18,494	14.4%	1,200,148	14.1%
\$150,000 - \$199,999	4,498	6.0%	7,095	5.5%	480,998	5.6%
\$200,000+	2,525	3.4%	3,653	2.9%	576,829	6.8%
Median Household Income	\$63,135		\$56,504		\$58,462	
Average Household Income	\$78,618		\$72,213		\$83,820	
Per Capita Income	\$29,022		\$27,943		\$32,917	
<b>Population by Age</b>	Number	Pct	Number	Pct	Number	Pct
0 - 4	11,016	5.4%	17,464	5.3%	1,109,729	5.1%
5 - 9	11,578	5.7%	18,120	5.5%	1,155,693	5.3%
10 - 14	12,031	5.9%	18,532	5.6%	1,197,905	5.5%
15 - 19	11,360	5.6%	17,621	5.3%	1,195,201	5.5%
20 - 24	11,165	5.5%	17,459	5.3%	1,286,246	5.9%
25 - 34	26,852	13.2%	41,251	12.4%	2,890,071	13.3%
35 - 44	23,497	11.6%	36,011	10.9%	2,577,572	11.9%
45 - 54	25,271	12.5%	38,224	11.5%	2,599,775	12.0%
55 - 64	27,725	13.7%	45,383	13.7%	2,959,725	13.6%
65 - 74	23,282	11.5%	43,002	13.0%	2,646,584	12.2%
75 - 84	13,941	6.9%	27,516	8.3%	1,503,333	6.9%
85+	5,054	2.5%	10,809	3.3%	611,585	2.8%
<b>Race and Ethnicity</b>	Number	Pct	Number	Pct	Number	Pct
White Alone	140,942	69.5%	223,985	67.6%	15,720,007	72.3%
Black Alone	38,170	18.8%	69,729	21.0%	3,566,721	16.4%
American Indian Alone	756	0.4%	1,282	0.4%	87,493	0.4%
Asian Alone	4,905	2.4%	6,382	1.9%	630,080	2.9%
Pacific Islander Alone	169	0.1%	237	0.1%	16,056	0.1%
Some Other Race Alone	10,077	5.0%	18,649	5.6%	1,021,350	4.7%
Two or More Races	7,750	3.8%	11,128	3.4%	691,712	3.2%
Hispanic Origin (Any Race)	46,354	22.9%	68,919	20.8%	5,956,879	27.4%

Source: ESRI



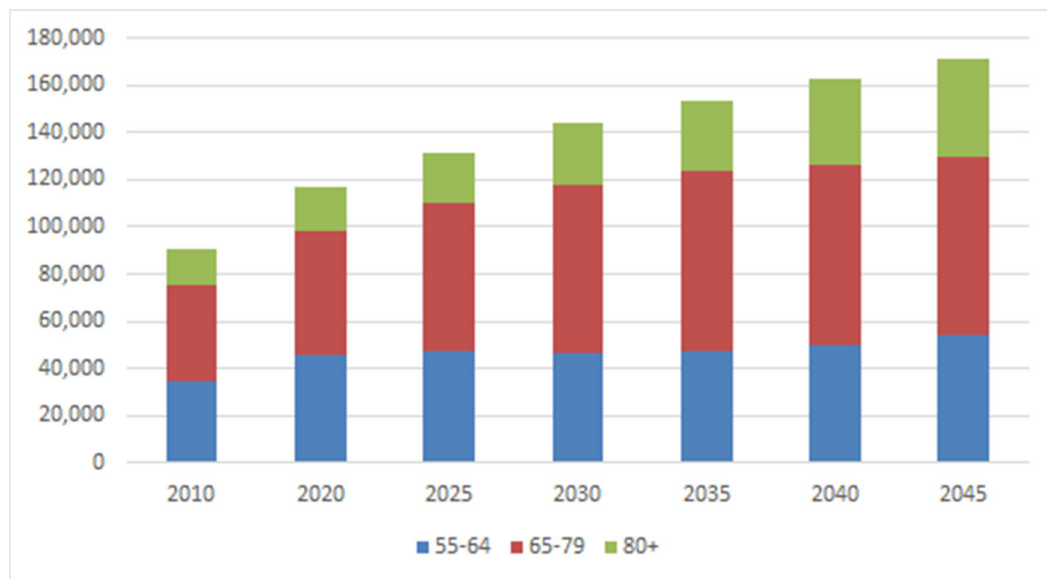
**Table 5. Florida and St. Lucie County Population Forecast and Population 55+**

	2010	2020	2025	2030	2035	2040	2045
Florida	18,802,847	21,596,068	23,138,553	24,419,127	25,461,863	26,356,415	27,149,835
55-64	2,337,729	2,980,848	2,986,006	2,813,104	2,743,968	2,871,838	3,122,462
65-79	2,343,458	3,265,894	3,811,713	4,259,270	4,426,960	4,355,631	4,161,492
80+	916,149	1,156,441	1,387,394	1,694,884	1,996,835	2,368,554	2,718,928
Total 55+	5,597,336	7,403,183	8,185,113	8,767,258	9,167,763	9,596,023	10,002,882
Growth 55+ 2015 to			781,930	1,364,075	1,764,580	2,192,840	2,599,699
% 55+	29.8%	34.3%	35.4%	35.9%	36.0%	36.4%	36.8%

	2010	2020	2025	2030	2035	2040	2045
St. Lucie County	277,789	322,265	355,760	384,794	407,451	426,418	443,052
25-54	103,992	113,918	124,638	134,210	142,284	148,021	152,626
55-64	34,944	45,920	47,367	46,337	47,132	50,155	54,125
65-79	40,530	52,242	62,720	71,845	76,437	76,424	75,404
80+	14,848	18,388	21,431	25,764	29,976	36,124	41,497
Total 55+	90,322	116,550	131,518	143,946	153,545	162,703	171,026
Growth 55+ 2015 to			14,968	27,396	36,995	46,153	54,476
% 55+	32.5%	36.2%	37.0%	37.4%	37.7%	38.2%	38.6%

Source: UF BEBR

**Figure 8. St. Lucie County Population 55+ by Cohort (2020 – 2045)**



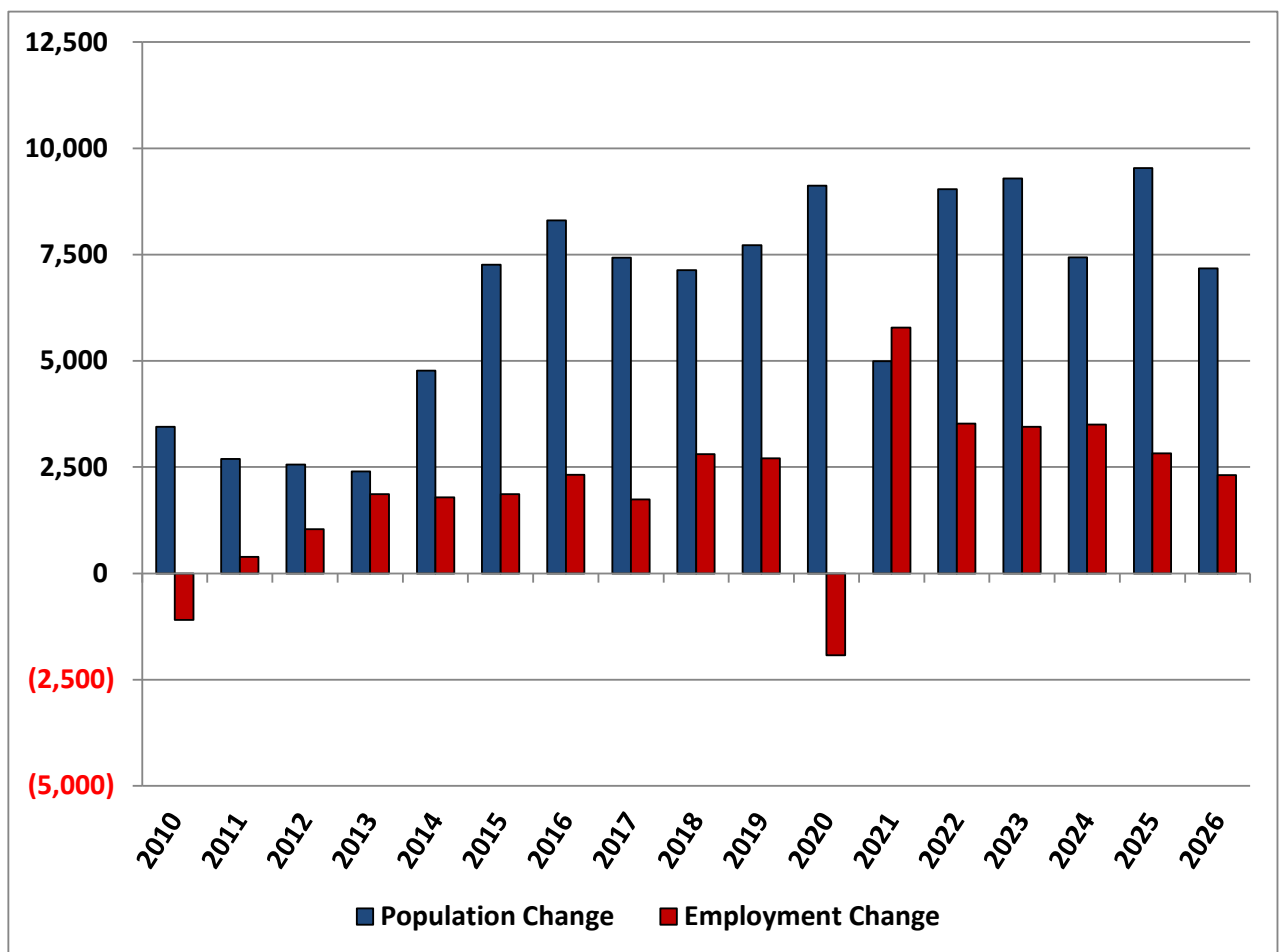
Source: UF BEBR



The Great Recession dramatically impacted both population and employment growth, after strong population and employment growth during the housing bubble years. Since 2010 average annual population growth has been 5,900 new residents. Over the same time, employment growth averaged 1,800 jobs created annually.

It is projected that St. Lucie County population growth at or above 7,000 per year will continue through the forecast period, with employment growth of approximately 3,000 per year through the forecast horizon. Figure 9 provides the forecast trajectory.

**Figure 9. Growth in Population and Employment  
in St. Lucie County**

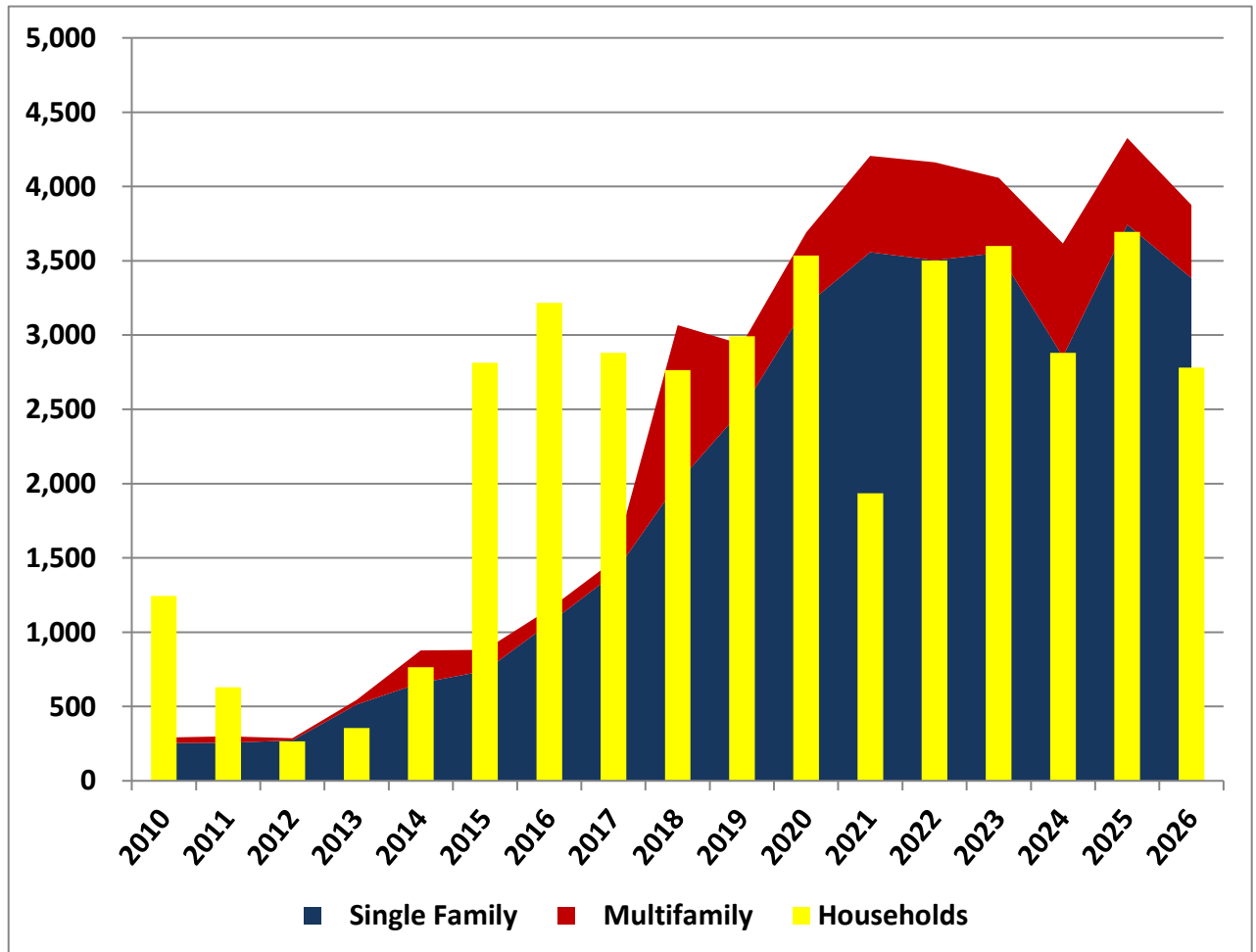


Source: PFM Group Consulting LLC



Since 2010, St. Lucie County's housing market has seen sustained growth (see Figure 10). With slow growth through 2011, it took the market a significant amount of time to absorb the inventory and then to support higher residential construction starts. Housing markets in Florida and St. Lucie County improved in 2013 through 2020 and are forecast to increase to approximately 3,000 starts annually and be stable through 2026.

**Figure 10. Housing Starts Compared to Household Formations  
In St. Lucie County**

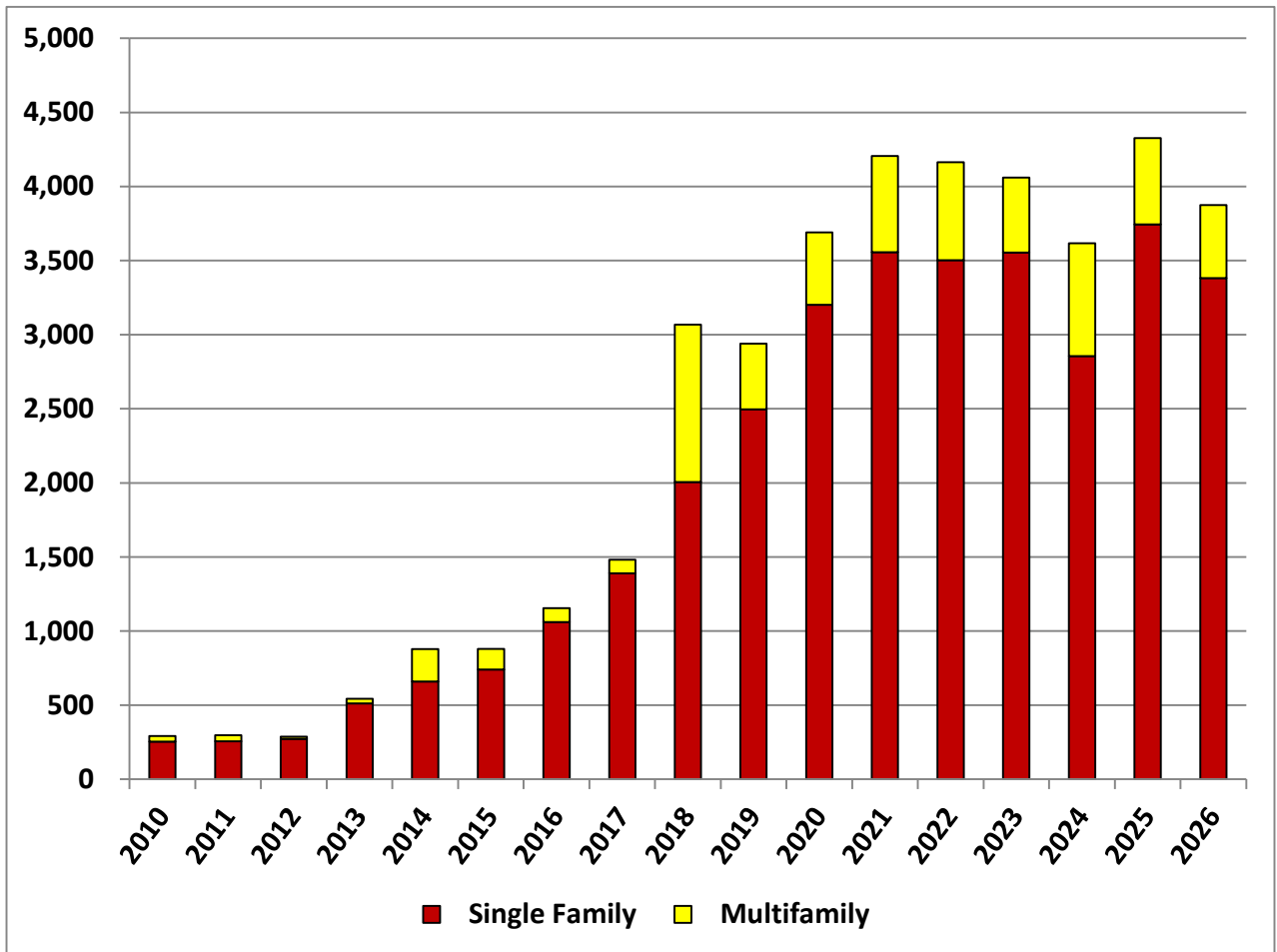


Source: PFM Group Consulting LLC



Total starts finally broke through the 3,000-unit barrier in 2018 and are forecasted to exceed 3,500 units annually through the forecast horizon (Figure 11). Excess inventory will be absorbed through the purchases of primary homes stemming from job growth and slow influx of retirees. The population associated with these sales is considered permanent residents, and so with these population gains, excess housing inventory is expected to remain limited.

Figure 11. St. Lucie County Housing Starts

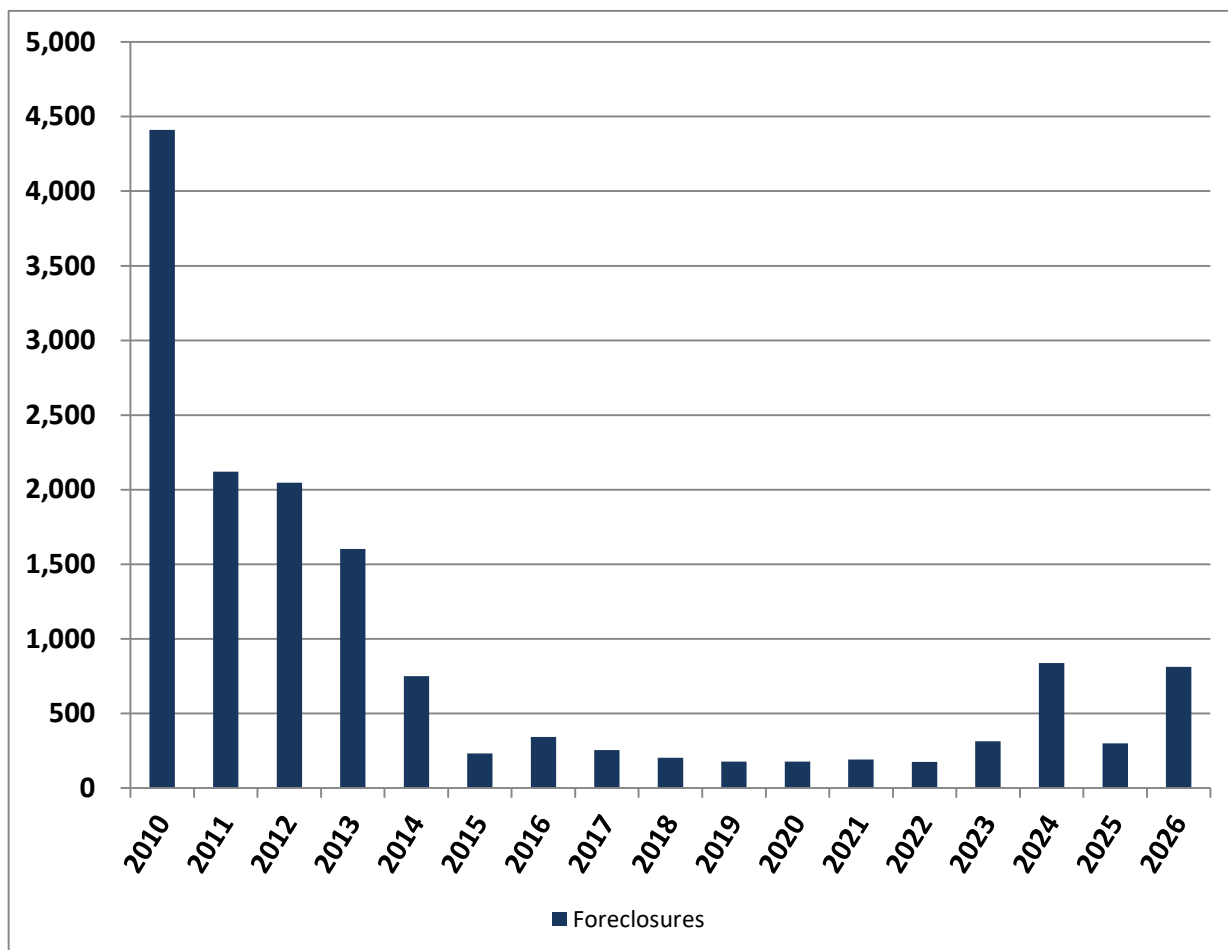


Source: PFM Group Consulting LLC



The speculation in St. Lucie County's housing market during the housing bubble from 2004-2008 was unsustainable. Foreclosures rose sharply in 2008 and peaked during 2009 with over 28,000 filings (Figure 12). Rising population growth and stronger employment aided in the recovery of housing markets in 2012 through 2014, and as a result, foreclosure filings have continued their downward trend. Since 2014, the County has seen limited foreclosure activity.

**Figure 12. Foreclosures in St. Lucie County**



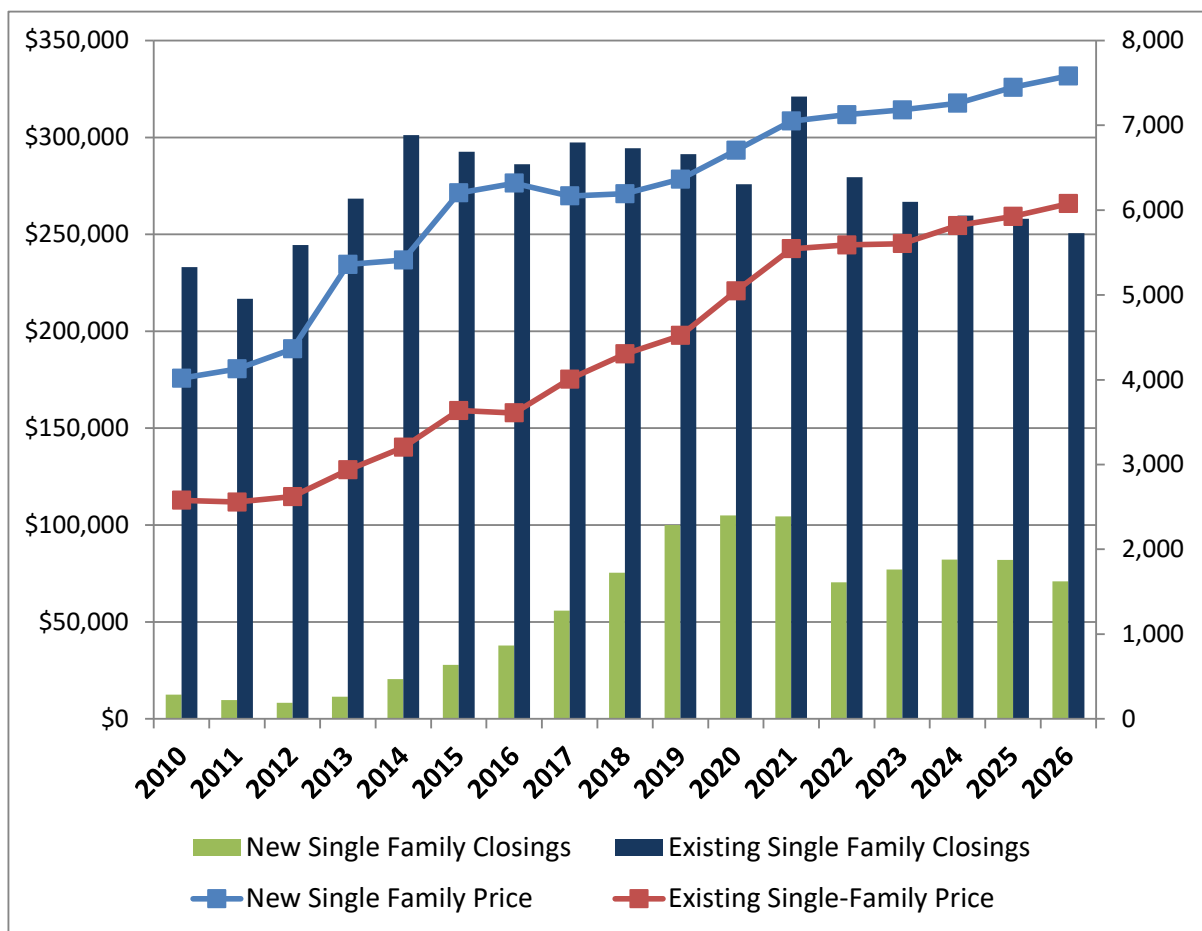
Source: PFM Group Consulting LLC



Figure 13 displays the latest data on closing volume and average prices paid for new and existing single family homes in St. Lucie County. While closing volumes for new homes remains depressed compared to earlier levels, the market appears to have stabilized and price declines have begun to level off and turn into price increases.

The existing home market provides an even better indication of current market conditions because a closing in October 2022 reflects a contract written earlier this year. Closing volumes have rebounded from their low point, and existing home prices have finally seen sustained increases.

**Figure 13. Closing Volume and Closing Prices for New and Existing Single Family Homes in St. Lucie County**



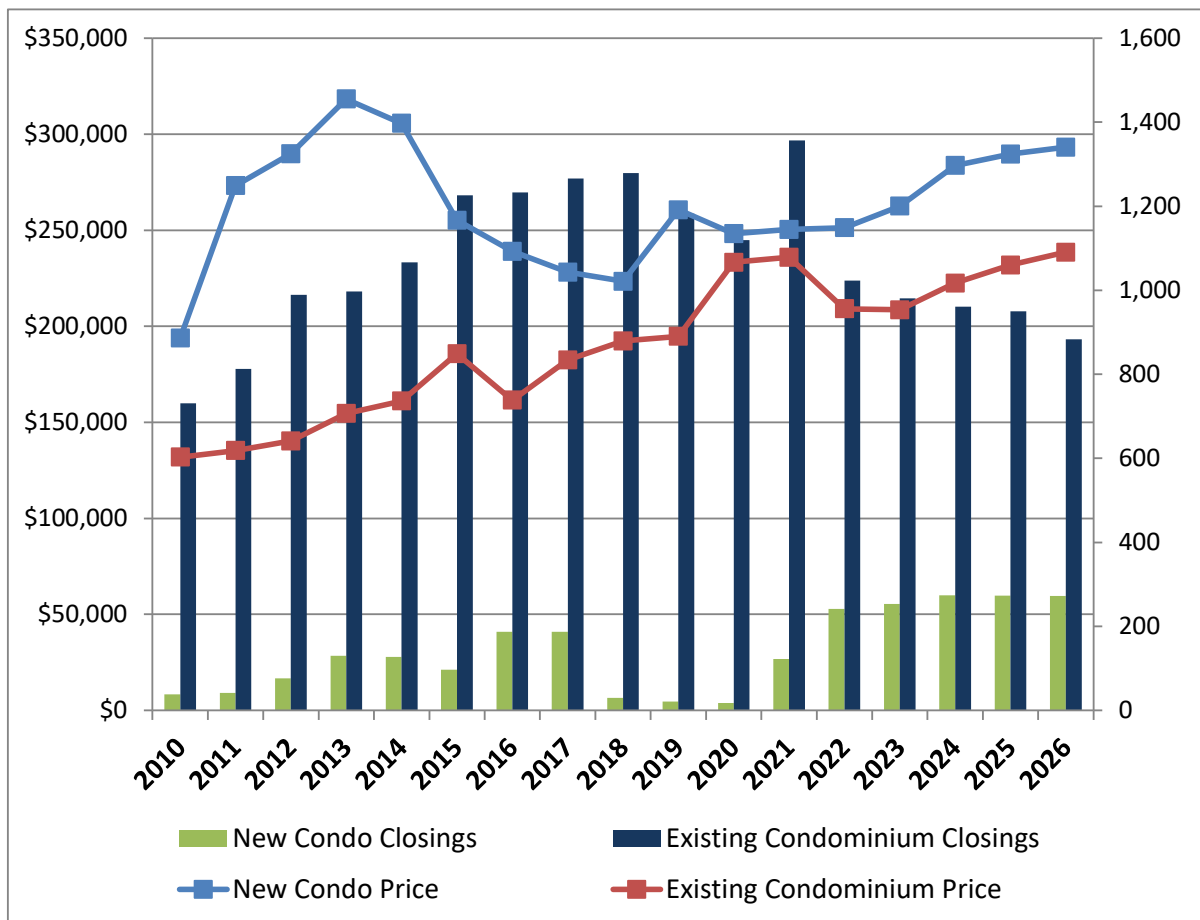
Source: PFM Group Consulting LLC



The data for St. Lucie County's condominium markets (new and existing) reflect these same trends. The St. Lucie County market saw an increase in condominium construction during the housing bubble. When the housing bubble burst, the condominium market was impacted dramatically. As the data indicates, the formerly new units constructed in 2007 and 2008 have been absorbed into the market.

In some cases, these condominium complexes were converted to apartment complexes, and condominium sales and market activity finally moved off its plateau from 2009 through 2012 with increased activity in 2013 through 2016. Figure 14 provides the history and forecast for closings and pricing of new and existing condominium units.

**Figure 14. Closing Volume and Closing Prices for New and Existing Condos in St. Lucie County**



Source: PFM Group Consulting LLC



### **3.0 Residential Analysis**

PFMGC reviewed data regarding residential development in the market. Not surprisingly, the vast amount of housing stock is single family residential units. With respect to the mix of residential at the CCMP site, PFMGC focused its analysis on apartments, but also considered condominium and townhome development. PFMGC also evaluated whether providing for an age-restricted component would be appropriate.

#### Apartments

When looking at the data in Table 3, overall the Port St. Lucie market is comparatively underserved with for-rent product. In addition, given the size constraints of the CCMP site and the nature of a mixed-use project, apartment development at the site represents a natural development opportunity. In addition, since 2019 consistent apartment development throughout St. Lucie County and within Port St. Lucie has occurred and is forecast to occur over the next three years. It is reasonable to assume that a developer will focus on this element to help anchor the CCMP project.

#### Condominium

With respect to condominium development, a countywide analysis shows concentrations of condominiums along the barrier islands or on other bodies of water. While CCMP could prove the exception, it represents comparative market risk that a developer will not likely want to entertain based on historical development patterns.

#### Townhomes

A townhome analysis was limited given the difficulty of identifying the location of townhome projects. Given the density of the CCMP, townhome development could potentially have a niche within the market and serve as a single-family alternative; however, the data limitations created an inability to make a sound judgement on the volume of demand and associated price point for this residential use. Developer judgement on this alternative for-sale product will be a function of volume, projected absorption and price point.

#### Age-Restricted

Given the overall size constraints, the inclusion of an age-restricted neighborhood (not to be confused with assisted living) is not recommended. Typical age-restricted projects often have a scale and tailored amenities that focus on the everyday needs of this population. The CCMP target market is likely to skew younger and create a mix of offerings for primary households.

### **3.1 Overview of Local Market and Residential Supply and Competition**

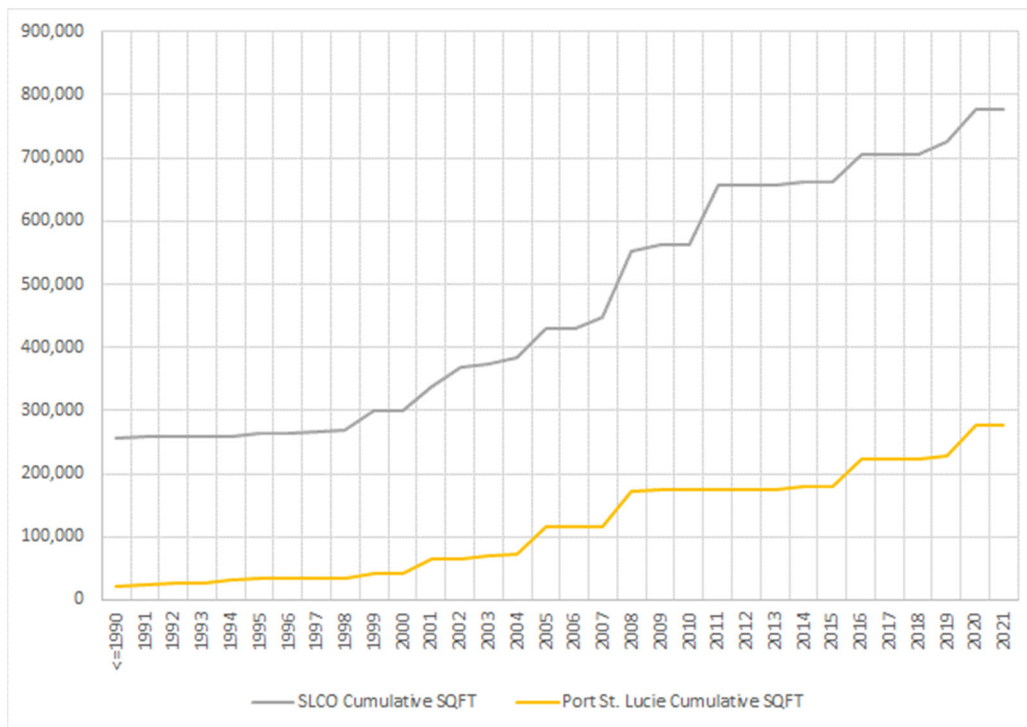
PFMGC collected and reviewed data from the following sources regarding the supply of apartment units in St. Lucie County:

- Florida's Department of Business and Professional Regulation
- CoStar (third party data sources)
- St. Lucie County Property Appraiser



The first step in analyzing the overall market was evaluating current apartment locations. PFMGC's research provides a breakdown of apartment locations by municipality within St. Lucie County. Table 6 summarizes the findings. Not surprisingly, the largest concentration of apartment units are located in Fort Pierce with Port. St. Lucie being the second largest concentration of apartment units. Since 2012, the Port. St. Lucie market has added over 100,000 square feet of apartment space, which represents nearly 100% of apartment space added within the County over that same time. Table 6 summarizes the square footage development of apartments in Port. St. Lucie, and Figure 15 provides a graphical representation of the timing of the apartment unit development. Map 3 shows the location of multi-family for-rent development throughout St. Lucie County, and Map 4 shows the location of apartment development within Port St. Lucie.

**Figure 15. St. Lucie County and Port St. Lucie Apartment Development (SQFT) by Year Built**



Source: St. Lucie County Property Appraiser



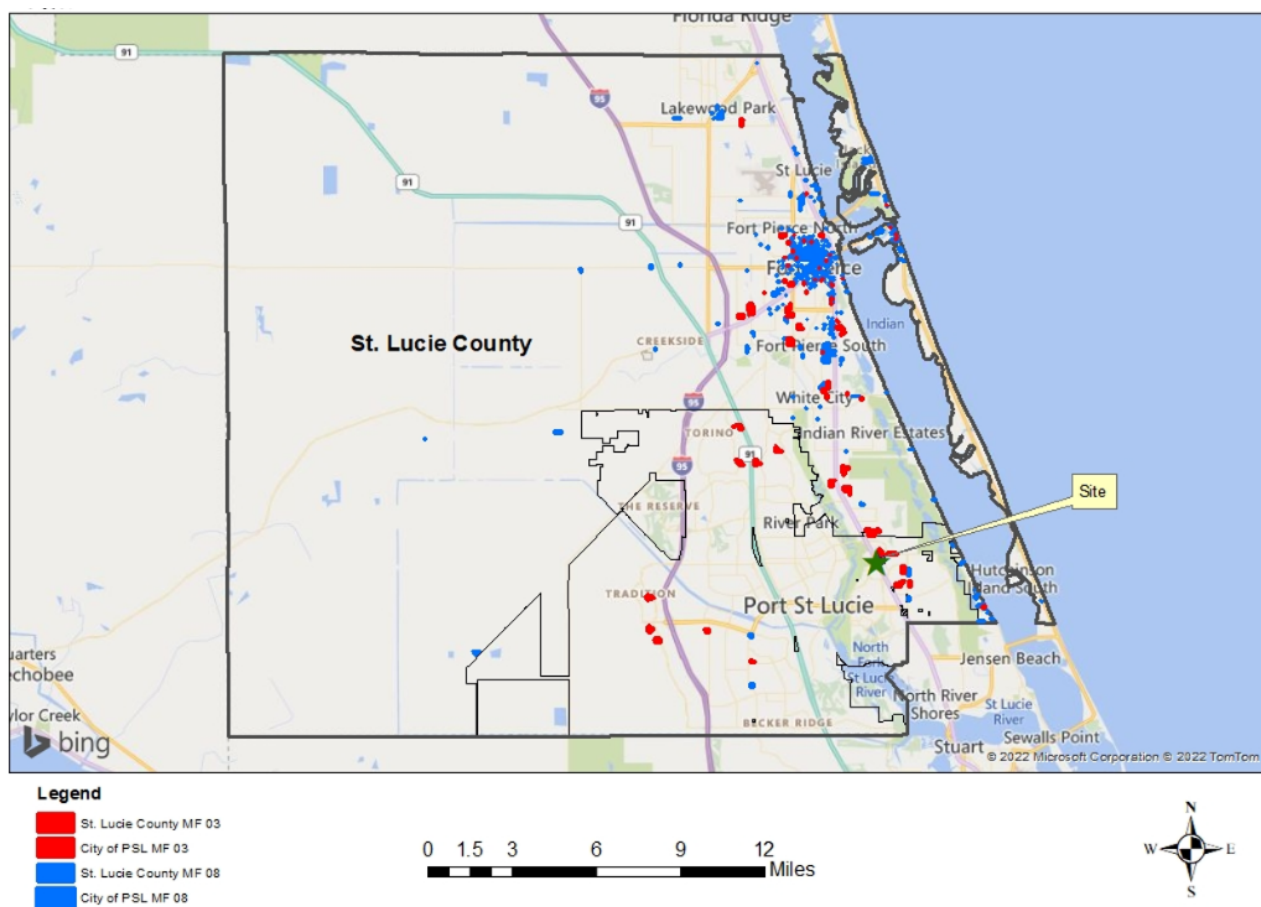
**Table 6. St. Lucie County and Port St. Lucie Apartment  
Development (SQFT) by Year Built**

St. Lucie County			Port St. Lucie		
Year Built	SQFT	Cumulative SQFT	Year Built	SQFT	Cumulative SQFT
<=1990	256,617	256,617	<=1990	21,550	21,550
1991	2,140	258,757	1991	2,140	23,690
1992	0	258,757	1992	4,000	27,690
1993	0	258,757	1993	0	27,690
1994	0	258,757	1994	4,450	32,140
1995	3,936	262,693	1995	1,440	33,580
1996	0	262,693	1996	0	33,580
1997	3,609	266,302	1997	1,013	34,593
1998	2,448	268,750	1998	0	34,593
1999	29,970	298,720	1999	8,588	43,181
2000	0	298,720	2000	0	43,181
2001	38,182	336,902	2001	22,560	65,741
2002	31,436	368,338	2002	0	65,741
2003	6,317	374,655	2003	3,218	68,959
2004	9,149	383,804	2004	3,399	72,358
2005	46,653	430,457	2005	44,485	116,843
2006	0	430,457	2006	0	116,843
2007	17,396	447,853	2007	0	116,843
2008	104,279	552,132	2008	56,148	172,991
2009	10,608	562,740	2009	800	173,791
2010	0	562,740	2010	0	173,791
2011	93,600	656,340	2011	0	173,791
2012	0	656,340	2012	0	173,791
2013	0	656,340	2013	0	173,791
2014	6,366	662,706	2014	6,366	180,157
2015	0	662,706	2015	0	180,157
2016	43,206	705,912	2016	43,206	223,363
2017	0	705,912	2017	0	223,363
2018	0	705,912	2018	0	223,363
2019	19,877	725,789	2019	4,401	227,764
2020	49,896	775,685	2020	49,896	277,660
2021	0	775,685	2021	0	277,660

Source: St. Lucie County Property Appraiser

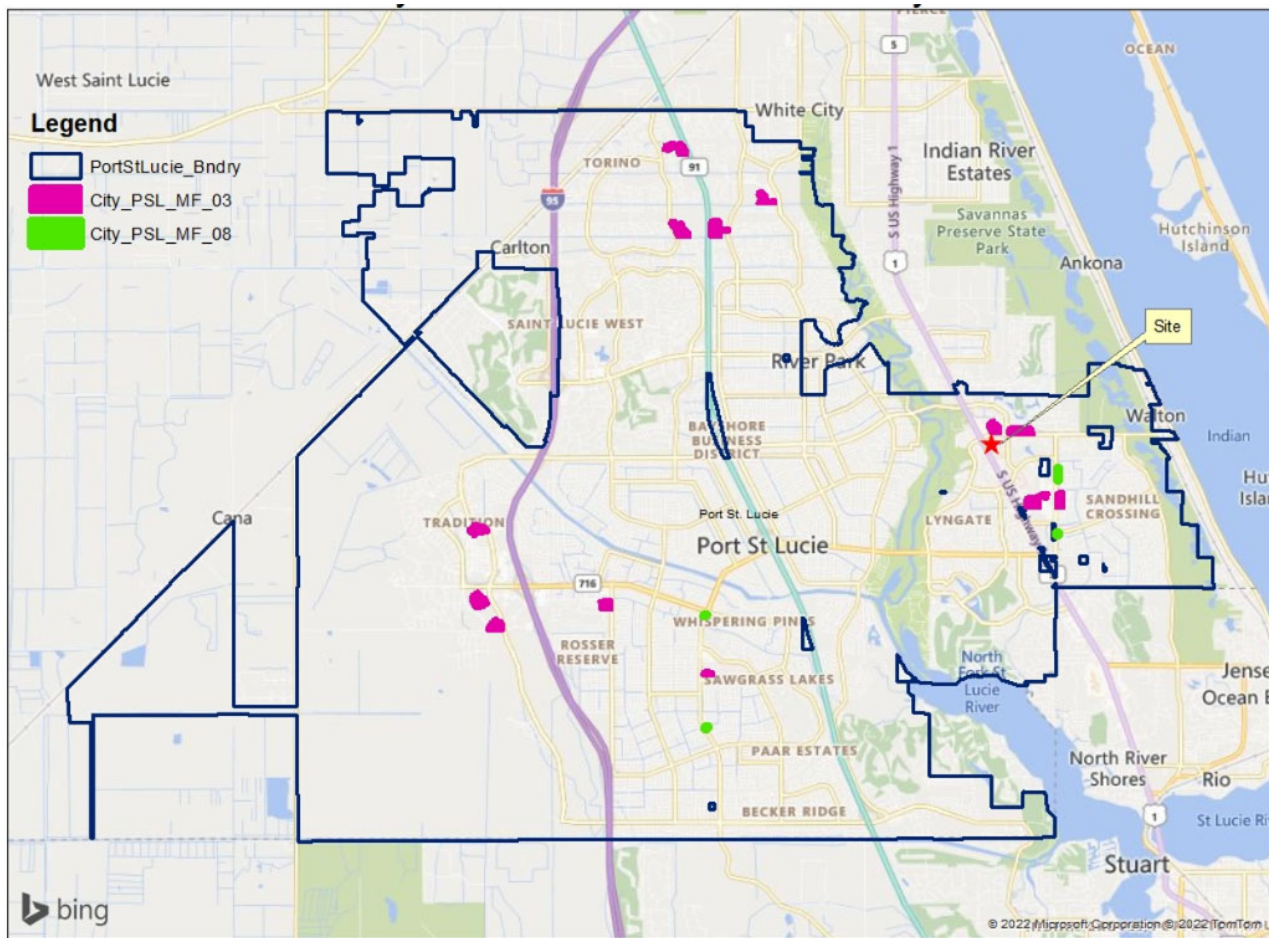


Map 3. St. Lucie County Apartment Development Concentrations





Map 4. Port St. Lucie County Apartment Development Concentrations



Source: PFM Group Consulting LLC and St. Lucie County Property Appraiser



### 3.2 5-Mile Radius St. Lucie Market Apartment Competition

PFMGC identified the apartment complexes within the 5-mile radius of the subject property (Table 7). These properties have been identified as the main apartment complex competition. Map 5 provides the location of the nearby complexes.

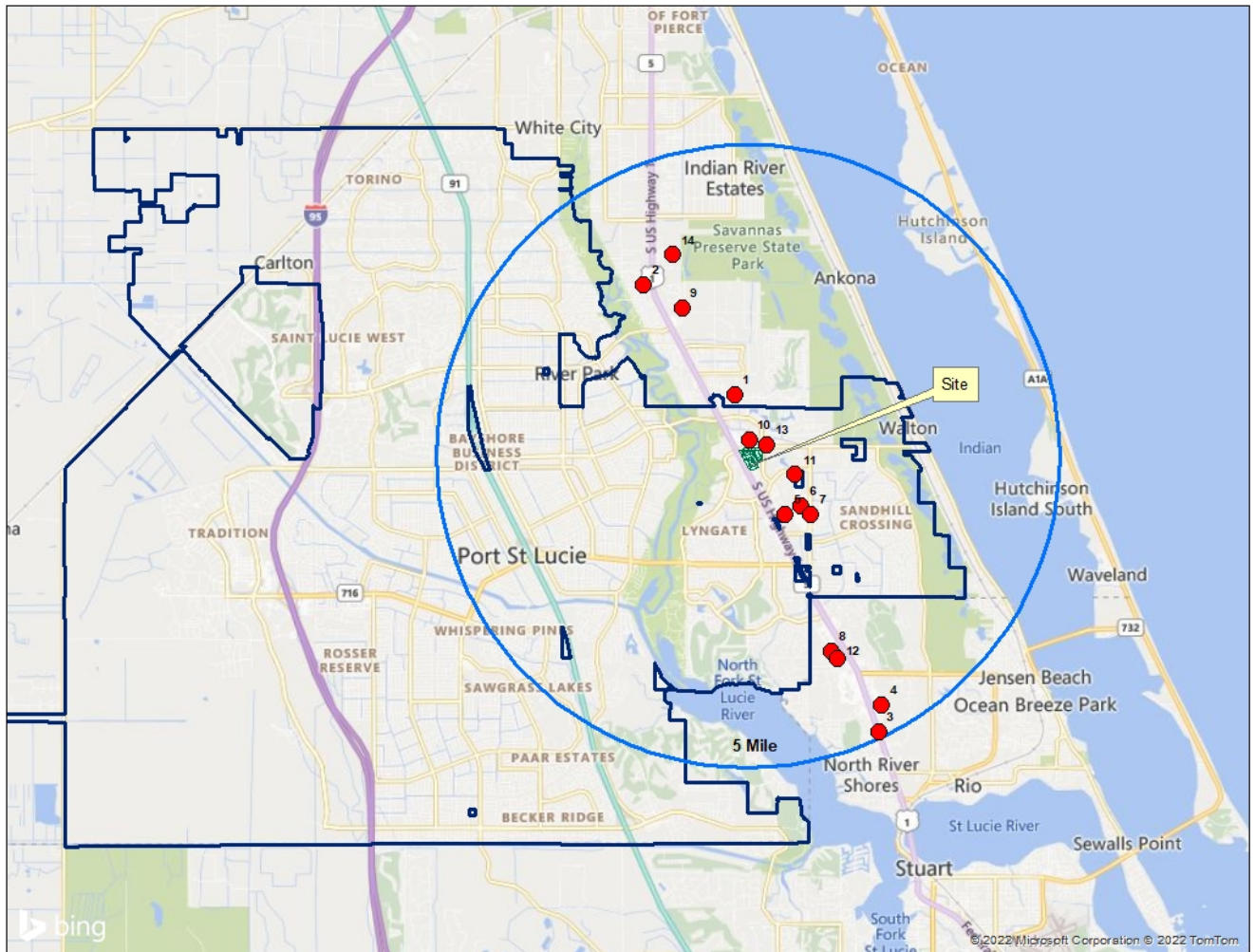
**Table 7. 5-Mile Radius Market Apartment Comparables**

ID	Property Name	Street Address	City	State	Zip	Size (Units)	Year Built
1	Bella Vista Apartments	1900 Bella Vista Way	Port Saint Lucie	FL	34952	268	2002
2	St. Lucie Oaks	380 Brazilian Cir	Port Saint Lucie	FL	34952	180	2002
3	AxisOne	2201 NW Federal Hwy	Stuart	FL	34994	284	2021
4	Arium Jensen Beach	1010 NW Fresco Way	Jensen Beach	FL	34957	260	2004
5	The Addison at Parkside	1900 SE Hillmoor Dr	Port Saint Lucie	FL	34952	230	1990
6	Terraces on the Square	2051-2059 SE Hillmoor Dr	Port Saint Lucie	FL	34952	82	2008
7	Grove Park Apartment Homes	2033 SE Lennard Rd	Port Saint Lucie	FL	34952	210	2016
8	Portofino at Jensen Beach	3817 NW Mediterranean Ln	Jensen Beach	FL	34957	384	2001
9	Pine Lakes Preserve	7700 Pine Lakes Blvd	Port Saint Lucie	FL	34952	320	2003
10	Harbour Pines Apartments	1810 SE Pinewood Trl	Port Saint Lucie	FL	34952	152	1997
11	Reserve at Port St. Lucie	1500 SE Tiffany Club Pl	Port Saint Lucie	FL	34952	188	1997
12	Stuart Pointe	3521 NW Treasure Coast Dr	Jensen Beach	FL	34957	192	2004
13	Harbour Palms Apartments	1811 SE Walton Lakes Dr	Port Saint Lucie	FL	34952	244	1995
14	Kitterman Woods Apartments	6600 Woods Island Cir	Port Saint Lucie	FL	34952	396	2007
					<b>TOTAL</b>	<b>3,390</b>	

Source: CoStar



Map 5. 5-Mile Radius Market Apartment Comparables



Source: PFM Group Consulting LLC

As the data shows in Table 7, the comparables total nearly 3,400 apartment units within a 5-mile radius. PFMGC analyzed the dataset. Table 8 and Table 9 provide more detail with respect to unit mix and associated rental rates at each facility.

**Table 8. 5-Mile Market Apartment Comparables Data**

ID	Property Name	Size (Units)	Year Built	Floors	Class	AVG Rent	AVG Rent / SFQT*	Vacancy (%)*
1	Bella Vista Apartments	268	2002	2	A	\$1,883	\$1.88	0.1
2	St. Lucie Oaks	180	2002	2	B	\$1,596	\$1.31	0.2
3	AxisOne	284	2021	4	A	\$2,432	\$2.37	21.7
4	Arium Jensen Beach	260	2004	3	B	\$2,312	\$2.18	4.0
5	The Addison at Parkside	230	1990	2	C	\$2,194	\$1.82	6.3
6	Terraces on the Square	82	2008	3	B	\$2,259	\$1.87	0.3
7	Grove Park Apartment Homes	210	2016	3	B	\$1,103	\$1.06	1.2
8	Portofino at Jensen Beach	384	2001	3	A	\$1,745	\$1.98	4.7
9	Pine Lakes Preserve	320	2003	3	B	\$1,912	\$1.83	6.0
10	Harbour Pines Apartments	152	1997	2	A	\$1,366	-	1.3
11	Reserve at Port St. Lucie	188	1997	3	C	\$1,845	\$1.98	3.7
12	Stuart Pointe	192	2004	2	A	\$1,651	\$1.74	2.4
13	Harbour Palms Apartments	244	1995	2	B	\$1,409	\$1.29	1.3
14	Kitterman Woods Apartments	396	2007	3	B	\$2,090	\$2.10	0.3
	<b>TOTAL</b>	<b>3,390</b>						
	<b>AVG*</b>	<b>242</b>	<b>2003</b>	<b>3</b>	<b>-</b>	<b>\$1,843</b>	<b>\$1.83</b>	<b>3.8</b>

Source: CoStar \*does not include Harbour Pines (affordable units) when calculating average rent per square foot

**Table 9. 5-Mile Market Apartment Unit Mix Data**

	Avg. Rent/Month	Avg. Size (SQFT)	Avg. Rent (\$/SQFT)*	Units	Unit Mix (%)
Studio	-	-	-	-	-
1 BR	\$1,645	750	\$2.03	1,027	30.29%
2 BR	\$1,874	1,021	\$1.63	1,558	45.96%
3 BR	\$1,990	1,205	\$1.64	760	22.42%
4 BR	\$1,502	1,482	\$1.02	45	1.33%
Total	\$1,843	986	\$1.83	3,390	100.00%

Source: CoStar \*does not include Harbour Pines (affordable units) when calculating average rent per square foot

As the data indicates, 49% of the apartment units within the 5-mile market were built before 2003. In addition, the market has effectively no vacancy with an average of 3.8 percent vacancy. A market is historically in equilibrium at a 5.0 percent vacancy rate. The average rent per unit is \$1,843 with the most expensive being AxisOne (year built 2021) at \$2,432 and \$2.37 per square foot and the least expensive being Harbour Pines Apartments (year built 1997) at \$1,336. The average unit size is 986 square feet, resulting in an average rent per square foot of \$1.83. In addition to the 5-mile radius data set, Table 10 summarizes the 5-mile market apartment market analytic history with respect to rental rates and occupancy.



Table 10. 5-Mile Market Apartment Analytic History

Period	Inventory Bldgs	Inventory Units	Inventory Avg SF	Effective Rent Per Unit	Effective Rent Per SF	Vacancy Percent	Under Construction Units	Under Construction Percent
2022 YTD	23	4,542	954	\$1,866	\$1.83	3.3%	252	5.5%
2021	23	4,542	954	\$1,768	\$1.74	4.0%	252	5.5%
2020	22	4,258	949	\$1,361	\$1.33	2.4%	284	6.7%
2019	22	4,258	949	\$1,330	\$1.30	3.5%	284	6.7%
2018	22	4,258	949	\$1,253	\$1.22	3.4%	-	-
2017	22	4,258	949	\$1,224	\$1.20	3.9%	-	-
2016	22	4,258	949	\$1,139	\$1.11	4.7%	-	-
2015	21	4,048	944	\$1,103	\$1.08	3.4%	210	5.2%
2014	21	4,048	944	\$1,006	\$0.98	4.4%	-	-
2013	21	4,048	944	\$976	\$0.95	4.1%	-	-
2012	21	4,048	944	\$951	\$0.93	5.6%	-	-
2011	21	4,048	944	\$936	\$0.91	6.4%	-	-
2010	21	4,048	944	\$921	\$0.90	6.6%	-	-
2009	21	4,048	944	\$912	\$0.89	7.9%	-	-
2008	21	4,048	944	\$942	\$0.92	10.6%	-	-
2007	20	3,966	938	\$958	\$0.93	13.4%	82	2.1%
2006	19	3,570	931	\$952	\$0.93	5.1%	396	11.1%
2005	19	3,570	931	\$897	\$0.88	3.7%	-	-
2004	19	3,570	931	\$882	\$0.86	5.2%	-	-
2003	17	3,118	918	\$883	\$0.86	9.2%	452	14.5%
2002	16	2,798	903	\$903	\$0.88	4.9%	772	27.6%
2001	13	1,281	1,008	\$913	\$0.89	4.7%	1,837	143.4%
2000	12	897	1,080	\$896	\$0.88	6.2%	564	62.9%

Source: CoStar

### 3.3 Pipeline of Apartment Projects

In addition to data from CoStar, PFMGC contacted the City of Port St. Lucie and St. Lucie County Planning Department to find out how many multi-family apartment projects are currently in the planning stages. According to representatives with the Planning and Zoning Department of each municipality, there are 14 new multi-family projects in the planning stage totaling 2,571 units, of which 527 are located within the 5-mile radius of the project. Table 11 and Map 6 summarizes the location of each project and unit count approved for each project.

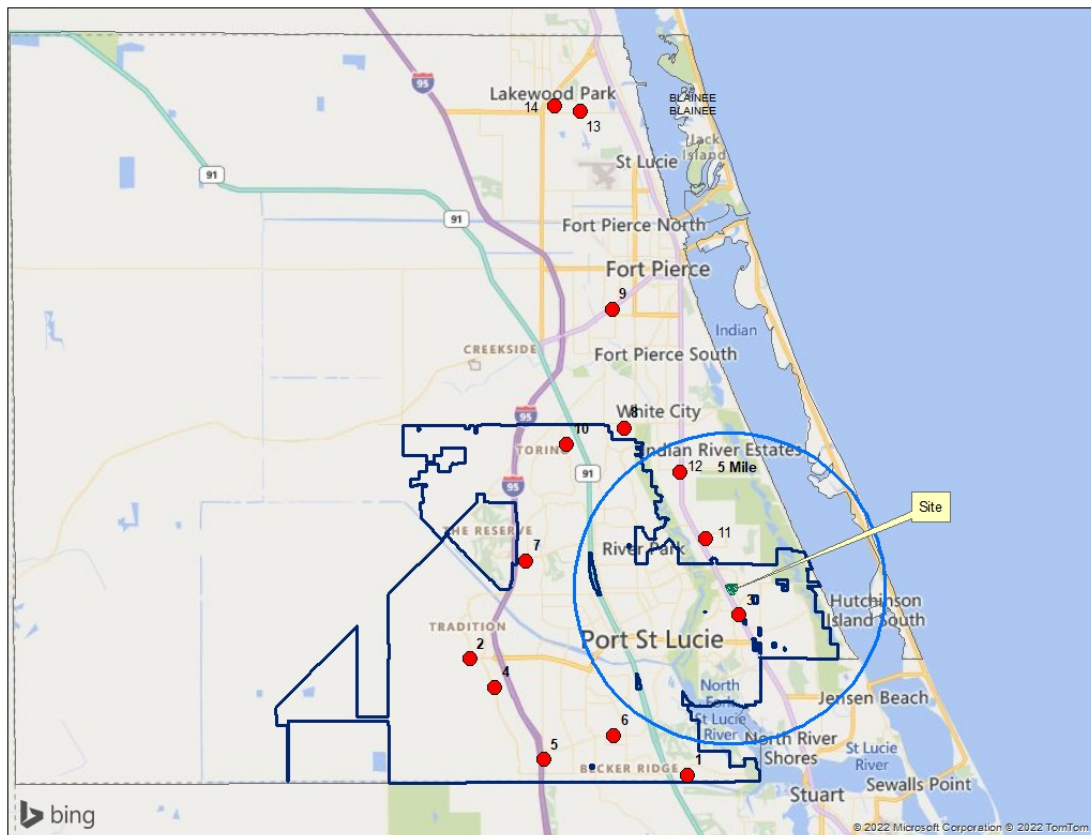


**Table 11. Multi-Family Pipeline Summary**

ID	Property Name	Property Address	City	State	Zip	Units	Building Status
1	Mason Veranda	90 SE Collins Ln	Port Saint Lucie	FL	34984	100	Under Construction
2	Boardwalk at Tradition	11918 Community Blvd	Port Saint Lucie	FL	34987	214	Under Construction
3	Mason Port St. Lucie Apts	9905 S US Highway 1	Port Saint Lucie	FL	34952	252	Under Construction
4	Village at Tradition	11750 SW Village Pky	Port Saint Lucie	FL	34987	372	Under Construction
5	Unnamed	1697 SW Gadsan Ave	Port Saint Lucie	FL	34953	286	Under Construction
6	The Cottages at Tradition	8950 SW Paar Dr	Port Saint Lucie	FL	34953	286	Under Construction
7	Town Place at St. Lucie West Apts	SW Fountainview Blvd	Saint Lucie West	FL	34986	200	Proposed
8	Ravinia of Port St. Lucie	W Midway Rd	Fort Pierce	FL	34981	148	Proposed
9	Misty Creek Preserve	3614 Okeechobee Rd	Fort Pierce	FL	34947	144	Proposed
10	Haddon Point Apartments	5400 NW Rabbit Run	Port Saint Lucie	FL	34986	116	Proposed
11	Ibis Apartments	NE of US 1 & Mediterranean Blvd S.	Port Saint Lucie	FL		200	Proposed
12	Eden Oaks	SW of US 1 & Saeger Ave.	Port Saint Lucie	FL		75	Proposed
13	Indrio Pines Apartments	NW of Indrio Rd & Slash Pine Trail	Fort Pierce	FL		94	Proposed
14	Sugar Sands Apartments	SE of Miramar Ave & Royal Palm Ave	Fort Pierce	FL		84	Proposed
					TOTAL	2,571	

Source: CoStar, City of Port St. Lucie and St. Lucie County Planning Departments

**Map 6. Summary of County Multi-Family Pipeline Projects with 5-Mile Radius**



Source: City of Port St. Lucie and St. Lucie County Planning Departments



### 3.4 Rental Demand and Apartment Demand Analysis

With respect to future apartment demand, PFMGC has identified a strong correlation between local employment growth and apartment occupancy rates. Using historical employment data as provided by the Florida Research and Economic Database (Labor Market Statistics) and annual apartment occupancy rates as provided by CoStar, PFMGC charted historical data from 2007 through 2021 and included forecasted estimates for 2022 through 2026. Table 12 summarizes the data, and Figure 16 provides a graphical representation.

**Table 12. St. Lucie County Annual Employment Growth and Apartment Occupancy Rates**

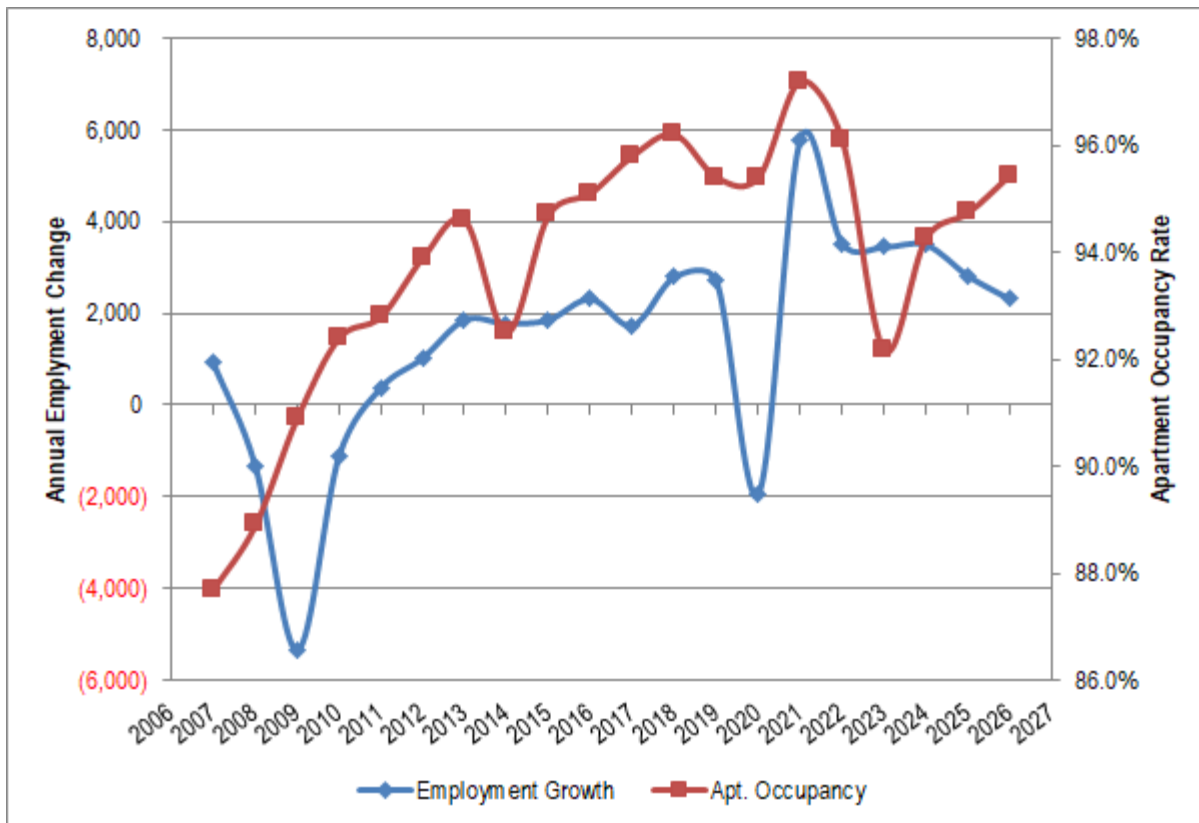
Year	Employment Growth	Apt. Occupancy	Inventory Apt Units	Change in Inventory
2007	930	87.7%	9,608	724
2008	(1,314)	88.9%	9,822	214
2009	(5,334)	90.9%	9,916	94
2010	(1,091)	92.4%	9,916	0
2011	389	92.8%	10,008	92
2012	1,039	93.9%	10,008	0
2013	1,868	94.6%	10,008	0
2014	1,786	92.5%	10,444	436
2015	1,867	94.7%	10,444	0
2016	2,321	95.1%	10,654	210
2017	1,741	95.8%	10,654	0
2018	2,800	96.2%	10,654	0
2019	2,706	95.4%	11,106	452
2020	(1,929)	95.4%	11,606	500
2021	5,787	97.2%	11,606	0
2022	3,523	96.1%	11,920	314
2023	3,449	92.2%	13,524	1,604
2024	3,500	94.3%	13,724	200
2025	2,823	94.7%	13,724	0
2026	2,316	95.4%	13,979	255
	Correlation*	0.72		

Source: Florida Research and Economic Database, CoStar, PFM Group Consulting LLC

\*correlation from 2011-2019



**Figure 16. St. Lucie County Apt Occupancy & Annual Employment Growth**



Source: PFM Group Consulting LLC.; Florida Research and Economic Database and CoStar

As Figure 10 shows, the two data sets have similar trend lines. The correlation analysis indicates that the two have a correlation of 0.72, which PFMGC interprets as a significant link between employment growth and demand for apartment units.

As the data in Figure 15 shows, the employment forecast through 2026 indicates that St. Lucie County will see employment growth average an estimated 3,100 new jobs annually through 2026. These data indicate that the apartment market will see increased demand and increased inventory through 2026, which will drive down the apartment occupancy rate. However, the forecasted addition of an estimated 2,100 apartment units over the next four years is only likely to have a modest impact on apartment vacancy given the employment growth forecast.

### 3.5 Forecast Methodology

PFMGC prepares long-term economic forecast models at the county level for Florida Counties. Forecasts are prepared for population and households by age and income for owners and renters. In this analysis, PFMGC applies the annual forecast data generated through year 2031. This long-term forecast incorporates PFMGC's short-term economic forecasts, which currently are produced through year 2026 (see Section 2.0).



### Population Forecasts

Population forecasts are a function of national economic conditions and growth performance at the local level. These forecasts are based on more than 30 years of historic annual growth data at the county level. Population forecasts are also calibrated to reflect non-data oriented inputs such as local political conditions as they relate to growth, structural changes to the local economy such as buildout, expansive new development approvals, opening of new highways, airports and changes in environmental regulation, preservation, and land use. These non-data inputs are a spin-off of PFMGC's economic consulting practice which includes local and state government agencies, private sector real estate clients, utilities, communications companies, and special taxing districts, among others.

### Household Formations by Age and Income for Owners and Renters

New household formations are derived directly from the population forecasts. These are generated by converting population counts into household counts and then distributing these households across age and income category distributions. The age/income distributions are derived from the latest decennial Census Bureau data at the county level which is updated through our subscription to an on-line demographic data provider.

Total households by age and income are then further distributed across owner/renter categories according to the latest Census Bureau own/rent distribution, again at the county level. Owner/Renter households by age at the local level are distributed across income levels derived from age/income distributions for owners and renters at the national level according to the US Department of Labor Consumer Expenditure Survey demographic profile. The result is a profile of householders by age and income for owners and renters at the local level which is calibrated to the local own/rent profile by age and income.

## 3.6 St. Lucie County Rental & Apartment Demand Analysis

PFMGC estimated annual renter household growth through 2031 (Table 13). The tables to follow show the following: 1) renter occupied households, 2) the natural churn in renter households, 3) renter household growth, 4) the St. Lucie County annual renter demand and finally 5) Apartment/Multi-Family Renter demand in any given year.



**Table 13. St. Lucie County Renter Households (2023 – 2031)**

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Householder 25-44 years:	<b>11,601</b>	<b>11,790</b>	<b>12,058</b>	<b>12,248</b>	<b>12,425</b>	<b>12,590</b>	<b>12,744</b>	<b>12,962</b>	<b>13,159</b>
Under \$20,000	1,647	1,674	1,712	1,739	1,764	1,788	1,810	1,841	1,869
\$ 20,000 to \$ 29,999	1,491	1,515	1,550	1,574	1,597	1,618	1,638	1,666	1,691
\$ 30,000 to \$ 39,999	1,361	1,383	1,414	1,437	1,457	1,477	1,495	1,520	1,544
\$ 40,000 to \$ 49,999	1,414	1,437	1,469	1,492	1,514	1,534	1,553	1,579	1,603
\$ 50,000 to \$ 59,999	1,428	1,452	1,485	1,508	1,530	1,550	1,569	1,596	1,620
\$ 60,000 to \$74,000	1,961	1,993	2,038	2,070	2,100	2,128	2,154	2,191	2,224
\$ 75,000 to \$99,999	1,157	1,176	1,203	1,222	1,239	1,256	1,271	1,293	1,312
\$ 100,000 to \$149,999	951	967	989	1,004	1,019	1,032	1,045	1,063	1,079
\$ 150,000 and over	191	194	198	201	204	207	209	213	216
Householder 45-64 years:	<b>12,266</b>	<b>12,478</b>	<b>12,775</b>	<b>12,988</b>	<b>13,189</b>	<b>13,379</b>	<b>13,557</b>	<b>13,802</b>	<b>14,027</b>
Under \$20,000	3,267	3,324	3,402	3,459	3,513	3,563	3,611	3,676	3,736
\$ 20,000 to \$ 29,999	880	896	917	932	947	960	973	991	1,007
\$ 30,000 to \$ 39,999	1,050	1,069	1,094	1,112	1,130	1,146	1,161	1,182	1,201
\$ 40,000 to \$ 49,999	1,049	1,068	1,093	1,111	1,129	1,145	1,160	1,181	1,200
\$ 50,000 to \$ 59,999	880	895	917	932	946	960	973	990	1,006
\$ 60,000 to \$74,000	1,246	1,268	1,298	1,319	1,340	1,359	1,377	1,402	1,425
\$ 75,000 to \$99,999	1,017	1,035	1,060	1,077	1,094	1,110	1,124	1,145	1,163
\$ 100,000 to \$149,999	1,502	1,528	1,564	1,590	1,615	1,638	1,660	1,690	1,717
\$ 150,000 and over	1,373	1,397	1,430	1,454	1,476	1,498	1,518	1,545	1,570
Householder 65+ years:	<b>14,072</b>	<b>14,529</b>	<b>15,096</b>	<b>15,577</b>	<b>16,055</b>	<b>16,529</b>	<b>17,000</b>	<b>17,568</b>	<b>18,123</b>
Under \$20,000	7,602	7,849	8,155	8,415	8,673	8,930	9,184	9,491	9,790
\$ 20,000 to \$ 29,999	4,157	4,292	4,460	4,602	4,743	4,883	5,022	5,190	5,354
\$ 30,000 to \$ 39,999	1,528	1,577	1,639	1,691	1,743	1,795	1,846	1,907	1,968
\$ 40,000 to \$ 49,999	171	177	184	189	195	201	207	214	220
\$ 50,000 to \$ 59,999	110	113	118	122	125	129	133	137	142
\$ 60,000 to \$74,000	127	131	136	141	145	149	153	159	164
\$ 75,000 to \$99,999	153	158	164	169	174	180	185	191	197
\$ 100,000 to \$149,999	126	130	135	139	143	148	152	157	162
\$ 150,000 and over	98	101	105	109	112	115	119	123	127
<b>Total</b>	<b>37,940</b>	<b>38,797</b>	<b>39,928</b>	<b>40,813</b>	<b>41,669</b>	<b>42,498</b>	<b>43,301</b>	<b>44,331</b>	<b>45,308</b>

Source: PFM Group Consulting LLC



**Table 14. St. Lucie County Natural Churn-Turnover  
in Renter Households (2023 – 2031)**

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Householder 25-44 years:	<b>4,060</b>	<b>4,127</b>	<b>4,220</b>	<b>4,287</b>	<b>4,349</b>	<b>4,407</b>	<b>4,461</b>	<b>4,537</b>	<b>4,606</b>
Under \$20,000	577	586	599	609	618	626	633	644	654
\$ 20,000 to \$ 29,999	522	530	542	551	559	566	573	583	592
\$ 30,000 to \$ 39,999	476	484	495	503	510	517	523	532	540
\$ 40,000 to \$ 49,999	495	503	514	522	530	537	543	553	561
\$ 50,000 to \$ 59,999	500	508	520	528	535	543	549	559	567
\$ 60,000 to \$74,000	686	698	713	725	735	745	754	767	779
\$ 75,000 to \$99,999	405	412	421	428	434	440	445	452	459
\$ 100,000 to \$149,999	333	338	346	351	357	361	366	372	378
\$ 150,000 and over	67	68	69	70	71	72	73	75	76
Householder 45-64 years:	<b>1,840</b>	<b>1,872</b>	<b>1,916</b>	<b>1,948</b>	<b>1,978</b>	<b>2,007</b>	<b>2,033</b>	<b>2,070</b>	<b>2,104</b>
Under \$20,000	490	499	510	519	527	535	542	551	560
\$ 20,000 to \$ 29,999	132	134	138	140	142	144	146	149	151
\$ 30,000 to \$ 39,999	158	160	164	167	169	172	174	177	180
\$ 40,000 to \$ 49,999	157	160	164	167	169	172	174	177	180
\$ 50,000 to \$ 59,999	132	134	137	140	142	144	146	149	151
\$ 60,000 to \$74,000	187	190	195	198	201	204	207	210	214
\$ 75,000 to \$99,999	153	155	159	162	164	166	169	172	175
\$ 100,000 to \$149,999	225	229	235	239	242	246	249	253	258
\$ 150,000 and over	206	210	214	218	221	225	228	232	236
Householder 65+ years:	<b>704</b>	<b>726</b>	<b>755</b>	<b>779</b>	<b>803</b>	<b>826</b>	<b>850</b>	<b>878</b>	<b>906</b>
Under \$20,000	380	392	408	421	434	446	459	475	490
\$ 20,000 to \$ 29,999	208	215	223	230	237	244	251	260	268
\$ 30,000 to \$ 39,999	76	79	82	85	87	90	92	95	98
\$ 40,000 to \$ 49,999	9	9	9	9	10	10	10	11	11
\$ 50,000 to \$ 59,999	5	6	6	6	6	6	7	7	7
\$ 60,000 to \$74,000	6	7	7	7	7	7	8	8	8
\$ 75,000 to \$99,999	8	8	8	8	9	9	9	10	10
\$ 100,000 to \$149,999	6	6	7	7	7	7	8	8	8
\$ 150,000 and over	5	5	5	5	6	6	6	6	6
<b>Total</b>	<b>6,604</b>	<b>6,725</b>	<b>6,891</b>	<b>7,014</b>	<b>7,130</b>	<b>7,240</b>	<b>7,344</b>	<b>7,485</b>	<b>7,616</b>

Source: PFM Group Consulting LLC



**Table 15. St. Lucie County Renter  
Household Growth (2023 – 2031)**

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Householder 25-44 years:	<b>262</b>	<b>189</b>	<b>268</b>	<b>189</b>	<b>177</b>	<b>165</b>	<b>154</b>	<b>217</b>	<b>197</b>
Under \$20,000	37	27	38	27	25	23	22	31	28
\$ 20,000 to \$ 29,999	34	24	34	24	23	21	20	28	25
\$ 30,000 to \$ 39,999	31	22	31	22	21	19	18	25	23
\$ 40,000 to \$ 49,999	32	23	33	23	22	20	19	26	24
\$ 50,000 to \$ 59,999	32	23	33	23	22	20	19	27	24
\$ 60,000 to \$74,000	44	32	45	32	30	28	26	37	33
\$ 75,000 to \$99,999	26	19	27	19	18	16	15	22	20
\$ 100,000 to \$149,999	22	16	22	16	15	14	13	18	16
\$ 150,000 and over	4	3	4	3	3	3	3	4	3
Householder 45-64 years:	<b>289</b>	<b>212</b>	<b>296</b>	<b>214</b>	<b>201</b>	<b>189</b>	<b>178</b>	<b>245</b>	<b>225</b>
Under \$20,000	77	57	79	57	54	50	47	65	60
\$ 20,000 to \$ 29,999	21	15	21	15	14	14	13	18	16
\$ 30,000 to \$ 39,999	25	18	25	18	17	16	15	21	19
\$ 40,000 to \$ 49,999	25	18	25	18	17	16	15	21	19
\$ 50,000 to \$ 59,999	21	15	21	15	14	14	13	18	16
\$ 60,000 to \$74,000	29	22	30	22	20	19	18	25	23
\$ 75,000 to \$99,999	24	18	25	18	17	16	15	20	19
\$ 100,000 to \$149,999	35	26	36	26	25	23	22	30	28
\$ 150,000 and over	32	24	33	24	23	21	20	27	25
Householder 65+ years:	<b>533</b>	<b>456</b>	<b>567</b>	<b>482</b>	<b>478</b>	<b>474</b>	<b>471</b>	<b>568</b>	<b>555</b>
Under \$20,000	288	247	306	260	258	256	254	307	300
\$ 20,000 to \$ 29,999	157	135	167	142	141	140	139	168	164
\$ 30,000 to \$ 39,999	58	50	62	52	52	51	51	62	60
\$ 40,000 to \$ 49,999	6	6	7	6	6	6	6	7	7
\$ 50,000 to \$ 59,999	4	4	4	4	4	4	4	4	4
\$ 60,000 to \$74,000	5	4	5	4	4	4	4	5	5
\$ 75,000 to \$99,999	6	5	6	5	5	5	5	6	6
\$ 100,000 to \$149,999	5	4	5	4	4	4	4	5	5
\$ 150,000 and over	4	3	4	3	3	3	3	4	4
<b>Total</b>	<b>1,085</b>	<b>858</b>	<b>1,131</b>	<b>885</b>	<b>856</b>	<b>829</b>	<b>803</b>	<b>1,030</b>	<b>977</b>

Source: PFM Group Consulting LLC



**Table 16. St. Lucie County Annual Multi-Family Renter Household Demand (2023 – 2031)\***

	2023	2024	2025	2026	2027	2028	2029	2030	2031
Householder 25-44 years:	<b>4,323</b>	<b>4,316</b>	<b>4,488</b>	<b>4,476</b>	<b>4,526</b>	<b>4,572</b>	<b>4,615</b>	<b>4,754</b>	<b>4,803</b>
Under \$20,000	614	613	637	636	643	649	655	675	682
\$ 20,000 to \$ 29,999	556	555	577	575	582	588	593	611	617
\$ 30,000 to \$ 39,999	507	506	526	525	531	536	541	558	563
\$ 40,000 to \$ 49,999	527	526	547	545	551	557	562	579	585
\$ 50,000 to \$ 59,999	532	531	553	551	557	563	568	585	591
\$ 60,000 to \$74,000	731	730	759	757	765	773	780	804	812
\$ 75,000 to \$99,999	431	430	448	446	451	456	460	474	479
\$ 100,000 to \$149,999	354	354	368	367	371	375	378	390	394
\$ 150,000 and over	71	71	74	74	74	75	76	78	79
Householder 45-64 years:	<b>2,129</b>	<b>2,084</b>	<b>2,213</b>	<b>2,162</b>	<b>2,180</b>	<b>2,196</b>	<b>2,211</b>	<b>2,316</b>	<b>2,329</b>
Under \$20,000	567	555	589	576	581	585	589	617	620
\$ 20,000 to \$ 29,999	153	150	159	155	156	158	159	166	167
\$ 30,000 to \$ 39,999	182	178	189	185	187	188	189	198	199
\$ 40,000 to \$ 49,999	182	178	189	185	187	188	189	198	199
\$ 50,000 to \$ 59,999	153	150	159	155	156	158	159	166	167
\$ 60,000 to \$74,000	216	212	225	220	221	223	225	235	237
\$ 75,000 to \$99,999	177	173	184	179	181	182	183	192	193
\$ 100,000 to \$149,999	261	255	271	265	267	269	271	284	285
\$ 150,000 and over	238	233	248	242	244	246	248	259	261
Householder 65+ years:	<b>1,237</b>	<b>1,183</b>	<b>1,321</b>	<b>1,260</b>	<b>1,281</b>	<b>1,301</b>	<b>1,321</b>	<b>1,446</b>	<b>1,461</b>
Under \$20,000	668	639	714	681	692	703	714	781	789
\$ 20,000 to \$ 29,999	365	349	390	372	378	384	390	427	432
\$ 30,000 to \$ 39,999	134	128	143	137	139	141	143	157	159
\$ 40,000 to \$ 49,999	15	14	16	15	16	16	16	18	18
\$ 50,000 to \$ 59,999	10	9	10	10	10	10	10	11	11
\$ 60,000 to \$74,000	11	11	12	11	12	12	12	13	13
\$ 75,000 to \$99,999	13	13	14	14	14	14	14	16	16
\$ 100,000 to \$149,999	11	11	12	11	11	12	12	13	13
\$ 150,000 and over	9	8	9	9	9	9	9	10	10
<b>Total</b>	<b>7,689</b>	<b>7,583</b>	<b>8,023</b>	<b>7,898</b>	<b>7,986</b>	<b>8,069</b>	<b>8,147</b>	<b>8,516</b>	<b>8,592</b>

Source: PFM Group Consulting LLC

\*Summation of Natural Renter Turnover and Renter Growth



It is important to note that Table 29 represents only multi-family renter demand. PFMGC reviewed the 2016-2020 American Community Survey (ACS) data collected by the U.S. Census. Table 17 summarizes the ACS data for St. Lucie County with respect to renter-occupied units and the type of units occupied. PFMGC estimated apartment demand by renters at 40 percent of total renter demand (2+ apartments). This is important in estimating the market share capture necessary for the project.

**Table 17. ACS 2019 – St. Lucie County Physical Housing Characteristics for Occupied Housing Units**

	Renter-occupied housing units
Occupied housing units	29,482
UNITS IN STRUCTURE	
1, detached	52.12%
1, attached	4.53%
2 apartments	6.46%
3 or 4 apartments	6.50%
5 to 9 apartments	8.81%
10 or more apartments	18.12%
Mobile home or other type of housing	3.45%

Source: 2019 ACS – U.S. Census

### 3.7 Project Demand Analysis

Given the proposed mixed-use nature of the CCMP, the project site lends itself to serving a professional population. The two most comparable projects within the submarket are currently demanding monthly rents ranging from \$1,500 to \$2,500 for unit sizes ranging from 1-bedroom to 3-bedrooms. With construction prices driving costs up, it is likely that the upper end of rental rates will increase to make future projects financially viable. Using a standard affordable housing methodology, PFMGC is able to provide a summary of the household income and the associated monthly rent range that the income profile would effectively be in the market for. In this way, PFMGC is able to provide a more accurate measure of where the renter market is in respect to household income and rental affordability.

Table 18 summarizes the overall project demand as defined by the rental rate range provided and includes renters with income profiles which slightly exceed the project rental range as some renters will opt to rent apartments rather than single family units as a result of amenities and/or simple lifestyle choices.



**Table 18. Rental Rate Range (Apartment Demand)**

			2023	2024	2025	2026	2027	2028	2029	2030	2031
<b>Project Rental Rates</b>	\$1,500	\$2,500									
<b>Householder 25-44 yrs:</b>	<b>MIN \$</b>	<b>MAX \$</b>	<b>312</b>	<b>311</b>	<b>323</b>	<b>322</b>	<b>325</b>	<b>330</b>	<b>332</b>	<b>342</b>	<b>346</b>
Under \$20,000	\$ -	\$ 363	-	-	-	-	-	-	-	-	-
\$ 20,000 to \$ 29,999	\$ 187	\$ 637	-	-	-	-	-	-	-	-	-
\$ 30,000 to \$ 39,999	\$ 370	\$ 924	-	-	-	-	-	-	-	-	-
\$ 40,000 to \$ 49,999	\$ 566	\$ 1,219	-	-	-	-	-	-	-	-	-
\$ 50,000 to \$ 59,999	\$ 777	\$ 1,528	1	1	1	1	1	1	1	1	1
\$ 60,000 to \$ 74,999	\$ 1,002	\$ 1,964	144	143	149	149	150	152	153	158	159
\$ 75,000 to \$ 99,999	\$ 1,332	\$ 2,764	150	150	156	155	157	159	160	165	167
\$ 100,000 to \$ 149,999	\$ 1,887	\$ 4,316	17	17	17	17	17	18	18	18	19
\$ 150,000 and over	\$ 3,010		-	-	-	-	-	-	-	-	-
<b>Householder 45-64 yrs:</b>	<b>MIN \$</b>	<b>MAX \$</b>	<b>168</b>	<b>165</b>	<b>173</b>	<b>171</b>	<b>173</b>	<b>175</b>	<b>178</b>	<b>184</b>	<b>186</b>
Under \$20,000	\$ -	\$ 454	-	-	-	-	-	-	-	-	-
\$ 20,000 to \$ 29,999	\$ 229	\$ 770	-	-	-	-	-	-	-	-	-
\$ 30,000 to \$ 39,999	\$ 433	\$ 1,107	-	-	-	-	-	-	-	-	-
\$ 40,000 to \$ 49,999	\$ 651	\$ 1,451	-	-	-	-	-	-	-	-	-
\$ 50,000 to \$ 59,999	\$ 868	\$ 1,816	19	18	19	19	19	19	20	20	21
\$ 60,000 to \$ 74,999	\$ 1,100	\$ 2,322	83	82	86	85	86	87	88	91	92
\$ 75,000 to \$ 99,999	\$ 1,444	\$ 3,263	61	60	63	62	63	63	64	67	67
\$ 100,000 to \$ 149,999	\$ 2,027	\$ 5,075	5	5	5	5	5	6	6	6	6
\$ 150,000 and over	\$ 3,186		-	-	-	-	-	-	-	-	-
<b>Householder 65+ yrs:</b>	<b>MIN \$</b>	<b>MAX \$</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>9</b>	<b>9</b>
Under \$20,000	\$ -	\$ 342	-	-	-	-	-	-	-	-	-
\$ 20,000 to \$ 29,999	\$ 222	\$ 601	-	-	-	-	-	-	-	-	-
\$ 30,000 to \$ 39,999	\$ 412	\$ 868	-	-	-	-	-	-	-	-	-
\$ 40,000 to \$ 49,999	\$ 601	\$ 1,149	-	-	-	-	-	-	-	-	-
\$ 50,000 to \$ 59,999	\$ 784	\$ 1,444	-	-	-	-	-	-	-	-	-
\$ 60,000 to \$ 74,999	\$ 974	\$ 1,858	1	1	1	1	1	1	1	2	2
\$ 75,000 to \$ 99,999	\$ 1,254	\$ 2,617	5	5	5	5	5	5	5	6	6
\$ 100,000 to \$ 149,999	\$ 1,718	\$ 4,092	1	1	1	1	1	1	1	1	1
\$ 150,000 and over	\$ 2,659		-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>487</b>	<b>483</b>	<b>503</b>	<b>500</b>	<b>505</b>	<b>512</b>	<b>517</b>	<b>535</b>	<b>541</b>

Source: PFM Group Consulting LLC



At this time, the planning departments for Port St. Lucie and St. Lucie County indicate there is a total of 527 apartment units in the development pipeline within the 5-mile radius. The average year built of Class A and Class B apartment competition within the 5-mile market is 2003.

Based on historic apartment development activity, PFMGC forecasts additional demand for an estimated 4,583 apartment units (510 units annually) from 2023 through 2031 for St. Lucie County. The existing land use and zoning designations for the subject site allow for a complementary mix of land uses, making the site an attractive development option within the market due to its mixed-use potential. Currently, the CCMP site is the only meaningfully sized mixed-use project between Fort Pierce, Florida (to the north) and Stuart, Florida (to the south) and Tradition (to the west). PFMGC believes that the site can capture an estimated 20 percent of the annual apartment growth through 2031, which represents a total forecasted capture of an estimated 910 apartment units (Table 19).

Based on the existing development pipeline and historic development patterns, it appears that in any one year there are likely to be one (1) to five (5) new apartment projects being developed and competing for market share. PFMGC believes the CCMP apartment project(s) would capture its share of new demand. In addition, the mixed-use nature of the project lends itself to the CCMP apartment project(s) potentially capturing greater than its 20% share. Using the 20% capture is reasonable considering the potential for additional competition. Through 2040, PFGC estimates that the project can support a total of 1,919 apartment units. Through 2026, PFMGC estimates that the project could support a total of 392 apartment units, and through 2031, a total of 910 units.



Table 19. Project Apartment Demand Market Capture

			2023	2024	2025	2026	2027	2028	2029	2030	2031
Market Capture			20%	20%	20%	20%	20%	20%	20%	20%	20%
<b>Householder 25-44 yrs:</b>	<b>MIN \$</b>	<b>MAX \$</b>	<b>62</b>	<b>62</b>	<b>64</b>	<b>64</b>	<b>64</b>	<b>66</b>	<b>67</b>	<b>69</b>	<b>69</b>
Under \$20,000	\$ -	\$ 363	-	-	-	-	-	-	-	-	-
\$ 20,000 to \$ 29,999	\$ 187	\$ 637	-	-	-	-	-	-	-	-	-
\$ 30,000 to \$ 39,999	\$ 370	\$ 924	-	-	-	-	-	-	-	-	-
\$ 40,000 to \$ 49,999	\$ 566	\$ 1,219	-	-	-	-	-	-	-	-	-
\$ 50,000 to \$ 59,999	\$ 777	\$ 1,528	-	-	-	-	-	-	-	-	-
\$ 60,000 to \$ 74,999	\$ 1,002	\$ 1,964	29	29	30	30	30	30	31	32	32
\$ 75,000 to \$ 99,999	\$ 1,332	\$ 2,764	30	30	31	31	31	32	32	33	33
\$ 100,000 to \$ 149,999	\$ 1,887	\$ 4,316	3	3	3	3	3	4	4	4	4
\$ 150,000 and over	\$ 3,010		-	-	-	-	-	-	-	-	-
<b>Householder 45-64 yrs:</b>	<b>MIN \$</b>	<b>MAX \$</b>	<b>34</b>	<b>33</b>	<b>35</b>	<b>34</b>	<b>35</b>	<b>35</b>	<b>36</b>	<b>36</b>	<b>36</b>
Under \$20,000	\$ -	\$ 454	-	-	-	-	-	-	-	-	-
\$ 20,000 to \$ 29,999	\$ 229	\$ 770	-	-	-	-	-	-	-	-	-
\$ 30,000 to \$ 39,999	\$ 433	\$ 1,107	-	-	-	-	-	-	-	-	-
\$ 40,000 to \$ 49,999	\$ 651	\$ 1,451	-	-	-	-	-	-	-	-	-
\$ 50,000 to \$ 59,999	\$ 868	\$ 1,816	4	4	4	4	4	4	4	4	4
\$ 60,000 to \$ 74,999	\$ 1,100	\$ 2,322	17	16	17	17	17	17	18	18	18
\$ 75,000 to \$ 99,999	\$ 1,444	\$ 3,263	12	12	13	12	13	13	13	13	13
\$ 100,000 to \$ 149,999	\$ 2,027	\$ 5,075	1	1	1	1	1	1	1	1	1
\$ 150,000 and over	\$ 3,186		-	-	-	-	-	-	-	-	-
<b>Householder 65+ yrs:</b>	<b>MIN \$</b>	<b>MAX \$</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
Under \$20,000	\$ -	\$ 342	-	-	-	-	-	-	-	-	-
\$ 20,000 to \$ 29,999	\$ 222	\$ 601	-	-	-	-	-	-	-	-	-
\$ 30,000 to \$ 39,999	\$ 412	\$ 868	-	-	-	-	-	-	-	-	-
\$ 40,000 to \$ 49,999	\$ 601	\$ 1,149	-	-	-	-	-	-	-	-	-
\$ 50,000 to \$ 59,999	\$ 784	\$ 1,444	-	-	-	-	-	-	-	-	-
\$ 60,000 to \$ 74,999	\$ 974	\$ 1,858	-	-	-	-	-	-	-	-	-
\$ 75,000 to \$ 99,999	\$ 1,254	\$ 2,617	1	1	1	1	1	1	1	1	1
\$ 100,000 to \$ 149,999	\$ 1,718	\$ 4,092	-	-	-	-	-	-	-	-	-
\$ 150,000 and over	\$ 2,659		-	-	-	-	-	-	-	-	-
<b>Total</b>			<b>97</b>	<b>96</b>	<b>100</b>	<b>99</b>	<b>100</b>	<b>102</b>	<b>104</b>	<b>106</b>	<b>106</b>
<b>Cumulative</b>			<b>97</b>	<b>193</b>	<b>293</b>	<b>392</b>	<b>492</b>	<b>594</b>	<b>698</b>	<b>804</b>	<b>910</b>

Source: PFM Group Consulting LLC



### 3.8 Apartment Conclusions and Recommendations

Table 32 summarizes the breakdown of potential renters by age by income assuming a 20% market capture rate from 2023 through 2031. PFMGC forecasts the **project site could support development and lease-up of an estimated 910 units through 2031**. At this time, there are an estimated three apartment complexes planned within the 5-mile market in St. Lucie County.

Based on market conditions, the Phase 1 apartments could have an average rental rate range from \$1,500 to \$2,500 for 1-bedroom to 3-bedroom apartments. These rates represent an average rate per square foot of \$2.18. While this is high compared to the overall 5-mile market, it is similar to AxisOne and Arium, which are representative comparables with an average of \$2.18 to \$2.37 per square foot. Table 20 summarizes the potential mix for the forecasted apartment demand at the site.

**Table 20. Project Mix - Apartment Potential Summary**

APARTMENT TYPE	UNITS	SQUARE FEET /UNIT	TOTAL SQUARE FEET	AVG RATE/ FT	AVG RATE/UNIT (MONTHLY)
Small One Bedroom	87	475	41,325	\$2.46	\$1,166.49
Standard One Bedroom	262	690	180,780	\$2.38	\$1,645.13
Standard Two Bedroom	203	1,000	203,000	\$2.06	\$2,061.52
Premium Two Bedroom	203	1,100	223,300	\$2.06	\$2,267.67
Standard Three Bedroom	<u>155</u>	1,250	<u>193,750</u>	<u>\$1.99</u>	\$2,487.07
TOTALS	910		842,155	\$2.18	-

Source: CPBW Corporation

A quality amenity mix is critical to differentiating the project from other apartments. With the project being located within an amenitized mixed-use project, apartment developers would have a locational amenity to market, which will likely increase lease-up and maintain higher than average rental rates. The required complex amenities include: clubhouse, pool with Jacuzzi and WiFi, fitness center, business center, car wash area, pet play area and picnic-grill area. The risks associated with successful absorption and execution of potential apartment projects are three-fold: 1) extended direct competition from unknown projects within the 5-mile radius, 2) a reduction in standard market apartment churn, and/or 3) stagnant employment growth which would limit apartment demand. Strategies to mitigate risk and result in targeted absorption include the following: 1) aggressive marketing during prelease and during the first six months of lease-up, 2) offering of first and/or last month's free in rent, and 3) special discounts to local workforce (e.g. specific Port St. Lucie-based businesses).



## 4.0 Retail Analysis

### 4.1 Existing Retail Development

To get a better understanding of retail space concentration, PFMGC mapped the location of retail space throughout St. Lucie County and within a 5-mile radius of the CCMP location (Map 20). With respect to this report, retail space was defined via the following property appraiser land use codes: 11-16, 20-22 and 25-37. Per Map 20, not surprisingly, the vast amount of retail space within St. Lucie County is located along US 1 throughout the County as well as Okeechobee Road in Fort Pierce and the Crosstown Expressway in Port St. Lucie.

As Map 21 shows, the 5-mile radius retail development is concentrated along US 1. With respect to recent retail development within the market, PFMGC gathered historical retail space construction data from 2007 through 2022QTD for St. Lucie County and the 5-mile radius surrounding the CCMP site. Table 21 summarizes the findings.

**Table 21. Retail Space Construction 2007-2022QTD  
(St. Lucie County and 5-Mile Market)**

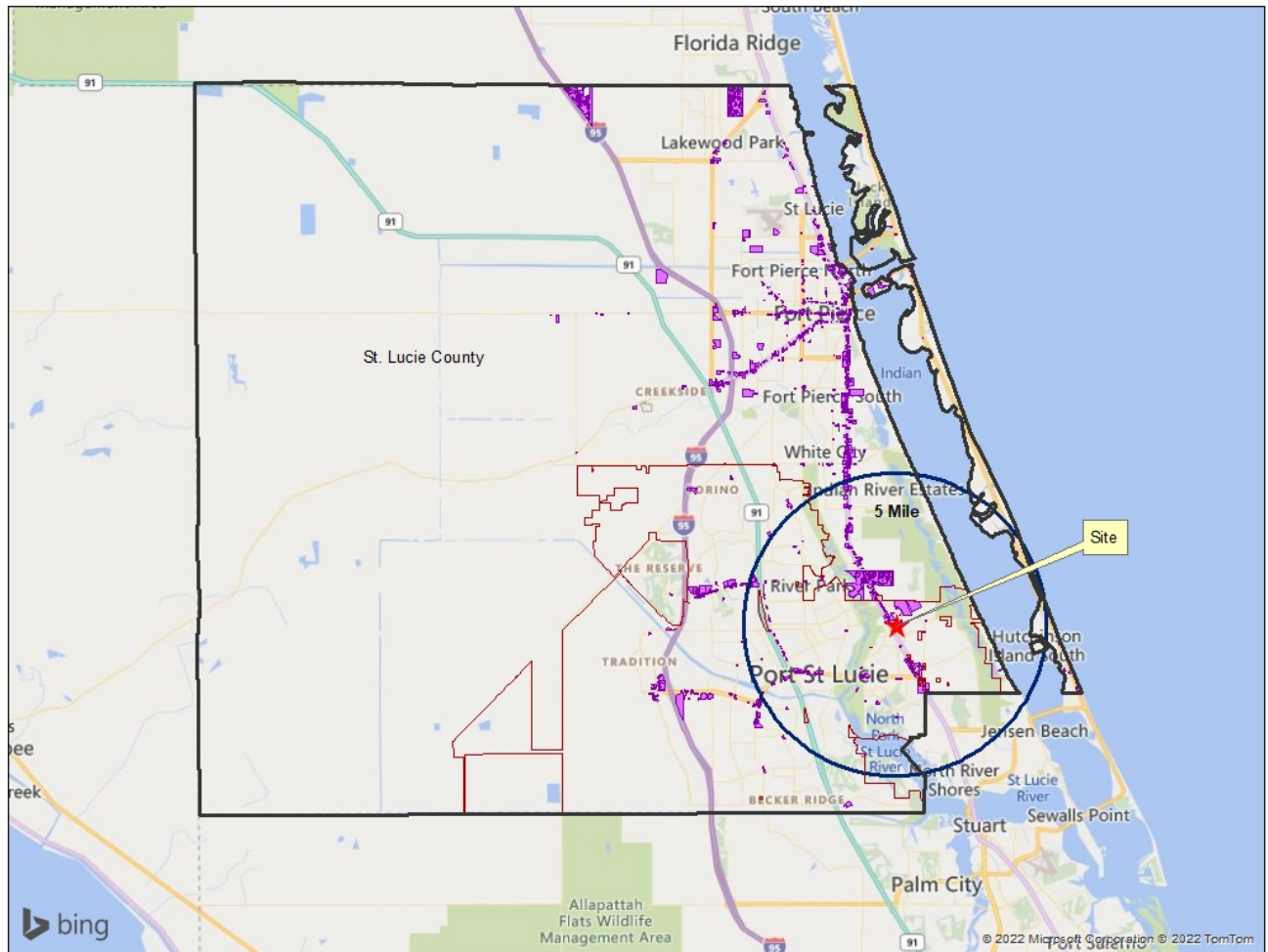
QTR	St. Lucie County Inventory SQFT	5-Mile Inventory SQFT	% of County
2007 Q4	11,986,028	6,740,010	56.2%
2008 Q4	12,621,182	6,936,184	55.0%
2009 Q4	12,762,495	6,960,775	54.5%
2010 Q4	12,844,330	6,990,136	54.4%
2011 Q4	12,875,923	7,014,336	54.5%
2012 Q4	12,886,953	7,014,336	54.4%
2013 Q4	13,033,016	7,032,304	54.0%
2014 Q4	13,059,601	7,058,889	54.1%
2015 Q4	13,082,179	7,067,124	54.0%
2016 Q4	13,183,273	7,116,251	54.0%
2017 Q4	13,340,546	7,116,981	53.3%
2018 Q4	13,493,673	7,170,559	53.1%
2019 Q4	13,515,087	7,185,651	53.2%
2020 Q4	13,619,925	7,185,651	52.8%
2021 Q4	13,556,922	7,189,010	53.0%
2022 Q2 QTD	13,591,972	7,189,010	52.9%
Total Growth (since 2007)	1,605,944	449,000	28.0%
Annual Growth (since 2007)	100,372	28,063	
Total Growth (since 2012)	705,019	174,674	24.8%
Annual Growth (since 2012)	70,502	17,467	

Source: CoStar



Since the 4<sup>th</sup> Quarter of 2007 through the 3rd Quarter of 2022, St. Lucie County added an estimated 1.6 million square feet of retail space (100,000 sqft/year) and the 5-mile radius added 449,000 square feet of retail space since the 4<sup>th</sup> Quarter of 2007. The retail development within the 5-mile radius represents 28% of St. Lucie County retail space developed over that time. Map 7 shows the location of all retail space within the 5-mile radius.

**Map 7. Total Retail Space Concentration (5-Mile Radius)**



Source: PFM Group Consulting LLC., St. Lucie County Property Appraiser



## 4.2 Retail Market Conditions (Vacancy & Rents)

PFMGC gathered data on existing retail space data with respect to retail occupancy and lease rates for the supply of retail space built since 2012 for St. Lucie County and the 5-mile radius around the site. Table 22 summarizes the quarterly data for the comparable retail supply.

The market data regarding retail space shows that as of the 2nd Quarter 2022, the 5-mile radius retail space represents approximately 50% of the total St. Lucie County retail space. With respect to recent retail space development, the 5-mile radius has added 175,000 square feet over the past 10 years and captured nearly 25% of total St. Lucie County retail space development over that period.

The 2022 market occupancy has effectively peaked ranging from 95% to 96% and reached its low point in 2013 at 92% for St. Lucie County and in 2020 at 92% for the 5-mile market. With respect to lease rates, 2018 represents the high for St. Lucie County at \$16.13 per square foot and the high for the 5-mile market was reached in Q42021 at \$19.12 per square foot. The low point for lease rates for both St. Lucie County and the 5-mile radius was in 2014 with the County's lease rate at \$12.68 per square foot and the 5-mile market at \$13.72 per square foot. The current occupancy rate of the 5-mile radius retail space is 94.7% and average lease rate is \$17.65. The current occupancy is consistent with the historic average of 94%. Figure 17 charts the occupancy rates for the three markets and Figure 18 charts the lease rate data for the three markets over time.

In addition to the overall market data, PFMGC gathered lease rate data for the top ten percent of retail space within the 5-mile radius market. The average lease rate in 2022 for this subset of properties is \$28.24. These properties represent just under 5% of the total rentable space within the 5-mile market. Table 23 summarizes the findings.



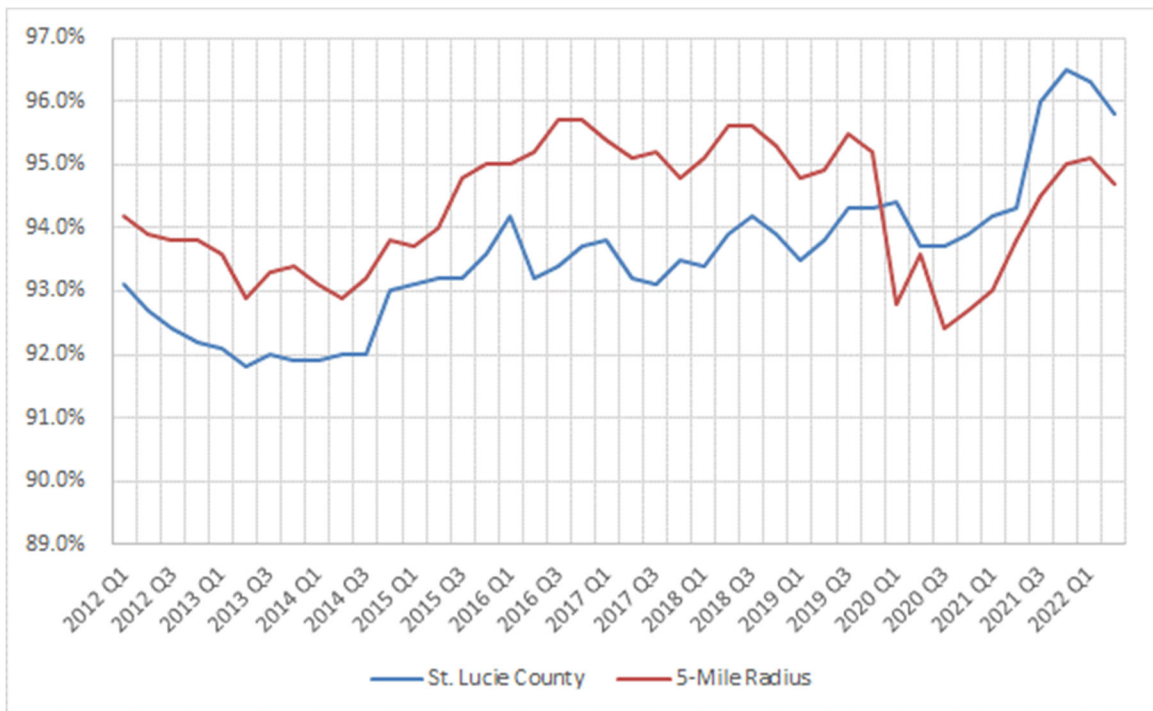
Table 22. St. Lucie County and 5-Mile Radius Retail Market (2012 – 2022QTD)

QTR	St. Lucie County			5-Mile Radius		
	Inventory SF	Occupancy	NNN Rent \$/SF	Inventory SF	Occupancy	NNN Rent \$/SF
2012 Q1	12,875,923	93.1%	\$13.97	7,014,336	94.2%	\$14.69
2012 Q2	12,877,843	92.7%	\$13.64	7,014,336	93.9%	\$14.96
2012 Q3	12,877,843	92.4%	\$12.75	7,014,336	93.8%	\$13.91
2012 Q4	12,886,953	92.2%	\$12.70	7,014,336	93.8%	\$13.87
2013 Q1	12,977,410	92.1%	\$12.95	7,014,336	93.6%	\$13.94
2013 Q2	13,009,114	91.8%	\$13.06	7,032,304	92.9%	\$13.90
2013 Q3	13,023,916	92.0%	\$13.01	7,032,304	93.3%	\$14.27
2013 Q4	13,033,016	91.9%	\$13.08	7,032,304	93.4%	\$14.65
2014 Q1	13,042,056	91.9%	\$13.00	7,041,344	93.1%	\$14.23
2014 Q2	13,050,561	92.0%	\$13.07	7,049,849	92.9%	\$13.75
2014 Q3	13,059,601	92.0%	\$12.68	7,058,889	93.2%	\$13.72
2014 Q4	13,059,601	93.0%	\$12.99	7,058,889	93.8%	\$14.03
2015 Q1	13,059,601	93.1%	\$13.02	7,058,889	93.7%	\$14.25
2015 Q2	13,066,694	93.2%	\$12.97	7,058,889	94.0%	\$14.64
2015 Q3	13,082,179	93.2%	\$13.83	7,067,124	94.8%	\$15.14
2015 Q4	13,082,179	93.6%	\$13.78	7,067,124	95.0%	\$15.82
2016 Q1	13,108,030	94.2%	\$13.43	7,097,259	95.0%	\$15.50
2016 Q2	13,129,437	93.2%	\$13.91	7,104,147	95.2%	\$15.08
2016 Q3	13,133,540	93.4%	\$13.92	7,104,147	95.7%	\$14.82
2016 Q4	13,183,273	93.7%	\$13.38	7,116,251	95.7%	\$14.86
2017 Q1	13,191,673	93.8%	\$13.89	7,116,251	95.4%	\$14.45
2017 Q2	13,282,735	93.2%	\$15.04	7,116,251	95.1%	\$14.56
2017 Q3	13,318,587	93.1%	\$15.40	7,116,251	95.2%	\$14.51
2017 Q4	13,340,546	93.5%	\$15.51	7,116,981	94.8%	\$14.74
2018 Q1	13,401,686	93.4%	\$15.69	7,126,864	95.1%	\$14.44
2018 Q2	13,477,782	93.9%	\$16.11	7,132,064	95.6%	\$15.45
2018 Q3	13,493,673	94.2%	\$16.13	7,170,559	95.6%	\$15.63
2018 Q4	13,493,673	93.9%	\$15.76	7,170,559	95.3%	\$15.70
2019 Q1	13,494,473	93.5%	\$14.82	7,170,559	94.8%	\$16.15
2019 Q2	13,496,673	93.8%	\$15.08	7,170,559	94.9%	\$16.09
2019 Q3	13,505,995	94.3%	\$15.27	7,176,559	95.5%	\$16.19
2019 Q4	13,515,087	94.3%	\$15.72	7,185,651	95.2%	\$17.41
2020 Q1	13,520,087	94.4%	\$15.83	7,185,651	92.8%	\$17.17
2020 Q2	13,530,617	93.7%	\$15.59	7,185,651	93.6%	\$16.93
2020 Q3	13,619,125	93.7%	\$13.77	7,185,651	92.4%	\$18.18
2020 Q4	13,619,925	93.9%	\$14.26	7,185,651	92.7%	\$18.67
2021 Q1	13,675,925	94.2%	\$14.01	7,185,651	93.0%	\$18.12
2021 Q2	13,692,542	94.3%	\$13.45	7,189,010	93.8%	\$17.88
2021 Q3	13,547,349	96.0%	\$14.51	7,189,010	94.5%	\$18.28
2021 Q4	13,556,922	96.5%	\$14.62	7,189,010	95.0%	\$19.12
2022 Q1	13,586,122	96.3%	\$15.58	7,189,010	95.1%	\$18.68
2022 Q2 QTD	13,591,972	95.8%	\$15.08	7,189,010	94.7%	\$17.65

Source: CoStar

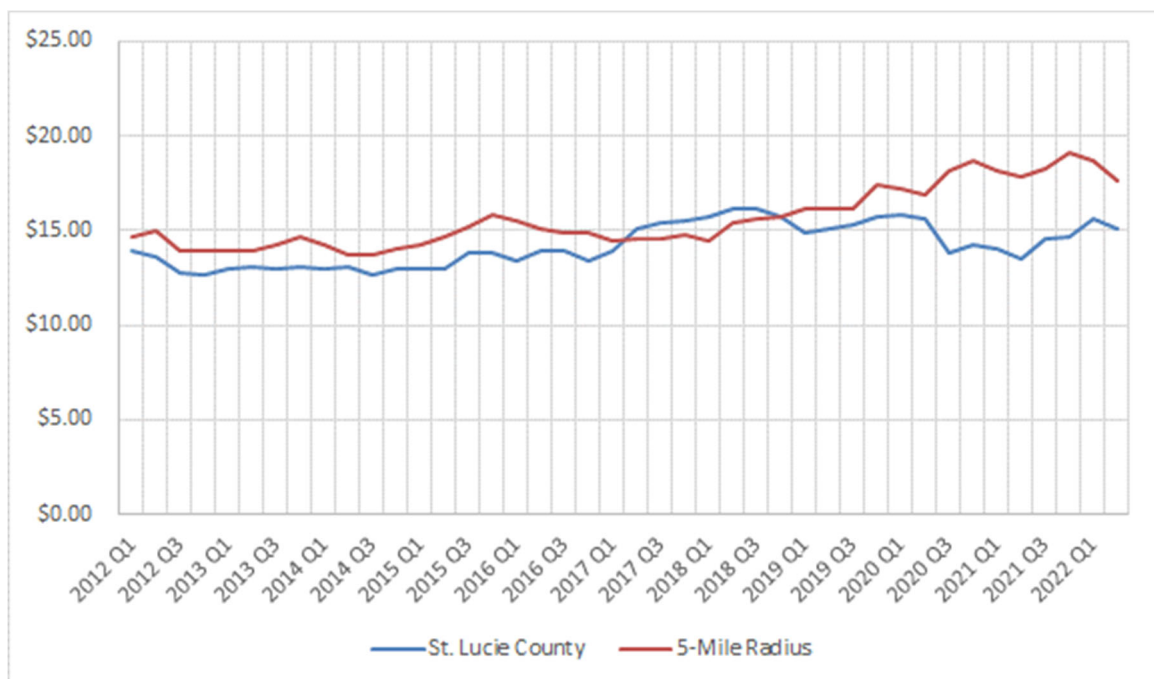


Figure 17. Summary of Retail Occupancy History (2012-2022QTD)



Source: CoStar

Figure 18. Summary of Retail Lease Rate History (2012-2022QTD)



Source: CoStar



**Table 23. 5-Mile Radius Retail Market (2022) Lease Rate of Top 10 Percent of Properties**

ID	Property Name	City	Building Class	Building Status	RBA	Rent/SF/Yr	Upper Threshold Rent/SF/Yr	Year Built
1		Port Saint Lucie	C	Existing	3,292	\$47.00	\$47.00	1984
2		Stuart	B	Existing	4,983	\$35.43 - 43.30 (Est.)	\$39.37	2018
3	Smoothie King	Jensen Beach	C	Existing	1,900	\$34.26 - 41.87 (Est.)	\$38.07	1989
4		Jensen Beach	B	Existing	3,141	\$32.68 - 39.94 (Est.)	\$36.31	2001
5		Port Saint Lucie	B	Existing	3,288	\$32.62 - 39.87 (Est.)	\$36.25	2003
6	Treasure Coast Square Mall	Jensen Beach	B	Existing	10,465	\$29.76 - 36.38 (Est.)	\$33.07	2002
7	Pineapple Commons	Stuart	B	Existing	6,000	\$28.18 - 34.45 (Est.)	\$31.32	2004
8		Stuart	B	Existing	8,133	\$27.33 - 33.40 (Est.)	\$30.37	2008
9	Prime Shopping Outparcels	Jensen Beach	B	Existing	17,372	\$26.57 - 32.47 (Est.)	\$29.52	2001
10		Jensen Beach	B	Existing	5,600	\$26.24 - 32.07 (Est.)	\$29.16	2001
11		Port Saint Lucie	C	Existing	11,018	\$26.13 - 31.93 (Est.)	\$29.03	2013
12	Tuffy Auto Service Center	Port Saint Lucie	C	Existing	3,960	\$25.93 - 31.70 (Est.)	\$28.82	2003
13	Pineapple Commons	Stuart	B	Existing	147,089	\$25.91 - 31.67 (Est.)	\$28.79	2004
14	Treasure Coast Shoppes	Jensen Beach	B	Existing	4,800	\$25.85 - 31.59 (Est.)	\$28.72	2001
15	Seacoast National Bank	Port Saint Lucie	B	Existing	4,500	\$24.14 - 29.50 (Est.)	\$26.82	2008
16	Chipotle	Stuart	B	Existing	2,500	\$23.86 - 29.17 (Est.)	\$26.52	2004
17		Port Saint Lucie	B	Existing	10,000	\$23.70 - 28.97 (Est.)	\$26.34	2007
18	LTR Exquisite Shoppes	Port Saint Lucie	C	Existing	10,797	\$23.55 - 28.78 (Est.)	\$26.17	1998
19		Port Saint Lucie	B	Existing	10,400	\$23.30 - 28.47 (Est.)	\$25.89	1987
20	Mattress Firm Plaza	Jensen Beach	A	Existing	4,000	\$23.05 - 28.17 (Est.)	\$25.61	2008
21		Port Saint Lucie	B	Existing	4,037	\$22.76 - 27.82 (Est.)	\$25.29	1984
22	Wendy's	Port Saint Lucie	B	Existing	2,965	\$22.60 - 27.63 (Est.)	\$25.12	1997
23	10600 S US Highway 1	Port Saint Lucie	B	Existing	3,290	\$22.50 - 27.49 (Est.)	\$25.00	1983
24	Cash & Plus	Port Saint Lucie	B	Existing	3,926	\$22.48 - 27.48 (Est.)	\$24.98	1998
25		Port Saint Lucie	B	Existing	2,657	\$22.47 - 27.46 (Est.)	\$24.97	1989
26		Port Saint Lucie	O	Existing	3,000	\$22.44 - 27.43 (Est.)	\$24.94	2018
27	Applebee's	Port Saint Lucie	B	Existing	4,646	\$22.42 - 27.40 (Est.)	\$24.91	1988
28		Port Saint Lucie	C	Existing	3,053	\$22.42 - 27.40 (Est.)	\$24.91	1993
29		Port Saint Lucie	B	Existing	2,941	\$22.35 - 27.31 (Est.)	\$24.83	1999
30		Port Saint Lucie	B	Existing	3,000	\$22.32 - 27.28 (Est.)	\$24.80	2019
31		Port Saint Lucie	C	Existing	3,200	\$22.29 - 27.24 (Est.)	\$24.77	2002
32	Taco Bell	Port Saint Lucie	B	Existing	2,200	\$22.15 - 27.07 (Est.)	\$24.61	2018
33	Starbucks	Port Saint Lucie	B	Existing	2,252	\$22.11 - 27.03 (Est.)	\$24.57	2017
34		Port Saint Lucie	B	Existing	4,000	\$22.11 - 27.02 (Est.)	\$24.57	2015
35		Jensen Beach	C	Existing	3,050	\$22.09 - 27.00 (Est.)	\$24.55	2000
36	Hess Express	Jensen Beach	B	Existing	3,519	\$22.09 - 27.00 (Est.)	\$24.55	2002
37	Speedway	Port Saint Lucie	B	Existing	2,520	\$22.09 - 26.99 (Est.)	\$24.54	2001
	TOP 10% of 5-Mile Radius Lease\$			4.56%	327,494	AVG	\$28.24	
	TOTAL 5-Mile Market				7,176,103			

Source: CoStar



### 4.3 Retail Character and Retail Demand Estimates/Findings

As shown in Section 4.1, the market data regarding retail space shows that as of the 2nd Quarter 2022, the 5-mile radius retail space represents 50% of the total St. Lucie County retail space. With respect to recent retail space development, the 5-mile radius has added 175,000 square feet over the past 10 years and captured 25% of St. Lucie County retail space development over that period.

Retail demand is primarily generated by households (permanent and seasonal) within the market, along with visitors to the market as well as the local employment base which spends money on retail (e.g. business lunches). Retail space and retail centers take on various forms and sizes in relation to the markets they serve. When evaluating retail centers, it is important to first understand what the function of the facility is and how it fits into the market. The market and more importantly end-user retailers have general rules for retail. There are basically six different types of retail centers, and each is looking for specific demographic characteristics as it relates to market radius, population and households. Table 24 summarizes the types of retail and demographic requirements. With respect to evaluating retail market demand for the CCMP, PFMGC applied a 5-mile radius with respect to potential retail demand given its location.

**Table 24. Retail Center Types & Demographics**

Retail Center Type	Size (SqFt)	Trade Area		
		Radius	Population	Households
Corner Stores	1,500 - 3,000	-	-	1,000
Convenience Centers	10,000 - 30,000	-	-	2,000
Neighborhood Centers	70,000 - 120,000	1 - 2 miles		6,000 - 8,000
Community Centers	250,000 - 300,000	4 - 6 miles	50,000 +	-
Regional Centers	900,000+	10 - 12 miles	150,000+	-
Lifestyle Centers	Variable	4 - 6 miles	-	75,000+
City Center Potential	175,000+/-	5 miles	127,691	51,632

Source: Gibbs Planning Group & PFMGC City Center estimate

The Port St Lucie retail market is characterized by modest household incomes, and it is a small market area in terms of population and households. The City of Port St. Lucie and St. Lucie County have traditionally played the role of commuter bedroom community to the larger, wealthier, and more densely populated metro areas to the south including West Palm Beach, Fort Lauderdale, and Miami. Because of the dense population and disposable income available, most upscale and regional shopping needs of Port St. Lucie have been met elsewhere in south Florida. As a result, only one regional mall has been built in St. Lucie County coupled with handful of lifestyle and power centers. There has been no new regional serving retail space built in St. Lucie County since 2007.

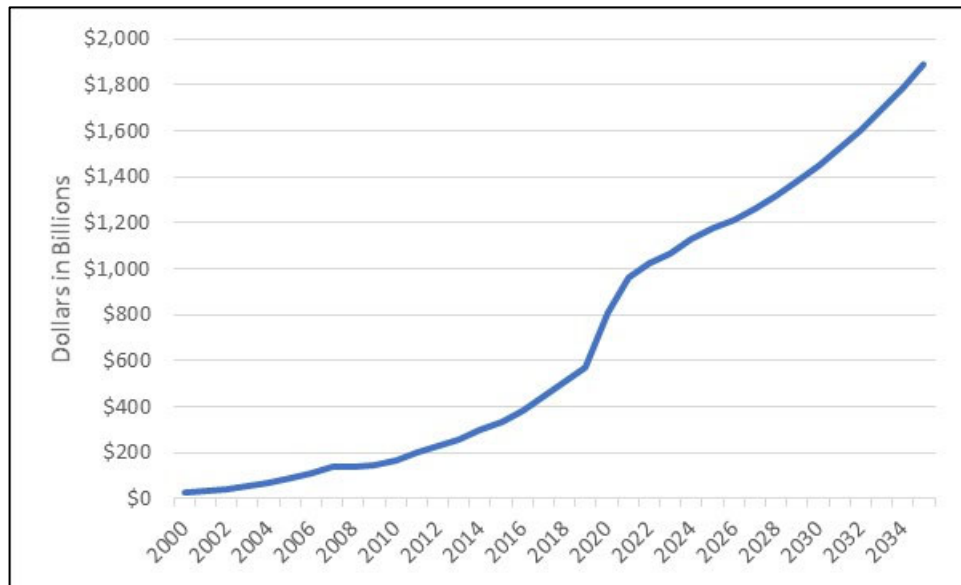


The remainder of the retail space in the county is a mixture of smaller community centers, neighborhood centers, and strip center retail space. Much of this space is anchored by a supermarket, resulting in most of the retail space in St. Lucie County effectively serving neighborhood retail demand. The remaining community centers are comparatively small, mostly under 100,000 square feet and anchored by a supermarket or small community serving department store.

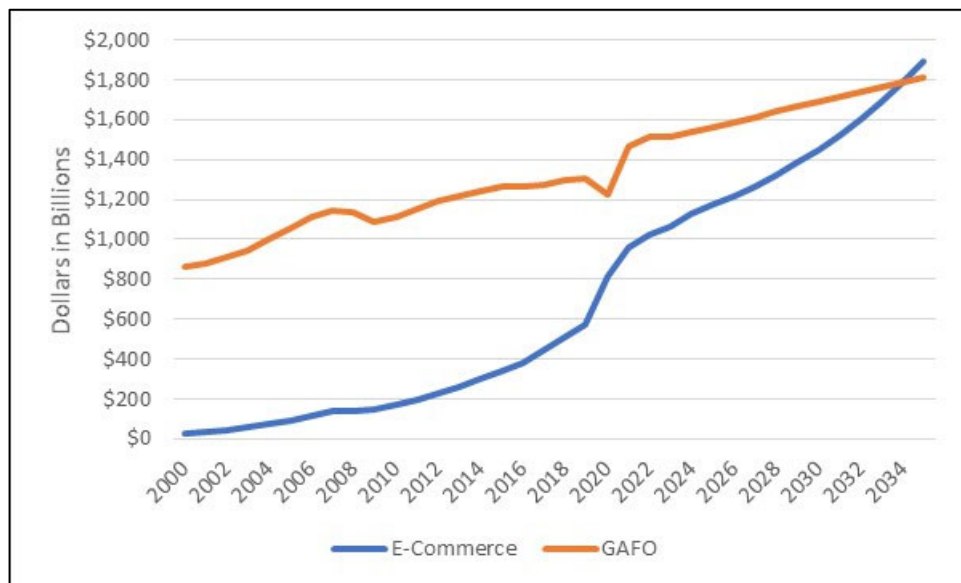
Set against the backdrop of modest income and modest retail demand in Port St. Lucie, the character of retailing is undergoing dramatic shifts nationwide. The advent of the internet and rise of on-line retailing has changed the need for and character of traditional bricks and mortar retail space. As the internet became ubiquitous only in the late 1990's, these trends are barely 25 years old. During this time many traditional retailers, mall anchor store chains and household retail names have either gone out of business or dramatically scaled back their operations. This includes major retailers such as Sears, K-Mart, Burdines, Filenes, Marshall Fields, Lord & Taylor, Maison-Blanche; large big-box power center anchors such as CompUSA, Circuit City, KB Toys, Toys "R" Us, Office Warehouse, Builders Square, Scotty's Builder Supply, Best Buy, Borders, and smaller in-line stores which were also household names such as Castro Convertible, Pier 1 Imports, Payless Shoes, Radio Shack, Specs Music, Tower Records, Casual Corner, The Limited, Florsheim, Fashion Bug, and many others.

E-commerce sales got a dramatic boost because of the COVID pandemic (Figure 19). With public health lockdowns and significant travel and gathering modifications to daily life, e-commerce sales underwent a significant upward shift in sales. This followed a rapid growth trend underway since the late 1990s. The exponential growth trends coupled with the COVID effect resulted in e-commerce sales doubling from 2018 to 2022, from \$507 billion to \$1.021 trillion. There has been as much e-commerce retail sales growth in the most recent four years as in the 20 years prior to 2018. By 2045, e-commerce sales are forecast to triple over today's levels.

While e-commerce sales have expanded broadly in terms of the types of sales, they have initially been concentrated in traditional mall type store sales known as "GAFO" sales. GAFO sales are defined as general merchandise, apparel, furniture/furnishings, electronics/appliance, sporting goods and office supply/stationery/gifts. This concentration has contributed to the decline of regional malls and traditional mall anchor department stores, community anchored big box stores and some regional in-line mall stores. By 2035 the total e-commerce sales volume is projected to exceed traditional GAFO/mall sales (Figure 20).

**Figure 19. E-Commerce Sales 2000-2035 United States**

Source: CoStar and PFM Group Consulting LLC

**Figure 20. E-Commerce and GAFO Retail Sales Volumes 2000-2035**

Source: CoStar and PFM Group Consulting LLC

In St. Lucie County there has been no net new growth in regional retail sales space since 2007. Thus, while household growth has been modest with no new regional space added in fifteen years, the average regional retail supply per household has declined from 26 square feet per household to 20 square feet per household<sup>2</sup>. New households effectively require no new regional retail space. Further, some existing regional retail space is being converted to entertainment and restaurant space. The

<sup>2</sup> St. Lucie County averages; Florida. Source: CoStar Analytics; PFM



conversion of the Sears store at the Treasure Coast Square Mall is an example of such conversion. With the closure of Sears at the mall, the 115,000 square foot space was sold in March 2022 to a joint venture between Elev8Fun and Primetime Amusements. Elev8Fun will re-open in the building as an entertainment venue featuring go-carts, arcade games, laser tag, 12 bowling lanes and axe throwing, as well as party rooms, meeting space and a restaurant with a full bar.

As discussed, community/neighborhood space is primarily located in shopping centers under 200,000 square feet in St. Lucie County, with many anchored by supermarkets. With on-line grocery sales increasing and many community-oriented big box stores also seeing declines in demand, the average number of square feet per household for neighborhood/community space has also fallen from 81 square feet per household in 2007 to 66 square feet per household by 2022<sup>3</sup>. On a percentage basis, the decline is less than for GAFO stores. But new space for each new household has fallen to 16 square feet per household in the most recent few years for community/neighborhood space, and for regional retail net new regional space demand is zero per each new household. , due to the excess regional space which currently exists. The trend is similar nationally.<sup>4</sup>

For the Port St. Lucie City Center site, the future of retail demand is challenging. The immediate 10-minute drive-time market is in retail equilibrium, there is a supermarket anchored retail center immediately adjacent to the north of the site. The Treasure Coast Square Mall is four miles to the south and provides convenient access to regional retail and entertainment needs.

The broader 20-minute retail market covers nearly all of the City. As noted, there is effectively no net new demand for regional retail space and no construction of new regional retail space has occurred within the City for 15 years. Mall anchor stores and big-box anchors have closed. Regional retail demand currently is speculative and very difficult to finance. As these conditions have changed rapidly in recent years, it is conceivable in the post pandemic world regional retail demand could return in some form. These conditions reflect a 15-year trend, where COVID was a 3-year blip that accelerated trends that pre-existed (the regional malls were already in a decline, and COVID helped push them over the edge). Potential future retail demand on this site rests on (1) population growth, and (2) the uniqueness of the CCMP site as a mixed-use site with entertainment potential/lifestyle center components (with other like sites 15-30 mins away); netted against existing competitive retail space, the expectation for ongoing erosion in demand for bricks and mortar stores, and the requirement for superior transportation access for regional sites. Entertainment and lifestyle uses are potentially viable with a re-positioning and expansion of the Civic Center or other public/community uses.

For the purposes of designing a sustainable mixed-use development at City Center, regional retail space is not expected to comprise a viable market niche. Neighborhood/community-oriented retail space could accommodate up to 16 to 20 square feet of space per new household within the development.

The market strength of City Center is as a public open-space oriented, mixed-use development with significant public uses. This is a natural attractor for restaurant uses. The Civic Center and outdoor event and stage areas attract significant local interest, participation, and attendance. Expansion of the

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<sup>3</sup> IBID

<sup>4</sup> <https://www.lincolnst.edu/publications/articles/2019-12-unmallng-america-municipalities-navigating-changing-retail-landscape>



Civic Center for larger-scale, more frequent events could add to this demand. The foot traffic generated by public use combined with on-site residential growth could support from 85,000 to 175,000 square feet of restaurant and retail space over a twenty-year horizon (see Table 25).

**Table 25. Market Estimated Retail Demand and Retail Growth**

Food and Beverage within 10 minutes growth 2021-2026	Sales	5-Yr SQFT Need	10-Yr SQFT Need	15-Yr SQFT Need	20-Yr SQFT Need
Food Away from Home	\$15,496,107				
Alcoholic Beverages	\$2,576,431				
Bakery and Cereal Products	\$2,931,006				
Snacks and Other Food at Home (10)	\$8,336,827				
All FOOD	\$29,340,371	73,351	146,702	220,053	293,404
Personal Care Products (18)	\$2,101,612				
Prescription Drugs	\$1,572,067				
Nonprescription Drugs	\$698,849				
All Personal Care	\$4,372,528	10,931	21,863	32,794	43,725
<b>TOTAL (10-Minute Market)</b>		<b>84,282</b>	<b>168,564</b>	<b>252,847</b>	<b>337,129</b>
25% Mkt Capture of 10-Min Mkt (All Food)		18,338	36,675	55,013	73,351
25% Mkt Capture of 10-Min Mkt (All Personal Care)		2,733	5,466	8,198	10,931
<b>Total Food, Beverage, Personal Svc</b>		<b>21,071</b>	<b>42,141</b>	<b>63,212</b>	<b>84,282</b>

Food and Beverage within 20 minutes growth 2021-2026	Sales	5-Yr SQFT Need	10-Yr SQFT Need	15-Yr SQFT Need	20-Yr SQFT Need
Food Away from Home	\$80,530,967				
Alcoholic Beverages	\$13,420,754				
Bakery and Cereal Products	\$15,008,876				
Snacks and Other Food at Home (10)	\$42,499,717				
All FOOD	\$151,460,314	378,651	757,302	1,135,952	1,514,603
Personal Care Products (18)	\$10,796,778				
Prescription Drugs	\$7,708,554				
Nonprescription Drugs	\$3,442,888				
All PERSONAL SERVICE	\$21,948,220	54,871	109,741	164,612	219,482
<b>TOTAL (20-Minute Market)</b>		<b>433,521</b>	<b>867,043</b>	<b>1,300,564</b>	<b>1,734,085</b>
10% Mkt Capture of 20-Min Mkt (All Food)		37,865	75,730	113,595	151,460
10% Mkt Capture of 20-Min Mkt (All Personal Care)		5,487	10,974	16,461	21,948
<b>Total Food, Beverage, Personal Svc</b>		<b>43,352</b>	<b>86,704</b>	<b>130,056</b>	<b>173,409</b>

Source: ESRI and PFM Group Consulting LLC



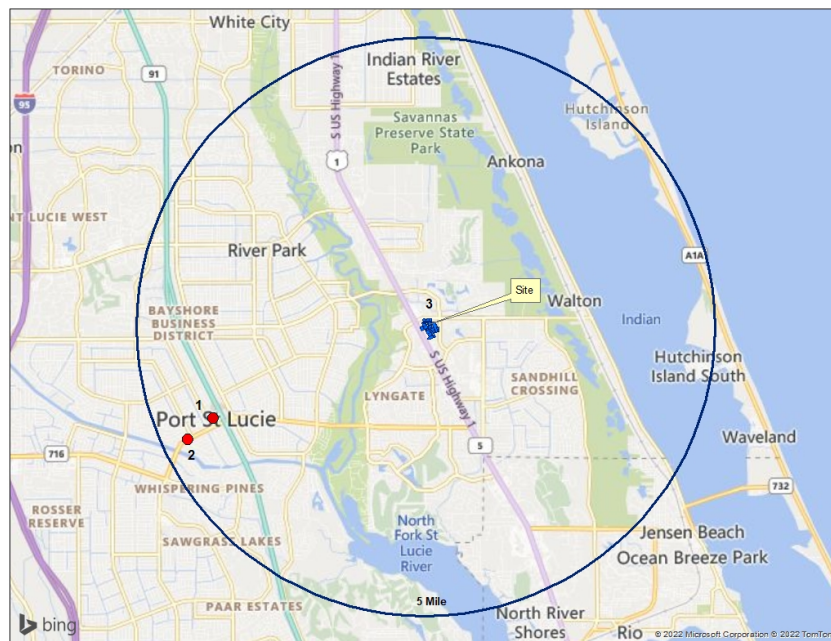
PFMGC analyzed the volume of commercial retail space within the 5-mile market as well as the proposed and under construction retail space. Currently, there is an estimated 135,000 square feet of space proposed within the 5-mile radius (which is the equivalent of a 10-minute drive-time). This figure increases to an estimated 308,000 if the potential CCMP retail square footage is included. Table 26 (and Map 8) summarizes the retail space in the development pipeline.

**Table 26. 5-Mile Retail Pipeline Development Summary**

ID	PropertyType	Building Class	Building Status	RBA	Rent/SF/Yr	Constr Status	Year Built
1	Retail	A	Proposed	115,000	Not Disclosed	Proposed	2023
2	Retail	B	Proposed	20,000	Not Disclosed	Proposed	2024
3	Retail - CCMP	A	Potential	85,000-175,000	Not Disclosed	Planning	2025
	<b>Total</b>			<b>220,000-310,000</b>			

Source: City of Port St. Lucie, St. Lucie County Planning and CoStar

**Map 8. 5-Mile Retail Pipeline Development Summary**



Source: City of Port St. Lucie, St. Lucie County Planning and CoStar

#### 4.4 Summary of Retail Findings

The retail markets for Neighborhood, Community and Regional type space are generally accommodative for the subject site, with the project most suited for Neighborhood and Community space. Raw market demand analysis indicates support for hybrid or combined type retail centers as shown in Table 37.



For the 20-minute drive-time radius, there is forecasted demand for an estimated 433,521 square feet of retail space through 2028 and 1.7 million square feet through 2042. In addition, there is 135,000 square feet proposed within the 5-mile radius. Overall, this leaves approximately 300,000 square feet of unmet projected retail demand through 2027. The CCMP is well positioned to capture a share of this unmet need. There is currently 175,000+ square feet of vacant space within neighborhood and community centers within the 5-mile market; however, at an overall vacancy rate of approximately 5% (functional equilibrium), the likelihood of this space readily competing with the CCMP is limited.

The CCMP location has appropriate transportation access to compete for neighborhood and community level retail along with the ability to capture a portion of regional retail sales from vulnerable regional centers, thereby potentially increasing the net demand capture than market demand analysis alone would support. However, e-commerce continues to impact the retail development landscape, and the ability to create a retail experience is critical to capturing and maintaining market share.

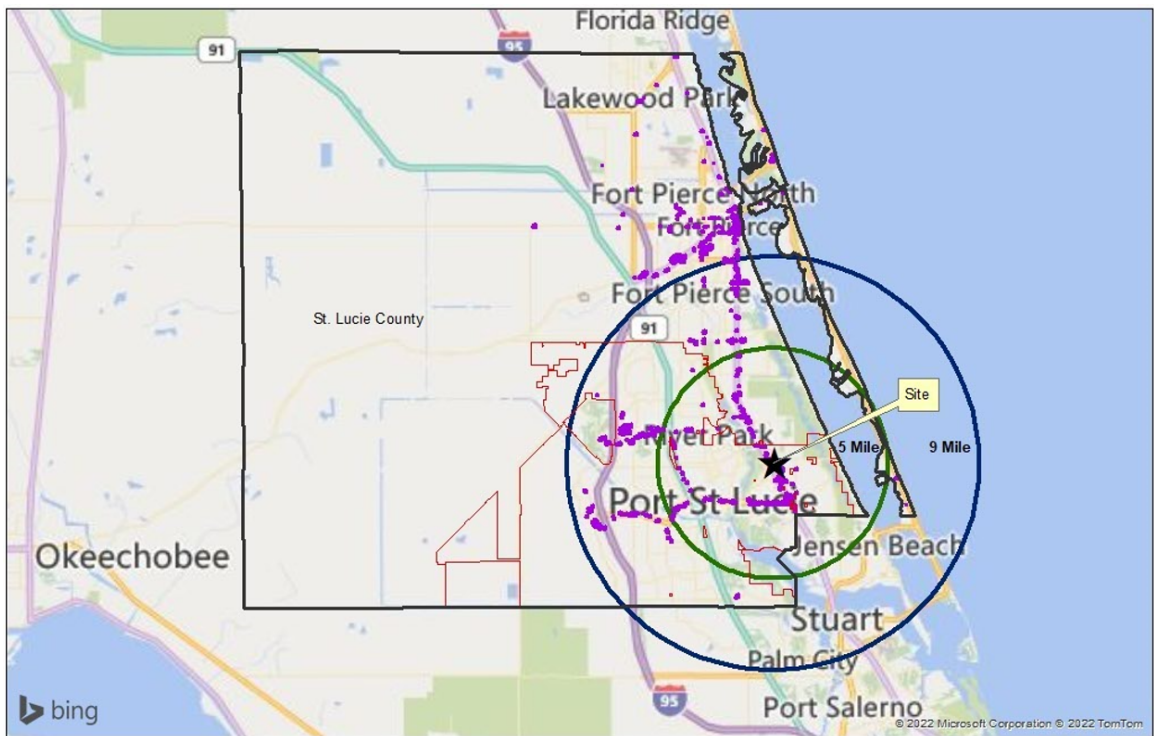
## **5.0 Office Analysis**

### **5.1 Existing Office Development**

To get a better understanding of office space concentration, PFMGC mapped the location of office buildings throughout St. Lucie County and then analyzed the office space within a 5-mile radius and 9-mile radius of the site, which are the equivalent of 10-minute and 20-minute drive-times. With respect to this report, office space was defined via the following property appraiser land use codes: 17, 18, 19, 23 and 24. Not surprisingly, the largest concentration is in and around greater Fort Pierce with the nearest concentration of office space near the project site along US 1 and south of the site along SR 716/SW Port St. Lucie Blvd. As Map 9 shows, the City Center is located along current concentrations of office space. As Map 10 shows, office space concentrations within the City of Port St. Lucie are located along US 1 as well as St. Lucie West Blvd and SR 716/SW Port St. Lucie Blvd.



**Map 9. Total Office Building Concentration (St. Lucie County)**



Source: PFM Group Consulting LLC., St. Lucie County Property Appraisers

With respect to recent office development within the market, PFMGC gathered historical office space construction data from 2007 through 2021 for St. Lucie County and the 5-mile radius and 9-mile radius surrounding the City Center Site. Table 27 summarizes the findings.



**Table 27. Office Space Construction 2007-2021**  
**(St. Lucie County, Port St. Lucie, 5-Mile Market and 9-Mile Market)**

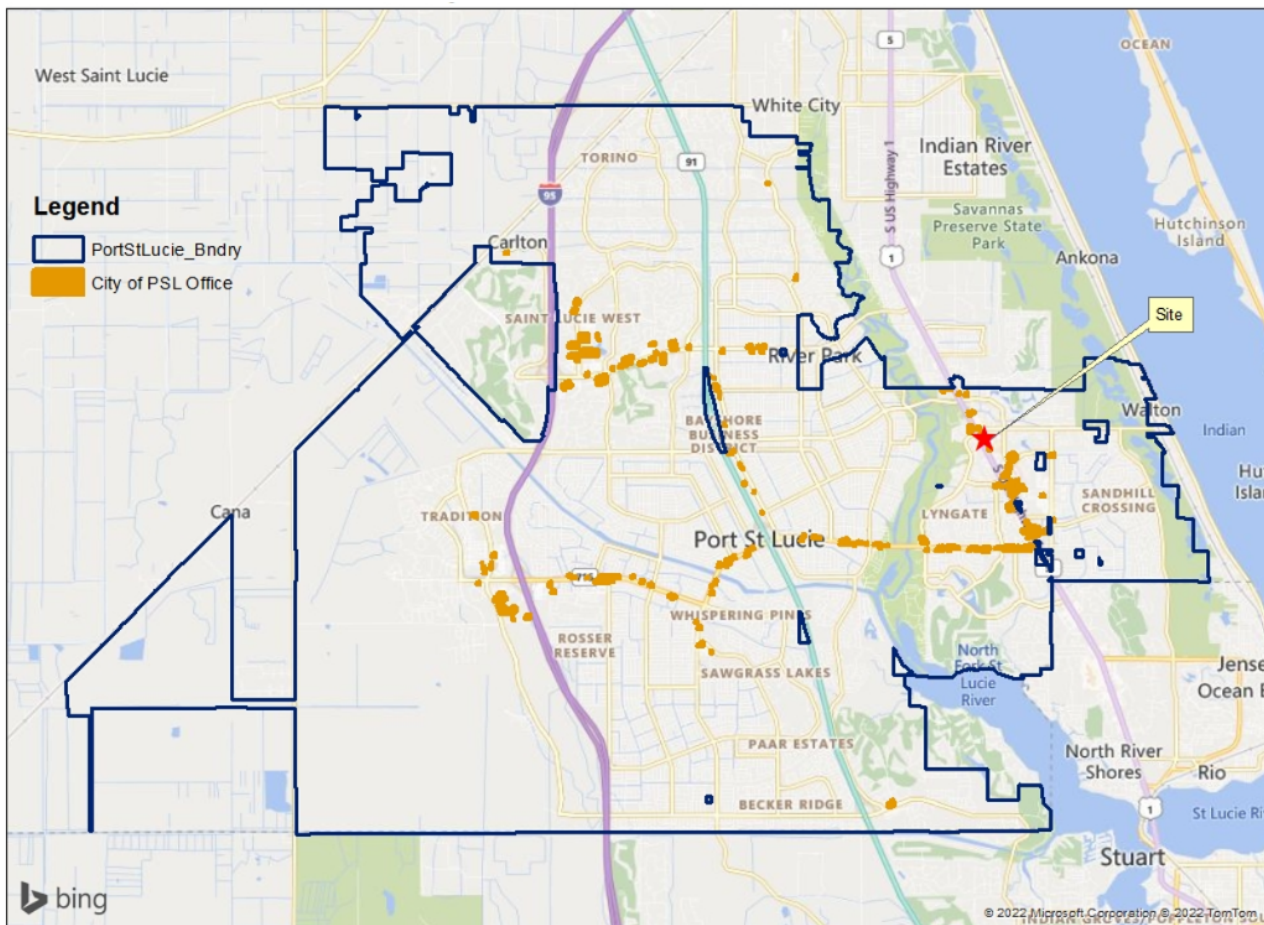
QTR	Office Inventory				% of County SF		% of City SF	
	St. Lucie County	City of Port St. Lucie	5-Mile Radius	9-Mile Radius*	5-Mile	9-Mile*	5-Mile	9-Mile*
2007 Q4	5,048,932	2,861,380	1,915,099	5,999,749	37.9%	118.8%	66.9%	209.7%
2008 Q4	5,623,765	3,045,839	2,060,020	6,206,386	36.6%	110.4%	67.6%	203.8%
2009 Q4	5,649,970	3,072,044	2,060,020	6,259,089	36.5%	110.8%	67.1%	203.7%
2010 Q4	5,693,366	3,115,440	2,094,593	6,302,485	36.8%	110.7%	67.2%	202.3%
2011 Q4	5,728,666	3,133,688	2,104,265	6,320,733	36.7%	110.3%	67.1%	201.7%
2012 Q4	5,808,975	3,210,561	2,113,529	6,397,606	36.4%	110.1%	65.8%	199.3%
2013 Q4	5,865,802	3,267,388	2,117,356	6,460,733	36.1%	110.1%	64.8%	197.7%
2014 Q4	5,873,594	3,278,743	2,120,711	6,473,089	36.1%	110.2%	64.7%	197.4%
2015 Q4	6,022,769	3,413,915	2,126,971	6,588,434	35.3%	109.4%	62.3%	193.0%
2016 Q4	6,013,334	3,408,361	2,121,417	6,584,309	35.3%	109.5%	62.2%	193.2%
2017 Q4	6,156,123	3,537,207	2,138,417	6,727,098	34.7%	109.3%	60.5%	190.2%
2018 Q4	6,239,980	3,621,064	2,139,369	6,808,227	34.3%	109.1%	59.1%	188.0%
2019 Q4	6,412,187	3,798,473	2,139,369	7,002,308	33.4%	109.2%	56.3%	184.3%
2020 Q4	6,462,113	3,848,399	2,139,369	7,052,234	33.1%	109.1%	55.6%	183.3%
2021 Q4	6,492,113	3,878,399	2,139,369	7,082,234	33.0%	109.1%	55.2%	182.6%
Total Growth	1,443,181	1,017,019	224,270	1,082,485	15.5%	75.0%	22.1%	106.4%
Avg. Growth per Year	96,212	67,801	14,951	72,166				

Source: CoStar \*9-mile radius includes development volumes in Martin County

Since the 4<sup>th</sup> Quarter of 2007 through the 4<sup>th</sup> Quarter of 2021, St. Lucie County added an estimated 1.4 million square feet of office space (96,200 sqft/year) and the 5-mile radius added 224,300 square feet of office space since the 4<sup>th</sup> Quarter of 2007. The office development within the 5-mile radius represents 15.5% of St. Lucie County office space development over that time. Map 10 shows the location of all office space within the City of Port St. Lucie and the location of the City Center Site.



Map 10. Total Office Building Concentration



Source: PFM Group Consulting LLC., St. Lucie County Property Appraisers

## 5.2 Office Market Conditions (Vacancy & Rents)

PFMGC gathered data on existing office space data with respect to office occupancy and lease rates for the supply of office space built since 2012 for St. Lucie County and the 5-mile radius around the site. Table 56 summarizes the volume of office square feet and office development from 2012 through the 2<sup>nd</sup> Quarter of 2022. Table 28 summarizes the quarterly data for the comparable office supply.

The market data regarding office space shows that as of the 4<sup>th</sup> Quarter 2020, the 5-mile radius office space represents 5% of the total St. Lucie County office space. With respect to recent office space development, the 5-mile radius has added 600,000 square feet over the past 10 years and captured 14% of total St. Lucie County office space development over that period.



The market occupancy peaked across all markets at 94%-95%; however, each market experienced this at different times with St. Lucie County realizing this rate in 2019 and the 5-mile radius in 2016. With respect to occupancy low points, St. Lucie County's was 87% in 2011 and the 5-mile radius was 86% in 2011. With respect to lease rates, 2021 represent the high ranging from \$24.69 to \$32.12 per square foot and reached their low point in 2013 for St. Lucie County and the 5-mile radius, respectively with NNN rents ranging from \$17.38 to \$18.58 per square foot.

The current occupancy rate of the 5-mile radius office space is 87.9% and average lease rate is \$32.12. The current occupancy is consistent with historic averages of 90%. Figure 21 charts the occupancy rates for the two markets and Figure 22 charts the lease rate data for the two markets over time.



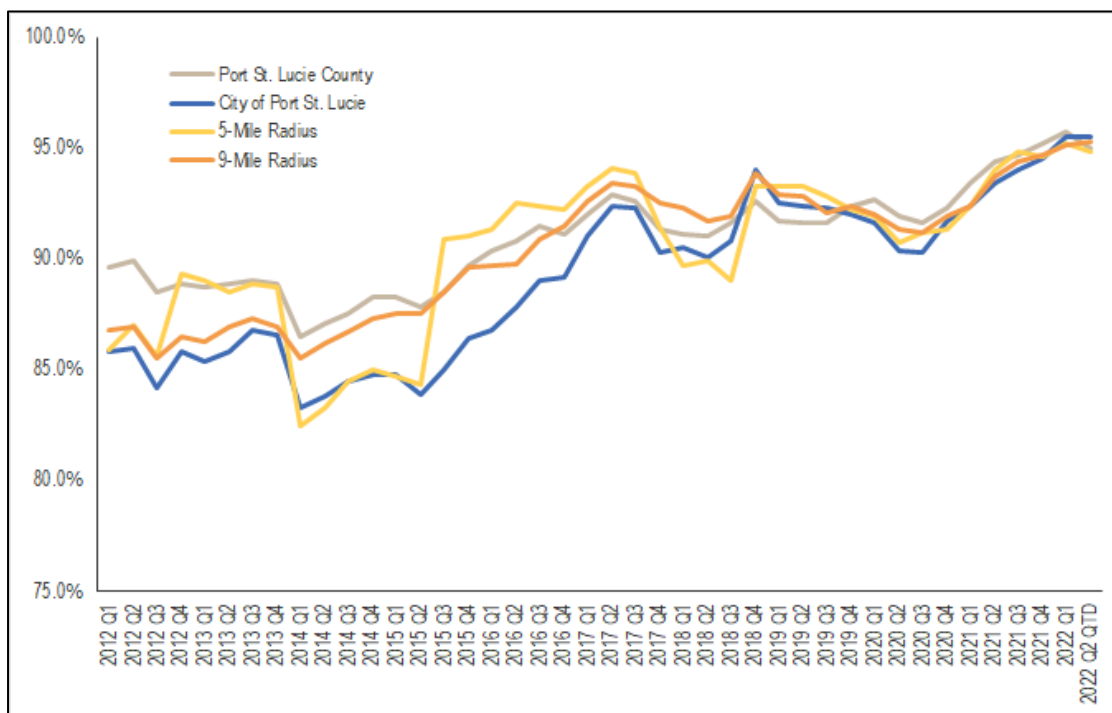
Table 28. St. Lucie County, City, 5-Mile and 9-Mile Radius Office Market (2012 – 2022QTD)

Qtr	Port St. Lucie County			City of Port St. Lucie			5-Mile Radius			9-Mile Radius		
	Inventory SF	Occupancy Rate	Gross Rent Direct \$/SF	Inventory SF	Occupancy Rate	Gross Rent Direct \$/SF	Inventory SF	Occupancy Rate	Gross Rent Direct \$/SF	Inventory SF	Occupancy Rate	Gross Rent Direct \$/SF
2012 Q1	5,728,666	89.6%	\$16.81	3,133,688	85.8%	\$17.48	2,104,265	85.9%	\$17.84	6,320,733	86.8%	\$17.24
2012 Q2	5,737,930	89.9%	\$16.91	3,142,952	86.0%	\$17.48	2,113,529	87.0%	\$17.64	6,329,997	86.9%	\$17.29
2012 Q3	5,741,366	88.5%	\$16.45	3,142,952	84.2%	\$17.23	2,113,529	85.6%	\$17.03	6,329,997	85.5%	\$17.01
2012 Q4	5,808,975	88.9%	\$16.62	3,210,561	85.8%	\$17.42	2,113,529	89.3%	\$16.51	6,397,606	86.5%	\$16.88
2013 Q1	5,807,586	88.7%	\$16.21	3,209,172	85.4%	\$16.95	2,112,140	89.0%	\$16.10	6,396,217	86.3%	\$16.63
2013 Q2	5,807,586	88.9%	\$16.63	3,209,172	85.8%	\$17.60	2,112,140	88.5%	\$16.77	6,396,217	86.9%	\$16.88
2013 Q3	5,812,802	89.0%	\$16.34	3,214,388	86.8%	\$17.54	2,117,356	88.9%	\$16.96	6,401,433	87.3%	\$16.80
2013 Q4	5,865,802	88.9%	\$15.88	3,267,388	86.6%	\$17.12	2,117,356	88.7%	\$16.48	6,460,733	86.9%	\$16.48
2014 Q1	5,873,802	86.5%	\$15.23	3,275,388	83.3%	\$16.32	2,117,356	82.5%	\$16.02	6,468,733	85.5%	\$16.01
2014 Q2	5,870,239	87.1%	\$14.71	3,275,388	83.8%	\$16.33	2,117,356	83.3%	\$16.01	6,468,733	86.2%	\$16.07
2014 Q3	5,870,239	87.5%	\$14.49	3,275,388	84.5%	\$16.15	2,117,356	84.5%	\$15.63	6,469,734	86.7%	\$16.14
2014 Q4	5,873,594	88.3%	\$14.21	3,278,743	84.8%	\$15.88	2,120,711	85.0%	\$15.45	6,473,089	87.3%	\$15.98
2015 Q1	5,879,854	88.3%	\$14.84	3,285,003	84.8%	\$16.68	2,126,971	84.7%	\$15.43	6,479,349	87.5%	\$16.36
2015 Q2	5,939,854	87.8%	\$15.53	3,345,003	83.9%	\$17.58	2,126,971	84.3%	\$15.38	6,519,522	87.5%	\$16.80
2015 Q3	5,954,336	88.5%	\$15.58	3,347,672	85.0%	\$17.59	2,126,971	90.9%	\$15.33	6,522,191	88.5%	\$17.02
2015 Q4	6,022,769	89.7%	\$15.36	3,413,915	86.4%	\$17.22	2,126,971	91.0%	\$14.35	6,588,434	89.6%	\$17.03
2016 Q1	6,018,888	90.4%	\$15.21	3,413,915	86.8%	\$16.90	2,126,971	91.3%	\$14.40	6,587,836	89.7%	\$16.76
2016 Q2	6,018,888	90.8%	\$15.12	3,413,915	87.8%	\$16.88	2,126,971	92.5%	\$14.61	6,587,836	89.8%	\$16.80
2016 Q3	6,018,888	91.5%	\$15.22	3,413,915	89.0%	\$17.10	2,126,971	92.4%	\$15.09	6,598,103	90.9%	\$16.92
2016 Q4	6,013,334	91.1%	\$14.66	3,408,361	89.2%	\$16.11	2,121,417	92.2%	\$15.11	6,584,309	91.5%	\$16.07
2017 Q1	6,017,334	92.0%	\$14.67	3,412,361	91.0%	\$16.13	2,121,417	93.3%	\$15.13	6,588,309	92.6%	\$16.13
2017 Q2	6,025,782	92.9%	\$14.75	3,412,361	92.4%	\$15.72	2,121,417	94.1%	\$14.88	6,596,757	93.4%	\$15.97
2017 Q3	6,025,782	92.6%	\$14.65	3,412,361	92.3%	\$15.66	2,121,417	93.9%	\$14.72	6,596,757	93.3%	\$15.89
2017 Q4	6,156,123	91.3%	\$14.50	3,537,207	90.3%	\$15.21	2,138,417	91.4%	\$14.70	6,727,098	92.5%	\$15.50
2018 Q1	6,197,923	91.1%	\$14.62	3,579,007	90.5%	\$15.58	2,138,417	89.7%	\$14.72	6,766,170	92.3%	\$15.97
2018 Q2	6,198,875	91.0%	\$15.01	3,579,959	90.1%	\$15.74	2,139,369	89.9%	\$14.85	6,767,122	91.7%	\$16.10
2018 Q3	6,229,332	91.6%	\$15.46	3,610,416	90.8%	\$16.21	2,139,369	89.0%	\$15.04	6,797,579	91.9%	\$16.61
2018 Q4	6,239,980	92.6%	\$15.02	3,621,064	94.0%	\$15.97	2,139,369	93.3%	\$16.08	6,808,227	93.9%	\$16.82
2019 Q1	6,239,980	91.7%	\$15.79	3,621,064	92.5%	\$16.84	2,139,369	93.3%	\$15.62	6,819,101	92.9%	\$17.27
2019 Q2	6,242,548	91.6%	\$16.76	3,628,834	92.4%	\$17.01	2,139,369	93.3%	\$17.20	6,832,669	92.8%	\$18.07
2019 Q3	6,412,187	91.6%	\$17.80	3,798,473	92.3%	\$18.66	2,139,369	92.8%	\$18.23	7,002,308	92.1%	\$18.61
2019 Q4	6,412,187	92.4%	\$17.88	3,798,473	92.0%	\$19.85	2,139,369	92.2%	\$18.41	7,002,308	92.4%	\$19.29
2020 Q1	6,428,551	92.7%	\$17.57	3,814,837	91.6%	\$19.73	2,139,369	91.9%	\$18.89	7,018,672	92.0%	\$19.64
2020 Q2	6,441,113	91.9%	\$18.48	3,827,399	90.4%	\$20.22	2,139,369	90.7%	\$19.32	7,031,234	91.3%	\$20.04
2020 Q3	6,462,113	91.6%	\$17.97	3,848,399	90.3%	\$17.43	2,139,369	91.2%	\$18.46	7,052,234	91.2%	\$19.75
2020 Q4	6,462,113	92.3%	\$17.97	3,848,399	91.7%	\$18.45	2,139,369	91.3%	\$19.55	7,052,234	91.9%	\$20.80
2021 Q1	6,462,113	93.4%	\$18.31	3,848,399	92.4%	\$18.96	2,139,369	92.4%	\$20.11	7,052,234	92.4%	\$21.07
2021 Q2	6,462,113	94.4%	\$18.19	3,848,399	93.4%	\$18.83	2,139,369	94.0%	\$19.96	7,052,234	93.7%	\$20.88
2021 Q3	6,482,113	94.7%	\$18.68	3,868,399	94.0%	\$19.44	2,139,369	94.8%	\$20.03	7,072,234	94.4%	\$21.07
2021 Q4	6,492,113	95.2%	\$20.39	3,878,399	94.5%	\$20.55	2,139,369	94.6%	\$20.90	7,082,234	94.7%	\$20.42
2022 Q1	6,485,863	95.7%	\$21.45	3,878,399	95.5%	\$21.70	2,139,369	95.2%	\$21.49	7,082,234	95.1%	\$20.79
2022 Q2 QTD	6,485,863	95.0%	\$21.85	3,878,399	95.5%	\$22.25	2,139,369	94.8%	\$21.90	7,082,234	95.3%	\$19.72
Min	5,728,666	86.5%	\$14.21	3,133,688	83.3%	\$15.21	2,104,265	82.5%	\$14.35	6,320,733	85.5%	\$15.50
Max	6,492,113	95.7%	\$21.85	3,878,399	95.5%	\$22.25	2,139,369	95.2%	\$21.90	7,082,234	95.3%	\$21.07
Median	6,024,276	91.2%	\$15.84	3,413,915	90.2%	\$17.17	2,126,971	91.3%	\$16.09	6,596,757	91.4%	\$16.88
Average	6,112,560	90.9%	\$16.42	3,505,426	89.2%	\$17.52	2,128,505	90.3%	\$16.87	6,696,738	90.4%	\$17.61

Source: CoStar

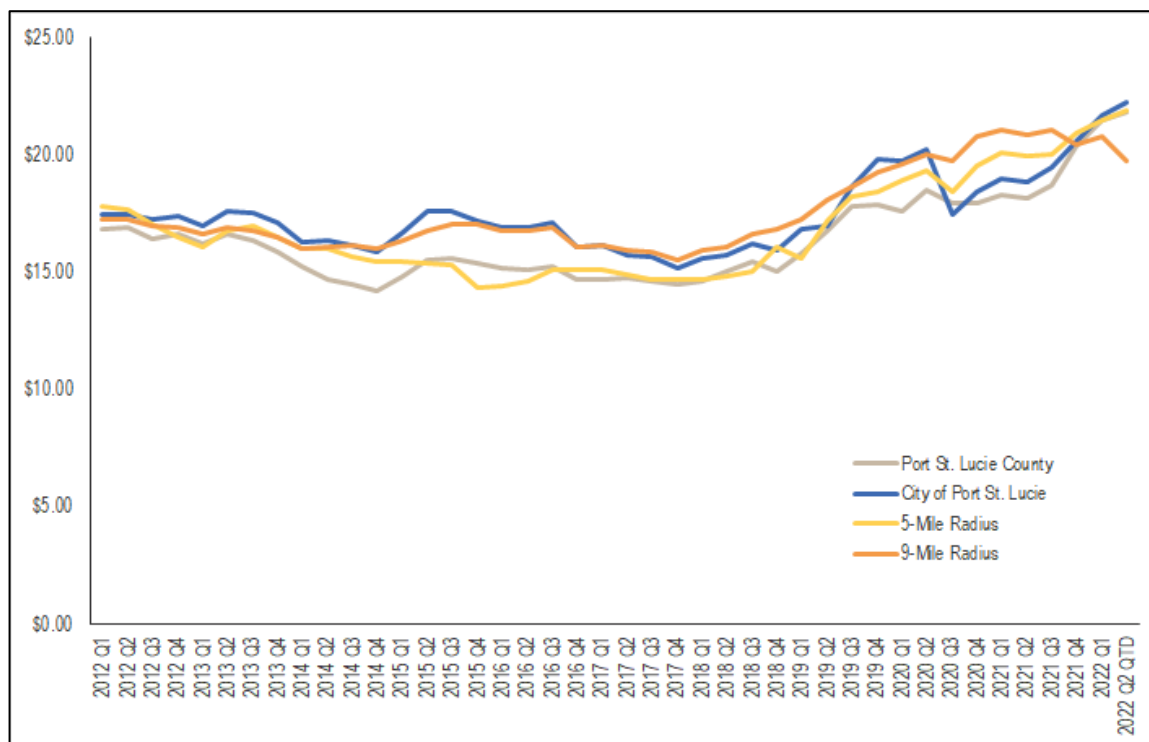


**Figure 21. Summary of Office Occupancy History (2012-2022QTD)**



Source: CoStar

**Figure 22. Summary of Office Lease Rate History (2012-2022QTD)**



Source: CoStar



### 5.3 Office Space Forecast and Project Capture

PFMGC forecasted St. Lucie County office space construction based on historic data from 2007 through 2022. This forecast was then applied to the 5-mile radius surrounding the project site with respect to the 15.5 percent historic annual market share of office space development from 2007 through 2022. Table 29 summarizes the forecast and forecasted market share within the 5-mile radius.

**Table 29. Combined County and 5-Mile Office Space Forecast**

St. Lucie County						
Year	2023	2024	2025	2026	2027	2028
Office Space Construction (SqFt)	39,963	49,926	172,207	83,857	142,789	0
Year	2029	2030	2031	2032	2033	2034
Office Space Construction (SqFt)	149,175	7,792	56,827	80,309	35,300	43,396
Year	2035	2036	2037	2038	2039	2040
Office Space Construction (SqFt)	26,205	68,288	96,212	83,857	142,789	80,309
Avg. Annual Office SqFt (2007-2022)	96,212					
Avg. Annual Office SqFt (FORECAST)	75,511					
Total Forecast (2023 - 2040)	1,359,201					
5-Mile Radius						
Year	2023	2024	2025	2026	2027	2028
Office Space Construction (SqFt)	6,210	7,758	26,761	13,031	22,189	0
Year	2029	2030	2031	2032	2033	2034
Office Space Construction (SqFt)	23,182	1,211	8,831	12,480	5,486	6,744
Year	2035	2036	2037	2038	2039	2040
Office Space Construction (SqFt)	4,072	10,612	14,951	13,031	22,189	12,480
Avg. Annual Office SqFt (2007-2022)	14,951					
Avg. Annual Office SqFt (FORECAST)	11,734					
Total Forecast (2023 - 2040)	211,220					

Source: PFM Group Consulting LLC, CoStar, St. Lucie County Property Appraiser

PFMGC estimated an annual project market capture of the 5-Mile radius office space growth from 2023 through 2040. PFMGC estimates that the project site could reasonably capture 50 percent of the 5-mile office space development. Assuming a 50 percent annual project market capture, PFMGC estimates that the subject property could support an estimated 105,610 square feet of office space through 2040. Table 30 summarizes the findings.

**Table 30. CCMP Project Capture - Office Space Forecast**

Project Market Capture						
Year	2023	2024	2025	2026	2027	2028
Office Space Construction (SqFt)	3,105	3,879	13,380	6,516	11,095	0
Year	2029	2030	2031	2032	2033	2034
Office Space Construction (SqFt)	11,591	605	4,415	6,240	2,743	3,372
Year	2035	2036	2037	2038	2039	2040
Office Space Construction (SqFt)	2,036	5,306	7,476	6,516	11,095	6,240
Avg. Annual Market Capture (5-Mile)	50%					
Avg. Annual Market Capture (SQFT)	5,867					
Project Capture Total (FORECAST)	105,610					

Source: PFM Group Consulting LLC, CoStar, St. Lucie County Property Appraiser

#### 5.4 Office Summary and Conclusions

From 2007 through 2022, the 5-mile radius office construction averaged just under 15,000 square feet per year, which is an estimated 15.5 percent of the St. Lucie County office development. The major source of competition for office tenants over the near term will come from office space development located in the more urbanized areas of Fort Pierce and continued development at Tradition.

The overall CCMP plan includes a mix of real estate uses. A combination of employment opportunities, apartments, and office allows for a more dynamic and balanced development approach for the site. From 2023 through 2040, PFMGC estimates that the project site can support 106,000 square feet of office space. This capture represents approximately 50 percent of the 5-mile market demand over that time.



## 6.0 Hotel Analysis

### 6.1 Hotel Supply

PFMGC defined the hotel market as the 9-mile radius surrounding the site. This market provides context for overall hotel development in the market with respect to the CCMP location. It's important to note the recent hotel development has occurred at the coast and along I-95. While there are hotels located along US 1, these hotels represent primarily older offerings (average year built of 1968) associated with leisure activity prior to the development of I-95.

Table 31 summarizes the class mix of the competing hotels within the 9-mile radius. As the data shows, approximately 25% of the hotel market includes hotels of the upscale class. Table 32 provides the detailed listing of hotels within the 9-mile market. Map 11 provides the locations of the hotels within the market in relation to the CCMP location.

**Table 31. Summary of Hotel Market Competition Class Mix**

Category	Rooms	Buildings	Avg. Hotel Size (rooms)	% Mix	Avg Yr Built
Economy	604	14	43	19.7%	1967
Midscale	394	6	66	12.8%	1980
Upper Midscale	659	7	94	21.5%	2004
Upper Upscale	667	4	167	21.7%	1998
Upscale	745	7	106	24.3%	2006
Grand Total	3,069	38	81	100.0%	1986

Source: CoStar and PFM Group Consulting LLC



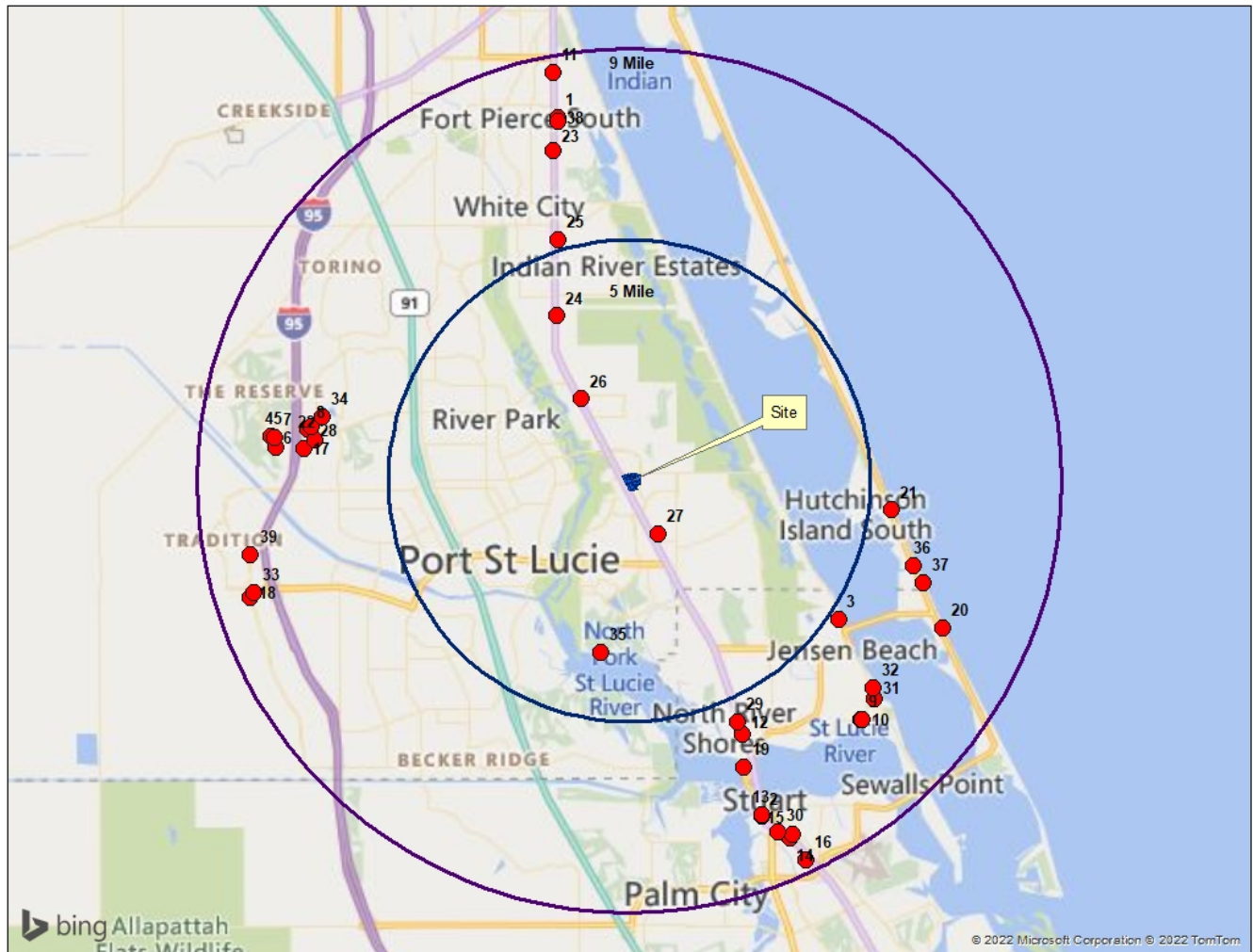
**Table 32. Summary of Hotels in the 9-Mile Market**

ID	Property Name	City	Year Built	Rooms	Hotel Class	Number Of Stories
1	Days Inn Fort Pierce Midtown	Fort Pierce	1975	96	Economy	2
2	Royal Palms Motel	Stuart	1975	19	Economy	1
3	Casa D'este	Jensen Beach	1968	8	Economy	1
4	Sleep Inn At PGA Village	Port Saint Lucie	1999	17	Midscale	2
5	MainStay Suites At PGA Village Port St Lucie	Port Saint Lucie	1999	63	Midscale	2
6	Sheraton PGA Vacation Resort, Port St. Lucie	Port Saint Lucie	2000	42	Upper Upscale	3
7	Hilton Garden Inn PGA Village Port St Lucie	Port Saint Lucie	2006	130	Upscale	3
8	SpringHill Suites Port St Lucie	Port Saint Lucie	1998	103	Upscale	4
9	Park View Motel	Jensen Beach	1958	20	Economy	1
10	Jensen Beach Motel	Jensen Beach	1959	18	Economy	1
11	Rodeway Inn Fort Pierce US Highway 1	Fort Pierce	1956	36	Economy	2
12	Hampton by Hilton Inn & Suites Stuart-North	Stuart	2008	102	Upper Midscale	4
13	Southwind Motel	Stuart	1947	20	Economy	1
14	Days Inn Stuart	Stuart	1967	119	Economy	2
15	Best Western Downtown Stuart	Stuart	1966	119	Midscale	2
16	Suburban Extended Stay	Stuart	1999	122	Economy	3
17	Residence Inn Port St Lucie	Port Saint Lucie	2016	125	Upscale	6
18	Homewood Suites by Hilton	Port Saint Lucie	2009	111	Upscale	5
19	Harbor Inn & Marina	Stuart	1990	20	Economy	2
20	Hutchinson Shores Resort & Spa	Jensen Beach	2017	178	Upper Upscale	4
21	The Island Beach Resort	Jensen Beach	1989	34	Upper Upscale	4
22	Hampton by Hilton	Port Saint Lucie	2002	72	Upper Midscale	4
23	Travel Inn	Fort Pierce	1950	35	Economy	2
24	Rainbow Motel	Port Saint Lucie	1957	16	Economy	1
25	Garden State Motel	Fort Pierce	1955	17	Economy	1
26	Best Western Port St Lucie	Port Saint Lucie	1987	98	Midscale	2
27	Holiday Inn Port St Lucie	Port Saint Lucie	1988	142	Upper Midscale	5
28	Holiday Inn Express & Suites	Port Saint Lucie	2009	93	Upper Midscale	5
29	Home2 Suites by Hilton Stuart	Stuart	2020	99	Upper Midscale	4
30	Quality Inn Downtown Stuart	Stuart	1974	82	Midscale	2
31	Four Fish Inn	Jensen Beach	1954	15	Midscale	1
32	River Palm Cottages	Jensen Beach	1980	23	Upper Midscale	2
33	Courtyard	Port Saint Lucie	2021	84	Upscale	5
34	Perfect Drive Golf Villas	Port Saint Lucie	2006	82	Upscale	2
35	Club Med Sandpiper Bay Hotel*	Port Saint Lucie	1986	337	Upper Upscale	2
36	Vistana Beach Club	Jensen Beach		76	Upper Upscale	8
37	Courtyard	Jensen Beach	1986	110	Upscale	8
38	Red Roof Inn Fort Pierce	Fort Pierce	1987	58	Economy	2
39	TownePlace Suites Port St Lucie I-95	Port Saint Lucie	2019	128	Upper Midscale	5
	<b>Total</b>			<b>3,069</b>		

Source: CoStar and PFM Group Consulting LLC \*shutdown operation in 2022 to focus on other club med projects



Map 11. Hotels within 9-Mile Market



Source: CoStar and PFM Group Consulting LLC

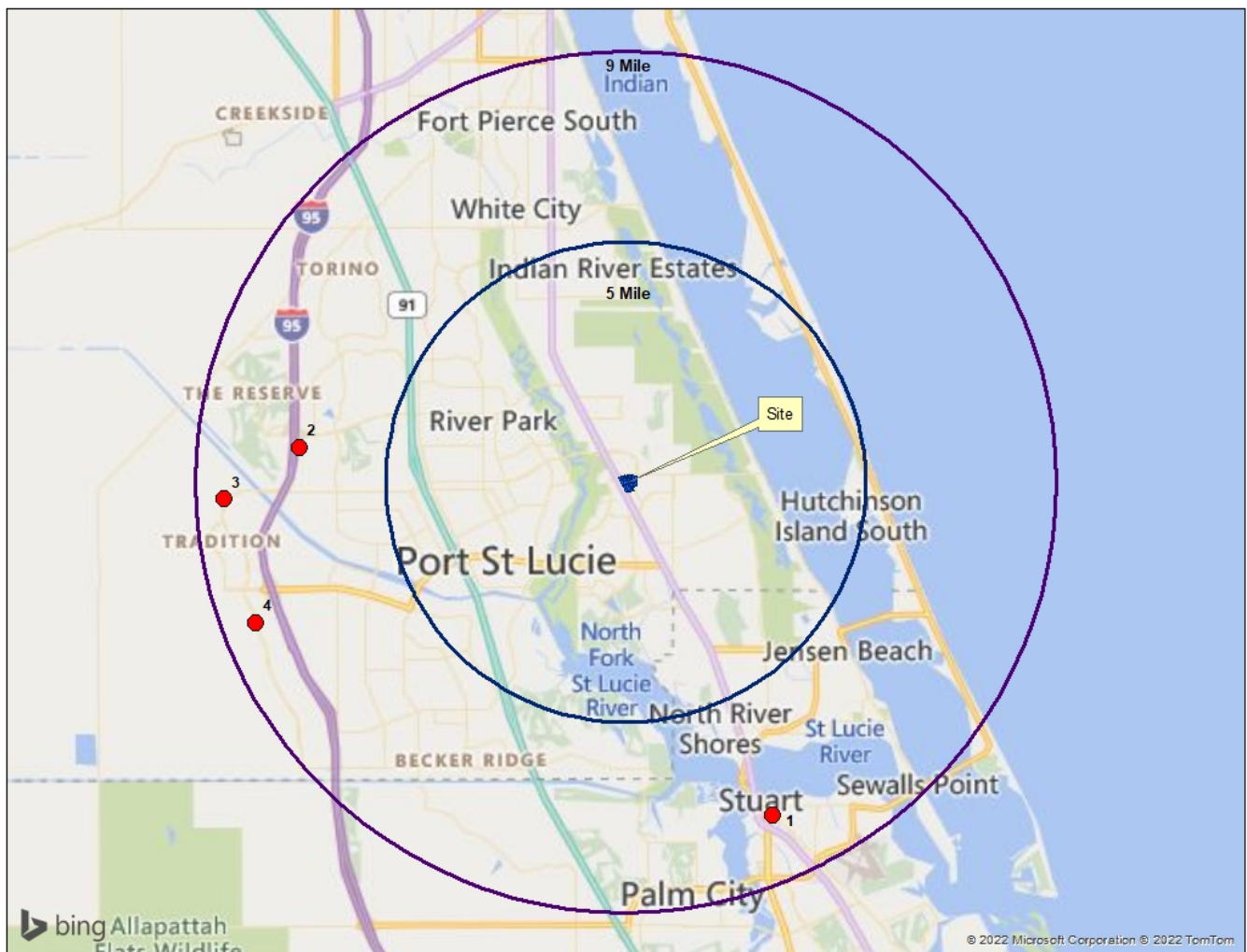
## 6.2 Hotel Pipeline

According to the data provided by CoStar regarding the pipeline of hotel rooms; there are 4 hotel projects in the pipeline and these projects represent a total of 372 hotel rooms. Table 33 summarizes the hotel room volumes currently in the pipeline and where they are in the approval/development process. Map 12 shows the location of upscale hotels in the development pipeline.

**Table 33. 9-Mile Market Hotel Pipeline**

ID	Constr Status	Hotel Class	Property Name	Property Address	City	Rooms	Year Built
1	Proposed	Upper Mid	La Quinta Inns & Suites Stuart	111 SE 6th St	Stuart	57	2024
2	Under Constr.	Upper Mid	Home2 Suites by Hilton	1890 SW Fountainview Blvd	Port Saint Lucie	111	2024
3	Under Constr.	Midscale	Tru by Hilton Port St Lucie	11560 SW Village Pky	Port Saint Lucie	82	2022
4	Proposed	Economy	WoodSpring Suites	SEC Village Pkwy & Discovery Way	Port Saint Lucie	122	2024
					Total	372	

Source: CoStar and PFM Group Consulting LLC

**Map 12. 9-Mile Market Hotel Pipeline**

Source: CoStar and PFM Group Consulting LLC



### 6.3 Hotel Demand

As mentioned prior, the CCMP location along US 1 does not lend itself to tremendous hotel demand, with the nearest and newest hotels being the Best Western and Holiday Inn Express being built in 1987 and 1988, respectively.

The MIDFLORIDA Credit Union Events Center (“Event Center”), which is functionally part of the CCMP represents an “X factor” with respect to future hotel demand at the site. Currently, the Events Center and its programming/schedule of events does not generate ample room night demand to support an onsite hotel. The City has engaged HVS, a third-party convention event center consultant, to analyze the current Events Center operations and potential for expansion.

Overall, this market includes an estimated 3,000 hotel rooms. Since 2000 the local market has added 62 hotel rooms annually. Table 34 summarizes the overall hotel development since the 1970s.

**Table 34. Hotel Rooms Development by Year Built**

Open Year	Annual Rooms	Total Rooms	Open Year	Total	Annual Rooms
2000	42	1,865	Avg 1970-1979	197	19.7
2001	0	1,865	Avg 1980-1989	802	80.2
2002	72	1,937	Avg 1990-1999	325	32.5
2003	0	1,937	Avg 2000-2009	632	63.2
2004	0	1,937	Avg 2010-2021	614	61.4
2005	0	1,937			
2006	212	2,149	Avg 2000-2021	1246	62.3
2007	0	2,149			
2008	102	2,251			
2009	204	2,455			
2010	0	2,455			
2011	0	2,455			
2012	0	2,455			
2013	0	2,455			
2014	0	2,455			
2015	0	2,455			
2016	125	2,580			
2017	178	2,758			
2018	0	2,758			
2019	128	2,886			
2020	99	2,985			
2021	84	3,069			

Source: CoStar and PFM Group Consulting LLC

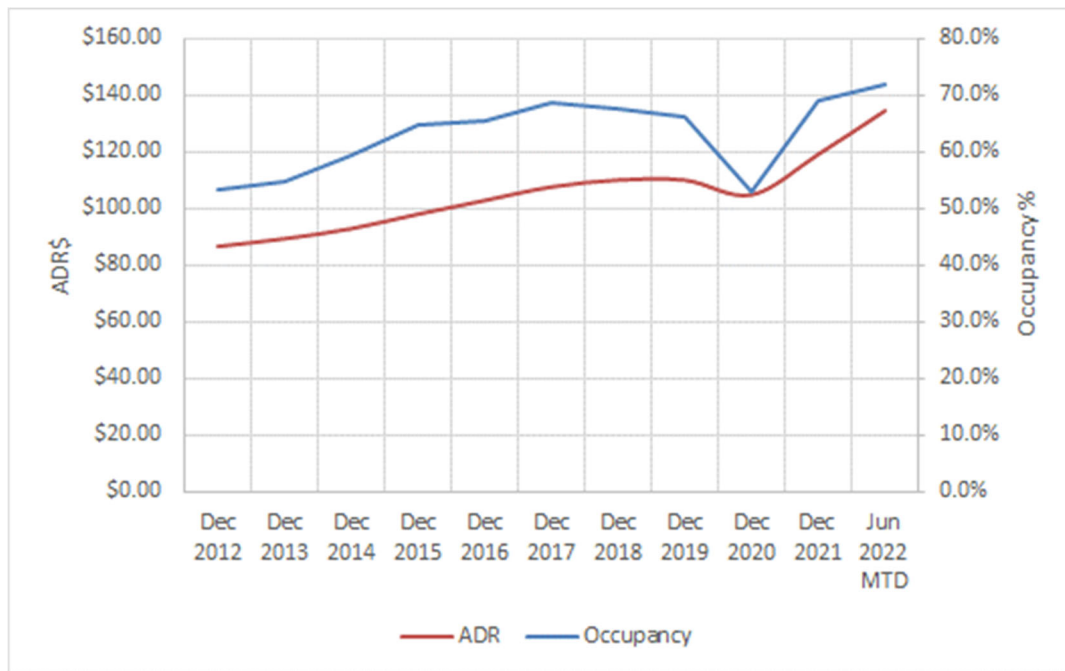


Table 9 and Figure 23 summarize historical performance data. Note that Table 35 includes hotel metrics for countywide hotel performance exclusive of barrier island hotels as well as the 9-mile market hotel performance which captures barrier island activity as well as Stuart, Florida hotel performance. As the data shows, both occupancy and average daily rate (ADR) have increased dramatically since 2020 which show the dramatic impacts of the COVID-19 shutdown. The year-to-date occupancy rate of over 71 percent represents nearly a 20 percent increase since 2020 and the year-to-date ADR of \$148.49 represents a 30 percent increase from 2020.

**Table 35. Hotel Market: Occupancy, ADR, RevPAR**

Countywide - No Barrier Island Hotels						
	Supply	Demand	Revenue	Occupancy	ADR	RevPAR
Jun 2022 MTD	1,093,161	785,948	\$105,612,368	71.9%	\$134.38	\$96.61
Dec 2021	1,083,081	786,184	\$89,080,365	69.1%	\$119.03	\$82.25
Dec 2020	1,067,625	564,093	\$59,088,223	52.8%	\$104.75	\$55.35
Dec 2019	1,026,192	680,373	\$74,771,071	66.3%	\$109.90	\$72.86
Dec 2018	1,024,424	692,763	\$76,169,602	67.6%	\$109.95	\$74.35
Dec 2017	1,005,375	690,182	\$74,200,483	68.6%	\$107.51	\$73.80
Dec 2016	1,039,062	679,222	\$69,774,528	65.4%	\$102.73	\$67.15
Dec 2015	1,041,373	673,382	\$65,918,593	64.7%	\$97.89	\$63.30
Dec 2014	1,074,646	637,507	\$59,141,125	59.3%	\$92.77	\$55.03
Dec 2013	1,050,256	575,910	\$51,382,018	54.8%	\$89.22	\$48.92
Dec 2012	1,051,100	560,938	\$48,513,703	53.4%	\$86.49	\$46.16
9-mile radius						
Date	Supply	Demand	Revenue	Occupancy	ADR	RevPAR
Jun 2022 MTD	1,106,301	792,242	\$117,641,112	71.6%	\$148.49	\$106.34
Dec 2021	1,096,221	790,995	\$99,124,388	68.4%	\$132.29	\$90.42
Dec 2020	1,051,547	545,979	\$62,207,396	51.9%	\$113.94	\$59.16
Dec 2019	975,092	647,544	\$77,405,997	66.4%	\$119.54	\$79.38
Dec 2018	973,324	653,423	\$77,794,967	67.1%	\$119.06	\$79.93
Dec 2017	905,681	615,745	\$69,686,716	68.0%	\$113.17	\$76.94
Dec 2016	922,992	605,721	\$64,372,686	65.6%	\$106.27	\$69.74
Dec 2015	925,861	601,103	\$61,111,258	64.9%	\$101.67	\$66.00
Dec 2014	967,861	578,258	\$55,492,374	59.7%	\$95.96	\$57.34
Dec 2013	982,731	542,858	\$49,314,712	55.2%	\$90.84	\$50.18
Dec 2012	983,664	530,671	\$46,927,370	53.9%	\$88.43	\$47.71

Source: CoStar and PFM Group Consulting LLC

**Figure 23. Hotel Market Occupancy and ADR – Countywide with No Barrier Island Hotels**

Source: CoStar and PFM Group Consulting LLC

#### 6.4 Recommendations

The current hotel market is dominated by hotel development trends which favor development at the coast/barrier islands or along I-95, specifically the Tradition interchange locations. Current market demand does not support hotel development. PFMGC believes that development of a hotel at the CCMP site will be predicated on the Events Center activity. At this time, PFMGC recommends maintaining development flexibility to support a 100-room upper midscale hotel, which will need an estimated 2.5 acres.



## 7.0 City Center Master Plan – Preliminary Financial Pro Forma Methodology

### 7.1 Introduction

As part of the overall visioning process, the recommended/final CCMP development program will be influenced by market demand but also by stakeholder vision. Below is a summary of development and financing elements that will need to be addressed as part of the process, noting that these elements do not necessarily represent the totality of issues.

#### Development Elements:

- Residential - How much residential development to be included and density?
- Retail – How much retail/restaurant development should be incorporated?
- Office – How much office space should be incorporated?
- Events Center – Are there recommendations to redevelop / enhance the Events Center to drive more regional events and would that impact available acreage for redevelopment?
- Hotel – Will an updated Events Center generate room night demand sufficient to support a hotel?
- Public Space – How much space will be committed to public space?

#### Financing Elements:

- The City will need to evaluate 3 options regarding the existing special assessment debt currently associated with the CCMP development process:
  - a. Will the City absorb 100% of the existing debt exposure?
  - b. Will the City require the developer of the CCMP to be responsible for 100% of the existing debt exposure?
  - c. Will the existing special assessment debt be a point of negotiation or be a determining element as part of a potential RFP process in the solicitation of a CCMP developer
- Currently the existing special assessment debt is allocated sporadically among the parcels subject to redevelopment. Is there an ability to re-allocate that debt across the acres subject to redevelopment on a per acre basis?

These elements and the relative importance of each will result in revisions to the preliminary development program and financial analysis provided as part of this report.

### 7.2 Existing Debt Service and Allocation of Debt per Parcel

Based on data provided by the Client, the existing bond debt is \$14,880,000 with maximum annual debt service of \$1,871,152 (Table 37).



Table 37. Existing Parcels and Allocation of Existing Debt

Lot No.	DEED_ACRE	2022 Principal	2022 Interest	2022 P&I	Remaining Debt	\$ per Acre
2	1.327	\$6,602	\$12,831	\$19,433	\$154,536	\$116,438
3	1.404	\$6,602	\$12,831	\$19,433	\$154,536	\$110,057
4	1.428	-	-	-	-	-
5	0.194	-	-	-	-	-
6	0.144	\$6,059	\$11,774	\$17,833	\$141,812	\$982,040
7	1.324	\$14,359	\$27,905	\$42,264	\$336,098	\$253,894
8	0.118	-	-	-	-	-
9	0.121	\$5,146	\$10,001	\$15,147	\$120,452	\$995,143
10	0.043	\$488	\$948	\$1,435	\$11,415	\$267,323
11	0.178	\$7,489	\$14,554	\$22,044	\$175,297	\$985,279
12	0.220	\$9,694	\$18,838	\$28,531	\$226,890	\$1,029,086
13	0.406	\$31,028	\$60,299	\$91,327	\$726,260	\$1,788,452
14	0.238	\$18,164	\$35,300	\$53,464	\$425,162	\$1,786,700
15	1.276	-	-	-	-	-
16	0.256	\$10,127	\$19,680	\$29,807	\$237,036	\$924,380
17	0.472	\$34,006	\$66,086	\$100,092	\$795,967	\$1,685,307
18	0.256	\$10,127	\$19,680	\$29,807	\$237,036	\$924,381
19	1.351	-	-	-	-	-
20	0.735	\$26,223	\$50,960	\$77,183	\$613,787	\$834,927
21	1.636	\$58,125	\$112,956	\$171,081	\$1,360,490	\$831,789
22	0.630	-	-	-	-	-
23	0.704	-	-	-	-	-
24	0.657	-	-	-	-	-
25	2.532	\$39,581	\$76,919	\$116,499	\$926,440	\$365,838
28	1.840	\$46,218	\$89,817	\$136,035	\$1,081,795	\$587,929
29	0.684	-	-	-	-	-
30	0.775	\$31,817	\$61,831	\$93,648	\$744,720	\$961,288
31	1.339	\$14,511	\$28,200	\$42,711	\$339,649	\$253,649
32	2.308	\$123,480	\$239,965	\$363,446	\$2,890,236	\$1,252,325
33	0.915	\$44,500	\$86,479	\$130,979	\$1,041,588	\$1,138,670
34	1.426	-	-	-	-	-
35	0.400	-	-	-	-	-
36	2.553	\$91,376	\$177,576	\$268,953	\$2,138,796	\$837,824
37	5.619	-	-	-	-	-
<b>Total*</b>	<b>29.89</b>	<b>\$635,723</b>	<b>\$1,235,430</b>	<b>\$1,871,152</b>	<b>\$14,880,000</b>	<b>\$497,809</b>

Source: City of Port St. Lucie; \*total acreage does not include the Events Center (no. 37) parcel acreage



### 7.3 Methodological Overview

PFMGC will place primary reliance on the income approach to value using the discounted net cash flow method. In the current market environment it is our opinion that this method provides the most reliable basis for valuation. Furthermore, it is expected that prospective developers of properties utilize the discounted net cash flow approach to estimate how much they are willing to pay for a property.

### 7.4 Valuation of the Project

PFMGC will utilize a pro forma analysis in order to estimate the net cash flow of the project over the forecasted absorption period.

### 7.5 Development Plan, Absorption, and Pricing

As a basis for the Project pro forma analysis, PFMGC will utilize a development program as provided by the CCMP team.

### 7.6 Revenue Generation

The total revenue generated by the development in any given year is a function of the annual absorption rate and corresponding lot price for residential and corresponding acreage price for non-residential uses.

### 7.7 Infrastructure costs

Based on data provided by the Client, the existing bond debt is \$14,880,000 with maximum annual debt service (principal and interest) of \$1,871,152. This debt is associated with the City Center Special Assessment Refunding Bonds Series 2008A Bonds issued in the amount of \$31.3 million which funded the site's infrastructure including the following: the master stormwater system, roadways, sewer service, water service, sidewalks and street trees.

At this time, no additional development costs have been included. It is anticipated that any required development costs by a master developer will require a reduction in acquisition price and/or a negotiation with the City regarding a sharing of the existing special assessment debt. To the extent available, any redevelopment costs estimated as part of the master planning process will be incorporated into the financial analysis.

### 7.8 Allocation of Assessments

Based on PFMGC's experience, PFMGC will make recommendations with respect to the final pass-through assessments. It is important to note that this model assumes the ability to allocate assessment debt to the total volume of development. In this case, any currently non-debt burdened parcels subject to this development will need to agree to assessments on vertical development within CCMP. If this is not possible, given the nature of the existing debt allocation, an alternative allocation to the project acreage will need to be re-evaluated.



## 7.9 Additional Development Costs

Additional development represents un-financed costs for the project. In this case, these costs will be associated with the project engineering, project management, sales and marketing, and other property/development costs. The majority of these cost estimates will be estimated by PFMGC. The sales and marketing budget was based on PFMGC's knowledge and prior research of the industry and will be estimated annually.

In the years where cash flow is greater than the development costs, the costs will be paid in that period with cash. If the cash flow was not great enough to cover the additional costs, the costs will be modeled and financed with a bank mortgage.

## 7.10 Bank Financing

With respect to the modeling, the model involved will be developed and include bank financing as needed with respect to purchase price of the land and additional development costs (as applicable for each).

## 7.11 Cash Flow

All of the revenues and expenses described above flow into the cash flow worksheet. The cash flow worksheet is separated into two sections: (1) "cash in" and (2) "cash out." Total "cash in" for the project is a function of the residential and non-residential sales of the improved property.

The "cash out" section is typically a function of six expense items: bank loan costs, operating costs, equity and working capital (inclusive of a land acquisition price if applicable), repayment of principal and interest (developer's obligation), developer exposure (associated with exposure to unallocated assessment debt during development process), and other operating expenses.

Over the duration of the project, the timing of the revenue and expenses amount to a net cash flow. The IRR of the project is typically measured against an IRR of 25%. An IRR of this level is typically what a Developer will be targeting given the complexity and duration of a project of this type.