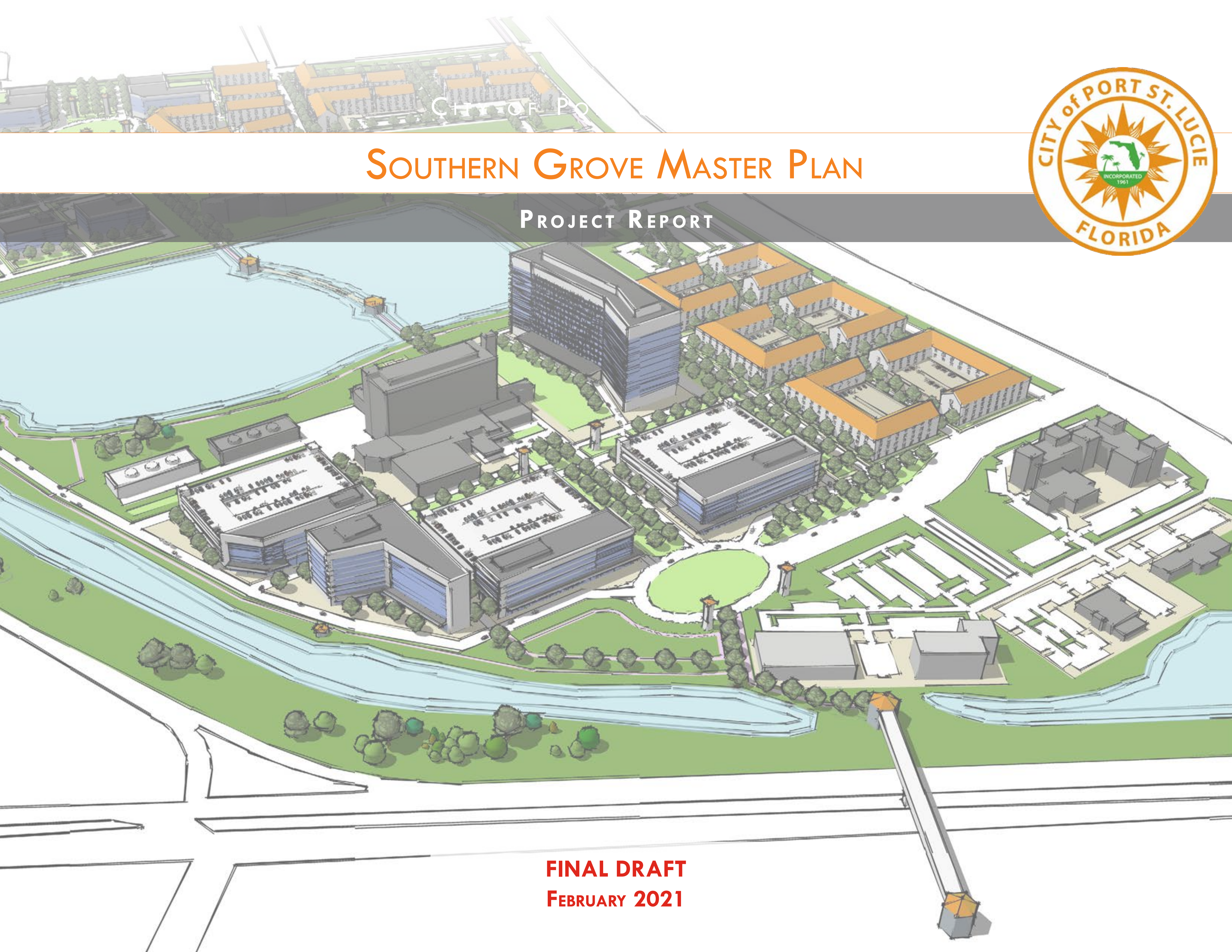
Southern Grove Master Plan

Project Report



FINAL DRAFT

February 2021

PREPARED FOR:

WWW.CITYOFPSL.COM

CITY COUNCIL MEMBERS

Gregory J. Oravec/ Mayor
Shannon M. Martin/ Vice Mayor, District 3
Stephanie Morgan/ District 1
David Pickett/ District 2
Jolien Caraballo/ District 4

CITY STAFF

Russ Blackburn, City Manager
Anne Cox, AICP, Assistant Director, Planning and Zoning Department
Jennifer Davis, CRA Project Manager
Clyde Duffy, Permit Manager, Public Works Department
Elizabeth Hertz, Deputy City Attorney
Bridget Kean, AICP, Senior Planner, Planning and Zoning Department
Teresa Lamar-Sarno, AICP, Deputy City Manager
Wes McCurry, CRA Director
Jeffrey Snyder, Chief Financial Officer
Laney Southerly, P.E., Engineering Manager, Utilities Systems Department
Diana Spriggs, Regulatory Division Manager, Public Works
Elijah Wooten, Business Navigator

PROJECT TEAM

Treasure Coast Regional Planning Council

Thomas Lanahan, Executive Director
Lauren Moss Clark, Urban Designer
Kim Delaney, Director of Strategic Development and Policy
Stephanie Heidt, Intergovernmental/Brownfields Coordinator
Dana P. Little, Urban Design Director

WITH ASSISTANCE FROM:

CAPTEC Engineering, Inc.
JJV Studio Architects
Northstar Geomatics
REG Architects
Retail Development Strategies, Inc.
WTL+a

PREPARED BY:

WWW.TCRPC.ORG

TABLE OF CONTENTS

ABBREVIATIONS & TERMS COMMONLY USED IN THIS REPORT

CDD	Community Development District, which is a special purpose unit of local government created under Florida law for the purposes of financing, constructing, operating, and maintaining community-wide infrastructure, improvements, and services for the benefit of properties within its boundaries.
CRA	Community Redevelopment Agency, www.cityofpsl.com/government/community-redevelopment
DRI	Development of Regional Impact, which is a large-scale development project as defined in Chapter 380, Florida Statutes.
FDOT	Florida Department of Transportation, www.fdot.gov
GFC	Governmental Finance Corporation, which is a subsidiary of the City of PSL, www.cityofpsl.com
SAD	Special Assessment District, which is a geographic district created for the purpose of repaying to a local government all or a portion of the cost of an improvement that specifically benefits the property within the district, such as infrastructure (e.g., roads, water, wastewater).
SFWMD	South Florida Water Management District, www.sfwmd.gov
TIF	Tax Increment Financing, which is a financing mechanism available to community redevelopment agencies as defined in Chapter 163, Florida Statutes.
TCRPC	Treasure Coast Regional Planning Council, www.tcrpc.org
USACE	United States Army Corps of Engineers, www.usace.army.mil

INTRODUCTION

In June 2018, the City of Port St. Lucie (City) acquired approximately 1,183 acres of property within the Southern Grove Development of Regional Impact (DRI). The property is being managed and developed through the City's Governmental Finance Corporation (GFC). This initial purchase was expanded by 37 acres to include right-of-way modifications and a pending additional parcel to be transferred to GFC, creating a roughly 1,220-acre "Southern Grove property" as the focus of this analysis. Along the the property, the City inherited substantial infrastructure bond debt from the former developer, which amounts to an approximately $4.5 million annual financial burden (2020 figures) through 2045 when the bonds will be retired.

In early 2019, the City adopted its Strategic Plan, including a key goal of creating a diverse economy and employment opportunities, with a strategic initiative to facilitate the build-out of Southern Grove. In October 2019, the City engaged the Treasure Coast Regional Planning Council (TCRPC) to create an updated land development and infrastructure master plan for the property, including a financial and market analysis, review of competitive markets, and strategies for property disposition. The City of Port St. Lucie is one of the fastest growing cities in Florida, and its Southern Grove property is one of the most competitive and visible locations for large-format workplace uses in the region. Accordingly, the master plan sets forth a long-term, holistic development strategy that remedies prior infrastructure and drainage challenges; capitalizes on Southern Grove's size, location, and visibility; and distributes value across the City's complete holdings to create a signature mixed-use, jobs-centric corridor that will benefit the entire City for generations to come.

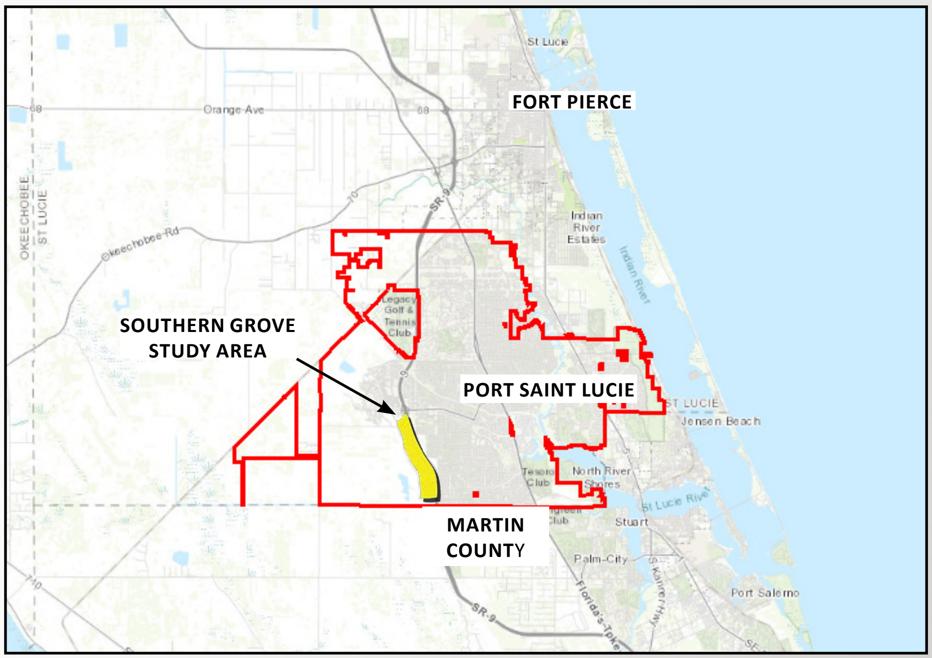
PURPOSE OF THE PLAN

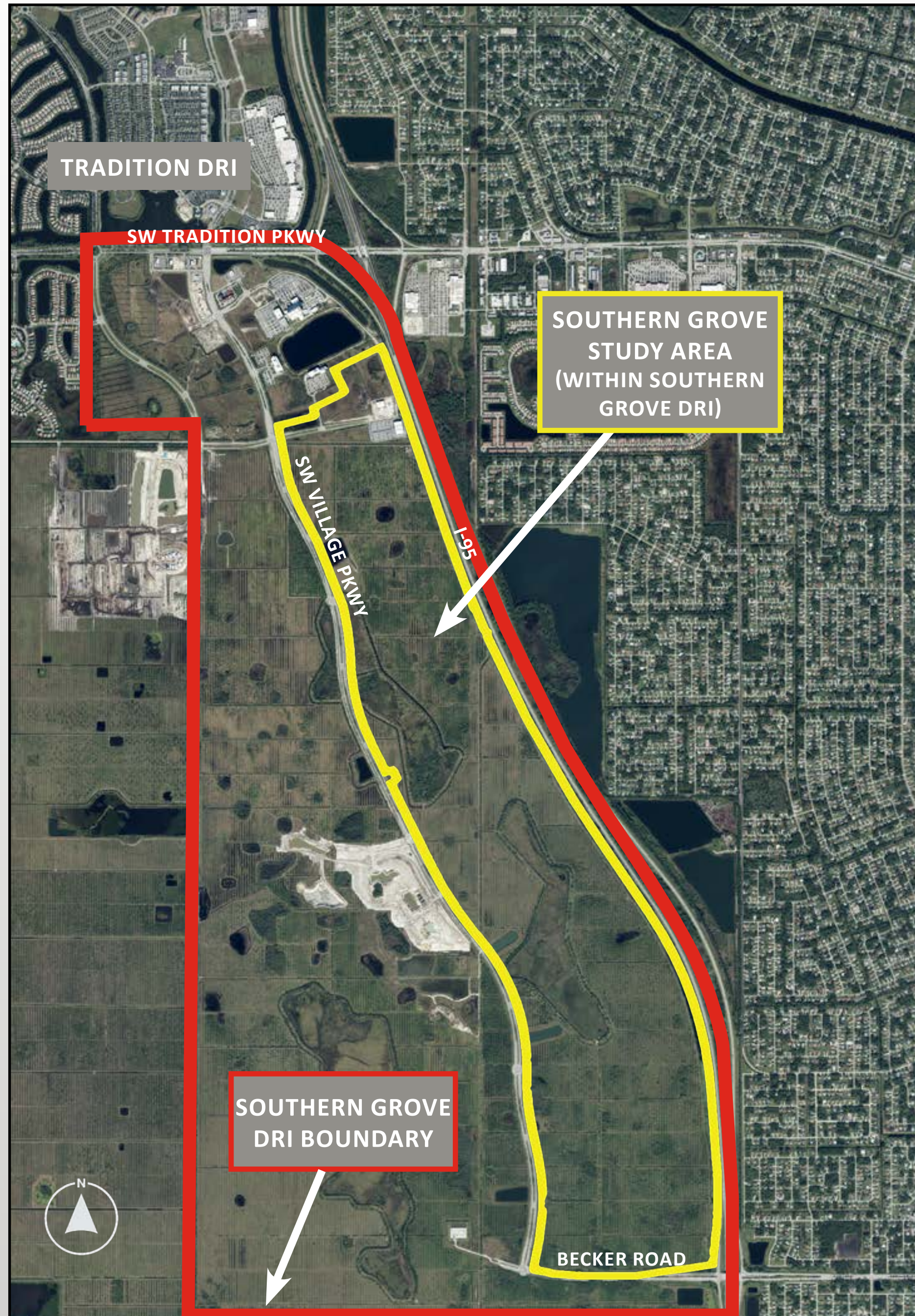
The Southern Grove Master Plan is intended to build upon the City's prior planning efforts and reorganize the land uses and infrastructure to produce a more sustainable, economically viable development program to accomplish several key goals:

1. Reinforce the development of a high-intensity jobs corridor for the City that generates economic benefits and net new jobs
2. Create an integrated, multimodal and pedestrian-friendly transportation network that provides internal connectivity and access
3. Maintain an efficient water and sewer system with sufficient capacity and redundancy
4. Provide an interconnected master stormwater system with proper infrastructure to maintain appropriate lake levels, enhance natural systems, efficiently use the land, and enhance aesthetics
5. Complement surrounding neighborhoods and districts
6. Help establish a strong "sense of place" and identity for the City

THE STUDY AREA

The City of Port St. Lucie, located in St. Lucie County, Florida, is one of the fastest-growing municipalities in the State of Florida, with a municipal boundary encompassing 121.5 square miles and a population of nearly 203,000 (2020 estimate). Following an extensive annexation effort from 2000-2008, the City's western boundaries include a "Western Annexation Area" that generally follows Rangeline Road, west of Interstate 95 (I-95). Of the seven DRIs in this area, the Southern Grove DRI includes approximately 3,606 acres. The eastern portion of this DRI, referred to as the "Southern Grove property," is the focus of this study and is generally bound by SW Discovery Way to the north, I-95 to the east, Becker Road to the south, and Village Parkway to the west. The Southern Grove Property is immediately south of Cleveland Clinic, which is a regionally significant hospital facility, as well as the Tradition DRI, which extends north and west of Southern Grove. The Martin County boundary lies south of the Southern Grove property, just south of Becker Road. General planning recommendations extend beyond the Study Area to also incorporate the eastern portion of the Tradition DRI, extending north to the "B" Canal.

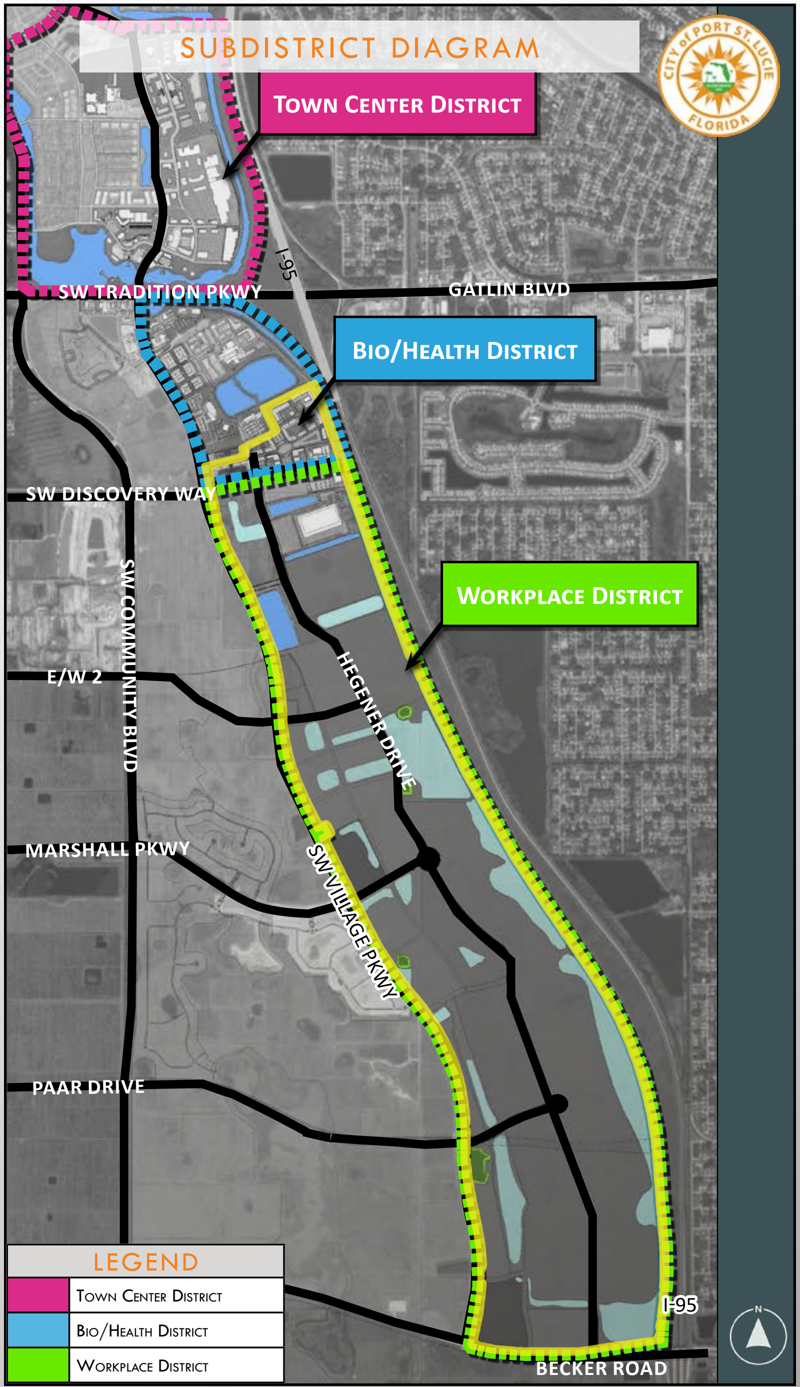




MASTER PLAN COMPONENTS

The key elements of the Southern Grove Master Plan include:

1. **Land Development Master Plan** with three districts: **Bio/Health** and **Workplace Districts** (within the Southern Grove property) and a **Town Center District** (in the Tradition DRI)
2. Assignment of three distinctive **Land Use Types**: Employment Center, Lifestyle/ Commercial and Mixed-Use
3. **Revised Development Entitlements** to better reflect updated market conditions with increased workplace, office, and residential and decreased retail quantities
4. **Master Stormwater System** with interconnected lakes that addresses upstream and downstream challenges, maximizes the utility of the Duda Canal and best on-site soil conditions, increases net developable area, and improves sustainability
5. **Multimodal Transportation Network** with primary, secondary, and local roads; freight truck route separated from non-freight traffic; transit stops; and an alignment for the shared-use Tradition Trail that could accommodate bicyclists, pedestrians, personal mobility modes (e.g., scooters, wheelchairs), golf carts, and micro-mobility (e.g, autonomous electric shuttles)
6. **Water and Sewer Infrastructure Improvements** that provide sufficient capacities for anticipated development
7. **Infrastructure Cost Estimates** for the infrastructure components identified in this plan (provided in Appendix H)
8. **Gateway Branding Feature Locations** along I-95, Becker Road, and Village Parkway
9. **Illustrative Development Scenarios** with diagrams showing recommended building programs, urban character, roadway frontages, parking locations, and transitions between uses
10. **Recommended Design Standards** that address densities and intensities of development, site design and building placement, building heights and features, parking and landscaping locations, architectural amenities, lighting, and signage



OVERVIEW OF THE PROCESS

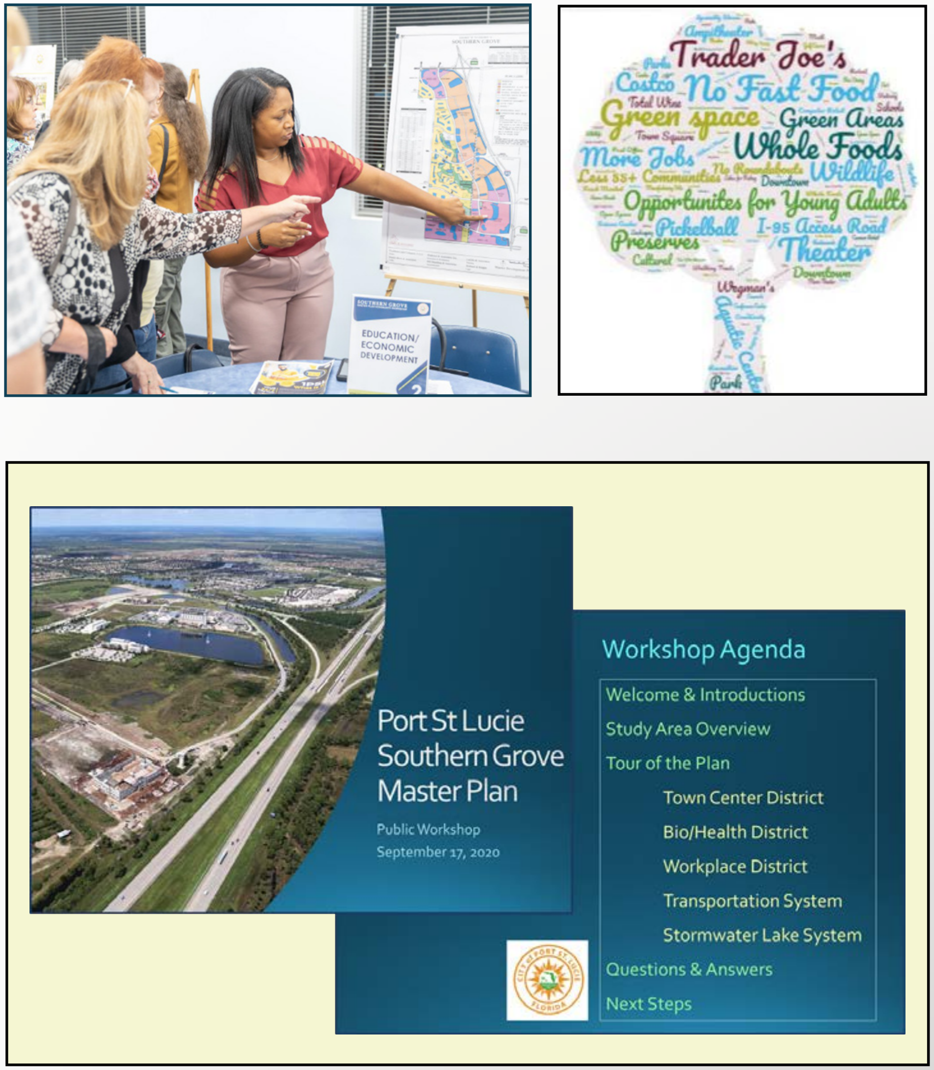


Figure 1 *Images from the Southern Grove public input open house on January 9, 2020 and public workshop on September 17, 2020.*

Providing a meaningful and consistent forum for public involvement has been a foundational tenet of the Southern Grove Master Plan process. The Plan builds on prior efforts by the City and has included a variety of public and stakeholder input opportunities:

1. **Due Diligence:** Research was conducted with the City and its representatives to understand the City's regulatory and financial documents and requirements, development proposals and concepts for properties within the study area, and background permitting and financial obligations. Work sessions were conducted with City staff, adjacent property owners, agency representatives, and investors to gain insight and inform the process.

2. **Stakeholder Interviews and Focus Groups:** A week-long series of interviews and focus groups were conducted in December 2019 to gain input on project issues and address any questions pertaining to the process. Input was gathered from City Council members, City staff, business and property owners, investors, agency and community representatives, and residents.

3. **Interactive Public Workshops:** In January 2020, a community open house was conducted at Keiser University that attracted more than 275 residents, business and property owners, City representatives, and other interested parties. Subsequently, in September 2020, more than 100 participants were engaged in a virtual community workshop to review plan concepts and recommendations and provide additional input.

4. **City Staff Design Session:** In March 2020, a virtual design workshop was held with City staff representatives and the multidisciplinary project team.

5. **City Council Presentations:** Throughout the master plan process, presentations were provided for the City Council in public meetings, workshops, and the Council retreat to convey findings, preliminary recommendations, and gain additional direction for the master plan.

OVERVIEW OF THE PROCESS

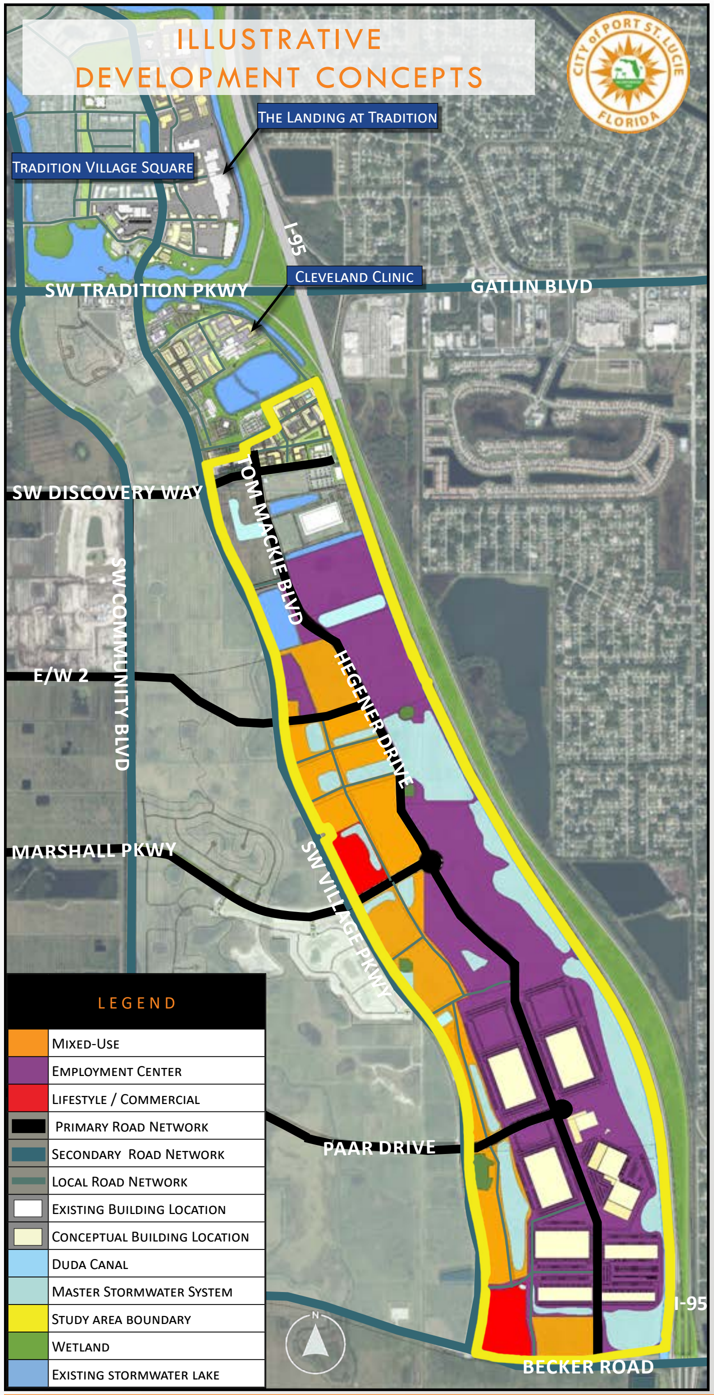
- INCREASE VALUE OF CITY-OWNED LAND
- MAXIMIZE THE NUMBER OF JOBS (WORKPLACE INTENSITY, BIO/HEALTH, INDUSTRIAL)
- CREATE GATEWAY ENTRANCES ALONG TRADITION PARKWAY AND BECKER ROAD
- IMPROVE STORMWATER MANAGEMENT EFFICIENCY (CONSOLIDATE LAKES, TIE INTO DUDA CANAL, ADDRESS UPSTREAM CHALLENGES)
- UTILIZE BEST SOILS FOR FILL & REMEDY DRAINAGE
- CREATE A SENSE OF PLACE AND DESTINATION FOR RESIDENTS
- EXPAND INTERCONNECTIVITY
- DISTRIBUTE VALUE OF I-95 VISIBILITY TO MULTIPLE PROPERTIES TO RAISE VALUE

- ESTABLISH A MORE COMPACT, URBAN ARRANGEMENT OF BUILDINGS AND USES
- EXPAND TRADITION TRAIL NETWORK (BECKER ROAD AND TRADITION TOWN CENTER, USE LAKE FRONTAGES WHERE POSSIBLE)
- ENHANCE WALKABILITY (BUILDING SETBACKS, PARKING LOCATIONS)
- IMPROVE BIKE/PED CROSSING ACROSS TRADITION PARKWAY TO TOWN CENTER
- ACKNOWLEDGE FPL EASEMENT AND ITS LIMITATIONS
- ANTICIPATE MARSHALL PARKWAY/I-95 INTERCHANGE AND PAAR ROAD/I-95 BRIDGE CROSSING IF WARRANTED
- MAKE THE CITY MORE SUSTAINABLE (E.G., LIVE, WORK, PLAY, LEARN)

PUBLIC ENGAGEMENT FOR THE DEVELOPMENT OF THE SOUTHERN GROVE MASTER PLAN INCLUDED STAKEHOLDER INTERVIEWS, PUBLIC WORKSHOPS, STAFF WORK SESSIONS, AND PRESENTATIONS TO THE CITY COUNCIL. GENERAL DESIRES DERIVED THROUGH THESE PROCESSES ARE SUMMARIZED ABOVE.

FINAL DRAFT

SOUTHERN GROVE MASTER PLAN



SOUTHERN GROVE MASTER PLAN LAND USE DISTRIBUTION

	LAND USE	NET ACREAGE
	Mixed-Use	234.7
	Employment Center	668.0
	Lifestyle / Commercial	43.2
	Secondary Road Network [1]	44.8
	Duda Canal	55.0
	Master Stormwater System [2]	174.8
	TOTAL GFC LAND	1,220.5

FOOTNOTES

- Study area boundary [3]
- Aerial (properties not owned by GFC shown as base aerial without color overlay; excluded from GFC land use totals)
- Wetlands (8.8 acres, excluded from GFC Land totals)[4]
- Existing stormwater lakes (18.6 acres; excluded from Master Stormwater System and GFC land totals)
- Pending Land Transfer to GFC (21 acres; former Mattamy Homes property included in GFC land use totals)
- FPL easement (22.8 acres; included in adjacent land use types in GFC land use totals)
- Marshall Parkway ROW
- Former Paar Drive ROW (12.8 acres; to be abandoned to GFC; included in GFC land totals)
- New Paar Drive ROW (7.3 acres; to be abandoned to GFC; included in Secondary Road Network totals)
- Recommended alignment for local roads

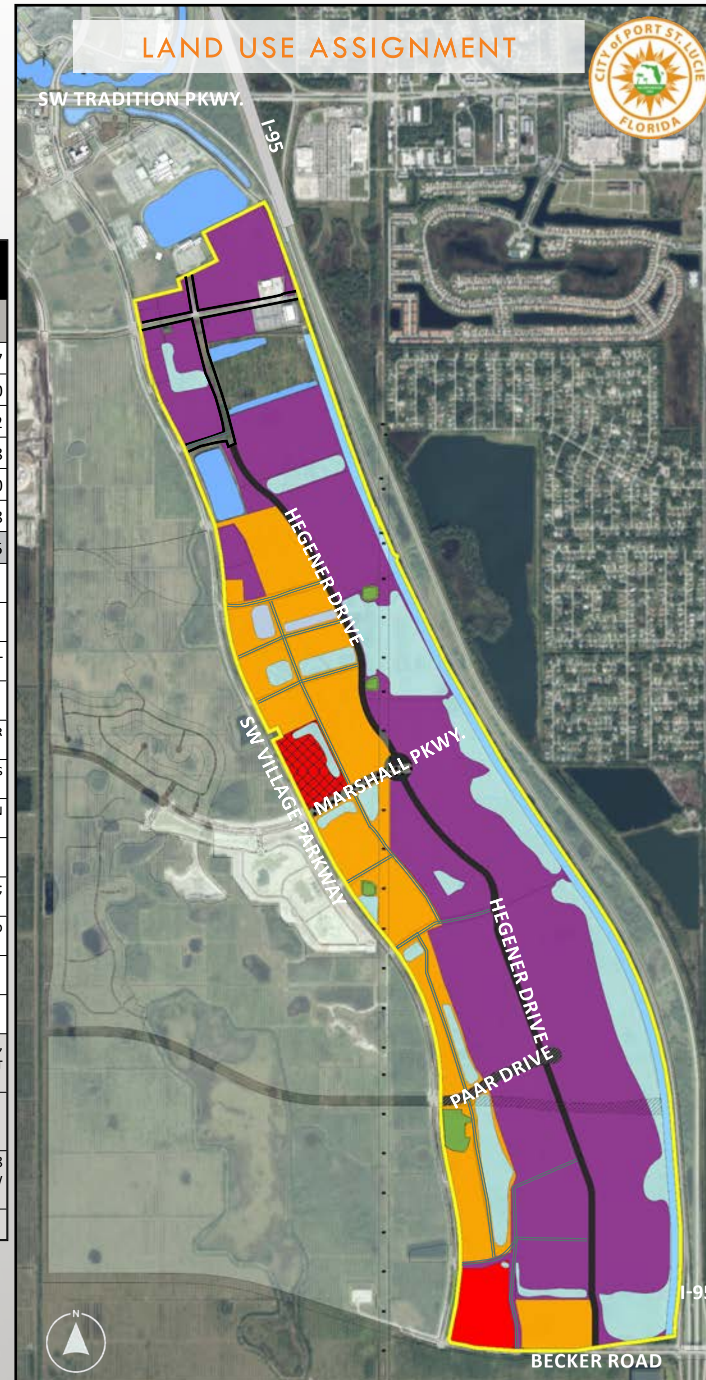
FOOTNOTES

[1] Secondary road network includes portions of Hegener Drive, Marshall Pkwy & Paar Drive (ROW = 100-150'). Stormwater treatment for secondary roads included in master stormwater system.

[2] Master stormwater system = 15% of total developable land. Additional on-site pre-treatment will be required (up to 5% of net developable area)

[3] Boundary includes: 1,182 acres original GFC purchase (+ 12.8 acres Paar Drive ROW abandonment + 4.7 acres Marshall Pkwy ROW abandonment +21 acres Mattamy Homes transfer)

[4] Wetland preservation per US Army Corps of Engineers permit.



Based on a review of market conditions and the opportunity represented by the GFC-owned property in Southern Grove, the Master Plan recommends a modification to the DRI development entitlements as summarized in Figure 4. The revised entitlements are intended to support the City's emphasis on job creation within Southern Grove with a balanced development program to strengthen the property's sense of place, efficiency, and attractiveness in the competitive economic development market. The program recommends increasing industrial and workplace uses, multi-family residential units, and hotel rooms while decreasing retail, office, and research/development square footage to better align with market conditions and ensure Special Assessment District (SAD) and other assessments remain proportionate to entitlement consumption over time.

RECOMMENDED ENTITLEMENTS FOR GFC OWNED LAND
(1215.9 acres including pending 21-acre transfer from Mattamy)

CATEGORY	CURRENT	PROPOSED	ALLOCATED/ PENDING	REMAINING
Residential (SF units)	-	-	-	-
Residential (TH units)	786	900	-	900
Residential (Apt units)	900	900	372	528
Retail (SF)	2,582,851	500,000	49,478	450,522
Office (SF)	4,296,480	1,000,000	155,481	844,519
Warehouse/Industrial (SF)	3,838,336	8,000,000	4,353,743	3,646,257
School (SF)	-	-	-	-
R&D (SF)	(Included with ofc)	1,000,000	-	1,000,000
Hotel (Beds)	240	500	204	296
Hospital (Beds)	-	-	-	-

Figure 4 *Recommended Entitlements for GFC owned land.*

Figure 2 *As illustrated in the conceptual diagram of the Bio/Health District below, the revised Southern Grove development program anticipates increased building intensity in key locations.*

Figure 3 *As gateway statements, the Master Plan recommends reserving key "main and main" corners to create a sense of arrival and communicate the quality of development that lies within the City.*

MARKET AND FINANCIAL ANALYSIS

To inform the Southern Grove Master Plan and help guide the corresponding recommendations and strategies, extensive market and financial analyses were performed. These include an assessment of the City's demographics, market trends, and development potentials; review of the City's SAD and Community Development Districts (CDDs) debt obligations; analysis of select "case study" land transactions utilizing a Southern Grove "financial scorecard;" and a study of economic development and land disposition strategies in five comparable communities. Additionally, the analysis includes an economic impact analysis that estimates potential jobs and revenues that could occur with the implementation of the Master Plan along with suggested implementation strategies for the City's continued disposition of its Southern Grove property.

MARKET SUMMARY

Reviewing historic trends, ongoing development activity, and anticipated conditions, a detailed real estate market analysis was developed, including an assessment of demographics, real estate market trends, and forecasts with a focus on four key land uses in the Southern Grove study area: "workplace" (multi-tenant, speculative office and general industrial); retail, hotel/lodging, and residential. Forecasts utilize an eight-year planning horizon unless otherwise noted. Key findings are noted below.

DEMOGRAPHICS & EMPLOYMENT


ST LUCIE COUNTY

TCPalm.

Port St. Lucie's population more than doubled since 2000, according to 24/7 Wall Street

www.tcpalm.com 1048 AM 11/15/2019

1. The City's population has nearly reached 203,000 (April 2020 BEBR estimate), with a forecast of nearly 210,000 in the next five years. The City has absorbed 88% of the total St. Lucie County population increase and will likely represent 61% of the County by 2024.

2. While the City's historic growth rate has totaled 6.2% annually over the past decade, the City's growth rate declined to a more moderate pace of 1.54% annually between 2010 and 2019. Forecasts suggest population growth will strengthen between 2019 and 2024, at an annual pace of 2.1% over the next five years.

3. Port St. Lucie's population tends to be slightly younger than the County's (median age of 42 versus 44.5), with the highest growth rates in the 25-34, 35-44, and 65-74 age cohorts (3%+) and 75+ (4.3%).

4. Average City household incomes are $73,500 (2019 data), and are projected to increase by 2.5% per year over the next five years, rising to $83,200 by 2024.

5. The City contains 35,275 jobs in just over 5,700 registered businesses, which accounts for roughly half of all jobs in St. Lucie County. While the City's job growth has increased steadily over time, the jobs-to-population ratio has declined. Comparatively, Port St. Lucie contains 0.24 jobs/person while the County contains 0.29 jobs/person, both of which are well below similar ratios in Martin and Palm Beach counties (0.46 and 0.49, respectively). This reinforces the importance of net new job creation in the Southern Grove study area (see Figure 5 indicating net outflow of workers from the City).

MARKET AND FINANCIAL ANALYSIS

WORKPLACE/OFFICE:

Port St. Lucie's office market includes just over 3.6 million SF of office space, which represents 55% of the total St. Lucie County office market. The City's office market has strengthened in the past five years, with net absorption now nearing 125,000 SF annually. Forecasts for speculative new office cautiously suggest an unallocated demand of only 100,000 SF over the market study period. However, this quantity does not include potential build-to-suit office space for end users, which would be anticipated given the catalytic influences of Cleveland Clinic and the potential industrial users in the Workplace District.

WORKPLACE/INDUSTRIAL:

With nearly 3.5 million SF of industrial space, the City has consistently accounted for just under 30% of all industrial space county-wide since the mid-2000s. Considering population growth, absorption trends, and the City's fair share of job capture, gross city-wide demand for speculative industrial is estimated to be nearly 800,000 SF over the next eight years, or a net of 400,000 SF when reduced by approved/entitled yet unbuilt space. This figure does not include potential build-to-suit end users, exemplified by the recently built Tamco/City Electric facility or the several end-users in the current "Sansone" proposal being negotiated by the City.

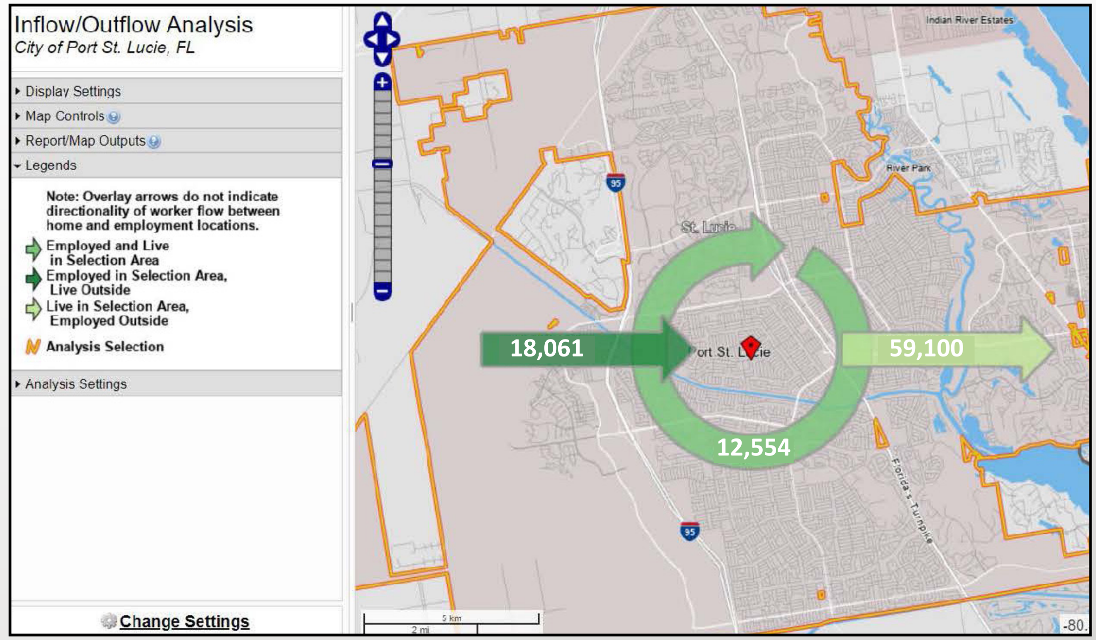


Figure 5 As indicated in the map graphic above, Port St. Lucie is a net exporter of workers, with roughly 18,061 people traveling into the City to work versus 59,100 leaving the City daily. This imbalance is highlighted by the City's declining jobs-to-population ratio, which emphasizes the need for net new job creation in Southern Grove to help moderate this trend. Credit: U.S. Census Bureau

Figure 7 *Image of recent development, pictured here is the Oculus building Credit: Globe Street*

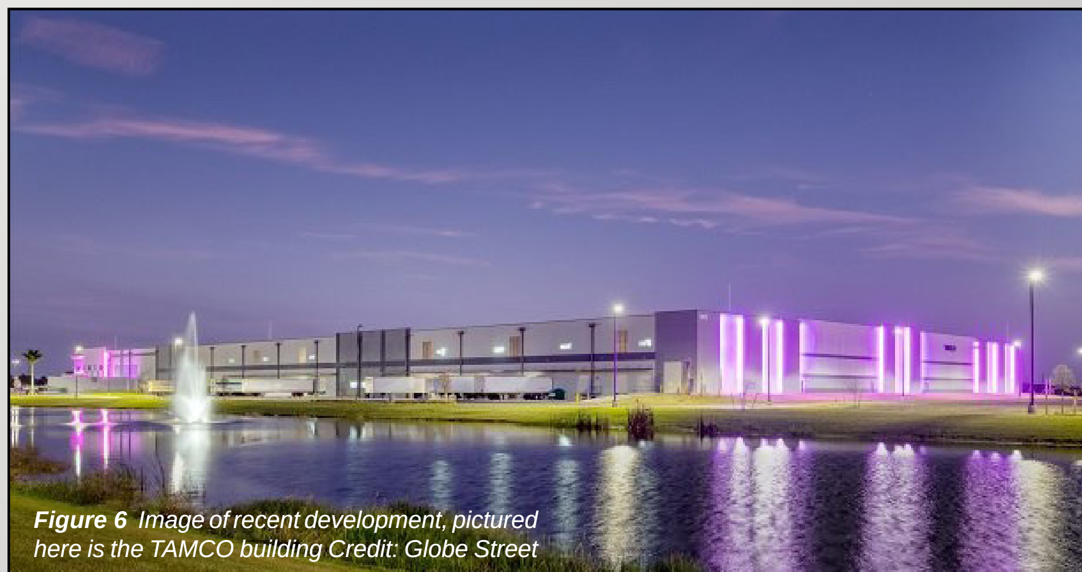


Figure 6 *Image of recent development, pictured here is the TAMCO building Credit: Globe Street*

MARKET ANALYSIS

RETAIL:

The retail market is changing nationally, and the retail demand study acknowledges that the impacts of the COVID-19 pandemic remain unknown. Historically, along with a fast-growing population, the City of Port St. Lucie has had a rapidly expanding inventory of retail space. The City has a high amount of retail square footage per person. While across the U.S., the average amount of retail/capita is estimated to be 26 SF per person, the City contains nearly 40 SF per person. Although the City has absorbed nearly 85% of all new retail county-wide in the past five years, its annual retail absorption rate has softened, falling from a decade average of 184,000 SF/year to roughly 104,000 SF/year over the past five years. Public input gathered for the Master Plan indicated a strong desire for neighborhood-serving retail as well as lifestyle centers with active recreational uses (e.g., golf driving ranges, go-kart arenas, water parks).

The retail demand analysis suggests there will be sufficient demand to support up to 135,000 SF of retail potential in the study area through 2024, which can include a new grocery store complemented by in-line retail and food/beverage establishments. However, given existing and anticipated retail vacancies in The Landing at Tradition, the Master Plan suggests that existing vacant space at The Landing can be reprogrammed with selected indoor recreational and other active uses to help reinforce the Town Center District as an activity center for residents and visitors in a known destination with I-95 visibility and direct access.

Figure 8 Examples of retail in and around the study area.

HOTEL/LODGING:

Of the roughly 3,000 hotel rooms County-wide, the City contains nearly half the total hotel inventory, with 1,501 rooms. Noting that six-year hospitality trend data precedes the ongoing impacts of the COVID-19 pandemic, the City's average annual hotel occupancy rate has been solid at nearly 72% with steadily increasing average daily rates. Acknowledging the pending new hotel development in the western annexation area (128-room TownePlace Suites by Marriott), there may be sufficient demand and investment-level performance to support a limited number of new hotel rooms in the Southern Grove study area over the next ten years.

Figure 9 TownePlace Suites by Marriott pictured here is located just north of the Landing at Tradition.

RESIDENTIAL:

The City's housing market is generally in balance, with stabilized occupancies, increasing values among owner-occupied properties, and strong lease-up (absorption) activity in new multi-family properties that are accompanied by solid achieved monthly rents. Port St. Lucie's housing stock is primarily single-family residential (87%) with more than 78,000 housing units and average values just under $235,000 (2019 data). Annual housing starts have risen from 900 to 1,700 annually in the past three years, with most new units constructed in the western annexation area. New housing units in the Southern Grove area, especially multi-family housing geared to local employees, would be expected to enhance the City's overall marketability as an intensified jobs location and provide greater diversity in housing choices.

Further discussion of the market findings is presented in Chapter 2, and the full economic and real estate market memoranda are included in Appendices B and C.

Figure 10 Del Webb at Tradition is a 55+ active adult community in Tradition featuring single-family homes and attached villas. Credit: Mattamy Homes

FINANCIAL ANALYSIS

To test the recommendations of the Master Plan and help inform the City's recommended implementation actions, a financial analysis of prior land transactions was conducted along with a review of economic development approaches in comparable cities. Special consideration was given to evolving impacts of the COVID-19 pandemic, which emphasizes the importance of understanding historic trends as well as forecasts for the Master Plan's development program.

When the City acquired the Southern Grove property, it also inherited a significant recurring debt obligation due to the carrying costs associated with prior SAD infrastructure bonds for large-scale infrastructure across the 3,606-acre Southern Grove DRI. The annual SAD bond obligation on the City's holdings was approximately $4.5 million in 2020, with bond retirement in 2045. This debt obligation underscores the City's priorities to generate revenue from land sales, increase ad valorem tax revenues, and create and retain jobs. In addition to the SAD, seven CDDs were previously created to finance smaller-scale "community infrastructure," for which costs are assigned after buildings are completed. A nominal Operations and Maintenance fee for the CDD corresponding to the City's property has been assigned as well.

Since property acquisition of the Southern Grove property in 2018, the GFC-led efforts to recruit developers have been successful in generating property sales and attracting private investment, tax revenues, and net new jobs. A review of five comparable cities across Florida confirms the City has been utilizing progressive and appropriate development incentives similar to other jurisdictions, with direct land sales as the default transactional approach. As the City reduces its available property inventory with continued land sales, and the value of the City's land increases accordingly, other transactional methods such as ground leases, public/private partnerships, land banking key sites, and/or joint venture opportunities may become appropriate and competitive mechanisms for private sector development.

To understand the City's prior land transactions and inform future decisions, a "financial scorecard" was developed as a tactical analytical tool to evaluate long-term impacts of property transactions. While there are many different ways in which economic development projects can be measured, the City requested projects be analyzed considering the ratio of public incentives to ad valorem tax revenues and SAD/CDD bond debt reduction over a 20-year timeframe along with anticipated job creation and gross wages, both direct and indirect.

Three case study projects approved in 2019 and 2020 were selected by the City for analysis, including Tamco/City Electric, Oculus Surgical, and AHS Residential. Upon application of the scorecard, each project was found to generate positive net tax revenue to the City beginning in year one, with positive public investment ratios that improved over time.

Summary of Estimated Net Tax Revenue to City and Public Leverage Ratios - Selected Case Studies

	10-YEAR (CUMULATIVE)		20-YEAR (CUMULATIVE)	
	Net Tax Revenue to City (est.)	Leverage Ratio (est.)	Net Tax Revenue to City (est.)	Leverage Ratio (est.)
Tamco/City Electric	$ 2.7 M	2.14	$ 5.9 M	3.77
Oculus Surgical, Inc. (at buildout)	$ 857 K	1.91	$ 2.9 M	5.44
AHS Residential	$ 2.7 M	10.62	$ 6.4 M	12.41
TOTAL	**$ 6.3 M**	**n/a**	**$ 15.2 M**	**n/a**

Each project was also evaluated regarding repayment of SAD debt obligation on an acreage basis (e.g., comparing the assigned SAD debt repayments/acre to each property versus the City's total debt obligation on the cumulative acreage). Given the current SAD rate structure, the financial analysis indicates the Oculus Surgical project is projected to provide SAD bond debt repayments that are disproportionately higher than its acreage consumed (i.e., payments for this property will pay more than its "fair share" of SAD debt on an acreage basis). However, due to deal terms for the Tamco/City Electric project and the lower SAD rates for residential properties like AHS, both of these projects are projected to provide SAD debt repayment that is disproportionately less than their acreages. For a more comprehensive view, an aggregation of all land transactions should be considered.

Additionally, both the Tamco/City Electric and Oculus Surgical were evaluated by the St. Lucie Economic Development Council (EDC) for preliminary economic impacts, including one-time construction impacts as well as recurring revenues. Both projects were prioritized due to their commitment to provide net new jobs at wages that exceed the average wages in St. Lucie County.

As presented to the City Council in 2017, the EDC estimated the Tamco/City Electric project would provide $39.3 million in new construction, $87.7 million in job retention, and $18.1 million resulting from net new job creation. The project was anticipated to provide 250 direct jobs, increasing to 485 jobs when considering direct, indirect, and induced impacts, with a labor (or payroll) benefit of $5.7 million annually. Similarly, the EDC also provided preliminary economic impact projections for the Oculus Surgical project in 2018, which concluded the project's potential for $8.8 million in construction impacts and $7 million in annual recurring wages. The Oculus project represented the opportunity to retain 32 jobs and create 50 net new jobs that would provide average wages that will be 115% of the average County wage.

Summary of Preliminary Cumulative Economic Impacts - Selected Case Studies

Includes Direct, Indirect, and Induced Effort

	CONSTRUCTION PHASE			JOB RETENTION			NET NEW JOB CREATION		
	Output (Sales)	Labor Income (Payroll)	Employment	Output (Sales)	Labor Income (Payroll)	Employment	Output (Sales)	Labor Income (Payroll)	Employment
Tamco/City Electric	$39.3 M	$12.3 M	350	$89.7 M	$26.7 M	485	$18.1 M	$5.7 M	98
Oculus Surgical, Inc. (at buildout)	$8.8 M	$3.3 M	69			32	$34 M	$7 M	143

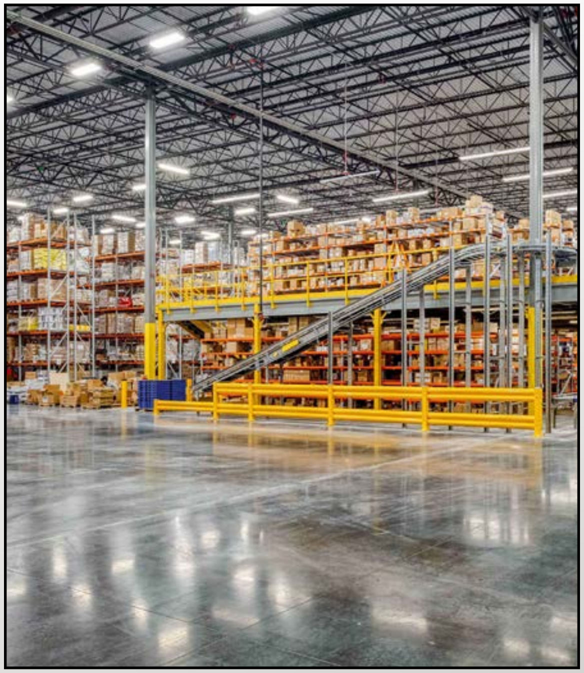


Figure 13 Tamco Building Credit: Tamco

Figure 11 Image of Oculus Surgical. Credit: Oculus Surgical

Figure 12 Tamco Building Credit: Tamco

ECONOMIC IMPACT ANALYSIS

An economic impact analysis was also conducted to evaluate how the recommended development program for Southern Grove could be expected to impact the City of Port St. Lucie through the creation of new jobs as well as potential new ad valorem tax revenues. The Master Plan recommends a modified entitlement program that is designed to better correspond to market conditions, and the economic impact analysis considers the total potential development program cumulatively. If the Southern Grove property is developed as suggested in the recommended master plan, the GFC-owned land could potentially contain more than 13 million SF of total development. Total development costs could total $1.762 billion (in current 2021 dollars) at build-out, as summarized in the table below.

Summary of Master Plan Recommended Entitlements

	TOTAL	TOTAL SF	EST. CONSTRUCTION COSTS (2021 DOLLARS)
Residential	1,800 units	2,357,061	$282,847,333
Workplace (includes office, commercial/retail, R&D, warehouse/distribution)	n/a	10,500,000	$1,315,000,000
Supporting Services (hotel)	500 rooms	231,500	$164,000,000
PROJECTED BUILDOUT	n/a	**13,088,561**	**$1,761,847,333**

Southern Grove's potential economic impacts were classified into two primary categories: (1) temporary/one-time impacts that would occur during site construction and sales/lease-up before the project is fully occupied, and (2) ongoing annual impacts that would occur when the project is built out and achieves stabilized occupancy. Because revenues and expenses vary before and after a project has stabilized, the analysis considered these two time periods separately. In addition to direct job growth and fiscal revenues, the analysis also considered indirect and induced fiscal impacts, which relate to both direct spending and investment and the "multiplier" effect of how long spending flows through the economy.

The recommended Southern Grove development program would be expected to create a significant number of temporary (or one-time) construction jobs to produce the project's potential 13 million SF. In total, the construction period could produce more than 15,600 direct construction "job years" (i.e., the amount of labor needed for one year's work) as well as roughly 9,500 additional direct, indirect, and induced jobs; nearly $1.5 billion in "value-added" business revenues; and an estimated $1.0 billion in total labor income. In addition, public infrastructure construction could add nearly 500 construction job years, $44 million in "value-added" business revenues, and $23 million in total labor income.

Considering Southern Grove's permanent impacts, the total project has the potential to create nearly 17,000 direct jobs, 8,600 indirect and 4,000 induced jobs, for a total of more than 29,600 jobs at stabilized operations. This could translate to more than $1.06 billion in annual labor income, $1.59 billion in annual value-added business revenues, and just over $3.7 billion in annual economic output. Finally, with a potential total gross assessed value of $1.76 billion at current (2021) millage rates, the GFC-owned land has the potential to generate more than $10.39 million in annual property tax revenues at build-out that would accrue to the City of Port St. Lucie.

For the City of Port St. Lucie, the buildout of the recommended Southern Grove Master Plan has the potential to generate a total improvement value of $1.76 billion from buildings and site improvements alone. Although the future land values cannot be estimated, this value will certainly be increased substantially as land is transferred from the City to private owners and becomes taxable. Holding millage rates constant at their 2020 rates and without assigning the costs to provide municipal services, this has the potential to generate more than $10.39 million in gross annual property tax revenues at build-out. Based on the review of recent land transactions, the City also appears to be on track to ultimately relieve itself of the annual recurring SAD debt obligation with the full implementation of the Master Plan.

KEY RECOMMENDATIONS OF THE PLAN

1. **Commit to a Long-Term, Holistic Development Strategy** with the highest expectations for development, site design, and architecture to maintain the value of the entire Southern Grove property – on par with Port St. Lucie as A City of Excellence. This acknowledges the unique value of the Southern Grove property as one of the most competitive and visible locations for large-format workplace uses in the region and will advance the City's reputation as a regional employment hub.

2. **Establish Southern Grove Sub-Districts:**
   - **Town Center District** - north of Tradition Parkway that complements the City's holdings to the south and can absorb much of the retail demand and active recreational uses.
   - **Bio/Health District** - extending from Tradition Parkway to Discovery Way that capitalizes on Cleveland Clinic as an anchor and contains the greatest density and intensity of development with an urban development form.
   - **Workplace District** - south of Discovery Way with a blend of large-format industrial, warehouse/distribution, and office/research uses (generally east of Hegener Boulevard) and mixed uses (west of Hegener Boulevard, fronting Village Parkway and Becker Road).

3. **Assign Land Use Types within the Comprehensive Plan as follows:**
   - **Employment Center** - focused on industrial warehouse/distribution, research and development, and supporting office uses.
   - **Mixed-Use** - focused on higher density residential, including townhouse and apartment uses, local-serving retail/commercial, office, educational uses, and selected institutional and educational uses.
   - **Lifestyle/Commercial** - focused on higher-intensity retail/commercial centers that include office and higher density residential use.

4. **Recalibrate Land Use Entitlements to Better Reflect Market Conditions and Potentials** with increased industrial square footage, multi-family residential dwelling units, hotel rooms, and decreased retail, office, and research/development square footage.

5. **Revise SAD and CDD Assessments to Ensure Proportional Assignment of Debt Obligations** by utilizing the "true-up" or other appropriate mechanisms as related to the consumption of property and entitlements and application of a "financial scorecard" to confirm debt draw-down.

6. **Introduce a Master Stormwater Lake System**, comprised of 15% of the total developable area that is subdivided into four drainage sub-basins, each controlled by a drainage control structure with separately staged water levels to accommodate both drought conditions and pre-storm draw-downs. Stormwater lakes should be located to discharge treated stormwater to the Duda Canal, maximize the excavation of best quality soils for fill, include littoral-zone natural plantings, create lakefront aesthetic amenities along I-95, and provide buffers between workplace and mixed-use areas.

7. **Revise the Transportation Network to create:**
   - **Multimodal Roadway Network** of interconnected primary, secondary, and local/tertiary roads designed as complete streets with bicycle, pedestrian, and transit accommodations. Local roads should be constructed as part of private development activity, with block faces of 400-600 linear feet to maximize pedestrian connectivity and walkability. Roadway designs should channel freight trips onto primary and secondary roads using roadway geometries, traffic calming, and signage. Based on current traffic studies, the interchange of Marshall Parkway and I-95 and the overpass of Park Drive over I-95 are not necessary and should be removed from the DRI.
   - **County Transit Network** with future transit stops at key intersections with walkable designs to expand walk access to stops, micro-mobility as a complementary mode, and consideration of park-and-ride opportunities.
   - **Tradition Trail Network,** aligned east of Village Parkway from Becker Road north into the Town Center District, that utilizes stormwater natural edges where possible, considers the

KEY RECOMMENDATIONS OF THE PLAN

potential for an autonomous circulator, and integrates bicycle/pedestrian intersection improvements at Village Parkway/Tradition Parkway to improve connectivity and safety.

8. **Implement the DRI Recommendations Regarding Water and Wastewater Infrastructure** with 12" water mains and fire hydrants on all secondary roads, a 24" water main at Paar Drive, additional gravity sewers, lift stations, and force mains as previously determined.

9. **Implement New Development Design Standards** that require:
    - **Traditional Urban Design Principles** to increase efficiency, walkability, and connectivity through controlled building placement and alignment utilizing "build to" lines versus setbacks; a system of walkable streets and blocks; consolidated parking areas located along side and rear property lines; and high height-to-width ratios along streets where appropriate to create a sense of spatial enclosure.
    - **A Mix of Uses**, both horizontally and vertically, to increase efficiency of parking and public spaces; create natural surveillance through more extensive daily activity; and maintain appropriate transitions between dissimilar uses.
    - **Gateway Boulevard Features** along Becker Road and Village Parkway that specify building placement with maximum setbacks; minimum building heights; and enhanced landscaping, lighting, and signage.
    - **Corner Architectural Elements** at prominent intersections, including Becker Road/Hegener Drive, Becker Road/Village Parkway, and Village Parkway/Marshall Parkway.
    - **Protected I-95 Corridor Views** that integrate stormwater lakes and landscaping to increase building setbacks to distribute the value of I-95 visibility, broaden view corridors, and raise property values across the City's holdings. Development visible from I-95 should include enhanced architectural, signage, lighting, and landscaping requirements to produce an organized, well-integrated workplace district vista.
    - **Parking Area Design and Efficiency** with interconnected parking lots accessed from side and rear property lines to reduce driveway interruptions of primary and secondary streets, enhance walkability, and improve development efficiency and yield.

10. **Develop Gateway Branding Features in Key Locations** including prominent lakes with fountains, landscaping, signage, and lighting (adjacent to Cleveland Clinic, at the FP&L easement/I-95, and at Becker Road/I-95) along with artistic "gateway corner" features with pedestrian plazas at the intersections of Village Parkway/Becker Road and Village Parkway/Marshall Parkway.

11. **Work with Florida Power and Light (FP&L)** for Master Permitting of development activity within the 22.8-acre FP&L Easement to streamline productive use, identify permitting efficiencies for allowable uses in accordance with FP&L regulations, and ensure full sale price of the underlying land.

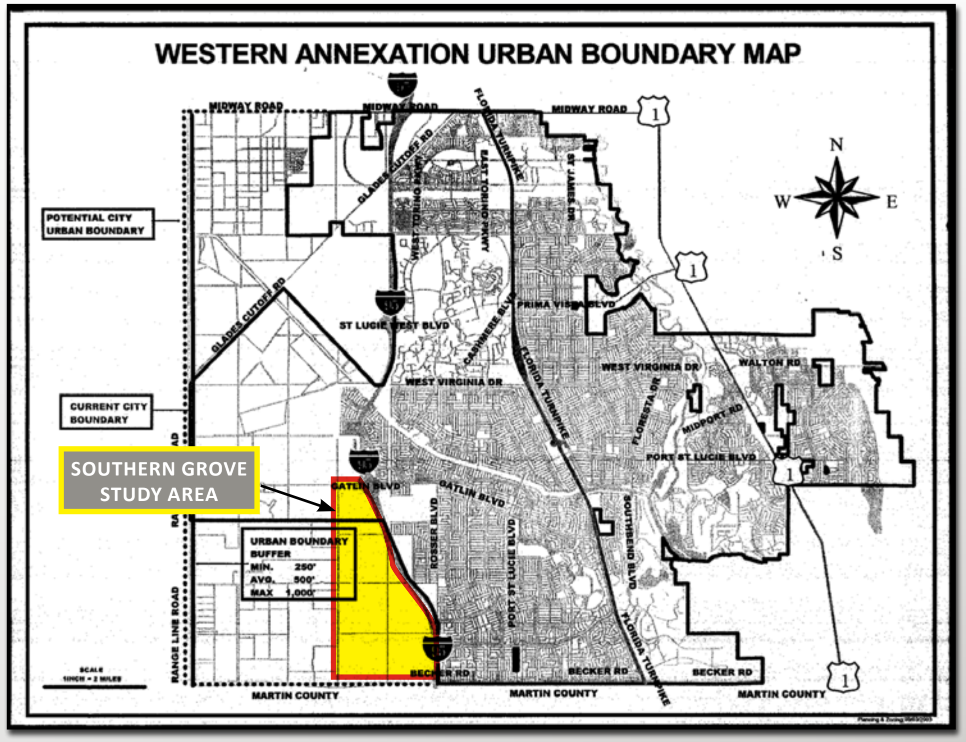
12. **Continue Broker Relationships with Public and Private Real Estate Partners** to facilitate land transactions, for which each transaction includes consideration of the impact on other parcels to be sold and the City's long-range vision with the merits of the sale itself.

13. **Consider Diversifying Land Transactions as Market Evolves and Strengthens**, including the potential for ground leases, public/private partnerships, and land value write-downs in addition to direct land sales to provide incentives for desired uses and/or increase City revenues.

14. **Explore Land Banking Strategies in Key Locations** to protect opportunities for catalytic uses and targeted industries, especially in the Bio/Health District to capitalize on the proximity to Cleveland Clinic.

15. **Adopt the Southern Grove Master Plan and amend the City Comprehensive Plan, Southern Grove DRI,** and other relevant City documents and plans as necessary to implement the recommendations provided herein.

Incorporated in 1961, the City of Port St. Lucie encompasses roughly 121.5 square miles of St. Lucie County's 588 square miles. Bordering Martin County to the south and unincorporated St. Lucie County land to the north and west, Port St. Lucie is the largest municipality in the Treasure Coast Region, with a population of nearly 203,000 (2020 population estimate). Incorporated under the ownership of the GDC, the original land development pattern emerged as one of Florida's pre-platted communities of the mid-century, when large tracts of raw land were subdivided into small residential lots and marketed as potential vacation or retirement sites. Port St. Lucie initially contained more than 80,000 platted lots in this format. Similar to other Florida pre-platted communities, the emphasis was on land sales with little consideration for infrastructure demands. The City's population grew exponentially from 330 in 1970 and 14,690 in 1980 to 55,866 in 1990, reaching 88,759 by 2000. Growth demands triggered annexation interests for additional land suitable for a jobs base, and between 2000 and 2008, the City annexed approximately 24,000 acres mostly west of I-95.



WESTERN ANNEXATION AREA

It is important to note the position of the Southern Grove DRI in the context of the vast Western Annexation Area that encompasses roughly 24,000 acres from I-95 west to Range Line Road. Projected to contain approximately 50,000 residents at buildout, this portion of the City will be accessed primarily from I-95, with Becker Road and Tradition Parkway providing significant points of access. The western annexation area includes seven DRIs as well as additional smaller planned mixed-use and residential planned communities. Noted in an Urban Land Institute (ULI) panel in 2004, the eastern edge of the annexation area, predominately between Becker Road and Tradition Parkway, was identified for an 8,200-acre master planned community known today as "Tradition." Tradition consists of three DRIs, including the Tradition DRI, Western Grove DRI, and Southern Grove DRI. The 2004 ULI panel also identified the linear corridor west of I-95 as a jobs corridor, which is reflected in the DRI plans that followed.

SOUTHERN GROVE DRI

At the southern edge of the City lies the Southern Grove DRI, which encompasses just over 3,600 acres and was approved by the City in 2006. As illustrated in the DRI concept map, the property runs along I-95 from Tradition Parkway to just south of Becker Road, extending west to SW Community Boulevard. The original DRI concept envisioned a robust development program, with nearly 7,400 residential units, 3.7million SF of retail, 2.4 million SF of office, 2.5 million SF of research and development, 4.6 million SF of warehouse/industrial, nearly 800 hotel rooms, and a 300-bed hospital. The original DRI assigned a mix of land uses to the subject land for this study, including Employment Center north of Marshall Parkway and a combination of Mixed-Use and Business Center south of Marshall Parkway.

In the early 2000s, growth in the western annexation area exploded, with Port St. Lucie becoming the fastest growing City in the nation in 2005. To facilitate development, the City issued SAD bonds in 2007, guaranteed by the City via a Covenant to Budget and Appropriate (CB&A) to build the initial infrastructure needed to foster development for the Southern Grove portion of Tradition. Five CDDs were established to manage the financing of DRI-required infrastructure. A total of $156 million in bond debt was issued to construct roadways, stormwater attenuation facilities, water transmission facilities, and wastewater collection and conveyance facilities. Subsequently, as 2008 brought the Great Recession, Port St. Lucie became one of many victims to its economic fallout as development stalled and residential mortgage foreclosures followed.

The City created a community redevelopment agency in 2001, initially to aid in the redevelopment of the City Center project, which similarly included City-based bond debt for infrastructure. Subsequently, in 2012, the CRA was expanded to include the Southern Grove District, comprised of the 3,606-acre Southern Grove DRI and is coterminous with the boundaries of the Southwest SAD.

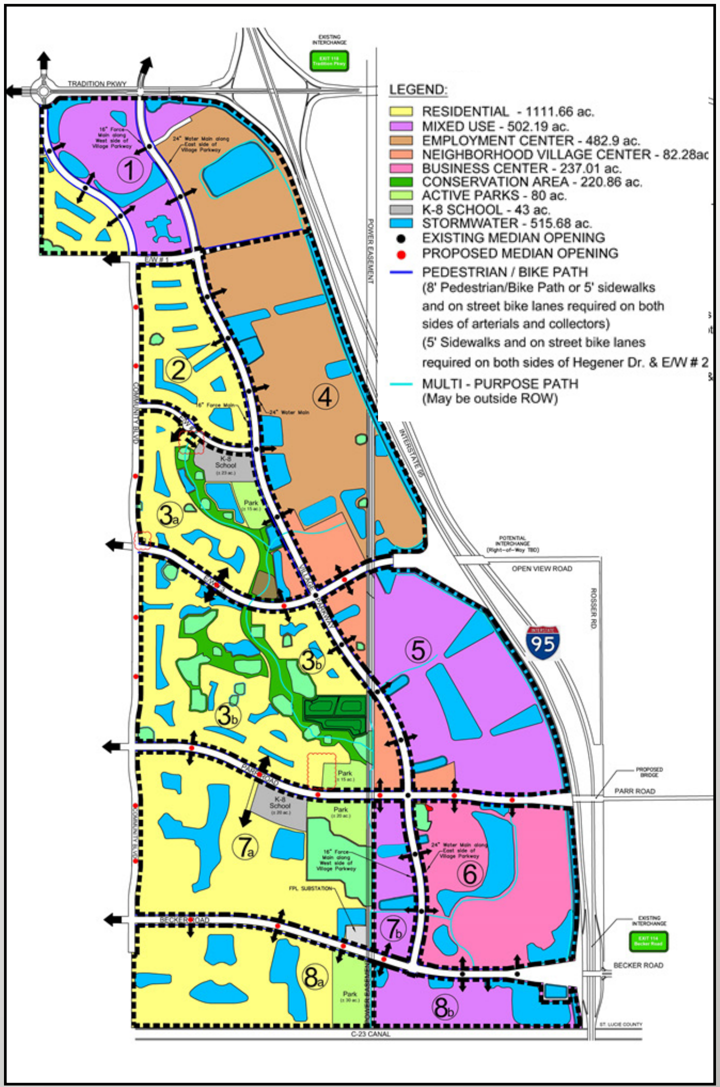


Figure 14 As illustrated in the concept map, the Southern Grove DRI extends from Tradition Parkway to just south of Becker Road and is bordered by I-95 to the east and SW Community Boulevard to the west. The GFC-owned property consumes much of the eastern portion of the DRI, lying east of Village Parkway and generally between Discovery Way and Becker Road.

Figure 15 Southern Grove District of the PSL CRA.

In late 2017, the developer of Tradition indicated it intended to divest its assets in Port St. Lucie, including its property in Southern Grove, and discontinue paying taxes and assessments on unsold parcels beginning in FY 2017. The City recognized its continued obligation on the associated SAD bond debt and decided to take control of the property. The developer sold approximately 3,026 acres of its remaining residential property and some non-residential property in Tradition, Western Grove and Southern Grove to a third party, Mattamy Homes. In June of 2018, the City accepted a transfer of ownership of 1,161 acres within Southern Grove from the developer after its efforts to sell the land were unsuccessful. The City transferred the property to its GFC, controlled by the City Council, which continues to conduct land transactions for the subject Southern Grove property as well as other City-held assets.

URBAN LAND INSTITUTE STUDY (2018)

The original DRI conceptual plan has been reconsidered over time, most recently through a 2018 Urban Land Institute (ULI) study that included extensive stakeholder engagement with a cross-section of community and business representatives. The study retained the jobs emphasis for the GFC property but suggested the regional retail use be reconceptualized as a town center capitalizing on the anticipated Marshall Parkway/I-95 interchange. As suggested in the ULI concept plan, the southern portion of the GFC property was identified for industrial use, with bio/technology uses recommended for the northern portion of the property surrounding Cleveland Clinic.

SOILS

An additional baseline factor in the due diligence analysis involves the historic use of the property, which includes long-term agricultural use as a citrus grove. The residual topography of the Southern Grove study area includes a soil condition that varies across the GFC property. The acquisition and utilization of fill to compact and raise properties to buildable levels has been a long-standing challenge in the Western Annexation Area, as evidenced by roadway settling that has precipitated the rebuilding of some portions of facilities in the past decade. The soil conditions map illustrates the locations of best quality soils on the GFC property, which tend to be located along the eastern edge adjacent to I-95. These locations represent the most efficient opportunity for quality fill for nearby property as well as appropriate stormwater lake locations. Soil conditions are illustrated in the Background Conditions Summary Map included in Appendix A.

DEMOGRAPHIC AND ECONOMIC PROFILE

To guide the recommendations and strategies of the master plan with realistic market-driven development expectations, a demographic, economic, and real estate development analysis was performed to understand future growth potential in the City. WTL+a, in partnership with Retail Development Strategies, LLC, undertook a comprehensive

__Figure 16__ Developed in 2019, the last planning analysis for the Southern Grove property suggested land uses be reorganized to include a "cultural arts and entertainment area" in the center of the GFC property.

analysis of the City, including an assessment of demographic data, market conditions and historic, current, and forecasted development potentials among four key uses: "workplace" (multi-tenant, speculative office and general industrial), hotel/lodging, supporting retail, and multi-family residential. The economists note the economic forecasts rely on data and conditions prior to the impacts of COVID-19, and accordingly, while best available data has been utilized to analyze Southern Grove, the impacts from the pandemic are anticipated to cause a major slowing in economic activity across Florida and the U.S. as well as the potential for unanticipated opportunities. A summary of key demographic, economic, and development findings is provided in this section, and the complete memoranda (Technical Memorandum #1 – Summary of Initial Demographic & Market Analysis and Technical Memorandum #2 – Market Conditions & Development Potentials) are included in Appendices B and C.

CITY DEMOGRAPHICS

- The City's population is nearly 203,000 residents (April 1, 2020 BEBR estimate) in approximately 69,000 households, which represents roughly 63% of St. Lucie County. Between 2000 and 2010, the City's population increased substantially—with the addition of almost 74,300 new residents. This represents an annual average gain of more than 7,400 residents per year and an extraordinary annual growth rate of 6.2% per year. Growth moderated in the past decade, and current forecasts suggest a 2.1% growth rate over the next five years. Forecasts indicate the City's share of St. Lucie County's population will remain stable in the range of 61% by 2024.
- Port St. Lucie's population tends to be slightly younger than the County's (median age of 42 versus 44.5), with the highest growth rates in the 25-34, 35-44, and 65-74 age cohorts (3%+) and 75+ (4.3%). This is consistent with national trends that indicate a rising population in the younger "millennial" age brackets as well as Florida's positioning as a destination for retirees.
- Port St. Lucie is a middle-class community, with average household incomes in 2019 of $73,500 per year. Incomes are projected to increase by 2.5% over the next five years, rising to $83,200 by 2024. Approximately 20% of the City's households have annual incomes greater than $100,000 per year. The City's average household income is forecast to remain higher than its counterparts in St. Lucie County, where average household incomes are forecast to be roughly $77,265 by 2024.

HOUSEHOLD INCOMES AND RETAIL SPENDING

- With 2019 average household incomes of $73,500, households in Port St. Lucie have sufficient disposable incomes to support a wide range of retail offerings, and households spend approximately 23% of annual incomes on various retail categories, which is on par with households countywide.
- The City's households spend more than $16,860 per year on consumer retail goods, including: clothing, entertainment/recreation, electronics, groceries, food & beverage, household furnishings and health care, exceeding expenditures by County households ($15,700 per year) and as well as those in the City of Fort Pierce ($12,075 per year).
- Utilizing the broadest range of retail goods, which includes building materials, leisure and entertainment, and miscellaneous store sales, and data from the Bureau of Labor Statistics (BLS) and Claritas, Inc., the City's households spend more than $1.49 billion per year. This compares to estimated citywide store sales that surpass $1.94 billion per year. The difference between spending and sales is known as inflow. In other words, there is more than $451.9 million in annual retail sales inflow into Port St. Lucie from sources other than resident households. It should be noted that resident household sales can occur anywhere (i.e., often outside of Port St. Lucie), so sources of inflow include daytime employees (who do not live in the city), visitors, and pass-through traffic.
- Highly notable is the level of inflow on General Merchandise ($488 million per year) and Clothing & Accessories ($49.7 million). For General Merchandise, this reflects three anchor department stores at three Walmart Supercenters, two Walmart Neighborhood Stores, one Target store, four Dollar Tree stores, and two Home Goods stores, among others.

EMPLOYMENT FORECASTS

The City is included within the St. Lucie Metropolitan Statistical Area (MSA), which is comprised of Martin and St. Lucie Counties. The St. Lucie MSA added 48,100 new jobs in the 11-year period between 1995 and 2006, mostly in Construction (7,700), Professional/Business Services (7,100), and Government (5,900) along with Retail Trade (5,600) and Education/Health Services (5,500). By contrast, the economic downturn of 2007—2009 resulted in the loss of 15,400 jobs in both counties. Over the past 11 years (and over multiple economic cycles), job losses were greatest in Wholesale Trade (-1,300) and Financial Activities (-1,000). In the eight years between 2011 and 2018, however, the economy of the St. Lucie MSA has significantly recovered from the 2007—2009 recession, with the creation of more than 33,000 new jobs.

The jobs-to-population ratio is a useful statistic to understand the economic balance in a community. Dun & Bradstreet, Inc. estimates that St. Lucie County contained 91,508 full- and part-time jobs in 11,150 registered businesses in 2018, which reflects a jobs-to-population ratio of only 0.29. That ratio indicates there are 29 jobs for every 100 residents in the County, which reflects the concentration of employment centers such as St. Lucie West and downtown Fort Pierce as the County seat. It is notable that the County's jobs-to-population ratio is well-below that of Palm Beach County (0.49) and Martin County (0.46). Employment is concentrated in particular sectors, including Services (41.6%), Wholesale/Retail Trade (31.4%), and Government (6.9%).

For employment forecasting, St. Lucie County, along with Martin and Indian River counties, are consolidated in Florida's Workforce Region #20. Florida's job forecasts indicate the Workforce Region will gain 23,000 new jobs between 2019 and 2027, of which St. Lucie County's "fair share" (40% of the region's jobs) is projected to be 9,300 new jobs by 2027.

For the City of Port St. Lucie, Dun and Bradstreet, Inc. estimates there are 45,275 jobs in 5,748 registered businesses in Port St. Lucie. Accordingly, the City accounts for approximately 49.5% of the 91,508 jobs in St. Lucie County, which is the City's "fair share" of County jobs. The two largest sectors generating demand for workplace real estate in Port St. Lucie include Wholesale/Retail Trade (14,433 jobs, or 32% of all jobs) and Services (20,425 jobs, or 45% of all jobs). Within Services, "Health Services" accounts for more than one-third of all Services employment (7,785 jobs). Together, Retail Trade and Services account for 77% of total employment in Port St. Lucie.

The data also suggest the City's current jobs-to-population ratio is only 0.24 (i.e., there are 24 jobs for every 100 residents living in Port St. Lucie). This is lower than the overall ratio of St. Lucie County (0.29) (and significantly below Palm Beach County's ratio of 0.49 and Martin County's ratio of 0.46), thus reinforcing the importance of net new job creation in the Southern Grove study area. This imbalance in inbound versus outbound workers is illustrated in the "Inflow/Outflow Analysis" graphic in Figure 17.

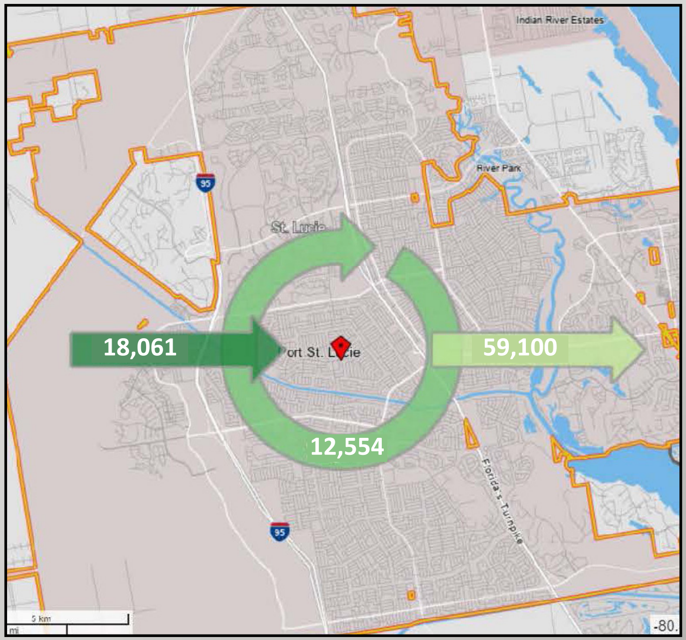


***Figure 17** PSL inflow/outflow employment analysis map. credit: U.S. Census Bureau*

Further exploring this finding, 2017 U.S. Census Bureau data indicate the City exhibited net outflow of more than 39,970 residents who live in, but work outside of, the City. Notably, since 2007, the net outflow of residents of Port St. Lucie who work outside the City has increased by fully 41%. By comparison, the outflow of residents of St. Lucie County who work outside the County has also increased—by 49% between 2007 and 2017. These rates exceed the population growth figures, which means the proportion of residents leaving for work is increasing faster than population growth, underscoring the importance of net new job growth for the Southern Grove property.

MARKET CONDITIONS AND DEVELOPMENT POTENTIALS

There are four key land uses analyzed for the Southern Grove study area: "workplace" (multi-tenant/speculative office and general industrial); hotel/lodging; supporting retail; and multi-family residential. The economists note it is not possible to evaluate development potentials for specific end-users of office or industrial space (also known as "build-to-suit"); recent examples of these types of users include Tamco/City Electric, "Project Bullet," and "Sansone" that are looking for a specific location like Southern Grove, as such deals are based on specific recruitment strategies and terms (e.g., the amount of space to be occupied) negotiated on a case-by-case basis and individual proprietary business plans. As a result, the analysis estimates demand only for speculative/multi-tenant opportunities for office and general industrial space based on employment forecasts prepared by the Florida Department of Economic Opportunity (DEO).

LAND USE: INDUSTRIAL

According to CoStar, Inc., there are 3.42 million SF of industrial space in Port St. Lucie in 207 buildings, which represents 28% of St. Lucie County's 12.0 million SF of industrial space. The City's share of the County's industrial supply has remained relatively stable in the range of 27% to 28% over the past 13 years. Prior to the national recession, the City's industrial vacancy rate was 15% in 2007, climbing to nearly 22% in 2009, but has declined to only 3.3% in 2019 following eight years of positive net absorption. The City's industrial market strengthened slightly over the past five years, with net absorption increasing from nearly 36,000 SF/year to 53,500 SF/year.

If the City maintains its 49.5% "fair share" of all jobs in St. Lucie County, job forecasts indicate the City could capture 4,620 new employees by 2027 or 796,600 SF of industrial space citywide over the next eight years. This figure accounts for partial occupancy of existing vacant industrial space. Considering an entitled but unbuilt 405,000 SF of industrial space in nearby DRIs, there remains just over 390,000 SF of new "unallocated" industrial space that could be built in Southern Grove over the next eight years. This figure does not include potential build-to-suit facilities for end users, such as that proposed by "Project Bullet" and the recently-proposed "Sansone" project.

Figure 18 *Image from St Lucie County EDC – Healthcare and Life Sciences in St. Lucie County, Florida (marketing brochure)*

Figure 19 *Examples of new industrial space in the City, part of the nearly 800,000 SF built between 2007-2018*

Figure 20 *Image of Keiser University*

LAND USE: OFFICE

According to CoStar, Inc., there are 3.61 million SF of office space in Port St. Lucie in 276 buildings, which represents 55% of St. Lucie County's 6.6 million SF of office space. The City's share of the County's supply has remained relatively stable, ranging from 51% to 55% over the past 13 years. Similar to the industrial market, office vacancies doubled between 2007 and 2009, from 9.5% to 18.6%, recovering by 2014 to 15.5%, with a 6-8% vacancy rate in the past two years. Citywide net absorption totaled nearly 850,000 SF in this 13-year timeframe, doubling in the past five years to more than 124,300 SF per year. Several trends should be acknowledged, including the unknown impacts of teleworking post-COVID and reductions in the average SF per worker (from 197.3 SF per worker in 2010 to 182 SF per worker in 2017).

Figure 21 *Homewood Suites and South Florida Orthopedics*

If the City maintains its "fair share" of Countywide jobs, DEO forecasts suggest potential net demand for just over 273,000 SF of office space citywide over the next eight years. Considering entitled but unbuilt office space in nearby DRIs and current office space under construction, there appears to be sufficient market potential to support 75,000 to 100,000 SF of new office space over the next eight years. Again, it should be noted this figure excludes build-to-suit facilities such as future medical office space that will likely be built around Cleveland Clinic.

LAND USE: HOTEL/LODGING

Demand for new hotel rooms is typically driven by capital markets requiring sustained annual occupancies in existing facilities between 65% and 72%. Prior to the COVID-19 pandemic, properties in the Port St. Lucie hotel market were experiencing rates of 71.4% (2019 data). The larger Southern Grove DRI is entitled for 791 hotel rooms, of which 204 rooms have already been constructed. Considering approved but unbuilt hotel rooms in adjacent DRIs and variable growth scenarios, it appears that 150-175 new hotel rooms are supportable in the next ten years.

LAND USE: RETAIL

Port St. Lucie contains almost 7.5 million SF of retail space, comprising 56% of the County's total retail supply. At year-end 2019, there were 335,900 SF of vacant retail space (including direct vacancies and sublet space), which reflects a vacancy rate of only 4.5%. Over the past 13 years, retail vacancies peaked at 8.7% in 2007 and have declined on average over the past 13 years. Paralleling the County, the retail sector in Port St. Lucie is operating in stabilized market conditions with vacancies of less than 5%.

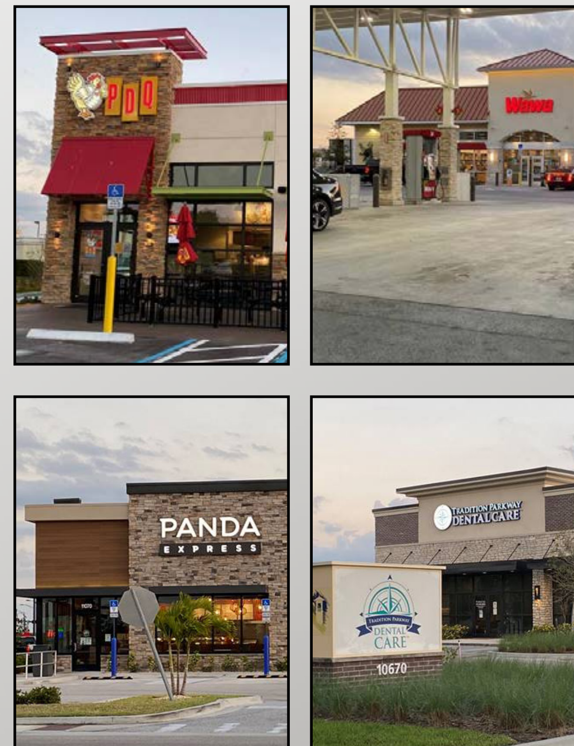


Figure 22 *New retail in Southern Grove DRI*

Utilizing best available data, the City's retail inventory suggests there are 39.7 SF of retail space per capita for the City's population, which well exceeds the U.S. general average of approximately 26 SF per capita. More than 2.41 million SF of new retail space was built in Port St. Lucie between 2007 and 2019, with fully 1.65 million SF delivered in 2007 and 2008 alone. The City captured 85% of all new retail space built in St. Lucie County during this period. Net retail absorption totaled nearly 2.4 million SF citywide over the past 13 years, producing a sustained annual average of 183,860 SF per year. Port St. Lucie accounted for 98% of all county-wide retail absorption. Of all "workplace" uses, the City's retail sector is the strongest.

Market forecasts suggest there is demand for 125,000 to 135,000 SF of market-supportable retail potentials in the next ten years for the Southern Grove study area. These forecasts indicate sufficient demand for a grocery-store anchored center, such as the Publix-anchored center that was proposed at the Village Parkway/Becker Road intersection along with in-line retail and food/beverage establishments.

Stakeholders interviewed as part of the retail demand analysis indicated a lack of entertainment and recreational activities in the City, suggesting Southern Grove could be a logical location for entertainment-oriented uses because of the site's visibility and access from I-95. These entertainment users could be accommodated in existing vacant retail space, such as The Landing at Tradition, or in new retail space likely north of the core Study Area along I-95.

LAND USE: MULTI-FAMILY RESIDENTIAL

The Southern Grove study area is entitled for nearly 1,700 housing units, including 786 multi-family units (assumed to be owner-occupied) and 900 apartments (assumed to be rental). Given the substantial entitlements for residential units in nearby DRIs, a longer-term horizon (beyond ten years) is considered for residential absorption. However, there is a general lack of multi-family residential unit types in the western annexation area. Therefore, given the performance of the few comparable projects, the market potentials for multi-family appear supportable, with absorption patterns of 16 to 36 units per month that could absorb existing inventory, leaving the potential for additional multi-family rental development.

For owner-occupied units, the City's rates of home ownership have remained stable since the Great Recession, averaging 67% from 2010 to 2019. The number of unoccupied units decreased from 2010 to 2019, indicating a strengthening market with a vacancy rate of around 7.0%. The City's housing market produced an average 901 units per year from 2000 to 2019, with the vast majority as single-family detached units near the Southern Grove property.

According to the national real estate database, CoStar, Inc., Port St. Lucie contains an inventory of nearly 5,100 multi-family units in 21 properties. The overall vacancy rate in 2019 was 4.5%, which indicates a stabilized market. The City absorbed 99 units per year, with steadily increasing monthly rents. Overall, these metrics indicate the Port St. Lucie housing market is generally stabilized, with stabilized occupancies, increasing values among owner-occupied properties, and strong lease-up (absorption) activity in new multi-family properties, which are accompanied by increasing monthly rents.

SOUTHERN GROVE MASTER PLAN

The Southern Grove Master Plan provides a recommended land development program that differs from the current DRI master plan and recommends revised land use entitlements intended to better correspond to City desires, public expectations, and market realities and trends. Although the initial study area was identified as the roughly 1,200-acre GFC-owned land, the Master Plan goes beyond these boundaries to include portions of the Tradition DRI to accommodate the range of desired uses. The plan includes the following components:

1. Master Plan and Sub-District Diagram
2. Land Use Diagram and Recommended Land Use Entitlements
3. Infrastructure Network Diagrams for multimodal transportation (e.g., roads, transit, and Tradition Trail), water/wastewater, and stormwater
4. Gateway Feature Locations
5. Architectural and Design Recommendations

Each of these is detailed in the sections that follow.

SOUTHERN GROVE MASTER PLAN LAND USE DISTRIBUTION

LAND USE	NET ACREAGE
Mixed-Use	234.7
Employment Center	668.0
Lifestyle / Commercial	43.2
Secondary Road Network [1]	44.8
Duda Canal	55.0
Master Stormwater System [2]	174.8
TOTAL GFC LAND	1,220.5

FOOTNOTES

- Study area boundary [3]
- Aerial (Properties not owned by GFC shown as base aerial without color overlay; excluded from GFC land use totals)
- Wetlands (8.8 acres, excluded from GFC Land totals)[4]
- Existing stormwater lakes (18.6 acres; excluded from Master Stormwater System and GFC land totals)
- Pending Land Transfer to GFC (21 acres; former Mattamy Homes property included in GFC land use totals)
- FPL easement (22.8 acres; included in adjacent land use types in GFC land use totals)
- Marshall Parkway ROW
- Former Paar Drive ROW (12.8 acres; to be abandoned to GFC; included in GFC land totals)
- New Paar Drive ROW (7.3 acres; to be abandoned to GFC; included in Secondary Road Network totals)
- Recommended alignment for local roads

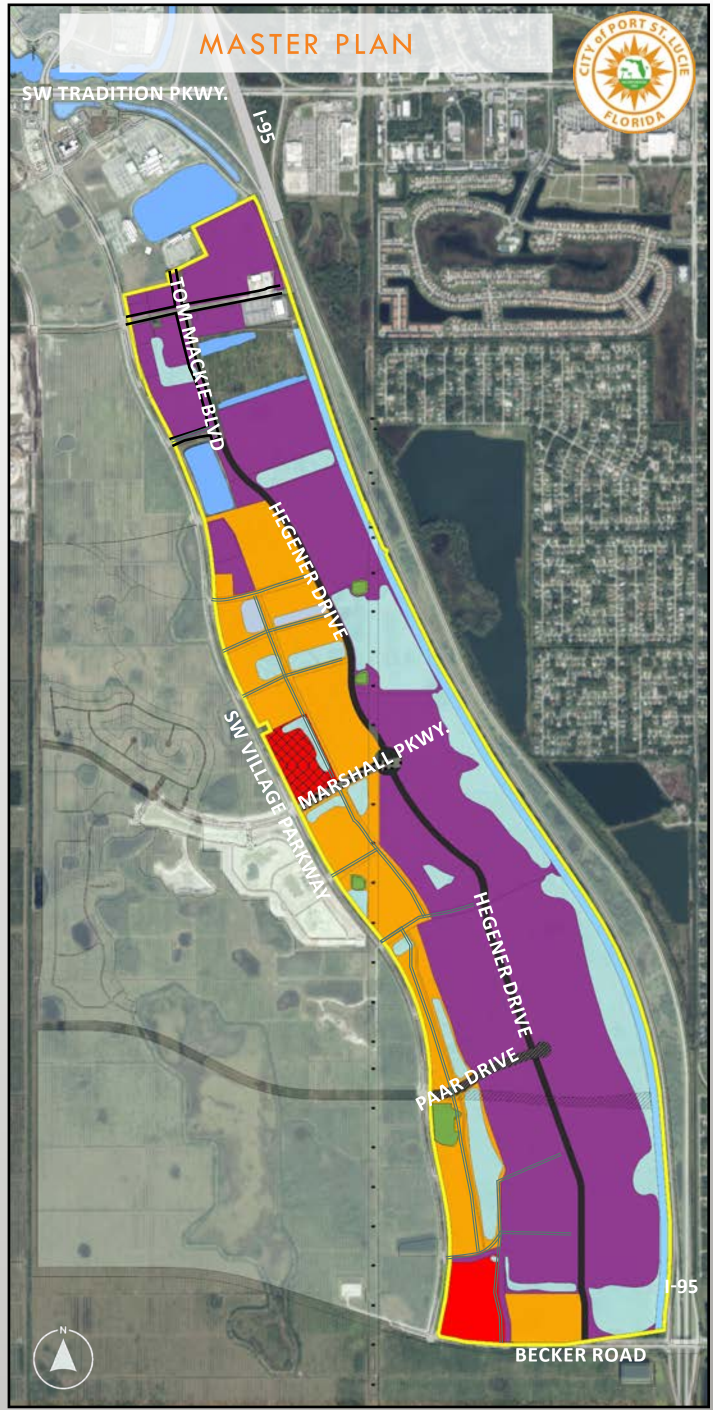
FOOTNOTES

[1] Secondary road network includes portions of Hegener Drive, Marshall Pkwy & Paar Drive (ROW = 100-150'). Stormwater treatment for secondary roads included in master stormwater system.

[2] Master stormwater system = 15% of total developable land. Additional on-site pre-treatment will be required (up to 5% of net developable area)

[3] Boundary includes: 1,182 acres original GFC purchase (+ 12.8 acres Paar Drive row abandonment + 4.7 acres Marshall Pkwy ROW abandonment +21 acres Mattamy Homes transfer)

[4] Wetland preservation per US Army Corps of Engineers permit.



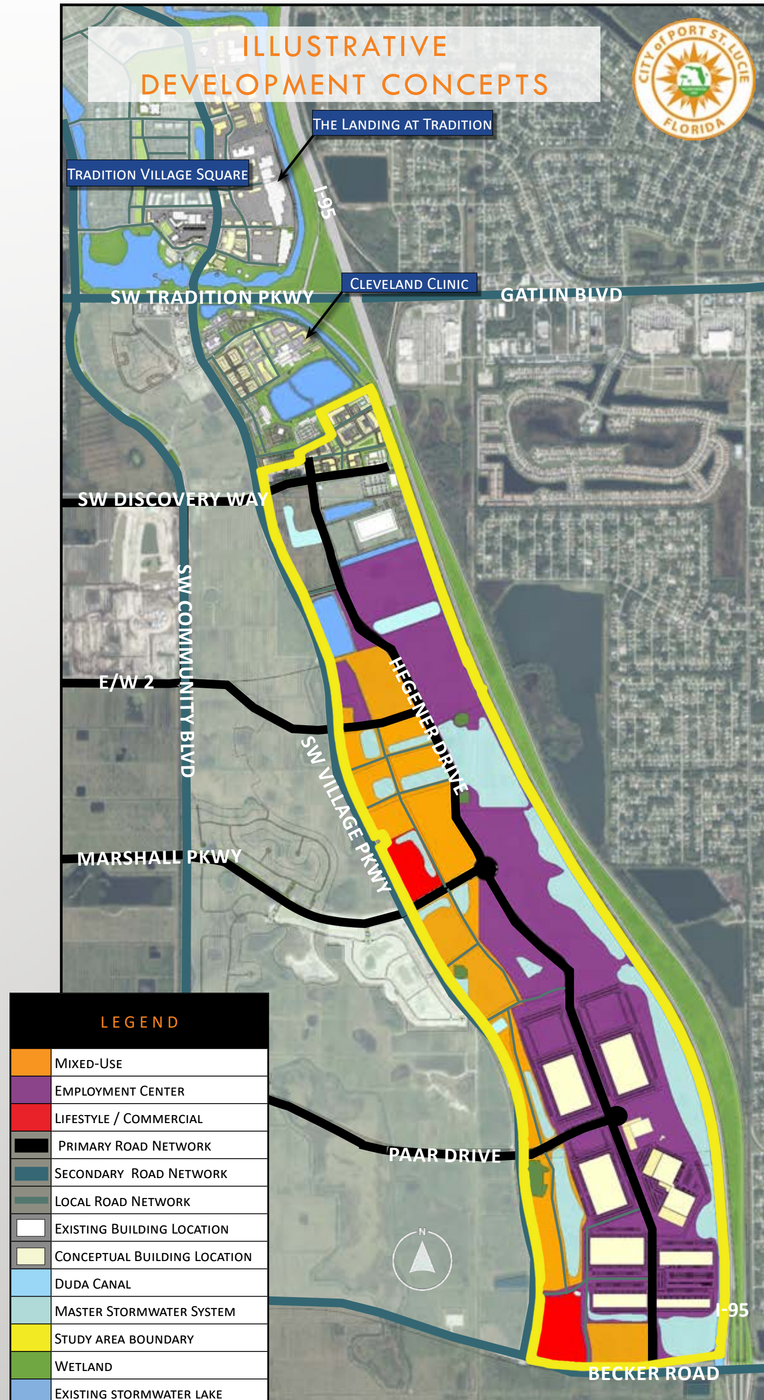
LAND USE OVERVIEW

For master planning purposes, the planning area for the GFC property was expanded to include the GFC core purchase as well as the southeastern portion of the Tradition DRI, which lies north of Tradition Parkway and south of the "B" Canal. This enables a focus on the GFC property as well as the accommodation of the broader uses identified for the general area. Although the City's primary focus for the GFC property is job creation, public input received during the master plan process emphasized the desire for an expanded town center, neighborhood destinations, and activity centers in this western portion of the City. The inclusion of the Tradition Village Square and adjacent Landing at Tradition enable the Master Plan to address the public's desires for activities in a manner that will help make existing retail centers more successful while preserving the jobs-centric expectations for the GFC property.

The GFC holdings within Southern Grove are substantial, representing one of the most significant consolidated properties available for large format warehouse/distribution uses in the region. As the population of southeastern Florida has continued to grow, the demand for large-scale industrial uses continues to escalate. The City has acknowledged this demand and begun transacting with large-format users in this niche. This jobs emphasis is maintained in the Master Plan, and nearly three-fourths of all GFC property is recommended for Employment Center use.

The GFC land also represents a "front door" to western Port St. Lucie and is the gateway to what will be tens of thousands of residents along with supporting business establishments over time. Accordingly, both the I-95 frontage and "gateway corridors" (e.g., Tradition Parkway, Becker Road, Village Parkway) are "Welcome to Port St. Lucie" moments. These locations represent significant design opportunities to brand and celebrate the arrival to the City for residents, employees, visitors, and investors.

There is seldom a second chance to make a first impression. Accordingly, there are two key design recommendations to celebrate the significance of these gateway opportunities. The first is for the City to secure and protect several key gateway feature locations: (1) three locations along I-95 that are



SOUTHERN GROVE MASTER PLAN

integrated into substantial stormwater lakes along the interstate, and (2) two corner locations along Village Boulevard at the Becker Road and Marshall Parkway intersections. The second design recommendation is for the City to maintain sufficient property depth along Becker Road and Village Parkway to accommodate mixed-use development that can be suitably buffered from interior large-scale employment uses. These design recommendations will raise the value of the City's holdings and provide for a well-organized, elegant edge for the Southern Grove property and its neighboring uses.

The Master Plan envisions that three land use types be designated for the GFC property:

1. **Employment Center**, envisioned as a high-intensity jobs use focused on industrial, warehouse/distribution, and related uses and is recommended for roughly 70% or 668 net developable acres of the GFC property.
2. **Mixed-Use**, envisioned as a moderate intensity land use including office, retail/commercial, institutional, educational, and higher density residential land uses. The Mixed-Use designation is recommended for roughly 25% or 235 net developable acres of the GFC property.
3. **Lifestyle/Commercial**, envisioned as a higher intensity land use to create nodes of more intense retail/commercial and higher density residential land uses. This use is only recommended for two prime Village Parkway intersections ~ Marshall Parkway and Becker Road ~ each of which is also identified as gateway feature locations with future public transit stops. Together, these two locations represent roughly 5% or 43 net developable acres of the GFC property.

A modified transportation network is envisioned that identifies Hegener Drive, Marshall Parkway, and Paar Drive as the secondary roadway network, each of which serves as a minor arterial. Collectively, the secondary roadway network is anticipated to consume roughly 44.8 net acres.

Additionally, as illustrated in the Master Plan, a series of stormwater lakes are identified that represent 15% of the total developable area. The lakes are sized to sufficiently treat the GFC net developable acreage as well as the secondary road network. This acreage plus the Duda Canal, which comprises 55 acres within the GFC property, represents the balance of property within the study area boundary.

The Master Plan identifies the location of an FP&L easement which occupies 22.8 acres and traverses the GFC property in a north/south alignment. Parcels within this easement can be utilized for a variety of non-habitable uses, such as parking, stormwater, landscaping, and open space, and accordingly, these areas have been assigned one of the three developable land uses categories.

***Figure 23** The Southern Grove Master Plan is a focal component of the City's Strategic Plan.*

***Figure 24** The former VGTI building, within the Bio/Health District, provides a cutting-edge facility for biotechnology users.*

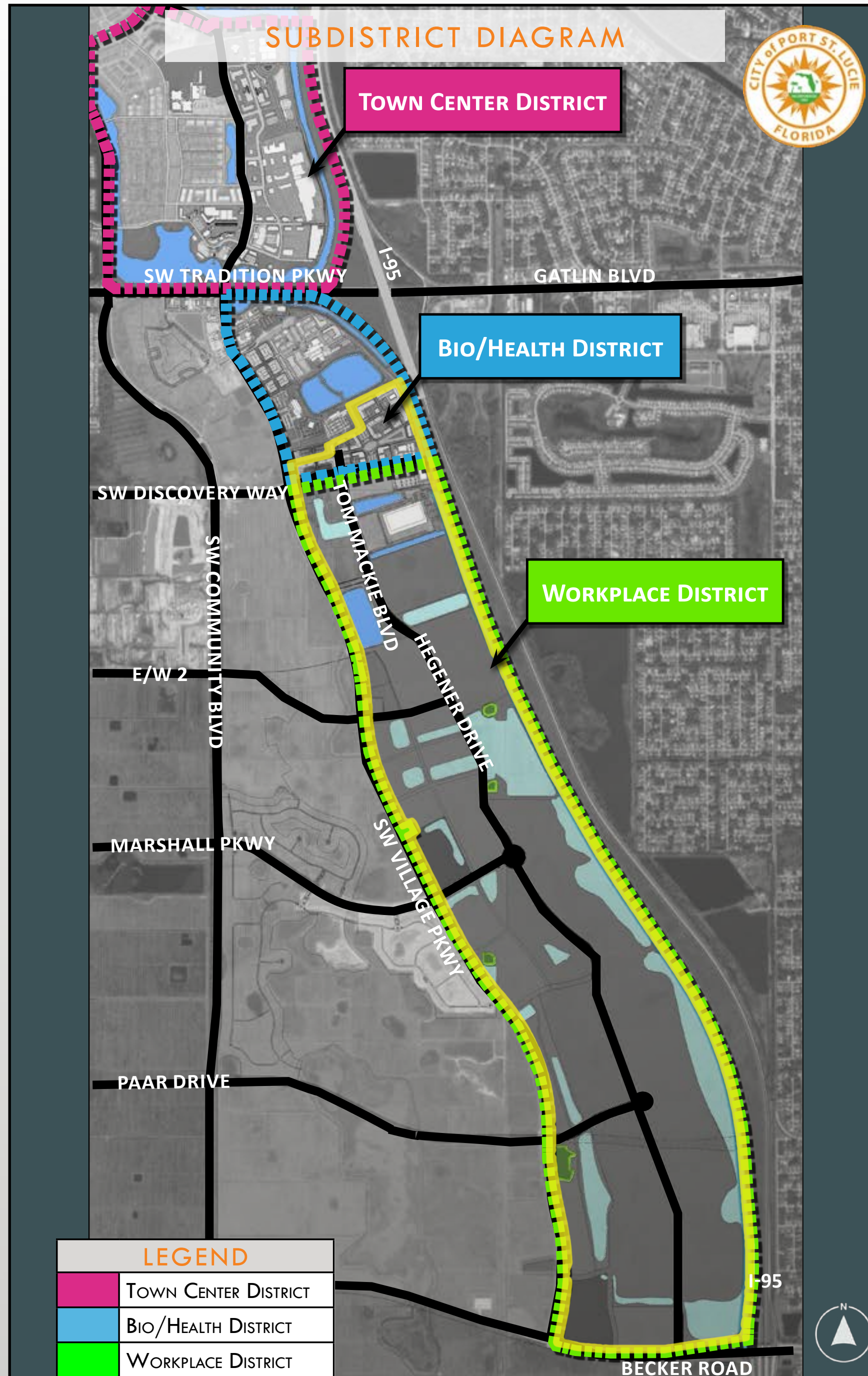
SOUTHERN GROVE PLANNING DISTRICTS

From the broadest perspective and in an effort to balance local desires and market expectations, the Master Plan conceptualizes the planning area as a series of three sub-districts:

1. TOWN CENTER DISTRICT - from Tradition Parkway north to the "B" Canal, including Tradition Village Square and The Landing at Tradition.
2. BIO/HEALTH DISTRICT - from Tradition Parkway south to Discovery Way, including Cleveland Clinic, the former VGTI building, and a series of medical office and research uses.
3. WORKPLACE DISTRICT - from Discovery Way south to Becker Road, which includes the majority of the study area.

There is a differential between the City's desire for job intensity in Southern Grove and the public's desire for an enhanced town center. Outside the GFC property, Tradition Village Square and The Landing at Tradition provide destination retail and entertainment for the City. Rather than compete with these two centers, the Master Plan includes these properties and those north to the "B" Canal in a Town Center District. It is recommended additional retail, entertainment, and active recreational uses be infilled in this district, capitalizing on the high visibility and access provided by I-95 frontage and efficient re-purposing of existing empty retail space. With improved bicycle/ pedestrian connections, this district can complement the other districts while maintaining the southern districts for uses with higher job quantity.

Acknowledging the catalytic power of Cleveland Clinic and its potential expansion, an intensified Bio/Health District is envisioned at the northern end of Southern Grove, including those properties from Tradition Parkway south to Discovery Way. This district is envisioned to build upon the existing and planned bio/medical uses, including the hospital and ancillary medical office as well as other planned and anticipated bio/tech research, development, and educational uses (e.g., Florida International University). Recommended development standards to produce a walkable, urban, high intensity district are described later in this chapter.



SOUTHERN GROVE PLANNING DISTRICTS

The southern end of the study area and comprising the majority of the GFC property is a recommended Workplace District, which is envisioned from Discovery Way to Becker Road. The eastern portion of this district, from Hegener Drive east to I-95 is reserved for large-format, industrial users, including warehouse, distribution, and clean manufacturing and assembly with ancillary office use. The western and southern portions of the district, fronting Becker Road and Village Parkway, are reserved for mixed-use sites of sufficient depth to accommodate two rows of buildings with appropriate buffers from the interior industrial users. Two key Village Parkway intersections, at Marshall Parkway and Becker Road, are designated as lifestyle/commercial retail nodes that can also incorporate moderate to higher density residential. A design discussion for each of these three districts is provided later in this chapter.

Figure 26 *New multi-family development, such as the AHS site illustrated above, will help balance the diversity of the housing stock near the Southern Grove jobs center.*

Figure 25 *New development in Southern Grove includes Kaiser University, which contributes to the strength of the district as a center for employment, contributing to the skilled local labor force.*

Figure 27 *Cleveland Clinic is a catalytic anchor for the Bio/Health District.*

LAND USE ENTITLEMENTS

Based on the historic and current market and land development trends, revised land use entitlements are recommended as part of the Master Plan. The City's desire and investor interest in industrial space has increased since the original 2006 DRI; demand for retail has declined considerably. In addition, while the full effects of the COVID-19 pandemic are still unknown, national retail forecasting suggests up to 50% of now closed retailers will not reopen as the economic recovery occurs. Demand for residential, however, for both townhouse and multifamily appears stronger than initially envisioned for Southern Grove.

Land use entitlements for Southern Grove are further complicated by the SAD and its assignment of proportional infrastructure costs to properties within the DRI. Because the SAD fees are correlated to the original DRI entitlements, GFC land transactions must include negotiated assignments of proportionate SAD fees that consider the original DRI entitlement quantities instead of current market absorption. This adds complexity to land transactions and further complicates the ability to consistently compare and forecast GFC land sales and resulting City revenues. Recalibrating both the land use entitlements and the SAD fee structure to current market trends would help rationalize future land transactions as well as traffic and infrastructure demands associated with the Southern Grove property. A detailed analysis of financial obligations and constraints related to the SAD along with recommended property disposition strategies can be found in Chapter IV of this report.

Based on adjusted land development and market trends and considering the allocated and pending entitlements subject to completed and ongoing GFC land sales, the Master Plan recommends revising the land entitlements as presented in

RECOMMENDED ENTITLEMENTS FOR GFC OWNED LAND
(1215.9 acres including pending 21-acre transfer from Mattamy)

CATEGORY	CURRENT	PROPOSED	ALLOCATED/ PENDING	REMAINING
Residential (SF units)	-	-	-	-
Residential (TH units)	786	900	-	900
Residential (Apt units)	900	900	372	528
Retail (SF)	2,582,851	500,000	49,478	450,522
Office (SF)	4,296,480	1,000,000	155,481	844,519
Warehouse/Industrial (SF)	3,838,336	8,000,000	4,353,743	3,646,257
School (SF)	-	-	-	-
R&D (SF)	(Included with ofc)	1,000,000	-	1,000,000
Hotel (Beds)	240	500	204	296
Hospital (Beds)	-	-	-	-

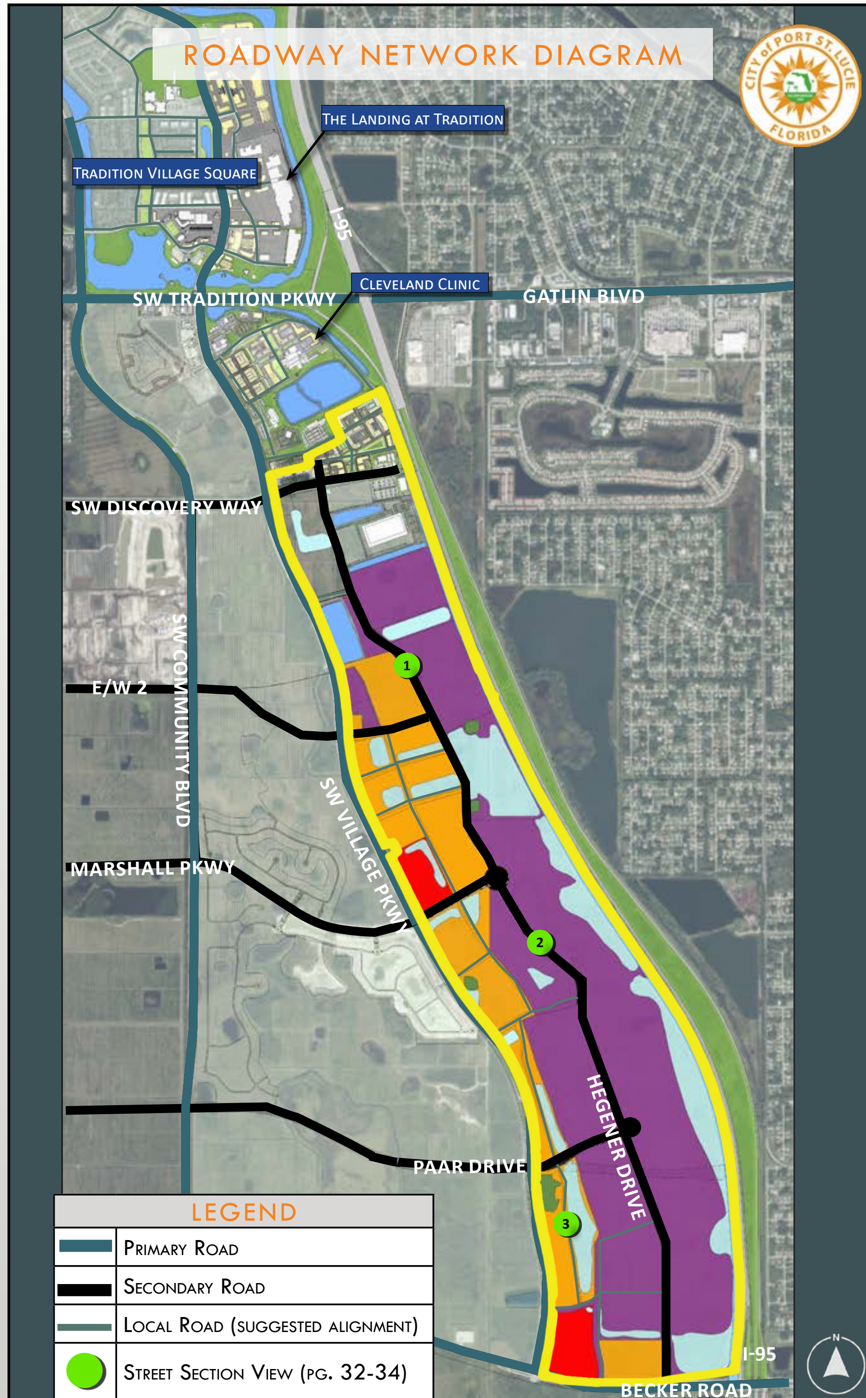
INFRASTRUCTURE PLAN

There are three categories of infrastructure addressed in the Southern Grove Master Plan: Transportation, Water/Sewer, and Stormwater. The recommended networks for each are designed to improve efficiency, connectivity, and access, while increasing development yields for the GFC property. The Southern Grove CDDs were established to manage the financing of DRI-required infrastructure. Accordingly, the Master Plan has been developed with iterative feedback from the CDD, and continued coordination will be necessary to implement the recommended infrastructure networks. Cost estimates for the infrastructure improvements identified in the Master Plan are provided in Appendix H.

TRANSPORTATION NETWORK

The success and sustainability of any development opportunity relies upon a well-planned interconnected transportation network that balances the demands of regional and local traffic. The Southern Grove Transportation Network includes vehicular, transit, and shared-use facilities that are designed to achieve this balance. The Master Plan includes a full range of land uses, mixing residential, workplace, retail/entertainment, education, institutional, recreational, and industrial warehouse, assembly, and distribution. Accordingly, the Master Plan recommends a multimodal network of complete streets that accommodates the broad needs range of users among the traveling public.

1. **VEHICULAR NETWORK:** There are three components of the vehicular network, including primary (regional/major arterials), secondary (regional/minor arterials), and tertiary (local) roads (see Roadway Network Diagram in this section).
    - **PRIMARY NETWORK:** To provide regional access, the Southern Grove property is well-positioned along I-95 with interchanges at Tradition Parkway and Becker Road. Village Parkway provides the western boundary of the GFC property. These roadways constitute the primary roadway network for the GFC property and are shown in blue on the Roadway Network Diagram. Although the current DRI



INFRASTRUCTURE PLAN

Development Order requires two I-95 improvements aligned with Marshall Parkway interchange and Paar Drive overpass, updated traffic studies indicate neither of these improvements are needed, and consequently, both have been removed from the Master Plan. The City should revise the DRI and Comprehensive Plan accordingly. If future traffic demands warrant either I-95 improvement, the roadway network has been designed to accommodate them.

- **SECONDARY NETWORK:** As required by the DRI Development Order, the secondary network for the Master Plan includes a loose grid of 2-lane and 4-lane minor arterials, with Hegener Drive serving as a north/south spine road with four east/west lateral connections: Discovery Way, "East/West 2," Marshall Parkway, and Paar Drive (shown in black on the Roadway Network Diagram). Each of the secondary east/west roadways is planned to connect to SW Community Drive, which helps create the larger secondary roadway grid for Southern Grove and the adjacent properties. These connections are critically important to relieve transportation demands on the primary roads and promote internal interconnectivity.
- **LOCAL/TERTIARY NETWORK:** To maintain efficiency and balance demands on the primary and secondary roads, the Master Plan recommends a tertiary network of local roads, which would be constructed as part of private developments over time. Suggested interconnected alignments for these local roads are illustrated in purple on the Roadway Network Diagram.

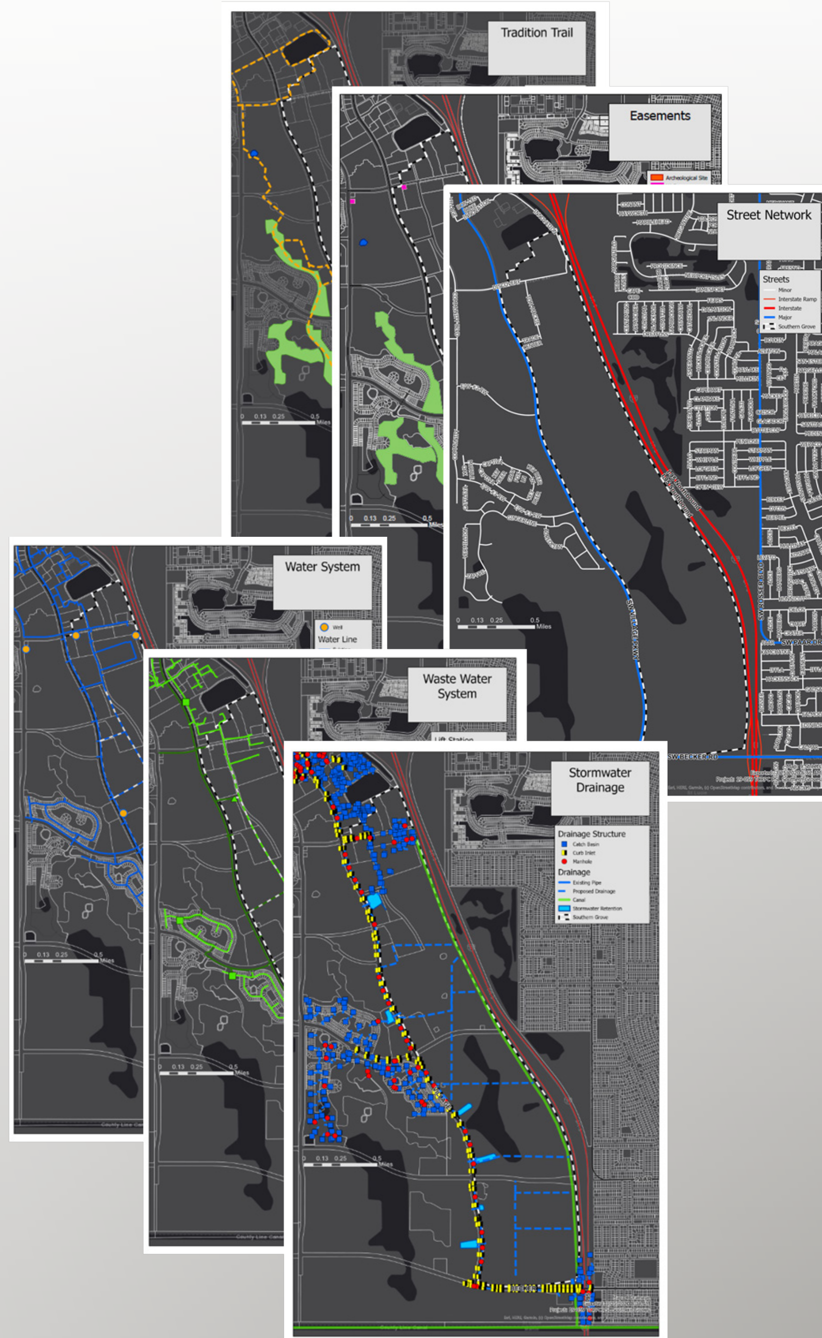


Figure 28 Infrastructure Assessment Maps see Appendix A of this report for more detail.

INFRASTRUCTURE PLAN - STREET SECTIONS

1

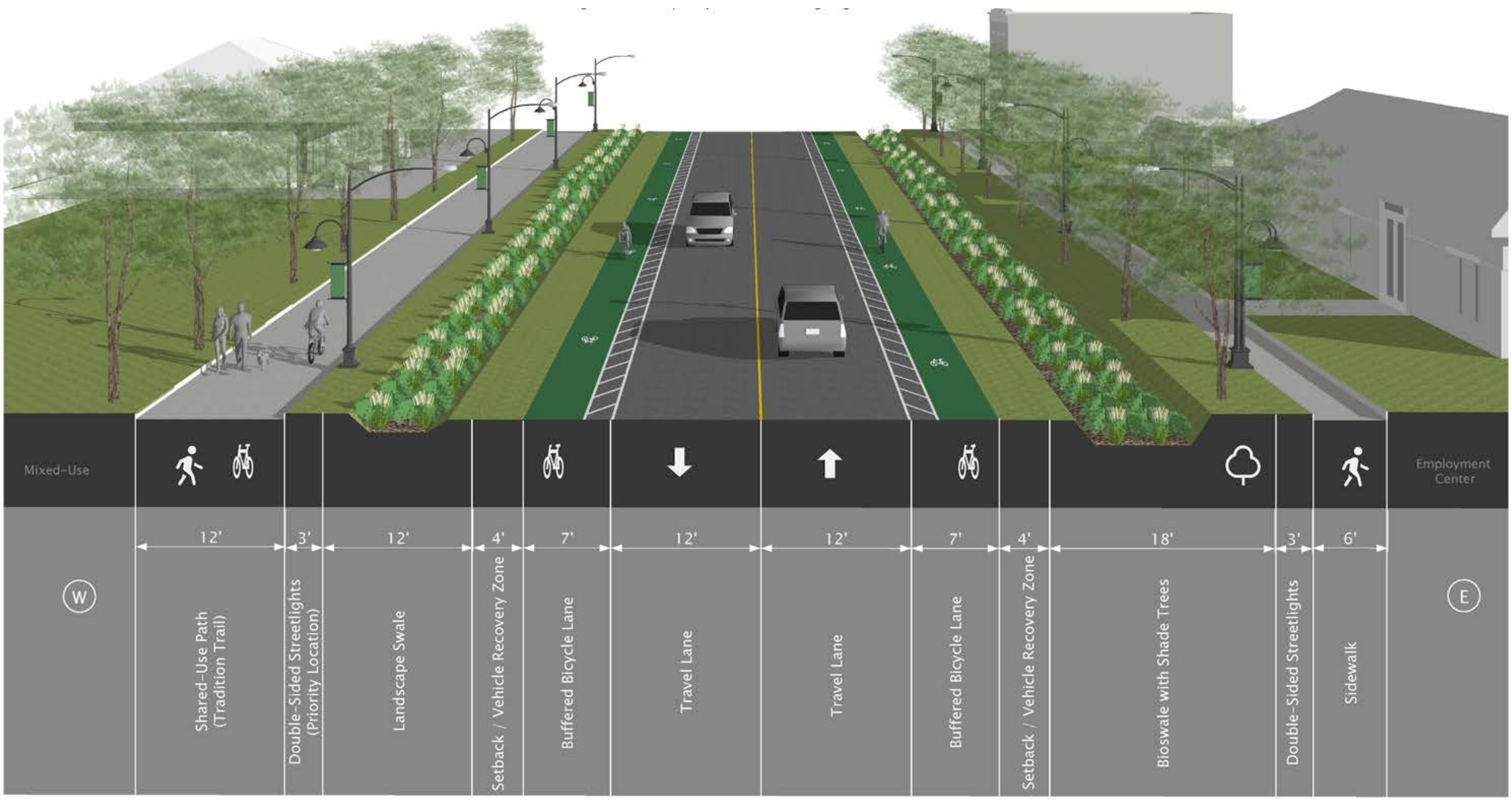
Southern Grove Master Plan

Typical Condition: 2-Lane Secondary Road with Tradition Trail

(Example: Hegener Drive 100' ROW)

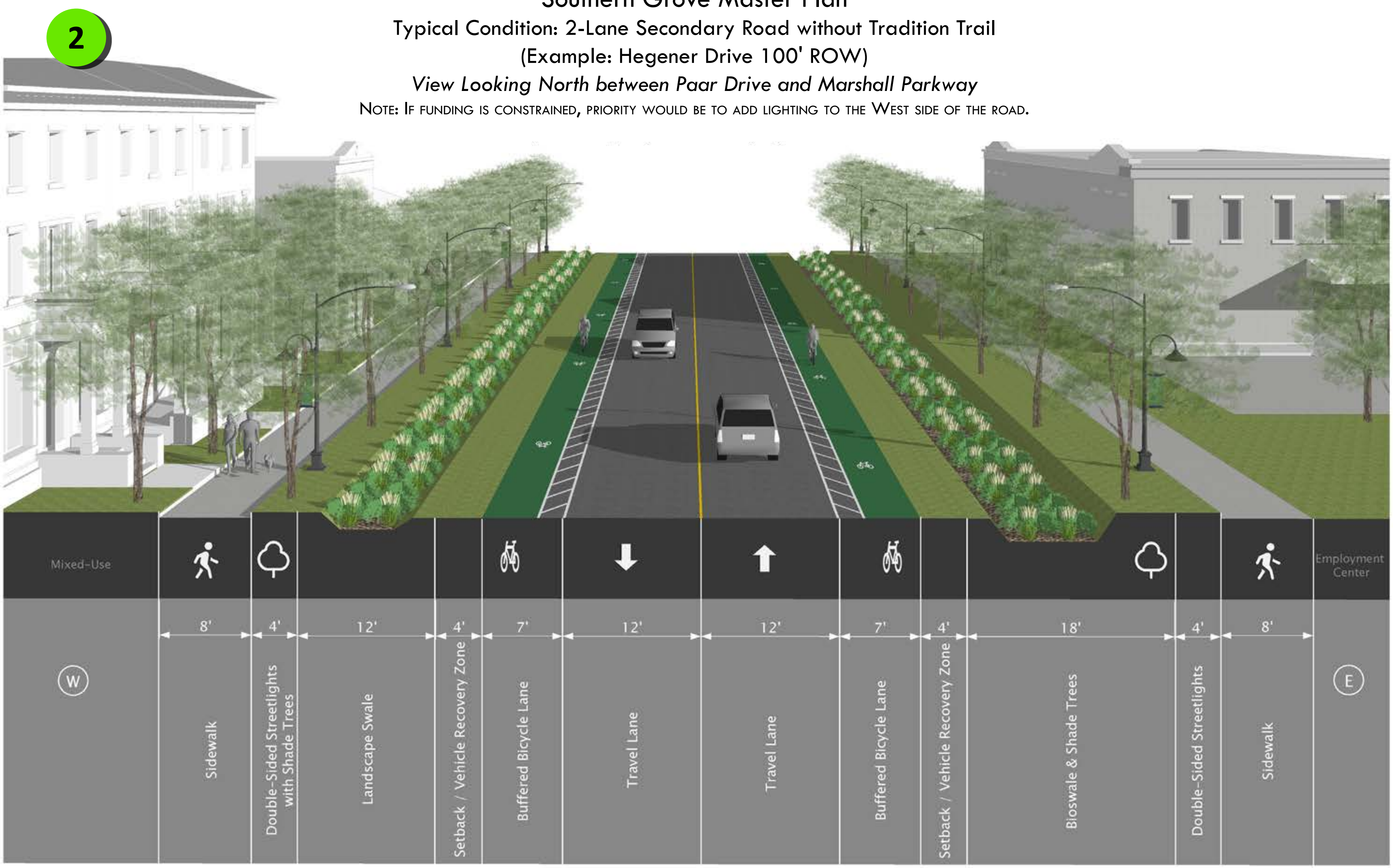
View Looking North between E/W 2 and Discovery Way

NOTE: IF FUNDING IS CONSTRAINED, PRIORITY WOULD BE TO ADD LIGHTING TO THE TRAIL-SIDE OF THE ROAD.



INFRASTRUCTURE PLAN - STREET SECTIONS

Southern Grove Master Plan
Typical Condition: 2-Lane Secondary Road without Tradition Trail
(Example: Hegener Drive 100' ROW)
View Looking North between Paar Drive and Marshall Parkway
NOTE: IF FUNDING IS CONSTRAINED, PRIORITY WOULD BE TO ADD LIGHTING TO THE WEST SIDE OF THE ROAD.



INFRASTRUCTURE PLAN - STREET SECTIONS

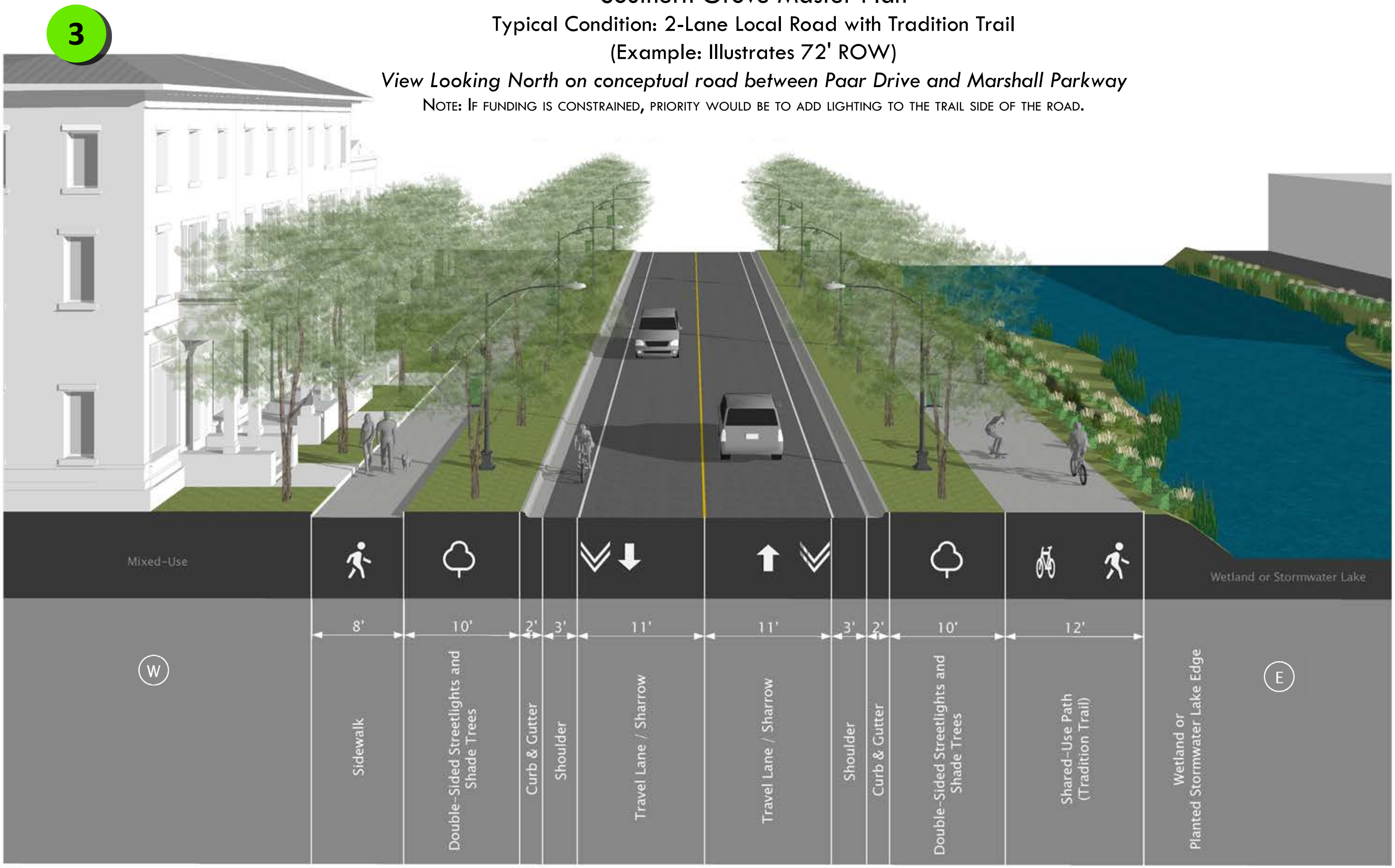
Southern Grove Master Plan

Typical Condition: 2-Lane Local Road with Tradition Trail

(Example: Illustrates 72' ROW)

View Looking North on conceptual road between Paar Drive and Marshall Parkway

NOTE: IF FUNDING IS CONSTRAINED, PRIORITY WOULD BE TO ADD LIGHTING TO THE TRAIL SIDE OF THE ROAD.



INFRASTRUCTURE PLAN

The tiering of roads in the recommended Southern Grove transportation network is designed to balance the needs of different transportation users and utilize roadway frontages as front door or "main street" marketing opportunities for the GFC property. Primary and secondary roadways are considered “A” streets, intended to have minimal driveway interruptions to reduce points of conflict for vehicular and nonmotorized users (e.g., on bike and foot). By shifting building faces towards these roadway frontages and shifting parking areas and driveways away from them, these roads can serve as main streets, with the highest degree of architectural and design expectations along these corridors. Given the width of primary and secondary roads, minimum two-story building heights are recommended with shallow setbacks achieved through “build-to” lines, which will help enclose these corridors visually. This, provide natural traffic calming and enhance the pedestrian experience, producing a safer and better balanced transportation experience.

Counterbalancing the A streets, the local roads are intended to serve as “B” streets, providing side and rear-street access to properties fronting A streets. In the roadway network, parking areas, utilities, and rear-building frontages would be anticipated along B streets. While A streets prioritize form over function, B streets are more functional in appearance and performance, providing relief and dispersion within the transportation network. Through traffic occurs on A streets while local access occurs through B streets.

Given the warehouse/distribution uses anticipated in the Workplace District, there is extensive freight truck traffic anticipated on the Southern Grove transportation network. The Master Plan suggests these uses will be concentrated on the eastern portion of the GFC property, mostly east of Hegener Drive. To facilitate I-95 access, truck routing is anticipated to flow through the Workplace District on Hegener Drive, Marshall Parkway, and Paar Drive, accessing Village Parkway and Becker Road at signalized intersections in these locations. Roadway geometries, traffic calming, and signage are recommended to discourage truck traffic on the local roads, which will improve the efficiency and safety of the entire road network.

Figure 29 St.Lucie County Bus System Map. For more information please use the link http://stlucietpo.org/regionalbusmap/Map.pdf

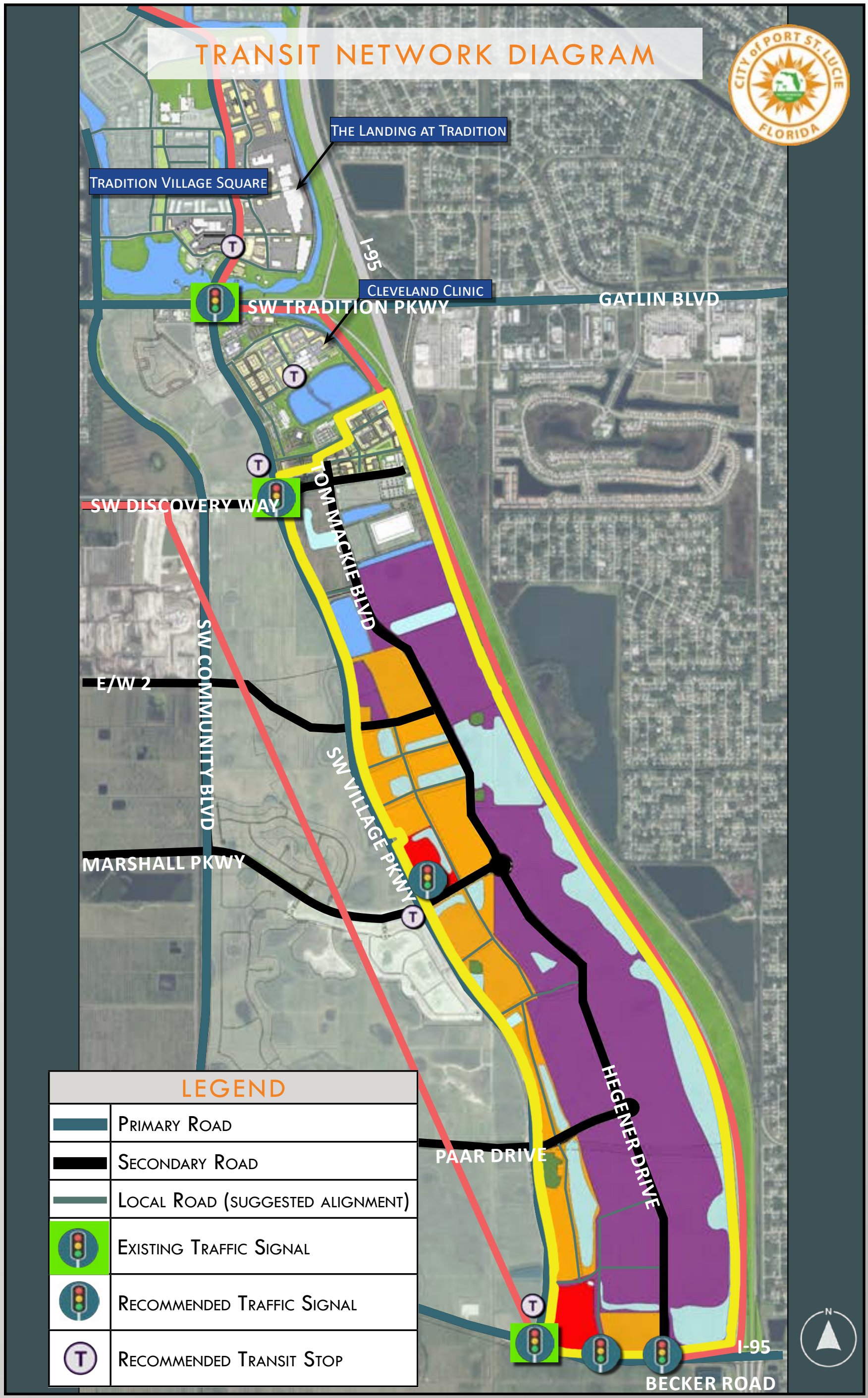
INFRASTRUCTURE PLAN

2. **TRANSIT NETWORK:** Transit service is a foundational component of a multimodal transportation network. St. Lucie County's Transit Division provides eight fixed routes, with a stop at the Tradition Parkway/Village Parkway intersection, and a pilot ride-hailing microtransit service. As residential and employment populations grow in Southern Grove, expanded transit service will become a more efficient component of the County's system. Four additional transit stops are anticipated in the Southern Grove Master Plan, including Cleveland Clinic along with Discovery Way/Village Parkway, Marshall Parkway/Village Parkway, and Becker Road/Village Parkway, and future County park-and-ride lots may be appropriate at the southern end of the Workplace District.

3. **TRADITION TRAIL NETWORK**: A signature transportation feature of the Southern Grove DRI and the adjacent Tradition and Western Grove DRIs is Tradition Trail, which is a high-quality shared-use path system designed to accommodate bicyclists, pedestrians, personal mobility modes (e.g., scooters, skateboards), golf carts where appropriate, and potentially a microtransit service that could be provided by a small autonomous shuttle. Tradition Trail provides a mostly grade-separated network available for a variety of trip purposes – accessing work, school, residential, and retail/entertainment destinations, parks and community facilities, and for recreational purposes generally.

Figure 30 *Mattamy Homes and Beep, Autonomous Mobility Solutions autonomous electric shuttle service in the Tradition community. Credit: TCPalm*

Figure 31 *Well-planned, multimodal networks that accommodate all members of the traveling public help create competitive destinations for investment and job growth. Credit: St. Lucie County*



INFRASTRUCTURE PLAN

As the master developer for the balance of property within the Southern Grove DRI, Mattamy Homes has delineated an alignment for the Tradition Trail facility through its properties west of Village Parkway, across Discovery Way, connecting to Cleveland Clinic, and north through the Bio/Health District across Tradition Parkway into the Town Center District. The Southern Grove Master Plan builds upon the core Tradition Trail network and extends it through the Workplace District, east of Village Parkway, and north to connect to the Bio/Health District and beyond. The trail alignment is located adjacent to the local/tertiary roadway network, along edges of some of the master stormwater lakes identified in the Master Plan. The recommended Tradition Trail alignment is depicted on the Tradition Trail Map provided in this section. It should be noted that Tradition Trail is intended to connect multiple DRIs in the Western Annexation Area, including Southern Grove as well as Tradition and Western Grove.

One of the most significant challenges in trail network designs is safe trail crossings of the roadway network. As illustrated in the Tradition Trail Map, there are several trail crossings at signalized intersections throughout the roadway network. The most challenging of these is the crossing at Tradition Parkway due to its wide 6-lane configuration, with high traffic volume warranting additional turn lanes at its intersection with Village Parkway. The ability to connect bicyclists and pedestrians from the GFC property to the Town Center is especially important to help support the mixed-use

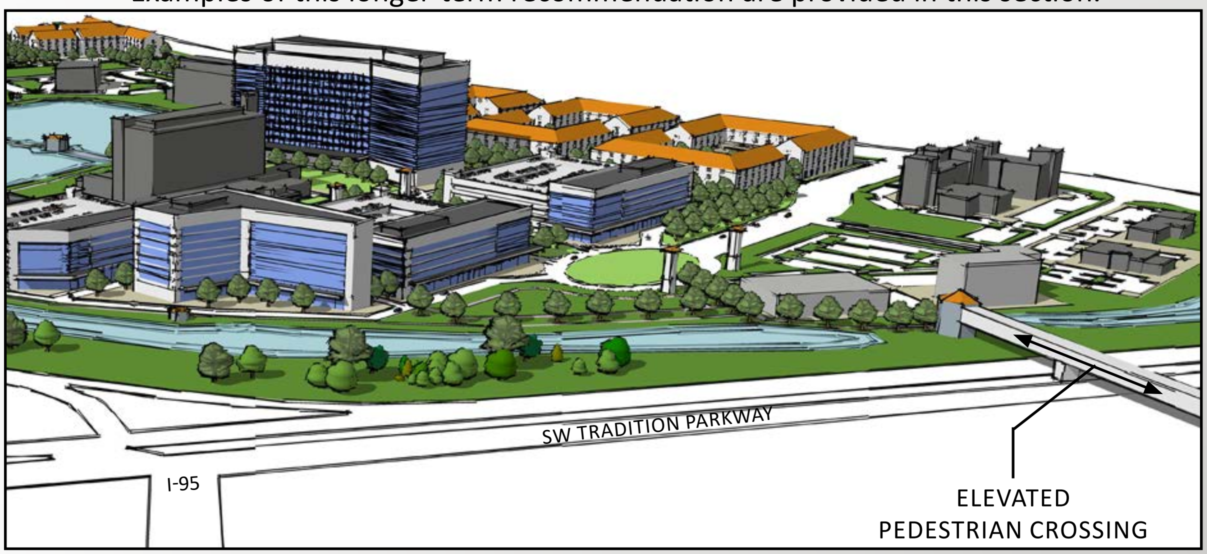
Figure 32 Tradition Trail is a popular amenity for recreation and access throughout the various developments west of I-95. Credit: TCRPC

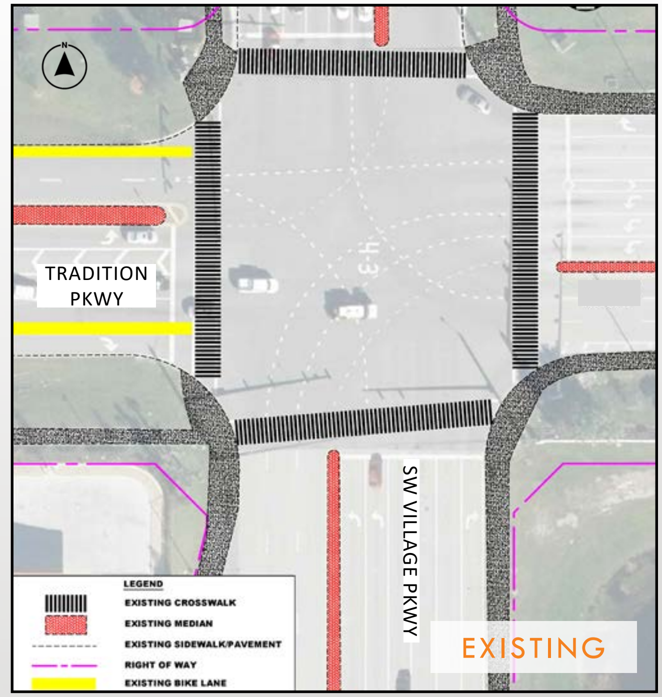
INFRASTRUCTURE PLAN

performance of the Master Plan. Concentrating the retail/entertainment uses in the Town Center District is designed to help expand the district's market share and revenue potential. Safe and convenient walk/bike access to the Town Center District for Southern Grove residents and employees will improve sustainability and marketability of the uses to the south.

Two key improvements are identified to enhance the walk/bike access across Tradition Parkway:

- A "Dutch Intersection" is proposed as a near-term improvement at the Tradition Parkway/Village Parkway intersection. This would shorten crossing distances by introducing pedestrian refuges in the medians and protect shared-use paths by relocating them behind curbed bulb-outs (see Figure 33).
- An elevated pedestrian crossing is also envisioned mid-block between the Tradition Parkway/Village Parkway intersection and I-95. This crossing would align with the eastern extension of Tradition Trail, due north of Cleveland Clinic, with a trail segment at the southern end of The Landing at Tradition. Elevated pedestrian bridges at similar locations present opportunities for gateway art and branding. Examples of this longer-term recommendation are provided in this section.





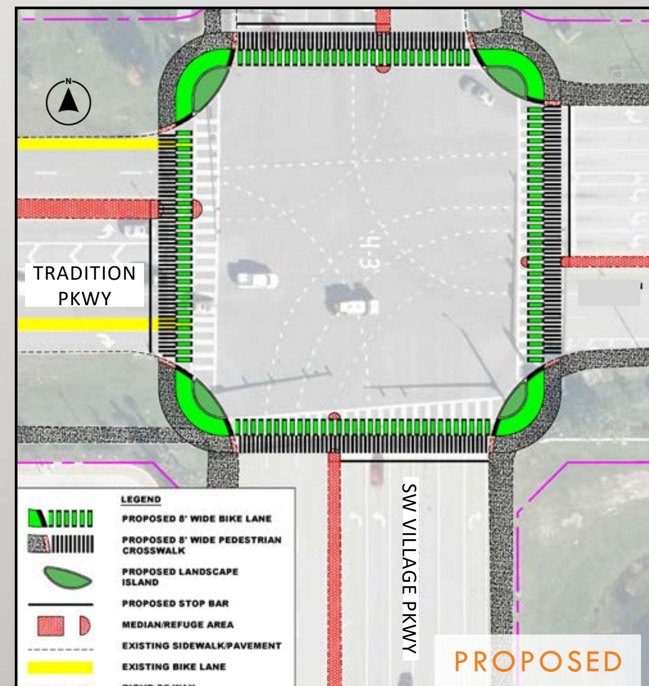


Figure 33 *As rendered above, an elevated crossing over SW Tradition Parkway would allow for safe pedestrian crossing between the north end of Cleveland Clinic and The Landing at Tradition.*

Figure 34 *As illustrated to the right, a "Dutch Intersection" at the intersection of Tradition Parkway and Village Parkway would improve safety by shortening crossing distances for bicyclists and pedestrians and introducing pedestrian refuges in medians.*

INFRASTRUCTURE PLAN

Figure 35 Images of the quarter-mile pedestrian bridge located on Colonial Drive in Orlando, FL which is designed to help pedestrians cross SR 50 safely and connect them to the Orlando Urban Trail and Gertrude's Walk, SunRail and LYNX Central Station. Credit: City of Orlando

Figure 36 *The image above showcases the City's historic importance with overhead signage in Melbourne, FL.*

Figure 37 *Nighttime photo of Gainesville's Helyx Brdige, a pedestrian/ bicycle overpass near UF's Shands Medical Center, which is also called the DNA Bridge. Credit: Gainesville Times*

Figure 38 *Welcome sign for Daytona Beach. Credit: Alamy Stock Photos*

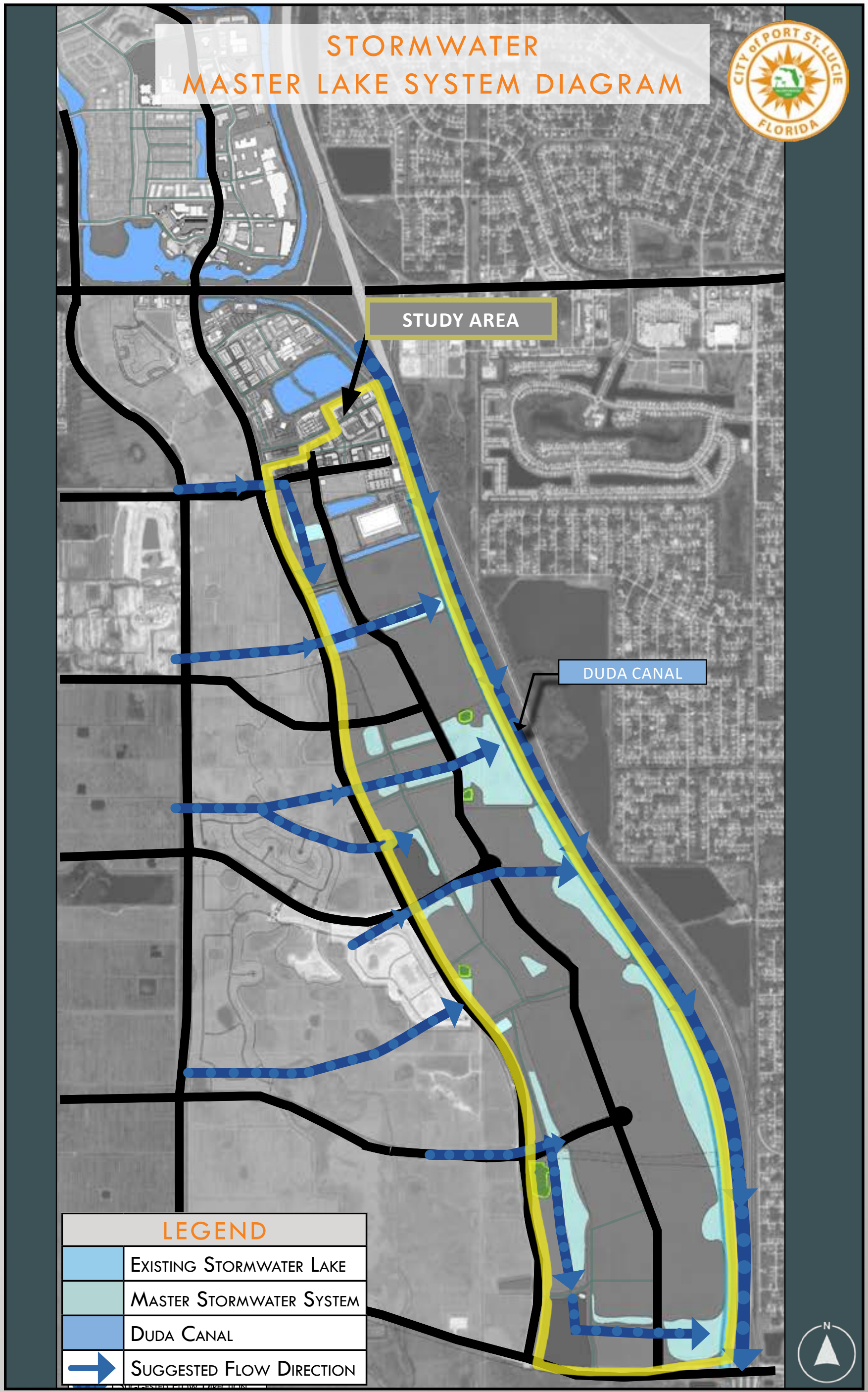
INFRASTRUCTURE PLAN

WATER AND WASTEWATER SYSTEM

Consistent with the Southern Grove DRI, the water and wastewater service for the Southern Grove Master Plan includes utilities on the secondary roads, namely Hegener Drive, Marshall Parkway, and Paar Drive. Water service includes the addition of 12” water mains and fire hydrants according to development demand with interconnections to existing water mains on Village Parkway and Becker Road and a 24" water main connection at Paar Drive from Village Parkway to Rosser Boulevard crossing under I-95. Gravity sewers, lift stations, and 8” force mains have planned connections to existing Village Parkway force mains according to development demand, which are recommended for construction concurrently with extensions to the potable water system and secondary roadway facilities.

STORMWATER SYSTEM

Stormwater management for the Southern Grove Master Plan has been arranged to produce the highest quality stormwater treatment in the most efficient manner for the GFC property. Given the topography of the Western Annexation Area, stormwater tends to drain from west to east, collecting in the Duda Canal which lies just west of I-95. From the Duda Canal, stormwater drains south to the C-23 Canal, which ultimately empties into the North Fork of the St. Lucie River. Up to now, stormwater lakes have been developed incrementally, wherein each development has addressed its stormwater requirements on a site-by-site basis. This is inefficient and has led to upstream flooding during some storm events, where stormwater lakes store too much water. Conversely, in times of drought, upstream stormwater lake levels have been too low, leaving dried lake banks which are unattractive elements in the Southern Grove area. An additional stormwater complication is the requirement for the GFC property to convey stormwater from properties west of Village Parkway. Finally, soils studies for Southern Grove indicate the best quality soils tend to be located immediately west of the Duda Canal, along the eastern perimeter of the GFC property. There are well-documented challenges with the lack of suitable fill for properties in Southern Grove and Tradition DRIs. To mitigate these challenges and maximize efficiency, stormwater lakes have been proposed to be excavated in the locations with the best soil for fill. A general stormwater lake diagram is provided on this page.



INFRASTRUCTURE PLAN

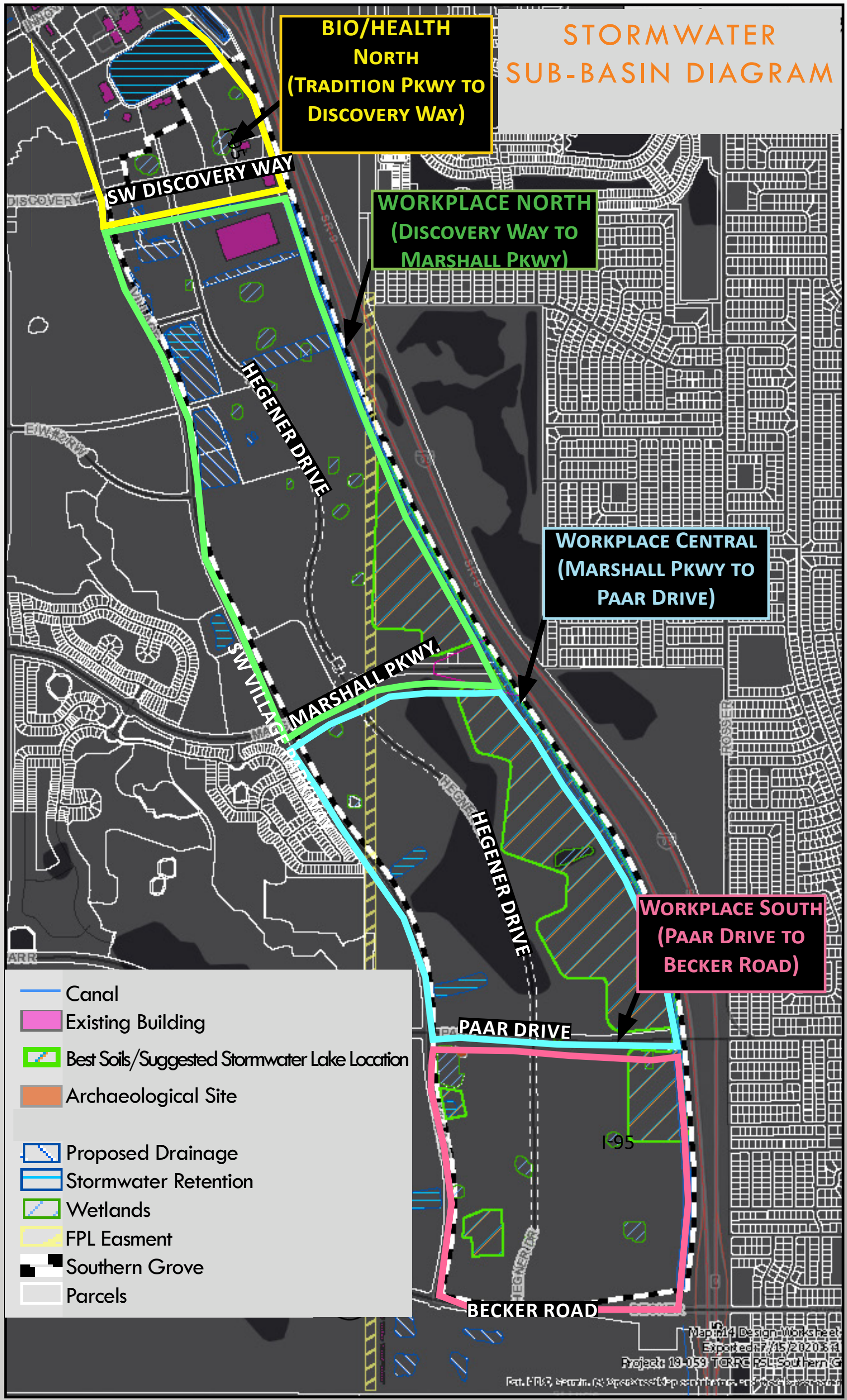
To optimize stormwater management in the Southern Grove DRI, and to maximize the utility, appearance, and function of stormwater lakes, a master interconnected stormwater lake system is recommended as part of the Master Plan. The plan recommends an interconnected lake system which yields greater efficiency than a series of scattered smaller lakes. The lake system has been sized to accommodate the off-site drainage requirements for all GFC property, which would require approximately 174 acres or 15% of the total developable area and roadways. While individual development would still require pre-treatment on-site, which would typically require about 5% of developable area, the utilization of a master stormwater system would raise the net value of GFC property by enabling higher intensity development. As indicated in the Master Plan, the recommended locations for stormwater lakes are designed to accomplish several design objectives:

1. Utilization of best quality soils to reduce costs for fill as needed for development
2. Lake locations between I-95 and building frontages to broaden visual range of buildings and distribute I-95 visibility to more GFC parcels
3. Development of larger lakes along I-95 that can accommodate fountains for aeration and gateway branding for Southern Grove
4. Utilize linear lakes as transition buffers between industrial and mixed-use areas and for the Tradition Trail alignment

To optimize management of the stormwater lake system, a series of four sub-basins is recommended, each of which would contain a drainage control structure in the Duda Canal. A conceptual sub-basin diagram is provided on this page.

As envisioned, lake levels within each sub-basin would be controlled by the structure. As needed, pre-storm drawdowns could allow lake levels to be lowered prior to storm events to prevent upstream flooding. Alternatively, in times of drought, the master stormwater system would allow stormwater to be held back to maintain higher lake levels, healthier littoral zone plantings, and more attractive lake aesthistic.

Cost estimates for the recommended infrastructure improvements identified in the Master Plan are included in Appendix H.



FINAL DRAFT

NATURAL SYSTEMS

The Southern Grove Master Plan creates an opportunity for the City to interconnect natural and man-made habitat for an improved environmental condition. After decades of active agricultural use, there is little remaining habitat in the Southern Grove property. Environmental permitting through the South Florida Water Management District and U.S. Army Corps of Engineers includes wetland delineation for four wetlands: three small wetlands adjacent to the FP&L easement and a fourth larger wetland at the southeastern corner of Village Parkway and Paar Drive. Additionally, prior environmental permitting requires natural plantings along the western edge of the Duda Canal to create a littoral zone that will function as natural habitat once established.

In addition to these on-going environmental activities, the Master Plan recommends a series of stormwater lakes, with larger lakes located along the eastern edge adjacent to the Duda Canal and smaller lakes dispersed throughout the GFC property to provide stormwater conveyance as required. The GFC ownership of the Southern Grove property offers an opportunity for the City to establish a lake design standard that balances efficiency, aesthetics, and habitat quality. While the Master Plan estimates lake locations and sizes, the design details of stormwater lakes will be accomplished through site design. The Master Plan recommends stormwater lakes be designed with natural, curvilinear edges and native plantings to establish functional littoral zones that introduce natural habitat back into Southern Grove. Stormwater lakes can become development amenities, and if planted appropriately, can provide linear habitat and a complementary edge for Tradition Trail through Southern Grove. As illustrated in the diagram to the right, the combination of existing wetlands, Duda Canal, and stormwater lake edges can retrofit an improved natural system into Southern Grove that will enhance stormwater quality and provide an amenity for adjacent property.

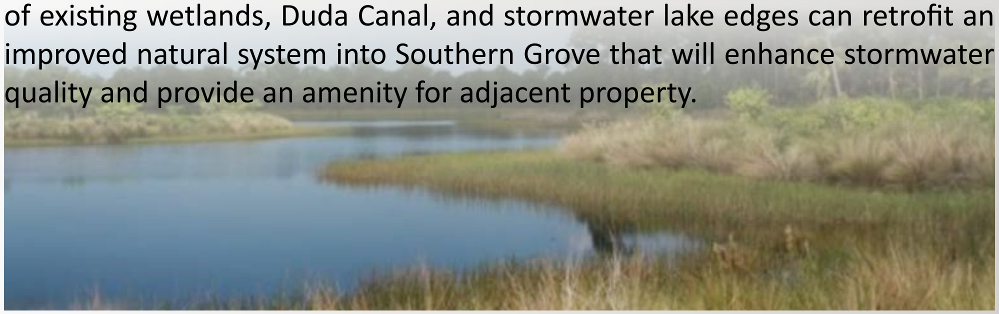
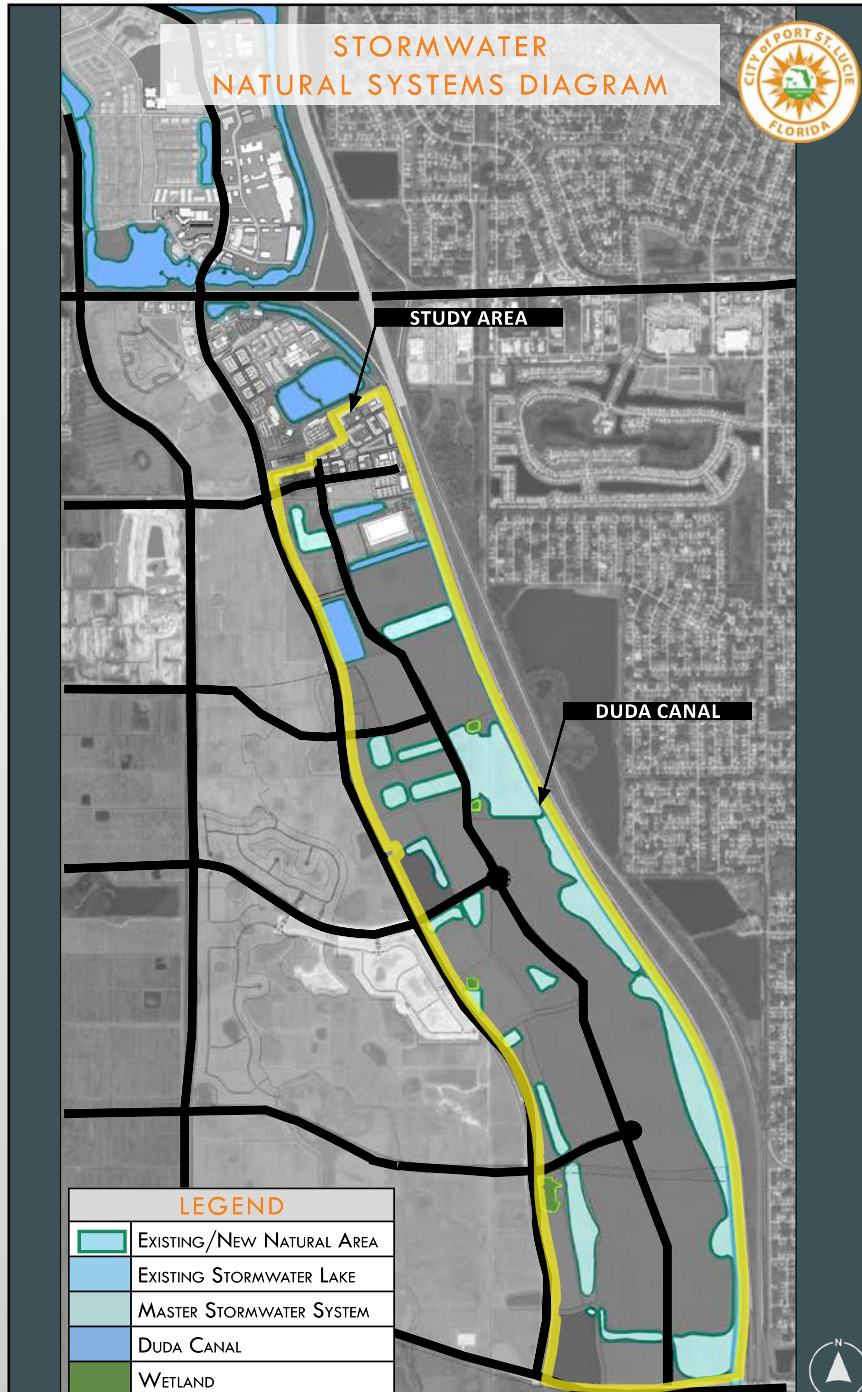


Figure 39 With native plantings and curvilinear edges, stormwater lakes can provide habitat quality and aesthetic amenity.



ILLUSTRATIVE DEVELOPMENT SCENARIOS AND CONCEPTS

The Southern Grove property is a highly visible opportunity for the City, with nearly four miles of frontage along I-95. The Tradition DRI has been noted for its high design standards, introducing an urban, mixed use form into its Village Center and neighborhoods that hallmark the community. Projects built within the Southern Grove DRI are varied, with a more suburban arrangement of buildings and features. To capitalize on the value embedded in the GFC property, an increasingly urban, walkable land development pattern is recommended to produce a more efficient land use pattern. The aggregation of stormwater treatment off-site in larger stormwater lakes enables higher intensity land development on private parcels. Building upon this efficiency, the master plan recommends a more structured arrangement of streets, blocks, and building frontages that will allow increased land development intensity. While large-format industrial users are anticipated to develop with lower-density campus formats, it is recommended the balance of development in Southern Grove conform to traditional design principles. This will maximize interconnectivity, walkability, and efficiency of development, increasing development yields and maintaining the value of the GFC holdings through build-out. A compendium of recommended traditional design principles is provided in Appendix J.

***Figure 40** Tradition Village Square currently serves as a town center destination for the larger western annexation area, hosting popular special events such as food truck rallies and arts/craft shows. Photo Credit: Top-Visit St. Lucie, Bottom - Tradition community organization.*

TOWN CENTER DISTRICT

Although properties within the Town Center District are outside GFC ownership, there is a symbiotic relationship between a successful, vibrant Town Center and the sustainability and marketability of the GFC-controlled districts to the south. The current land development pattern in the Town Center District is mixed, with an urban arrangement of blocks and buildings in Tradition Village Square but a conventional suburban "big box" arrangement in The Landing at Tradition. To enable properties throughout this district to function synergistically, an infill pattern is recommended that extends an urban block structure from Tradition Village Square to The Landing and north towards the "B" Canal.

ILLUSTRATIVE DEVELOPMENT SCENARIOS AND CONCEPTS

Public input received through the master plan process emphasized the public's desire for expanded town center uses in the western portion of the City, including lifestyle center uses such as shopping, dining, and entertainment as well as active recreational uses (e.g., golf driving range, mini-golf, go-karts, water parks and water-related activities, archery, paintball). Both Tradition Village Square and The Landing at Tradition contain extensive infill opportunities to absorb these uses. In addition to vacant properties immediately east of Village Parkway, The Landing at Tradition includes expansive surface parking lots that could be reshaped with infill buildings, retrofitting a walkable block structure into this suburban condition. Additionally, there are several vacant parcels along the Tradition Lake edge that could become attractive opportunities for food and beverage establishments. At the western edge of the Village Square is a peninsula that could accommodate a small amphitheater, and the annual special event activities that are otherwise programmed in the district.

To help illustrate the potential infill pattern in the Town Center District, a series of development perspectives have been provided in this section that illustrate the street and block pattern that can be accomplished with carefully placed building frontages.

Figure 41 *The Landing at Tradition, pictured above, contains substantial infill opportunities that can help improve its connection with Tradition Village Square and enable a more robust Town Center*

ILLUSTRATIVE DEVELOPMENT SCENARIOS AND CONCEPTS

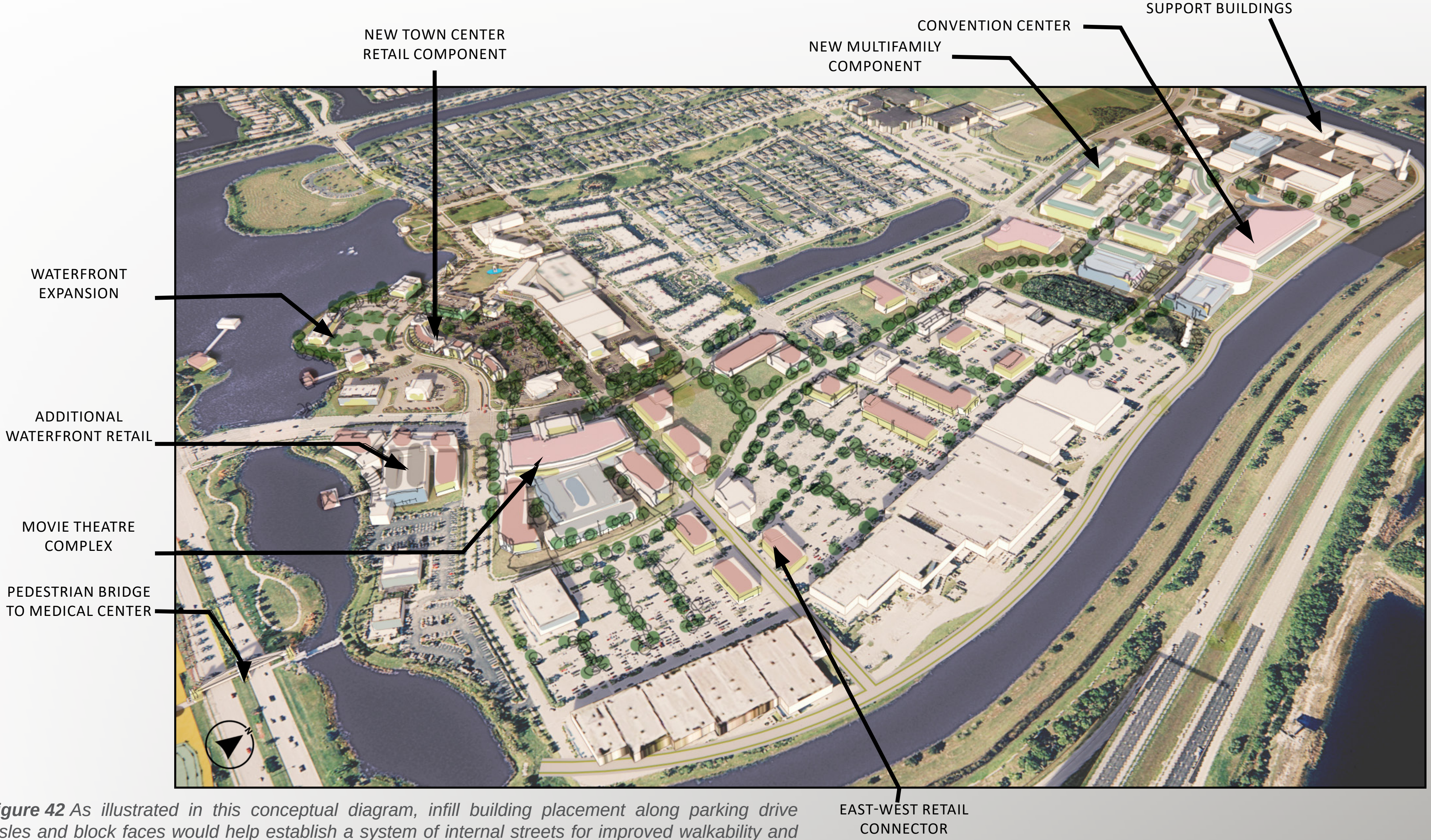


Figure 42 *As illustrated in this conceptual diagram, infill building placement along parking drive aisles and block faces would help establish a system of internal streets for improved walkability and connectivity in the Town Center District.*

ILLUSTRATIVE DEVELOPMENT SCENARIOS AND CONCEPTS

Figure 43 *As illustrated above, buildings following an urban placement built along street faces help define streets and create a sense of enclosure, which adds to pedestrian safety and comfort.*

Figure 45 *The City's growing, diverse population and distance from major metro markets underscores the opportunity for a cluster of active recreational uses along the I-95 corridor.*

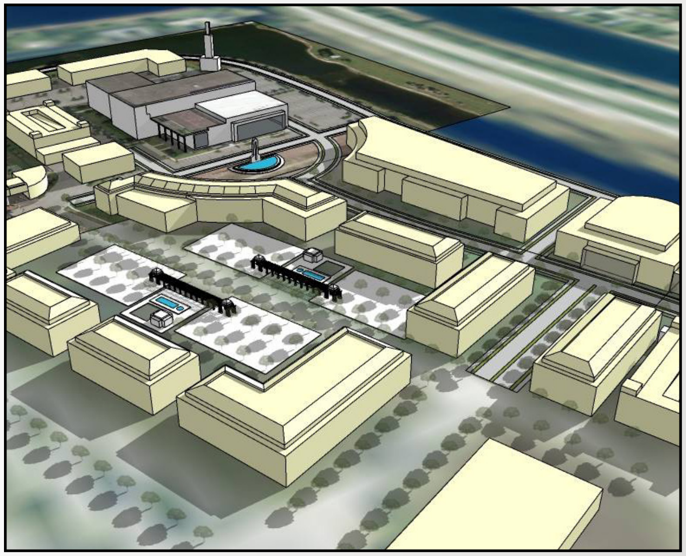


Figure 44 *Framing parking lot drive aisles with infill buildings can improve the block structure in Tradition Village Square, The Landing, and throughout Southern Grove.*

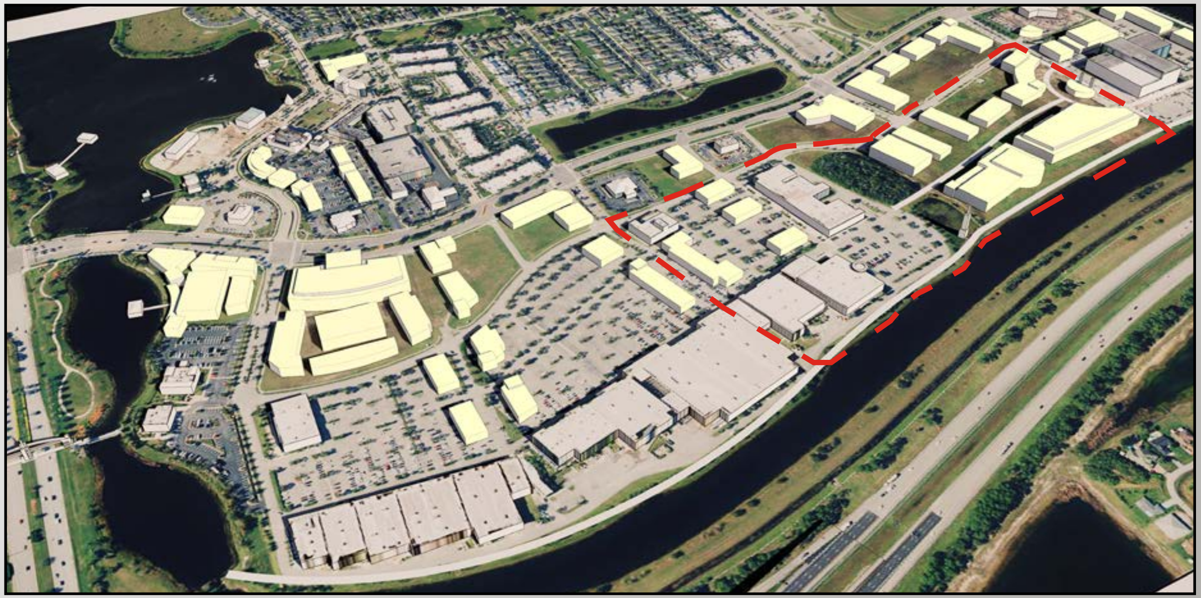


Figure 46 *To accommodate a cluster of active recreational uses such as golf driving ranges, water parks, or go-kart facilities, the Master Plan recommends a roughly 35-acre portion of the Town Center District be further evaluated. The red-outlined location in the image above would capitalize on I-95 visibility and access and allow existing empty retail to be reprogrammed adjacent to potential new development.*

FINAL DRAFT

ILLUSTRATIVE DEVELOPMENT SCENARIOS AND CONCEPTS

BIO/HEALTH DISTRICT

Cleveland Clinic's prominent presence at the Tradition Parkway intersection with I-95 sets the theme for the Bio/Health District envisioned north of Discovery Way. The Clinic is a growing regional asset, with potential for catalytic expansion on the GFC property. With other bio-technology users positioned to acquire the former VGTI facility just south of the hospital, including potentially Florida International University as well as other biotechnology developers, the Bio/Health District offers "bench to bedside" testing of locally produced medical innovations in a hospital within walking distance. Both the Bio/Health and Workplace Districts also allow for the manufacturing and distribution of locally produced and tested medical innovations. There is substantial capacity for bio/health uses to infill within this valuable district; however, current development trends have tended towards spread out suburban format office. A review of comparable districts centered around hospital facilities demonstrated their intensity of development over time, which is challenging to achieve as suburban office.

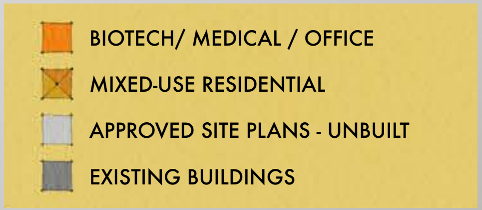


Figure 47 *The infill development program represented by the diagrams on this page illustrate how the Bio/Health District could absorb an additional 3-4 million square feet of occupiable space over time.*

To illustrate the potential infill capacity of the Bio/Health District, diagrams on this page were developed to indicate how a carefully phased development program can maximize development and GFC yields. The location of Cleveland Clinic and existing buildings is in gray. New potential infill buildings are identified in orange. By requiring new buildings to be aligned along street frontages and locating parking towards the side and rear of parcels, parking lots can be aligned and shared. Drive aisles can function as interior roads, reducing traffic demand and minimizing driveway interruptions on primary and secondary streets. Over time, with additional infill and new building demands, rectangular surface parking lots can transition to parking structures without interrupting building functions.

ILLUSTRATIVE DEVELOPMENT SCENARIOS AND CONCEPTS

Figure 48 *To capitalize on the I-95 views of the Bio/Health District, a staggered series of building heights are recommended with 4-6 story buildings at the eastern edge, rising to 8-10+ stories at Cleveland Clinic. This will maximize building visibility, distributing the value of I-95 frontage across the district, thereby raising property values and returns to the City.*

ILLUSTRATIVE DEVELOPMENT SCENARIOS AND CONCEPTS

WORKPLACE DISTRICT

The City's primary objective with the Southern Grove property is job creation. Recent developments like City Electric/Tamco and pending transactions under negotiation with varied developers (e.g., Sansone, Project Bullet, Accel, Cantor) indicate the strong market demand for large format warehouse/ distribution uses as well as manufacturing. A variety of industrial building footprints ranging from 100,000 to 1 million square feet were tested, indicating the eastern portion of the Workplace District can accommodate 4-6 million square feet east of Hegener Boulevard, with additional industrial building capacity on those parcels fronting Hegener to the west. Freight distribution from these uses can be channeled along Hegener Drive, Marshall Parkway, and Paar Drive, which will protect interior roads and the bicycle/pedestrian activity envisioned along these smaller corridors. Employment center uses should be set back from I-95, with stormwater lakes providing visual buffers and broadening views of uses in the eastern edge of this district.

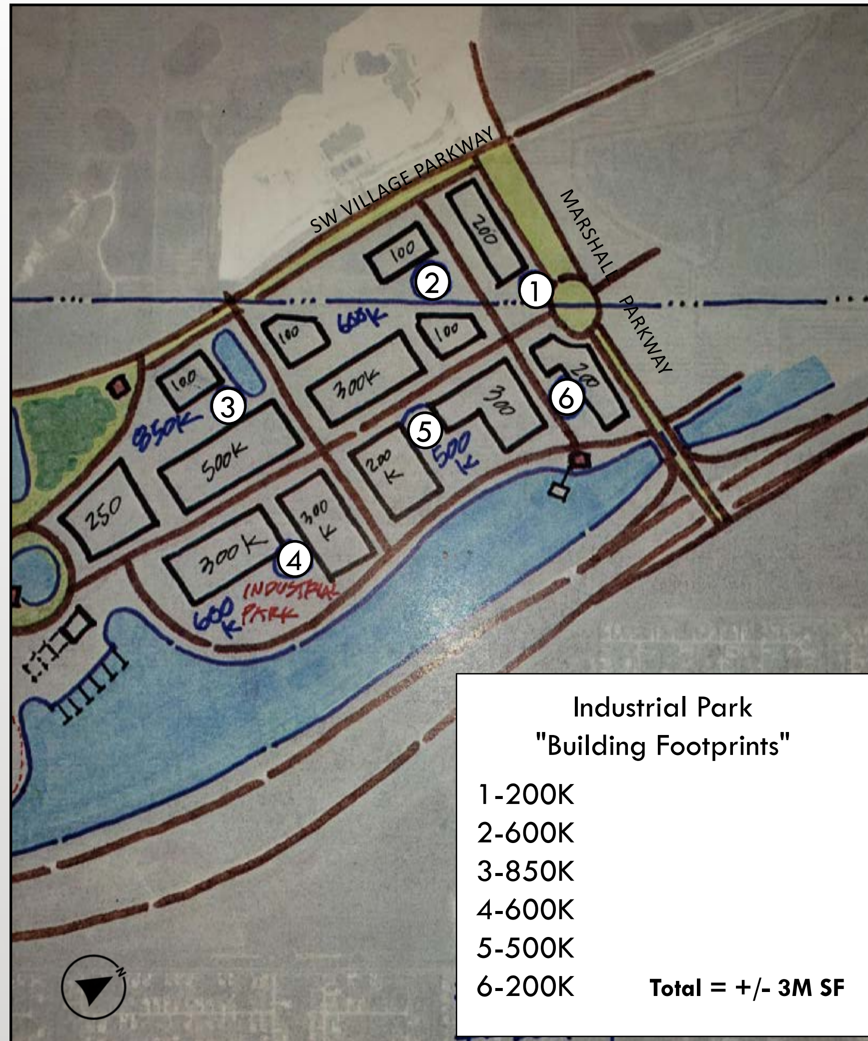


Figure 49 *Image above of various large-format industrial building footprints were tested in the Workplace District, indicating the ability to accommodate 4-6 million square feet in the eastern portion of City's property.*

Figure 50 *Image to the left of early view of workplace district concept looking north from Becker Road. While the active recreational uses in the foreground were shifted to the Town Center District, the image illustrates a potential industrial infill pattern that represents millions of square feet.*

FINAL DRAFT

ILLUSTRATIVE DEVELOPMENT SCENARIOS AND CONCEPTS

Two key locations are identified in the Workplace District for higher intensity lifestyle/commercial use, including a near-term opportunity at Village Parkway/Becker Road and potentially a longer-term opportunity at the Village Parkway/Marshall Parkway intersection. Each of these locations would serve multiple functions, including neighborhood gathering, transit stop, and branding feature location. Sufficient depth is recommended in both locations to allow a grocery-anchored retail center along with in-line shops and multi-family townhouses or apartments. Each is arranged along a recommended interior roadway to provide rear-alley parking access and protect roadway frontage aesthetics.

The balance of the Becker Road and Village Parkway frontages are recommended for mixed-use, wherein moderate to higher density residential is recommended. The southern and western edges of this district are prime for apartments and townhouses, which would provide housing proximate to jobs at a density and intensity appropriate for parkway frontage. Mixed-use development along these corridors would be buffered from interior industrial uses by local roadways, stormwater lakes, and the Tradition Trail. Conceptual diagrams of the recommended land use arrangement for this district are provided in this section.

Figure 52 *The recently proposed "Sansone" site plan, developed after the City's discussions of the Master Plan concepts illustrated to the above, provides an example of early implementation of the recommendations. The proposal includes large-foootprint industrial buildings, set back from I-95 along stormwater lakes, and preserves the Becker Road and Village Parkway frontages for mixed-use development.*

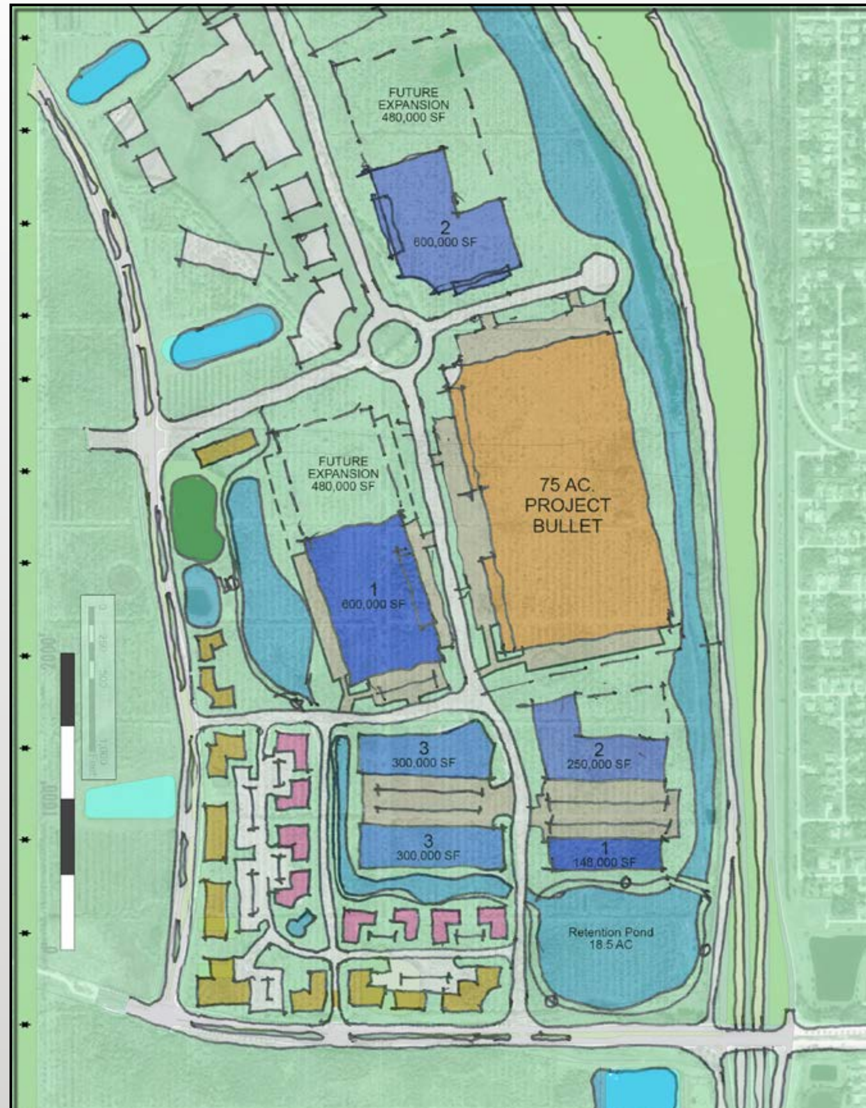


Figure 51 *By preserving the Becker Road and Village Parkway frontages for mixed-use development, the Workplace District can accommodate intense job production in the interior and transition to neighborhood-appropriate uses along the exterior roads that provide a front door to nearby residential neighborhoods.*

SIGNATURE BRANDING LOCATIONS

The City of Port St. Lucie has a series of signature branding features located throughout the City and within the Tradition DRI. Tradition has set a high design standard with stately lighted towers and artistic signage such as the Tradition Center for Innovation. For the Southern Grove Master Plan, five signature locations have been identified to provide branding and set the stage and expectation for design excellence. Each is discussed in this section and is identified on the Signature Branding Locations Map in this section.

I-95 LAKE FRONTAGES

The recommended stormwater lake system creates several signature branding locations along I-95 that are unique to the City and can be utilized to set Southern Grove apart from its competitors. Combined with the Duda Canal, there are three large stormwater lakes that are excellent candidates for aeration fountains with lighting: in the Bio/Health District just south of Cleveland Clinic, at the center of the Workplace District aligned with Marshall Parkway, and at the southern end of the Workplace District along Becker Road. Each of these locations has high visibility from I-95 and lake sizes large enough to benefit from aeration. For the lake nearest to Becker Road, a fountain can also integrate district signage to provide a “Welcome to Port St. Lucie” moment at the southern entry into Southern Grove and the western portion of the City.

ROADWAY FRONTAGES

The primary roadway frontages in Southern Grove also provide several signature branding locations. The Tradition DRI has established several gateway features along Tradition Parkway, and the Village Parkway/Discovery Way intersection is home to an artistically designed monument sign announcing the entrance to the Tradition Center for Innovation. Village Parkway offers two other premium locations for branding, at the intersections with Marshall Parkway and Becker Road. Both of these locations are adjacent to properties recommended for lifestyle/commercial land uses envisioned for higher intensity development as well as future County transit stops. Given GFC’s ownership in these locations, the Master Plan recommends these corners be preserved for Southern Grove signature branding with integrated sculptural elements, pedestrian plazas, and carefully designed signage, landscaping, and lighting.

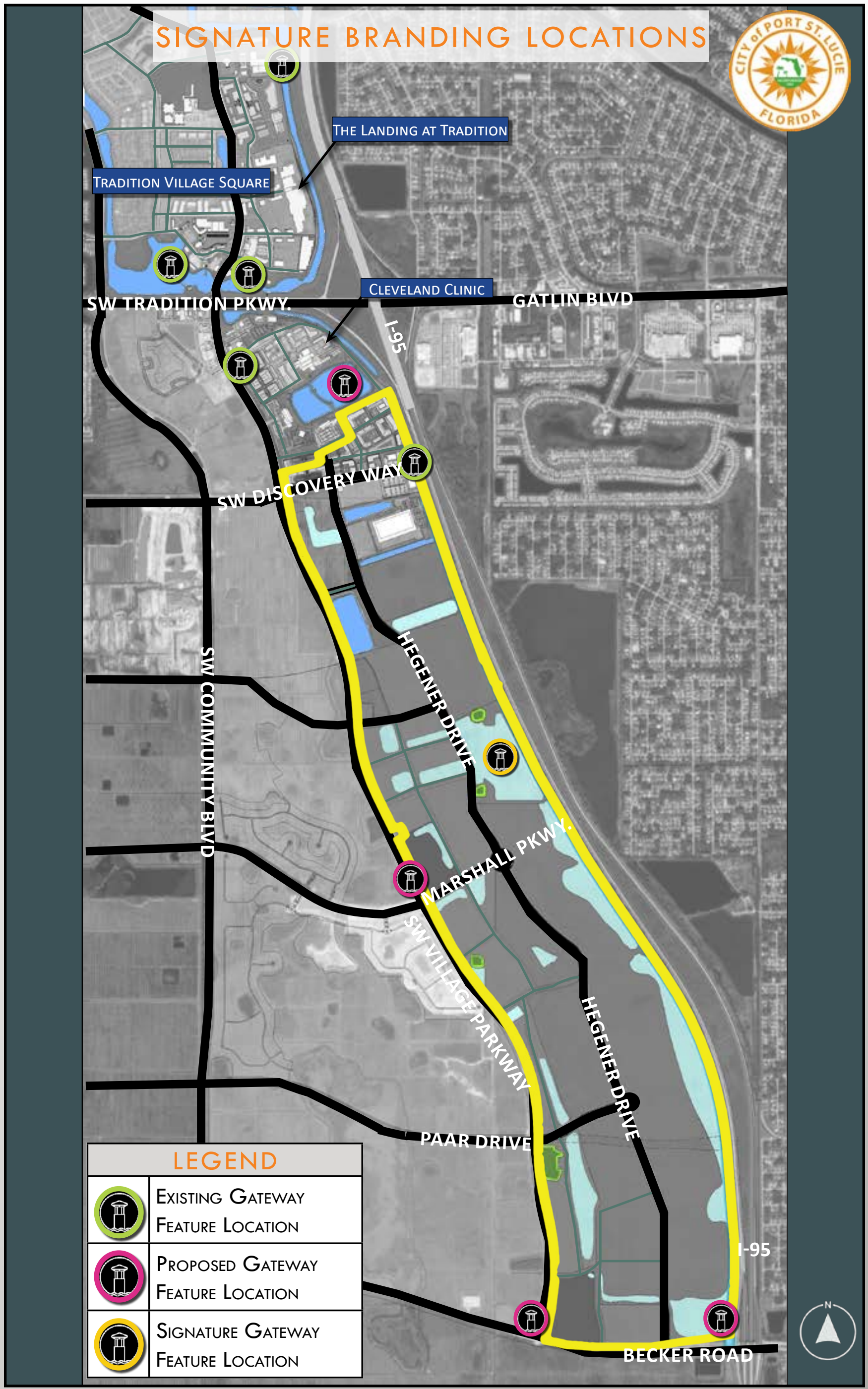
Figure 53 The Tradition DRI has employed a signature tower design to brand the community. Credit: TCPalm

SIGNATURE BRANDING LOCATIONS

Figure 54 *Monument signs integrating artistic sculptures such as the Tradition Center for Innovation sign are recommended in key locations along Village Parkway.*

Figure 55 *This "wrapped" utility box, located at the intersection of Crosstown Parkway and California Boulevard, exemplifies "The City Beautiful" effort in Port St. Lucie. Credit: City of Port St. Lucie*

Figure 56 *Artwork as part of the Crosstown Parkway Extension. Credit: City of Port St. Lucie*



SIGNATURE BRANDING LOCATIONS

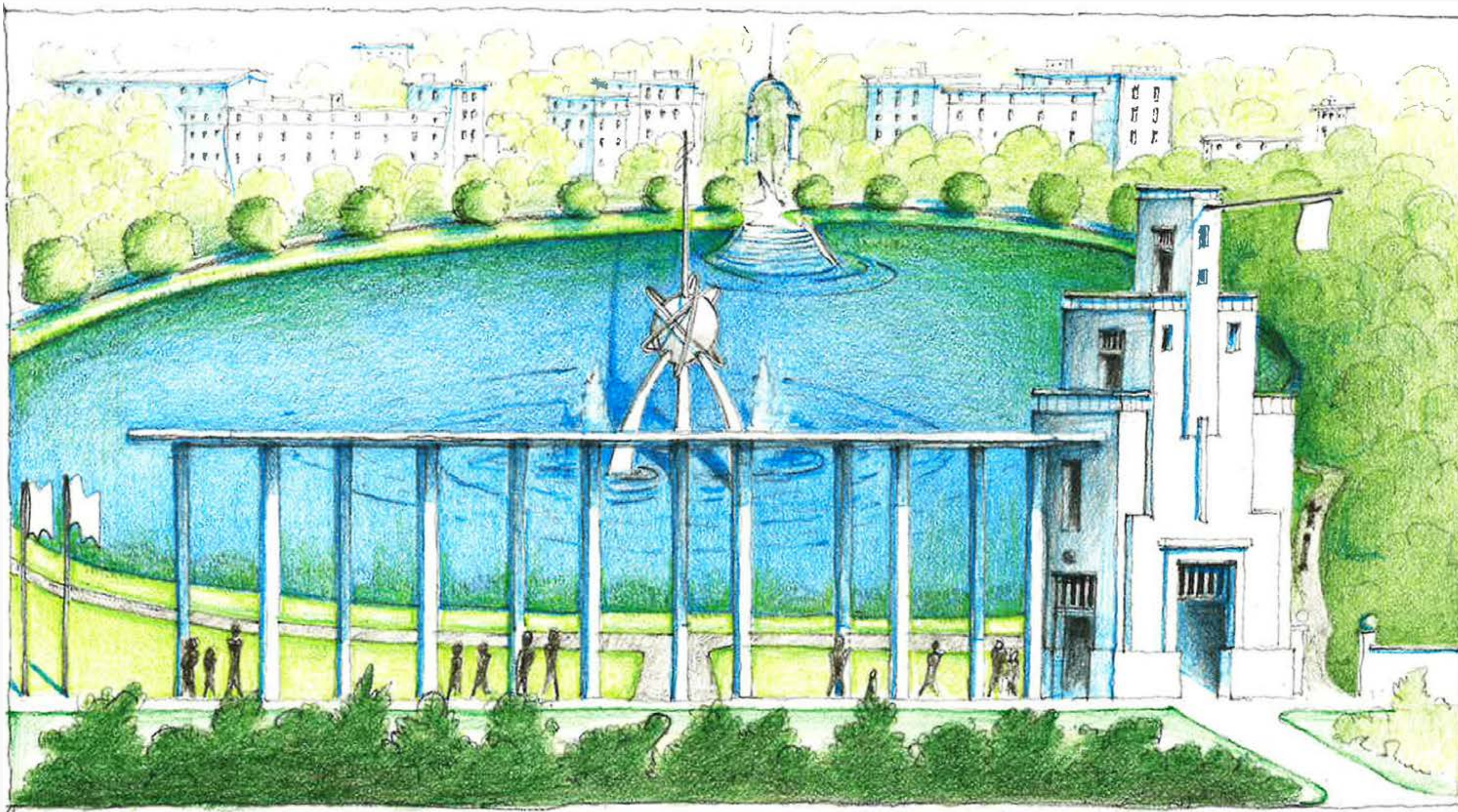


Figure 57 *Artist rendering conceptualizing a signature gateway feature location.*

SIGNATURE BRANDING LOCATIONS

Figure 58 *Artist rendering conceptualizing a gateway plaza at the corner of Becker Road and Village Parkway.*

SIGNATURE BRANDING LOCATIONS

Figure 59 *Artist rendering conceptualizing a gateway plaza at the corner of Becker Road and Village Parkway.*

INTRODUCTION

The development of an economically feasible master plan for the Southern Grove property relies on an understanding of the City's demographic and economic characteristics, the complex financial obligations associated with the property, and a detailed evaluation of the City's projected economic outcomes from land disposition as compared to its obligations over time. Additionally, given the importance of job creation as a priority for the Southern Grove property, an economic impact analysis of the recommended development program was conducted to determine potential job creation, wage generation, and the possible economic yields from development, including direct, indirect, and induced outcomes. While Chapter 2 provides an overview of demographic and economic characteristics, this chapter provides a high-level economic impact analysis of the recommended master plan as well as a "financial scorecard" to assist the City in evaluating future individual land transactions. It also includes a summary of various economic and land disposition strategies as utilized in other cities. Additional details regarding these components are provided in the Appendix (see Appendices D-G, which contain technical memoranda on the financial scorecard, economic impact analysis, case studies of comparable communities, and economic findings and recommendations).

As a component of a comprehensive economic review of the Southern Grove property, it is valuable to acknowledge the multi-dimensional complexity of city building. There is neither a one-size-fits-all method of economic analysis nor is there a singular, consistent method for the evolution of cities. Rather, each city evolves over time, with individual and unique challenges and opportunities. The City of Port St. Lucie continues to undergo its evolution, from its origins as a primarily residential, suburban bedroom community with 80,000 platted single-family lots to one of the fastest growing cities in Florida with a robust, diversifying economy and land use composition. The Southern Grove master plan represents an opportunity for the City to add to its diversification, with a mix of workplace, retail/commercial, and residential land uses envisioned to work symbiotically. While maintaining the job-centric workplace uses mostly along I-95, the Master Plan allows the City to create a distinguished sense of arrival for the workplace district with mixed-use edges along the primary roadways. Functioning as a buffer for the adjacent residential to the west and south, the mixed-use composition will also allow diversified residential to promote live/work proximity for employees of the jobs corridor. This will increase the value of workplace properties, reduce demand on the transportation network, and allow proximate workforce housing for a stronger, local employee base. It is the well-planned, interconnected mix of uses that will raise and maintain the value of the entire Southern Grove district, both for the GFC holdings as well as neighboring properties.

Further, with Southern Grove, the City acquired an asset that was "upside-down," as annual debt obligations continue to exceed the ad valorem and other revenues from the property. To jumpstart the Southern Grove economic development engine, the City has aggressively and successfully secured land development that has created visible construction, job creation, and highlighted Southern Grove as a desirable location for new business development. While the initial land transactions were critical to start that process, the momentum is now underway for the City's long-term success. Accordingly, the Master Plan provides an opportunity for the City to review its recent transactions, consider the costs and outcomes of each, and utilize that data to inform future actions. As the first wave projects have been completed, the City can become more discriminating with the next layers of investment, with a heightened focus on the types and quantities of jobs, net City revenues and debt reduction, and catalytic benefits of each individual project upon the total Southern Grove district.

ECONOMIC IMPACT ANALYSIS

An economic impact analysis was conducted on the entire Southern Grove development program as recommended in the Master Plan. Considering current and projected market conditions, the Master Plan recommends a modified entitlement program that is designed to better correspond to projected market demands and build upon the success of key anchors such as Cleveland Clinic and Tradition. If the Master Plan is constructed as described, the GFC property could contain more than 13 million square feet of total development. Potential development costs could total $1.762 billion (in current 2021 dollars) at build-out, as summarized in Figure 61 below. Because land values cannot be estimated, the economic impact analysis utilizes the construction figure to project future ad valorem assessed values at build-out.

Summary of Master Plan Recommended Entitlements

	TOTAL	TOTAL SF	EST. CONSTRUCTION COSTS (2021 DOLLARS)
Residential	1,800 units	2,357,061	$282,847,333
Workplace (includes office, commercial/retail, R&D, warehouse/distribution)	n/a	10,500,000	$1,315,000,000
Supporting Services (hotel)	500 rooms	231,500	$164,000,000
PROJECTED BUILDOUT	n/a	**13,088,561**	**$1,761,847,333**

SOURCE: City of Port St. Lucie; TCRPC; Jon Stover & Associates, Inc.; WTL+a, January 2021

Figure 60 *Table Summary of Mater Plan Recommended Entitlements*

Southern Grove's potential economic impacts were classified into two primary categories: temporary/one-time impacts that would occur during site construction and sales/lease-up before the project is fully occupied and ongoing annual impacts that would occur when the project is built out and achieves stabilized occupancy. Because revenues and expenses vary before and after a project has stabilized, the analysis considered these two time periods separately. In addition to direct job growth and revenues, the analysis also considered indirect and induced fiscal impacts, which relate to both direct spending and investment and the "multiplier" effect of how long spending flows through the economy.

The recommended Southern Grove development program would be expected to create a significant number of temporary (or one-time) construction jobs to produce the project's potential 13 million square feet. In total, the construction period could produce more than 15,600 direct construction "job years" (i.e., the amount of labor needed for one year's work) as well as roughly 9,500 additional direct, indirect, and induced jobs; nearly $1.5 billion in "value-added" business revenues; and an estimated $1.0 billion in total labor income. In addition, public infrastructure construction could add nearly 500 construction job years, $44 million in "value-added" business revenues, and $23 million in total labor income. These metrics are summarized in Figure 62 below.

Summary of Potential One-Time Impacts
Construction and Infrastructure (2021 $)

	Employment (# Jobs)	Labor Income	Value Added (Sales - Costs)	Output (Total Sales)
Construction				
Direct Effect	18,405	$ 756 M	$ 1.036 B	$ 1.775 B
Indirect Effect	3,388	$ 125 M	$ 222 M	$ 452 M
Induced Effect	3,340	$ 120 M	$ 240 M	$ 440 M
Infrastructure				
Direct Effect	296	$ 15 M	$ 29 M	$ 62 M
Indirect Effect	127	$ 5 M	$ 10 M	$ 21 M
Induced Effect	76	$ 3 M	$ 5 M	$ 10 M
TOTAL	**25,632**	**$1.024 B**	**$ 1.542 B**	**$ 2.760 B**

SOURCE: IMPLAN Group, LLC; Jon Stover & Associates, Inc.; WTL+a, January 2021

Figure 61 *Table Summary of Potential One-Time Impacts Construction and Infrastructure*

Considering Southern Grove's permanent impacts, the total project has the potential to create nearly 17,000 direct jobs, 8,600 indirect and 4,000 induced jobs, for a total of more than 29,600 jobs at stabilized operations. This could translate to more than $1.06 billion in annual labor income, $1.59 billion in annual value-added business revenues, and just over $3.7 billion in annual economic output. These figures are summarized in Figure 63 below.

Summary of Potential Recurring Economic Impacts
Ongoing Operations & Occupancy (2021 $)

	Employment (# Jobs)	Labor Income	Value Added (Sales - Costs)	Output (Total Sales)
Economic Impacts - Housing				
Direct Effect	n/a	n/a	n/a	n/a
Indirect Effect	n/a	n/a	n/a	n/a
Induced Effect	668	$23 M	$47 M	$ 86 M
Economic Impacts - Workplace & Supporting Services				
Direct Effect	16,937	$ 635 M	$ 798 M	$ 1.949 B
Indirect Effect	8,655	$ 283 M	$ 506 M	$ 1.227 B
Induced Effect	3,371	$ 122 M	$ 244 M	$ 447 B
Overall Economic Impacts at Buildout				
Direct Effect	16,937	$635 M	$ 798 M	$ 1.948 B
Indirect Effect	8,655	$282 M	$ 506 M	$ 1.227 B
Induced Effect	4,038	$ 145 M	$ 291 M	$ 533 B
TOTAL	**29,631**	**$1.063 B**	**$ 1.596 B**	**$ 3.708 B**

SOURCE: IMPLAN Group, LLC; Jon Stover & Associates, Inc.; WTL+a, January 2021

Figure 62 *Table Summary of Potential Recurring Economic Impacts Ongoing Operations & Occupancy*

For the City of Port St. Lucie, with a potential total gross improvement value of $1.76 billion at current (2021) millage rates, the GFC property has the potential to generate more than $10.39 million in annual property tax revenues at build-out of improvements. This figure would be increased significantly by the future ad valorem land values as properties are transferred from the City to the private sector.

PUBLIC INVESTMENT ANALYSIS AND "FINANCIAL SCORECARD"

To assist the City in its evaluation of prior and future land transactions, a public investment analysis was conducted to estimate the ad valorem and non-ad valorem tax revenues accruing to the City of Port St. Lucie over a 20-year forecast period. This analysis was focused on determining a "leverage ratio," or the private investment response in the form of tax revenues generated for every $1 of public investment in incentives. Three case study properties were selected by the City for analysis as they represent recently completed transactions, including Tamco/City Electric, Occulus Surgical, and AHS Residential. To assemble and array relevant data, a "financial scorecard" was created both as an analytical tool to review prior land transactions as well as a tactical tool to assist the City in future transactions. Although there are many ways to evaluate development projects, the scorecard focuses on the ratio of public incentives to ad valorem tax revenues to the City along with bond debt reduction for the SAD and CDD bonds relative to properties within Southern Grove.

The annual financial burden of carry costs required for infrastructure bonds at Southern Grove has created a significant recurring debt obligation for the City of Port St. Lucie. This obligation underscores the City's priorities for its Southern Grove holdings: generate new revenues from the sale of publicly held land for economic development, increase ad valorem property tax revenues, and create new and retain existing jobs to generate other longer-term revenues for the City. The City's developer/user recruitment efforts in 2019 and 2020 have been highly successful in generating property sales and attracting recent (and anticipated) private investment, tax revenues, and net new jobs. To reduce debt obligations and incentivize private investment in Southern Grove, a series of financial tools and incentives have been structured and utilized in selected property transactions between the City and private developers/users. The case study analyses include relevant details for each transaction organized as follows:

- **Ad Valorem Tax Abatements:** While ad valorem property taxes are assessed on the value of land and improvements, ad valorem tax abatements are utilized to defer the collection of property taxes for a specific period of time as a development incentive to reduce a developer's initial/up-front costs.
- **Special Assessment Districts (SAD):** Under Florida law, municipalities can establish Special Assessment Districts and levy fees to fund the costs of City-provided infrastructure that benefits properties within the boundaries of a specific assessment district. All of Southern Grove's 3,606 acres are within "Southwest Annexation Special Assessment District" (SAD), which has issued a series of Special Assessment Bonds over time. The GFC properties are assigned a portion of bond carrying costs, which totaled approximately $4.5 million in 2020; the last SAD bond payment is due in July 2045. SAD levy amounts vary according to land use category, and the SAD fee structure may be varied over time utilizing a "true-up mechanism" to recalibrate SAD rates and entitlements. To determine proportionality of SAD assessments, a base acreage of 1,129 is utilized which includes 1,091 of the GFC property for which SAD assessments are applied plus 38 acres included in the Tamco project.
- **Community Development Districts (CDD):** Florida Statutes also allow the creation of community development districts that can levy fees to recover public infrastructure costs that benefit only properties within a specified geographic district. For Southern Grove, six "Community Development Districts" (CDDs No. 1 through No. 6) were created that subdivide the 3,606 acres into six distinct geographic units (see map of CDD boundaries in Appendix D). CDD assessments are levied after building permits are issued; therefore, the GFC property is not currently subject to CDD bond assessments, but properties are assessed for a nominal operations/maintenance fee annually.
- ***Tax* Increment Financing (TIF) Credits:** Available under Florida Statutes, community redevelopment agencies (CRA) may utilize tax increment financing (TIF) to fund the completion of agency plans. TIF is generated when ad valorem taxable values increase above a base value established when the CRA TIF was created. The City included the Southern Grove property within its CRA in 2012 and has made TIF rebates to assist with the repayment of SAD fees assessed on GFC properties.

- **Job Creation Credits:** Florida's state jobs development program provides tax credits for new jobs created within urban and rural areas. Credits range from $500 to $2,000 per job and can be taken as credits against either the Florida Corporate Income Tax or the Florida Sales and Use Tax.

There are several key assumptions to note in the analysis:

(1) both City millage rates and ad valorem property values are held constant for the analysis at 2020 rates;

(2) property tax revenues are gross without deduction for the cost of municipal services;

(3) the timing of project delivery and completion is based upon developer documentation and City staff estimates; and

4) estimates of improvement values were provided by the City based on local, recently completed comparable projects.

Considered together, an overview of the three case study projects indicates both positive returns to the City over time, with leverage ratios that well exceed 1:1, meaning every public dollar invested in these projects is multiplied by private sector investment dollars. Repayment of the City's SAD debt obligation appears to be disproportionately positive versus the acreage consumed by the three projects, which means the City is progressing towards alleviating its public debt through land transactions. Additionally, the direct, indirect, and induced economic outcomes are substantial. While not calculated for the AHS Residential project, the economic impacts for the Tamco and Oculus projects are anticipated to generate hundreds of net new jobs and millions of dollars of economic input into City's economy. Summary tables of the economic impacts for the three projects are provided below, and details as to the individual analysis for each case study project follow.

Summary of Estimated Repayment of Southwest SAD #1 (GFC Portion) - Selected Case Studies

Southern Grove Subset	Annual Payment	As % of Annual Payment	Site Size (Acres)	As % of Gross Acreage
Annual Principal & Interest Payment (As Assigned to GFC-Owned Land + Tamco)	**$4,509,778**	**100%**	**1,129**	**100%**
Tamco/City Electric	$ 129,000	2.86%	37.87	3.35%
Oculus Surgical, Inc. (at buildout)	$ 76,500	1.70%	8.17	0.72%
AHS Residential	$ 52,053	1.15%	16.25	1.44%
ANNUAL TOTAL	**$ 257,553**	**5.71%**	**62.29**	**5.51%**

SOURCE: City of Port St. Lucie; St. Lucie County Property Appraiser; WTL+a, January 2021

Figure 63 *Table Summary of Estimated Net Tax Revenue to City and Public Leverage Ratios - Selected Case Studies*

Based on the land transaction terms and data as provided by the City, each of the three case study projects is expected to generate positive cash flow beginning in year one. Collectively, the three projects could produce nearly $6.5 million in net tax revenue by year ten, increasing to more than $15 million by year twenty. As indicated in the Figure 65, the public investment ratios are all positive. Ad valorem property tax abatements for the workplace uses provide lower leverage ratios than the residential use; however, these figures do not account

Summary of Estimated Repayment of Southwest SAD #1 (GFC Portion) - Selected Case Studies

Southern Grove Subset	Annual Payment	As % of Annual Payment	Site Size (Acres)	As % of Gross Acreage
Annual Principal & Interest Payment (As Assigned to GFC-Owned Land + Tamco)	**$4,509,778**	**100%**	**1,129**	**100%**
Tamco/City Electric	$ 129,000	2.86%	37.87	3.35%
Oculus Surgical, Inc. (at buildout)	$ 76,500	1.70%	8.17	0.72%
AHS Residential	$ 52,053	1.15%	16.25	1.44%
ANNUAL TOTAL	**$ 257,553**	**5.71%**	**62.29**	**5.51%**

SOURCE: City of Port St. Lucie; St. Lucie County Property Appraiser; WTL+a, January 2021

Figure 64 *Table Summary of Estimated Repayment of Southwest SAD #1 (GFC Portion) - Selected Case Studies*

Together, the three case study projects appear to provide a disproportionately high repayment of the City's SAD debt obligation. The three projects total just over 62 acres, representing 5.51% of the total SAD subject acreage; however, the three projects are anticipated to pay 5.71% of the total annual debt responsibility (see Figure 65). Given the current SAD rate structure, the financial analysis indicates the Oculus Surgical project is projected to provide SAD bond debt repayments that are disproportionately higher than its acreage consumed (i.e., payments for this property will pay more than its "fair share" of SAD debt on an acreage basis). However, due to deal terms for the Tamco/City Electric project and the lower SAD rates for residential properties like AHS, both of these projects are projected to provide SAD debt repayment that is disproportionately less than their acreages. Individually, the analysis indicates a greater degree of scrutiny and review of SAD rates is warranted to ensure the debt is paid down proportionally over time and unallocated debt is not left in the City's hands at the end of the land sales.

Summary of Preliminary Cumulative Economic Impacts - Selected Case Studies

Includes Direct, Indirect, and Induced Effort

	CONSTRUCTION PHASE			JOB RETENTION			NET NEW JOB CREATION		
	Output (Sales)	Labor Income (Payroll)	Employment	Output (Sales)	Labor Income (Payroll)	Employment	Output (Sales)	Labor Income (Payroll)	Employment
Tamco/City Electric	$39.3 M	$12.3 M	350	$89.7 M	$26.7 M	485	$18.1 M	$5.7 M	98
Oculus Surgical, Inc. (at buildout)	$8.8 M	$3.3 M	69			32	$34 M	$7 M	143

SOURCE: St. Lucie County Economic Development Council (2017, 2018)

***Figure 65** Table: Summary of Preliminary Cumulative Economic Impacts - Selected Case Studies*

While the residential nature of the AHS project did not warrant an economic analysis, the EDC data provided to inform the City's transactions on the Tamco and Oculus projects indicate a substantial potential yield to the City over time. As noted above, the two projects could produce more than 580 retained jobs as well as 175 net new jobs, providing output (sales) exceeding $107 million to the local economy. Additionally, the two projects' construction phases could generate an additional $48.1 million in local economic impact.

***Figure 66** Southern Grove's visibility from I-95 (on the left in the aerial above) and availability of large tracts enhances its marketability and competitiveness to secure large employers.*

CASE STUDY: TAMCO/CITY ELECTRIC

Located on Tom Mackie Boulevard near the northern end of the GFC property, Tamco/City Electric includes a roughly 400,000 SF manufacturing and warehouse facility on roughly 38 acres that was completed in early 2020. Terms for the land sale were negotiated prior to the City's acquisition of its Southern Grove holdings. The property was purchased for approximately $2.2 million in July 2018, and the site has a 2020 taxable value of nearly $31.26 million.

According to data provided by the St. Lucie EDC, the Tamco/City Electric project will enable the retention of 250 direct jobs, with a value of $89.7 million for the Port St. Lucie economy, that would otherwise have been relocated. The project will also create 50 net new direct jobs, which will contribute an additional $18.1 million in economic impact. Tamco's new jobs will have an average wage of $42,328, which is 115% of the average wage in St. Lucie County. Considering the combined direct, indirect, and induced jobs from the facility's operation, the project will generate a total of nearly 600 jobs for the Port St. Lucie economy. Additionally, the project will create $39.3 million in construction-related jobs and activity, including 350 total construction-related jobs. Economic information regarding the Tamco/City Electric project as provided by the St. Lucie Economic Development Council (EDC) is provided below.

Provided these job criteria are met, a series of incentives were utilized to secure the development agreement with Tamco, including:

- Ad valorem property tax abatement on buildings and improvements that gradually decreases from 100% deferral for the first five years to a 20% reduction annually through year nine. 100% of property taxes will be assessed and collected in year 10 and thereafter.
- TIF rebate of just over $28,200 annually to offset SAD levies against the property.

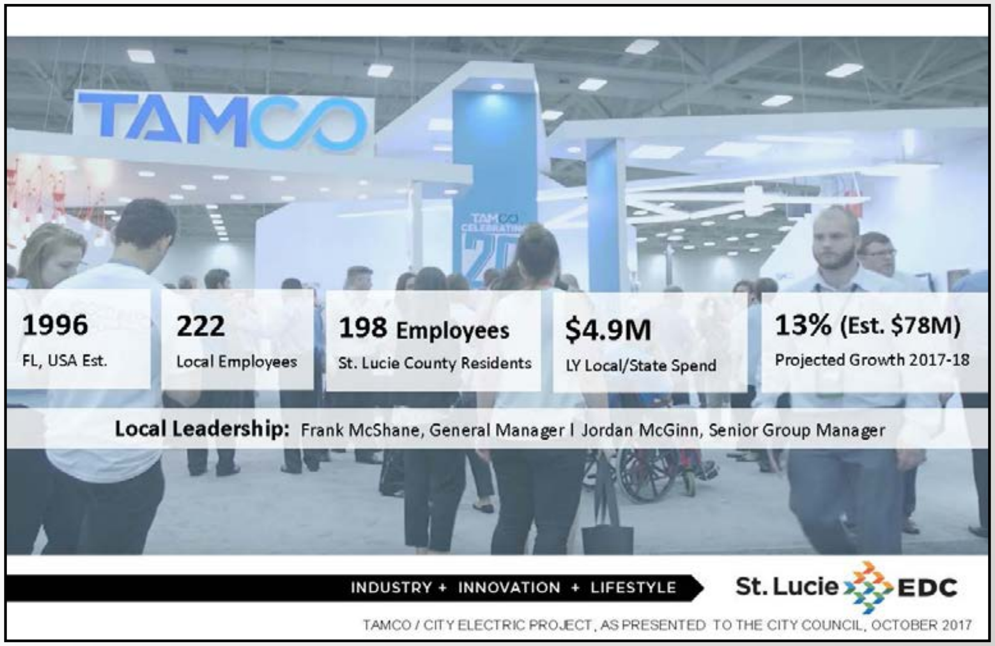
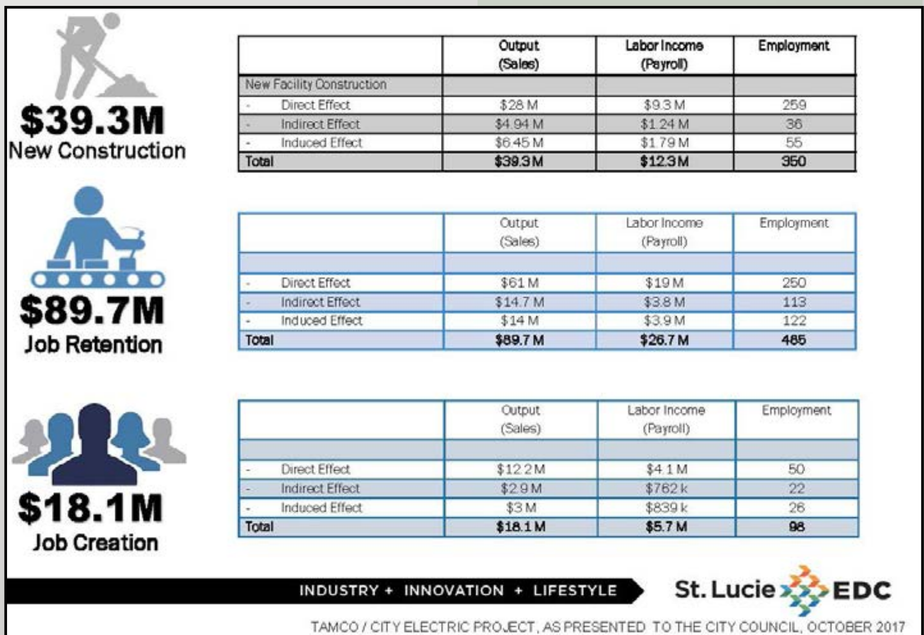


Figure 67 Economic information regarding the Tamco/City Electric project



	Output (Sales)	Labor Income (Payroll)	Employment
New Facility Construction			
- Direct Effect	$28 M	$9.3 M	259
- Indirect Effect	$4.94 M	$1.24 M	36
- Induced Effect	$6.45 M	$1.79 M	55
Total	$39.3 M	$12.3 M	350

	Output (Sales)	Labor Income (Payroll)	Employment
- Direct Effect	$61 M	$19 M	250
- Indirect Effect	$14.7 M	$3.8 M	113
- Induced Effect	$14 M	$3.9 M	122
Total	$89.7 M	$26.7 M	485

	Output (Sales)	Labor Income (Payroll)	Employment
- Direct Effect	$12.2 M	$4.1 M	50
- Indirect Effect	$2.9 M	$762 k	22
- Induced Effect	$3 M	$839 k	26
Total	$18.1 M	$5.7 M	98

Figure 68 Economic information regarding the Tamco/City Electric project

Utilizing 2020 millage rates and holding property assessed value increases at 0%, the cost of the Tamco ad valorem abatement to the City of Port St. Lucie over the first 10 years is estimated to be just over $1.26 million, which includes the foregone ad valorem taxes on the buildings as well as annual TIF credits totaling roughly $280,000.

Considering gross ad valorem and non-ad valorem tax revenues in years 1 through 10, this is anticipated to yield a leverage ratio (public return-on-investment) of private investment of $2.14 for every $1 in public investment ($2.14:$1). This ratio is anticipated to improve to $3.11:$1 by year 20. Over the 20-year timeframe, total net revenues accruing to the City of Port St. Lucie are estimated to exceed $5.8 million.

Tamco's non-ad valorem assessments for the SAD are estimated to be just under $340,000 annually. As a result, considering the City's bond obligations, the 37.87-acre Tamco property represents 3.35% of the 1,129 SAD total acres, and the transaction as structured would appear to provide only 2.86% of the City's annual SAD debt obligation. Cumulatively, these City revenues would be further supplemented by the project's job creation and estimated value of annual salaries and other benefits, which will also generate other components of local economic drivers, such as annual retail sales and other taxes, and direct and indirect spending.

CASE STUDY: OCULUS SURGICAL

Located on SW Discovery Way near the northern end of the GFC property, Oculus Surgical, Inc. will occupy just over eight acres with plans to develop a manufacturing and research & development (R&D) facility to be built in phases, leading with a roughly 54,000 SF warehouse to be followed by a 96,000 SF R&D building. The property was sold for approximately $850,000 in November 2019, and the site has a 2020 taxable value of roughly $600,000. The estimated improvement value is projected to be $10.4 million for both phases. The terms of the Oculus project include a commitment for the creation of 50 jobs with an average wage of $42,328, which is 115% of the average wage in St. Lucie County, along with the retention of 32 jobs that may have otherwise been relocated. Additionally, the St. Lucie EDC estimated the project would create 69 construction-related jobs, including direct, indirect, and induced, producing $3.3 million in labor income and $5 million in value added, to the local economy. Economic information regarding Oculus as provided by the EDC is provided below.

Provided that job criteria are met, a series of incentives were utilized to secure the development agreement with Oculus, including:

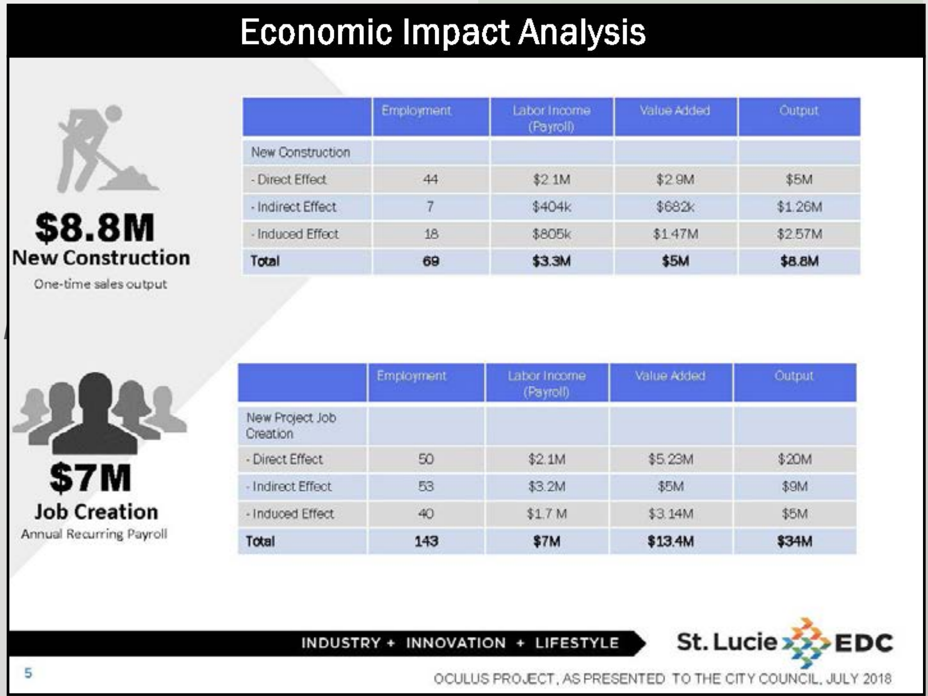
- Upon delivery of the phase 1 warehouse, an ad valorem property tax abatement on buildings and improvements that gradually decreases from 100% deferral for the first five years to a 20% reduction annually through year nine. 100% of property taxes will be assessed and collected in year 10 and thereafter. The abatement would not apply to the taxable value associated with the land.
- A TIF rebate would be anticipated to be applied, and an annual placeholder amount of $10,000 has been included in the analysis to offset SAD levies against the property.

The Oculus land sale generated just over $680,000 to the GFC in one-time revenue. Utilizing 2020 millage rates and holding appreciation in assessed value at 0%, the cost of the Oculus ad valorem abatement to the City of Port St. Lucie over the first 10 years is estimated to be roughly $450,000, which includes the foregone ad valorem taxes on the buildings as well as annual TIF credits estimated to total $100,000.

Considering gross ad valorem and non-ad valorem tax revenues in years 1 through 10, the Oculus project would be anticipated to yield a leverage ratio (public return-on-investment) of $1.91 in private investment for every $1 in public investment (a ratio of $1.91:$1). This ratio would be anticipated to increase to $5.44:$1 by year 20. Over the 20-year timeframe, total net revenues accruing to the City of Port St. Lucie are estimated to exceed $2.9 million.

In addition, the Oculus project will create one-time construction economic impacts of $8.8 million plus annual recurring economic impacts of $34 million in direct, indirect, and induced outcomes. These outcomes indicate the holistic public investment yield for the project.

Figure 71 Economic information regarding the Oculus project



	Employment	Labor Income (Payroll)	Value Added	Output
New Construction				
- Direct Effect	44	$2.1M	$2.9M	$5M
- Indirect Effect	7	$404k	$682k	$1.26M
- Induced Effect	18	$805k	$1.47M	$2.57M
Total	**69**	**$3.3M**	**$5M**	**$8.8M**

	Employment	Labor Income (Payroll)	Value Added	Output
New Project Job Creation				
- Direct Effect	50	$2.1M	$5.23M	$20M
- Indirect Effect	53	$3.2M	$5M	$9M
- Induced Effect	40	$1.7 M	$3.14M	$5M
Total	**143**	**$7M**	**$13.4M**	**$34M**

Figure 72 Economic information regarding the Oculus project

CASE STUDY: AHS RESIDENTIAL

Located at the intersection of SW Village Parkway and SW Trade Center Drive near the northern end of the GFC property, AHS Residential is a proposed 372-unit rental apartment project to be located on a 16.25-acre parcel. The project will include eight buildings comprising nearly 300,000 SF of gross building area, with average unit sizes of roughly 800 SF. The property was sold for approximately $1.7 million in 2020, and the site has a 2020 taxable value of roughly $3.6 million. The estimated improvement value is projected to be $30.4 million, totaling just over $34 million in total taxable value. As a residential project, there were no job creation commitments associated with the land transaction, and job creation would be anticipated to be highly limited.

As part of the land transaction, the developer will construct a nearly six-acre stormwater lake at an estimated cost of $580,000. The lake will benefit AHS as well as the Oculus Surgical project and one additional adjacent site, providing approximately $319,000 in lake benefits. City staff indicates no ad valorem tax abatements will be provided; however, the project will be eligible for a TIF rebate, which is anticipated to be applied. For purposes of the analysis, an annual placeholder amount of roughly $25,000 has been included.

The AHS land sale generated just over $1.7 million to the GFC in one-time revenue. Utilizing 2020 millage rates and holding appreciation in assessed value at 0%, the cost of the AHS TIF rebate over ten years 10 years along with an impact fee credit is estimated to be just over $250,000.

Considering gross ad valorem and non-ad valorem tax revenues in years 1 through 10, the AHS project would be anticipated to yield a leverage ratio (public return-on-investment) of $10.73 in private investment for every $1 in public investment (a ratio of $10.73:$1). This ratio would be anticipated to increase to $12.52:$1 by year 20. Over the 20-year timeframe, total net revenues accruing to the City of Port St. Lucie are estimated to exceed $6.4 million, not accounting for the cost to provide municipal services. While net new job creation for residential is well below that of workplace uses, it should be noted the AHS project will also improve the land use mix within Southern Grove, enabling district-based employees to potentially live within walking distance or a shortened commute to workplaces. This land use efficiency can increase productivity and reliability of employees while reducing impacts on the transportation network, which generates a qualitative benefit to the City.

***Figure 73** Images of AHS Residential project*

PEER CITY REVIEW

To further inform the Southern Grove Master Plan and City's economic development efforts, an analysis of employment metrics and economic development strategies in five similarly situated communities in Florida was undertaken. The goals of this analysis were to evaluate long-term employment trends; ascertain strengths and weaknesses in specific industry sectors; review each community's "toolkit" of economic incentives; determine how the City could gain market share in its targeted industries; and inform potential business retention and recruitment strategies in specific industry sectors that guide the City's economic development efforts.

ECONOMIC DEVELOPMENT CONDITIONS AND TRENDS

Overall, as compared to the peers selected for analysis, the City is experiencing many of the challenges facing other communities, but it has a number of competitive advantages. Port St. Lucie potentially benefits due to its overall location and ready access to other parts of the state with I-95 and the Florida Turnpike. Other advantages include a location contiguous to Martin County, which has not aggressively sought development, and proximity to the more populous South Florida counties to the south (Palm Beach, Broward and Miami-Dade Counties). Port St. Lucie also has available land, adopted land development and regulatory policies focused on job creation, and a large master-planned site with available land at Southern Grove.
These factors are expected to strengthen opportunities for Port St. Lucie to attract specific business categories, especially logistics, distribution and warehousing, and light manufacturing. Because Port St. Lucie is adjacent to both I-95 and the Florida Turnpike, the City is poised for additional growth and economic development, drawing investment and facilities from the increasingly built-out, more urbanized counties to its south. For example, Cleveland Clinic has stimulated a bio-health cluster in the northern portion of the Southern Grove study area, and manufacturing and warehouse/distribution companies have been attracted due to the proximity to I-95 and lower land values than more urbanized counties to the south.

The City's land values and densities are lower; vehicular and truck access is very good; and there is a clear commitment to the creation of jobs. Port St. Lucie can benefit from Florida's need for light industrial and warehousing uses that can respond to sustained increases in on-line sales and for Florida-based distribution and fulfillment centers to satisfy that demand.

The analysis notes that ironically, U.S. financial markets have stabilized more quickly than consumer markets. The reduced costs of debt and capital have encouraged developers to accelerate proposed projects, allowing 18-24 months for regulatory review, approvals, and construction so they are ready for the rebound when it occurs. The challenge for the City of Port St. Lucie will be to select those projects carefully so that new development in the Southern Grove study area can generate the greatest economic benefits possible for the City over the long-term and help it achieve the long-transformational potential for the property. While economic recovery may take two to three years, the longer-term prospects for Southern Grove appear to be moderate but steady over the near-term.

The City identified a list of five candidate comparable/competitive cities in multiple counties for this analysis, including Cape Coral (Lee County); Lakeland (Polk County); Palm Bay (Brevard County); Pembroke Pines (Broward County); and West Palm Beach (Palm Beach County). Details of the five communities, including employment metrics and economic development incentives are included in the Appendix (see Appendices F and G). A summary of the city and county populations is provided in Figure 74. While St. Lucie County is the smallest among the peers, the City is the largest municipality and represents the greatest share of its county population.

The analysis of five selected comparable communities (and counties) reveals a number of findings and conclusions that may be useful in helping shape Port St. Lucie's ongoing and future economic development initiatives. There were several consistent themes that emerged from this "snapshot in time" that reinforce the importance of carefully crafted strategies regarding business retention and recruitment and the continued use of financial incentives to ensure successful build-out of Southern Grove as a jobs corridor. The main themes are as follows:

	2020			
City	**City Population**	**County**	**County Population**	**City As % of County**
Cape Coral	186,294	Lee County	753,337	25%
Lakeland	111,262	Polk County	703,886	16%
Palm Bay	119,426	Brevard	616,481	19%
Pembroke Pines	167,376	Broward	1,909,545	9%
Port St. Lucie	**197,907**	**St. Lucie**	**326,357**	**61%**
West Palm Beach	111,654	Palm Beach	1,471,269	8%

Figure 74 *Table: Population of Comparable Cities*

- **Emerging, Diversifying Economy**

  St. Lucie County is the smallest of the five counties examined, with a 2020 population of 326,400 and an employment base of just over 92,100 jobs. This creates a fairly low jobs-to-population ratio of 0.28 (i.e., there are 28 jobs for every 100 residents of St. Lucie County). While Port St. Lucie comprises fully 61% of the County's total population (a higher share than any of the other five cities), its jobs-to-population is below that of the County, with only 0.24 jobs per resident. These ratios are similar to Cape Coral (in Lee County) and higher than Palm Bay (0.19), but they are well below the ratios of Lakeland (0.64) and West Palm Beach (0.86).

  Like several of its peers, the City of Port St. Lucie is undergoing a transition from a low-density, suburban, almost-exclusively residential community (with supporting retail) to a more broad-based economy focused on job creation and a more prominent role as a regional employment center. The City's jobs-to-population ratio reflects this condition. Recent trend data indicates that while the City's population grew over the past decade, the percent of workers leaving the City for work elsewhere increased, which is a notable trend versus its peers. This amplifies the importance of securing new businesses and net new employment in the Southern Grove jobs corridor to reduce the number of residents leaving the City daily for employment.

- **Economic Anchors Drive Job Growth**

  In several peer-reviewed communities, specific economic anchors play a key role in accelerating job growth and ancillary development. Palm Bay's proximity to NASA's Kennedy Space Center and two military installations provides strong local employment benefits as does the Publix corporate headquarters in Lakeland. As these anchors increase activity, employment growth is reflected in key corresponding job sectors. These results among comparable cities reinforce the importance of enhancing opportunities for expansion of Southern Grove's existing institutional and educational anchors, such as Cleveland Clinic and Keiser University, as well as identifying and securing other economic anchors across appropriate industry sectors to enhance job creation prospects at Southern Grove.

- **Health Care/Bio-tech as Economic Engine**

  Across the U.S., the Health Care & Social Assistance industry sector has exhibited significant job growth over the past 20 years, driven by expanding opportunities in medical care, an aging population, and research & development in medical- and bio-technology. These trends are also evident in each of the five comparable communities. While the medical and bio-tech industries have generated significant new job growth, some of this growth has been supported by public incentives, such as the investments in the Scripps Research Institute and Max Planck Florida Institute for Neurosciences.

  Over the past ten years, 37% of Port St. Lucie's new jobs have been in health care industries, which is comparable to Pembroke Pines but well exceeds the other peer communities. The number of jobs in Health Care in Port St. Lucie (2,623) and the arrival of Cleveland Clinic in the City reinforces the critical importance of Cleveland Clinic as an anchor to attract other businesses in Health Care as well as medical- and bio-technology. Strategies to further capitalize on Cleveland Clinic would include supporting the Clinic's proposed acquisition of adjacent acreage for Bio/Health District infill as recommended in the Master Plan and ensuring all future industrial uses, including warehousing and distribution facilities, are clustered in the proposed Workplace District (south of Discovery Way) to maintain sufficient acreage for expansion opportunities in the proposed Bio/Health District. Additionally, support for the proposed expansion of Cleveland Clinic facilities and associated medical and research facilities (e.g., medical office buildings by Tradition Health LLC) and related programs (e.g., Florida International University's merger with the Torrey Pines Institute for Molecular Studies in 2020) would reinforce the benefit of this anchor in the City's economic development efforts.

- **Over-Reliance on Retail as Economic Development**

  Similar to the City of Port St. Lucie, each of the five peer communities has exhibited significant increases in retail and hospitality jobs over the past 20 years. However, while the percentage of new retail/hospitality jobs in the peer communities ranged from 14-43%, this employment sector represented 72% of all new jobs in the City from 2000-2020. The City's rapid pace of ongoing population and household growth has fueled the growth of retail and hospitality jobs. However, the retail industry nationally is undergoing significant transition due to over-expansion and excess retail zoning requirements, declining sales and profits, an oversupply of "physical" retail stores, and increasing on-line sales activity. These trends are further exacerbated by retail store closings and bankruptcies and changes in both the consumer marketplace and shopping mall business models. These patterns are anticipated to continue with the effects of COVID-19, which are anticipated to yield substantial retail vacancies. To address these trends, the Master Plan recommends reducing retail entitlements (from more than 2.5 million to 500,000 square feet at build out), as the City will want to reduce reliance on retail jobs as an economic development strategy. Retail trend data also further reinforces the City's need to diversify its economy with job growth in other employment sectors.

ECONOMIC DEVELOPMENT INCENTIVES AND STRATEGIES

In addition to general economic development trends, a review was conducted of the various economic development incentives and strategies utilized by the peer communities. Despite its smaller size and county population, Port St. Lucie is currently offering financial and policy incentives that are equal to those offered in larger, more populous, and more economically powerful counties. While the population of individual cities serves as one basis for comparison, it is notable that Port St. Lucie has developed incentive programs that are competitive with counties that incorporate much larger economic engines. It is noteworthy that despite the differences in economic scale and community contexts between the five comparable communities, Port St. Lucie's incentives program was viewed with interest as a possible model for other communities surveyed in the analysis. While it may be appropriate to refine terms and expectations as future deals are executed, Port St. Lucie's current development incentives and assessments program should be considered successful, particularly when viewed in the context of the City's smaller financial and economic capacity to address opportunities versus the peer communities in the analysis. Further, as development pressure moves north up the coast from increasingly built-out areas of Broward and Palm Beach Counties, the relatively lower land values in St. Lucie County present an opportunity to capture a larger share of regional growth through incentives, which reinforces the City's direction for economic development. A summary of the City's various incentives as compared to its peers is presented in Figure 75 below.

TYPE OF INCENTIVES	CAPE CORAL	LAKELAND	PALM BAY	PEMBROKE PINES	PORT ST. LUCIE	WEST PALM BEACH
FINANCIAL INCENTIVES						
CDBG Funds	*	*		*		*
Ad Valorem Property Tax Abatement		*	*		*	*
Florida QTI Job Creation Grants (note: expired July 2020; not renewed)		*		*	*	*
Local QTI Job Creation Grants		*			*	*
Industrial Development Revenue Bond (IDRB Financing)		*				
Tax Increment Financing (TIF)		*	*		*	*
'Synthetic' TIF	*					
Community Redevelopment Agency (CRA)	*	*			*	*
Small Business Incentive Fund	*			*	*	
HUB (Historically Underutilized Businesses) Zone			*			
Business Improvement District (BID)			*			*
Sales Tax Reimbursement						
Provision of Public Infrastructure		*			*	*
Infrastructure Reimbursements		*			*	*
Land Sale Price Discounts				*	*	*
Florida Power & Light Job Creation Utility Incentives					*	
Electrical Use Rider (Phased Cost Reduction)		*				
Foreign Trade Zone	*	*	*			*
Opportunity Zone (Designated Area[s])	*		*			
Cash Incentives for Job Creation & Business Relocation/Expansion	*	*		*	*	*

***Figure 75** Table: Types of Incentives comparison over local governments in Florida.*

The peer review also included an analysis of the various land disposition and revenue strategies available to Florida's local governments. The City of Port St. Lucie has used a comprehensive series of land disposition programs and revenue strategies to market, sell, and incentivize development of land parcels in Southern Grove. The range of financing and fee mechanisms currently structured for Southern Grove is considerably more complex than those undertaken in most comparably-sized cities. These economic development tools were created to provide direct City revenues from the sale of City property. In some cases, transaction momentum has been enhanced by incentives (e.g., land value write-downs, direct sales revenues at market value to "backstop" public debt, longer-term generation ad valorem taxes). The incentives and how they have been combined are specific to the particular needs and requirements of the intended purchasers and the negotiated solutions created to address them.

To fund infrastructure costs, the City has already utilized SAD and CDD assessments in Southern Grove, which have been discussed in detail in this chapter. Additionally, the City could utilize Community Improvement and District Improvement fees for community-wide infrastructure as alternative mechanisms if desired. For publicly-owned property, there are five traditional land disposition alternatives available to Port St. Lucie which vary in complexity, risk, and degree of incentive and control. Each is described below along with the relevance for City's approach in Southern Grove.

- **Government as Owner/Developer:** In this approach, the governmental entity is the "developer" of the site, with complete control, complete responsibility for financing and maintaining the facility, and future responsibility for management and operations of the facility, whatever purpose it may serve. There are limited precedents where this mechanism has been used for development other than public facilities and is not recommended for the City's use in Southern Grove.
- **Fee Simple Sales to the Private Sector:** This the City's default approach in Southern Grove and is the most straightforward wherein publicly owned land is sold to private interests on a fee-simple basis. This mechanism allows development to be restricted, influenced, or encouraged through various tools such as zoning and density adjustments, public use and amenity requirements (e.g., open space, affordable housing, business start-up space, parking, beautification). This mechanism has been successful for the City; however, with continued success, the City may wish to expand its ability to secure targeted industries or catalytic uses with other approaches.
- **Ground/Land Leases:** Publicly held land and/or facilities can be leased to private entities for development, typically on a long-term basis ranging from 50-99 years. Under this approach, the underlying land remains in public ownership in exchange for a rental revenue stream (called a ground lease or land lease) paid by the private investors to the public sector owner. The value of that ground/land lease is negotiated, but it may also include a reversion clause in which any vertical development (buildings or other improvements paid for by the private sector lessor) would transfer back to the public entity at the time the ground/land lease term ends. Although this approach has not yet been implemented in Southern Grove, it is recommended the City consider exploring this mechanism as its land values rise and the benefits of its near-term successes are realized.
- **Joint Venture Partnerships:** In a public/private joint venture, a legal partnership agreement is structured between public and private entities, and the public sector partner retains some share of the project equity as well as shares in the project risk (i.e., responsibility for a negotiated share of losses as well as gains) and any resulting benefits. The share percentages are negotiated and can include contribution of land as a minority equity share. However, the majority of risk, financing, and a greater percentage of profits are allocated to the private investment partner(s). This mechanism is more complex in structure; however, there are limited examples for local governments to joint-venture with educational and institutional users.

- **Public Private Partnerships ("P3"):** This model has grown in public sector interest especially over the past decade in response to the need for public infrastructure. P3s, as they are commonly known, are structured such that the public sector negotiates some form of participation in a project with the intent to provide a clearly defined public benefit as a result of its participation. This approach offers the widest range of negotiable components and has been expanding as a mechanism to leverage public resources (such as land, infrastructure, financing, or development policies) to achieve public objectives in projects typically financed, developed, and managed by private interests. Public/private partnerships can include consolidation of projects and services through private partners, including design/build contracts, build and transfer, ongoing project management, or other combinations over the term of the agreement. Although P3s tend to be most common in dense, urban areas with higher land values, stricter zoning, and greater pressure on the provision of public amenities, this approach may become useful for the City as its property values rise with the implementation of the Master Plan.

In addition to these transactional approaches, there are four other strategies available to the City as it advances the development of Southern Grove. These tools are summarized below.

- **Use of Commercial Brokers to Market & Source Potential Buyers:** The City has utilized this strategy to package and market property to individual buyers with successful outcomes. As evidenced by the transactions brokered by the City's current partner (Tambone Companies), this approach has expedited the pace of land sales through the broker's network, reduced its risk and financial exposure by shifting some initial costs to the broker (who was reimbursed after the sale), and accelerated overall development in Southern Grove. This mechanism will continue to be useful to the City as it advances its development interests.
- **Land Value Write-Downs:** The City has completed several economic development-based property transactions in Southern Grove that include both reduced and significantly reduced land valuations. As has been noted in this analysis, land costs alone are not an adequate measure of economic benefit to the City of Port St. Lucie. Reduced land values can accelerate and provide incentives for development projects that creates jobs (such as the Oculus Surgical project), retain businesses and jobs (such as the Tamco/City Electric project), and create temporary construction jobs and retail spending generated by residents of new housing (such as the AHS Residential project). As the availability of competing properties at this scale and size is reduced as locations south of St. Lucie County are built out, the City may wish to consider modifying the degree to which minimum thresholds for land sales are reduced. This mechanism should be retained in the City's economic "toolbox" to help close new economic development deals in Southern Grove but used judiciously.
- **Ground Leases:** It has been noted that all the City's completed real estate transactions in Southern Grove have been fee-simple sales, with several including financial incentives such as ad valorem property tax abatements, deferral of impact fees or other special assessments, or other financial concessions. As the number of property sales and overall economics of the entire Southern Grove study area increase and offset public debt, it may become possible for the City to consider offering ground leases instead of sales for selected properties. Ground leases offer both advantages and disadvantages to both the lessor (the City of Port St. Lucie) and potential lessees (e.g., developers, businesses that want to construct and operate facilities). Although development deals can be more difficult to finance in lease agreements, they would enable the City to retain control over the property and improvements at the end of the lease. Ad valorem revenues would still be collected on the site improvements, and there is precedence across Florida for various successful economic development projects that utilized this mechanism.

- **Land Banking:** When the City of Port St. Lucie acquired the Southern Grove study area, it became engaged in a remarkably large-scaled experiment in land development -- from public ownership to private ownership -- intended to help the City achieve its public objectives to create new jobs, reduce infrastructure bond debt obligations, and increase ad valorem tax revenues. The financial analysis indicates that recent transactions should accomplish all three objectives. As development advances and the momentum of economic activity increases, it may appropriate for the City to slow the pace of transactions and "bank" land in pursuit of targeted industries and catalytic uses to benefit the larger economic outcome.

  In Southern Grove, the development cycle has already begun, and the area's need for new companies to create jobs for local residents has been partially realized among completed transactions, with more on the horizon. Whether in Southern Grove (e.g., reserving land proximate to Cleveland Clinic and the bio/health district for bio/health users) or in future growth areas of the western DRIs, it may be possible to hold land to secure key uses in key locations. Additionally, this strategy can enable value appreciation with potentially greater financial returns to the City.

Overall, the City's approach to land disposition and economic development in Southern Grove equals or exceeds the activities of its peers. Port St. Lucie has a proven track record of success with its recent transaction and has a number of additional potential projects in the pipeline. As it proceeds with the implementation of the Master Plan, the City is well positioned to avail itself of additional opportunities with creative economic development tools that should be coupled with high expectations for developer performance to help achieve the realization of the City's goals for Southern Grove.

Figure 76 *Artist rendering conceptualizing a gateway plaza at the corner of Becker Road and Village Parkway.*

OVERVIEW

The success of any master plan depends on its ability to be implemented economically, consistently, and expeditiously within a given timeframe. The Southern Grove Master Plan is ambitious and bold, and its implementation will require continued collaboration due to the City's preexisting financial obligations, administrative complexities with Community Development Districts controlled by private parties, and the necessity for public/private partnerships to accomplish the City's goals for the property. Some recommended implementation activities, such as DRI regulations and development standards are completely within the City's control, while others, such as the timing and expenditure of master infrastructure finance, are partially under the control of the private sector. This implementation chapter recognizes those embedded complications for the realization of the Master Plan.

As one of the most visible properties in the City and region, the Southern Grove property presents a once-in-a-lifetime opportunity for the City of Port St. Lucie to recalibrate developer expectations, City-led investment, and design direction to re-balance the City's land use mix with a focus on attracting businesses and creating new jobs. The property is literally positioned as a "front door" for the City's vast Western Annexation Area, with I-95 visibility that expands it to become a front door for the entire City. As has been documented by the City and its partners, and as validated in this analysis, Port St. Lucie would benefit from an improved jobs-to-population ratio that enables more employment, goods, and services, and tax revenues within the City Limits; strengthens local earnings; generates spillover economic development; and improves quality of life. The City's Southern Grove property creates that opportunity with one of the most competitive and visible locations for large-format workplace users along the I-95 corridor. Cleveland Clinic's catalytic power for bio/technology, health-related, and research/development uses contributes to the value of the land, underscoring the need to maintain a long-term focus on business retention and encouraging other high-value uses. Given Southern Grove's job creation potentials and its proximity to the City's growing labor force, the Master Plan also supports the creation of hundreds of acres of potential mixed-uses including multi-family residential to more equitably balance the City's workplace-residential mix, create live/work proximity for local employees, and promote trip capture with local-serving retail and other non-residential uses.

This chapter provides recommendations and next steps for consideration by the Port St. Lucie City Council for the implementation of the Southern Grove Master Plan.

LAND USE AND INFRASTRUCTURE

1. **Recognize the Unique Value of the City's Property Asset – and Be Bold and Committed to a Long-Term Development Strategy of the Highest Quality and Character**

   As the 7th largest city in Florida and one of the fastest growing communities in the country, Port St. Lucie has a once-in-a-lifetime opportunity to **advance the City's reputation and destination quality as a regional employment hub.** Because the GFC property is one of the most competitive and visible locations for large-format workplace uses remaining in Southeast Florida, the City should **acknowledge its strength in the market** and **maintain the highest standards for design, architecture, and quality.**

Although short-term real estate development opportunities may offer near-term returns, they present the risk of a piecemeal, disconnected land development pattern that can reduce the value of remaining parcels over time. Instead, the City should **focus on a long-term, holistic strategy** for Southern Grove that requires well-organized, integrated development patterns with strategically located signature buildings; minimum building heights in key locations; protects the appearance and function of primary roadways with careful building and parking placement; and communicates clear expectations for signature landscaping, architecture, signage, and site design.

2. **Reorganize the Southern Grove Property into a Series of Interrelated Sub-Districts.** The areas within Southern Grove are distinct in access, visibility, and proximity to complementary uses. To maximize the City's return, the properties should be considered as a series of distinct, symbiotic districts each oriented to a market-focused objective:

    - **Town Center District** - north of Tradition Parkway in the adjacent Tradition DRI is the existing Tradition Village Square and The Landing at Tradition, both of which provide destination retail. To reinforce the success of these existing developments and preserve the GFC holdings for higher job intensity, the Master Plan identifies the southeastern portion of the Tradition DRI as a Town Center District that can complement the City's holdings to the south and can absorb much of the retail demand and active recreational uses envisioned for the area. It is acknowledged that properties in this district are not owned by GFC; however, this district is intended to satisfy the town center desires expressed for the Southern Grove property, enabling the current Tradition Village Square to be expanded to incorporate The Landing at Tradition and enhance their success. A portion of this district should be reserved for a cluster of active recreational uses (e.g., golf driving range, mini-golf, go-karts, indoor surfing/skating) that can capitalize on I-95 visibility and access.
    - **Bio/Health District** – capitalizing on Cleveland Clinic and its ancillary office, research/development, and medical uses, a Bio/Health District is recommended, extending from Tradition Parkway to Discovery Way. This district is recommended for the greatest density and intensity of development, with minimum 2-4-story building heights along perimeter roads and 4-story minimums immediately adjacent to the hospital to prevent underdevelopment. Building heights should be staggered from I-95, with four-to-six story buildings at the eastern edge, climbing to ten stories immediately adjacent to the hospital building. Development in this district should be highly urban, walkable, and interconnected, especially within the 15-minute walkshed of the hospital, and parking areas should be located and sized to accommodate transition from surface parking to parking garages over time.
    - **Workplace District** – the majority of the GFC land, from Discovery Way south to Becker Road, is identified as a Workplace District, noting the market demand and appropriateness of large-format industrial, warehouse/ distribution, and office/research uses in this area. Hegener Drive generally divides this district along an east/west divide, enabling a concentration of industrial users to be located east of Hegener Drive, along I-95. The western and southern edges of this district, along Village Parkway and Hegener Drive, are reserved for workplace-supportive mixed-use, recommended for moderate to high density workforce residential along with local-serving retail. Minimum two-story building heights are recommended along the exterior roadway frontages, with build-to setbacks to help frame the roadway corridors. Parking areas should be designed to load from interior roadways to reduce driveway interruptions on the exterior roadway network. Along the I-95 corridor, buildings should be set back along stormwater lakes to distribute interstate visibility to the maximum number of parcels.

3. Redefine Land Use Categories to Increase Development Intensity and Property Value.

Using its regulatory authority, the City should amend its Comprehensive Plan to revise the assignment of land use types to its holdings as recommended in the Master Plan:

- **Employment Center** - focused on industrial warehouse/ distribution, research and development, and supporting office uses. This land use type is recommended for roughly 70% of all GFC net developable land.
- **Mixed-Use** - focused on higher density residential, including townhouse and apartment uses, retail/commercial, office, and selected institutional and educational uses. This land use type is recommended for roughly 25% of all GFC net developable land.
- **Lifestyle/Commercial** - focused on higher-intensity retail/ commercial centers that include office and higher density residential use. This land use type is recommended for only 5% of all GFC net developable land.

4. Recalibrate the Land Development Program Through Modified Land Use Entitlements.

Given the substantial market and land development adjustments since the adoption of the Southern Grove DRI in 2006, an **updated land entitlement program** is recommended that increases industrial, hotel, and multi-family residential use while decreasing office and retail use. These modified entitlements should be included in an **amendment to the DRI and reflected in an updated SAD/CDD Assessment Rate Schedule** that more accurately reflects the proportionate share of assessments to be assigned to net developable land. Updating land use entitlements will also help rationalize infrastructure projections associated with the GFC property, aligning infrastructure costs and projects with a more realistic development program for Southern Grove.

RECOMMENDED ENTITLEMENTS FOR GFC OWNED LAND
(1215.9 acres including pending 21-acre transfer from Mattamy)

CATEGORY	CURRENT	PROPOSED	ALLOCATED/ PENDING	REMAINING
Residential (SF units)	-	-	-	-
Residential (TH units)	786	900	-	900
Residential (Apt units)	900	900	372	528
Retail (SF)	2,582,851	500,000	49,478	450,522
Office (SF)	4,296,480	1,000,000	155,481	844,519
Warehouse/Industrial (SF)	3,838,336	8,000,000	4,353,743	3,646,257
School (SF)	-	-	-	-
R&D (SF)	(Included with ofc)	1,000,000	-	1,000,000
Hotel (Beds)	240	500	204	296
Hospital (Beds)	-	-	-	-

5. **Revise SAD and CDD Assessments to Ensure Proportional Assignment of Debt Obligations.**

Given the adjustment in entitlements and market demand, the City should **review the SAD and CDD assessment rates** and utilize the "true up" or other appropriate mechanisms to **ensure the proportionality of debt drawdown** as assigned on an acreage basis to individual parcels. The proposed "financial scorecard" developed as part of the Southern Grove financial analysis or another equally consistent methodology may be an appropriate tool to review incentives, projected economic yields, and debt repayment on a parcel basis. Periodically, a cumulative, **aggregated analysis of all land transactions** could be beneficial for assessing the City's progress towards SAD and other debt repayment.

6. **Introduce a Master Stormwater Lake System.**

The historic agricultural use of the Western Annexation Area has resulted in preexisting stormwater and drainage challenges for Southern Grove and adjacent parcels. Better managed stormwater treatment enables development efficiency and environmental enhancement, as properties in the Western Annexation Area ultimately drain to the St. Lucie River. To reorganize stormwater and implement a systematic approach, the following components of a **Master Stormwater Lake System** are recommended:

- The Southern Grove property should be subdivided into **four drainage sub-basins**: a Bio/Health District sub-basin and northern, central, and southern Workplace District sub-basins.
- **Drainage control structures** should be added to the Duda Canal to separate each of the sub-basins to maintain water levels independently, allowing water to be staged high in times of drought and for pre-storm drawdown to prevent upstream flooding.
- **15% of total developable area** (including GFC's net sale-able land as well as the secondary road network) should be allocated for a master stormwater lake system to provide drainage, treatment, discharge attenuation, and conveyance to the Duda Canal.
- **Additional CDD conveyance systems** should be located to convey stormwater from areas west of Village Parkway to the Duda Canal.
- Stormwater lakes should be located to **maximize the supply of best quality soils** for fill, create a lakefront aesthetic amenity along I-95, and provide buffers between workplace and mixed-use areas.
- Lakes should be designed with **curvilinear, natural edges with native plantings in littoral zones** to improve stormwater treatment, habitat quality, and lake aesthetics.

7. **Revise the Transportation Network to Create a Balanced System of Complete Streets and Facilities**

Given a modified land entitlement program and opportunity to re-balance land uses, the Southern Grove Master Plan recommends the City create a **multimodal transportation network comprised of primary, secondary, and tertiary (local) roads**. The tiering of roadways enables primary roads to carry through-traffic at higher speeds, while secondary roads create access to interior parcels, reducing demand and interruptions on the primary network. Tertiary, or local roads, can provide improved access to parking areas and utilities, enabling development fronting the primary and secondary streets to be designed to a higher standard. Primary and secondary streets serve as "A" streets for property entrances and front doors while local roads are "B" streets for building backs, alley access, driveways, and service deliveries.

Each of the roadway types is recommended to include complete streets amenities, but they vary by roadway type and classification. Components of the network should include the following:

- **Vehicular Roadway Network** which includes the following:
  - **Primary roads**, including Tradition Parkway, Village Parkway, and Becker Road, are the highest volume, highest speed roadways in the network, and they are arterials that accommodate through traffic as well as local trips. Driveways and curb cuts interrupting these roads should be minimized to improve their efficiency and safety. These roadways will include signalized intersections and design geometries to accommodate transit and freight truck traffic. As gateway corridors leading into Southern Grove and the Western Annexation Area generally, these roads are considered "A" streets, and development fronting these corridors should be held to the highest standards. Complete streets enhancements on these roads should include 8-10' sidewalks, 5' bike lanes, and center landscaped medians along with regularly spaced shade trees and streetlights along shoulders.
  - **Secondary roads** should include Hegener Drive, Discovery Way, East/West 2, Marshall Parkway, and Paar Drive, and each of these roadways should provide connections to Village Parkway and SW Community Boulevard. These roads are anticipated to be lower volume, lower speed, and function as collectors, providing internal access as well as connections to the larger primary roads. These roads are also anticipated to be "A streets," providing front-door access and visibility to development parcels, and where possible, driveways should be consolidated or relocated away from these corridors. The Tradition Trail alignment is recommended along portions of these roads, and accordingly, roadway designs should include either 8-10' sidewalks or the 12' Tradition Trail shared-use path, 5' bike lanes, and regularly spaced shade tree plantings and streetlights along roadway shoulders. To provide both traffic calming and beautification, a roundabout is proposed at the Marshall Parkway/Hegener Drive intersection. Externally, signalized intersections are proposed at secondary road intersections along Becker Road and Village Parkway as noted in the Master Plan.
  - Although the original DRI requirements included an I-95 interchange at Marshall Parkway and an overpass at Paar Drive, current traffic studies demonstrate that these improvements are not necessary. As part of the Southern Grove DRI amendments to remove these I-95 connections, the corresponding rights-of-way should be transferred to the GFC and assigned Employment Center land use as illustrated in the Master Plan.
  - **Tertiary, or local roads** are recommended to complete the roadway network. These smaller roads are essential to maintain the efficiency and safety of main, higher volume roads. Local roads help divert slower moving traffic away from the larger corridors and provide a "relief valve" for the roadway network. The interior road network should be designed to establish blocks with maximum dimensions of 400-600 linear feet, which will maximize the pedestrian connectivity provided by these roads. Local roads function as "B streets," and provide rear-alley access to parking areas, service deliveries, and utilities. With slower speeds and lower volumes, local roads can function as sharrows, with vehicular and bicycle traffic sharing travel lanes. Accordingly, recommended design for the roadways include 8' sidewalks or where applicable, 12' Tradition Trail shared-use paths along with regularly-spaced shade tree plantings and streetlights.

- To complement the tiered roadway network and improve efficiency, safety, and function, **interconnected off-street parking areas** should be located where possible for **rear-alley or side-street driveways and access** from the local road network. Parking areas should be aligned linearly, with **cross-access parking agreements** to enable internal circulation between adjacent parcels to minimize the utilization of the exterior roadway network where possible.
- Given the anticipated volume of truck traffic through Southern Grove, it is further recommended that **truck routing** be assigned to primary and secondary roads. Traffic calming, signage, and roadway geometries should be utilized to discourage truck traffic on local interior roads.

• **Public Transit Network** improvements are the second component of the Southern Grove transportation network. As population and employment increases over time, transit will become an increasingly important means of accessing jobs, housing, and destinations in the City.

- **Future County transit stops** should be anticipated at the intersections of Becker Road/Village Parkway, Village Parkway/ Marshall Parkway, Village Parkway/Discovery Way, and at the Cleveland Clinic. Along the roadway corridors, these select intersections are also identified as gateway feature locations that should integrate pedestrian plazas designed for transit shelters to be incorporated over time.
- **Park-and-ride** opportunities should be explored for accessing express transit on I-95.
- **Transit "last-mile" roadway designs**, with heightened bicycle/pedestrian access considerations, should be prioritized along roadways connecting to anticipated transit stop locations. Because every transit trip begins and ends as a pedestrian trip, the half-mile "walk shed" surrounding future transit stops will be critical to successful and efficient transit as a component of a balanced Southern Grove transportation network.

• An alignment for the **Tradition Trail Network** has been identified in the Master Plan to complete this multimodal facility from Becker Road north into the Town Center District. As the diversity of destinations and housing types expands in Southern Grove, Tradition Trail offers the opportunity for both recreational and purpose-based trips to expand the utility of the transportation network and contribute towards a healthier community. Recommended components of this facility design include the following:

- The Trail should **utilize stormwater lake natural edges** where possible to enhance the user experience.
- The Trail should be designed to accommodate golf carts where appropriate as well as a **micro-mobility service** that could be provided by **autonomous, electric shuttles.**
- To improve connectivity with the Town Center District, the intersection of Tradition Parkway and Village Parkway should be modified with the application of a **Dutch intersection** that provides grade-separated bicycle and pedestrian facilities and a pedestrian refuge in the center roadway medians.
- The Trail alignment north of Cleveland Clinic should be designed to potentially accommodate an **elevated mid-block crossing** of Tradition Parkway from the Bio/Health District to the Town Center District.

8. Continue the DRI-recommended Water and Wastewater Infrastructure Improvements

The Southern Grove DRI contains a series of recommended water and wastewater infrastructure improvements that are sufficient to accommodate the development demands anticipated in the Master Plan. Accordingly, the City should implement the following improvements:

- **Water System**: Construct 12” water mains & fire hydrants on all secondary roads (Hegener Drive, Marshall Parkway, and Paar Drive) according to development demand with interconnect to existing Village Parkway and Becker Road water mains and a 24” water main at Paar Drive between Village Parkway and Rossner Boulevard under I-95.
- **Sanitary Sewer System**: Construct additional gravity sewers and 3 additional Lift Stations with force main connections to the Village Parkway 16” force main according to development demand (simultaneously with the potable water system and secondary roadway system extensions).

9. Require Development Design Standards to Produce an Interconnected, Sustainable, Well-Organized Development Pattern

- The City’s ownership of the Southern Grove property through its GFC creates unique opportunities for the City to raise development expectations and quality. The more interconnected and sustainable the development pattern throughout the GFC holdings, the higher the value of residual parcels as the City advances through its land transactions. The Master Plan recommends a series of specific site design and development standards be incorporated into the City’s land development approach in Southern Grove that include the following:
- **Traditional Urban Design Principles** to increase efficiency, walkability, and connectivity through controlled building placement and alignment utilizing "build to" lines versus setbacks; a system of walkable streets and blocks; consolidated parking areas located along side and rear property lines; and a height-to-width ratio of one-to-three where possible to create a sense of spatial enclosure.
- A **Mix of Uses**, both horizontally and vertically, to increase efficiency of parking and public spaces; create natural surveillance through more extensive daily activity; and maintain appropriate transitions between dissimilar uses.
- **Gateway Boulevard Features** along Becker Road and Village Parkway that specify building placement, minimum building heights, maximum building setbacks, and enhanced landscaping, lighting and signage.
- **Corner Architectural Elements** at prominent intersections, including Becker Road/Hegener Drive, Becker Road/Village Parkway, and Village Parkway/Marshall Parkway.
- **Protected I-95 Corridor Views** that integrate stormwater lakes and landscaping to increase building setbacks, which will distribute the value of I-95 visibility, broaden view corridors, and raise property values across the City’s holdings. Development visible from I-95 should include enhanced architectural, signage, lighting, and landscaping requirements to produce an organized, well-integrated workplace district vista.
- **Parking Design Efficiency** with interconnected parking lots accessed primarily from side and rear property lines to reduce driveway interruptions of primary and secondary streets, enhance walkability, and improve development efficiency and yield.

10. Announce the Arrival to Port St. Lucie with Gateway Branding Features

The Southern Grove property is one of the most visible corridors in the City of Port St. Lucie, with nearly four miles of uninterrupted frontage along I-95. Following the adage "there is never a second chance to make a first impression," the development of the Southern Grove property provides the City a unique opportunity to brand and celebrate the entrance to the City. The City has significant precedent for gateway branding as evidenced by the recently completed Crosstown Parkway, and the Tradition DRI has capitalized on gateway statements with its signature towers. Two sets of gateway branding locations are noted in the Master Plan:

- **There are three primary stormwater lakes with I-95 frontage**: immediately south of Cleveland Clinic, within the FP&L easement (aligned with Marshall Parkway), and immediately north of Becker Road. Gateway features in these locations should include aeration fountains, lighting, landscape elements, and signage. These are recommended to be "Welcome to Port St. Lucie" moments that warrant substantial investment and design consideration.
- **Two key Village Parkway intersections** - Village Parkway/ Becker Road and Village Parkway/Marshall Parkway ~ where GFC should reserve property corners for the establishment of signature gateway signage that incorporates lighting, landscaping, monument signage with artistic elements, pedestrian plazas, hardscape improvements, and seating. Each of these locations is noted to ultimately accommodate a potential transit shelter, which further elevates their importance in the branding and placemaking of Southern Grove.

11. Develop Permitting Efficiencies with Florida Power & Light to Streamline Development and Maximize Property Utilization

The Southern Grove property contains a substantial north/south FP&L easement that provides a potential development complication due to permitting and restrictions on use. To streamline productive use of this land, the GFC should advance discussions with FP&L to secure any available permitting efficiencies for allowable uses in accordance with FP&L regulations and ensure full sale price of the underlying land..

12. Continue to Broker Land Transactions with Public and Private Partners to Expedite Development

Most of the GFC land transactions to-date have been successfully brokered through its **public/private and public/public partnerships** with Tambone Companies and the assistance of the St. Lucie Economic Development Council. This model has relieved the City of debt obligations for a portion of the GFC property during the contracted marketing process and has yielded successful land transactions, albeit at the cost of sharing a portion of sales revenue. This model has provided an efficient, strategic approach to help the City achieve its initial land sales goals, buffering the financial impacts on the City, and enabling the packaging of incentives and regulatory leverage as needed to bring deals to fruition. The Master Plan recommends the City **continue to utilize this model, or an adaptation thereof, to facilitate land transactions** to the extent the model **enhances the City's return on land sales**. The benefits of future transactions may take several forms, including short-term land sales revenues, longer-term ad valorem tax benefits, strategic employment-generating uses, or an aggregation of these direct and indirect benefits. Future transactions should also **consider the impacts on other parcels to be sold** and the **City's commitment to its long-range vision for the entire Southern Grove property.**

13. Consider Diversifying Land Transaction Approaches as the Market Evolves and Strengthens

Direct land sales have been the City's default method of land transactions since the City acquired the Southern Grove property. This method has been successful in generating net positive cash flow and stimulating development as evidenced by recent and pending transactions. As the market evolves and the value of the GFC property increases, the City may wish to **explore other land transaction methods** such as **ground leases, public/private partnerships, and land value write-downs** to provide incentives for desired uses and potentially increase City revenues and control over the pace, style, and composition of development in Southern Grove.

14. Explore Land Banking Strategies in Key Locations

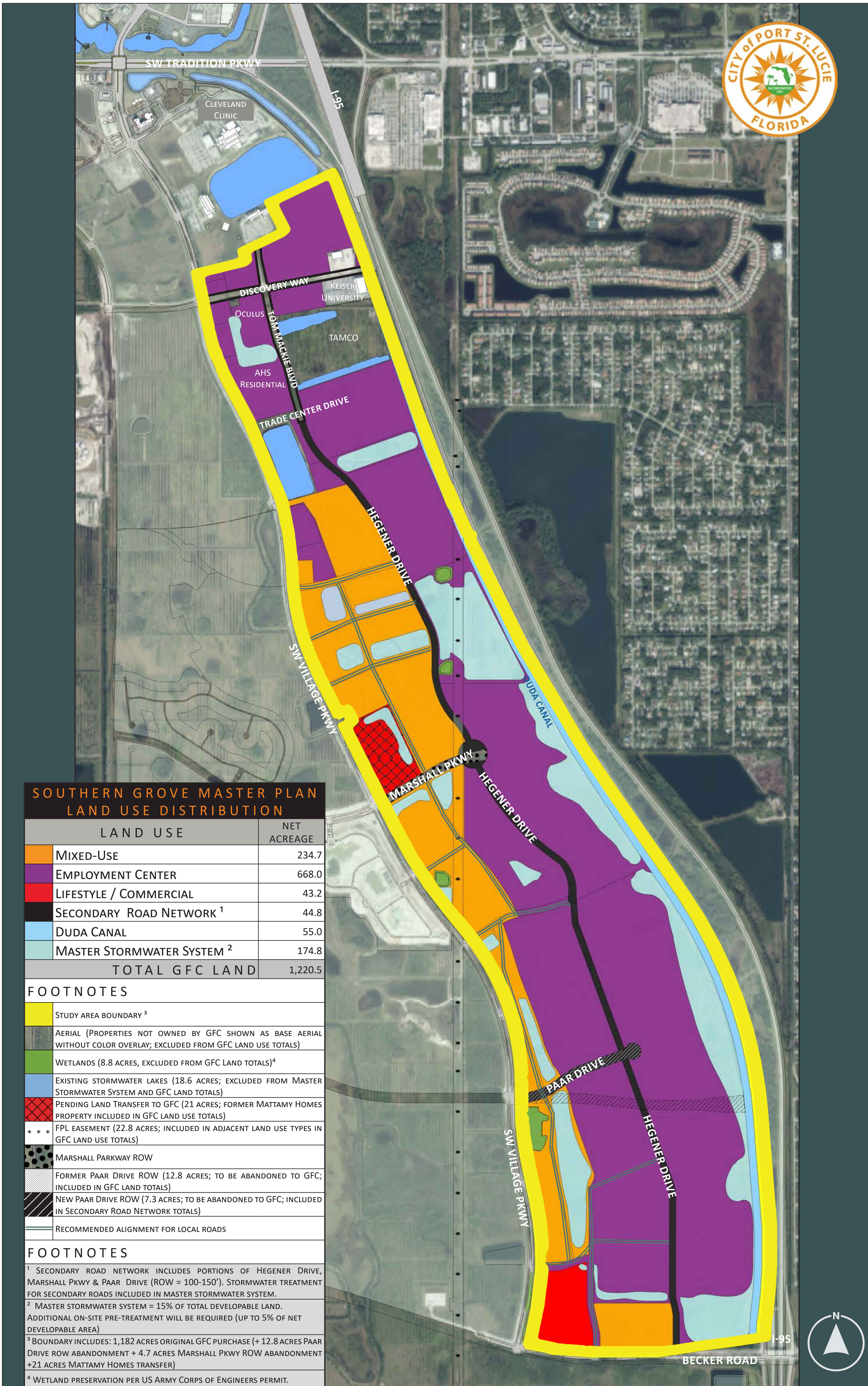
As the Southern Grove property matures, the City may benefit from **land banking sites in key locations** to protect opportunities for **catalytic uses and targeted industries**. This strategy will be especially useful in the Bio/Health District given the potential to capitalize on its proximity to Cleveland Clinic.

15. Adopt the Southern Grove Master Plan and Amend the Comprehensive Plan, Southern Grove DRI Development Order and Other City Documents as Needed to Implement the Master Plan Recommendations

To evidence its commitment to the long-term strategy recommended herein, the City should **adopt the Southern Grove Master Plan** by resolution and amend its Comprehensive Plan, the Southern Grove DRI development order, and related documents as appropriate.

APPENDIX A

SOUTHERN GROVE- MASTER PLAN



SOUTHERN GROVE MASTER PLAN LAND USE DISTRIBUTION

LAND USE	NET ACREAGE
Mixed-Use	234.7
Employment Center	668.0
Lifestyle / Commercial	43.2
Secondary Road Network [1]	44.8
Duda Canal	55.0
Master Stormwater System [2]	174.8
TOTAL GFC LAND	1,220.5

FOOTNOTES

Study area boundary [3]
Aerial (Properties not owned by GFC shown as base aerial without color overlay; excluded from GFC land use totals)
Wetlands (8.8 acres, excluded from GFC Land totals)[4]
Existing stormwater lakes (18.6 acres; excluded from Master Stormwater System and GFC land use totals)
Pending Land Transfer to GFC (21 acres; former Mattamy Homes property included in GFC land use totals)
FPL easement (22.8 acres; included in adjacent land use types in GFC land use totals)
Marshall Parkway ROW
Former Paar Drive ROW (12.8 acres; to be abandoned to GFC; included in GFC land totals)
New Paar Drive ROW (7.3 acres; to be abandoned to GFC; included in Secondary Road Network totals)
Recommended alignment for local roads

FOOTNOTES

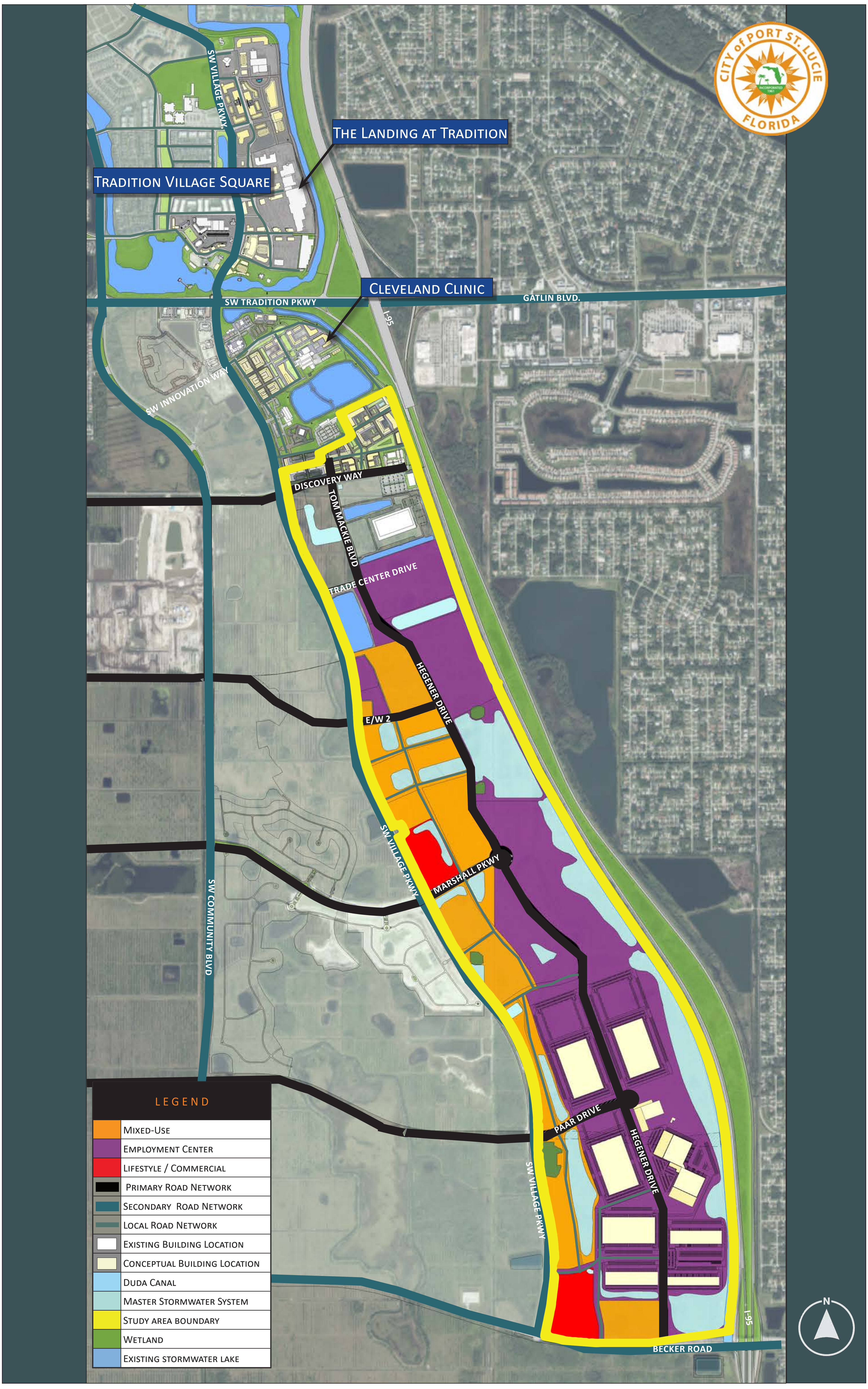
[1] Secondary road network includes portions of Hegener Drive, Marshall Pkwy & Paar Drive (ROW = 100-150'). Stormwater treatment for secondary roads included in master stormwater system.

[2] Master stormwater system = 15% of total developable land. Additional on-site pre-treatment will be required (up to 5% of net developable area)

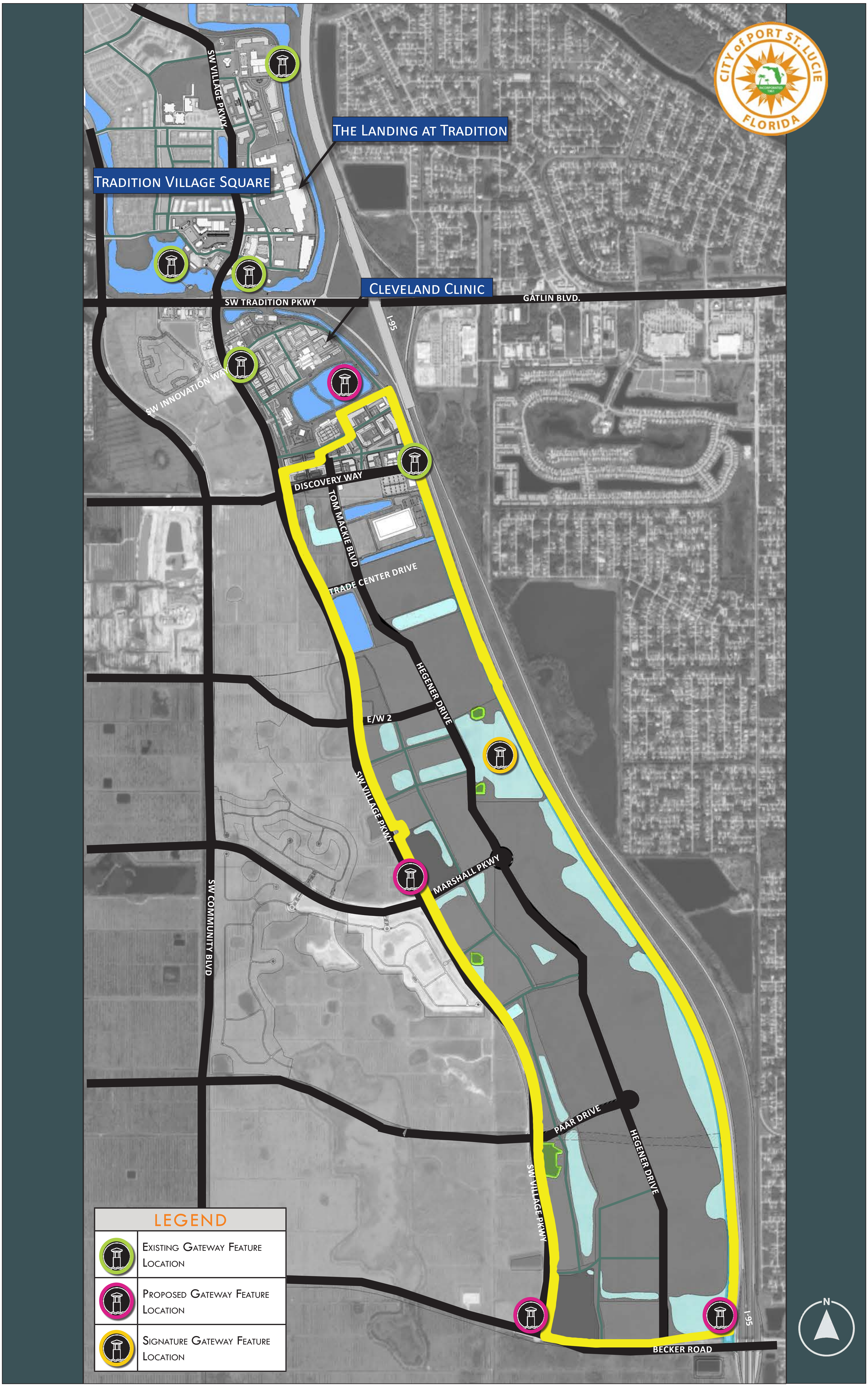
[3] Boundary includes: 1,182 acres original GFC purchase (+ 12.8 acres Paar Drive row abandonment + 4.7 acres Marshall Pkwy ROW abandonment +21 acres Mattamy Homes transfer)

[4] Wetland preservation per US Army Corps of Engineers permit.

SOUTHERN GROVE-ILLUSTRATIVE DEVELOPMENT CONCEPTS



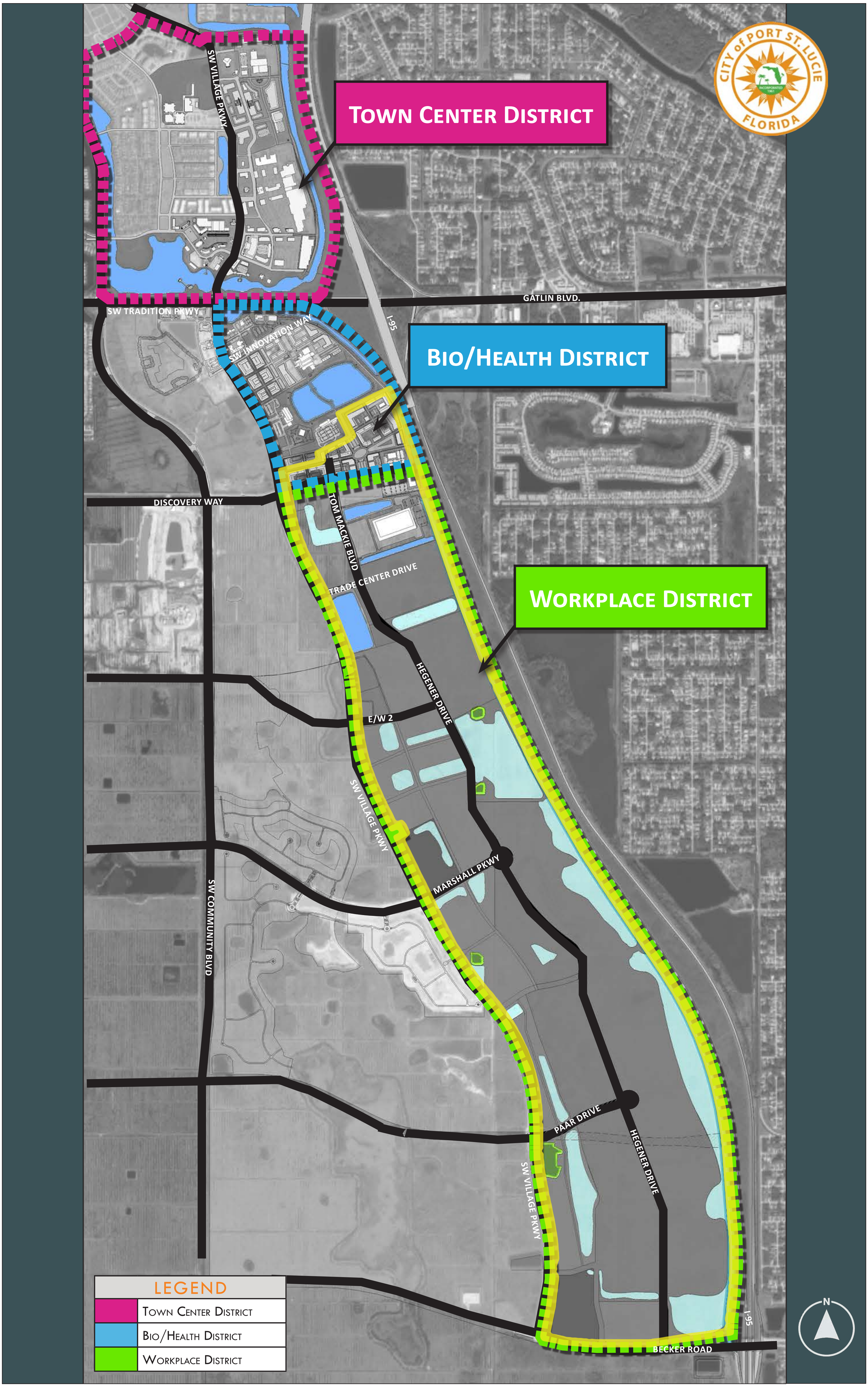
SOUTHERN GROVE-GATEWAY FEATURE LOCATIONS



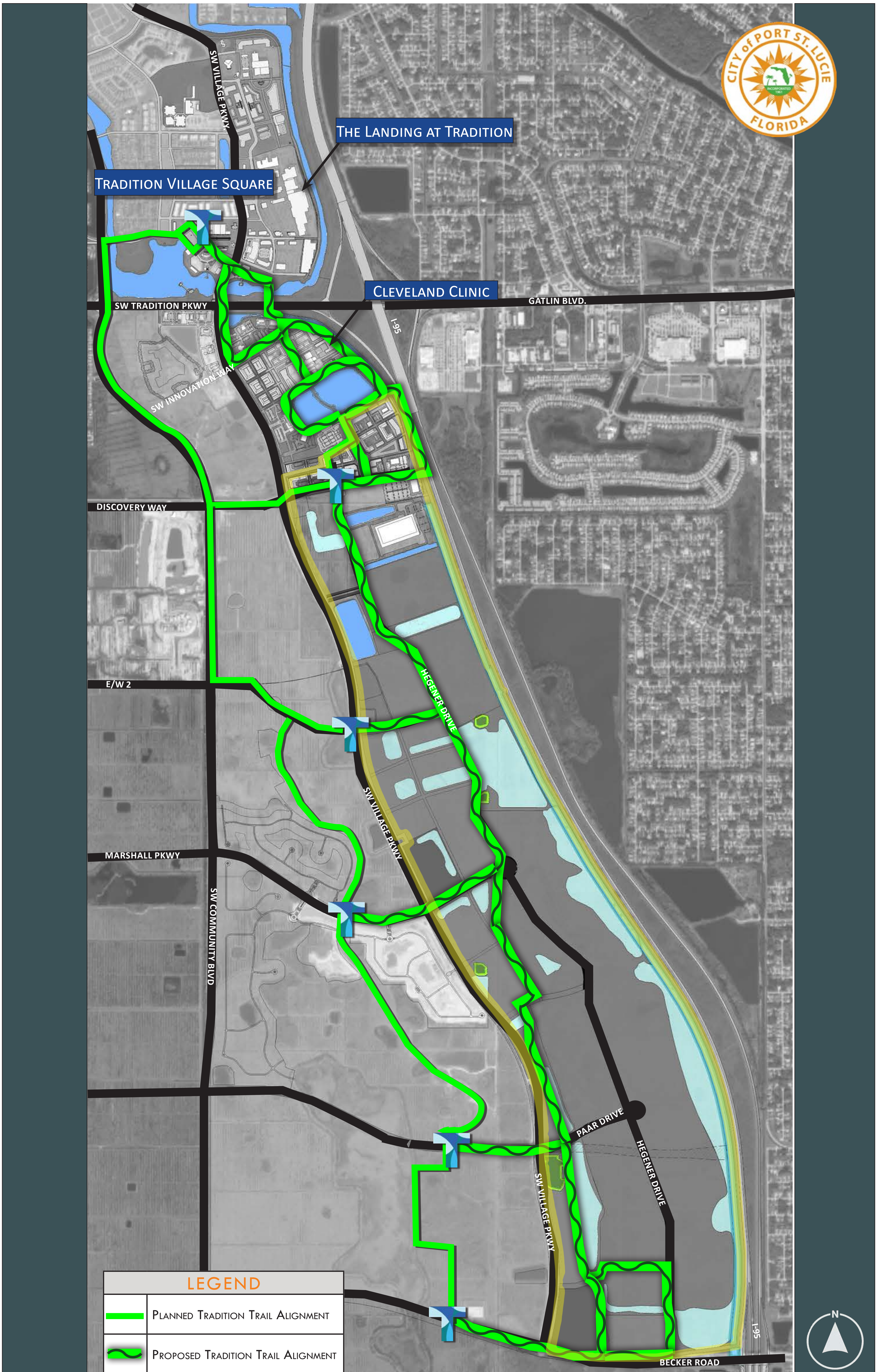
SOUTHERN GROVE MASTER PLAN

REVISED 1-05-2021

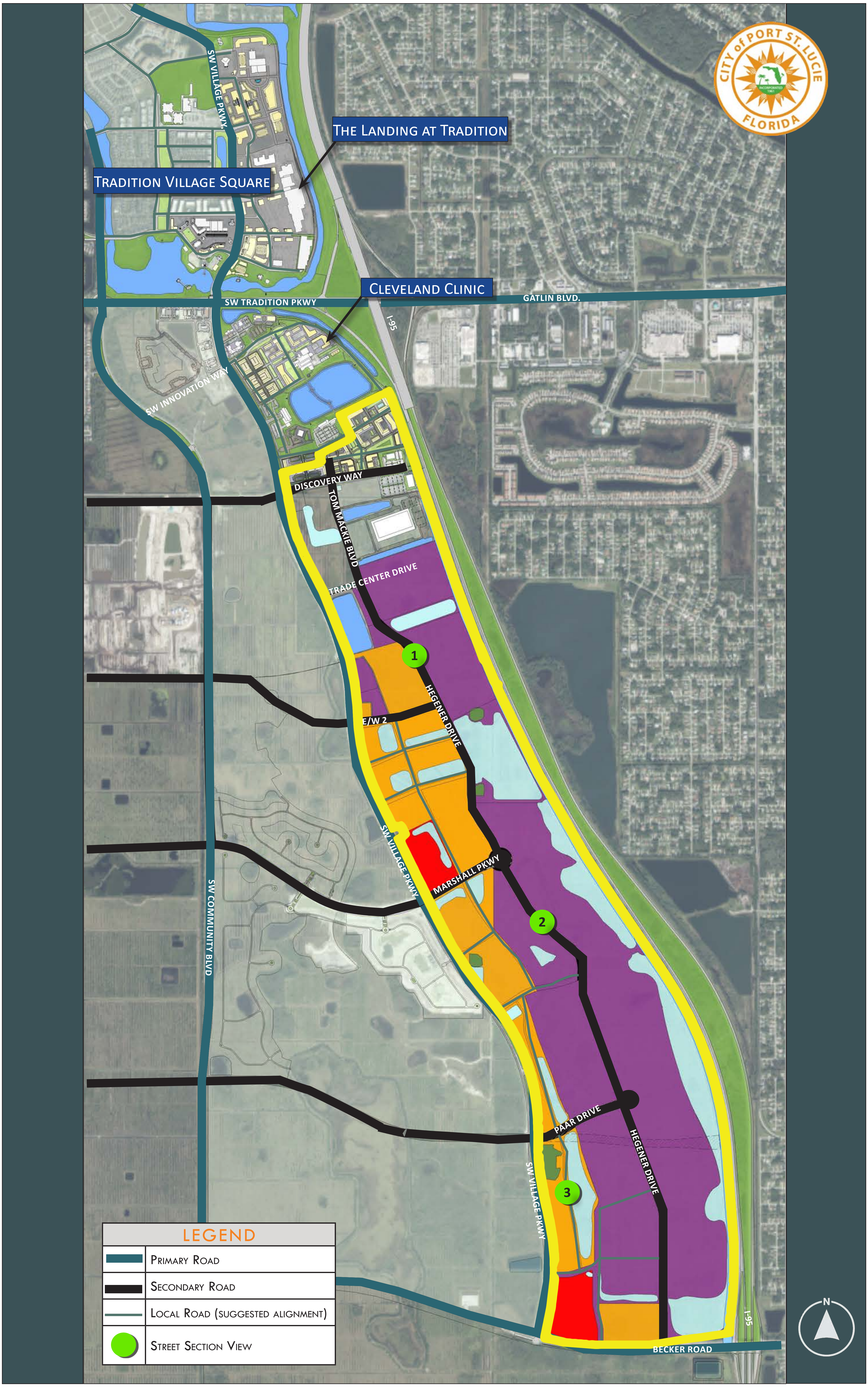
SOUTHERN GROVE- SUBDISTRICT DIAGRAM



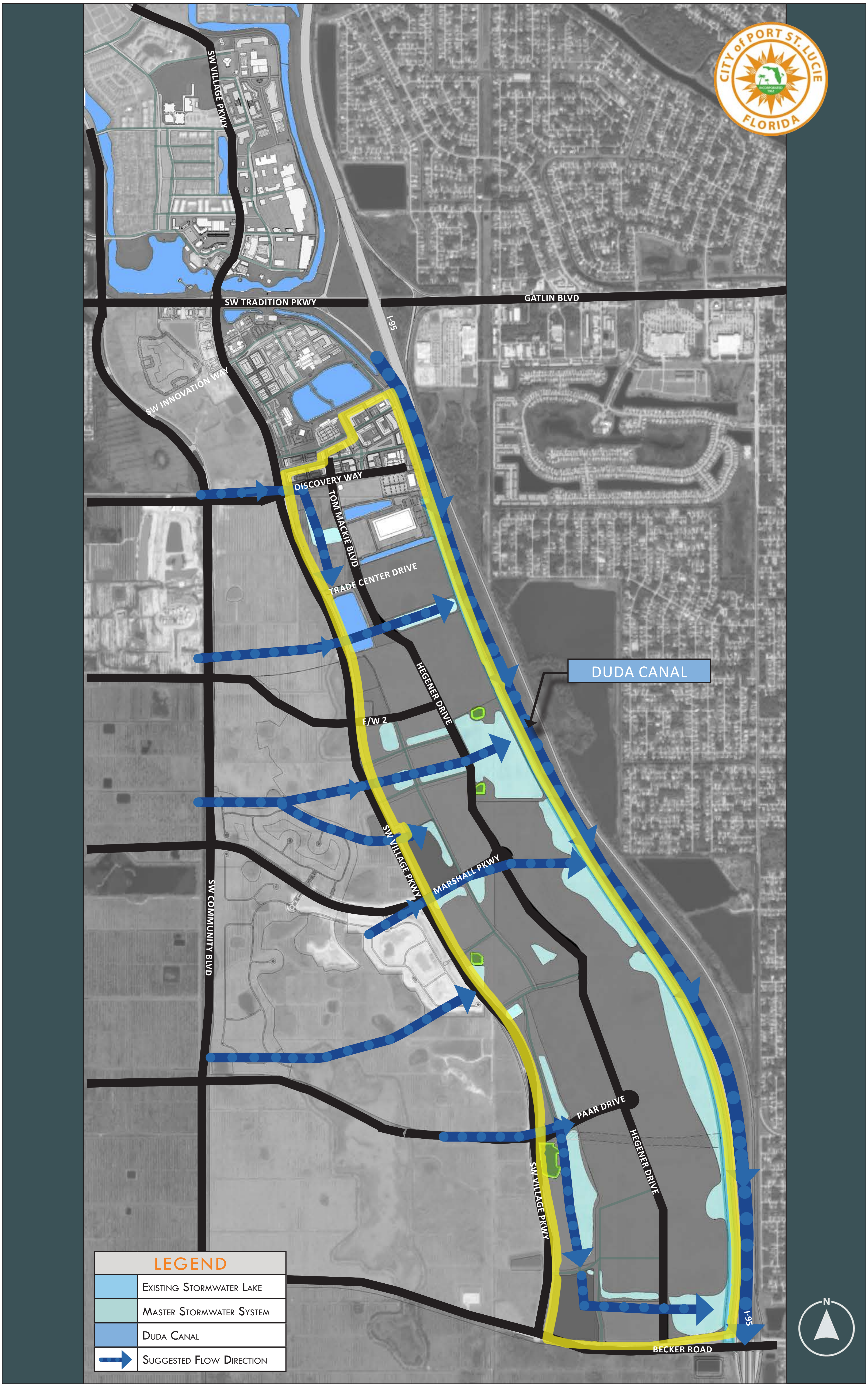
SOUTHERN GROVE- TRADITION TRAIL MAP



SOUTHERN GROVE- ROADWAY NETWORK DIAGRAM

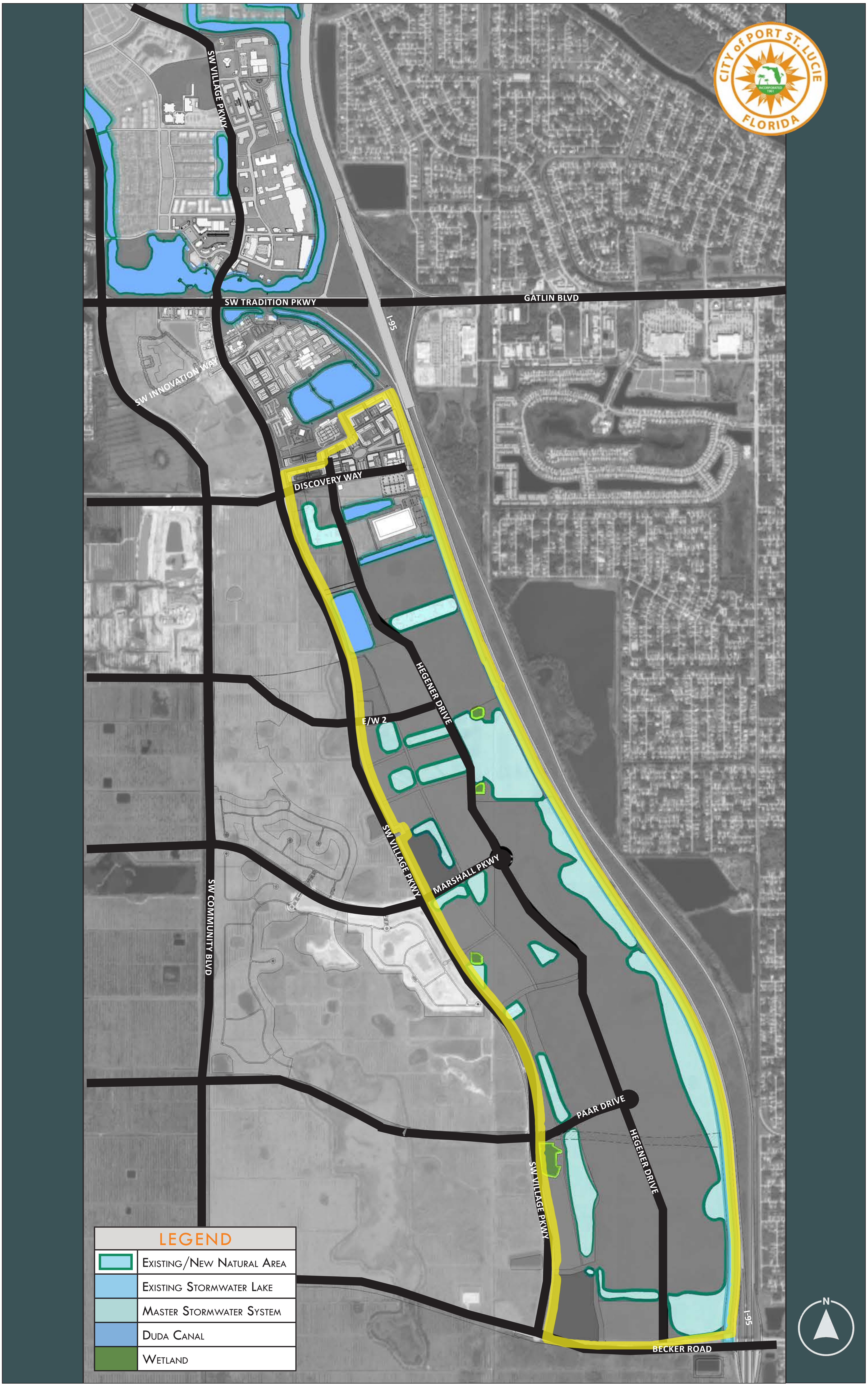


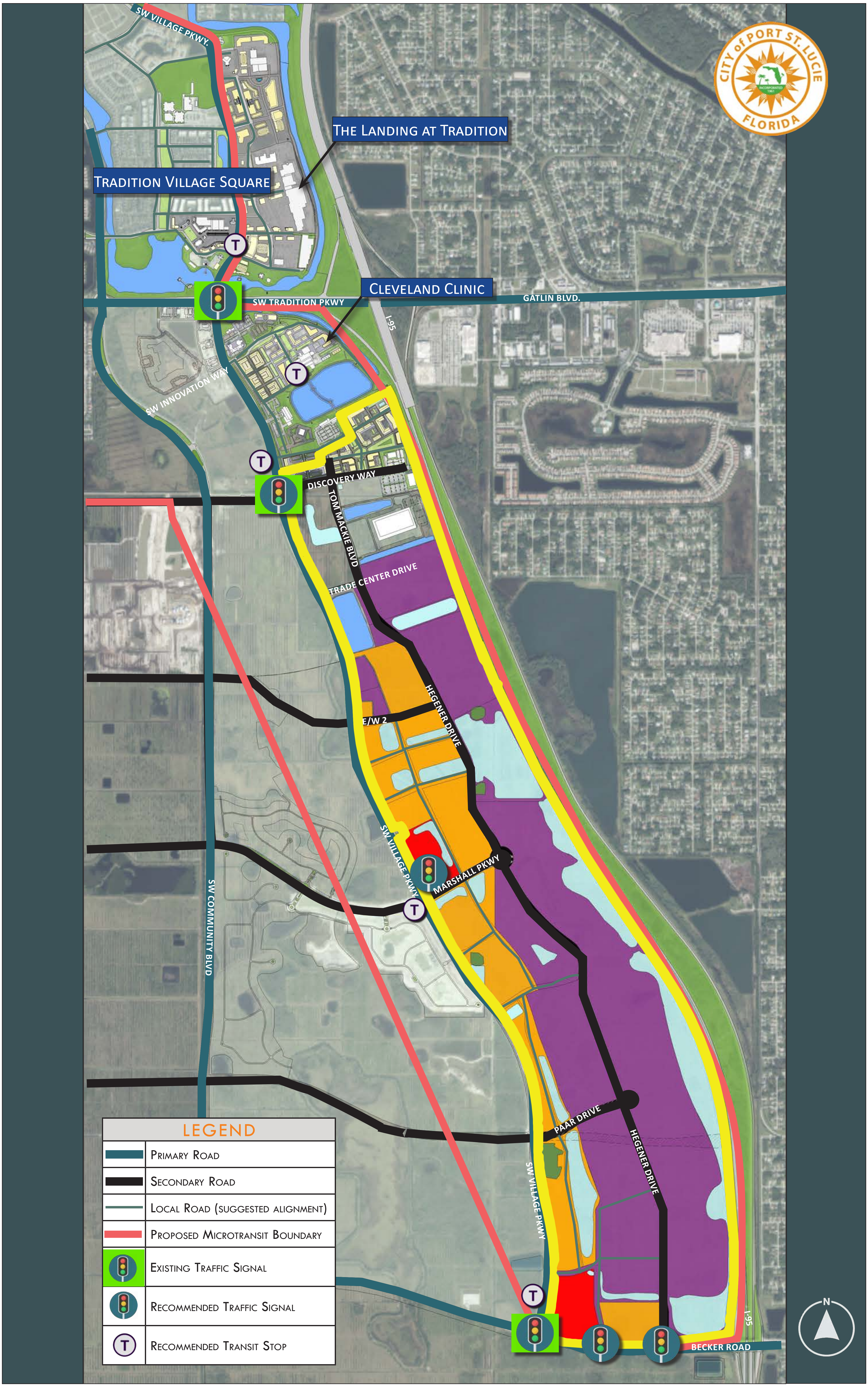
SOUTHERN GROVE- STORMWATER MASTER LAKE SYSTEM DIAGRAM

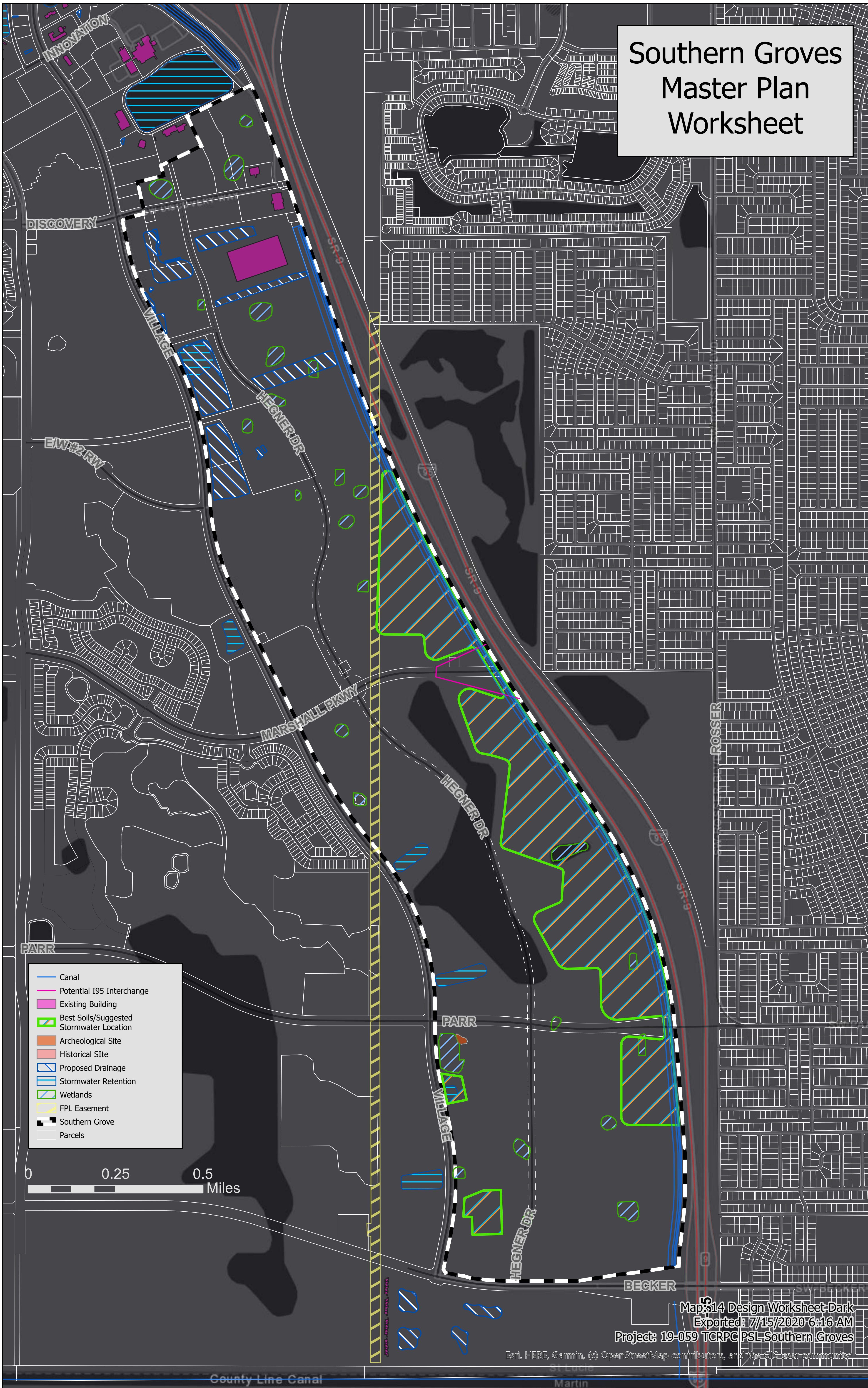


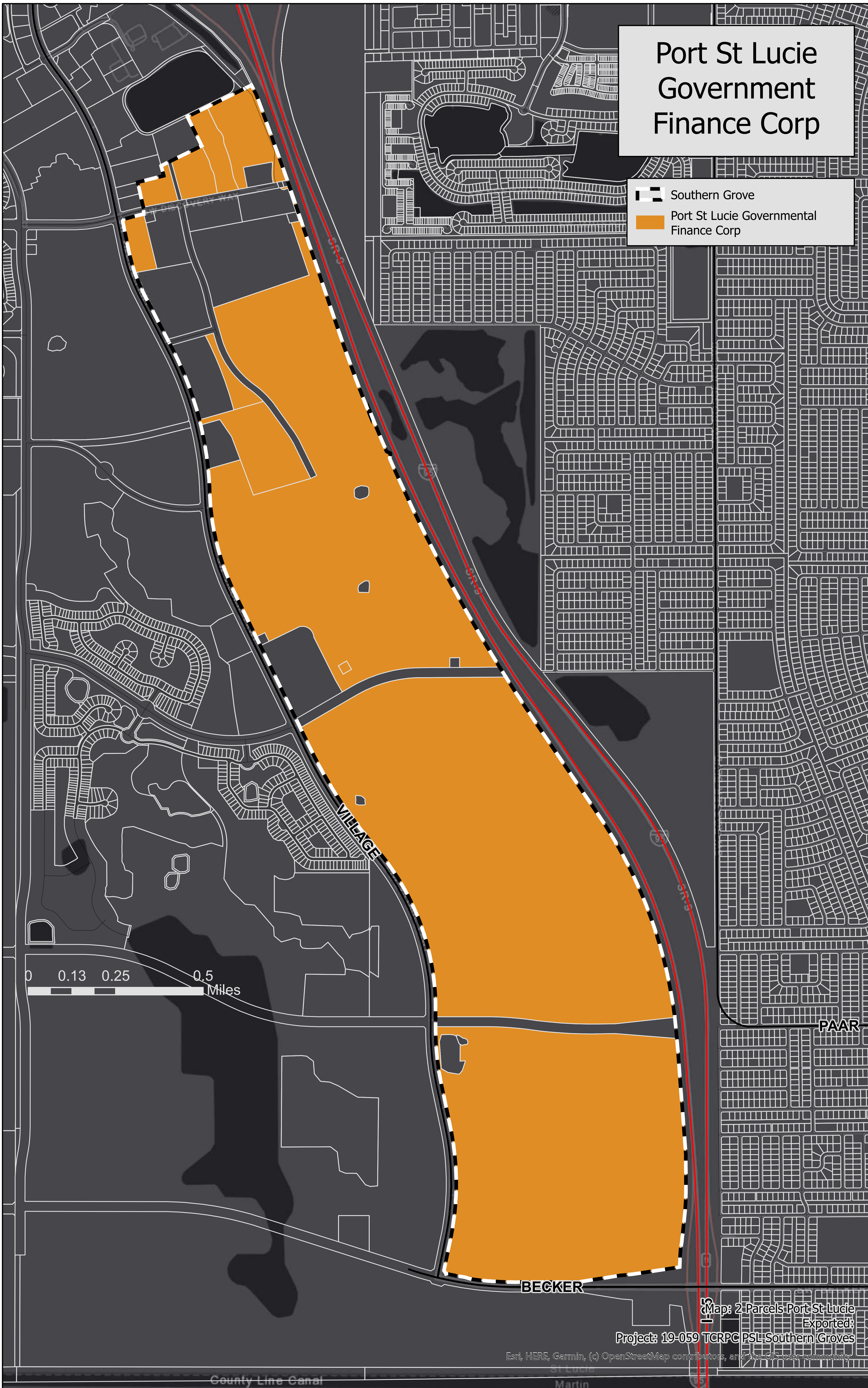
REVISED 1-05-2021

SOUTHERN GROVE- NATURAL SYSTEMS DIAGRAM

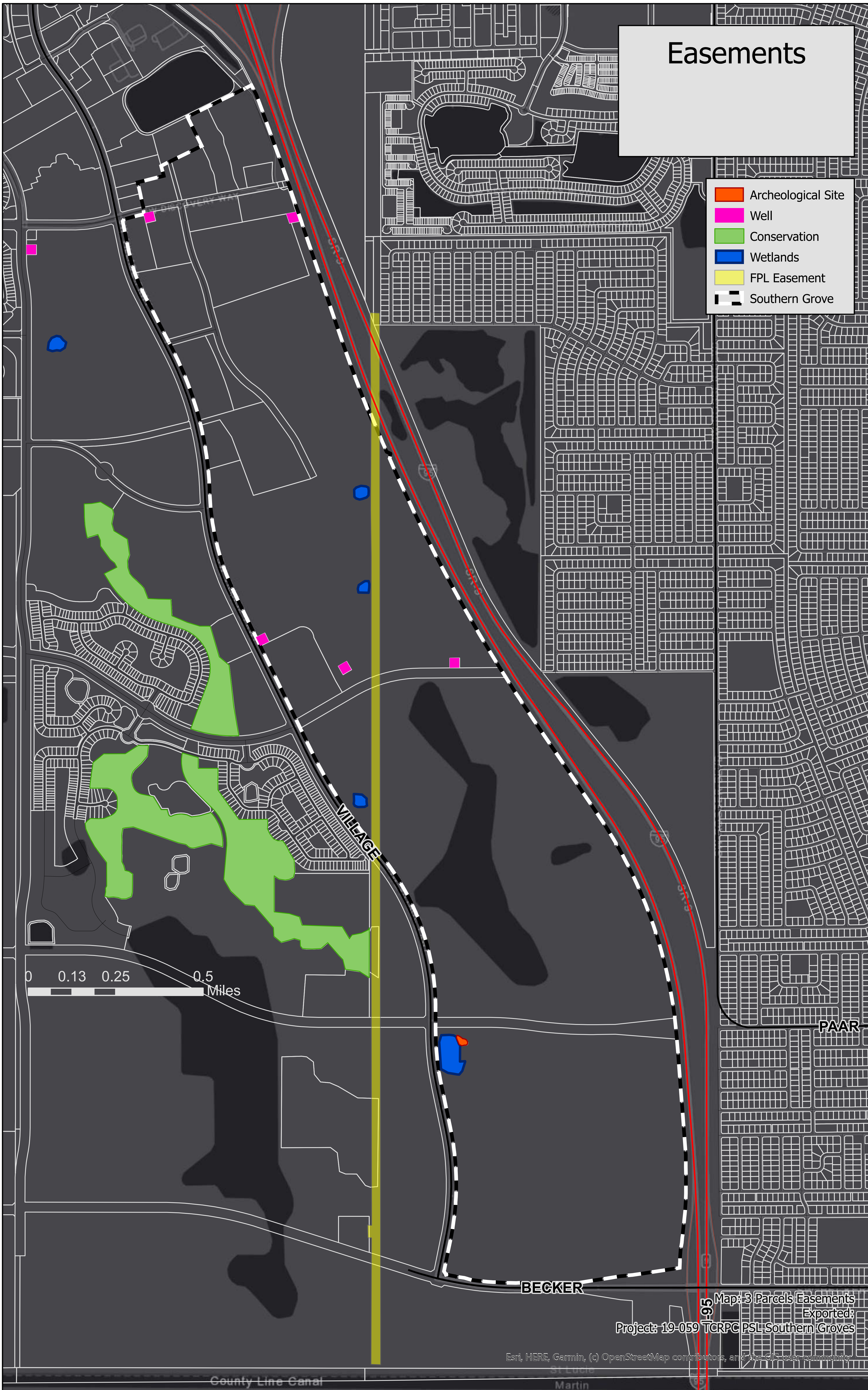


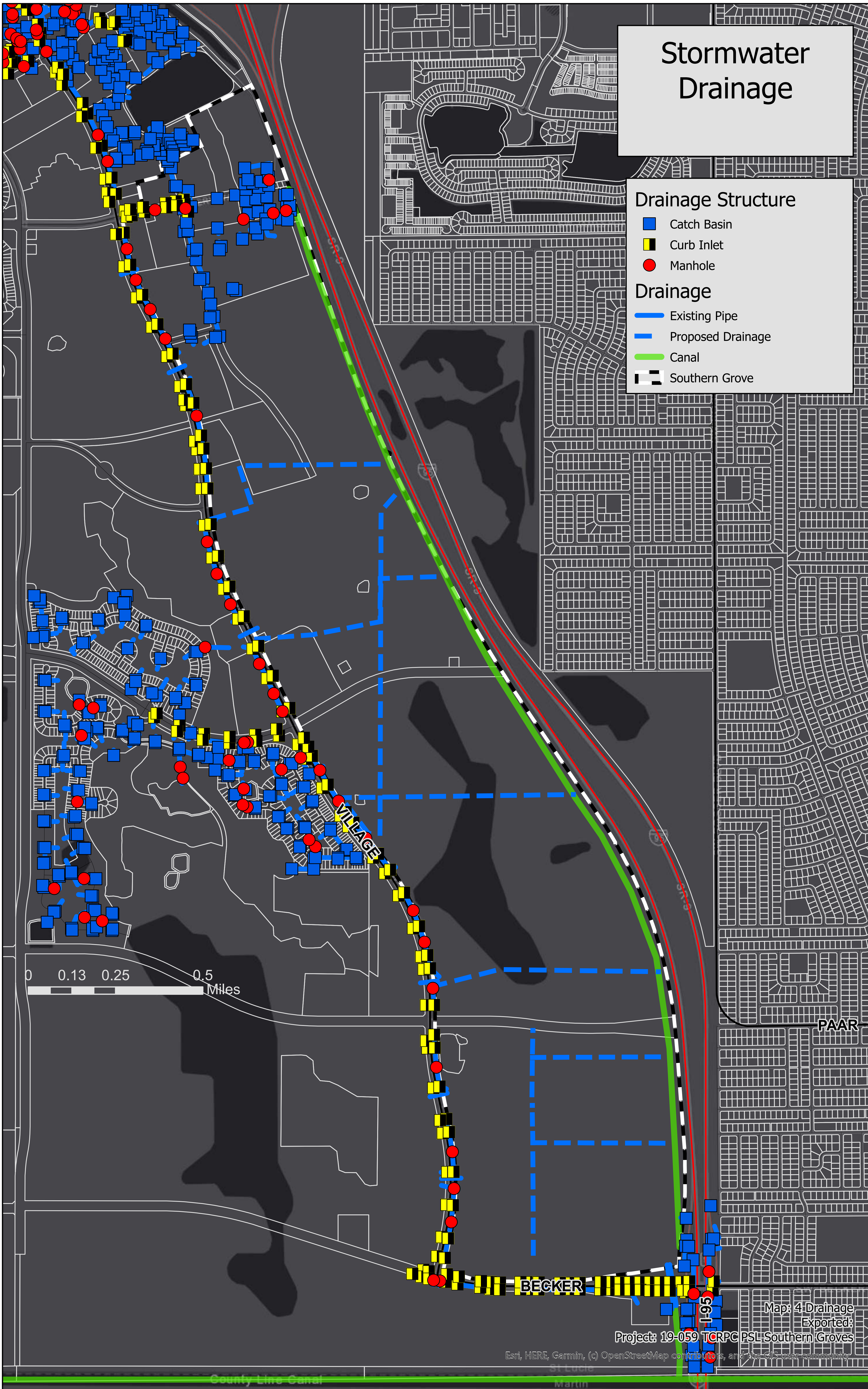

CITY of PORT ST. LUCIE FLORIDA
SW VILLAGE PKWY.
THE LANDING AT TRADITION
TRADITION VILLAGE SQUARE
CLEVELAND CLINIC
SW TRADITION PKWY
GATLIN BLVD.
I-95
SW INNOVATION WAY
DISCOVERY WAY
TOM MACKIE BLVD
TRADE CENTER DRIVE
HEGENER DRIVE
E/W 2
SW VILLAGE PKWY
MARSHALL PKWY
SW COMMUNITY BLVD
PAAR DRIVE
HEGENER DRIVE
SW VILLAGE PKWY
I-95
BECKER ROAD
N
LEGEND
Primary Road
Secondary Road
Local Road (suggested alignment)
Proposed Microtransit Boundary
Existing Traffic Signal
Recommended Traffic Signal
Recommended Transit Stop

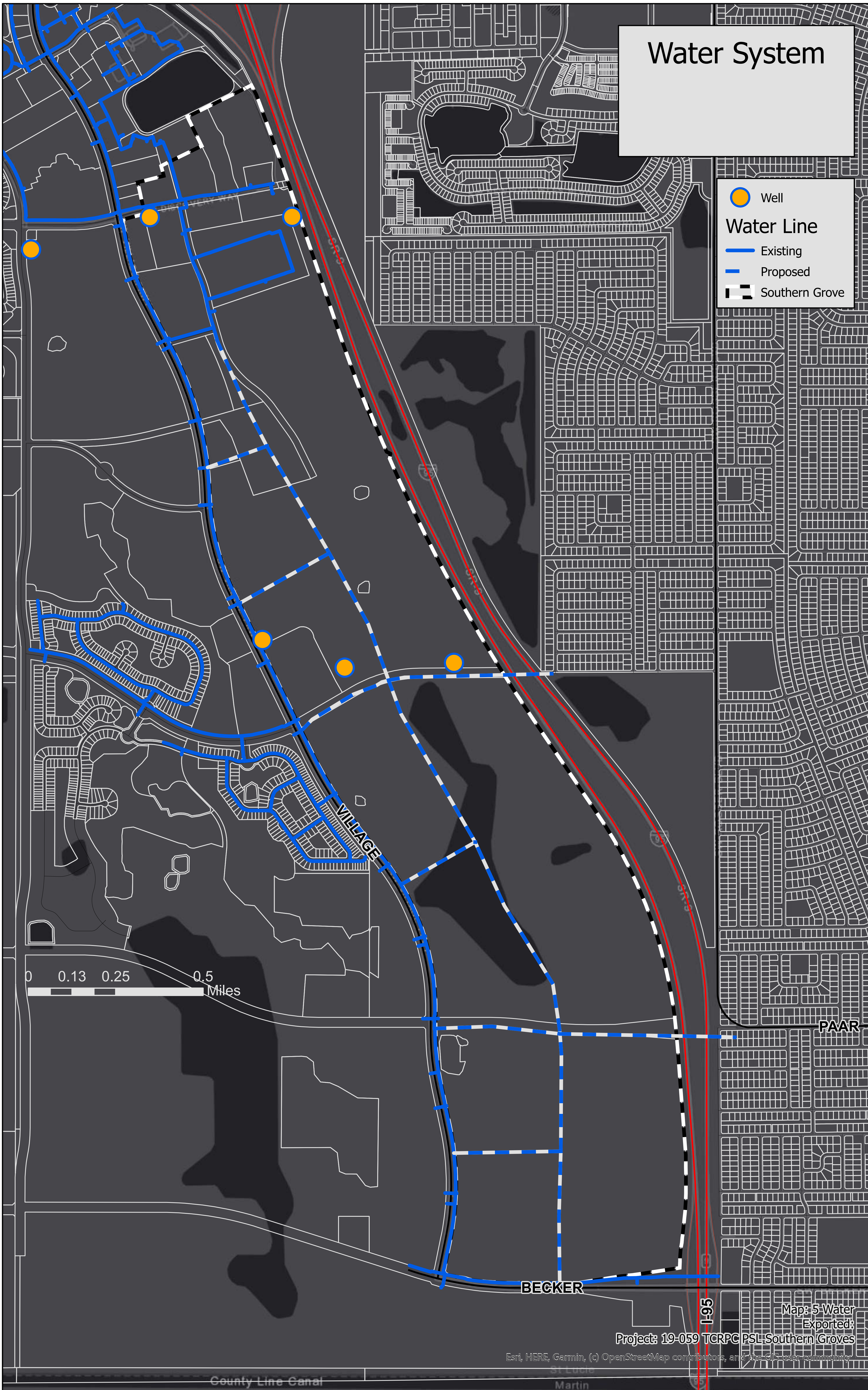

Southern Groves Master Plan Worksheet
INNOVATION
DISCOVERY
DISCOVERY WAY
SR-9
VILLAGE
HEGNER DR
E/W #2 RW
95
MARSHALL PKWY
ROSSER
PARR
BECKER
County Line Canal
St Lucie
Martin
Canal
Potential I95 Interchange
Existing Building
Best Soils/Suggested Stormwater Location
Archeological Site
Historical SIte
Proposed Drainage
Stormwater Retention
Wetlands
FPL Easement
Southern Grove
Parcels
0
0.25
0.5
Miles
Map: 14 Design Worksheet Dark
Exported: 7/15/2020 6:16 AM
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

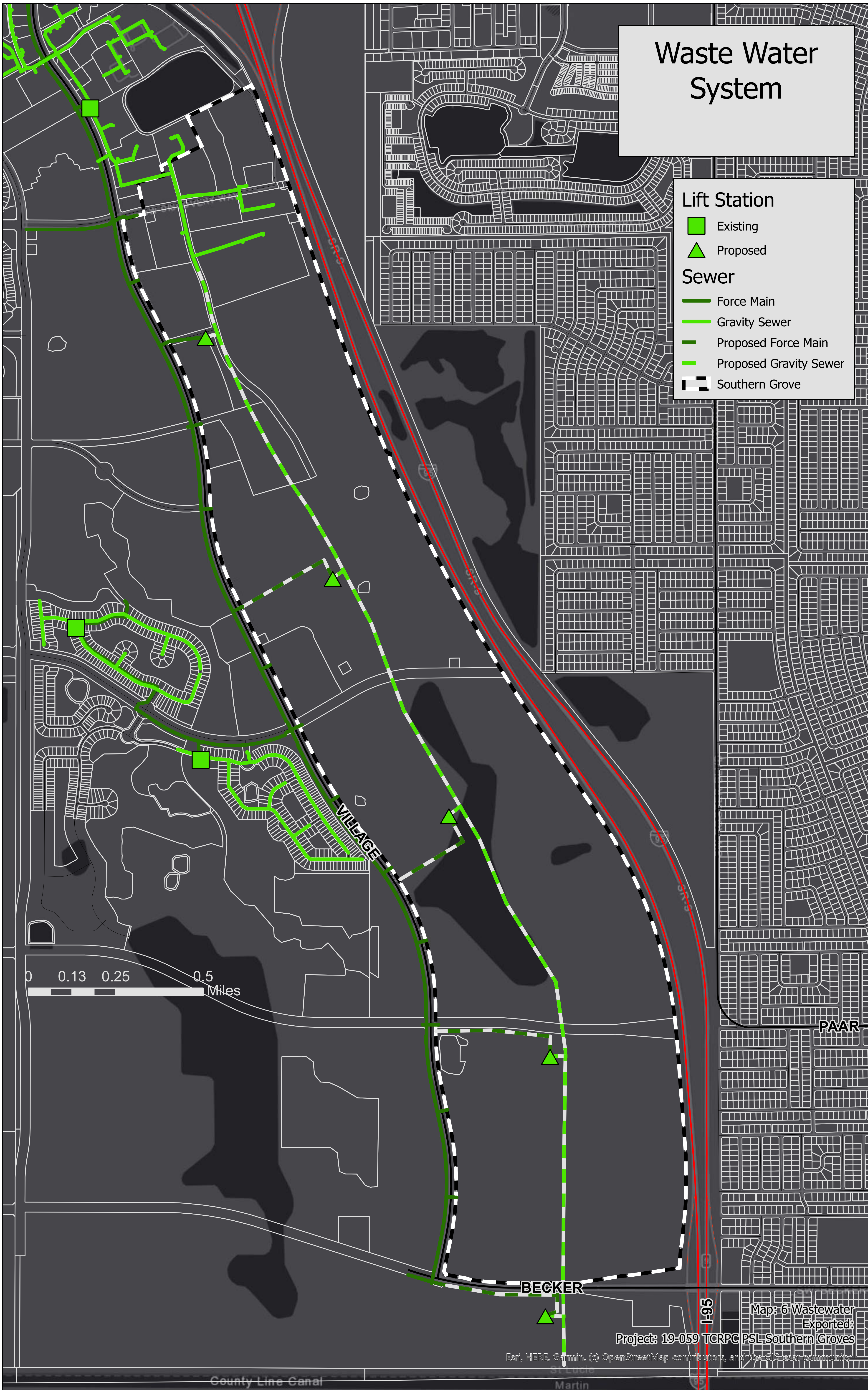


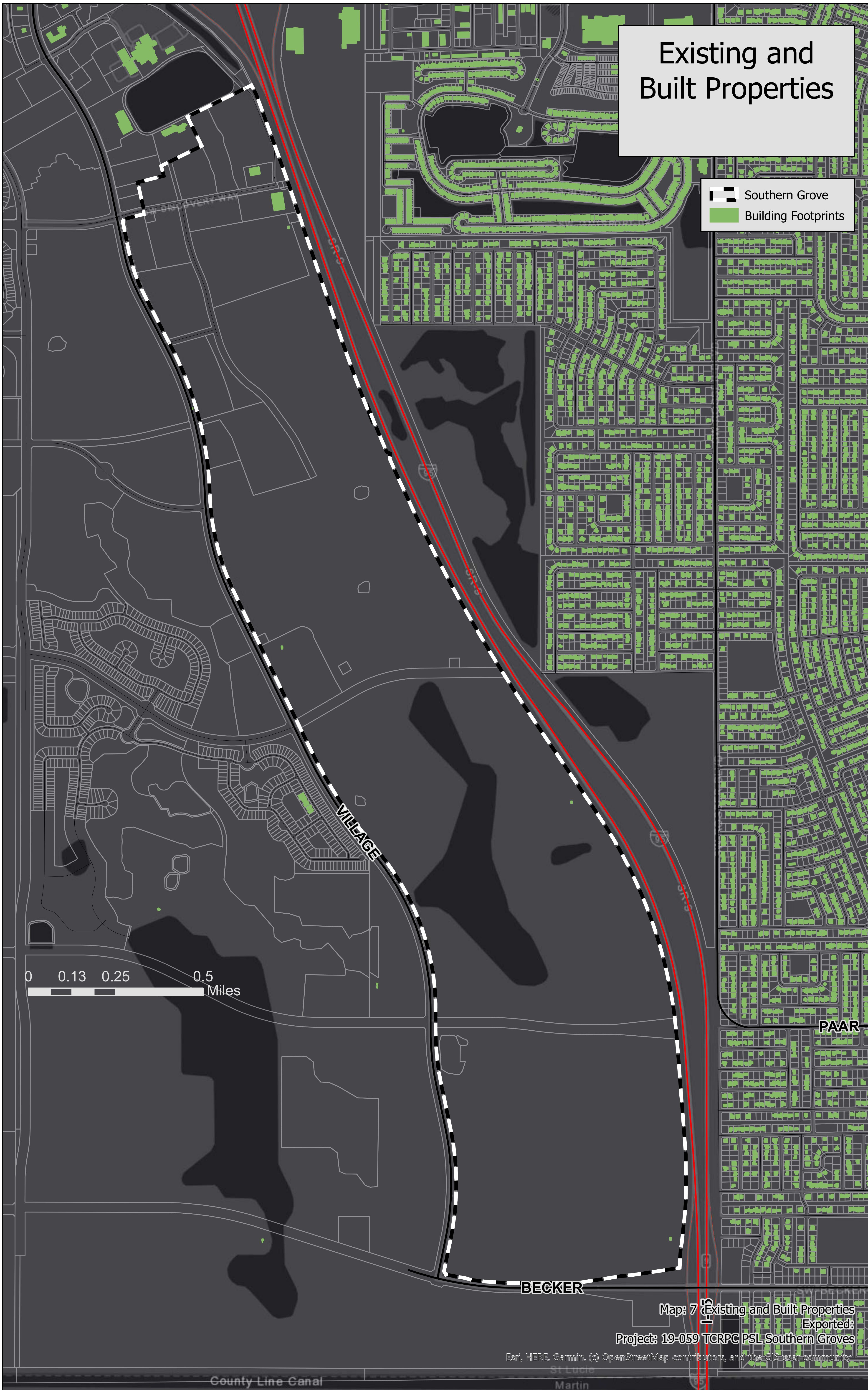
Port St Lucie Government Finance Corp
Southern Grove
Port St Lucie Governmental Finance Corp
VILLAGE
BECKER
PAAR
0 0.13 0.25 0.5 Miles
County Line Canal
St Lucie
Martin
Map: 2 Parcels Port St Lucie
Exported:
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community

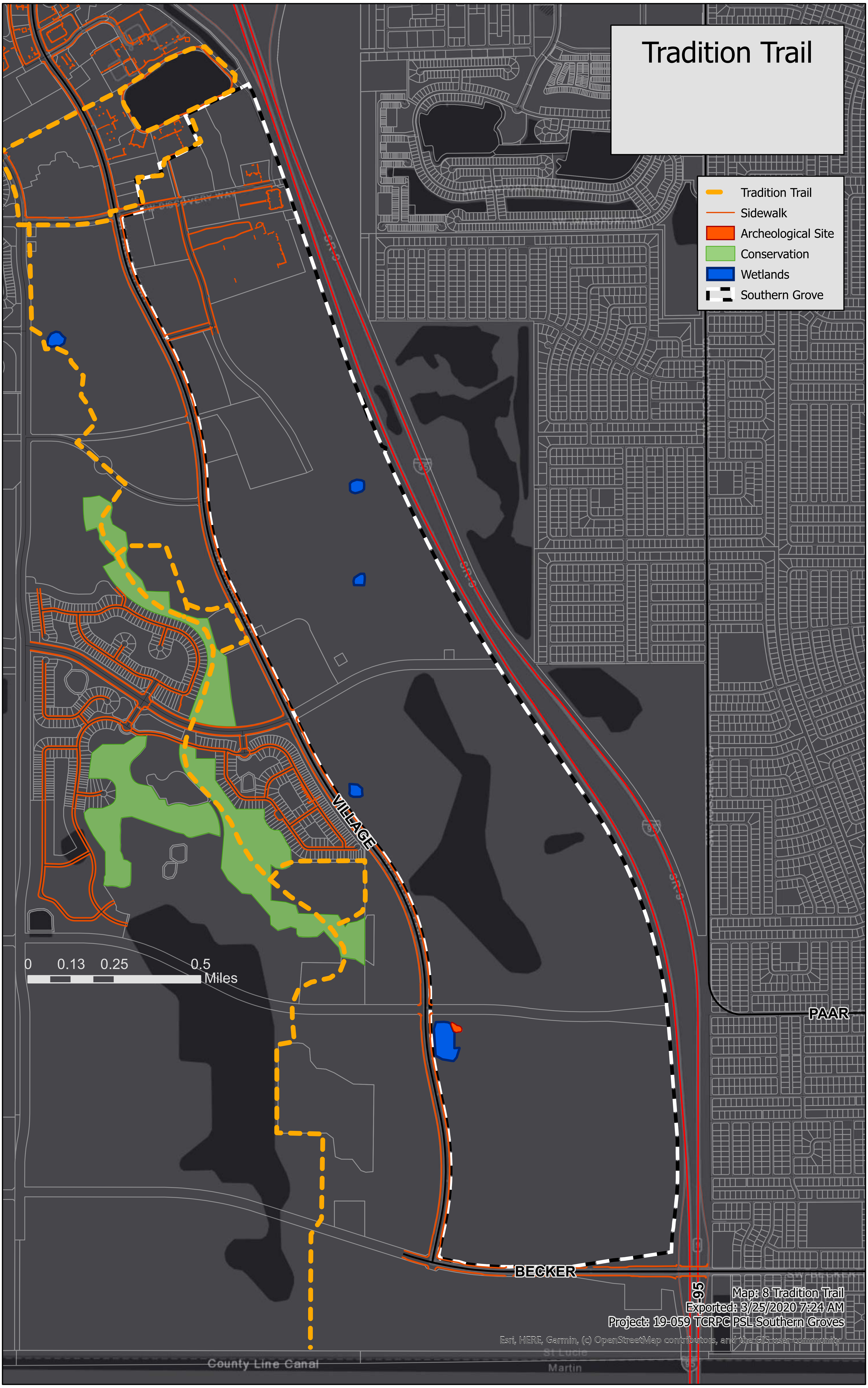

Easements
Archeological Site
Well
Conservation
Wetlands
FPL Easement
Southern Grove
VILLAGE
BECKER
PAAR
I-95
0 0.13 0.25 0.5
Miles
Map: 3 Parcels Easements
Exported:
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community
County Line Canal
St Lucie
Martin

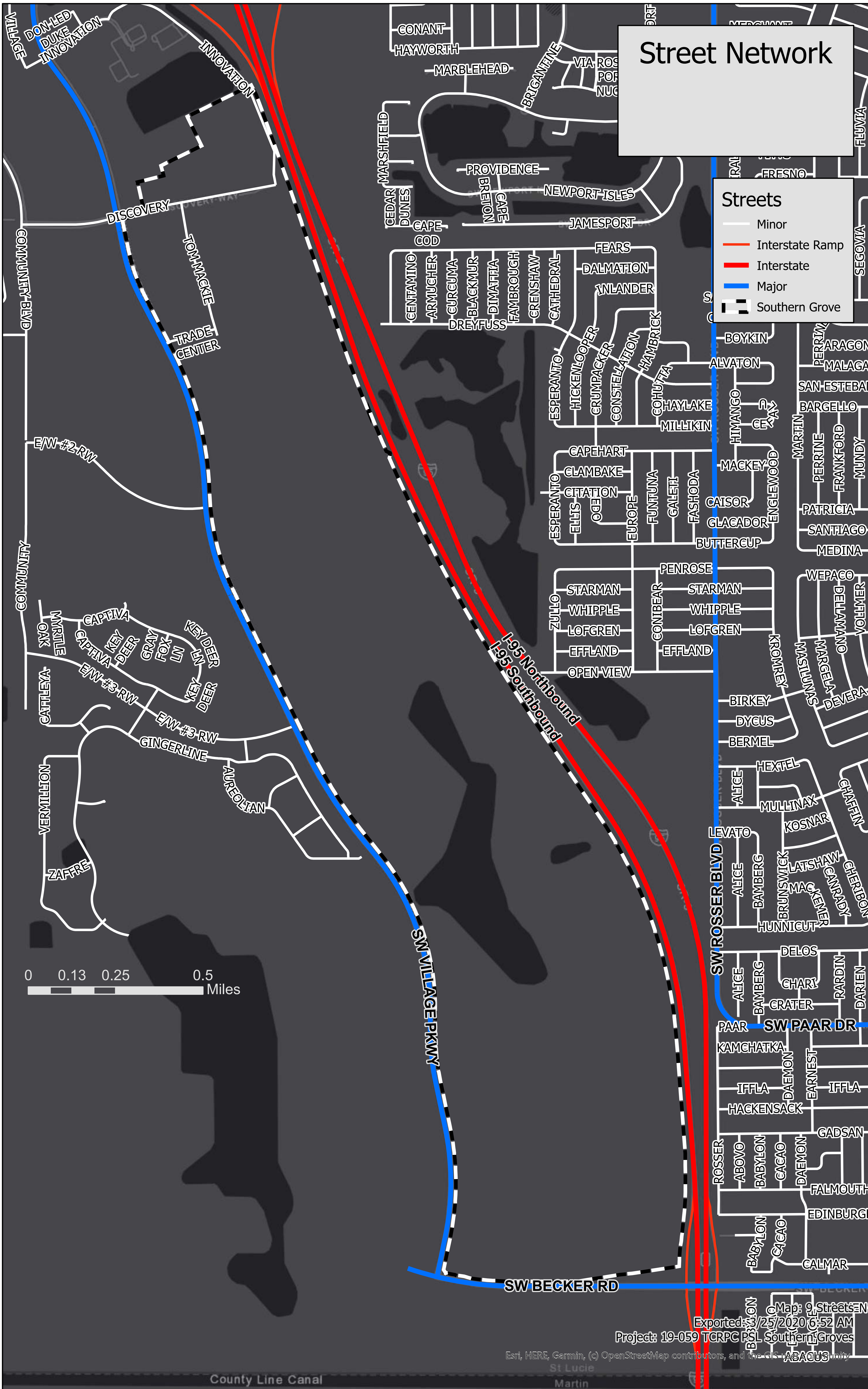

Stormwater Drainage
Drainage Structure
Catch Basin
Curb Inlet
Manhole
Drainage
Existing Pipe
Proposed Drainage
Canal
Southern Grove
0 0.13 0.25 0.5
Miles
VILLAGE
BECKER
PAAR
I-95
County Line Canal
St Lucie
Martin
Map: 4 Drainage
Exported:
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community


Water System
Well
Water Line
Existing
Proposed
Southern Grove
VILLAGE
BECKER
PAAR
I-95
0 0.13 0.25 0.5
Miles
Map: 5-Water
Exported:
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community
County Line Canal
St Lucie
Martin


Waste Water System
Lift Station
Existing
Proposed
Sewer
Force Main
Gravity Sewer
Proposed Force Main
Proposed Gravity Sewer
Southern Grove
VILLAGE
BECKER
PAAR
I-95
SR 9
County Line Canal
St Lucie
Martin
0 0.13 0.25 0.5
Miles
Map: 6 Wastewater
Exported:
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community


Existing and Built Properties
Southern Grove
Building Footprints
0 0.13 0.25 0.5
Miles
VILLAGE
BECKER
PAAR
I-95
SR 9
County Line Canal
St Lucie
Martin
Map: 7 Existing and Built Properties
Exported:
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community


Tradition Trail
Tradition Trail
Sidewalk
Archeological Site
Conservation
Wetlands
Southern Grove
0 0.13 0.25 0.5
Miles
VILLAGE
BECKER
PAAR
I-95
County Line Canal
St Lucie
Martin
Map: 8 Tradition Trail
Exported: 3/25/2020 7:24 AM
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community



Street Network
Streets
Minor
Interstate Ramp
Interstate
Major
Southern Grove
0 0.13 0.25 0.5
Miles
Map: 9_Streets_N
Exported: 3/25/2020 6:52 AM
Project: 19-059 TCRPC PSL Southern Groves
Esri, HERE, Garmin, (c) OpenStreetMap contributors, and the GIS user community
I-95 Northbound
I-95 Southbound
SW VILLAGE PKWY
SW ROSSER BLVD
SW BECKER RD
SW PAAR DR
County Line Canal
St Lucie
Martin
DISCOVERY
INNOVATION
COMMUNITY BLVD
TOM MACKIE
TRADE CENTER
E/W #2 RW
E/W #3 RW
GINGERLINE
AUREOLIAN
CAPTIVA
KEY DEER
GRAY FOX LN
MYRTLE OAK
CATTLEYA
VERMILLION
ZAFFRE
DON LED
DUKE
VILLAGE
CONANT
HAYWORTH
MARBLEHEAD
BRIGANTINE
PROVIDENCE
NEWPORT ISLES
JAMESPORT
CEDAR DUNES
CAPE COD
MARSHFIELD
BRETON
CAPE
FEARS
DALMATION
INLANDER
DREYFUSS
CENTAMINO
ARMUCHER
CURCUMA
BLACKMUR
DIMATTIA
FAMBROUGH
CRENSHAW
CATHEDRAL
ESPERANTO
HICKENLOOPER
CRUMPACKER
CONSTELLATION
HAMBRICK
COHUTTA
HAYLAKE
MILLIKIN
BOYKIN
ALVATON
HIMANGO
CAPEHART
CLAMBAKE
CITATION
ELLIS
EUROPE
FUNTUNA
GALETI
FASHODA
MACKEY
CAISOR
GLACADOR
BUTTERCUP
ENGLEWOOD
PENROSE
STARMAN
WHIPPLE
LOFGREN
EFFLAND
OPEN VIEW
ZULLO
CONIBEAR
KROMREY
BIRKEY
DYCUS
BERMEL
HEXTEL
MULLINAX
KOSNAR
LEVATO
ALICE
BAMBERG
BRUNSWICK
LATSHAW
CANRADY
CHERIBON
CHAFFIN
HUNNICUT
DELOS
CHARI
CRATER
RARDIN
DARIEN
PAAR
KAMCHATKA
DAEMON
EARNEST
IFFLA
HACKENSACK
GADSAN
ROSSER
ABOVO
BABYLON
CACAO
FALMOUTH
EDINBURGH
CALMAR
ABACUS
ARAGON
MALAGA
SAN ESTEBAN
BARGELLO
MARTIN
PERRINE
FRANKFORD
MUNDY
PATRICIA
SANTIAGO
MEDINA
WEPACO
DELLAMANO
VOLLMER
MASTLUNAS
MARGELA
DEVERA
FRESNO
SEGOVIA
FLUVIA

APPENDIX B

TECHNICAL MEMORANDUM #1	
TO	**CITY OF PORT ST. LUCIE**
FROM	**WTL+a via TCRPC**
DATE	**February 5, 2020**
RE	**SUMMARY OF INITIAL DEMOGRAPHIC & ECONOMIC CHARACTERISTICS AND FINDINGS**

The purpose of this memorandum is to provide a high-level overview of the demographic and economic characteristics related to the Port St. Lucie "Southern Grove" study area and the context within which it is located. This memorandum will be a component of the overall Market & Economic Analysis Report that has been requested by the City of Port St. Lucie through its inter-local agreement with the Treasure Coast Regional Planning Council (TCRPC).

Overview

The City of Port St. Lucie, located in St. Lucie County, Florida, is one of the fastest-growing municipalities in the State of Florida. Established in 1961, its municipal boundaries encompass 121.5 square miles. The City acquired 1,223.35 acres known as the "Southern Grove" property (the "study area") on June 28, 2018. The study area, which is part of the Southern Grove Development of Regional Impact (DRI) which encompasses approximately 3,606 acres. This technical memorandum provides a demographic and economic profile relevant to subsequent analysis of development potentials of the study area.

Demographic & Economic Profile

The following summary provides an evaluation of those indices that drive fundamental market demand for various land uses to inform development potentials in the Southern Grove study area. Accordingly, the overview is focused on population and household growth, employment trends and forecasts, household incomes and annual retail spending power, the current business mix in St. Lucie County and Port St. Lucie, and other economic indicators based on available data that form the basis of potential market support.

This profile and analysis are based on data from various secondary public and private sources, including U.S. Census Bureau; University of Florida Bureau of Business & Economic Research; City of Port St. Lucie and St. Lucie County; ESRI Business Analyst; Claritas, Inc. and Dun & Bradstreet, Inc.; and other sources.

Demographic Trends & Forecasts

WTL+a evaluated historic population growth patterns and forecasts in various geographies, including the City of Port St. Lucie and nearby communities in St. Lucie County using the sources noted above. Key findings are summarized below, with data illustrated in the accompanying tables.

St. Lucie County

- As illustrated in Table 1 below, St. Lucie County's population increased—from 192,695 residents in 2000 to more than 309,300 residents as of the April 1, 2019 state census, reflecting extraordinary population growth of exceeding 116,600 new residents over the past 19 years. This represents *sustained* annual growth of 2.5% per year since 2000; notably, growth slowed to a more reasonable but still solid rate of 1.2% per after 2010.
- St. Lucie County consists of two primary municipalities—Port St. Lucie and Fort Pierce—as well as the smaller municipality of St. Lucie Village. Otherwise, the remaining land area is unincorporated.
- Outside of Port St. Lucie, the other municipalities and unincorporated area expanded by only 13,530 new residents, accounting for only 12% of the County's overall population growth since 2000.

Table 1: St. Lucie County Population Trends & Forecasts, 2000—2040

	2000	% of County	2010	% of County	1-Apr 2019	% of County	Change: 2000-2019 Amount	Change: 2000-2019 CAGR (2)	*Forecasts (3)* 2020	2030	2040	% of County	Change: 2019-2040 Amount	Change: 2019-2040 CAGR (2)
Population														
St. Lucie County	**192,695**		**277,789**		**309,359**		**116,664**	**2.5%**	**313,100**	**359,500**	**395,100**		**85,741**	**1.17%**
Fort Pierce	37,516	19.5%	41,590	15.0%	43,653	14.1%	6,137	**0.8%**	44,181	50,728	55,752	14.1%	12,099	
Port St. Lucie	**88,769**	**46.1%**	**164,603**	**59.3%**	**191,903**	**62.0%**	**103,134**	**4.1%**	**194,224**	**223,007**	**245,090**	**62.0%**	**53,187**	
St. Lucie Village	604	0.3%	590	0.2%	646	0.2%	42	**0.4%**	654	751	825	0.2%	179	
Unincorporated	65,806	34.2%	71,006	25.6%	73,157	23.6%	7,351	**0.6%**	74,042	85,014	93,433	23.6%	20,276	
Total:	**192,695**	**100.0%**	**277,789**	**100.0%**	**309,359**	**100.0%**	**116,664**	**2.5%**	**313,100**	**359,500**	**395,100**	**100.0%**	**85,741**	**1.17%**

(1) Based on the 2019-2040 Low-Medium-High Population Forecasts prepared by BEBR. Analysis uses the Medium Growth Scenario for St. Lucie County.
(2) CAGR=Compound Annual Growth Rate.
(3) Population projections for 2019-2040 for selected municipalities assume that each continues the same rate of growth as occurred between 2010-2019. If growth rates continue at this pace, it would yield overall population growth exceeding the County's forecast by 2040.

https://www.bebr.ufl.edu/population

Source: U.S. Census Bureau; University of Florida, Bureau of Business & Economic Research; ESRI Business Analyst; WTL+a, December 2019.

Since 2000, St. Lucie County Added
116,600+ New Residents

- **Port St. Lucie captured fully 88% of the County's population growth between 2000 and 2019—with 103,100 new residents. This equates to a *sustained* annual average of more than 5,400 new residents per year.**
- Based on the Moderate Growth scenario of long-term population forecasts through 2040 (prepared by the University of Florida/Bureau of Economic & Business Research/BEBR), **St. Lucie County is expected to add another 85,700 new residents**, which translates into an annual growth rate of 1.17% per year over the next 20 years, for a projected 2040 population of 395,100 residents. The state's forecasts suggest the County's population growth will moderate from its historic patterns between 2000-2010 and 2010-2019.

Additional demographic characteristics for St. Lucie County are illustrated in Table 2 below.

Port St. Lucie

Key demographic characteristics of the City of Port St. Lucie are illustrated in Table 3 and summarized in detail below:

- In 2019, data from ESRI Business Analyst suggests that Port St. Lucie **contains more than 188,700 residents in 68,775 households.** This is slightly less than the official April 1st state estimate of 191,900 residents.
- Between 2000 and 2010, the City's population increased substantially—with the addition of almost 74,300 new residents. This equates to an annual average gain of more than 7,400 residents per year and an extraordinary annual growth rate of 6.2% per year. Growth moderated between 2010 and 2019—with the addition of 24,250 new residents in 7,900 new households and an annual growth rate of 1.54%.
- It is likely that the City's population and household growth in the decade between 2000 and 2010 occurred prior to the national recession and attendant housing collapse that affected many jurisdictions in South Florida and across the U.S.

Table 2: Demographic Trends & Forecasts—St. Lucie County, 2000—2024

	2000	2010	2019	% Dist.	2024	% Dist.	Change: 2019-2024 No.	Change: 2019-2024 CAGR %
Demographic Profile								
Population	192,695	277,789	313,221		343,956		**30,735**	**1.89%**
Households	76,933	108,523	120,231		131,302		**11,071**	**1.78%**
Avg. HH Size	2.53	2.53	2.58		2.60			
Median Age		42.4	44.5		44.5			
Race								
White		199,336	215,211	69%	229,371	67%	14,160	1.3%
Black		53,036	63,547	20%	73,132	21%	9,585	2.8%
American Indian		1,123	1,129	0%	1,182	0%	53	0.9%
Asian, Pacific Islander		4,495	6,243	2%	7,836	2%	1,593	4.7%
Other		12,512	16,852	5%	19,918	6%	3,066	3.4%
Two or More Races		7,287	10,239	3%	12,517	4%	2,278	4.1%
Total:		**277,789**	**313,221**		**343,956**		**30,735**	
Hispanic *(1)*		45,995	62,437	20%	74,022	22%	11,585	3.5%
Age Distribution								
0-14		51,139	51,948	17%	57,140	17%	5,192	1.9%
15-24		32,336	34,001	11%	35,095	10%	1,094	0.6%
25-34		30,110	38,432	12%	42,501	12%	4,069	2.0%
35-44		34,617	33,800	11%	39,226	11%	5,426	3.0%
45-54		39,265	37,651	12%	37,328	11%	(323)	-0.2%
55-64		34,944	43,097	14%	44,863	13%	1,766	0.8%
65-74		29,395	39,411	13%	45,616	13%	6,205	3.0%
75+		25,983	34,881	11%	42,187	12%	7,306	3.9%
Income Profile								
Households by Income								
<$15,000			9.7%		8.1%			
$15,000 - $24,999			11.2%		9.5%			
$25,000 - $34,999			11.3%		10.0%			
$35,000 - $49,999			16.3%		15.6%			
$50,000 - $74,999			18.5%		18.7%			
$75,000 - $99,999			15.1%		16.4%			
$100,000 - $149,999			11.8%		13.8%			
$150,000 - $199,999			3.1%		4.2%			
$200,000+			3.1%		3.7%			
Average HH Income			$ 68,159		$ 77,265			**2.5%**
Median HH Income			$ 51,425		$ 56,898			**2.0%**
Education Profile								
Years of Education (2017 American Community Survey/ACS)								
Less than 9th Grade			5.7%					
9th-12th Grade, No Diploma			8.2%					
High School Graduate (Includes Equivalency)			34.0%					
Some College, No Degree			21.9%					
Associate Degree			10.7%					
Bachelor's Degree			12.8%					
Graduate/Professional Degree			6.8%					

(1) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.
https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

Source: ESRI Business Analyst; American Community Survey; WTL +a, December 2019.

- Moreover, the City's share of St. Lucie County's population has increased over the past 19 years—from 46% in 2000 to 62% in 2019. Over the next five years, ESRI forecasts suggest the City's share of St. Lucie County's population will remain stable in the range of 61% by 2024.

- Port St. Lucie's population is roughly 71% White, 18% Black, and 22% Hispanic (can be two or more races).

- Residents have a median age of 42.0 years, which is forecast to decline slightly to 41.6 years by 2024. By comparison, St. Lucie County's median age is slightly older—44.5 with no change expected by 2024.

- Port St. Lucie is a solidly middle-class community, with average household incomes in 2019 of $73,500 per year. Approximately 20% of the City's households have annual incomes greater than $100,000 per year.

  Average household incomes are forecast to increase by 2.5% per year over the next five years, rising to $83,200 by 2024. The City's average household income is forecast to remain higher than its counterparts in St. Lucie County, where average household incomes are forecast to be roughly $77,265 by 2024.

- Notably, ESRI's five-year forecasts through 2024 suggest that Port St. Lucie's growth will moderate over recent trends, with a forecast population gain of more than **20,650 new residents in 7,180 new households.** This forecast suggests average annual growth rates of 2.1% and 2.0% per year, respectively.

- ESRI forecasts further suggest that **population growth will be greatest in four age cohorts** over the next five years:

  - Those ages 75 and over are expected to exhibit the greatest rate of growth—4.3% per year (consistent with an aging population throughout Florida and the U.S.).

  - Strong growth of 3% per year is also expected in the 25-34, 35-44 and 65-74 age cohorts. This is likely to translate into opportunities for specific types of housing, such as first-time buyers (25-34) and move-up buyers (35-44) as well as age-restricted and independent living/continuing care for those over the age of 65.

Table 3: Demographic Trends & Forecasts—City of Port St. Lucie, 2000—2024

	2000	2010	2019	% Dist.	2024	% Dist.	Change: 2019-2024 No.	Change: 2019-2024 CAGR %
Demographic Profile								
Population	90,170	164,463	188,722		209,381		**20,659**	**2.10%**
As % of County	*46.8%*	*59.2%*	*60.3%*		*60.9%*			
Households	34,443	60,871	68,775		75,956		**7,181**	**2.01%**
Avg. HH Size	2.69	2.69	2.73		2.75			
Median Age		39.8	42.0		41.6			
Race								
White		122,234	133,808	71%	143,271	68%	9,463	1.4%
Black		26,847	33,631	18%	40,232	19%	6,601	3.6%
American Indian		627	646	0%	671	0%	25	0.8%
Asian, Pacific Islander		3,365	4,737	3%	5,903	3%	1,166	4.5%
Other		6,421	8,872	5%	10,670	5%	1,798	3.8%
Two or More Races		4,969	7,027	4%	8,634	4%	1,607	4.2%
Total:		**164,463**	**188,721**		**209,381**		**20,660**	
Hispanic *(1)*		30,190	41,354	22%	49,424	24%	8,070	3.6%
Age Distribution								
0-14		33,126	32,807	17%	36,731	18%	3,924	2.3%
15-24		19,468	21,556	11%	22,064	11%	508	0.5%
25-34		18,815	24,618	13%	28,684	14%	4,066	3.1%
35-44		23,126	21,813	12%	25,375	12%	3,562	3.1%
45-54		24,388	24,496	13%	23,954	11%	(542)	-0.4%
55-64		19,528	25,718	14%	27,310	13%	1,592	1.2%
65-74		14,435	20,802	11%	24,350	12%	3,548	3.2%
75+		11,577	16,914	9%	20,912	10%	3,998	4.3%
Income Profile								
Households by Income								
<$15,000			6.5%		5.4%			
$15,000 - $24,999			9.4%		7.9%			
$25,000 - $34,999			10.3%		9.0%			
$35,000 - $49,999			16.2%		15.2%			
$50,000 - $74,999			20.2%		20.0%			
$75,000 - $99,999			17.1%		18.2%			
$100,000 - $149,999			13.3%		15.4%			
$150,000 - $199,999			3.5%		4.7%			
$200,000+			3.4%		4.2%			
Average HH Income			$ 73,509		$ 83,193			**2.5%**
Median HH Income			$ 57,072		$ 63,262			**2.1%**
Educational Profile								
Years of Education (2017 American Community Survey/ACS)								
Less than 9th Grade			5.4%					
9th-12th Grade, No Diploma			7.2%					
High School Graduate (Includes Equivalency)			33.4%					
Some College, No Degree			23.4%					
Associate Degree			11.4%					
Bachelor's Degree			12.8%					
Graduate/Professional Degree			6.5%					

(1) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.
https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

Source: U.S. Census Bureau; American Community Survey; ESRI Business Analyst; WTL +a, December 2019.

Population Growth in Port St. Lucie Next 5 Years:

20,650+ New Residents in 7,180 New Households by 2024

Household Incomes & Retail Spending

Household retail spending is the primary driver of demand for retail space, such as shopping centers, "Big Box" stores such as Wal-Mart or Target, food & beverage, and specialty or destination retail projects. Household retail spending patterns among households in St. Lucie County and the cities of Port St. Lucie and Fort Pierce are illustrated in Table 4.

- With 2019 average household incomes of $73,500, households in Port St. Lucie have sufficient disposable incomes to support a wide range of retail offerings. Households spend approximately 22.9% of annual incomes on various retail categories compared to more than 23% among households countywide.
- The City's households spend more than $16,860 per year on consumer retail goods, including: clothing, entertainment/recreation, electronics, groceries, food & beverage, household furnishings and health care, while County households tend to spend less ($15,700 per year).
- City annual household expenditures are also significantly higher than that spent annually by households in the City of Fort Pierce ($12,075 per household).
- **Retail spending among the City's households exceeds $1.16 billion per year** as compared to $830 million among households in Fort Pierce. Port St. Lucie households account for fully 61% of all household consumer retail spending in St. Lucie County. Notably, household spending totals are irrespective of location (i.e., spending can occur anywhere).

Table 4: Annual Household Consumer Spending, 2019

	St. Lucie County	Port St. Lucie	Fort Pierce
Total Households (2019)	**120,231**	**68,775**	**17,135**
Apparel & Accessories			
Men's Wear	$ 319	$ 343	$ 252
Women's Wear	564	603	432
Children's Wear	245	280	192
Footwear	373	401	303
Watches & Jewelry	113	122	80
Apparel Products & Services	52	55	38
Subtotal:	**$ 1,665**	**$ 1,804**	**$ 1,298**
Computers			
Computers & Hardware	$ 127	$ 138	$ 98
Software & Accessories	27	29	20
Subtotal:	**$ 154**	**$ 167**	**$ 118**
Entertainment & Recreation			
Membership Fees for Clubs	$ 177	$ 192	$ 127
Fees for Participant Sports	89	97	61
Tickets to Theater/Operas/Concerts	55	58	41
Tickets to Movies	43	47	33
Tickets to Parks/Museums	24	27	19
Admission to Sporting Events	48	53	35
Fees for Recreational Lessons	102	115	73
Dating Services	0.53	0.55	0.49
Subtotal:	**$ 538**	**$ 589**	**$ 388**
TV/Video/Audio			
Cable & Satellite TV Services	$ 723	$ 760	$ 565
Televisions	88	95	69
Satellite Dishes	1	1	1
VCRs, Video Cameras & DVD Players	5	5	4
Miscellaneous Video Equipment	21	23	15
Video Cassettes & DVDs	9	10	7
Video Game Hardware/Accessories	22	24	18
Video Game Software	11	13	10
Rental/Streaming/Downloaded Video	37	41	29
Installation of Televisions	1	1	1
Audio	77	84	59
Rental & Repair of TV/Radio/Audio/Sound	3	3	2
Subtotal:	**$ 998**	**$ 1,060**	**$ 779**

(1) Consumer spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys conducted by the Bureau of Labor Statistics.

Source: US Department of Labor, Bureau of Labor Market Statistics; ESRI Business Analyst; WTL +a, December 2019.

Table 4 (Continued): Annual Household Consumer Spending, 2019

	St. Lucie County	Port St. Lucie	Fort Pierce
Other Entertainment			
Pets	$ 531	$ 562	$ 409
Toys & Games	92	102	71
Recreational Vehicles & Fees	115	121	83
Sports/Recreation/Exercise Equipment	167	185	117
Photo Equipment & Supplies	41	45	30
Reading	86	90	63
Catered Affairs	18	20	14
Subtotal:	**$ 1,049**	**$ 1,124**	**$ 788**
Food & Alcohol			
Food at Home	$ 4,142	$ 4,415	$ 3,249
Food Away from Home	2,888	3,128	2,220
Alcoholic & Non-alcoholic Beverages	443	475	336
Subtotal:	**$ 7,472**	**$ 8,017**	**$ 5,805**
Household Furnishings & Equipment			
Household Textiles	$ 80	$ 86	$ 61
Furniture	486	529	368
Floor Coverings	24	26	17
Major Appliances	293	318	215
Housewares	86	92	64
Small Appliances	38	41	31
Luggage	11	12	8
Telephones & Accessories	59	65	45
Lawn & Garden	388	412	273
Housekeeping Supplies	619	658	474
Maintenance & Remodeling Materials	405	441	284
Subtotal:	**$ 2,489**	**$ 2,679**	**$ 1,840**
Health & Personal Care			
Non- & Prescription Drugs	$ 434	$ 454	$ 325
Optical	73	78	55
Personal Care Products	404	436	310
School Supplies	119	130	93
Smoking Products	318	329	278
Subtotal:	**$ 1,348**	**$ 1,427**	**$ 1,060**
TOTAL:			
Total Annual Spending	**$ 1,889,195,715**	**$ 1,160,103,578**	**$ 830,478,070**
Per Household	**$ 15,713**	**$ 16,868**	**$ 12,075**
Average HH Income	$ 68,159	$ 73,509	$ 51,290
As % of Average HH Income	23.1%	22.9%	23.5%

(1) *Consumer spending data are derived from the 2016 and 2017 Consumer Expenditure Surveys conducted by the Bureau of Labor Statistics.*

Source: US Department of Labor, Bureau of Labor Market Statistics; ESRI Business Analyst; WTL +a, December 2019.

Retail “Recapture” Opportunities

Another key indicator of retail market potentials involves what is known as the “retail opportunity gap”. This compares annual household spending (i.e., “demand”) in specific merchandise categories against estimated annual retail sales by businesses in those same categories (i.e., “supply”). The difference between demand and supply represents the “recapture” opportunity, or surplus, available in each retail category in the reporting geography.

When *demand* is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than *supply*, there is a surplus of sales in that retail category. That is, a positive value in **green** indicates a potential recapture opportunity, while a negative value in **red** indicates a surplus of sales among businesses or an “inflow” of sales from outside of the reporting geography. In Figure 1 below, recapture opportunities among specific merchandise categories are indicated on the right side of the graph while surplus sales (inflow) are illustrated on the left side of the graph. Numerical findings for the City of Port St. Lucie are illustrated in Table 5 below.

Figure 1: Retail Leakage & Surplus—City of Port St. Lucie, 2019

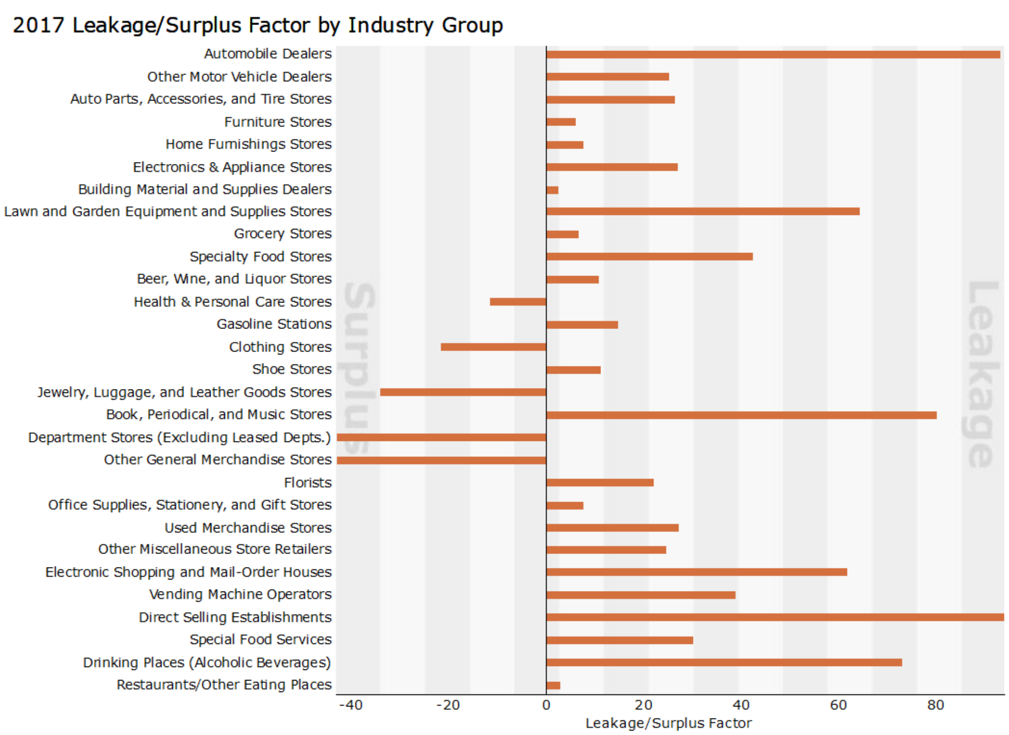


Table 5: Retail "Recapture" Opportunities—City of Port St. Lucie, 2019

Retail Category		Demand (HH Spending)		Supply (Store Sales)		"Recapture" Opportunity
General Merchandise Stores						
Department Stores Excl Leased Depts.	$	223,322,120	$	564,232,866	$	(340,910,746)
Other General Merchandise Stores		96,252,355		243,355,156		(147,102,801)
Subtotal:	**$**	**319,574,475**	**$**	**807,588,022**	**$**	**(488,013,547)**
Clothing & Accessories Stores						
Clothing Stores	$	64,949,127	$	100,731,783	$	(35,782,656)
Shoe Stores		14,913,516		11,911,355		3,002,161
Jewelry, Luggage, Leather Goods		16,299,377		33,254,357		(16,954,980)
Subtotal:	**$**	**96,162,020**	**$**	**145,897,495**	**$**	**(49,735,475)**
Furniture & Home Furnishings Stores						
Furniture Stores	$	39,500,068	$	34,985,777	$	4,514,291
Home Furnishing Stores		32,333,043		27,776,091		4,556,952
Subtotal:	**$**	**71,833,111**	**$**	**62,761,868**	**$**	**9,071,243**
Electronics & Appliance Stores						
Appliances, TVs, Electronics Stores	$	55,920,376	$	32,065,293	$	23,855,083
Subtotal:	**$**	**55,920,376**	**$**	**32,065,293**	**$**	**23,855,083**
Leisure & Entertainment						
Sporting Goods/Hobby/Musical Instruments	$	39,550,463	$	78,617,917	$	(39,067,454)
Books, Periodicals & Music Stores		8,066,668		880,530		7,186,138
Subtotal:	**$**	**47,617,131**	**$**	**79,498,447**	**$**	**(31,881,316)**
Food Services & Drinking Places						
Special Food Services	$	3,491,897	$	1,877,093	$	1,614,804
Drinking Places - Alcoholic Beverages		16,281,259		2,509,743		13,771,516
Restaurants/Other Eating Places		187,374,093		176,612,093		10,762,000
Subtotal:	**$**	**207,147,249**	**$**	**180,998,929**	**$**	**26,148,320**

Source: Bureau of Labor Statistics; Claritas, Inc.; ESRI Business Analyst; WTL +a, December 2019.

Table 5 (Continued): Retail "Recapture" Opportunities—City of Port St. Lucie, 2019

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
Food & Beverage Stores			
Grocery Stores	$ 312,637,018	$ 273,364,151	$ 39,272,867
Specialty Food Stores	14,383,253	5,789,138	8,594,115
Beer, Wine & Liquor Stores	16,413,079	13,221,504	3,191,575
Subtotal:	**$ 343,433,350**	**$ 292,374,793**	**$ 51,058,557**
Health & Personal Care Stores			
Health & Personal Care Stores	$ 131,678,893	$ 166,648,868	$ (34,969,975)
Subtotal:	**$ 131,678,893**	**$ 166,648,868**	**$ (34,969,975)**
Building Material, Garden Equipment Stores			
Building Materials & Supplies	$ 130,038,222	$ 123,551,331	$ 6,486,891
Lawn & Garden Equipment & Supplies	10,316,770	2,227,630	8,089,140
Subtotal:	**$ 140,354,992**	**$ 125,778,961**	**$ 14,576,031**
Miscellaneous Store Retailers			
Florists	$ 3,351,292	$ 2,136,220	$ 1,215,072
Office Supplies, Stationery, Gift Stores	17,117,048	14,693,003	2,424,045
Used Merchandise Stores	17,233,552	9,818,878	7,414,674
Other Miscellaneous Retail Stores	42,290,278	25,435,774	16,854,504
Subtotal:	**$ 79,992,170**	**$ 52,083,875**	**$ 27,908,295**
TOTAL:			
HH Demand vs. Retail Sales	**$ 1,493,713,767** *(2)*	**$ 1,945,696,551**	**$ (451,982,784)**

(1) *Claritas' "Retail Market Power" data is derived from two major sources of information. Demand data are derived from Consumer Expenditure Surveys fielded by the U.S. Bureau of Labor Statistics (BLS). Supply data are derived from the Census Bureau. The difference between demand and supply represents the "recapture opportunity", or surplus, available for each retail category in the reporting geography. When demand is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than supply, there is a surplus of sales in that retail category (i.e., positive value = recapture opportunity, while negative value = surplus of sales).*

(2) *Total household retail spending excludes spending on Non-Store Retailers (Internet); Motor Vehicle Parts and Dealers; and Gas Stations.*

Source: Bureau of Labor Statistics; Claritas, Inc.; ESRI Business Analyst; WTL +a, December 2019.

Another source for household retail spending includes the Bureau of Labor Statistics (BLS) and Claritas, Inc. Key findings for Port St. Lucie indicate that:

- The City's households spend more than $1.49 billion per year. **This estimate is *higher* than annual spending illustrated previously in Table 3 because it includes multiple additional merchandise categories** such as Building Materials, Leisure & Entertainment and Miscellaneous Store sales. This compares to **estimated citywide store sales that surpass $1.94 billion per year**. The difference between spending and sales is known as *inflow*; in other words, **there is more than $451.9 million in annual retail sales inflow *into* Port St. Lucie** from sources other than resident households. It is should be noted that resident household sales can occur anywhere (i.e., often outside of Port St. Lucie), so sources of inflow include daytime employees (who don't live in the city), visitors and pass-through traffic;
- The retail analysis reveals there are several merchandise categories where *apparent* opportunities could be recaptured to support either new retail development in the Southern Grove study area (or stronger performance among existing businesses in Port St. Lucie). These include: Food & Beverage Stores ($51 million); Miscellaneous Stores ($27.9 million); Food Service & Drinking Places ($26.1 million); and Electronics & Appliances ($23.8 million); and
- **Highly notable is the level of inflow on General Merchandise ($488 million per year) and Clothing & Accessories ($49.7 million).** For General Merchandise, this reflects three anchor department stores at three Walmart Supercenters, two Walmart Neighborhood Stores, one Target store, four Dollar Tree stores, and two Home Goods stores, among others.

Port St. Lucie Attracts $451.9 Million

In Annual Retail Sales *Inflow*

Economic Characteristics

Employment Trends—St. Lucie MSA

Job growth is a key barometer of demand for "workplace" uses such as multi-tenant office space, industrial parks, retail centers and the like. WTL+a examined trends and forecasts in employment growth, utilizing data for the St. Lucie Metropolitan Statistical Area (MSA), which is comprised of Martin and St. Lucie Counties, as prepared by the state's labor agency, the Department of Economic Opportunity (DEO), for the period between 1995 and 2018. This data is critical to understanding development potentials in the Southern Grove study area. Key findings are summarized below and illustrated in Table 6:

- **The St. Lucie MSA added 48,100 new jobs in the 11-year period between 1995 and 2006**. This growth, which translates into over 4,800 new jobs annually, was focused largely in specific sectors, including: Construction (7,700), Professional/Business Services (7,100), and Government (5,900). Growth in Professional/Business Services fueled demand for office space in key locations across the two counties during this period.
- Other sectors with solid job growth during this period also included Retail Trade (5,600) and Education/Health Services (5,500).
- By contrast**, the economic downturn of 2007—2009 resulted in the loss of 15,400 jobs in both counties**. Over the past 11 years (and over multiple economic cycles), job losses were greatest in Wholesale Trade (-1,300) and Financial Activities (-1,000).
- In the eight years between 2011 and 2018, however, **the economy of the St. Lucie MSA has significantly recovered from the 2007—2009 recession, with the creation of more than 33,000 new jobs.**

  Notably, the Services sector—which comprises multiple categories such as Business and Professional Services, Education/Health Services and Leisure/Hospitality, has gained the largest share of new jobs in the MSA, exhibiting a net gain of 21,400 new jobs between 2007 and 2018.

(15,400) Recession-based Job Losses in the St. Lucie MSA
Replaced with 33,000 New Jobs Since 2011

Employment Trends—St. Lucie County

As DEO employment data does not distinguish job growth specifically for St. Lucie County, WTL+a examined data from the U.S. Census Bureau's "On-the-Map" database, which tallies job growth by major industry sectors for specific jurisdictions and discrete geographies of the U.S. As illustrated in Table 7, data indicate the following:

- **In 2017 (latest data available), St. Lucie County contained a total of 74,900 jobs**. This would suggest that, in 2017, St. Lucie County accounted for almost 50 % of the jobs in the St. Lucie MSA.
- **The 2007—2009 recession (and subsequent recovery) resulted in the loss of more than 7,000 jobs in various sectors of the County's economy**. However, **since 2011 the County added almost 12,500 new jobs, resulting in a net gain of 6,824 new jobs** during this 12-year period.
- Between 2006 and 2017, notable job losses occurred in the following sectors:
  - Agriculture & Mining (-1,867 jobs)
  - Construction (-1,616 jobs)
  - Wholesale Trade (-2,360 jobs)
  - Financial Activities (-1,499 jobs)
- Conversely, notable gains occurred in the following sectors:
  - Health Care (+3,624 jobs)
  - Accommodation & Food Services (+2,785 jobs)
  - Retail Trade (+2,322 jobs)

WTL +a

Table 6: Employment Trends—St. Lucie MSA, 1995—2018

Industry Sector	1995	2000	2006	11-Year Change: 1995-2006 Amount	11-Year Change: 1995-2006 CAGR %	2007	2009	2011	2013	2015	2017	2018	11-Year Change: 2007-2018 Amount	11-Year Change: 2007-2018 CAGR %
In 000s														
Agriculture/Mining/Construction	8.1	10.2	15.8	7.7	6.3%	12.8	8.0	7.2	7.9	9.2	10.6	12.3	(0.5)	-0.4%
Manufacturing	5.4	5.9	7.0	1.6	2.4%	6.2	4.9	5.1	5.9	6.5	6.8	7.2	1.0	1.4%
Transp/Warehousing/Utilities	3.7	3.2	4.4	0.7	1.6%	4.2	4.0	4.2	3.9	4.6	4.8	4.8	0.6	1.2%
Trade														
Wholesale	2.8	3.2	6.9	4.1	8.5%	6.3	6.0	5.6	5.1	5.3	5.4	5.0	(1.3)	-2.1%
Retail	15.2	16.8	20.8	5.6	2.9%	21.1	18.4	19.3	20.2	21.5	22.1	22.4	1.3	0.5%
Information	1.7	1.8	1.7	-	0.0%	1.7	1.4	1.6	1.4	1.3	1.2	1.2	(0.5)	-3.1%
Financial Activities	4.6	5.0	7.3	2.7	4.3%	6.8	5.6	5.4	5.3	5.4	5.7	5.8	(1.0)	-1.4%
Services														
Prof'l/Business Services	7.2	10.6	14.3	7.1	6.4%	14.2	12.4	13.8	14.6	16.4	18.3	20.4	6.2	3.3%
Education/Health Services	12.7	15.4	18.2	5.5	3.3%	19.2	20.7	21.5	22.5	25.6	27.3	28.0	8.8	3.5%
Leisure & Hospitality	10.5	12.0	15.3	4.8	3.5%	15.5	14.8	15.3	16.7	18.1	19.9	20.6	5.1	2.6%
Other Services	4.7	5.7	7.1	2.4	3.8%	7.1	6.9	6.4	7.0	8.5	8.3	8.4	1.3	1.5%
Government	13.9	16.3	19.8	5.9	3.3%	20.4	20.1	19.7	19.3	19.8	20.3	20.1	(0.3)	-0.1%
Total (In 000s):	**90.5**	**106.1**	**138.6**	**48.1**	**4.0%**	**135.5**	**123.2**	**125.1**	**129.8**	**142.2**	**150.7**	**156.2**	**20.7**	**1.3%**
Change in Jobs During Period:		*15.6*	*32.5*			*(3.1)*	*(12.3)*	*1.9*	*4.7*	*12.4*	*8.5*	*5.5*		

(1) As of year-end for each reported year.

http://www.floridajobs.org/workforce-statistics/data-center/statistical-programs/current-employment-statistics

Source: US Department of Labor, Bureau of Labor Market Statistics; Florida Department of Economic Opportunity (DEO), Bureau of Labor Market Statistics; WTL +a, December 2019.

Table 7: Employment Trends—St. Lucie County, 2006—2017

			National Recession										2017	Change: 2006-2017	
Industry Sector	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**% Dist.**	**Amount**	**CAGR %**
Agriculture & Mining	2,782	4,075	4,127	3,118	2,844	3,740	3,126	2,698	1,789	1,204	1,060	915	1.2%	(1,867)	-9.6%
Construction	6,465	6,247	5,342	3,794	3,188	3,213	3,047	3,361	3,872	4,139	4,350	4,849	6.5%	(1,616)	-2.6%
Manufacturing	3,099	2,916	2,524	2,045	1,928	2,003	2,339	2,550	2,876	3,055	3,422	3,546	4.7%	447	1.2%
Transp & Warehousing	1,047	686	978	942	1,000	1,200	1,240	1,185	1,234	1,359	1,454	1,409	1.9%	362	2.7%
Utilities	1,349	1,435	1,361	1,342	1,438	1,695	1,598	1,545	1,335	1,526	1,428	1,405	1.9%	56	0.4%
Trade															
Wholesale	5,169	4,719	4,526	4,413	4,092	3,981	4,064	3,122	2,778	2,504	2,745	2,809	3.7%	(2,360)	-5.4%
Retail	7,616	6,107	6,758	6,658	6,518	8,571	8,251	8,366	8,832	9,445	9,913	9,938	13.3%	2,322	2.4%
Information	453	388	368	308	302	683	839	498	526	455	470	404	0.5%	(49)	-1.0%
Finance & Insurance	2,822	2,625	2,292	2,087	2,136	1,736	1,386	1,364	1,247	1,313	1,348	1,323	1.8%	(1,499)	-6.7%
Real Estate/Rental & Leasing	1,226	1,124	1,046	1,005	972	1,080	1,122	952	1,104	1,235	1,250	1,408	1.9%	182	1.3%
Services															
Prof'l/Business Services	2,768	3,684	3,060	2,845	2,491	2,643	2,611	3,092	3,720	4,170	3,921	3,883	5.2%	1,115	3.1%
Management of Companies	106	98	112	97	166	154	169	190	242	249	251	266	0.4%	160	8.7%
Administration/Waste Mgmt.	4,228	3,474	3,377	2,971	3,272	3,502	3,899	4,064	4,323	4,408	4,438	4,372	5.8%	144	0.3%
Educational Services	7,303	8,494	8,999	8,827	8,678	9,038	8,780	8,901	8,682	9,114	9,164	8,906	11.9%	1,603	1.8%
Health Care & Social Assistance	8,188	8,698	9,197	9,331	9,592	10,520	10,538	10,759	10,242	10,833	11,298	11,812	15.8%	3,624	3.4%
Arts/Entertainment/Recreation	1,077	1,360	1,623	1,354	1,453	1,469	1,350	1,146	1,146	1,359	1,294	1,420	1.9%	343	2.5%
Accommodation & Food Services	5,353	5,971	5,362	5,545	5,698	6,274	6,501	7,133	7,169	7,869	7,915	8,138	10.9%	2,785	3.9%
Other Services	1,819	1,803	1,855	1,917	1,837	1,987	2,082	2,249	2,480	2,929	3,065	3,044	4.1%	1,225	4.8%
Public Administration/Gov't	5,223	5,601	5,369	5,221	4,844	4,543	4,530	4,511	4,806	4,549	5,033	5,070	6.8%	(153)	-0.3%
Total (In 000s):	**68,093**	**69,505**	**68,276**	**63,820**	**62,449**	**68,032**	**67,472**	**67,686**	**68,403**	**71,715**	**73,819**	**74,917**		**6,824**	**0.9%**
Annual Change:	*-*	*1,412*	*(1,229)*	*(4,456)*	*(1,371)*	*5,583*	*(560)*	*214*	*717*	*3,312*	*2,104*	*1,098*			
Job Loss (As % of All Jobs):			*-2%*	*-7%*	*-2%*		*-1%*								

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2019.

- As illustrated in Table 8 below, Dun & Bradstreet, Inc. estimates that **St. Lucie County contained 91,508 full- and part-time jobs** in 11,150 registered businesses in 2018, which reflects a jobs-to-population ratio of only 0.29. That is, there are 29 jobs for every 100 residents in the County, which reflects the concentration of employment centers such as St. Lucie West and downtown Fort Pierce as the County seat
- Notably, the County's jobs-to-population ratio is well-below that of Palm Beach County (0.49) and Martin County (0.46).
- Employment is concentrated in particular sectors, including Services (41.6%), Wholesale/Retail Trade (31.4%), and Government (6.9%).

Employment Forecasts—Workforce Region #20

Employment forecasts for specific jurisdictions in Florida (defined as "Workforce Regions") are also prepared by the Department of Economic Opportunity in eight-year forecast periods. As illustrated in Table 9 below, these forecasts suggest that:

- St. Lucie County is located in Workforce Region #20, which also includes Indian River and Martin Counties. According to DEO, **Workforce Region #20 is expected to add more than 23,000 new jobs between 2019 and 2027**, reflecting a *sustained* pace of 2,300 new jobs annually over this eight-year period.
- The Services sector is expected to comprise 65% of all new jobs in the region—adding over 14,900 new jobs—with the largest gains expected in Health Care and Accommodation & Food Services (hospitality and food and beverage) sectors. This can be expected to fuel demand for medical office space, restaurants and lodging.

Table 8: Business Mix—St. Lucie County, 2018

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Mining & Natural Resources	**283**	2.5%	**1,743**	1.9%
Construction	**936**	8.4%	**5,329**	5.8%
Manufacturing	**226**	2.0%	**2,437**	2.7%
Transportation & Warehousing	**308**	2.8%	**2,019**	2.2%
Communications	**107**	1.0%	**651**	0.7%
Utilities	**30**	0.3%	**253**	0.3%
Wholesale & Retail Trade				
Wholesale	323		3,753	
Retail	2,349		24,972	
- Home Improvement	139		1,459	
- General Merchandise	102		3,968	
- Food Stores	280		3,715	
- Auto Dealers/Gas Stations	371		2,902	
- Apparel & Accessory Stores	129		876	
- Furniture/Home Furnishings	162		780	
- Eating & Drinking Places	593		7,981	
- Miscellaneous & Non-store Retail	573		3,291	
Subtotal - All Retail:	**2,672**	24.0%	**28,725**	31.4%
Finance/Insurance/Real Estate	**979**	8.8%	**5,266**	5.8%
Services				
- Hotel/Lodging	74		928	
- Automotive Services	405		1,303	
- Motion Pictures & Amusements	283		2,087	
- Health Services	707		12,930	
- Legal Services	169		748	
- Educational Institutions	158		6,279	
- Other Services	2,666		13,768	
Subtotal - Services:	**4,462**	40.0%	**38,043**	41.6%
Government	**208**	1.9%	**6,319**	6.9%
Unclassified Establishments	**939**	8.4%	**723**	0.8%
TOTAL:	**11,150**	**100.0%**	**91,508**	**100.0%**

ANALYSIS:	
2018 Employment	91,508
As % of Workforce Region 20	**40.5%**
2019 Population	313,221
Jobs/Population Ratio	**0.29**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2019.

Table 9: State Employment Forecasts—Workforce Region #20, 2019—2027

Employment Category	2019	% Dist.	2027	% Dist.	Change: 2019-2027 Total	Change: 2019-2027 CAGR
Agriculture/Mining/Construction						
Agriculture	2,612		2,178		(434)	-2.2%
Mining	135		133		(2)	0.0%
Construction	16,404		18,434		2,030	1.5%
Subtotal:	**19,151**	**8.5%**	**20,745**	**8.3%**	**2,028**	**1.0%**
Manufacturing						
Durable Goods Manufacturing	6,983		7,205		222	0.4%
Non-Durable Goods Manufacturing	2,375		2,386		11	0.1%
Subtotal:	**9,358**	**4.1%**	**9,591**	**3.9%**	**233**	**0.3%**
Transportation/Communications/Public Utilities						
Public Utilities	1,197		1,190		(7)	0.0%
Transportation & Warehousing	4,349		4,609		260	0.7%
Subtotal:	**5,546**	**2.5%**	**5,799**	**2.3%**	**253**	**0.6%**
Wholesale & Retail Trade						
Wholesale Trade	5,953		6,336		383	0.8%
Retail Trade	30,118		31,769		1,651	0.7%
Subtotal:	**36,071**	**16.0%**	**38,105**	**15.3%**	**2,034**	**0.7%**
Financial Activities & Information						
Information	1,844		1,778		(66)	-0.5%
Finance & Insurance	4,733		4,985		252	0.7%
Real Estate, Rental & Leasing	3,593		3,743		150	0.5%
Subtotal:	**10,170**	**4.5%**	**10,506**	**4.2%**	**336**	**0.4%**
Services						
Professional, Scientific & Technical Services	10,096		11,000		904	1.1%
Management of Companies & Enterprises	630		715		85	1.6%
Administrative & Waste Management	14,733		16,323		1,590	1.3%
Educational Services	2,775		3,215		440	1.9%
Health Care & Social Assistance	36,313		42,665		6,352	2.0%
Arts, Entertainment & Recreation	6,398		7,097		699	1.3%
Accommodation & Food Services	23,127		26,976		3,849	1.9%
Other Services (Except Government)	9,680		10,722		1,042	1.3%
Subtotal:	**103,752**	**45.9%**	**118,713**	**47.7%**	**14,961**	**1.7%**
Government	**25,108**	**11.1%**	**27,193**	**10.9%**	**2,085**	**1.0%**
Self-Employed & Unpaid Family Workers	**16,670**	**7.4%**	**18,218**	**7.3%**	**1,548**	**1.1%**
TOTAL:	**225,826**		**248,870**		**23,044**	**1.2%**
Annual Increase (Rounded):					**2,900**	

(1) DEO does not prepare employment forecasts for St. Lucie County.

http://www.floridajobs.org/workforce-statistics/data-center/statistical-programs/employment-projections

Source: Florida Department of Economic Opportunity, Bureau of Labor Statistics; WTL +a, December 2019.

- In conclusion, if St. Lucie County *maintains* its current share (40.5%) of Workforce Region #20's jobs in the future, it would suggest a potential gain of 9,300+ new jobs by 2027.

***Fair Share*:**
St. Lucie County Accounts for 40% of Workforce Region #20 Jobs
If 40% Share Maintained = 9,300 New Jobs by 2027

Employment Trends—Port St. Lucie

WTL+a utilized the same data from the U.S. Census Bureau's "On-the-Map" database, which tallies job growth by major industry sectors for specific jurisdictions and discrete geographies of the U.S., to understand employment trends in the City of Port St. Lucie. As illustrated in Table 10, data indicate the following:

- **In 2017 (latest data available), Port St. Lucie contained a total of 29,900 jobs**. This would suggest that, in 2017, the City accounted for almost 40% of the jobs in St. Lucie County.
- **Notably, the City's share of countywide jobs has increased**—from 33% in 2006 to 38% in 2012 and 40% in 2017.
- **The 2007—2009 recession (and subsequent recovery) resulted in the loss of only 930 jobs citywide** (as compared to 7,000 jobs lost in the County). **Since 2011, the City has added fully 7,335 new jobs, resulting in a net gain of 7,115 new jobs** during this 12-year period.
- Between 2006 and 2017, notable job losses occurred in the following sectors:
    - Construction (-552 jobs)
    - Wholesale Trade (-1,585 jobs)
    - Manufacturing (-277 jobs)
- Conversely, notable gains occurred in the following sectors:
    - Retail Trade (+2,176 jobs)
    - Health Care (+2,875 jobs)

Table 10: Employment Trends—City of Port St. Lucie, 2006—2017

Industry Sector	2006	2007	National Recession 2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017 % Dist.	Change: 2006-2017 Amount	CAGR %
Agriculture & Mining	47	89	83	78	71	44	30	35	44	43	57	48	0.2%	1	0.2%
Construction	2,855	2,926	2,465	1,533	1,272	1,306	1,219	1,325	1,718	1,921	2,081	2,303	7.7%	(552)	-1.9%
Manufacturing	809	700	616	631	606	636	394	449	498	729	548	532	1.8%	(277)	-3.7%
Transp & Warehousing	184	183	175	154	154	190	254	218	200	228	214	197	0.7%	13	0.6%
Utilities	98	135	133	91	133	155	174	174	147	195	195	173	0.6%	75	5.3%
Trade															
Wholesale	2,976	2,592	2,660	2,888	2,679	2,720	2,792	1,887	1,476	1,198	1,376	1,391	4.7%	(1,585)	-6.7%
Retail	2,803	2,093	2,721	2,767	2,803	3,920	3,783	3,892	4,182	4,145	5,058	4,979	16.7%	2,176	5.4%
Information	169	154	126	111	115	342	478	150	165	94	135	100	0.3%	(69)	-4.7%
Finance & Insurance	588	734	625	572	574	586	736	727	690	707	754	700	2.3%	112	1.6%
Real Estate/Rental & Leasing	542	425	390	342	324	400	520	362	461	452	401	416	1.4%	(126)	-2.4%
Services															
Prof'l/Business Services	1,182	1,974	1,557	1,492	1,203	1,380	1,272	1,433	1,421	1,452	1,283	1,617	5.4%	435	2.9%
Management of Companies	14	22	38	31	36	15	29	38	37	23	37	28	0.1%	14	6.5%
Administration/Waste Mgmt.	2,328	2,076	1,941	1,891	2,210	2,240	2,694	2,824	2,930	3,193	2,926	2,761	9.2%	433	1.6%
Educational Services	276	519	610	538	737	656	443	547	585	788	844	858	2.9%	582	10.9%
Health Care & Social Assistance	3,095	3,427	3,900	4,107	4,279	4,681	4,891	5,185	5,201	5,503	5,579	5,970	20.0%	2,875	6.2%
Arts/Entertainment/Recreation	391	604	803	605	665	629	549	440	498	651	667	771	2.6%	380	6.4%
Accommodation & Food Services	2,334	2,731	2,619	2,815	2,760	3,192	3,491	3,581	3,659	4,101	4,375	4,437	14.8%	2,103	6.0%
Other Services	575	452	474	492	494	600	679	838	945	1,113	1,155	1,246	4.2%	671	7.3%
Public Administration/Gov't	1,518	1,635	1,567	1,605	1,449	1,349	1,292	1,268	1,315	1,301	1,319	1,372	4.6%	(146)	-0.9%
Total (In 000s):	**22,784**	**23,471**	**23,503**	**22,743**	**22,564**	**25,041**	**25,720**	**25,373**	**26,172**	**27,837**	**29,004**	**29,899**		**7,115**	**2.5%**
Annual Change:	-	*687*	*32*	*(760)*	*(179)*	*2,477*	*679*	*(347)*	*799*	*1,665*	*1,167*	*895*			
Job Loss (As % of All Jobs):			*0.1%*	*-3%*	*-1%*			*-1%*							
Port St. Lucie As % of County:	**33.5%**	**33.8%**	**34.4%**	**35.6%**	**36.1%**	**36.8%**	**38.1%**	**37.5%**	**38.3%**	**38.8%**	**39.3%**	**39.9%**		**12-Year Avg:**	***36.8%***

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2019.

  - Accommodation & Food Services (+2,103 jobs)

- As illustrated in Table 11 below, Dun & Bradstreet, Inc. estimates there are **45,275 jobs in 5,748 registered businesses in Port St. Lucie**. According to Dun & Bradstreet, the City accounts for approximately 49.5% of the 91,508 jobs in St. Lucie County.

- The two largest sectors generating demand for workplace real estate in Port St. Lucie include: Wholesale/Retail Trade (14,433 jobs, or 32% of all jobs) and Services (20,425 jobs, or 45% of all jobs). Within Services, "Health Services" accounts for more than one-third of all Services employment (7,785 jobs). Together, Retail Trade and Services account for 77% of total employment in Port St. Lucie. Another dominant sector, "Other Services", includes such industries as automotive repair and maintenance.

- As noted above, Port St. Lucie **contains 49.5% of all at-place jobs in St. Lucie County.** This is known as *fair share* and will be considered in the analysis of workplace market potentials in subsequent tasks of this study.

Port St. Lucie's Jobs-to-Population Ratio of 0.24

Reinforces Critical Importance of Net New Job Creation at Southern Grove

- The data also suggest the City's current jobs-to-population ratio is only 0.24 (i.e., there are 24 jobs for every 100 residents living in Port St. Lucie). This is lower than the overall ratio of St. Lucie County (0.29) (and significantly below Palm Beach County's ratio of 0.49 and Martin County's ratio of 0.46), thus reinforcing the importance of net new job creation in the Southern Grove study area.

Table 11: Business Mix—City of Port St. Lucie, 2018

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**120**	2.1%	**397**	0.9%
Construction	**540**	9.4%	**2,327**	5.1%
Manufacturing	**80**	1.4%	**560**	1.2%
Transportation & Warehousing	**142**	2.5%	**587**	1.3%
Communications	**60**	1.0%	**388**	0.9%
Utilities	**15**	0.3%	**78**	0.2%
Wholesale & Retail Trade				
Wholesale	122		1,103	
Retail	1,198		14,433	
- Home Improvement	78		657	
- General Merchandise	62		3,195	
- Food Stores	109		1,640	
- Auto Dealers/Gas Stations	124		700	
- Apparel & Accessory Stores	81		728	
- Furniture/Home Furnishings	99		573	
- Eating & Drinking Places	333		4,973	
- Miscellaneous & Non-store Retail	312		1,967	
Subtotal - All Retail:	**1,320**	23.0%	**15,536**	34.3%
Finance/Insurance/Real Estate	**484**	8.4%	**2,629**	5.8%
Services				
- Hotel/Lodging	19		322	
- Automotive Services	190		572	
- Motion Pictures & Amusements	147		883	
- Health Services	459		7,785	
- Legal Services	70		316	
- Educational Institutions	81		3,734	
- Other Services	1,461		6,813	
Subtotal - Services:	**2,427**	42.2%	**20,425**	45.1%
Government	**71**	1.2%	**1,722**	3.8%
Unclassified Establishments	**489**	8.5%	**626**	1.4%
TOTAL:	**5,748**	**100.0%**	**45,275**	**100.0%**

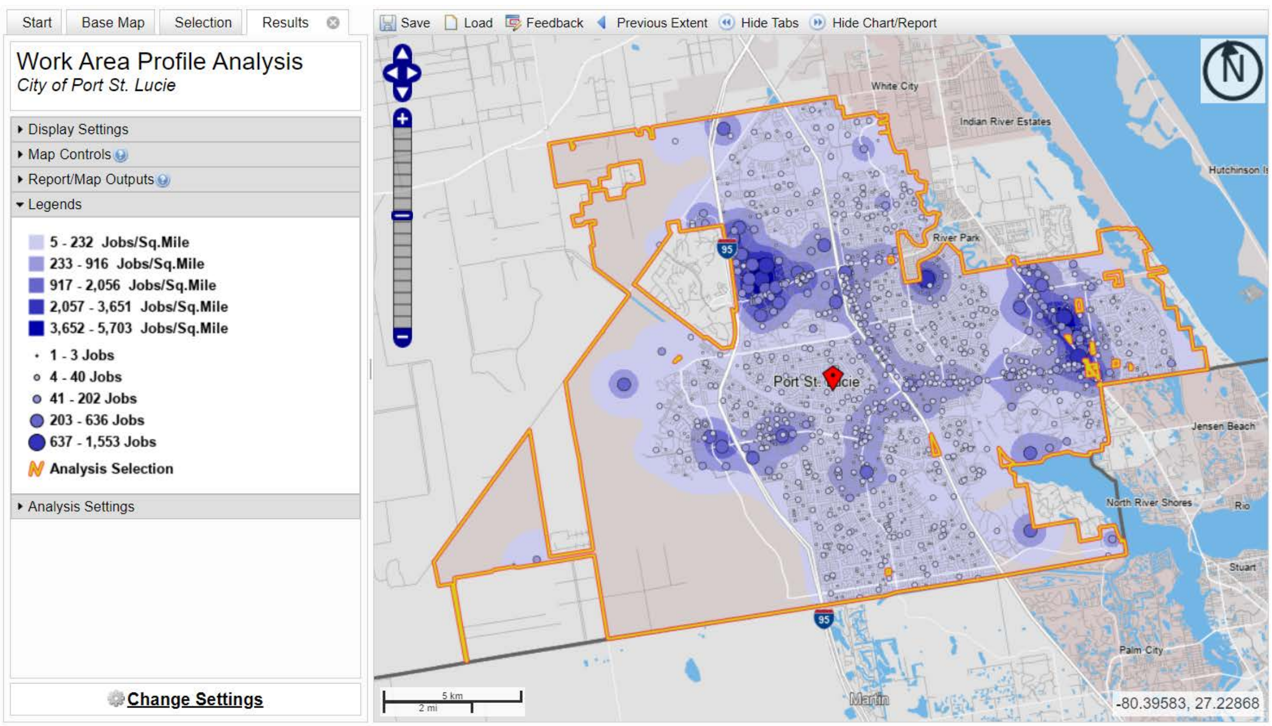
ANALYSIS:	
2018 Employment	45,275
As Share of St. Lucie County	**49.5%**
2019 Population	188,722
Jobs/Population Ratio	**0.24**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2019.

- In summary, **despite fewer than 1,000 recession-based job losses, Port St. Lucie had a net gain of 7,115 new jobs between 2006 and 2017.** It should be noted that differences between the U.S. Census Bureau On-the-Map data (Table 10) and Dun & Bradstreet (Table 11) are attributed to part-time jobs, self-employment, and those jobs not contributing to the Unemployment Insurance Fund.

- As illustrated in Figure 2 below, in 2017, the U.S. Census Bureau estimates the highest employment densities were concentrated in St. Lucie West and the U.S. Route 1/Federal Highway corridor. An emerging employment center is also clustered near Tradition Town Center and the Tradition Hospital medical campus.

Figure 2: Employment Densities—City of Port St. Lucie, 2017



- As illustrated in Table 12 and Figure 3 below, according to 2017 U.S. Census Bureau data, the City exhibited net outflow of more than 39,970 residents who live in, but work outside of, the City.

- Notably, since 2007, **net outflow of residents of Port St. Lucie who work outside the City has increased by fully 41%**. By comparison, outflow of residents of St. Lucie County who work outside the County has also increased—by 49% between 2007 and 2017.

Table 12: Employee Inflow/Outflow, 2007—2017

	2007	2012	2017	% Change: 2007-2017
City of Port St. Lucie				
Employed in the Selection Area	23,471	25,720	29,899	**27%**
Living in the Selection Area	51,897	62,261	69,873	**35%**
Net Job Inflow (+) or Outflow (-)	**(28,426)**	**(36,541)**	**(39,974)**	**41%**
St. Lucie County				
Employed in the Selection Area	69,505	67,472	74,917	**8%**
Living in the Selection Area	96,800	97,209	115,546	**19%**
Net Job Inflow (+) or Outflow (-)	**(27,295)**	**(29,737)**	**(40,629)**	**49%**

Source: U.S. Census Bureau, On-the-Map; WTL+a; December 2019.

More than 39,900 City Residents Work *Outside of*

Port St. Lucie—an *Increase* of 41% Since 2007

Figure 3: Employment Inflow/Outflow—City of Port St. Lucie, 2017

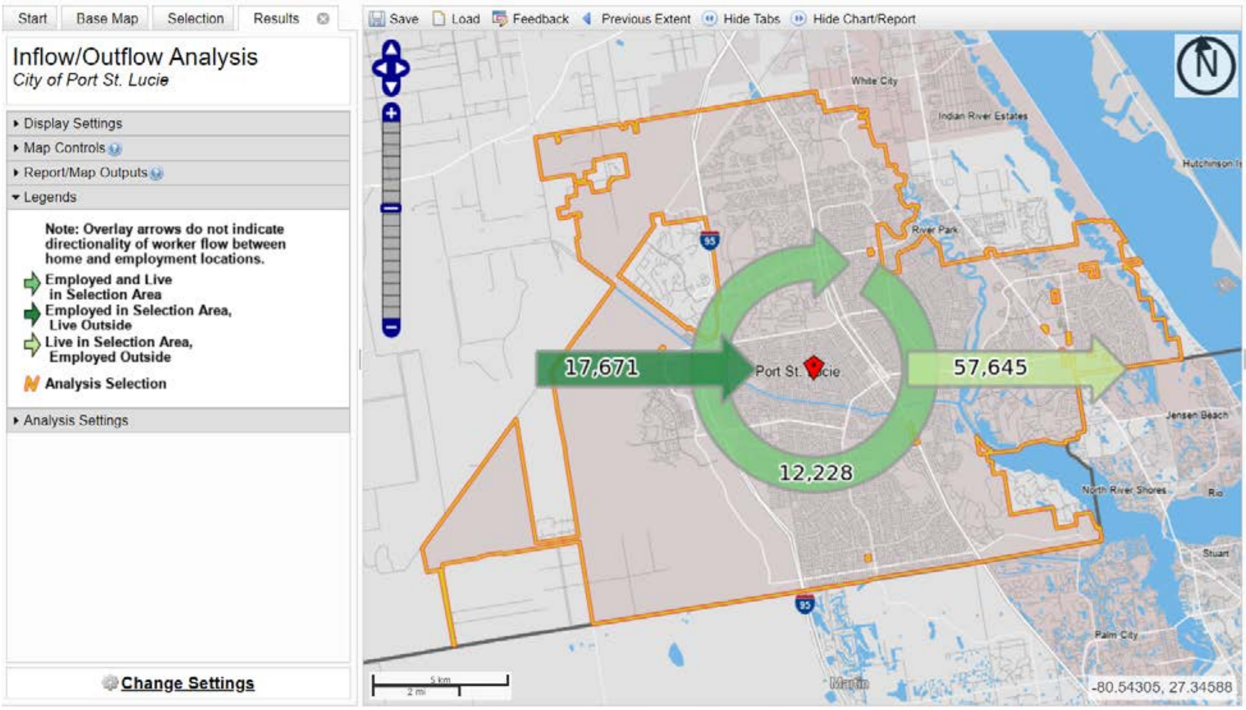


Figure 4: Employment Inflow/Outflow—St. Lucie County, 2017

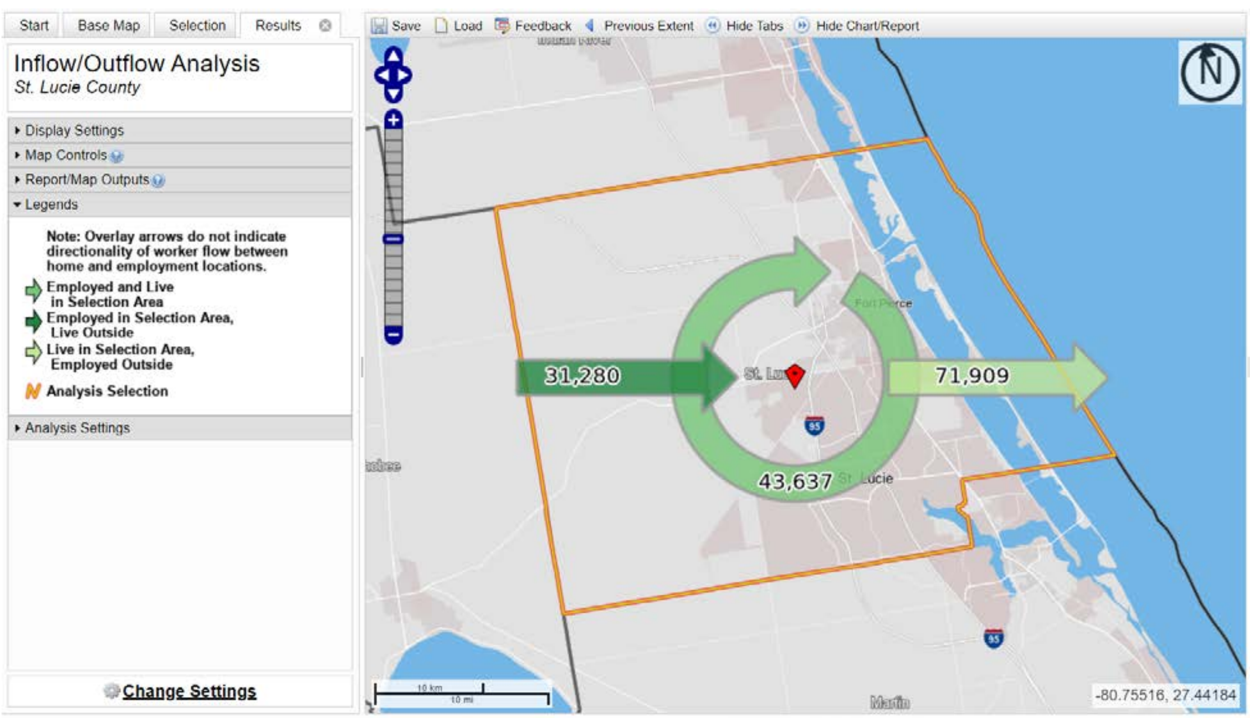


Table 13: Comparison of Employment Growth/Losses by Sector—City, County & MSA

Industry Sector	City	%	Remainder of County	%	Total MSA	%
	2017 Total Jobs					
Agriculture & Mining	48	0%	867	2%	1,595	1%
Construction	2,303	8%	2,546	6%	10,038	7%
Manufacturing	532	2%	3,014	7%	6,774	5%
Transp & Warehousing	197	1%	1,212	3%	2,782	2%
Utilities	173	1%	1,232	3%	1,813	1%
Trade						
Wholesale	1,391	5%	1,418	3%	4,973	4%
Retail	4,979	17%	4,959	11%	18,769	13%
Information	100	0%	304	1%	1,115	1%
Finance & Insurance	700	2%	623	1%	3,250	2%
Real Estate/Rental & Leasing	416	1%	992	2%	2,309	2%
Services						
Prof'l/Business Services	1,617	5%	2,266	5%	7,622	5%
Management of Companies	28	0%	238	1%	391	0%
Administration/Waste Mgmt.	2,761	9%	1,611	4%	9,094	6%
Educational Services	858	3%	8,048	18%	12,058	9%
Health Care & Social Assistance	5,970	20%	5,842	13%	25,893	18%
Arts/Entertainment/Recreation	771	3%	649	1%	3,539	2%
Accommodation & Food Services	4,437	15%	3,701	8%	15,568	11%
Other Services	1,246	4%	1,798	4%	5,909	4%
Public Administration/Gov't	1,372	5%	3,698	8%	8,142	6%
TOTAL:	**29,899**	**100%**	**45,018**	**100%**	**141,634**	**100%**
Total City & County			**74,917**			
As % of MSA	***21%***		***32%***			

Industry Sector	City	Remainder of County	Total MSA
	Change in Total Jobs: 2006-2017		
Agriculture & Mining	1	(1,868)	(1,988)
Construction	(552)	(1,064)	(1,449)
Manufacturing	(277)	724	753
Transp & Warehousing	13	349	1,117
Utilities	75	(19)	26
Trade			
Wholesale	(1,585)	(775)	(2,274)
Retail	2,176	146	3,190
Information	(69)	20	(382)
Finance & Insurance	112	(1,611)	(1,383)
Real Estate/Rental & Leasing	(126)	308	(81)
Services			
Prof'l/Business Services	435	680	1,839
Management of Companies	14	146	(285)
Administration/Waste Mgmt.	433	(289)	1,052
Educational Services	582	1,021	1,735
Health Care & Social Assistance	2,875	749	8,919
Arts/Entertainment/Recreation	380	(37)	707
Accommodation & Food Services	2,103	682	4,631
Other Services	671	554	1,531
Public Administration/Gov't	(146)	(7)	(199)
TOTAL:	**7,115**	**(291)**	**17,459**

Source: U.S. Census Bureau, On-the-Map; WTL +a, February 2020.

- Table 13 above compares jobs (by industry sector) between the City of Port St. Lucie, St. Lucie County and the MSA (which includes both St. Lucie and Martin Counties). This comparison utilized employment data from the U.S. Census On-the-Map for 2017, as it provided the latest year available to allow for consistency of data.

- This comparison reveals that the City contains a disproportionate share of jobs in Retail Trade (17% vs. 11%-13%), Health Care (20% vs. 13%-18%) and Accommodation & Food Services (15% vs. 8%-11%) relative to the other two geographies. In addition, the City contains a greater share of jobs in Construction and Administration/Waste Management.

- By comparison, both the County and the MSA contain a higher share of jobs in Manufacturing (5%-7% vs. 2%) as well as a significantly larger share of jobs in Educational Services (9%-18% vs. 3%) than the City of Port St. Lucie. Jobs that fuel demand for office space (e.g., Professional/Business Services and Finance & Insurance) are generally on par across the three geographies—in the range of 2% for Finance and 5% for Professional/Business Services.

- As noted previously, **between 2006 and 2017, the City had a net gain of 7,115 new jobs,** as compared to a **loss of jobs (-291) in St. Lucie County**. There was an overall net gain of 17,459 new jobs in the MSA (i.e., suggesting that **Martin County added 10,635 new jobs during this period).**

- Port St. Lucie lost jobs in Manufacturing (-277), while both the County and the MSA gained between 725 and 750 jobs each in that sector. **The City's loss of jobs in Wholesale Trade (-1,585) was roughly *double* losses that occurred in the County (-775)** and contributed fully 70% of the MSA's employment declines in this sector (-2,274). The City's loss of Construction jobs (-552) was roughly half of the loss experienced in that sector in the County (-1,064), and comprised one-third of the MSA's job losses in this sector (-1,449).

- It is also notable that the City was the only geography to gain office-using jobs in Finance & Insurance (+112), as both the County and MSA lost jobs in that sector between 2006—2017 (-1,611 and -1,383, respectively). On the other hand, while Port St. Lucie added 435 new jobs in Professional/Business Services over this 12-year period, it dwarfed gains in both the County (+680) and MSA (+1,839) in this sector. The City's job gains in Educational Services (+582) were also significantly below the County (+1,021) and MSA (+1,735).

- **Most notable employment gains in Port St. Lucie occurred in Health Care (+2,875 new jobs)**, which was significantly greater than gains experienced in this sector elsewhere in the County (+749), but significantly below the MSA's overall gains in this sector (+8,919). This suggests that Martin County added almost 5,300 new jobs in Health Care between 2006 and 2017.
- In conclusion, changes in St. Lucie County's economy between 2006—2017 were most notable in Port St. Lucie, with a net gain of over 7,100 new jobs that offset job losses outside of the City limits (such as Fort Pierce).

Key Findings

In conclusion, WTL+a notes the following key findings from the demographic and economic profile:

- The City of Port St. Lucie has exhibited significant growth over the past 19 years, with more than **98,500 new residents and 34,300+ new households**. This reflects a sustained annual growth rate of 3.96% per year, and has resulted in an increase in the City's share of the County's total population—from 46% in 2000 to 62% in 2019. Forecasts suggest that growth will slow over the next five years, with **20,650 new residents in 7,180 new households**, a more moderate forecast growth rate of 2.1% per year.
- Solidly middle-class household incomes among City residents ($73,500 per year) suggests sufficient disposable income to support consumer spending. Household incomes are forecast to increase on par with the rate of inflation over the next five years. In next steps, the market analysis will evaluate the degree to which population/household growth and consumer spending can support retail development in the Southern Grove study area. This may include existing consumer spending in specific merchandise categories that occurs outside of the City (known as "retail leakage") as opportunities to "recapture" this spending.
- However, we also note that market potentials for retail in the Southern Grove study area must include the effects of two related factors: 1) now-unrealistic expectations for a super-regional mall of more than 1.0 million sq. ft. that was planned as part of the site's original DRI, and 2) the character of existing retail space near the study area. Specifically, the

Landings at Tradition has significant vacancies in former "Big Box" stores (PetsMart and Sports Authority) and the retail center's configuration does not provide the walkability and community character critical to creating a more urban/walkable layout.

- The retail sales 'surplus' and 'leakage' analysis also likely includes a significant amount of revenues generated by Wholesale Trade and Warehousing & Distribution tenancies that do not reflect actual retail store sales made by consumer purchases. Because these two data categories are not broken out, it is not possible to distinguish between Retail Trade and Wholesale Trade sales.

- Retail jobs are generally not high-paying, and provide more entry-level employment. For all these reasons, it is probable that **the redevelopment strategy created as part of the Southern Grove Master Plan will focus on refining/filling existing retail vacancies with marginal increases in net new space, with a stronger focus on strategies designed for net new job creation in other industry sectors** that serve to create long-term benefits to the City of Port St. Lucie.

- Between 2006 and 2017 (latest data available), the **City of Port St. Lucie experienced a net gain of 7,115 jobs** across a range of industry sectors. Retail Trade, Health Care and Accommodations & Food Services exhibited the highest job gains. Moreover, the City's share of total jobs in St. Lucie County has increased—from 33% in 2006 to 40% in 2017.

- Despite employment gains, the number of City residents leaving to work elsewhere (outside the City) has increased—from 28,400 in 2007 to 39,900+ in 2017. According to U.S. Census data, **this 41% increase in those leaving the City for work exceeds the 35% increase in those living in the City** during this period. The City also has a low jobs-to-population ratio relative to surrounding jurisdictions. **Given employee outflows and the low jobs/population ratio, it is even more critical that strategies designed to generate net new job growth be implemented in the Southern Grove study area**.

The demographic and economic profile serves as the foundation for the next steps in the market analysis. These will include:

- An analysis of real estate market conditions, including key metrics such as inventory, vacancies, net absorption (leasing), construction activity, etc.

- Real estate development/market potentials for the Southern Grove study area

- Analysis of the various financing mechanisms utilized in the Southern Grove study area and the impacts of development potentials as future revenue sources
- Economic impact analysis, which will evaluate net new job creation, ad valorem/property tax revenues, construction jobs and wages and other critical indices.

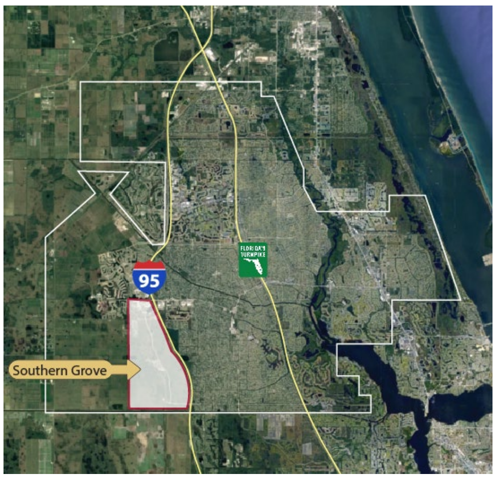
APPENDIX C

Technical Memorandum #2

Market Conditions & Development Potentials

Southern Grove Master Plan

Port St. Lucie, FL



Prepared for:
Treasure Coast Regional Planning Council
Stuart, FL

On behalf of:
City of Port St. Lucie
Port St. Lucie, FL

FINAL: Revised September 2020

WTL +a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable at the time the study was conducted. This study is based on estimates, assumptions, and other information developed by WTL +Associates (referred hereinafter as “WTL+a”) from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and/or representatives, or any other data source used in preparing or presenting this study.

No warranty or representation is made by WTL+a that any of the projected values or results contained in this study will be achieved. Possession of this study does not carry with it the right of publication thereof or to use the name of "WTL+a" in any manner without first obtaining the prior written consent of WTL+a. No abstracting, excerpting or summarizing of this study may be made without first obtaining the prior written consent of WTL+a. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person, other than the client, without first obtaining the prior written consent of WTL+a. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from WTL+a.

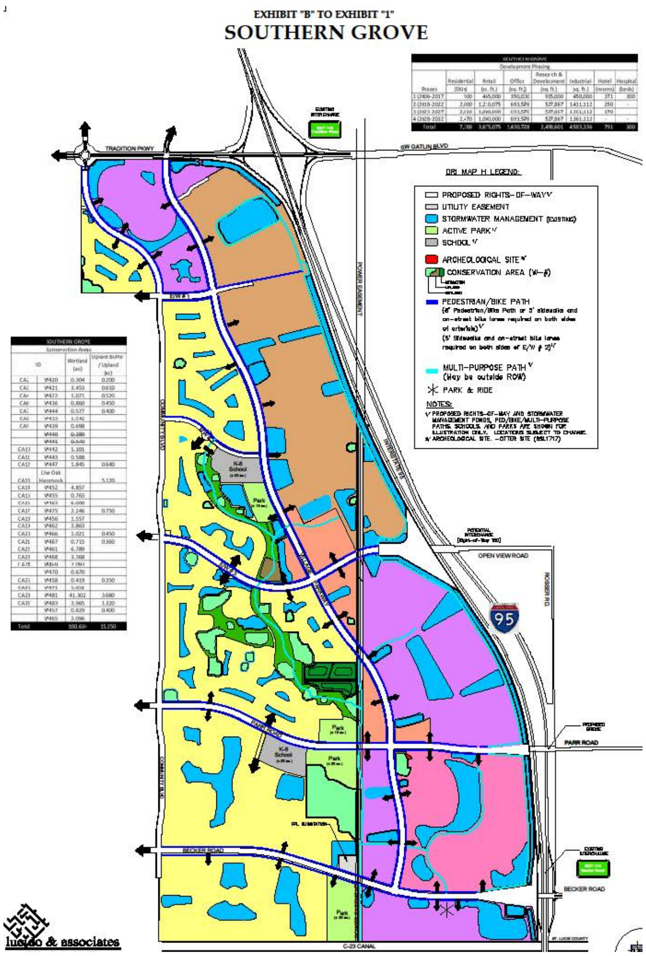
This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

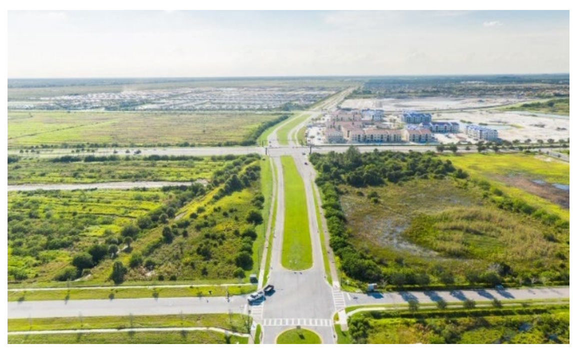
Overview

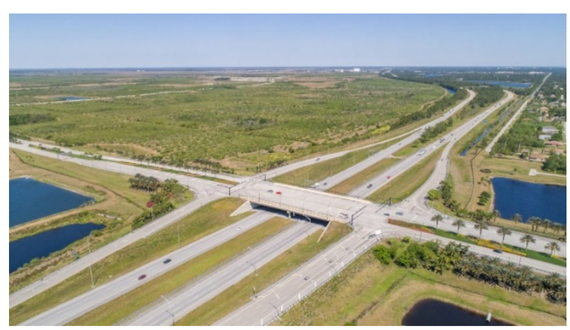
The City of Port St. Lucie, located in St. Lucie County, Florida, is one of the fastest-growing municipalities in the State of Florida. Established in 1961, its municipal boundaries encompass 121.5 square miles. The City acquired 1,223.35 acres known as the “Southern Grove” property (the “study area”) on June 28, 2018, of which approximately 1,183 acres are owned by the City of Port St. Lucie Government Finance Corporation (GFC), and the focus of this analysis.

The study area is a part of the Southern Grove Development of Regional Impact (DRI), which encompasses approximately 3,606 acres. Technical Memorandum #2 evaluates real estate market conditions and supplements Technical Memorandum #1, which included a profile of demographic and economic profile characteristics prepared as part of a market and financial analysis of the Southern Grove study area.

Figure 1: Southern Grove Study Area







WTL +a, with Retail & Development Strategies LLC, evaluated real estate market conditions in Port St. Lucie and in other selected, nearby competitive locations in St. Lucie County (and adjacent Martin County) to understand how recent market trends, current economic conditions, and future growth affect opportunities for new economic development in the Southern Grove study area.

This section of the report analyzes historic and current building inventory, occupancy and vacancy levels, annual absorption (leasing) activity, historic development trends, and other appropriate market indicators for housing, workplace (office and industrial), supporting commercial (retail) and lodging/hospitality uses based on available data. Key findings are summarized below and illustrated in Table 1 through Table 33.

Impacts of the 2020 Pandemic

This report presents the findings of the real estate market and development potentials for housing, workplace (commercial office and industrial), and supporting uses such as retail and hotel/lodging. It should be noted that **market conditions presented are based on data and conditions *prior to* COVID-19 impacts**. While the timing for future development may be more extended due to the pandemic, there are potentials for selected, carefully considered new growth and investment. Experience in other Florida markets has demonstrated the best way to fully optimize economic benefits will result from a strategically structured and implemented master plan that appropriately integrates different land uses and phases to provide development flexibility.

The most important difference between year-end 2019 (the data-year used for this analysis) and current conditions in September 2020 is the impact of the global Coronavirus pandemic. COVID-19 has already had a significant impact on commercial real estate, although these impacts vary considerably from location to location. It has affected consumer spending, real estate sales, job prospects and recreation options in ways that have profoundly modified pre-COVID conditions. **The office market, especially for technology and other computer-based industries, has responded most rapidly, and *not* in ways that are likely to encourage new office development.** At the broadest levels across the country, early reactions to self-isolation and working-at-home have resulted in some companies advising employees to work at home for the remainder of 2020, while Twitter has announced that its employees can work at home *forever*.

The travel, hospitality and retail industries have been particularly hard-hit, with airline passenger volumes reportedly down by as much as 90%, major layoffs in the hotel and food & beverage industries, and last week's announcement of a bankruptcy filing by the Hertz Rental Car company. The travel and leisure market based on tourism has been seriously impacted and will likely take several years to stabilize, much less fully recover. **The National Retail Federation speculated in May 2020 that as many as 40% of small retailers *may never re-open***.

National unemployment levels are at their highest since the Great Depression of the 1930s; in August (the latest month in which unemployment levels were reported), the official U.S. unemployment rate was 8.4%, while Florida's rate (July 2020) was 11.3%. It is projected the national unemployment rate could climb to more than 20% during the pandemic recovery, approaching the 25% in 1933 that is the highest ever recorded. For a visitor destination like Florida, where the $111.7 billion annual tourism industry is the state's largest industry, the impact is already significant, and could become a profound issue if the virus continues without a vaccine. Like many states, government policies are intended to balance social responsibility and safety with the economic implications of re-opening businesses and encouraging visitors to return. The re-opening of beaches and public spaces across the state has been a relief to millions of Florida residents, but could also result in a virus rebound that could require retrenchment or (at minimum) more carefully regulated public behaviors.

Taken in total, **these impacts will cause a major slowdown in economic activity across Florida (especially in hospitality and tourism-dependent sectors), and the costs of lost consumer spending will result in near-term increases in vacancy rates for retail and office uses, a massive slowdown in tourism and visitor spending**, and a slow recovery period, due in large part to the number of unknowns about a global pandemic. Until a reliable vaccine is developed and produced in sufficient volumes to stabilize the rate of transfer, restoring consumer confidence to travel, spend time in other places and have the money to stimulate local economies will be set back for many months, if not years.

Accordingly, the short-term economic forecasts should be cautious and slow. However, there are mitigating factors that could change the mid-to longer-term outlook:

- **Slowing of Unsupportable Speculative Real Estate Development**—an overheated real estate market in Florida has encouraged speculative development and over-entitlements in many submarkets.

- **Time to Plan More Effectively—**a slowdown could encourage a more manageable pace of development and reduce environmental and social impacts that often result from hurried decisions.
- **Business Opportunities for Millennials**—the millennial generation is highly entrepreneurial and will be more willing to start new retail, food & beverage and consumer service businesses once the pandemic has stopped.
- **Pent up Demand for Social Experiences**—while online sales have spiked, consumers are also looking forward to dining out, going out, and shopping, assuming there are surviving businesses; it would be reasonable to assume consumer demand for goods and services is pent-up at levels not seen since the 2007 recession.
- **Creative Regulation & Behavior Management**—if reasonable standards can be put into place and safety practices realized, Florida's beaches, communities and visitor destinations should rebound faster than other parts of the country.

For Port St. Lucie and Southern Grove, the impacts are more likely related to time and phasing than permanent loss of economic activity. The area's economic recovery period may present opportunities to take advantage of the 'pause' and consider how to best optimize prospective agreements to create new jobs, attract business investment, and create an overall plan that will capitalize on the site's advantages. For example, the Cleveland Clinic has stimulated a bio-health cluster in the northern portion of the Southern Grove study area, and manufacturing and warehouse/distribution companies have been attracted due to the proximity to I-95 and lower land values than more urbanized counties to the south. While economic recovery may take two to three years, the longer-term prospects for Southern Grove remain moderate but steady over time.

Ironically, U.S. financial markets have stabilized more quickly than consumer markets. The reduced costs of debt/capital have encouraged developers to accelerate proposed projects, allowing 18-24 months for regulatory review, approvals, and construction so that they are ready for the rebound when it occurs. The challenge for the City of Port St. Lucie will be to select those projects carefully so that new development in the Southern Grove study area can generate the greatest economic benefits possible for the City of Port St. Lucie over the long-term.

Executive Summary

The market analysis evaluated development potentials for four key land uses in the Southern Grove study area: "workplace" (multi-tenant/speculative office and general industrial); hotel/lodging; supporting retail; and multi-family residential.

We note that **it is *not* possible to evaluate development potentials for specific end-users of office or industrial space (also known as "build-to-suits") like Project Bullet or portions of Sansone** that are looking for a specific location like Southern Grove, as such deals are based on specific recruitment strategies and terms (e.g., the amount of space to be occupied) negotiated on a case-by-case basis. As a result, the analysis **estimates demand only for <u>speculative/multi-tenant opportunities</u> for office and general industrial space based on employment forecasts** prepared by the Florida Department of Economic Opportunity (DEO).

Definitions

The market study also uses key metrics common to the real estate industry. These include **net absorption**, which is defined as the occupancy of previously vacant space. Net absorption also includes an existing tenant that *expands* their occupied space when renewing their lease; the amount of the expansion—in square feet—constitutes the net absorption. It is a standard—and critical—metric in evaluating the overall potential for office and industrial space.

Another term utilized in the study includes **stabilized occupancy**, which is defined by the real estate industry as a building that is 95% occupied (i.e., 5% vacancy). Real estate market studies also evaluate how much time it will take for vacant space to be absorbed to 95% stabilized occupancies. This is typically based on past trends—both short- (5 years) and long-term (years are based on available data). For example, over the past 13 years the City's office market has averaged net absorption of 65,295 sq. ft. per year. If this pace continues, it will take approximately 4.25 years to reduce vacant office space—from 8.1% vacancy at year-end 2019 to 5% vacancy. In other words, the higher the annual net absorption the shorter amount of time required to achieve stabilized (95%) occupancies.

Employment Forecasts

The Florida Department of Economic Opportunity (DEO) issues employment forecasts in specific industry sectors for selected, individual counties across the state. For other counties, DEO groups multiple counties into **"Workforce Regions"**. St. Lucie County is included in "Workforce Region #20", which comprises Martin, St. Lucie and Indian River Counties. In order to extract employment forecasts specific to St. Lucie County, the analysis assumes that the County's current share of jobs (using existing data)—also known as "fair share"—continues. We also note that **DEO forecasts are for <u>eight-year periods</u> (2019—2027) only**.

In its review of Technical Memorandum #2, City staff inquired whether the City has the potential to *increase* its share of St. Lucie County's employment base, which would thereby enhance demand for office and industrial space generated by growth in specific job sectors. Based on employment data from the U.S. Census Bureau's "On-the-Map" database, **between 2006 and 2017, Port St. Lucie's historic share of countywide employment increased from 33.5% in 2006 to 39.9% in 2017** (latest data available), averaging 36.8% over this 12-year period (see Table 10 in Technical Memorandum #1). By comparison, a different data source, Dun & Bradstreet, Inc., estimates that employment in Port St. Lucie accounted for 49.5% of all jobs in St. Lucie County in 2019 (see Table 11 in Technical Memorandum #1). The difference between the two sources—part-time and self-employment—is excluded in the Dun & Bradstreet data. **WTL+a utilized the higher ratio—49.5%—as the City's "fair share" in our analysis of demand potentials for office and industrial space generated by future employment growth**.

Moreover, for analytical purposes, the fair share forecasts can be considered a baseline. However, the likelihood that trend-based shares for specific land uses such as office or industrial can be reallocated will be affected by a number of other factors. These include:

- Long-term infrastructure investment
- Focused marketing of available sites elsewhere in Port St. Lucie in addition to Southern Grove (such as the proposed City Center redevelopment), and
- A broad understanding by both City officials and residents of the City's existing financial obligations in the study area. This point is reflected in the City's recent success in capturing a share of regional demand for industrial and warehouse space. It also underscores the

need to revisit Southern Grove's current approved DRI entitlements, which do *not* reflect current market conditions and near-term demand potentials.

Market Overview & Development Potentials—Industrial

According to CoStar, Inc., there are 3.42 million sq. ft. of industrial space in Port St. Lucie in 207 buildings. The City accounts for 28% of St. Lucie County's 12.0 million sq. ft. of industrial space, as the majority of industrial supply in the County is located in Fort Pierce and in unincorporated areas along the I-95 corridor. The City's share of the County's industrial supply has remained relatively stable in the range of 27% to 28% over the past 13 years.

Prior to the national recession, the City's industrial vacancy rate was 15% in 2007; vacancies jumped to almost 22% in 2009. Job growth in industrial-using sectors resulted in vacancies declining to 8.7% by 2014, and to only 3.3% by 2019 generated by eight years of positive net absorption. Vacancies ticked up to 5.1% during the first quarter of 2020.

Citywide, ***net* industrial absorption totaled almost 463,400 sq. ft. over this 13-year period, averaging 35,645 sq. ft. per year**, and accounting for fully 60% of all countywide industrial absorption during this period. Activity in PSL's industrial market strengthened slightly over the past five years—**with net absorption increasing to 53,500 sq. ft. per year.**

Our analysis of industrial market potentials is summarized below:

- DEO estimates that Workforce Region #20 (all three counties) will add **over 23,000 new jobs** between 2019 and 2027. Currently, St. Lucie County's share of jobs in Workforce Region #20 is 40.5%. **<u>If the County *maintains* its fair share</u> it would translate into 9,330 new jobs by 2027**. With an estimated 42,275 employees working in Port St. Lucie, the City's share of all jobs in St. Lucie County is 49.5%;
- Under this "fair share" analysis, Port St. Lucie would continue to capture 49.5% of future countywide job growth, or approximately 4,620 new employees, by 2027. Assuming industry-standard metrics whereby 26% of all jobs in the city are industrial-using with an average occupancy factor of 675 sq. ft. per job translates into **net demand for 796,600 sq. ft. of industrial space citywide over the next eight years** after accounting for partial occupancy of existing vacant industrial space;

- The next step considers that existing DRIs with industrial entitlements located in the City's western planning areas will capture their full share of future demand. That is, remaining entitlements are built in their entirety:
    - 269,300 sq. ft. at The Reserve (oriented to small industrial tenants)
    - 136,322 sq. ft. in the St. Lucie West DRI
    - No industrial space is entitled at either Riverland/Kennedy or Verano
- **This leaves approximately 390,900 sq. ft. of "unallocated" industrial space that could be built in the Southern Grove study area over the next eight years**. (This includes the 53,743 sq. ft. that was recently approved). To reiterate, **"un-allocated" demand is for *speculative/multi-tenant* space only; it does *not* include potential build-to-suit facilities for end users, such as that proposed in the "Project Bullet" or portions of the recently-proposed Sansone project;** and
- This key finding reinforces the critical importance of building upon the City's recent success at recruiting end users to support approved entitlements for industrial space at Southern Grove.

Market Potentials—Industrial:

Up to 400,000 SF of Speculative Space Next 8 Years (Excludes "Build-to-Suits")

Market Overview & Development Potentials—Office

Knowledge-based industries like finance, software, business and management consulting services, market and communications, professional/business services such as accountants, legal and medical and other similar businesses house most of their employees in commercial office buildings.

According to CoStar, Inc., there are 3.61 million sq. ft. of office space in Port St. Lucie in 276 buildings. The City accounts for 55% of St. Lucie County's 6.6 million sq. ft. of office space. The City's share of the County's supply has remained relatively stable—ranging from 51% to 55% over the past 13 years.

Similar to the City's industrial market, the impacts of the national recession on the City's office market were dramatic: office vacancies doubled between 2007 and 2009—from 9.5% to 18.6%. It took fully five years for the vacancy rate to drop to 15.5% in 2014; vacancies declined more rapidly thereafter as net absorption strengthened. By 2018, the office vacancy rate had dropped to 5.8%, although it jumped to 8.1% in 2019.

Citywide *net* office absorption totaled 848,800 sq. ft. over this 13-year period, averaging almost 65,300 sq. ft. per year. **The City's office market strengthened over the past five years—with net absorption doubling (over its historic 13-year pace)—to more than 124,300 sq. ft. per year.** If the City's long-term annual average of 65,300 sq. ft. of net absorption (over 13 years based on available data) can be sustained, it would require approximately 4.25 years to achieve 95% stabilized occupancy in the City's office supply.

Since the 2007—2009 recession, office-using businesses across the United States have been reducing office occupancies, in some cases by significant amounts. Historically, the commercial real estate industry has used an average occupancy factor of 250 sq. ft. per office employee. However, according to a 2017 study by REIS, Inc. (a national commercial real estate database) the amount of office space per employee has been steadily declining in each successive business cycle after a recession. REIS data indicate that, in the national economic expansion of the late 1990s, a new office employee was typically associated with approximately 175 sq. ft. of additional office space. During the early- and mid-2000s (until the 2007—2009 recession), the typical employee was associated with approximately 125 sq. ft. of additional office space. Since 2010, however, each added/new employee has been associated with only about 50 sq. ft. of additional office space. This is particularly notable in space-efficient industries like software and professional/business services, which have been the strongest growing sectors in the current business cycle. Moreover, hoteling and remote work-arrangements, where employees share space rather than having dedicated offices or cubicles, enables companies to accommodate even more workers in a given amount of occupied space. **The unprecedented shift to teleworking as a result of COVID-19 may, as previously noted, lead to permanent part-time and full-time teleworking for some workplace industries.**

Another study by CoStar, Inc., an international commercial real estate database, indicates that the **amount of office space occupied per employee dropped to 182 sq. ft. per worker in 2017 from 197.3 sq. ft. in 2010.**

Our analysis of office market potentials is summarized below:

- DEO estimates that Workforce Region #20 (all three counties) will add **over 23,000 new jobs** between 2019 and 2027. Currently, St. Lucie County's share of jobs in Workforce Region #20 is 40.5%. **If the County *maintains* its fair share it would translate into 9,330 new jobs by 2027**. With an estimated 42,275 employees working in Port St. Lucie, the City's share of all jobs in St. Lucie County is 49.5%;
- Under this "fair share" analysis, Port St. Lucie would continue to capture 49.5% of future countywide job growth, or approximately 4,620 new employees, by 2027. Assuming industry-standard metrics whereby 34% of all jobs in the city are office-using with an average occupancy factor of 193 sq. ft. per job translates into **net demand for 272,400 sq. ft. of office space citywide over the next eight years,** after accounting for partial occupancy of existing vacant office space;
- The next step considers that existing DRIs with office entitlements located in the City's western planning areas will capture their full share of future demand. That is, remaining entitlements are built in their entirety. **If built, this list would consume approximately 64% of citywide demand potentials over the next eight years.** According to data provided by the City, this includes:
  - 49,210 sq. ft. of unbuilt office space at The Reserve, and
  - 124,635 sq. ft. of unbuilt office space in the St. Lucie West DRI
- In addition, there are 9,860 sq. ft. of office space under construction and 63,960 sq. ft. of approved office space in the study area. In the short-term, **sufficient market potential exists to support this 73,820 sq. ft. of new office space as well as an additional 25,000 sq. ft. of "unallocated" office space citywide**. Depending on the marketability of other competitive locations citywide, this reinforces the critical importance of an economic development strategy aimed at recruiting owner-users and/or build-to-suit office buildings in the study area.
- To reiterate, **"un-allocated" demand is for *speculative/multi-tenant* space only; it does *not* include potential build-to-suit office space for end users, such as future medical office space likely to be built by the hospital/Cleveland Clinic;** and

- This key finding reinforces the critical importance of building upon the City's recent success at recruiting end users to support approved entitlements for additional office space at Southern Grove as well as economic development strategies aimed at recruiting owner-users and/or build-to-suit office buildings in the study area.

Market Potentials—Office:
75,000 to 100,000 SF Next 8 Years (Excludes "Build-to-Suits")

Market Overview & Development Potentials: Hotel/Lodging

Demand for hotel/motel rooms in any location is typically driven by specific market segments, including: corporate business, leisure/social, tourism and visitors to specific venues or events. **The capital markets typically seek sustained annual occupancies between 65% and 72% before financing new hotel construction**. Since 2014, the Port St. Lucie area hotel market has strengthened, with occupancies increasing from 58.1% in 2014 to 71.4% in 2019 among 17 properties (with 1,602 rooms) identified for this analysis. This includes two properties located in or near the study area—a Marriott Townplace Suites (128 rooms), which opened in December 2019 and a Hilton Homewood Suites (111 rooms), which opened in December 2009.

The larger Southern Grove DRI is entitled for **a total of 791 hotel rooms, of which 158 rooms can be built in the Southern Grove study area.** Of the 393 rooms "conveyed by the land sale", 111 rooms (the Hilton Homewood Suites) have been completed, 84 rooms are under construction and another 82 rooms have been approved.

According to data provided by the City, several other DRIs in surrounding/nearby planning areas have entitlements for up to 491 additional hotel rooms, including:

- 100 rooms at The Reserve
- 291 rooms at the St. Lucie West DRI, and
- 100 rooms at Verano

WTL+a prepared two scenarios for hotel development at Southern Grove:

- The first scenario assumes limited growth in hotel performance after the strong period of recovery that occurred over the past six years (2014—2019), measuring future room demand based on assumptions that continued growth in available roomnights (supply) will remain stable, and occupied roomnights (demand) will be limited to 50% of actual 2014—2019 growth rates. This translates into growth of 1.30% per year, for occupied roomnights yields **demand for 138 new hotel rooms** over the next 10 years (through 2030);
- The 84 rooms under construction in Scenario 1 reflect a 61% share of potential market support, and the 82 rooms approved would require another 59% share. In other words, these two properties would provide slightly more rooms than the market could support over the next 10 years;
- The second scenario assumes that growth in available roomnights (supply) will remain stable and occupied roomnights (demand) will continue at their historic 2014—2019 pace of 2.59% per year through 2030. This translates into **demand for 293 new hotel rooms** over the next 10 years (through 2030); and
- The 84 rooms under construction in Scenario 2 reflect a more reasonable share of 29% of potential market support, and the 82 rooms approved would require another 28% share. In other words, these two properties would provide a room supply of approximately two-thirds of what the market could support over the next 10 years.

Market Potentials—Hotel/Lodging:

150—175 Rooms Next 10 Years (High-Growth Scenario)

Market Overview & Development Potentials: Retail

Port St. Lucie contains almost **7.5 million sq. ft. of retail space,** comprising 56% of the County's total retail supply. At year-end 2019, there were **335,900 sq. ft. of vacant retail space** (including direct vacancies and sublet space), which reflects a vacancy rate of only 4.5%. Over the past 13 years, retail vacancies peaked at 8.7% in 2007. Despite another peak of 7.7% in 2013, vacancy rates have continued to decline. Paralleling the County, the **retail sector in Port St. Lucie is operating in stabilized market conditions with vacancies of less than 5%.**

The City's retail inventory suggests there are **39.7 sq. ft. of retail space** for each of the City's 188,722 residents. This is well-*above* the U.S. average of approximately 26 sq. ft. per capita (based on shopping centers/malls alone; estimates including other retail locations such as strip development and downtown areas suggest a ratio up to 50 sq. ft. per capita). Moreover, more than 2.41 million sq. ft. of new retail space was built in Port St. Lucie between 2007 and 2019, with fully 1.65 million sq. ft. delivered in 2007 and 2008 alone. The City **captured fully 85% of all new retail space built in St. Lucie County during this period.**

Net retail absorption totaled over **2.39 million sq. ft. citywide over the past 13 years, which equates to a sustained annual average of 183,860 sq. ft. per year**. Port St. Lucie accounted for 98% of all countywide retail absorption. **Of all "workplace" uses, the City's retail sector is the strongest.**

- The retail demand analysis indicates that **there is approximately 125,000 to 135,000 sq. ft. of market-supportable retail potentials in the Southern Grove study area**. Of this total, demand for approximately 100,000 sq. ft. will be generated from unmet market demand generated by current residents;
- Spending from visitors and tourists will account for most of the remaining incremental demand, assuming recovery of pre-COVID visitor totals to the Treasure Coast/St. Lucie County. The business mix is dispersed across specialty retail and consumer service categories
- There will be **sufficient demand to support an additional grocery store (20,000 to 35,000 sq. ft.)**, such as the proposed future Publix grocery at Village Parkway and Becker Road. This future store would be on the smaller size of Publix' typical range of store sizes; and
- Restaurants and drinking places (pubs, wine bars, craft breweries, etc.) comprise the largest incremental demand category at just over 32,000 sq. ft. of combined total space. Stakeholders commented that they wanted more dining options and a mix of national and locally-owned restaurants. At an average size of about 3,500 sq. ft. (with selected larger operations and some smaller-sized locations) this would suggest that an additional nine-to-10 food service operations could be included in the retail mix.

Market Potentials—Retail:

125,000—135,000 SF Next 10 Years (High-Growth Scenario)

Market Overview & Development Potentials—Multi-family Residential

The Southern Grove study area has approval for up to 1,686 housing units, including 786 multi-family units and 900 apartments. We assume that "multi-family" is defined as condominiums (for-sale product) and "apartments" are defined as rental units. Based on revised entitlement information provided by the City in September 2020, WTL+a prepared a revised demand analysis that measures market potentials for new housing—with a specific focus on multi-family units—for a 10-year period between 2020 and 2030. The analysis considers the following scenarios:

- **Scenario #1**—Utilizes an annual ("straight-line") growth rate of **3.96% per year** consistent with historic *actual* population growth rates in Port St. Lucie between 2000—2019. For purposes of this analysis, we extrapolated this growth rate for 10 years (through 2030).
- **Scenario #2**—Utilizes an annual growth rate of **2.10% per year** based on a five-year forecast of population growth in Port St. Lucie as prepared by ESRI Business Analyst, a demographic forecasting service, for the next five years (2019—2024). For purposes of this analysis, we extrapolated this growth rate for 10 years (through 2030).

Both scenarios allocate market share to the Southern Grove DRI (outside of the study area) as well as known residential projects in the planning areas surrounding Southern Grove as identified by the City (including the master planned communities of The Reserve, Riverland/Kennedy, St. Lucie West and Verano), to determine the number of "unallocated" units that could be available to accommodate future population/household growth and captured as part of new multi-family residential development in the Southern Grove study area. This also provides an opportunity to understand the "required" market capture, or share, that new multi-family residential development at Southern Grove would need in order to be market-supportable.

The focus on market potentials for multi-family units also considers the 2019—2020 lease-up/absorption patterns underway at two new properties—including Springs at Tradition and The Atlantic Palms at Tradition.

Scenario #1

In Scenario #1, if the *pace* of growth continues at this historic/overall rate of 3.96% per year, it would yield more than **89,660 new residents in 32,840 new households (i.e., housing units)** by 2030, assuming the City's average household size of 2.73 remains unchanged. This would translate into *annual* demand of 3,280 units per year. By comparison, actual new housing starts in Port St. Lucie between 2000 and 2006 (the high growth period) averaged over 4,500 units per year, but *declined* to 901 units per year between 2007 and 2018 as population and household growth moderated (particularly after 2010);

- The next step allocates future growth in population/households to Southern Grove (outside the study area) as well as fully-entitled residential projects in DRIs located in the City's western planning areas remaining to be built. According to revised data provided by the City (September 2020), in addition to the 3,090 entitled units approved by the sale of Southern Grove to the City as well as the 5,044 units located in the DRI but *outside of* the study area, these include: The Reserve (369 units); Riverland/Kennedy (2,208 units); St. Lucie West (50 units); and Verano (608 units);

- The analysis assumes that all entitled units (11,369) as identified are built. We note that Riverland/Kennedy is entitled for 11,700 units. Since the DRI was approved in September 2016, a total of 883 units have been built, which equates to an annual average of 221 units over this four-year period. WTL+a has assumed that this average annual pace continues for the next 10 years, yielding 2,208 completed units. This leaves 21,475 "unallocated" units citywide. The analysis illustrates the number of future units built based on the City's current distribution of single-family (90%) and multi-family (8%). (Another 1.5% are other/mobile homes);

- If the study area's 1,686 entitled units are built over the next 10 years, it would require a "capture", or share, of fully 97% of the 1,738 multi-family units that would be market-supportable. In our view, we believe this to be an **unreasonably disproportionate share**

of citywide demand for multi-family units over the next 10 years, suggesting that market absorption of the 1,686 units would need to extend *beyond* 10 years;

- Alternatively, if the proportion of multi-family units built in Port St. Lucie in the future increases, it will *reduce* the required market capture needed to support the study area's 1,686 units. For example, if the proportion of the City's multi-family stock increases from its current 8% to 12%, the study area's required capture declines from 97% to 65%, and to 49% if multi-family comprises 16% of the City's future housing inventory; and
- While it is not known where other multi-family units could be accommodated/entitled elsewhere in the city (such as at the proposed City Center project), increasing employment opportunities should be accompanied by a concomitant increase in the housing types across the City. This could be expected to enhance the City's overall marketability as a jobs location and should be a critical component of an overall economic development strategy.

Scenario #2

Scenario #2 utilizes the 2019—2024 growth rate as estimated by ESRI Business Analyst of 2.10% per year, and extrapolates that growth over the 10-year forecast period. ESRI's forecasts suggest that the City's growth over the next five years will increase above the slower growth rate that occurred between 2010 and 2019 (1.54% per year).

- If Port St. Lucie grows at a sustained annual rate of 2.10% per year, it would yield almost **43,600 new residents in 15,960 new households (housing units)**, which would translate into annual demand of almost 1,600 units per year;
- Like Scenario #1, **future growth in Scenario #2 is allocated to the same DRI projects identified above, thereby leaving "unallocated" demand for approximately 4,595 units citywide** after accounting for the 11,369 units allocated to existing DRIs. The analysis illustrates the number of future units built based on the City's current distribution of single-family (90%) and multi-family (8%). (Another 1.5% are other/mobile homes);
- If the study area's 1,686 entitled units are built over the next 10 years, it would require a "capture", or share, of fully 453% of the 372 multi-family units that would be market-supportable if multi-family remains at 8% of the City's total housing stock. Even if the number of multi-family units doubles as a proportion of citywide housing inventory in the future, it will still necessitate a required market capture of 229%, suggesting either that 1)

higher population growth is necessary and/or 2) the buildout period to deliver 1,686 multi-family units in the study area would extend well-beyond 10 years. Nonetheless, **increasing the number of multi-family units as a proportion of the City's housing stock could be expected to enhance marketability for business recruitment as the City's labor force expands**; and

- Institutional/national multi-family developers typically seek to build 200 to 300 units in a single project—as witnessed in both competitive nearby projects with Springs at Tradition (304 units) and Atlantic Palms at Tradition (300 units). **Monthly absorption (lease-up) in these two projects has averaged between 16 and 36 units per month in 2019 and 2020;**

- At a consistent monthly absorption pace of 16 units per month, it would require a minimum of 8.7 years (105 months) to lease-up the 1,686 entitled units in the study area if built in a single phase. Of course, development of multi-family product in the study area is likely to occur over multiple phases; with additional time required for permitting and construction, well beyond 10 years will likely be required for buildout irrespective of the study area's ability to capture a portion of citywide demand for multi-family units.

Solid Market Potentials for Multi-family:

Absorption Patterns of 16 to 36 Units/Month among Comparable Projects

Market Conditions—Housing

Port St. Lucie contains a diverse array of residential neighborhoods. Market metrics of the City's housing stock are illustrated in Table 1 and detailed below:

- Based on data from ESRI Business Analyst and the American Community Survey (ACS), Port St. Lucie contains over 78,000 housing units, comprising 53% of St. Lucie County's total housing stock. Since 2010, ESRI data suggest that the City's housing inventory has increased by almost 7,200 units;
- Unlike many communities across the U.S. after the 2007—2009 recession, **the number of owner-occupied units in the City has remained stable**—in the range of 67% between 2010 and 2019. The number of renter-occupied units increased slightly during this time—from 18.8% in 2010 to 21.1% by 2019. As discussed in greater detail below, 12% of the City's housing stock is "unoccupied" (estimated at 9,257 units);
- The average unit value of all housing units in the City in 2019 is $233,385. Over the next five years, ESRI Business Analyst forecasts suggest that average housing values will increase at a solid compound annual rate of 3.7% per year—to more than $279,700;
- More specific analysis of the City's unoccupied housing stock indicates that units are unoccupied for various reasons. As a result, this does not accurately reflect actual, "truly vacant" units. U.S. Census data indicate that 9,972 units were unoccupied as of the 2010 Census, as the economic recovery from the 2007—2009 recession ended, and recovery gained momentum, thereby reducing the number of vacant units in many housing markets with an improving economy. In Port St. Lucie, **the number of unoccupied units *decreased* between 2010 and 2019**—from 9,972 units in 2010 to 9,257 units in 2019;

Table 1: Housing Profile—City of Port St. Lucie, 2010—2024

	2010	2019	% Dist.	2024	% Dist.	Change: 2019-2024 No.	Change: 2019-2024 CAGR %
Housing Tenure							
Owner-occupied	47,523	52,297		59,312		7,015	2.5%
% of Total	67.1%	67.0%		68.5%			
Renter-occupied	13,348	16,478		16,643		165	0.2%
% of Total	18.8%	21.1%		19.2%			
Unoccupied	9,972	9,257		10,621		1,364	2.8%
% of Total	14.1%	11.9%		12.3%			
Total Units:	**70,843**	**78,032**		**86,576**		**8,544**	**2.1%**
Change in Units:		**7,189**					
Owner-Occupied Value							
$0 - $99,999		5,440	10%	3,311	6%	(2,129)	-9.5%
$100,000 - $199,999		22,171	42%	18,468	31%	(3,703)	-3.6%
$200,000 - $299,999		15,733	30%	21,454	36%	5,721	6.4%
$300,000 - $399,999		4,612	9%	7,999	13%	3,387	11.6%
$400,000 - $499,999		2,005	4%	4,035	7%	2,030	15.0%
$500,000 - $749,999		1,588	3%	2,747	5%	1,159	11.6%
$750,000 - $999,999		324	0.6%	582	1.0%	258	12.4%
$1,000,000 - $1,499,999		202	0.4%	337	0.6%	135	10.8%
$1,500,000 - $1,999,999		12	0.02%	13	0.02%	1	1.6%
$2,000,000+		209	0.4%	366	0.6%	157	11.9%
Median Value		**$ 194,496**		**$ 235,184**			**3.9%**
Average Value		**$ 233,385**		**$ 279,739**			**3.7%**
All Housing Units By Structure (2017 American Community Survey)							
1 Unit, Detached		62,340	87.3%				
1 Unit, Attached		2,228	3.1%				
2 Units		433	0.6%				
3 or 4 Units		1,350	1.9%				
5 to 9 Units		1,142	1.6%				
10 to 19 Units		1,054	1.5%				
20 to 49 Units		1,163	1.6%				
50 or more Units		638	0.9%				
Mobile Home		1,082	1.5%				
Boat/RV/Other		-	0.0%				
Total Units:		**71,430**	**100%**				

Unoccupied Housing Units By Status

		2010	2017 (ACS)		
Unoccupied-All Reasons					
	Rented (Not Occupied)	76			
	For Sale Only	2,079			
	Sold (Not Occupied)	384			
3.5%	Seasonal Use	2,508			
	For Migrant Workers	-			
Subtotal:		**5,047**			
TRUE VACANCIES					
	Other Vacant	3,668			
	Vacant, For Rent	1,257			
Subtotal:		**4,925**	**4,767**	*(1)*	
True Vacancy Rate		**7.0%**	**6.1%**		
Total Unoccupied Units:		**9,972**	**9,652**		49.4%

(1) True vacant units reflect those actually available for rent/occupancy. Estimates of true vacancy for 2017 are based on 2010 true vacant units as a proportion of total unoccupied units.

https://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml

Source: ESRI Business Analyst; American Community Survey; WTL +a, February 2020.

- The number of unoccupied units includes 2,508 units that are seasonally-owned (i.e., occupied for only a portion of the year, such as by snowbirds who vacation in Florida). When such units (as well as other units, such as those that are sold but not yet occupied) are removed from the unoccupied category**, the City's *true vacancy* in 2010 was significantly lower—7.0%, or 4,925 units.** The 2017 American Community Survey (ACS) suggests that the number of truly vacant units has declined further—to 4,767 units in 2017, revealing a true vacancy rate of 6.1%. In effect, the City's housing market is nearing stabilized levels, as 5% vacancy is considered industry-standard; and
- ACS data reveal the City's housing stock consists of a diverse array of housing types. This includes a predominant share of single-family detached (87.3%), a small share of single-family attached (3.1%), and multi-family units (8.1%). In addition, 1.5% of the City's housing stock, or 1,082 units, consists of mobile homes.

Housing Starts

To document how population and household growth affects market potentials for new housing in the Southern Grove study area, WTL+a reviewed information on annual housing starts. Housing starts are defined as the start of actual construction (after permits are issued). This analysis also compares housing starts to household growth to understand whether the pace of one metric is consistent with (or exceeds) the other. According to data provided by the U.S. Department of Housing & Urban Development (HUD), housing starts for the 12-year period between 2007 and 2018 (latest date available) are illustrated in Table 2 below. Key findings indicate that:

- Between 2007 and 2018, housing starts across St. Lucie County resulted in delivery of more than **13,990 new housing units, producing a *sustained* annual pace of over 1,166 units per year** between 2007 and 2018. In terms of unit distribution, this includes 11,325 single-family units (81% of the total) and 2,668 multi-family units (19% of the total);
- Between 2000 and 2018, the County recorded 54,231 total housing starts, equating to an annual pace of 2,854 units per year during this 19-year period;
- Between 2007 and 2018, housing starts in Port St. Lucie resulted in delivery of **10,808 new housing units, producing an average annual pace of 901 units per year**. This included 9,010 single-family detached units and 1,798 multi-family units. The City accounted for fully 80% of the County's single-family starts and 67% of its multi-family units since 2007;
- Notably, between 2000 and 2006, the City recorded 31,810 total housing starts, which equates to a remarkable 4,544 units built annually during this seven-year period (data for 2000—2006 are not shown in the table). While the pace of residential construction slowed significantly between 2008 and 2014, annual housing starts have again increased—averaging over 1,700 new starts annually between 2015 and 2018;
- Most new housing starts in Port St. Lucie were in numerous residential subdivisions and multiple planning areas at the western edges of the City adjacent or proximate to Southern Grove, such as:
  - Del Webb—entitled for 1,300 units on 762.5 gross acres
  - The Reserve—2,531 units completed out of 2,900 approved units in 36 different communities
  - TCI Village Point—entitled for 2,160 units on 397.5 gross acres located at Village Parkway and Discovery Way, and
  - Verano—592 units completed out of 1,200 approved units.

Table 2: 12-Year Housing Starts—St. Lucie County & Selected Municipalities, 2007—2018

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Change: 2007-2018 Total Starts	Change: 2007-2018 Annual Average	Change: 2007-2018 % of County
Single-family Detached															
Fort Pierce	136	63	21	12	5	8	7	16	19	24	18	61	390	33	3%
Port St. Lucie	**1,281**	**513**	**197**	**192**	**153**	**176**	**489**	**545**	**783**	**1,114**	**1,465**	**2,102**	**9,010**	**751**	**80%**
As % of County	*76%*	*75%*	*78%*	*72%*	*58%*	*63%*	*83%*	*80%*	*83%*	*82%*	*83%*	*82%*			
St. Lucie Village	2	-	-	-	-	-	-	-	-	-	1	1	4	0.3	0%
Unincorporated County	271	108	36	61	108	95	91	121	143	225	274	388	1,921	160	17%
Subtotal:	**1,690**	**684**	**254**	**265**	**266**	**279**	**587**	**682**	**945**	**1,363**	**1,758**	**2,552**	**11,325**	**944**	**100%**
SFD-St. Lucie County:	**1,690**	**684**	**254**	**265**	**266**	**279**	**587**	**682**	**945**	**1,363**	**1,758**	**2,552**	**11,325**	**944**	**81%**
Multi-family															
Fort Pierce	220	243	10	22	21	28	15	5	7	2	18	88	679	57	25%
Port St. Lucie	**8**	**96**	**-**	**6**	**28**	**6**	**26**	**275**	**231**	**145**	**136**	**841**	**1,798**	**150**	**67%**
As % of County	*2%*	*28%*	*0%*	*21%*	*57%*	*17%*	*58%*	*98%*	*95%*	*99%*	*88%*	*86%*			
St. Lucie Village	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0%
Unincorporated County	125	6	-	-	-	2	4	-	6	-	-	48	191	16	7%
Subtotal:	**353**	**345**	**10**	**28**	**49**	**36**	**45**	**280**	**244**	**147**	**154**	**977**	**2,668**	**222**	**100%**
MF-St. Lucie County:	**353**	**345**	**10**	**28**	**49**	**36**	**45**	**280**	**244**	**147**	**154**	**977**	**2,668**	**222**	**19%**

http://socds.huduser.org/permits/

Source: U.S. Census Bureau; U.S. Dept. of Housing & Urban Development; WTL+a, February 2020.

Table 2 (Continued): 12-Year Housing Starts—St. Lucie County & Selected Municipalities, 2007—2018

													Change: 2007-2018		
Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Total Starts	Annual Average	% of Total
Total Starts															
Fort Pierce	356	306	31	34	26	36	22	21	26	26	36	149	1,069	89	8%
Port St. Lucie	**1,289**	**609**	**197**	**198**	**181**	**182**	**515**	**820**	**1,014**	**1,259**	**1,601**	**2,943**	**10,808**	**901**	**77%**
As % of County	*63%*	*59%*	*75%*	*68%*	*57%*	*58%*	*81%*	*85%*	*85%*	*83%*	*84%*	*83%*			
St. Lucie Village	2	-	-	-	-	-	-	-	-	-	1	1	4	0	0%
Unincorporated County	396	114	36	61	108	97	95	121	149	225	274	436	2,112	176	15%
Subtotal:	**2,043**	**1,029**	**264**	**293**	**315**	**315**	**632**	**962**	**1,189**	**1,510**	**1,912**	**3,529**	**13,993**	**1,166**	**100%**
TOTAL-St. Lucie County:	**2,043**	**1,029**	**264**	**293**	**315**	**315**	**632**	**962**	**1,189**	**1,510**	**1,912**	**3,529**	**13,993**	**1,166**	**100%**

http://socds.huduser.org/permits/

Source: U.S. Census Bureau; U.S. Dept. of Housing & Urban Development; WTL+a, February 2020.

Multi-family Rental

WTL+a examined market trends in the City's multi-family rental market based on data for those properties that are tracked by CoStar, Inc. Overall market conditions are key to understanding development potentials for the 1,686 units of new rental housing entitled in the Southern Grove study area.

Market performance characteristics for the City's multi-family rental market are illustrated in Table 3. Key findings indicate the following:

- **Port St. Lucie contains an inventory of almost 5,100 rental units in 21 properties**, as tracked by CoStar, Inc.;
- In 2019, the overall **vacancy rate was 4.5%**. Vacancies, which peaked at 12.8% in 2007 as the national recession commenced, have steadily declined. Vacancy rates have remained at stabilized levels (i.e., of 5% or less) since 2015;
- Over the past 12 years, **net absorption in Port St. Lucie totaled 1,381 units, or 99 units per year**. However, with construction deliveries of 662 new rental units since 2016, net absorption has strengthened—averaging 142 units per year over the past five years. In fact, net absorption has been positive in 13 of the past 14 years; and
- Average monthly rents have increased at a compound annual rate of 2.1% per year since 2006, with an average rent of $1,267 per month ($1.21 per sq. ft.) in 2019 and an average unit size of 983 sq. ft.

WTL+a also examined two recently-opened multi-family rental properties located on Village Parkway in the Southern Grove DRI to understand multi-family market performance in this part of the City. Key metrics are illustrated in Table 4 and summarized below.

WTL+a

Table 3: Multi-family Rental Characteristics—City of Port St. Lucie, 2006—2019

			National Recession & Recovery												YTD	Change: 2006-2019		
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Inventory (Units)	3,580	4,068	4,150	4,150	4,150	4,150	4,150	4,150	4,402	4,402	4,612	4,612	4,612	5,064	5,064	**1,484**		
No. of Buildings	14	16	17	17	17	17	17	17	18	18	19	19	19	21	21	**7**		
Vacant Stock (Units)	170	522	425	314	252	250	209	165	279	168	173	160	140	230	167	**60**		
Vacancy Rate	4.7%	12.8%	10.2%	7.6%	6.1%	6.0%	5.0%	4.0%	6.3%	3.8%	3.8%	3.5%	3.0%	4.5%	3.3%			**-0.3%**
Total Net Absorption (Units)	**(45)**	**137**	**178**	**112**	**63**	**2**	**41**	**43**	**138**	**112**	**204**	**14**	**21**	**361**	**64**	**1,381**	**99**	
Past 5 Years																**712**	**142**	
Construction Deliveries	-	488	82	-	-	-	-	-	252	-	210	-	-	452	-	**1,484**		
Average Unit Size (SF)	938	958	961	961	961	961	961	961	966	966	968	968	968	983	983			**0.4%**
Average Monthly Rent	$ 969	$ 989	$ 970	$ 934	$ 941	$ 955	$ 972	$ 995	$ 1,021	$ 1,091	$ 1,136	$ 1,178	$ 1,219	$ 1,267	$ 1,274			**2.1%**
Per SF Rent	$ 0.92	$ 0.94	$ 0.92	$ 0.89	$ 0.90	$ 0.91	$ 0.93	$ 0.95	$ 0.97	$ 1.04	$ 1.08	$ 1.12	$ 1.16	$ 1.21	$ 1.21			**2.1%**
Average Annual % Change		*2.2%*	*-2.1%*	*-3.3%*	*1.1%*	*1.1%*	*2.2%*	*2.2%*	*2.1%*	*7.2%*	*3.8%*	*3.7%*	*3.6%*	*4.3%*	*0.0%*			

Source: CoStar, Inc.; WTL+a, April 2020.

Table 4: Market Performance—Springs at Tradition & Atlantic/Grand Palms, 2019—2020

Project/Location	Year Built Class & Height	Site Size/ Densities & Bldg. Area	Unit Type	No. of Units	% Dist.	Size (In SF)	Per Month: Asking Rent Amount	Asking Rent Per SF	Effective Rent Amount	Effective Rent Per SF	3-Year Vacancy & Absorption Analysis: Vacant	2020	2019	2018
Springs at Tradition	2019	30.14	Studios	48	16%	606	$ 1,383	$ 2.28	$ 1,378	$ 2.28	1			
Market-rate	B	acres	1 BR	104	34%	850	1,714	2.02	1,709	2.01	2			
11200 SW Village Court	4 floors	0.28	2 BR	126	41%	1,143	1,893	1.66	1,887	1.65	2			
Port St. Lucie		364,800	3 BR	26	9%	1,356	2,092	1.54	2,085	1.54	1			
Developer: Continental Properties Co., Inc.			**Total:**	**304**		**976**	**$ 1,768**	**$ 1.81**	**$ 1,762**	**$ 1.80**	**6**	**2.0%**	**38.7%**	**100%**
												112	186	
											Months Open:	7	12	
			Asking Rent Concessions:							-0.3%	**Avg. Monthly Absorption:**	**16**	**16**	

Table 4 (Cont.): Market Performance—Springs at Tradition & Atlantic/Grand Palms, 2019—2020

Project/Location	Year Built Class & Height	Site Size/ Densities & Bldg. Area	Unit Type	No. of Units	% Dist.	Size (In SF)	Per Month Asking Rent Amount	Asking Rent Per SF	Effective Rent Amount	Effective Rent Per SF	3-Year Vacancy & Absorption Analysis Vacant	2020	2019	2018
The Atlantic Palms at Tradition	2020	-	1 BR	64	21%	810	$ 1,577	$ 1.95	$ 1,577	$ 1.95	26			
Market-rate	B	acres	2 BR	206	69%	1,107	1,739	1.57	1,739	1.57	84			
11349 SW Discovery Way	4 floors	-	3 BR	30	10%	1,274	1,938	1.52	1,938	1.52	12			
Port St. Lucie		720,000												
			Total:	**300**		**1,060**	**$ 1,724**	**$ 1.63**	**$ 1,724**	**$ 1.63**	**122**	**40.7%**	**100.0%**	**100%**
Developer: Atlantic/Pacific Companies												**178**	**-**	
											Months Open:	5	-	
												(1)		
											Avg. Monthly			
			Asking Rent Concessions:							**0.0%**	**Absorption:**	**36**	**-**	

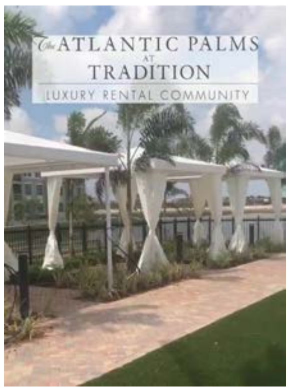


Table 4 (Cont.): Market Performance—Springs at Tradition & Atlantic/Grand Palms, 2019—2020

Project/Location	Year Built Class & Height	Site Size/ Densities & Bldg. Area	Unit Type	No. of Units	% Dist.	Size (In SF)	Per Month Asking Rent Amount	Asking Rent Per SF	Effective Rent Amount	Effective Rent Per SF	3-Year Vacancy & Absorption Analysis Vacant	2020	2019	2018
COMPARABLES ANALYSIS			Studios	48	**8%**	606	$ 1,383	$ 2.28	$ 1,378	$ 2.28				
Total/Weighted Average:			1 BR	168	**28%**	835	1,662	1.99	1,659	1.99				
			2 BR	332	**55%**	1,121	1,797	1.60	1,795	1.60				
			3 BR	56	**9%**	1,312	2,010	1.53	2,006	1.53				
			Total:	**604**		**1,018**	**$ 1,746**	**$ 1.72**	**$ 1,743**	**$ 1.71**	**128**	**21.2%**	**69.1%**	**-**
Estimated Unit Absorption (2018-2020):											**Avg. Annual Absorption:**	**290**	**186**	
											Avg. Monthly Absorption:	**52**	**16**	

(1) Certificates of Occupancy for Atlantic (Grand) Palms were issued starting in May 2020. The analysis assumes pre-leasing started in March, suggesting a five-month period of unit absorption (March-July).

Source: City of Port St. Lucie; CoStar, Inc.; WTL+a, August 2020.

Both Springs at Tradition (304 units) and The Atlantic Palms at Tradition (300 units) have recently opened and are in the process of occupancy/lease-up.

Springs at Tradition

- Springs at Tradition contains a mix of units (75% of which are one- and two-bedroom units), with an average unit size of 976 sq. ft. Asking rents average $1,768 per month, with effective rents of $1,762 per month ($1.81 per sq. ft.) suggesting nominal tenant concessions of 0.3% per month;
- The City of Port St. Lucie issued Certificates of Occupancy (CO) for all 304 units over a seven-month period in 2019. CoStar data suggest that the pace of **unit occupancies (absorption) averaged 16 units per month over a 12-month period in 2019**. That lease-up pace was maintained over the first seven months of 2020. WTL+a notes that this pace is considered solid. Springs at Tradition has achieved stabilized occupancies, with a vacancy rate of only 2%.

The Atlantic Palms at Tradition

- The Atlantic Palms at Tradition (also known as Grand Palms) contains a mix of units (90% of which are one- and two-bedroom units), with an average unit size of 1,060 sq. ft. Asking and effective rents average $1,724 per month (i.e., there are no tenant concessions);
- The City of Port St. Lucie issued COs for 116 units between May and July 2020. CoStar data suggest that the pace of **unit occupancies at Atlantic Palms is averaging approximately 36 units per month for the estimated five months the project has been leasing in 2020** (i.e., it is common for new multi-family properties to initiate pre-leasing for one to two months prior to issuance of COs). Monthly lease-up at this pace is considered very strong. If Atlantic Palms maintains this pace, the project should achieve stabilized occupancies (i.e., 5% vacancy) in less than four months.

Overall, market performance of the two new multi-family properties in the Southern Grove DRI is strong. Continued market strength is necessary to support development of the 1,686 multi-family units currently entitled in the study area.

In conclusion, **the Port St. Lucie housing market reflects generally stabilized market conditions—with stabilized occupancies, increasing values among owner-occupied**

properties, and strong lease-up (absorption) activity in new multi-family properties accompanied by solid achieved monthly rents. Ongoing population and household growth, which translates into significant levels of new residential development, as well as the reported pace of lot take-downs and unit sales among the master-planned communities adjacent or proximate to Southern Grove reinforce the City's strong market conditions in its housing sector.

Market Conditions—Hotel/Lodging

WTL+a reviewed data on market conditions for hotel and lodging uses in St. Lucie County based on performance data provided by STR Global, the industry leader in hotel market data. Performance metrics from this analysis will be used to determine hotel/lodging market potentials as an amenity to support ongoing business retention and recruitment and job-creation initiatives in the Southern Grove study area.

In larger population centers and communities with established commercial office concentrations, hotels can serve as an important supporting amenity to corporate and business activity generators, for tourism destinations and for nearby residential clusters. Hotel quality levels are generally determined by the depth and sustainability of support from available market segments. In areas with lower spending potentials or more price-sensitive consumers (such as logistics-related markets serving truck drivers and others), market potentials may be best met by a limited-service property (which is defined by the hotel industry to include the absence of an on-site restaurant and limited other amenities such as gyms, meeting/conference/event spaces, swimming pools, spas, etc.) as opposed to higher-priced hotel categories (such as full-service business-oriented hotels, which include all of the above amenities) or destination resort properties oriented toward beaches/waterfronts, golf courses, etc.

As illustrated in Table 5, St. Lucie County contains 3,058 hotel rooms, with Fort Pierce containing 1,557 rooms (51% of supply) and **Port St. Lucie containing 1,501 rooms (49% of the County's room inventory).** By comparison, neighboring Martin County contains 1,674 rooms, with 79% of Martin County's room inventory located in Stuart. STR Global categorizes hotel properties into the following class levels:

- **Economy**—properties in this class typically include EconoLodge, Day's Inn, Extended Stay America, Red Roof Inn and a number of smaller, non-chain affiliated properties across Broward County. This category comprises 23% of the County's hotel market

- **Midscale**—hotels in this category typically include Best Western, Quality Inn, Sleep Inn and Wingate by Wyndham. This category comprises 13% of the County's hotel market
- **Upper Midscale**—properties in this category typically include the Comfort Inn, Fairfield Inn, Hampton Inn and Holiday Inn Express & Suites. This category comprises 31% of the County's hotel market
- **Upscale**—properties in this class typically include Marriott Courtyard, Hilton Garden Inn, Hyatt Place and Residence Inn. This category comprises 16% of the County's hotel market
- **Upper Upscale**—properties in this class typically include Hyatt Regency, Marriott, Sheraton and Wyndham. This category, which includes the 337-room Club Med Sandpiper Bay Hotel in Port St. Lucie, comprises 17% of the County's hotel market, and
- **Luxury**—properties in this class typically include international chains such as the Ritz Carlton and W Hotel. There are no luxury properties in St. Lucie County.

To understand hotel market performance and opportunities for additional new hotel development in Southern Grove, WTL+a obtained hotel performance data for 17 selected properties across St. Lucie County with 1,602 rooms from STR Global, the hotel industry's leader in tracking market performance in the lodging industry.

Hotel occupancies are a principal source of information on both business and leisure travel markets; measures of demand for hotel development follow general industry patterns that identify markets to determine readiness to add more room capacity. The general investment thresholds used in capital markets to test expansion feasibility for new hotel rooms include Average Daily Rates (ADRs) and sustained average annual room occupancies (allowing for seasonal changes over the year in major visitor markets.

The industry benchmark identified for construction feasibility/potential expansion is a ***sustained* annual occupancy level between 65% and 72%**. If a market/location sustains an average annual occupancy within these levels (or higher), that location can support additional capacity and warrant development of new hotel rooms.

Table 5: St. Lucie County Hotel Inventory, 2019

Location (By Rooms)	Economy	Mid-scale	Upper Mid-scale	Upscale	Upper Upscale	Luxury	Total Rooms	As % of County
	No. of Rooms by Property Class							
St. Lucie County	***(1)***	***(2)***	***(3)***	***(4)***	***(5)***			
Fort Pierce	891	139	457	70	-	-	1,557	50.9%
Port St. Lucie	**-**	**260**	**435**	**469**	**337**	**-**	**1,501**	**49.1%**
Subtotal-St. Lucie:	**891**	**399**	**892**	**539**	**337**	**-**	**3,058**	**64.6%**
Martin County								
Indiantown	22	-	-	-	-	-	22	1.3%
Jensen Beach	15	-	23	110	178	-	326	19.5%
Stuart	183	201	548	120	274	-	1,326	79.2%
Subtotal-Martin:	**220**	**201**	**571**	**230**	**452**	**-**	**1,674**	**35.4%**
TOTAL:	**1,111**	**600**	**1,463**	**769**	**789**	**-**	**4,732**	**100%**
% Dist. by Class	***23%***	***13%***	***31%***	***16%***	***17%***	***0%***		

(1) Examples of economy class properties include: Days Inn; Extended Stay America; Red Roof Inn; Super 8; and Travelodge.
(2) Examples of mid-scale class properties include: Best Western; LaQuinta Inn; Quality Inn; Sleep Inn & Suites and Wingate By Wyndham.
(3) Examples of upper mid-scale properties include: Comfort Inn; Fairfield Inn; Hampton Inn; and Holiday Inn Express & Suites.
(4) Examples of upscale properties include: Marriott Courtyard; Crowne Plaza; Doubletree; Hilton Garden Inn; Hyatt Place; and Residence Inn.
(5) Examples of upper upscale properties include: Hyatt Regency; Marriott; Sheraton and Wyndham.

Source: STR Global; WTL+a, February 2020.

Table 6 illustrates key performance metrics among the selected competitive hotel properties; notably, 16 of these 17 properties are considered “limited” or “select” service and located primarily at I-95 interchanges in Port St. Lucie and Fort Pierce. The Club Med Sandpiper Bay Hotel is the only full-service hotel in St. Lucie County. Key findings from STR Global data on these competitive properties indicate that:

- The 17 properties selected for this analysis include 1,602 rooms. In terms of STR class levels, four properties reporting their performance data to STR are Economy Class, nine are Upper Midscale and four are Upscale. The Club Med property does *not* report its market performance to STR;
- Occupancy levels have strengthened; over the past six years, **average annual occupancies ranged from a low of 58.1% in 2014 to a peak of 73.6% in 2017, with a six-year average of 71.8%;**

- Notably, for the past three years, ***sustained* annual occupancies for these properties have averaged 67.4%**. In 2019, occupancies averaged 71.4% and, indicative of peak seasonality, occupancy averaged 84.7% in January and February of 2020—*prior* to the impacts of the COVID-19 pandemic;
- Other indicators of solid market performance include Average Daily Rates (ADRs), which increased at a sustained annual pace of 3.76% per year and Revenue per Available Room (REVPAR), which increased at a remarkable 8.12% per year between 2014 and 2019. There were significant year-over-year jumps in this particular metric;
- In conclusion, based on occupancy and revenue performance, this analysis suggests **there may be sufficient demand/investment-level performance necessary to support new hotel rooms in the Southern Grove study area.** However, with the delivery of the 128-room Townplace Suites property on Village Parkway (outside of the study area near The Landing at Tradition) in December 2019, additional time will be required to gauge its impacts on market performance and the capacity to support additional new rooms beyond this new supply.

Area Hotel Market Performance (Before Coronavirus) is Strong:

Occupancies Exceeded 70% Past 3 Years

Table 6: Market Performance of Selected Competitive Hotel Properties, 2014—2019

		2014	2015	2016	2017	2018	2019	February 2020	CHANGE: 2014-2019 Average	CHANGE: 2014-2019 CAGR
	Performance Characteristics									*(1)*
	Number of Rooms	1,619	1,550	1,544	1,454	1,506	1,497	1,602		
	Available Room Nights (Supply)	591,021	565,778	563,711	530,510	549,559	546,619	567,108	**557,866**	**-1.55%**
	Occupied Room Nights (Demand)	343,224	365,578	383,528	390,224	383,730	390,041		**376,054**	**2.59%**
	Annual Occupancy (%)	**58.1%**	**64.6%**	**68.0%**	**73.6%**	**69.8%**	**71.4%**	**84.7%**	**67.4%**	**4.21%**
	Average Daily Rate	$ 84.97	$ 90.03	$ 95.40	$ 100.63	$ 102.38	$ 102.20	$ 124.93	**$ 96.21**	**3.76%**
(2)	Revenue Per Available Room	$ 49.35	$ 58.17	$ 64.91	$ 74.02	$ 71.49	$ 72.92	$ 105.76	**$ 64.86**	**8.12%**
	Year-to-Year % Growth									
	Annual Occupancy	-	11.3%	5.3%	8.1%	(5.1%)	2.2%			
	Average Daily Rate	-	5.9%	6.0%	5.5%	1.7%	(0.2%)			
	Revenue/Available Room	-	17.9%	11.6%	14.0%	(3.4%)	2.0%			

Selected Property	Rooms	% Dist.	Year Open
Hampton Inn Fort Pierce	81	5%	Nov 2006
Comfort Suites Fort Pierce I 95	68	4%	Dec 2004
La Quinta Inns & Suites Fort Pierce	87	5%	Jul 2008
Fairfield Inn & Suites Fort Pierce	108	7%	Dec 2008
Holiday Inn Express & Suites Fort Pierce West	94	6%	Sep 2009
Best Western Port St Lucie	98	6%	Jan 1987
Holiday Inn Port St Lucie	142	9%	Oct 1988
SpringHill Suites Port St Lucie	103	6%	Jul 1998
Holiday Inn Express & Suites Port St Lucie West	93	6%	Apr 2009
Sleep Inn At PGA Village	17	1%	Mar 2013
Residence Inn Port St Lucie	125	8%	Feb 2009
Hilton Garden Inn PGA Village Port St Lucie	130	8%	Nov 2006
Hampton by Hilton Inn & Suites Port St Lucie West	72	4%	Mar 2002
Perfect Drive Golf Villas	82	5%	Jul 2006
MainStay Suites At PGA Village Port St Lucie	63	4%	Mar 1999
TownePlace Suites Port St Lucie I-95	128	8%	Dec 2019
Homewood Suites by Hilton Port St Lucie Tradition	111	7%	Nov 2009
Total:	**1,602**	**100%**	

(1) CAGR=Compound Annual Growth Rate.

(2) Revenue per available room is total annual room revenue divided by available rooms. It is the best measure of year-to-year growth because it considers simultaneous changes in both room rate and annual occupancies.

Source: STR Global; WTL+a, March 2020.

Market Conditions—Office

The market analysis evaluated development potentials for "workplace" uses, including multi-tenant/speculative office (and general industrial sectors) in St. Lucie County and Port St. Lucie. We note that it is not possible to evaluate development potentials for specific end-users such as Project Bullet (or portions of Sansone) looking for a specific location such as Southern Grove, as such deals are based on specific recruitment strategies and terms (e.g., the amount of space to be occupied) that are negotiated on a case-by-case basis. As a result, the analysis estimated demand for speculative/multi-tenant opportunities based on employment forecasts. This task was tailored to:

- Understand the Southern Grove study area's overall competitive market position for speculative/multi-tenant uses, based on key performance metrics (total inventory, construction deliveries, net annual absorption/leasing activity, vacant stock, vacancy rates, and rental rates);
- Inform the evaluation of workplace development potentials for the study area based on the findings in this profile; and
- Guide the TCRPC planning team's testing of development scenarios to ensure that uses such as office and industrial space will physically fit and be sufficiently marketable.

Given that the study area is a designated "jobs corridor", the City is particularly interested in understanding recent and current real estate market conditions for general industrial uses in a number of competing jurisdictions throughout Florida. As a result, City staff identified four counties (Palm Beach, Broward and Miami-Dade in South Florida and Orange in Central Florida) for additional research on industrial market performance. Key findings for the area's office market are illustrated in multiple tables that follow, and summarized below:

St. Lucie County

- As illustrated in Table 7, St. Lucie County contains **6.6 million sq. ft. of office space** distributed across Port St. Lucie, Fort Pierce and unincorporated areas. Countywide,

Table 7: Office Market Profile—St. Lucie County, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Total**	**Ann'l Avg.**	**% CAGR**
Office																	
Inventory	5,393,752	5,940,029	5,966,605	5,998,552	6,033,852	6,055,552	6,118,606	6,129,961	6,271,609	6,271,609	6,409,726	6,496,336	6,567,106	6,583,470	**1,173,354**		
No. of Buildings/Centers	536	552	554	558	561	564	567	569	578	578	584	591	594	595			
Vacant Stock	686,401	960,195	1,098,697	878,725	870,118	868,608	858,022	782,330	709,035	725,853	743,911	620,241	717,697	729,773	**31,296**		
Vacancy Rate	12.7%	16.2%	18.4%	14.6%	14.4%	14.3%	14.0%	12.8%	11.3%	11.6%	11.6%	9.5%	10.9%	11.1%			**-1.3%**
Net Absorption:	**(208,440)**	**272,483**	**(111,926)**	**251,919**	**43,907**	**23,210**	**73,640**	**87,047**	**214,943**	**(16,818)**	**120,059**	**210,280**	**(26,686)**	**4,288**	**933,618**	**71,817**	
Past 5 Years															**501,778**	**100,356**	
Construction Deliveries	172,143	546,277	26,576	31,947	35,300	21,700	63,054	11,355	141,648	-	138,117	86,610	70,770	16,364	**1,345,497**		
Gross Rent/SF	$ 18.10	$ 17.84	$ 17.62	$ 16.15	$ 16.27	$ 15.56	$ 15.00	$ 13.79	$ 14.32	$ 14.39	$ 13.34	$ 13.27	$ 15.32	$ 16.94			**-1.4%**
Average Annual % Change	-	*-1.5%*	*-1.2%*	*-8.4%*	*0.8%*	*-4.4%*	*-3.6%*	*-8.1%*	*3.8%*	*0.5%*	*-7.3%*	*-0.5%*	*15.4%*	*10.6%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.

there were **717,700 sq. ft. of vacant office space** (including direct vacancies and sublet space), which reflects a year-end 2019 vacancy rate of 10.9%;

- Office vacancies peaked at more than 18% during the national recession in 2009, but they declined steadily between 2010 and 2018, at 9.5%. Vacancies have increased slightly to 11.1% in the first quarter of 2020;
- Multiple factors have combined to strengthen overall leasing activity, including recovery from the 2007—2009 recession, net new job growth in office-using sectors and new or expanded businesses throughout the County. In fact, *net* absorption totaled **933,600 sq. ft. countywide over this 13-year period.** Notably, net absorption in St. Lucie County has strengthened over the past five years—to an average of 100,300 sq. ft. per year;
- If the County's historic annual pace of 71,800 sq. ft. of net absorption (over 13 years) can be sustained, approximately **9.7 years would be required to absorb 95% of the County's existing vacant office space**. Nine of the past 13 years have recorded positive net absorption in the County's office market;
- Interestingly, gross office rents *declined* between 2007 and 2019—from $18.10 per sq. ft. in 2007 to $15.32 per sq. ft. at year-end 2019, reflecting a compound annual decline of -1.4% per year during this period; and
- Declining office rents may have propelled positive net absorption to some extent, particularly since St. Lucie County's office inventory expanded with 1.34 million sq. ft. of new office construction since 2007.

Port St. Lucie

- As illustrated in Table 8, there are 3.61 million sq. ft. of office space in Port St. Lucie in 276 buildings. The City accounts for 55% of St. Lucie County's 6.6 million sq. ft. of office space. The City's share of the County's supply has remained relatively stable—ranging from 51% to 55%;

- The impacts of the national recession on the City's office market were dramatic: office vacancies doubled between 2007 and 2009—from 9.5% to 18.6%. It took fully five years for the vacancy rate to drop to 15.5% in 2014; vacancies declined more rapidly thereafter as net absorption strengthened. By 2018, the office vacancy rate had dropped to 5.8%, although it jumped to 8.1% in 2019;
- More than 892,300 sq. ft. of new office space has been built citywide since 2007, equating to annual average deliveries of 68,600 sq. ft. per year;
- Citywide *net* office absorption totaled 848,800 sq. ft. over this 13-year period, averaging almost 65,300 sq. ft. per year. **The strength of the City's office market is best exemplified in metrics over the past five years—with net absorption doubling (over its historic 13-year pace)—to more than 124,300 sq. ft. per year**;
- **If the City's historic annual pace of 65,300 sq. ft. of net absorption (over 13 years) can be sustained, it would require approximately 4.25 years to absorb 95% of the City's vacant office space**. Similar to the County, nine of the past 13 years have recorded positive net absorption in the City's office market;
- Unlike the County, gross office rents remained generally flat between 2007 and 2019—between $19 per sq. ft. in 2007 and almost $18 per sq. ft. at year-end 2019, reflecting a nominal compound annual decline of -0.6% per year during this period; and
- Positive net absorption may also have been buoyed by flat office rents to some extent, particularly since the City's office inventory expanded with the addition of 892,400 sq. ft. of new office space built since 2007.

A Strengthening Office Market in PSL:

Annual Absorption *Doubled* to 124,300 SF/Year Past 5 Years

Table 8: Office Market Profile—Port St. Lucie, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Office																	
Inventory	2,877,400	3,033,303	3,059,879	3,091,826	3,110,074	3,128,338	3,191,392	3,202,747	3,337,450	3,337,450	3,461,624	3,548,234	3,619,004	3,635,368	**741,604**		
As % of County	*53%*	*51%*	*51%*	*52%*	*52%*	*52%*	*52%*	*52%*	*53%*	*53%*	*54%*	*55%*	*55%*	*55%*			
No. of Buildings/Centers	228	239	241	245	247	249	252	254	262	262	266	273	276	277			
Vacant Stock	272,019	495,079	568,079	497,281	468,907	460,580	437,587	497,746	464,734	356,509	331,567	205,668	292,132	321,717	**20,113**		
Vacancy Rate	9.5%	16.3%	18.6%	16.1%	15.1%	14.7%	13.7%	15.5%	13.9%	10.7%	9.6%	5.8%	8.1%	8.8%			**-1.3%**
Net Absorption:	**127,342**	**(67,157)**	**(46,424)**	**102,745**	**46,622**	**26,591**	**86,047**	**(48,804)**	**167,715**	**108,225**	**149,116**	**212,509**	**(15,694)**	**(13,221)**	**848,833**	**65,295**	
Past 5 Years															**621,871**	**124,374**	
Construction Deliveries	150,765	155,903	26,576	31,947	18,248	18,264	63,054	11,355	134,703	-	124,174	86,610	70,770	16,364	**892,369**		
Gross Rent/SF	$ 19.14	$ 19.26	$ 19.19	$ 17.93	$ 18.15	$ 17.47	$ 17.26	$ 16.15	$ 17.27	$ 16.76	$ 15.70	$ 15.88	$ 17.86	$ 19.23			**-0.6%**
Average Annual % Change	-	*0.6%*	*-0.4%*	*-6.6%*	*1.2%*	*-3.8%*	*-1.2%*	*-6.4%*	*7.0%*	*-3.0%*	*-6.3%*	*1.1%*	*12.5%*	*7.7%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.

Martin County

- As illustrated in Table 9, Martin County contains **4.03 million sq. ft. of office space** distributed across Stuart, Palm City, the U.S. Route 1 and A1A corridors and unincorporated areas. Countywide, there were **269,860 sq. ft. of vacant office space** (including direct vacancies and sublet space), which reflects a year-end 2019 vacancy rate of 6.7%. Office vacancies peaked at almost 13% during the national recession in 2009 and again in 2012, but declined steadily to a low of 4.3% in 2017. Vacancies have increased to 7.8% in the first quarter of 2020;
- *Net* absorption totaled **226,750 sq. ft. countywide over this 13-year period, equating to an annual average of only 17,440 sq. ft. per year.** Net absorption in Martin County strengthened slightly over the past five years—to an average of 38,930 sq. ft. per year;
- If the County's historic annual pace of 17,440 sq. ft. of net absorption (over 13 years) can be sustained, approximately **15 years would be required to absorb 95% of the County's vacant office space**. There has been positive net absorption in only six of the past 13 years, and only 246,155 sq. ft. of new construction;
- Similar to St. Lucie County, gross office rents in Martin County *declined* between 2007 and 2019—from $24.75 per sq. ft. in 2007 to $17.54 per sq. ft. at year-end 2019, reflecting a sizable compound annual decline of -2.8% per year during this period; and
- The Martin County office market is smaller than St. Lucie County—with less average annual absorption activity (17,400 sq. ft. per year compared to 71,800 sq. ft. per year). Moreover, it is not expanding as rapidly, with only 246,155 sq. ft. of new office supply (compared to 1.34 million sq. ft. in St. Lucie). While overall office rents are higher in Martin, they have declined more rapidly than St. Lucie over the past 13 years.

Table 9: Office Market Profile—Martin County, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Office																	
Inventory	3,857,307	3,911,333	3,940,333	3,940,333	3,959,374	3,959,374	3,973,972	3,973,972	3,973,972	3,991,339	3,996,339	4,008,911	4,038,785	4,038,785	**181,478**		
No. of Buildings/Centers	459	464	466	466	468	468	470	470	470	473	474	476	479	479			
Vacant Stock	321,299	400,073	500,078	424,385	469,298	503,328	510,029	399,703	298,791	266,963	172,867	215,539	269,860	314,167	**(51,439)**		
Vacancy Rate	8.3%	10.2%	12.7%	10.8%	11.9%	12.7%	12.8%	10.1%	7.5%	6.7%	4.3%	5.4%	6.7%	7.8%			**-1.8%**
Net Absorption:	**(5,470)**	**(31,414)**	**(71,005)**	**82,359**	**(25,872)**	**(34,030)**	**7,200**	**110,326**	**100,912**	**49,195**	**99,096**	**(30,100)**	**(24,447)**	**(44,307)**	**226,750**	**17,442**	
Past 5 Years															**194,656**	**38,931**	
Construction Deliveries	64,677	54,026	29,000	-	19,041	-	14,598	-	-	17,367	5,000	12,572	29,874	-	**246,155**		
Gross Rent/SF	$ 24.75	$ 25.55	$ 17.71	$ 17.01	$ 16.88	$ 16.51	$ 15.86	$ 15.77	$ 15.81	$ 16.22	$ 16.27	$ 16.50	$ 17.54	$ 18.29			**-2.8%**
Average Annual % Change	-	*3.2%*	*-30.7%*	*-4.0%*	*-0.8%*	*-2.2%*	*-3.9%*	*-0.6%*	*0.3%*	*2.5%*	*0.3%*	*1.4%*	*6.3%*	*4.3%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.

In conclusion, **the office market in (and surrounding) Port St. Lucie has benefitted from strong job growth in office-using sectors of the regional economy**. As reported previously in Technical Memorandum #1, Port St. Lucie added 7,115 new jobs between 2006 and 2017 (latest data available), which fueled positive net absorption totaling 848,800 sq. ft. between 2007 and 2019. With almost 892,400 sq. ft. of new office space, demand kept pace with deliveries during this period. **Demand has been strongest over the past five years, with annual net absorption of 124,400 sq. ft. per year.**

WTL+a notes, however, that **rent growth has not kept pace with demand; in fact, office rents have declined** at a compound annual rate of -0.6% per year during this period. While commercial office rents declined, the more concerning metric may be negative net absorption of -28,915 sq. ft. in 2019 and the first quarter of 2020. Combined with more significant (but as yet unknown) impacts of COVID-19, the City's office market may face a period of weakness in the short-term.

Table 10: Summary of Regional Office Market Conditions

Location	2019 SF Inventory (Ranked by Size)	2019 Vacant SF	% Vacant 2007	% Vacant 2019	Average Annual Absorption (In SF) 2007-2019	Average Annual Absorption (In SF) Past 5 Years	Total New Construction 2007-2019
St. Lucie County	6,567,106	717,697	12.7%	10.9%	71,817	100,356	1,345,497
Port St. Lucie	**3,619,004**	**292,132**	**9.5%**	**8.1%**	**65,295**	**124,374**	**892,369**
As % of County	***55%***						***66%***
Martin County	4,038,785	314,167	8.3%	6.7%	17,442	38,931	246,155

Source: CoStar, Inc.; WTL+a, revised April 2020.

Market Conditions—Retail

Historic development patterns in Port St. Lucie differ from most other Florida communities in that there was never a traditional commercial downtown or urban center in the City that created a center for retail, commerce and civic identity. This issue was mentioned in many of the stakeholder interviews in the early stages of the Southern Grove market study, both as a needed planned solution as well as to fill a void in market identity and civic pride. Opinions were divided about whether a new (or redeveloped) "town center" could be created within Tradition/Southern Grove, although many considered the location west of I-95 to be an opportunity to form a new civic identity for the City. **Many stakeholders also commented that there are not enough entertainment and recreational activities in Port St. Lucie**, and that **Southern Grove could be a logical location for entertainment-oriented uses because of the site's visibility and access from I-95.**

Because much of the early development occurred in Port St. Lucie in single-family residential development, existing retail and commercial clusters are scattered along major arterial roadways, such as St. Lucie West Boulevard. St. Lucie West, a 1980s DRI, was entitled for 2,125,287 sq. ft. of commercial retail space. According to data provided by the City, a total of 1,886,610 sq. ft. of retail space has been built, such as the Shoppes at St. Lucie West (384,400 sq. ft. across three phases), Walmart Center (225,767 sq. ft.), Lowe's (171,069 sq. ft.), and Home Depot (129,268 sq. ft.).

Other retail developments are located along the Federal Highway/U.S. Route 1 corridor, mostly in individual pad sites and small retail strip shopping centers. While Tradition Town Center has added some pedestrian-friendly spaces, there is only limited contiguous retail. The Landing at Tradition, a 600,000 sq. ft. Big Box center, includes a Target superstore (127,000 sq. ft.), Bed Bath & Beyond (31,000 sq. ft.), and TJ Maxx (29,000 sq. ft.), but there is approximately 126,500 sq. ft. of vacant retail space (20% of the gross leasable area/GLA). The Landing also has large vacant parcels between the in-line stores and Village Parkway, and does it not create a strong pedestrian connection to other parts of Tradition. While The Landing is not technically part of the Southern Grove study area, given its current vacancy rate and longer-term planning prospects as an assembled parcel, the TCRPC planning team believes that it is both necessary and appropriate to include it as a redevelopment prospect, rather than creating significant competing retail within the study area boundaries.

Port St. Lucie also has significant retail competition both nearby and within an easy driving distance:

- **Treasure Coast Square**—in nearby Jensen Beach (Martin County) includes over 875,000

sq. ft. of retail space. Reportedly, the mall generated the nearby development of an additional 800,000 sq. ft. of other retail within 10 years of its opening. Like many traditional malls, the mall's department store 'anchors' are challenged by changes in consumer shopping patterns: The Sears store is closed; JC Penney is closing stores nationally and has significant debt that will

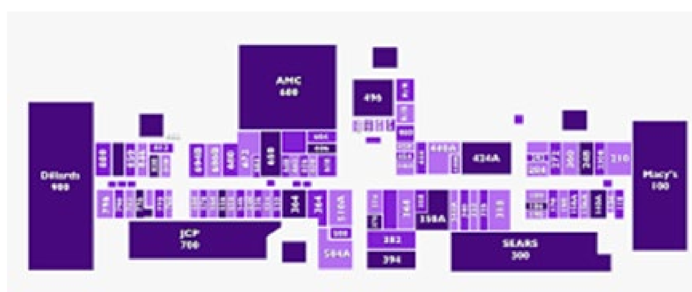
require further adjustments in 2020 and beyond; and Macy's is streamlining its store count and planning to close 28 of its stores nationwide (plus the Bloomingdales in The Falls center in Miami). The Simon Company, the mall's owner (and largest shopping center developer in the U.S.) is leading an ongoing repositioning of the mall and its store mix over time.

- **Downtown Stuart**—this traditional downtown cluster of dining and specialty retailers is

approximately 13 miles (driving distance) from the Southern Grove study area, and it includes a number of destination restaurants, specialty retailers and consumer services, all within a pleasant, walkable environment. The 18-block Main Street District was revitalized with concerted public initiatives and supported by both resident and visitor spending.

- **Gardens Mall**—the 1.4 million sq. ft. Gardens Mall in Palm Beach Gardens is located approximately 35 miles from Southern Grove in Palm Beach County. The Gardens Mall has been a high performing, upscale destination with luxury stores and national tenants. While the Sears store has closed, the mall's other anchors include Saks Fifth Avenue, Nordstrom and Bloomingdale's (which is owned by Macy's). The mall has over 7,000 parking spaces across acres of surface parking lots that could be redeveloped; with a strong operating history, it is likely to survive the COVID downturn.

- **Indian River Mall**—this regional center is located in Vero Beach to the north of Southern Grove. The mall has experienced significant vacancies (Sears had previously closed, and Macy's announced its permanent closing in mid-May), and could be considered a candidate for a major repositioning strategy for a re-use program.



Retail market conditions, by geography, are highlighted below.

St. Lucie County

- As illustrated in Table 11, St. Lucie County contains almost **13.5 million sq. ft. of retail space** distributed across the County (this includes all of the county's incorporated municipalities). At year-end 2019, there were more than **853,700 sq. ft. of vacant retail space** (including direct vacancies and sublet space), which reflects a vacancy rate of only 6.3%. Over the past 13 years, retail vacancies peaked at only 7.4% during the national recession in 2010. Between 2007 and 2019, vacancies ranged from 5.6% to 7.2%. Effectively, the retail sector in St. Lucie County is operating in stabilized market conditions;
- The County's retail inventory suggests that there are **43 sq. ft. of retail space** for each of the County's 313,200 residents. This is well-above the U.S. average of approximately 26 sq. ft. per capita (based on shopping centers/malls alone; estimates including other retail locations such as strip development and downtown areas suggest the ratio is up to 50 sq. ft. per capita). By any reasonable measure, these per capita metrics are too high and more than the market can support;

- Multiple factors contribute to the strength of the County's retail market—including significant population and household growth and the County's (secondary) role as a visitor destination in South Florida. Net absorption totaled over **2.43 million sq. ft. countywide over the past 13 years, which equates to a sustained annual average of 187,530 sq. ft. per year**. Fully 11 of the past 13 years exhibited positive absorption, although the pace slowed to roughly 93,900 sq. ft. per year over the past five years;

WTL+a

Table 11: Retail Market Profile—St. Lucie County, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Retail																	
Inventory	11,571,918	12,574,580	12,719,593	12,828,195	12,859,788	12,870,818	13,007,409	13,042,499	13,053,992	13,150,733	13,291,507	13,456,153	13,477,367	13,477,367	**1,905,449**		
No. of Buildings/Centers	976	1,007	1,023	1,029	1,034	1,036	1,042	1,046	1,048	1,065	1,080	1,098	1,104	1,104			
Vacant Stock	752,623	666,536	877,666	945,895	770,167	869,433	933,410	911,768	838,596	734,388	769,203	845,666	853,731	852,325	**101,108**		
Vacancy Rate	6.5%	5.3%	6.9%	7.4%	6.0%	6.8%	7.2%	7.0%	6.4%	5.6%	5.8%	6.3%	6.3%	6.3%			**-0.2%**
Net Absorption:	**652,798**	**1,093,041**	**(67,042)**	**41,298**	**207,321**	**(88,236)**	**72,614**	**56,732**	**84,665**	**200,949**	**101,959**	**68,643**	**13,149**	**1,406**	**2,437,891**	**187,530**	
Past 5 Years															**469,365**	**93,873**	
Construction Deliveries	948,866	1,002,662	145,013	108,602	31,593	11,030	136,591	35,090	11,493	96,741	136,774	145,106	21,214	-	**2,830,775**		
Base Rent/SF (NNN)	$ 22.38	$ 21.22	$ 17.49	$ 15.29	$ 14.75	$ 14.11	$ 14.02	$ 13.94	$ 14.27	$ 14.03	$ 15.63	$ 16.21	$ 15.89	$ 16.35			**-2.8%**
Average Annual % Change	-	*-5.2%*	*-17.6%*	*-12.6%*	*-3.5%*	*-4.3%*	*-0.6%*	*-0.6%*	*2.3%*	*-1.7%*	*11.4%*	*3.7%*	*-1.9%*	*2.9%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.

- Notably, more than 2.83 million sq. ft. of new retail space was built in St. Lucie County between 2007 and 2019, with fully 1.95 million sq. ft. delivered in 2007 and 2008 alone. As detailed below, the City of Port St. Lucie captured fully 85% of all new retail space built in the County during this period; and

- Similar to the County's office sector, retail rents *declined* between 2007 and 2019—from $22.38 per sq. ft. in 2007 to $15.89 per sq. ft. (on a triple net basis) at year-end 2019, reflecting a compound annual decline of -2.8% per year during this period.

Port St. Lucie

- As illustrated in Table 12, Port St. Lucie contains almost **7.5 million sq. ft. of retail space** and comprises 56% of the County's total retail supply. At year-end 2019, there were **335,900 sq. ft. of vacant retail space** (including direct vacancies and sublet space), which reflects a vacancy rate of only 4.5%. Over the past 13 years, retail vacancies peaked at 8.7% in 2007. Despite another peak of 7.7% in 2013, vacancy rates have continued to decline. Paralleling the County, the retail sector in Port St. Lucie is operating in stabilized market conditions;

- The City's retail inventory suggests there are **39.7 sq. ft. of retail space** for each of the City's 188,722 residents. This is well-above the U.S. average of approximately 26 sq. ft. per capita (based on shopping centers/malls alone; estimates including other retail locations such as strip development and downtown areas suggest a ratio up to 50 sq. ft. per capita);

- Net retail absorption totaled over **2.39 million sq. ft. citywide over the past 13 years, which equates to a sustained annual average of 183,860 sq. ft. per year**. **Port St. Lucie accounted for 98% of all countywide retail absorption,** and 10 of the past 13 years exhibited positive absorption, although the pace slowed to roughly 104,200 sq. ft. per year over the past five years;

WTL+a

Table 12: Retail Market Profile—City of Port St. Lucie, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Total**	**Ann'l Avg.**	**% CAGR**
Retail																	
Inventory	5,994,339	6,779,793	6,891,901	6,955,503	6,965,913	6,965,913	7,087,702	7,122,792	7,134,285	7,215,983	7,326,969	7,478,019	7,493,111	7,493,111	**1,498,772**		
As % of County	*52%*	*54%*	*54%*	*54%*	*54%*	*54%*	*54%*	*55%*	*55%*	*55%*	*55%*	*56%*	*56%*	*56%*			
No. of Buildings/Centers	345	369	379	384	386	386	391	395	397	410	421	438	441	441			
Vacant Stock	522,840	382,852	516,969	497,925	441,176	499,640	546,669	509,975	488,076	361,032	335,928	316,298	335,918	350,485	**(186,922)**		
Vacancy Rate	8.7%	5.6%	7.5%	7.2%	6.3%	7.2%	7.7%	7.2%	6.8%	5.0%	4.6%	4.2%	4.5%	4.7%			**-5.4%**
Net Absorption:	**723,761**	**929,734**	**(22,009)**	**82,646**	**67,159**	**(58,464)**	**74,760**	**71,784**	**33,392**	**208,742**	**132,090**	**151,140**	**(4,528)**	**(14,567)**	**2,390,207**	**183,862**	
Past 5 Years															**520,836**	**104,167**	
Construction Deliveries	943,866	785,454	112,108	63,602	10,410	-	121,789	35,090	11,493	81,698	106,986	131,510	15,092	-	**2,419,098**		
Base Rent/SF (NNN)	$ 24.16	$ 23.17	$ 20.05	$ 17.00	$ 16.06	$ 15.51	$ 15.42	$ 15.73	$ 16.28	$ 15.40	$ 16.18	$ 16.28	$ 18.18	$ 19.09			**-2.3%**
Average Annual % Change	-	*-4.1%*	*-13.5%*	*-15.2%*	*-5.6%*	*-3.4%*	*-0.6%*	*2.0%*	*3.5%*	*-5.4%*	*5.1%*	*0.6%*	*11.7%*	*5.0%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.

- Notably, more than 2.41 million sq. ft. of new retail space was built in Port St. Lucie between 2007 and 2019, with fully 1.65 million sq. ft. delivered in 2007 and 2008 alone. As noted, the City of **Port St. Lucie captured fully 85% of all new retail space built in St. Lucie County during this period**;

- WTL+a estimates that it would take only two years to absorb 95% of the City's existing vacant retail space, assuming the historic (13 years) pace of annual absorption continues; and

- Similar to the County, retail rents in Port St. Lucie *declined* between 2007 and 2019—from $24.16 per sq. ft. in 2007 to $18.18 per sq. ft. (on a triple net basis) at year-end 2019, reflecting a compound annual decline of -2.3% per year during this period.

Port St. Lucie Captured 98% of All Retail Absorption & 85% of New Construction

In St. Lucie County between 2007 and 2019

Martin County

- As illustrated in Table 13, Martin County contains **11.4 million sq. ft. of retail space.** At year-end 2019, there were more than **622,200 sq. ft. of vacant retail space** (including direct vacancies and sublet space), which reflects a vacancy rate of 5.4%. Over the past 13 years, retail vacancies peaked at 8.0% in 2009. Since that time, vacancy rates have declined and have been in the range of 3% to 5% over the past five years. Similar to St. Lucie County, Martin County's retail sector is operating in stabilized market conditions;

- The County's retail inventory suggests that there are an extraordinary **72 sq. ft. of retail space** for each of the County's 158,598 residents. This is well-above the U.S. average of approximately 26 sq. ft. per capita (and St. Lucie County's 43 sq. ft. and Port St. Lucie's 39.7 sq. ft. per capita) (based on shopping centers/malls alone; estimates including other retail locations such as strip development and downtown areas suggest a ratio up to 50 sq. ft. per capita), and likely reflects the significant impacts of tourism spending generated by visitors to Martin County's Hutchinson Island and resorts as well as affluent primary households and second homeowners;
- Net retail absorption totaled **584,870 sq. ft. countywide over the past 13 years, which equates to a sustained annual average of only 44,990 sq. ft. per year**. Eight of the past 13 years exhibited positive absorption, although the pace strengthened to more than 80,100 sq. ft. per year over the past five years. **The rate of retail net absorption in Martin County is significantly *lower* than in neighboring Port St. Lucie**;
- More than 856,400 sq. ft. of new retail space was built in Martin County between 2007 and 2019;
- WTL+a estimates that it would require approximately 13 years to absorb 95% of the County's existing vacant retail space, assuming the historic pace of annual absorption (of 44,990 sq. ft. per year) continues; and
- Unlike St. Lucie County and Port St. Lucie, retail rents increased between 2007 and 2019—from $17.10 per sq. ft. in 2007 to $18.37 per sq. ft. (on a triple net basis) at year-end 2019, reflecting a nominal compound annual increase of 0.6% per year during this period.

Table 13: Retail Market Profile—Martin County, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Retail																	
Inventory	10,815,533	10,842,273	10,899,216	11,000,476	11,042,270	11,042,270	11,105,373	11,113,423	11,131,811	11,260,467	11,292,629	11,394,697	11,426,442	11,426,442	**610,909**		
No. of Buildings/Centers	727	731	733	737	742	742	750	751	753	763	767	778	783	783			
Vacant Stock	519,666	784,817	874,169	669,732	749,952	795,449	785,999	709,891	502,940	352,745	502,965	603,881	622,245	746,286	**102,579**		
Vacancy Rate	4.8%	7.2%	8.0%	6.1%	6.8%	7.2%	7.1%	6.4%	4.5%	3.1%	4.5%	5.3%	5.4%	6.5%			**1.0%**
Net Absorption:	**51,156**	**(213,027)**	**(32,409)**	**305,697**	**(38,426)**	**(45,497)**	**72,553**	**84,158**	**225,339**	**278,851**	**(118,058)**	**1,152**	**13,381**	**(124,041)**	**584,870**	**44,990**	
Past 5 Years															**400,665**	**80,133**	
Construction Deliveries	245,523	26,740	56,943	101,260	41,794	-	63,103	8,050	18,388	128,656	32,162	102,068	31,745	-	**856,432**		
Base Rent/SF (NNN)	$ 17.10	$ 17.42	$ 17.68	$ 16.97	$ 17.10	$ 16.27	$ 15.75	$ 15.74	$ 16.24	$ 16.40	$ 17.99	$ 19.08	$ 18.37	$ 18.04			**0.6%**
Average Annual % Change	-	*1.9%*	*1.4%*	*-4.0%*	*0.7%*	*-4.8%*	*-3.2%*	*0.0%*	*3.2%*	*0.9%*	*9.7%*	*6.1%*	*-3.7%*	*-1.8%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.

Table 14: Summary of Regional Retail Market Conditions

Location	2019 SF Inventory (Ranked by Size)	2019 Vacant SF	% Vacant 2007	% Vacant 2019	Average Annual Absorption (In SF) 2007-2019	Average Annual Absorption (In SF) Past 5 Years	Total New Construction 2007-2019
St. Lucie County	13,477,367	853,731	6.5%	6.3%	187,530	93,873	2,830,775
Martin County	11,426,442	622,245	4.8%	5.4%	44,990	80,133	856,432
Port St. Lucie	**7,493,111**	**335,918**	**8.7%**	**4.5%**	**183,862**	**104,167**	**2,419,098**
As % of County	***56%***						***85%***

(1) Number of years to stabilized (95%) occupancy based on average annual absorption between 2007-2019.

Source: CoStar, Inc.; WTL+a, revised April 2020.

Market Conditions—Industrial

St. Lucie County

- As illustrated in Table 15, St. Lucie County contains more than **12.0 million sq. ft. of industrial space** distributed across the County (this includes all of the county's incorporated municipalities). At year-end 2019, there were **514,000 sq. ft. of vacant industrial space** (including direct vacancies and sublet space), which reflects a vacancy rate of only 4.3%. Over the past 13 years, vacancies in the County's industrial supply peaked at 13.5% during the national recession in 2009 and steadily declined to a low of only 2.7% in 2018. The amount of vacant industrial space countywide increased slightly to 4.3% in 2019 and 4.9% during the first quarter of 2020. Effectively, the industrial sector in St. Lucie County is operating in stabilized market conditions;

- Multiple factors contribute to the strength of the County's industrial market—including job growth in industrial-using sectors as well as significant population and household growth. Net absorption totaled over **770,000 sq. ft. countywide over the past 13 years, which equates to a sustained annual average of 59,240 sq. ft. per year**. Ten of the past 13 years exhibited positive absorption. Notably, the pace of net absorption has strengthened—to roughly 95,355 sq. ft. per year over the past five years;

- New construction resulted in deliveries of over 745,350 sq. ft. of new industrial space in St. Lucie County between 2007 and 2019. As detailed below, the City of Port St. Lucie captured fully 50% of all new industrial space built in the County during this period;

- WTL+a estimates that it would require approximately eight years to absorb 95% of the County's existing vacant industrial space, assuming the historic pace of annual absorption (of 59,240 sq. ft. per year) continues; and

- Similar to the County's office and retail sectors, industrial rents also *declined* between 2007 and 2019—from $8.12 per sq. ft. in 2007 to $7.78 per sq. ft. (on a gross basis) at year-end 2019, reflecting a nominal compound annual decline of -0.4% per year during this period.

Table 15: Industrial Market Profile—St. Lucie County, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Industrial																	
Inventory	11,552,495	11,747,392	11,868,842	11,908,200	11,908,200	11,908,200	11,908,200	11,908,200	11,929,367	11,939,966	11,952,782	11,970,622	12,015,042	12,015,042	**462,547**		
No. of Buildings/Centers	688	696	702	705	705	705	705	705	706	707	709	710	713	713			
Vacant Stock	1,188,275	1,247,888	1,604,150	1,465,073	1,415,632	1,347,623	1,112,709	883,928	793,886	494,326	480,402	318,415	513,996	589,264	**(674,279)**		
Vacancy Rate	10.3%	10.6%	13.5%	12.3%	11.9%	11.3%	9.3%	7.4%	6.7%	4.1%	4.0%	2.7%	4.3%	4.9%			**-7.0%**
Net Absorption:	**(366,678)**	**135,284**	**(234,812)**	**178,435**	**49,441**	**68,009**	**234,914**	**228,781**	**111,209**	**310,159**	**26,740**	**179,827**	**(151,161)**	**(75,268)**	**770,148**	**59,242**	
Past 5 Years															**476,774**	**95,355**	
Construction Deliveries	282,806	194,897	121,450	39,358	-	-	-	-	21,167	10,599	12,816	17,840	44,420	-	**745,353**		
Gross Rent/SF	$ 8.12	$ 7.57	$ 7.35	$ 5.74	$ 5.46	$ 5.42	$ 5.50	$ 6.03	$ 6.34	$ 6.50	$ 6.76	$ 6.47	$ 7.78	$ 9.02			**-0.4%**
Average Annual % Change	-	*-6.8%*	*-3.0%*	*-21.8%*	*-4.9%*	*-0.7%*	*1.4%*	*9.5%*	*5.1%*	*2.6%*	*4.0%*	*-4.3%*	*20.3%*	*15.9%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.

Port St. Lucie

- As illustrated in Table 16, there are 3.42 million sq. ft. of industrial space in Port St. Lucie in 207 buildings. The City accounts for only 28% of St. Lucie County's 12.0 million sq. ft. of industrial space, as the majority of industrial supply in the county is located in the City of Fort Pierce and in unincorporated areas along the I-95 corridor. The City's share of the County's supply has remained relatively stable in the range of 27% to 28%;

- Prior to the national recession, the City's industrial vacancy rate was 15% in 2007; vacancies jumped to almost 22% in 2009. Job growth in industrial-using sectors resulted in vacancies declining to 8.7% by 2014, and to only 3.3% by 2019 generated by eight years of positive net absorption. Vacancies ticked up to 5.1% during the first quarter of 2020;

- Citywide *net* industrial absorption totaled almost 463,400 sq. ft. over this 13-year period, averaging 35,645 sq. ft. per year, and accounting for fully 60% of all countywide industrial absorption during this period. Activity in PSL's industrial market strengthened slightly over the past five years—**with net absorption increasing to 53,500 sq. ft. per year.** However, even though the pace of absorption increased, it comprised less of the countywide activity (56%);

- Ten of the past 13 years have recorded positive net absorption in the City's industrial supply. While vacancies ticked up to 5.1% during the first quarter of 2020, the City's industrial market is effectively in stabilized operations.

- Similar to the City's office rents, gross industrial rents declined slightly between 2007 and 2019—from $9.88 per sq. ft. in 2007 to $8.82 per sq. ft. at year-end 2019, reflecting a nominal compound annual decline of -0.9% per year during this period; and

Table 16: Industrial Market Profile—City of Port St. Lucie, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Industrial																	
Inventory	3,126,231	3,296,429	3,329,029	3,337,229	3,337,229	3,337,229	3,337,229	3,337,229	3,358,396	3,368,995	3,379,711	3,379,711	3,424,131	3,424,131	**297,900**		
As % of County	*27%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*	*28%*			
No. of Buildings/Centers	191	197	200	201	201	201	201	201	202	203	204	204	207	207			
Vacant Stock	467,858	590,679	718,303	612,411	665,293	602,449	445,599	291,933	252,922	197,788	186,653	138,299	111,339	175,049	**(356,519)**		
Vacancy Rate	15.0%	17.9%	21.6%	18.4%	19.9%	18.1%	13.4%	8.7%	7.5%	5.9%	5.5%	4.1%	3.3%	5.1%			**-11.9%**
Net Absorption:	**(191,033)**	**47,377**	**(95,024)**	**114,092**	**(52,882)**	**62,844**	**156,850**	**153,666**	**60,178**	**65,733**	**21,851**	**48,354**	**71,380**	**2,000**	**463,386**	**35,645**	
Past 5 Years															**267,496**	**53,499**	
Construction Deliveries	76,840	170,198	32,600	8,200	-	-	-	-	21,167	10,599	10,716	-	44,420	-	**374,740**		
Gross Rent/SF	$ 9.88	$ 9.65	$ 7.94	$ 6.35	$ 6.26	$ 6.14	$ 6.10	$ 6.48	$ 6.96	$ 7.10	$ 8.05	$ 7.97	$ 8.82	$ 9.74			**-0.9%**
Average Annual % Change	-	*-2.3%*	*-17.8%*	*-20.1%*	*-1.3%*	*-2.0%*	*-0.6%*	*6.2%*	*7.4%*	*2.0%*	*13.3%*	*-1.0%*	*10.7%*	*10.4%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.




- More than 374,700 sq. ft. of new industrial space was built citywide between 2007 and 2019, accounting for 50% of all new industrial space built in St. Lucie County. However, data from CoStar, Inc. does *not* include the 411,000 sq. ft. City Electric plant, which was built on a 40-acre site within the study area.

Martin County

- As illustrated in Table 17, Martin County contains **7.3 million sq. ft. of industrial space** distributed across the County. At year-end 2019, there were **384,600 sq. ft. of vacant industrial space** (including direct vacancies and sublet space), which reflects a vacancy rate of 5.2%. Over the past 13 years, vacancies in the County's industrial supply peaked at 10.2% during the national recession in 2009 and steadily declined to a low of only 1.3% in 2017. The amount of vacant industrial space countywide increased to 5.2% in 2019 and 7.7% during the first quarter of 2020. For the past five years, the industrial sector in Martin County has been operating at stabilized levels;

- Multiple factors contribute to the strength of Martin County's industrial market—including job growth in industrial-using sectors. Net absorption totaled over **812,790 sq. ft. countywide over the past 13 years, which equates to a sustained annual average of 62,500 sq. ft. per year;**

- Notably**, these market trends indicate that the pace of industrial absorption in Martin County is *higher* than it has been in St. Lucie County**—both in the short-term (past five years) and long-term (past 13 years). Similar to St. Lucie County, 10 of the past 13 years exhibited positive industrial absorption in Martin County and the pace of net absorption has strengthened over the past five years; and

Average Annual Industrial Absorption	Past 13 Years	Past 5 Years
St. Lucie County	35,645 SF	53,499 SF
Martin County	62,522 SF	72,817 SF

- New construction resulted in deliveries of over 860,800 sq. ft. of new industrial space in Martin County between 2007 and 2019. WTL+a estimates that it would take six years to lease 95% of the County's existing vacant space at current absorption patterns.

Table 17: Industrial Market Profile—Martin County, 2007—2019

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020	Change: 2007-2019 Total	Ann'l Avg.	% CAGR
		National Recession & Recovery															
Industrial																	
Inventory	6,575,563	6,575,563	6,575,563	6,900,962	6,900,962	6,900,962	6,907,012	6,907,012	6,907,012	6,907,012	6,979,546	7,221,616	7,334,116	7,534,116	**758,553**		
No. of Buildings/Centers	393	401	405	405	405	405	406	406	406	406	412	419	421	422			
Vacant Stock	202,231	313,444	668,870	624,390	596,217	603,716	395,032	386,005	263,328	116,603	93,375	223,418	384,606	583,633	**182,375**		
Vacancy Rate	3.1%	4.8%	10.2%	9.0%	8.6%	8.7%	5.7%	5.6%	3.8%	1.7%	1.3%	3.1%	5.2%	7.7%			**4.5%**
Net Absorption:	**297,332**	**119,280**	**(256,820)**	**44,480**	**28,173**	**(7,499)**	**214,734**	**9,027**	**122,677**	**146,725**	**95,762**	**55,107**	**(56,188)**	**973**	**812,790**	**62,522**	
Past 5 Years															**364,083**	**72,817**	
Construction Deliveries	166,725	226,793	98,606	-	-	-	6,050	-	-	-	72,534	185,150	105,000	200,000	**860,858**		
Gross Rent/SF	$ 11.28	$ 9.58	$ 8.04	$ 7.39	$ 6.81	$ 6.65	$ 6.83	$ 6.73	$ 6.90	$ 8.06	$ 8.99	$ 9.87	$ 10.90	$ 10.33			**-0.3%**
Average Annual % Change	-	*-15.1%*	*-16.1%*	*-8.1%*	*-7.8%*	*-2.4%*	*2.7%*	*-1.5%*	*2.6%*	*16.7%*	*11.6%*	*9.7%*	*10.5%*	*-5.3%*			

Source: CoStar, Inc.; WTL+a, revised April 2020.

Competitive Industrial Markets

Given that the study area is a designated "jobs corridor", the City is particularly interested in understanding recent and current real estate market conditions for general industrial uses in several competing jurisdictions throughout Florida. As a result, City staff identified four counties (Palm Beach, Broward and Miami-Dade in South Florida and Orange in Central Florida) for additional research on industrial market performance. Key findings are highlighted below and illustrated in a summary in Table 18. Key data tables for each county are contained in the Appendix to this report.

- Three of the largest jurisdictions—Miami-Dade, Broward and Orange Counties—contain a combined 470.9 million sq. ft. of industrial space, with Miami-Dade comprising 42% of that amount (230.4 million sq. ft.). In sum, these three counties account for 87% of the 540.4 million sq. ft. across these six jurisdictions. St. Lucie County accounts for only 2% of the regional industrial inventory;

- During the national recession, vacancies peaked at 9% to 10% in these three jurisdictions—as compared to 13.5% in St. Lucie County and almost 22% in the City of Port St. Lucie. Since the 2009—2010 recession ended, however, **vacancy rates have generally been at 5% or below, suggesting that the industrial sector in the three largest counties has been in stabilized operations.** By the end of 2019 (pre-COVID), only Orange County/Orlando exhibited vacancies slightly above stabilized levels—at 7.1%;

- While industrial vacancy rates in other counties generally remained at stabilized levels or better after the 2007—2009 recession, both St. Lucie County and the City of Port St. Lucie experienced significant *declines* in industrial vacancy rates during this period. In fact, the industrial vacancy rate in St. Lucie County dropped from 10.3% in 2007 to 4.3% in 2019; in Port St. Lucie, the rate of decline was even greater—dropping from 15% to 3.3%—a 78% decrease as the pace of absorption/occupancy of vacant industrial space across the City over this period;

Table 18: Summary of Regional Industrial Market Conditions

Location	2019 SF Inventory (Ranked by Size)	2019 Vacant SF	% Vacant 2007	% Vacant 2019	Average Annual Absorption (In SF) 2007-2019	Average Annual Absorption (In SF) Past 5 Years	Total New Construction 2007-2019
Miami-Dade County	230,416,331	9,383,906	5.3%	4.1%	1,690,007	3,054,612	28,133,082
Orange County (Orlando) *(1)*	124,592,193	8,787,270		7.1%		1,386,454	
Broward County	115,979,512	6,435,980	4.8%	5.5%	645,711	1,173,097	13,405,103
Palm Beach County	52,073,374	1,574,269	6.0%	3.0%	312,778	759,633	5,567,480
St. Lucie County	**12,015,042**	**513,996**	**10.3%**	**4.3%**	**59,242**	**95,355**	**745,353**
Port St. Lucie	**3,424,131**	**111,339**	**15.0%**	**3.3%**	**35,645**	**53,499**	**374,740**
As % of County	***28%***	***22%***			***60%***	***56%***	***50%***
Martin County	7,334,116	384,606	3.1%	5.2%	62,522	72,817	860,858

(1) Data from Cushman & Wakefield, Inc. Net absorption limited to calendar year 2019.

Source: CoStar, Inc.; Cushman & Wakefield, Inc.; WTL+a, revised April 2020.

- While Palm Beach County has 4.3x the amount of industrial space of St. Lucie County (52 million versus 12 million sq. ft.), **its average annual absorption was 5.3x that of St. Lucie County between 2007 and 2019, and *8x higher* over the past five years**; and
- Moreover, while St. Lucie County has 1.6x the amount of industrial space of Martin County (12 million versus 7.3 million sq. ft.), St. Lucie County's annual absorption averaged only 95% of Martin County's absorption activity between 2007 and 2019.

Palm Beach County: Industrial Inventory is 4.3x Larger but

Net Absorption was *8x Greater* than St. Lucie County Past 5 Years

Development Potentials

This section of Technical Memorandum #2 details the analysis of real estate market potentials for four key land uses for the Southern Grove study area based on the demographic profile and evaluation of real estate market conditions. As presented in detail below, the market analysis focused on four uses: housing, workplace (office and industrial), supporting retail and hotel/lodging.

Approved Entitlements

A significant amount of entitlements at Southern Grove were previously approved by the City of Port St. Lucie. Based on the Southern Grove Development of Regional Impact (DRI) Resolution 15-R59 Approved Development Program, the following uses are entitled in the Southern Grove DRI (updated September 2020):

Table 19: Approved Entitlements—Entire Southern Grove DRI

Land Use	Approved	Conveyed by Land Sale	Completed	Under Construction	Approved
Residential Units	7,388	3,090	542	820	1,082
Retail (SF)	3,675,075	170,985	37,194	2,500	24,516
Office (SF)	2,430,728	679,691	216,872	9,860	63,960
Research & Development (SF)	2,498,602	-	201,557	-	-
Warehouse/Industrial (SF)	4,583,336	798,743	411,852	-	53,743
Hotel (Rooms)	791	393	111	84	82
Hospital (Beds)	300	300	180	-	-

Source: City of Port St. Lucie; WTL+a, revised September 2020.

As illustrated in Figure 2, the DRI is comprised of eight separate areas. The Southern Grove study area encompasses Areas 4, 5 and 6 located between I-95 on the east and Village Parkway on the west. According to September 2020 data provided by the City, Southern Grove DRI entitlements include:

- **Housing**—the 7,388 approved residential units include 3,314 single-family units and 4,074 multi-family units. Mattamy Palm Beach LLC has development rights for 3,394 units, and other third parties have development rights to 2,308 units; 3,090 units conveyed with the land sale; 542 units are completed; 820 units are under construction; and another 1,082 units have been approved. For example, recently completed projects include Atlantic (Grand) Palms at Tradition apartments (300 units) and The Springs at Tradition (304 units).

  In the Southern Grove study area, 1,686 multi-family units are entitled. With 372 units allocated to the proposed AHS project, there remain 1,314 units for future development.

- **Industrial**—2,498,602 sq. ft. of research & development (R&D) and 4,583,336 sq. ft. of warehouse space are entitled; 798,743 sq. ft. of warehouse/industrial space conveyed with the land sale; City Electric/Tamco's 411,852 sq. ft. manufacturing center was completed in the first quarter of 2020 (a relocation of its operations from other locations in Port St. Lucie); and 53,743 sq. ft. of warehouse/industrial space have been approved.

  In the Southern Grove study area, entitled industrial uses include 2,168,602 sq. ft. of R&D space and 3,784,593 sq. ft. of warehouse/industrial space.

- **Office**—2,430,728 sq. ft. of office are entitled, with 679,691 sq. ft. conveyed by the land sale; 216,872 sq. ft. are completed; 9,860 sq. ft. are under construction; and 63,960 sq. ft. have been approved.

  In the Southern Grove study area, entitled office uses include 2,024,647 sq. ft.

- **Retail**—3,675,075 sq. ft. of retail are entitled, with 170,985 sq. ft. conveyed by the land sale to GFC; 37,194 sq. ft. are completed; 2.500 sq. ft. are under construction; and, 24,516 sq. ft. have been approved.

  In the Southern Grove study area, entitled retail uses include 2,581,091 sq. ft.

Figure 2: Southern Grove DRI

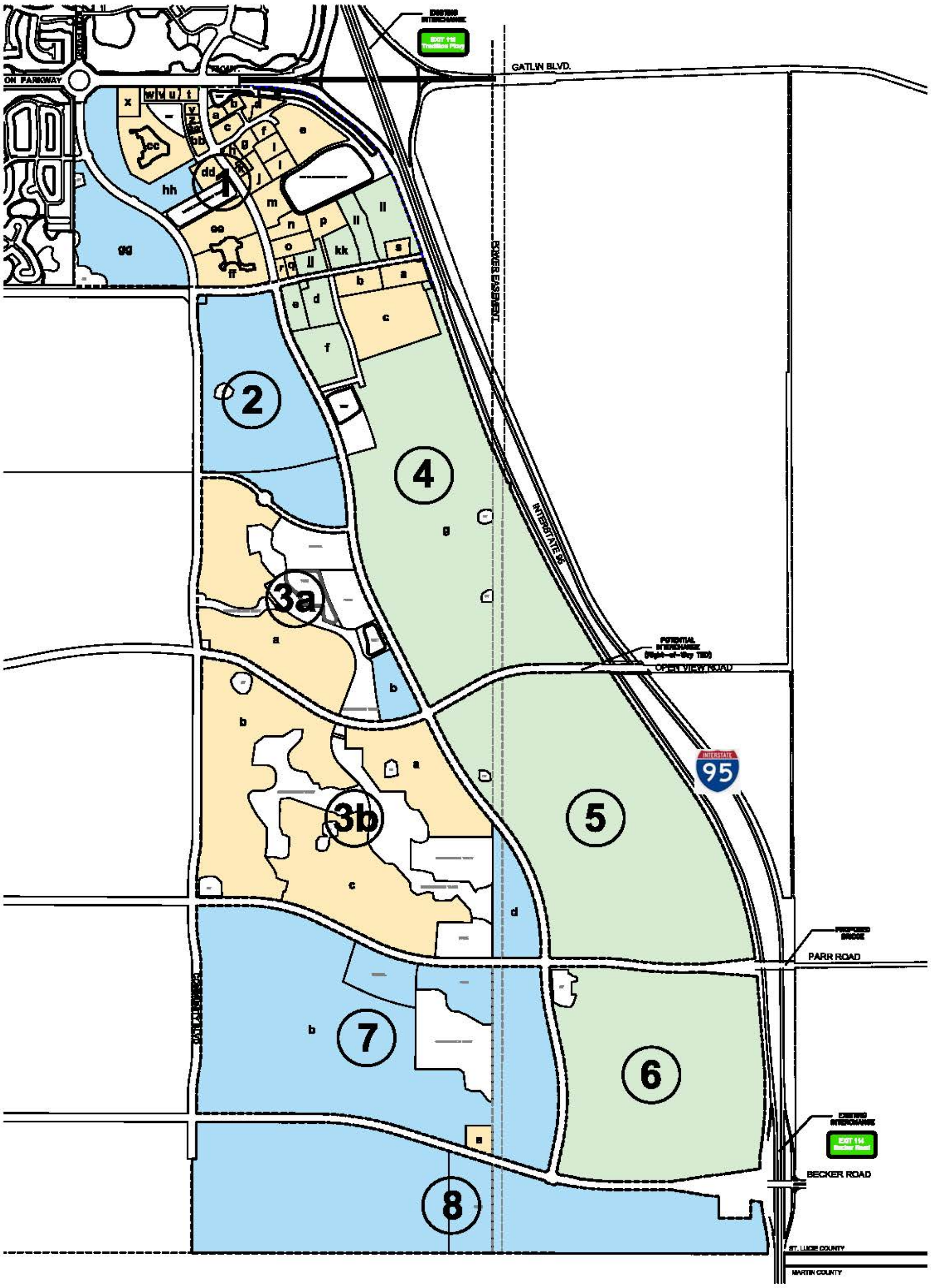


Table 20: Entitled Uses—Southern Grove Study Area

Area	Map No.	Owner	Acres	SF	MF	Apt.	Retail	Office	R&D	Warehouse	Medical	Hotel	ALF	NOTES
				DRI Entitlements Sold/Assigned										
4	e	PSL Governmental Finance Corp	5.623	-	-	-	39,000	-	-	-	-	122	-	Contracts pending
1	ii	PSL Governmental Finance Corp	9.610											
1	jj	PSL Governmental Finance Corp	5.260											
1	kk	PSL Governmental Finance Corp	8.360											
1	ll	PSL Governmental Finance Corp	20.969	-	786	528	2,542,091	2,024,647	2,168,602	3,784,593	-	36	-	Uses to be allocated to specific parcels by developer; Uses may be altered per application of DRI Conversion Matrix
4	g	PSL Governmental Finance Corp	373.460											
5		PSL Governmental Finance Corp	413.460											
6		PSL Governmental Finance Corp	298.370											
Total-GFC:			**1,135.11**	**-**	**786**	**528**	**2,581,091**	**2,024,647**	**2,168,602**	**3,784,593**	**-**	**158**	**-**	

Source: City of Port St. Lucie; Treasure Coast Regional Planning Council; WTL+a, revised September 2020.

The following details our market/demand analysis for specific land uses in the Southern Grove study area. We note that the forecast period varies, by use, between five and 10 years based on specific data utilized as the basis of forecasts (such as employment forecasts prepared by the Florida Department of Economic Opportunity/DEO).

Market-rate Housing

As illustrated previously in Table 20, **the Southern Grove study area has approval for up to 1,686 housing units,** including 786 multi-family units and 900 apartments. We assume that "multi-family" is defined as condominiums (for-sale product) and "apartments" is defined as rental units. WTL+a prepared a revised demand analysis that measures market potentials for new housing—with a specific focus on multi-family units—for a 10-year period between 2020 and 2030. The analysis considers the following scenarios:

- **Scenario #1**—Utilizes an annual ("straight-line") growth rate of **3.96% per year** consistent with historic *actual* population growth rates in Port St. Lucie between 2000—2019. For purposes of this analysis, we extrapolated this growth rate for 10 years (through 2030).
- **Citywide Scenario #2**—Utilizes an annual growth rate of **2.10% per year** based on a five-year forecast of population growth in Port St. Lucie as prepared by ESRI Business Analyst, a demographic forecasting service, for the next five years (2019—2024). For purposes of this analysis, we extrapolated this growth rate for 10 years (through 2030).

Both scenarios allocate market share to known residential projects in the planning areas surrounding Southern Grove as identified by the City (including the master planned communities of The Reserve, Riverland/Kennedy, St. Lucie West and Verano), to determine the number of "unallocated" units that could be available to accommodate future population/household growth and captured as part of new residential development in the Southern Grove study area. This also provides an opportunity to understand the "required" market capture, or share, that new residential development at Southern Grove would need to be market-supportable.

The focus on market potentials for multi-family units considers the 2019—2020 lease-up/absorption patterns underway at two new properties—including Springs at Tradition and The Atlantic Palms at Tradition.

Citywide Scenario #1

- As noted in the demographic profile in Technical Memorandum #1, the City of Port St. Lucie has experienced significant population growth over the past 20 years—increasing from 90,170 residents in 2000 to 188,722 residents in 2019—**more than *doubling* its population with 98,552 new residents in 34,332 new households** during this period;

Table 21: Housing Potentials—Scenario #1, 2020—2030

Competitive (DRI) Projects		2020	Forecasts (1) 2030	Forecasts (1) Population Change	Average Household Size (2)	2030 Housing Units
Scenario 1: Straight-line Forecast						
Average Annual Growth Rate (2000-2019)		**3.96%**				
Current & Future Population (Extrapolated to 2030)		188,722	278,384	89,662	2.73	**32,843**
Allocation to Known Residential Projects:						
Southern Grove						
Conveyed by Land Sale						**3,090**
- Under Construction					*820*	
- Approved					*1,082*	
Reserve						369
Riverland/Kennedy	*(3)*					2,208
Southern Grove DRI (Outside of Study Area)	*(5)*					5,044
St. Lucie West (SLW)						50
Verano						608
Subtotal - Allocated Units:						**11,369**

	Assumed Citywide Distribution of Units: Existing	5 Years	10 Years	
Scenario 1 - Supportable (Unallocated) Units:				**21,475**
Single-family Units	90%	85%	82%	
Supportable Units	19,412	18,253	17,609	
Multi-family Units	8%	12%	16%	
Supportable Units	1,738	2,577	3,436	
Study Area Entitled Units	**1,686**	**1,686**	**1,686**	
Required Market Capture of Citywide MF Units	**97%**	**65%**	**49%**	

(1) *Population forecasts assume that Port St. Lucie continues to grow at the same pace it did between 2000 and 2019 (straight-line forecast).*

(2) *In order to convert 2030 population growth into housing units, the analysis assumes that average household size remains the same as it was in 2019 (2.73 persons per household).*

(3) *The Riverland/Kennedy DRI is entitled to build 11,700 units. To date, 579 units are completed and closed; 94 units are awaiting CO; and 210 units are under construction. This reflects average annual deliveries of 221 units per year since the DRI was approved in September 2016. The analysis assumes continued deliveries averaging 221 units per year for the 10-year forecast period.*

(4) *Scenario #2 utilizes the 2019-2024 population growth forecasts and applies them through 2030. It also assumes no change in average household size.*

(5) *This reflects 7,388 entitled units in the Southern Grove DRI, less 1,686 units entitled in the study area, less 658 units completed or under construction.*

Source: City of Port St. Lucie; University of Florida Bureau of Business & Economic Research; ESRI Business Analyst; WTL+a, revised September 2020.

- The lion's share of this growth occurred between 2000 and 2010, when the City added almost 74,300 new residents (reflecting a *sustained* average annual growth rate of 6.19% per year). Growth moderated between 2010 and 2019—with 24,259 new residents and reflecting a much *lower* average annual growth rate of 1.54% per year. Thus, the overall growth rate over the past 20 years averaged 3.96% per year between 2000 and 2019;
- As illustrated in Table 21, if the *pace* of growth continues at this historic/overall rate of 3.96% per year, it would yield more than **89,660 new residents in 32,840 new households (i.e., housing units)** by 2030, assuming the City's average household size of 2.73 remains unchanged. This would translate into *annual* demand of 3,280 units per year. By comparison, actual new housing starts in Port St. Lucie between 2000 and 2006 (the high growth period) averaged over 4,500 units per year, but *declined* to 901 units per year between 2007 and 2018 as population and household growth moderated (particularly after 2010);
- The next step allocates future growth in population/households to fully-entitled residential projects in DRIs located in the City's western planning areas remaining to be built. According to revised data provided by the City (September 2020), in addition to the 3,090 entitled units approved by the sale of Southern Grove to the City as well as the 5,044 units located in the DRI but *outside of* the study area, these include: The Reserve (369 units); Riverland/Kennedy (2,208 units); St. Lucie West (50 units); and Verano (608 units);
- The analysis assumes that all entitled units (11,369) as identified are built. We note that Riverland/Kennedy is entitled for 11,700 units. Since the DRI was approved in September 2016, a total of 883 units have been built, which equates to an annual average of 221 units over this four-year period. WTL+a has assumed that this average annual pace continues for the next 10 years, yielding 2,208 completed units. This leaves 21,475 "unallocated" units citywide. The analysis illustrates the number of future units built based on the City's current distribution of single-family (90%) and multi-family (8%). (Another 1.5% are other/mobile homes);
- If the study area's 1,686 entitled units are built over the next 10 years, it would require a "capture", or share, of fully 97% of the 1,738 multi-family units that would be market-supportable. In our view, we believe this to be an **unreasonably disproportionate share**

of citywide demand for multi-family units **<u>over the next 10 years</u>**, suggesting that market absorption of the 1,686 units would need to extend *beyond* 10 years;

- Alternatively, if the proportion of multi-family units built in the future increases, it will *reduce* the required market capture needed to support the study area's 1,686 units. For example, if the proportion of the City's multi-family stock increases from its current 8% to 12%, the study area's required capture declines from 97% to 65%, and to 49% if multi-family comprises 16% of the City's overall housing inventory; and
- While it is not known where other multi-family units could be accommodated/entitled elsewhere in the city (such as at the proposed City Center project), increasing employment opportunities should be accompanied by a concomitant increase in the housing types across the City. This could be expected to enhance the City's overall marketability as a jobs location and should be a critical component of an overall economic development strategy.

Citywide Scenario #2

- As illustrated in Table 22, Scenario #2 utilizes the 2019—2024 growth rate as estimated by ESRI Business Analyst of 2.10% per year, and extrapolates that growth over the 10-year forecast period. ESRI's forecasts suggest that the City's growth over the next five years will increase above the growth rate between 2010 and 2019 (1.54% per year);
- If Port St. Lucie grows at a sustained annual rate of 2.10% per year, it would yield almost **43,600 new residents in 15,960 new households (housing units)**, which would translate into annual demand of almost 1,600 units per year;
- Like Scenario #1, **future growth in Scenario #2 is allocated to the same DRI projects identified above, thereby leaving "unallocated" demand for approximately 4,595 units citywide** after accounting for the 11,369 units allocated to existing DRIs. The analysis illustrates the number of future units built based on the City's current distribution of single-family (90%) and multi-family (8%). (Another 1.5% are other/mobile homes);

Table 22: Housing Potentials—Scenario #2, 2020—2030

Competitive (DRI) Projects	2020	Forecasts *(1)* 2030	Population Change	Average Household Size *(2)*	2030 Housing Units
Scenario 2: Alternative Forecast (4)					
Average Annual Growth Rate (2019-2024)	**2.10%**				
Current & Future Population (Extrapolated to 2030)	188,722	232,301	43,579	2.73	**15,963**
Allocation to Known Residential Projects:					
Southern Grove					
Conveyed by Land Sale					3,090
- Under Construction				*820*	
- Approved				*1,082*	
Reserve					369
Riverland/Kennedy	*(3)*				2,208
Southern Grove DRI (Outside of Study Area)	*(5)*				5,044
St. Lucie West (SLW)					50
Verano					608
Subtotal - Allocated Units:					**11,369**

Scenario 2 - Supportable (Unallocated) Units:	Assumed Citywide Distribution of Units: Existing	5 Years	10 Years	**4,595**
Single-family Units	90%	85%	82%	
Supportable Units	4,135	3,905	3,768	
Multi-family Units	8%	12%	16%	
Supportable Units	372	551	735	
Study Area Entitled Units	**1,686**	**1,686**	**1,686**	
Required Market Capture of Citywide MF Units	**453%**	**306%**	**229%**	

(1) Population forecasts assume that Port St. Lucie continues to grow at the same pace it did between 2000 and 2019 (straight-line forecast).

(2) In order to convert 2030 population growth into housing units, the analysis assumes that average household size remains the same as it was in 2019 (2.73 persons per household).

(3) The Riverland/Kennedy DRI is entitled to build 11,700 units. To date, 579 units are completed and closed; 94 units are awaiting CO; and 210 units are under construction. This reflects average annual deliveries of 221 units per year since the DRI was approved in September 2016. The analysis assumes continued deliveries averaging 221 units per year for the 10-year forecast period.

(4) Scenario #2 utilizes the 2019-2024 population growth forecasts and applies them through 2030. It also assumes no change in average household size.

(5) This reflects 7,388 entitled units in the Southern Grove DRI, less 1,686 units entitled in the study area, less 658 units completed or under construction.

Source: City of Port St. Lucie; University of Florida Bureau of Business & Economic Research; ESRI Business Analyst; WTL+a, revised September 2020.

- If the study area's 1,686 entitled units are built over the next 10 years, it would require a "capture", or share, of fully 453% of the 372 multi-family units that would be market-supportable if multi-family remains at 8% of the City's total housing stock. Even if the number of multi-family units doubles as a proportion of citywide housing inventory in the future, it will still necessitate a required market capture of 229%, suggesting either that 1) higher population growth is necessary and/or 2) the buildout period to deliver 1,686 multi-family units in the study area would extend well-beyond 10 years; and

- Institutional/national multi-family developers typically seek to build 200 to 300 units in a single project—as witnessed in both competitive nearby projects with Springs at Tradition (304 units) and Atlantic Palms at Tradition (300 units). As noted previously, **monthly absorption (lease-up) in these two projects has averaged between 16 and 36 units per month in 2019 and 2020**. At a consistent monthly pace of 16 units per month, it would require a minimum of 8.7 years (105 months) to lease-up the 1,686 entitled units in the study area if built in a single phase. Of course, development of multi-family product in the study area is likely to occur over multiple phases; with additional time required for permitting and construction, well beyond 10 years will likely be required for buildout irrespective of the study area's ability to capture a portion of citywide demand for multi-family units.

Workplace—Office

Knowledge-based industries like finance, software, business and management consulting services, market and communications, professional/business services such as accountants, legal and medical and other similar businesses house most of their employees in commercial office buildings.

The first step in measuring support for new multi-tenant/speculative office space in the Southern Grove study area examines market potentials for office use in St. Lucie County, and allocates demand to the City of Port St. Lucie. The analysis translates employment forecasts (for 2019—2027) among specific industry sectors in St. Lucie County (as prepared by the Florida Department of Economic Opportunity/DEO), into demand for office space by applying an occupancy factor (of occupied space per employee) and estimates the proportion of employees in each sector who are office workers. We note that **DEO employment forecasts are issued only in eight-year periods**.

The analysis also considers demand generated by other market factors, such as vacancy adjustments, part-time/self-employed individuals (who may or may not occupy multi-tenant office space), and cumulative replacement; these estimates either increase or reduce future demand for office space. Cumulative replacement, for example, considers tenants that move when a building is removed from the inventory due to physical and/or functional obsolescence.

We note that assumptions pertaining to occupancy factors *may* be overstated. Since the 2007—2009 recession, office-using businesses have been reducing office occupancies, in some cases by significant amounts. Historically, the commercial real estate industry has used an average occupancy factor of 250 sq. ft. per office employee. However, according to a 2017 study by REIS, Inc. (a national commercial real estate database) the amount of office space per employee has been steadily declining in each successive business cycle after a recession. REIS data indicate that, in the national economic expansion of the late 1990s, a new office employee was typically associated with approximately 175 sq. ft. of additional office space. During the early- and mid-2000s (until the 2007—2009 recession), the typical employee was associated with approximately 125 sq. ft. of additional office space. Since 2010, however, each added/new employee has been associated with only about 50 sq. ft. of additional office space. This is particularly notable in space-efficient industries like software and professional/business services, which have been the strongest growing sectors in the current business cycle. Moreover, hoteling and remote work-arrangements, where employees share space rather than having dedicated offices or cubicles, enables companies to accommodate even more workers in a given amount of occupied space. **The unprecedented shift to teleworking as a result of COVID-19 may, as previously noted, lead to permanent part-time and full-time teleworking for some workplace industries.**

Another study by CoStar, Inc., an international commercial real estate database, indicates that the **amount of office space occupied per employee dropped to 182 sq. ft. per worker in 2017 from 197.3 sq. ft. in 2010.** According to the annual 2018 Experience Exchange Report (EER), prepared by the Building Owners & Managers Association, the average occupancy factor for office employees in 2018 was 288 sq. ft. per employee on a *rentable* basis (rentable includes all common areas of a building). However, after netting out a common area factor (typically 30% to 35%), the ***usable* occupancy factor for office employees is in the range of 187 to 202 sq. ft. per employee.**

We note that our analysis of office market potentials is for <u>speculative (or multi-tenant) office space</u> only. That is, the analysis *excludes* any estimates for individual end-users (such as Project Bullet or portions of the Sansone project), also known as "build-to-suits". The analysis is illustrated in Table 23 and Table 24, and summarized below:

Workforce Region #20 & St. Lucie County

- The Florida Department of Economic Opportunity/DEO prepares employment forecasts for individual counties and groups of counties throughout the state known as "workforce regions". St. Lucie County is part of Workforce Region #20, which also includes Indian River and Martin Counties. DEO estimates that Workforce Region #20 will add **over 23,000 new jobs between 2019 and 2027**;

- The analysis indicates potential *gross* demand for 1.73 million sq. ft. of office space across the entire workforce region between 2019 and 2027. This estimate is based on an average occupancy factor of 193 sq. ft. per office employee, generated by growth in office-using jobs comprising roughly one-third of all jobs. This is inclusive of adjustments related to vacancy, cumulative (building) replacements, tenant churn, etc.;

- As noted in the demographic profile in Technical Memorandum #1, St. Lucie County's current share of jobs in Workforce Region #20 is 40.5%. **If the County *maintains* its fair share it would translate into 9,300 new jobs by 2027, and gross demand for approximately 609,500 sq. ft. of new office space** using the same office-using and occupancy factors;

- From a financing perspective, however, some portion of the County's existing 717,700 sq. ft. of vacant office space would need to be leased before new office space could be financed. It is also not known how much of the remaining existing vacant inventory suffers from physical and/or functional obsolescence, will be converted to other uses such as residential, or could be demolished; and

- For purposes of this analysis, WTL+a conservatively assumes that 35% of St. Lucie County's vacant office inventory is leased before financing is provided for new office construction. This serves to reduce the County's office vacancy rate to roughly 7% from current levels, and lowers **demand generated by job growth in office-using sectors to approximately 358,300 sq. ft. of *net new* space by 2027.**

Table 23: Office Potentials—St. Lucie County, 2019—2027

Industry Sector	New Jobs 2019-2027	% Office-Using	SF Occupancy Factor	2027 Demand (In SF)
Workforce Region #20				
Agriculture/Mining	(436)	10%	175	(7,600)
Construction	2,030	20%	175	71,100
Manufacturing	233	20%	200	9,300
Transp/Communications/Utilities	253	40%	200	20,200
Wholesale & Retail Trade	2,034	20%	175	71,200
Finance/Insurance/Real Estate	336	95%	275	87,800
Services				
Professional, Scientific & Technical Services	904	95%	250	214,700
Management of Companies & Enterprises	85	65%	275	15,200
Administrative & Waste Management	1,590	35%	225	125,200
Educational Services	440	20%	200	17,600
Health Care & Social Assistance	6,352	35%	200	444,600
Arts, Entertainment & Recreation	699	20%	175	24,500
Accommodation & Food Services	3,849	20%	175	134,700
Other Services (Except Government)	1,042	35%	225	82,100
Government	2,085	65%	150	203,300
Self-Employed	1,548	10%	200	31,000
Total/Weighted Average:	**23,044**	**34%**	**193**	**1,544,900**
+ Vacancy Adjustment @		5%	*(1)*	77,200
+ Cumulative Replacement Demand		7.5%	*(2)*	115,900
2027 Gross Demand - Workforce Region #20:				**1,738,000**
St. Lucie County				
Allocation to County				
Current Share of Workforce Region #20				40.5%
2019-2027 Employment Growth (If Fair Share Maintained)				9,338
% Office-using Jobs				34%
SF Occupancy Factor				193
2027 Gross Demand - St. Lucie County:				**609,536**
Existing Vacant Office Space		717,697		
- *Lease-up Required @*	*35%*	(251,194)	*(3)*	(251,194)
Remaining Vacant Space:		**466,503**		
% Vacant		*7.1%*		
2027 Net Demand - St. Lucie County (Rounded):				**358,300**

(1) This allows for a 5% "frictional" vacancy rate in new office space delivered to the market (i.e., this accounts for tenant movement to new space).

(2) This represents new space required by existing businesses to replace obsolete or otherwise unusable office space. This is assumed to represent 7.5% of total demand.

(3) From a financing perspective, some portion of existing vacant office space in St. Lucie County will need to be leased before financing of new construction is viable. The analysis assumes that 35% of existing vacant office space is leased, thereby reducing the overall vacancy rate to approximately 7%.

Source: Florida Department of Economic Opportunity (DEO); CoStar, Inc.; WTL+a, March 2020.

Port St. Lucie

The next step in the analysis is illustrated in Table 24, which estimates market potentials for speculative/multi-tenant office space based on the City's current share of countywide employment.

- With an estimated 42,275 employees working in Port St. Lucie, the City's share of all jobs in St. Lucie County is 49.5%;
- Under this "fair share" analysis, Port St. Lucie would continue to capture 49.5% of future countywide job growth, or approximately 4,620 new employees, by 2027. Assuming similar proportions of office-using jobs and occupancy factors translates into **gross demand for roughly 301,600 sq. ft. of office space over the next eight years**;
- For new office buildings to receive construction financing, some portion of the City's existing 292,100 sq. ft. of vacant office space would need to be leased before new office space could be built. It is also not known how much of the City's remaining existing vacant office inventory suffers from physical and/or functional obsolescence, will be converted to other uses such as residential, or could be demolished; and
- For purposes of this analysis, WTL+a conservatively assumes that 10% of the City's vacant office inventory is leased before financing is provided for new office construction. This serves to reduce the City's office vacancy rate to roughly 7% from current levels, and lowers **demand generated by job growth in office-using sectors to approximately 272,400 sq. ft. of *net new* office space by 2027.**

Southern Grove Study Area

As illustrated previously in Table 20, the Southern Grove DRI is entitled for a total of 2,430,728 sq. ft. of office space. According to the City, the study area is entitled for **a total of 2,024,647 sq. ft. of office space**. Of that amount, approximately 679,691 sq. ft. was "conveyed with the land sale", and 216,872 sq. ft. has been built.

Table 24: Office Potentials—City of Port St. Lucie, 2019—2027

Industry Sector		New Jobs 2019-2027	% Office-Using	SF Occupancy Factor	2027 Demand (In SF)
City of Port St. Lucie					
Total Employment				(4)	**45,275**
As % of St. Lucie County (2019)					**49.5%**
Fair Share Analysis					
2019-2027 Employment Growth (If Fair Share Maintained)					4,620
% Office-using Jobs					34%
SF Occupancy Factor					193
2027 Citywide Gross Demand (In SF):					**301,600**
Existing Vacant Office Space					
Vacant Space Available to Accommodate Future Demand			292,132		
- Lease-up Required @		*10%*	(29,213)		(29,213)
Remaining Vacant Space:			**262,919**		
% Vacant After Lease-up			*7%*		
2027 NET DEMAND - CITYWIDE (Rounded, In SF):					**272,400**
Allocation to Approved DRI Office					
Existing DRIs					
Southern Grove		**Entitled SF**	**Completed SF**		
Conveyed by Land Sale		**679,691**	**216,872**		
- Under Construction					9,860
- Approved					63,960
Reserve					49,210
Riverland/Kennedy					-
St. Lucie West (SLW)					124,635
Verano					-
Subtotal-Allocated Office:					**173,845**
As % of Citywide Demand					**64%**
Unallocated Office (Rounded, In SF):					**98,600**

(4) *This reflects the City's share of all jobs in St. Lucie County in 2019. The analysis assumes that the City maintains its "fair share" of the County's total employment base in the future.*

Source: Florida Dept. of Economic Opportunity (DEO); City of Port St. Lucie; Dun & Bradstreet, Inc.; CoStar, Inc.; WTL+a, revised September 2020.

- Similar to the housing analysis, the next step allocates future demand for office space to fully-entitled projects with office uses in DRIs located in the City's western planning areas remaining to be built. **If built, this list would consume approximately 64% of citywide**

demand potentials over the next eight years. According to data provided by the City, this includes:

- 49,210 sq. ft. of unbuilt office space at The Reserve, and
- 124,635 sq. ft. of unbuilt office space in the St. Lucie West DRI

- In addition, there are 9,860 sq. ft. of office space under construction and 63,960 sq. ft. of approved office space in the study area. In the short-term, **sufficient market potential exists to support this 73,820 sq. ft. of new office space as well as an additional 25,000 sq. ft. of "unallocated" office space citywide**. Depending on the marketability of other competitive locations citywide, this reinforces the critical importance of an economic development strategy aimed at recruiting owner-users and/or build-to-suit office buildings in the study area.

Workplace—Industrial

We note that our analysis of industrial market potentials is for speculative (or multi-tenant) industrial space only. That is, the analysis *excludes* any estimates for individual end-users (such as Project Bullet or portions of the Sansone project), also known as "build-to-suits". The analysis is illustrated in Table 25 and Table 26, and summarized below:

Workforce Region #20 & St. Lucie County

- The Florida Department of Economic Opportunity/DEO prepares employment forecasts for individual counties and groups of counties throughout the state known as "workforce regions". St. Lucie County is part of Workforce Region #20, which also includes Indian River and Martin Counties. DEO estimates that Workforce Region #20 will add **over 23,000 new jobs between 2019 and 2027**;

- The analysis indicates potential *gross* demand for more than 4.83 million sq. ft. of industrial space across the entire workforce region between 2019 and 2027. This estimate is based on an average occupancy factor of 675 sq. ft. per industrial employee, generated by growth in industrial-using jobs comprising roughly 26% of all jobs. This is inclusive of adjustments related to vacancy, cumulative (building) replacements, tenant churn, etc.;

- As noted in the demographic profile in Technical Memorandum #1, St. Lucie County's current share of jobs in Workforce Region #20 is 40.5%. **If the County *maintains* its fair**

share it would translate into 9,330 new jobs by 2027, and gross demand for approximately 1.63 million sq. ft. of new industrial space using the same use and occupancy metrics;

Table 25: Industrial Potentials—St. Lucie County, 2019—2027

	Industry Sector		New Jobs 2019-2027	% Industrial-Using	SF Occupancy Factor	2027 Demand (In SF)
Workforce Region #20						
	Agriculture/Mining		(436)	35%	500	(76,300)
	Construction		2,030	70%	750	1,065,800
	Manufacturing		233	95%	600	132,800
	Transp/Communications/Utilities		253	90%	1,100	250,500
	Wholesale Trade		383	75%	900	258,500
	Retail Trade		1,651	20%	850	280,700
	Finance/Insurance/Real Estate		336	10%	550	18,500
	Services					
	Professional, Scientific & Technical Services		904	5%	550	24,900
	Management of Companies & Enterprises		85	20%	600	10,200
	Administrative & Waste Management		1,590	35%	850	473,000
	Educational Services		440	20%	500	44,000
	Health Care & Social Assistance		6,352	15%	650	619,300
	Arts, Entertainment & Recreation		699	15%	500	52,400
	Accommodation & Food Services		3,849	20%	750	577,400
	Other Services (Except Government)		1,042	45%	575	269,600
	Government		2,085	10%	500	104,300
	Self-Employed		1,548	25%	500	193,500
Total/Weighted Average:			**23,044**	**26%**	**675**	**4,299,100**
+	Vacancy Adjustment @			5%	*(1)*	215,000
+	Cumulative Replacement Demand			7.5%	*(2)*	322,400
2027 Gross Demand - Workforce Region #20:						**4,836,500**
St. Lucie County						
Allocation to County						
	Current Share of Workforce Region #20					40.5%
	2019-2027 Employment Growth (If Fair Share Maintained)					9,338
	% Industrial-using Jobs					26%
	SF Occupancy Factor					675
2027 Gross Demand - St. Lucie County:						**1,632,227**
	Existing Vacant Industrial Space			513,996		
-	*Lease-up Required @*		*25%*	(128,499)	*(3)*	(128,499)
	Remaining Vacant Space:			**385,497**		
	% Vacant			*5.9%*		
2027 Net Demand - St. Lucie County (Rounded):						**1,503,700**

(1) This allows for a 5% "frictional" vacancy rate in new industrial space delivered to the market (i.e., this accounts for tenant movement to new space).

(2) This represents new space required by existing businesses to replace obsolete or otherwise unusable industrial space. This is assumed to represent 7.5% of total demand.

(3) From a financing perspective, some portion of existing vacant industrial space in St. Lucie County will need to be leased before financing of new construction is viable. The analysis assumes that 25% of existing vacant industrial space is leased, thereby reducing the overall vacancy rate to approximately 12%.

Source: Florida Department of Economic Opportunity (DEO); CoStar, Inc.; WTL+a, March 2020.

- For new industrial buildings to receive construction financing, some portion of the County's existing 514,000 sq. ft. of vacant industrial space would need to be leased before new space could be financed. It is also not known how much of the remaining existing vacant inventory suffers from physical and/or functional obsolescence or could be demolished; and

- For purposes of this analysis, WTL+a conservatively assumes that 25% of St. Lucie County's vacant industrial inventory is leased before financing is provided for new construction. This serves to reduce the County's industrial vacancy rate to roughly 6% from current levels, and lowers **demand generated by job growth in industrial-using sectors to approximately 1.5 million sq. ft. of *net new* industrial space by 2027.**

Port St. Lucie

The next step in the analysis is illustrated in Table 26, which estimates market potentials for speculative/multi-tenant industrial space based on the City's current share of countywide employment.

- With an estimated 42,275 employees working in Port St. Lucie, the City's share of all jobs in St. Lucie County is 49.5%;

- Under this "fair share" analysis, Port St. Lucie would continue to capture 49.5% of future countywide job growth, or approximately 4,620 new employees, by 2027. Assuming similar proportions of industrial-using jobs and occupancy factors translates into **gross demand for roughly 807,600 sq. ft. of industrial space citywide over the next eight years**;

- For new industrial buildings to receive construction financing, some portion of the City's existing 111,300 sq. ft. of vacant industrial space would need to be leased before new space could be financed. It is also not known how much of the remaining existing vacant inventory suffers from physical and/or functional obsolescence or could be demolished; and

- For purposes of this analysis, WTL+a conservatively assumes that 10% of the City's vacant industrial inventory is leased before financing is provided for new construction. This serves to reduce the City's industrial vacancy rate to roughly 3% from current levels, and lowers **demand generated by job growth in industrial-using sectors to approximately 796,500 sq. ft. of *net new* industrial space by 2027.**

Southern Grove Study Area

As illustrated previously in Table 20, The Southern Grove study area is entitled for **a total of 7,081,938 sq. ft. of industrial space**. This includes 2,498,602 sq. ft. of research & development (R&D) space and 4,583,336 sq. ft. of warehouse/industrial uses. Of that amount, 798,743 sq. ft. was "conveyed with the land sale"; 411,852 sq. ft. of warehouse space and 201,557 sq. ft. of R&D space has been completed (the City Electric/Tamco project), and 53,743 sq. ft. has been approved.

Table 26: Industrial Potentials—Southern Grove Study Area, 2019—2027

Industry Sector	New Jobs 2019-2027	% Office-Using	SF Occupancy Factor	2027 Demand (In SF)
City of Port St. Lucie				
Total Employment			*(4)*	**45,275**
As % of St. Lucie County (From Table 11, 2019)				**49.5%**
Fair Share Analysis				
2019-2027 Employment Growth (If Fair Share Maintained)				4,620
% Industrial-using Jobs				26%
SF Occupancy Factor				675
2027 Citywide Gross Demand (In SF):				**807,600**
Existing Vacant Industrial Space				
Vacant Space Available to Accommodate Future Demand		111,339		
- Lease-up Required @	*10%*	(11,134)		(11,134)
Remaining Vacant Space:		**100,205**		
% Vacant After Lease-up		*2.8%*		
2027 NET DEMAND - CITYWIDE (Rounded, In SF):				**796,500**
Southern Grove				
Allocation to Known Industrial Projects:				
Southern Grove	**Entitled SF**	**Completed SF**		
Conveyed by Land Sale	**798,743**	**411,852**		
- Under Construction				-
- Approved				53,743
Reserve				269,300
Riverland/Kennedy				-
St. Lucie West (SLW)				136,322
Verano				-
Subtotal-Allocated Industrial:				**459,365**
As % of Citywide Demand				**58%**
Unallocated Industrial (Rounded, In SF):				**337,100**

(4) *This reflects the City's share of all jobs in St. Lucie County in 2019. The analysis assumes that the City maintains its "fair share" of the County's total employment base in the future.*

Source: Florida Dept. of Economic Opportunity (DEO); City of Port St. Lucie; Dun & Bradstreet, Inc.; CoStar, Inc.; WTL+a, revised September 2020.

- The next step allocates future demand for industrial space to fully-entitled projects with industrial uses in DRIs located in the City's western planning areas remaining to be built;
- **If built, this list (459,365 sq. ft.) would consume approximately 58% of citywide demand potentials over the next eight years.** According to data provided by the City, this includes:
  - 269,300 sq. ft. at The Reserve
  - 136,322 sq. ft. in the St. Lucie West DRI
  - No industrial space is entitled at either Riverland/Kennedy or Verano
- **This leaves approximately 337,100 sq. ft. of "unallocated" industrial space that could be built in the Southern Grove study area over the next eight years**. **WTL+a notes "unallocated" demand is for *speculative* space only; it does *not* include potential build-to-suit facilities for end users, such as that proposed in the "Project Bullet" proposal.** Similar to the office analysis, this reinforces the critical importance of an economic development strategy aimed at recruiting owner-users and/or build-to-suit industrial buildings in the study area over the longer-term.

Hotel/Lodging

Demand for hotel/motel rooms in any location is typically driven by specific market segments, including: corporate business, leisure/social, interstate pass-by traffic, tourism and visitors to specific venues or events. As noted previously, **the capital markets typically seek sustained annual occupancies between 65% and 72% before financing new hotel construction**. Since 2014, the Port St. Lucie area hotel market has strengthened, with occupancies increasing from 58.1% in 2014 to 71.4% in 2019 among 17 properties (with 1,602 rooms) identified for this analysis. This includes two properties located in or near the study area—a Marriott Townplace Suites (128 rooms), which opened in December 2019 and a Hilton Homewood Suites (111 rooms), which opened in December 2009.

As illustrated previously in Table 20, the larger Southern Grove DRI is entitled for **a total of 791 hotel rooms, of which the Southern Grove study area is entitled for 158 rooms.** Of the 393 rooms "conveyed by the land sale", 111 rooms (the Hilton Homewood Suites) have been completed, 84 rooms are under construction and another 82 rooms have been approved.

According to data provided by the City, several other DRIs in surrounding/nearby planning areas have entitlements for up to 491 additional hotel rooms, including:

- o 100 rooms at The Reserve
- o 291 rooms at the St. Lucie West DRI, and
- o 100 rooms at Verano

WTL+a prepared two possible scenarios to evaluate hotel potentials in the study area.

Scenario 1: Limited Growth

- This scenario assumes limited growth in hotel performance after the strong period of recovery that occurred over the past six years (2014—2019). Scenario 1 measures future demand for hotel rooms based on assumptions that continued growth in available roomnights (supply) will remain stable, and occupied roomnights (demand) will be limited to 50% of actual 2014—2019 growth rates. This translates into growth of 1.30% per year, for occupied roomnights yields gross **demand for 138 new hotel rooms** over the next 10 years (through 2030);
- In this scenario, the 84 rooms under construction reflects a 61% share of potential market support, and the 82 rooms approved would require another 59% share. In other words, these two properties would provide slightly more rooms than the market could support over the next 10 years; and
- Current entitlements in other DRIs total 491 hotel rooms, which *exceeds* market support by approximately 356% in Scenario 1. In other words, **if all 491 hotel rooms are built, there would be an excess of supply of (400) rooms in Scenario 1.**

Table 27: Hotel Potentials—Scenario 1, 2020—2030

	2020	2030	Change: 2020-2030	Supportable Rooms
Scenario 1: Limited Growth				
Area Hotel Rooms	1,602			
Available Roomnights	557,866	559,178	1,312	
Estimated Growth *(1)*	0.02%			
Occupied Roomnights	376,054	427,699	51,645	**138**
Estimated Growth *(1)*	**1.30%**			
Annual % Occupancy	71.4%			

Allocation to Known Hotel Rooms:	**Entitled Rooms**	**Completed Rooms**	
Southern Grove			
Conveyed by Land Sale	**393**	**111**	
- Under Construction			84
- Approved			82
Reserve			100
Riverland/Kennedy			-
St. Lucie West (SLW)			291
Verano			100
Subtotal-Allocated Hotel Rooms:			**491**
As % of Area-wide Demand			**356%**
Unallocated Hotel Rooms:			**(400)**

(1) Assumes that future growth in occupied roomnights and annual occupancies is more limited (50% of 2014-2019 actual growth).

Source: STR Global; WTL+a, revised September 2020.

Scenario 2: Trendline Growth

- Scenario 2 assumes that growth in available roomnights (supply) will remain stable and occupied roomnights (demand) will continue at their historic 2014—2019 pace of 2.59% per year through 2030. This translates into gross demand for 293 new hotel rooms over the next 10 years (through 2030);

- In this scenario, the 84 rooms under construction reflects a more reasonable share of 29% of potential market support, and the 82 rooms approved reflects another 28% share. In other words, these two properties would provide a room supply of approximately two-thirds of what the market could support over the next 10 years; and

- Current entitlements in other DRIs total 491 hotel rooms, which *exceeds* market support by approximately 168% in Scenario 2. In other words, **if all 491 hotel rooms are built, there would be an excess of supply of (200) rooms in Scenario 2.**

Table 28: Hotel Potentials—Scenario 2, 2020—2030

	2020	2030	Change: 2020-2030	Supportable Rooms
Scenario 2: Past Trends (2014-2019)				
Area Hotel Rooms	1,602			
Available Roomnights	557,866	560,492	2,626	
Annual Growth (2014-2019)	0.05%			
Occupied Roomnights	376,054	485,641	109,587	**293**
Annual Growth (2014-2019)	**2.59%**			
Annual % Occupancy	71.4%			

	Entitled Rooms	Completed Rooms	
Allocation to Known Hotel Rooms:			
Southern Grove			
Conveyed by Land Sale	**393**	**111**	
- Under Construction			84
- Approved			82
Reserve			100
Riverland/Kennedy			-
St. Lucie West (SLW)			291
Verano			100
Subtotal-Allocated Hotel Rooms:			**491**
As % of Area-wide Demand			**168%**
Unallocated Hotel Rooms:			**(200)**

(1) Assumes that future growth in occupied roomnights and annual occupancies is more limited (50% of 2014-2019 actual growth).

Source: STR Global; WTL+a, revised September 2020.

Retail

The traditional sources of demand in retail districts come from three sources; resident spending (local and from the surrounding areas), spending by members of the local workforce, and tourist/visitor spending. The retail demand analysis indicates that **there is approximately 125,000 to 135,000 sq. ft. of market-supportable retail potentials in the Southern Grove study area**. Of this total, demand for approximately 100,000 sq. ft. will be generated from unmet market demand generated by current residents. Spending from visitors and tourists will account for most of the remaining incremental demand, assuming recovery of pre-COVID visitor totals to the Treasure Coast/St. Lucie County. The business mix is dispersed across specialty retail and consumer service categories.

- The retail demand analysis suggests that there will be **sufficient demand to support an additional grocery store (20,000 to 35,000 sq. ft.)**, such as the proposed future Publix grocery at Village Parkway and Becker Road. This future store would be on the smaller size of Publix' typical range of store sizes;
- Restaurants and drinking places (pubs, wine bars, craft breweries, etc.) comprise the largest incremental demand category at just over 32,000 sq. ft. of combined total space. Stakeholders commented that they wanted more dining options and a mix of national and locally-owned restaurants. At an average size of about 3,500 sq. ft. (with selected larger operations and some smaller-sized locations) this would suggest that an additional nine-to-10 food service operations could be included in the retail mix; and
- The planning team also analyzed opportunities for entertainment and recreation uses (e.g., cinema complex, golf driving range, indoor go-kart arena, trampoline courts, etc.) as part of the master plan's economic studies. These uses are activity-based destination 'retail' uses whose business models typically seek to keep participants within their facilities (i.e., frequently providing snacks, food and drinks to keep patrons on the premises for longer periods of time). For this reason, incremental retail spending is not expected to generate significant opportunities for additional retail square footage. While some spending may result (such as dinners associated with going to a movie), that spending alone would not justify additional stand-alone retail spaces. Additional retail square footage should be justified by larger market forces. Deal terms to attract these types of destination retail uses

can vary widely, and specific operating requirements and levels of capital investment may affect financial feasibility and/or timing of these types of projects.

Table 29: Retail Potentials—Resident Sales

			Capture Rate:	25%		Capture Rate:	2.5%
	Sales Productivity	Unmet Market Demand - Resident Sales			Re-Captured Demand - Inflow Sales		
Category	Average Industry Sales/SF	Total Annual Unmet Sales	Total Supportable SF	Supportable SF @ 25% Capture	Total Annual Unmet Sales	Total Supportable SF	Supportable SF @ 2.5% Capture
General Merchandise Stores							
Department Stores Excl Leased Depts.	$ 257.02				$ 8,522,769	33,160	829
Other General Merchandise Stores	$ 317.56				$ 3,677,570	11,581	290
Clothing & Accessories Stores							
Clothing Stores	$ 372.26				$ 894,566	2,403	60
Shoe Stores	$ 476.10	$ 300,216	631	158			
Luggage, Leather Goods	$ 710.21				$ 423,875	597	15
Jewelry	$ 1,219.80						
Furniture & Home Furnishings Stores							
Furniture Stores	$ 312.72	$ 4,514,291	14,436	3,609			
Home Furnishings Stores	$ 328.09	$ 4,556,952	13,889	3,472			
Electronics & Appliance Stores							
Appliances, TV's, Electronics Stores	$ 530.62	$ 23,855,083	44,957	11,239			
Leisure & Entertainment							
Sporting Goods/Hobby/Musical Instru.	$ 209.00						
Books, Periodicals & Music Stores	$ 237.38	$ 7,186,138	30,273	7,568	$ 976,686	4,114	103
Food Service & Drinking Places							
Special Food Services	$ 478.73	$ 1,614,804	3,373	843			
Drinking Places - Alcoholic Beverages	$ 381.10	$ 13,771,516	36,136	9,034			
Restaurant/Other Eating Places	$ 235.24	$ 10,762,000	45,749	11,437			
Food & Beverage Stores							
Grocery Stores	$ 560.82	$ 39,272,867	70,028	17,507			
Specialty Food Stores	$ 478.73	$ 8,594,115	17,952	4,488			
Beer, Wine & Liquor Stores	$ 490.10	$ 3,191,575	6,512	1,628			
Health & Personal Care Stores							
Health & Personal Care Stores	$ 402.13				$ 851,749	2,118	53
Building Material, Garden Equipment Stores							
Building Materials & Supplies	$ 301.25	$ 486,891	1,616	404			
Lawn & Garden Equipment & Supplies	$ 238.00	$ 8,089,140	33,988	8,497			
Miscellaneous Store Retailers							
Florists	$ 439.43	$ 1,215,072	2,765	691			
Office Supplies, Stationery, Gift Stores	$ 248.65	$ 2,424,045	9,749	2,437			
Used Merchandise Stores	$ 285.00	$ 7,414,674	26,016	6,504			
Thrift Stores	$ 199.17						
Other Miscellaneous Retail Stores	$ 458.38	$ 16,854,504	36,770	9,192			
Supportable SF by Retail Category & Segment:		**$ 154,103,883**	**394,839**	**98,710**	**$ 15,347,215**	**53,973**	**1,349**

Source: ESRI Business Analyst; RDS LLC, May 2020.

Table 29 (Continued): Retail Potentials—Visitor Sales

			Capture Rate:	2.5%
	Visitor Spending			
Category	**Total Visitor Spending by Category**	**Adjusted Average Sales Productivity**	**Total County-wide Supportable SF**	**Supportable SF @ 2.5% Capture**
General Merchandise Stores				
Department Stores Excl Leased Depts.				
Other General Merchandise Stores				
Clothing & Accessories Stores				
Clothing Stores				
Shoe Stores	$ 66,792,000	$ 389	171,702	4,293
Luggage, Leather Goods				
Jewelry				
Furniture & Home Furnishings Stores				
Furniture Stores				
Home Furnishings Stores				
Electronics & Appliance Stores				
Appliances, TV's, Electronics Stores				
Leisure & Entertainment				
Sporting Goods/Hobby/Musical Instru.	$ 110,186,000	$ 223	494,108	12,353
Books, Periodicals & Music Stores				
Food Service & Drinking Places				
Special Food Services				
Drinking Places - Alcoholic Beverages	$ 134,740,600	$ 308	437,469	10,937
Restaurant/Other Eating Places				
Food & Beverage Stores				
Grocery Stores	$ 55,751,600	$ 510	109,317	2,733
Specialty Food Stores				
Beer, Wine & Liquor Stores				
Health & Personal Care Stores				
Health & Personal Care Stores				
Building Material, Garden Equipment Stores				
Building Materials & Supplies				
Lawn & Garden Equipment & Supplies				
Miscellaneous Store Retailers				
Florists				
Office Supplies, Stationery, Gift Stores				
Used Merchandise Stores				
Thrift Stores				
Other Miscellaneous Retail Stores	$ 13,364,100	$ 399	33,494	837
Supportable SF by Retail Category & Segment:	**$ 380,834,300**		**1,246,090**	**31,152**

Source: ESRI Business Analyst; RDS LLC, May 2020.

Table 30: Summary of Supportable Retail Space

Market Segment	Capture Rate	Supportable SF
Unmet Resident/Household Sales	25.0%	98,710
Increased Share of Inflow Sales	2.5%	1,349
Share of Visitor Sales	2.5%	31,152
Total Supportable Retail SF:		**131,211**

Source: ESRI Business Analyst; RDS LLC, May 2020.

- It is noteworthy that **incremental market potentials for retail space in the Southern Grove study area are almost exactly the current estimated amount of vacant space at The Landing at Tradition** (operated by Kite Realty); and
- While the Big Box center is technically outside the Southern Grove study area addressed by this analysis, **WTL+a and RDS recommend that the greater part of retail demand (excluding the mid-sized grocery store and a modest amount of supporting retail) should be 'backfilled' in the Landing** center (or site), both as a tool to reposition the outmoded Big Box format, and to encourage a greater critical mass of retail uses in an already established location with vacancies to be filled and further support the Town Center.

Appendix

Table 31: Industrial Market Profile—Palm Beach County, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Industrial																	
Inventory	48,601,326	49,390,423	48,964,204	49,103,100	49,243,307	49,084,382	48,936,636	49,172,444	49,824,733	50,877,759	51,372,090	51,887,669	52,073,374	52,349,797	**3,472,048**		
No. of Buildings/Centers	2,691	2,711	2,699	2,697	2,691	2,685	2,675	2,676	2,670	2,677	2,683	2,688	2,688	2,690			
Vacant Stock	2,892,220	4,025,095	5,037,255	4,771,268	4,368,157	3,817,716	2,928,059	2,494,302	2,143,968	1,909,571	1,333,364	1,361,936	1,574,269	1,856,716	**(1,317,951)**		
Vacancy Rate	6.0%	8.1%	10.3%	9.7%	8.9%	7.8%	6.0%	5.1%	4.3%	3.8%	2.6%	2.6%	3.0%	3.5%			**-5.5%**
Net Absorption:	**(701,084)**	**(343,778)**	**(1,438,379)**	**404,883**	**543,318**	**391,516**	**741,911**	**669,565**	**992,623**	**1,287,423**	**1,057,738**	**487,007**	**(26,628)**	**(62,447)**	**4,066,115**	**312,778**	
Past 5 Years															**3,798,163**	**759,633**	
Construction Deliveries	646,077	981,826	32,755	196,163	248,261	16,227	9,060	240,400	745,634	1,066,930	553,424	537,394	293,329	220,000	**5,567,480**		
Gross Rent/SF	$ 9.50	$ 9.12	$ 7.99	$ 7.73	$ 7.42	$ 7.78	$ 8.06	$ 8.39	$ 8.83	$ 9.46	$ 9.83	$ 9.89	$ 10.16	$ 10.17			**0.6%**
Average Annual % Change	-	*-4.0%*	*-12.4%*	*-3.3%*	*-4.0%*	*4.9%*	*3.6%*	*4.1%*	*5.2%*	*7.1%*	*3.9%*	*0.6%*	*2.7%*	*0.1%*			

Source: CoStar, Inc.; WTL+a, March 2020.

WTL+a

Table 32: Industrial Market Profile—Broward County, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Industrial																	
Inventory	105,878,473	108,131,250	108,964,702	109,296,264	109,224,201	108,859,993	109,201,506	110,251,972	111,183,802	111,563,450	112,248,606	113,676,973	115,979,512	116,228,517	**10,101,039**		
No. of Buildings/Centers	5,207	5,245	5,266	5,269	5,263	5,243	5,241	5,243	5,250	5,238	5,244	5,250	5,269	5,270			
Vacant Stock	5,105,980	7,453,465	10,362,148	9,987,048	10,148,136	9,351,212	8,330,051	7,100,559	6,647,276	4,462,116	3,317,456	3,842,009	6,435,980	6,646,318	**1,330,000**		
Vacancy Rate	4.8%	6.9%	9.5%	9.1%	9.3%	8.6%	7.6%	6.4%	6.0%	4.0%	3.0%	3.4%	5.5%	5.7%			**1.2%**
Net Absorption:	**143,935**	**(90,308)**	**(2,073,731)**	**706,662**	**(233,151)**	**432,716**	**1,362,674**	**2,279,958**	**1,214,740**	**2,564,808**	**1,478,857**	**898,514**	**(291,432)**	**38,667**	**8,394,242**	**645,711**	
Past 5 Years															**5,865,487**	**1,173,097**	
Construction Deliveries	1,618,982	2,312,643	865,259	367,526	33,603	46,748	440,885	1,171,217	1,147,777	729,488	410,398	1,514,169	2,746,408	249,005	**13,405,103**		
Gross Rent/SF	$ 8.35	$ 8.12	$ 7.52	$ 7.29	$ 7.11	$ 7.05	$ 7.31	$ 7.72	$ 8.26	$ 8.94	$ 9.24	$ 9.47	$ 9.86	$ 9.93			**1.4%**
Average Annual % Change	-	*-2.8%*	*-7.4%*	*-3.1%*	*-2.5%*	*-0.8%*	*3.7%*	*5.6%*	*7.0%*	*8.2%*	*3.4%*	*2.5%*	*4.1%*	*0.7%*			

Source: CoStar, Inc.; WTL+a, March 2020.

WTL+a

Table 33: Industrial Market Profile—Miami-Dade County, 2007—2019

		National Recession & Recovery												YTD	Change: 2007-2019		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total	Ann'l Avg.	% CAGR
Industrial																	
Inventory	209,511,465	211,072,861	212,835,252	212,894,187	212,779,629	213,483,566	214,817,971	217,014,647	218,768,918	220,981,260	224,017,710	227,617,954	230,416,331	230,673,875	**20,904,866**		
No. of Buildings/Centers	8,285	8,334	8,358	8,358	8,347	8,338	8,333	8,344	8,348	8,350	8,364	8,375	8,387	8,391			
Vacant Stock	11,112,777	16,214,473	20,752,955	16,485,343	14,260,109	12,868,720	11,989,587	11,274,283	8,864,909	7,804,118	8,513,983	9,138,393	9,383,906	10,620,482	**(1,728,871)**		
Vacancy Rate	5.3%	7.7%	9.8%	7.7%	6.7%	6.0%	5.6%	5.2%	4.1%	3.5%	3.8%	4.0%	4.1%	4.6%			**-2.2%**
Net Absorption:	**(644,854)**	**(3,540,300)**	**(2,784,227)**	**4,334,683**	**2,110,676**	**2,094,631**	**2,214,438**	**2,911,980**	**4,163,645**	**3,288,613**	**2,303,868**	**2,941,941**	**2,574,995**	**(979,032)**	**21,970,089**	**1,690,007**	
Past 5 Years															**15,273,062**	**3,054,612**	
Construction Deliveries	2,953,666	1,748,352	1,955,019	470,969	384,146	1,144,972	1,802,444	2,330,528	2,184,234	2,546,366	3,318,386	4,306,020	2,987,980	257,544	**28,133,082**		
Gross Rent/SF	$ 8.11	$ 8.11	$ 7.15	$ 6.67	$ 6.90	$ 7.32	$ 7.91	$ 8.03	$ 8.57	$ 9.12	$ 9.39	$ 10.29	$ 10.40	$ 10.45			**2.1%**
Average Annual % Change	-	*0.0%*	*-11.8%*	*-6.7%*	*3.4%*	*6.1%*	*8.1%*	*1.5%*	*6.7%*	*6.4%*	*3.0%*	*9.6%*	*1.1%*	*0.5%*			

Source: CoStar, Inc.; WTL+a, March 2020.

APPENDIX D

Technical Memorandum #3

Financial Scorecard Analysis

Southern Grove Master Plan

Port St. Lucie, FL

Prepared for:
Treasure Coast Regional Planning Council
Stuart, FL

On behalf of:
City of Port St. Lucie
Port St. Lucie, FL

Revised January 2021 **FINAL**

WTL +a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

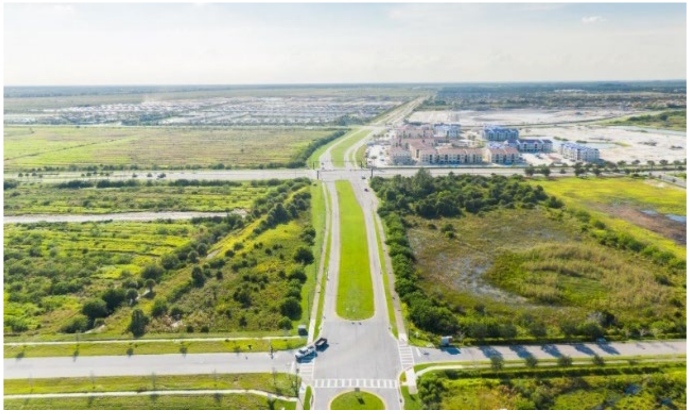
General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable at the time the study was conducted. This study is based on estimates, assumptions, and other information developed by WTL +Associates (referred hereinafter as “WTL+a”) from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and/or representatives, or any other data source used in preparing or presenting this study.

No warranty or representation is made by WTL+a that any of the projected values or results contained in this study will be achieved. Possession of this study does not carry with it the right of publication thereof or to use the name of "WTL+a" in any manner without first obtaining the prior written consent of WTL+a. No abstracting, excerpting or summarizing of this study may be made without first obtaining the prior written consent of WTL+a. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person, other than the client, without first obtaining the prior written consent of WTL+a. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from WTL+a.

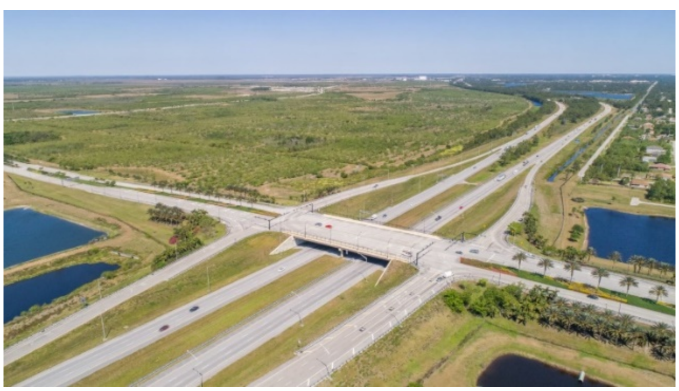
This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Overview



The City of Port St. Lucie, located in St. Lucie County, Florida, is one of the fastest-growing municipalities in the State of Florida. Established in 1961, its municipal boundaries encompass 121.5 square miles. The City acquired 1,215.9 acres known as the "Southern Grove" property (the "study area") on June 28, 2018, of which approximately 1,183 acres are owned by the City of Port St. Lucie Government Finance Corporation (GFC), and the focus of this analysis.

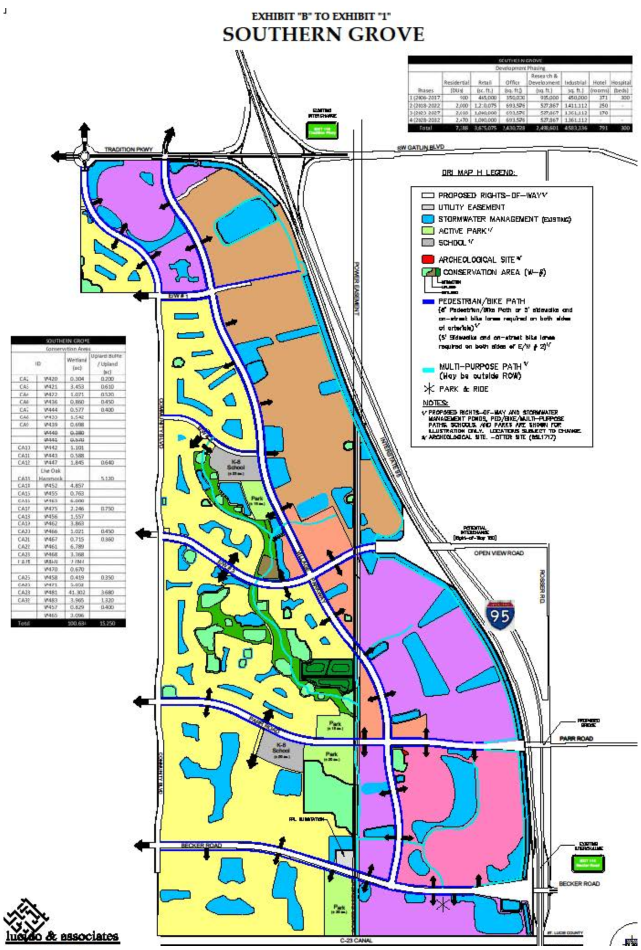
The study area is a part of the Southern Grove Development of Regional Impact (DRI), which encompasses approximately 3,606 acres. Technical Memorandum #3 provides an approach for an analytical "public investment analysis" regarding the economics underlying present and future development transactions in the Southern Grove DRI. Specifically, **the analysis estimates the ad valorem and non-ad valorem tax revenues accruing to the City of Port St. Lucie over a 20-year forecast period to determine what is defined as the "Leverage Ratio"** (i.e., the private investment response in the form of tax revenues generated for every $1 of public investment in incentives).



The analysis also provides a **tactical analytical tool, identified as a "Financial Scorecard", which can be used in the future to evaluate long-term impacts of property transactions** currently in negotiation between the City of Port St. Lucie and private development interests. Although there are many ways to evaluate development projects, the scorecard focuses on the ratio of public incentives to ad valorem tax revenues to the City along with bond debt reduction for the SAD and CDD bonds relative to properties within Southern Grove.

This memorandum supplements Technical Memorandum #1 (demographic/economic profile) and Technical Memorandum #2 (real estate market conditions and development potentials) prepared as part of a market/financial analysis of Southern Grove.

Figure 1: Southern Grove Study Area



In addition, WTL +a, with Retail & Development Strategies LLC, evaluated a series of existing financing structures, redevelopment tools and incentives used to encourage the sale and development of available Southern Grove parcels that complement a series of parallel planning and engineering analyses completed through TCRPC. Prepared by Captec, Inc., these studies include assessments of current storm water management infrastructure, roads and transportation analysis and system-wide implications of various redevelopment projects in Southern Grove. These separate studies include: Project Memorandum #1 (Due Diligence) and Project Memorandum #4 (Land Development & Infrastructure Overview).

The development incentives and financing tools used by the City of Port St. Lucie are intended to stimulate land sales, encourage private investment, create (and retain) jobs, and generate other economic and financial impacts over time. WTL+a notes that due to the economic burdens on the City presented by annual bond financing costs, there is an urgency to complete multiple transactions in order to minimize and reduce the City's annual debt costs—even as the longer-term benefits of redevelopment are being negotiated.

Because of this urgency and financial objectives, the analysis evolved from a more specific evaluation of the City's return-on-investment (ROI) towards creation of a more tactical analytical tool (identified as a "Development Scorecard"), which can be used in the future to evaluate long-term impacts of many redevelopment transactions currently in negotiation between the City of Port St. Lucie and private development interests. Moreover, as the pace of redevelopment involves multiple, ongoing deal negotiations, the **specific terms of multiple deals remain works-in-progress and are not finalized to the degree that individual development/project agreements can be fully analyzed**. For this reason, at the City's suggestion, the analytical approach was modified to address a different objective: to use the results of selected example projects (the "case studies") as a basis for analyzing overall patterns of returns and incentives rather than trying to evaluate multiple deals at varying stages of negotiation/completion.

This new process was created as both an evolution of the initial 'scorecard' tool—a 'template' into which prospective deal terms could be tested based on speculative packages of incentives—as well as to provide a more accurate reflection of the costs and benefits of transactions that were previously completed. In order to complete the analysis, three recently completed transactions were selected as case study projects. The three projects identified by the City include:

- Tamco/City Electric
- Oculus Surgical
- AHS Residential

Impacts of the 2020 Pandemic

This report presents the findings of the financial scorecard analysis. The analysis is **based on data and conditions *prior to* COVID-19 impacts**. While the timing for future development may be more extended due to the pandemic, there are potentials for selected, well considered new growth and investment. Experience in other Florida markets has demonstrated the best way to fully optimize economic benefits in Port St. Lucie will result from a carefully structured and implemented plan that appropriately integrates different land uses and phases to provide development flexibility.

The most important difference between year-end 2019 (the data-year used for this analysis) and current conditions in December 2020 is the impact of the global Coronavirus pandemic. COVID-19 has already had a significant impact on commercial real estate, although these impacts vary considerably from location to location. It has affected consumer spending, real estate sales, job prospects and recreation options in ways that have profoundly modified pre-COVID conditions. **The office market, especially for technology and other computer-based industries, has responded most rapidly and *not* in ways that are likely to encourage new office development.** At the broadest levels across the country, early reactions to self-isolation and working-at-home have resulted in some companies advising employees to work at home for the remainder of 2020, while Twitter has announced that its employees can work at home *forever*.

The travel, hospitality and retail industries have been particularly hard-hit, with airline passenger volumes reportedly down by upwards of 90% to 95%, major layoffs in the hotel and food & beverage industries, and the May 2020 announcement of a bankruptcy filing by the Hertz Rental Car company. The travel and leisure market based on tourism have been seriously impacted and will likely take several years to stabilize, much less fully recover. **The National Retail Federation speculated in May 2020 that as many as 40% of small retailers *may never re-open*.**

In its bi-annual bankruptcy update of the retail industry, BDO Global (an international network of public accounting, tax, consulting and business advisory firms formerly known as Binder Dijker Otte) identified 18 retailers that headed to bankruptcy court in the first half of the year and another 11 in July through mid-August. In fact, the industry's bankruptcy record so far put it on pace with 2010, following the Great Recession, when there were 48 bankruptcy filings by retailers. The COVID-19 pandemic has essentially interfered with what is normally a cyclical pattern for retailers and set up the industry for yet more bankruptcies in 2020's second half.

According to BDO researchers, 2020 is on track to set the record for the highest number of retail bankruptcies and store closings in a single year. By BDO's measure, bankrupt retailers alone have announced nearly 6,000 store closings this year, more from January through mid-August than the record 9,500 stores that closed throughout 2019, and most of them in malls. More than 15 retailers (including Macy's, Bed Bath & Beyond and Gap) outside of bankruptcy court have announced a total of 4,200 closures.

National unemployment levels in 2020 are at their highest since the Great Depression of the 1930s. From a record yearly low of 3.5% in February, seasonally-adjusted unemployment jumped to 14.7% in April. With uneven recovery generated by the pandemic, the *official* national unemployment rate has steadily declined over the past seven months: 13.3% in May; 11.1% in June; 10.2% in July; 8.4% in August; 7.9% in September; 6.9% in October; and 6.7% in November.

By comparison, according to the Department of Economic Opportunity (DEO), Florida's unemployment rate jumped from a low of 2.8% in February 2020 to 13.8% in April; 13.7% in May; 10.3% in June; 11.4% in July; 7.3% in August; 7.2% in September; and remained at 6.4% in both October and November. For a visitor destination like Florida, where the $111.7 billion annual tourism industry is the state's largest industry, the impact is already great and could become a profound issue as the virus continues prior to widespread vaccinations. Like many states, government policies are seeking to balance social responsibility and safety with the need to re-open businesses and encourage visitors to return. The re-opening of beaches and public spaces across the state has been a relief to millions of Florida residents, but it could also result in a virus rebound that could require retrenchment or (at minimum) more carefully regulated public behaviors.

Taken in total, **these impacts have caused a major slowdown in economic activity across Florida (especially in hospitality and tourism-dependent sectors), and the costs of lost consumer spending will result in near-term increases in vacancy rates for retail and office uses, a massive slowdown in tourism and visitor spending**, and a slow recovery period, due in large part to the number of unknowns about a global pandemic. Until a reliable vaccine is developed and produced in sufficient volumes to stabilize the rate of transfer, recreating consumer confidence to travel, to spend time in other places, and to have the money to stimulate local economies will be set back for many months, if not years.

The short-term economic prospects should be cautious and slow. However, there are mitigating factors that could change the mid-to longer-term outlook:

- **Slowing of Unsupportable Speculative Real Estate Development**—an overheated real estate market in Florida has encouraged speculative development and over-entitlements in many submarkets.
- **Time to Plan More Effectively—**a slowdown could encourage a more manageable pace of development and reduce environmental and social impacts that often result from hurried decisions.
- **Business Opportunities for Millennials**—the millennial generation is highly entrepreneurial and will be more willing to start new retail, food & beverage, and consumer service businesses once the pandemic has stopped.
- **Pent up Demand for Social Experiences**—while on-line sales have spiked, consumers are also looking forward to dining out, going out, and shopping; consumer demand for goods and services is pent-up at levels not seen since the 2007 recession.
- **Creative Regulation & Behavior Management**—if reasonable standards can be put into place and safety practices realized, Florida's beaches, communities, and visitor destinations should rebound faster than other parts of the country.

For Port St. Lucie and Southern Grove, the impacts of COVID-19 are more likely related to time and phasing than a permanent loss of economic activity. The area's economic recovery period may present opportunities to take advantage of the 'pause' and consider how to best optimize prospective agreements to create new jobs, attract business investment, and create an overall plan that will capitalize on the site's advantages. For example, the Cleveland Clinic has stimulated a bio-health cluster in the northern portion of the Southern Grove study area, and manufacturing and warehouse/distribution companies have been attracted due to the proximity to I-95 and lower land values than more urbanized counties to the south. While economic recovery may take two to three years, the longer-term prospects for Southern Grove remain moderate but steady over time.

Ironically, U.S. financial markets have stabilized more quickly than consumer markets. The reduced costs of debt/capital have encouraged developers to accelerate proposed projects, allowing 18-24 months for regulatory review, approvals, and construction so that they are ready for the rebound when it occurs. The challenge for the City of Port St. Lucie will be to select those projects carefully so that new development in the Southern Grove study area can generate the greatest economic benefits possible for the City of Port St. Lucie over the long-term.

Implementation Context

The annual financial burden of carrying costs required for infrastructure bonds at Southern Grove has created a significant recurring debt obligation for the City of Port St. Lucie. This obligation underscores the City's priorities to:

- Generate revenues from the sale of publicly-held land for economic development,
- Increase ad valorem property tax revenues, and
- Create new jobs and retain existing jobs to generate other longer-term revenues for the City.

In order to meet these economic priorities, the **City has been focused on accelerating economic development activities and land transactions at Southern Grove—even during the global economic slowdown generated by the 2020 pandemic.** At the time of this analysis, the City has successfully marketed a number of undeveloped, publicly-owned parcels at Southern Grove for a wide array of medical, bio-technology, industrial/manufacturing, and warehousing/distribution uses that, developed over time, will help reduce the City's annual debt obligations.

In addition, because the pace of redevelopment involves multiple, ongoing deal negotiations, the **specific terms of multiple deals remain works-in-progress and are not finalized to the degree that individual development/project agreements can be fully analyzed**. For this reason, at the City's suggestion, the analytical approach was modified to address a different objective: to use the results of selected example projects (the "case studies") as a basis for analyzing overall patterns of returns and incentives, rather than trying to evaluate multiple deals at varying stages of negotiation/completion. The new process was created as both an evolution of the initial 'scorecard' tool--a 'template' into which prospective deal terms could be tested based on speculative packages of incentives--as well as to provide a more accurate reflection of the costs and benefits of transactions that were previously completed. In order to complete the analysis, three recently completed transactions were selected as 'test case' projects. The three case study projects identified by the City include:

- Tamco/City Electric
- Oculus Surgical
- AHS Residential

As opposed to developing a more generic analysis of abstract project terms or speculative economic conditions, each of the case studies was analyzed as to specific impacts on both non-Ad Valorem and Ad Valorem tax revenues to the City. The analysis of each case study also incorporated the amounts and terms of any deal incentives provided. While incentives varied by project, all were negotiated by the City to accelerate the pace of each deal, to make them more economically viable for each of the project owners, or to address opportunities for site marketing and project recruitment that could become part of the overall Southern Grove Master Plan effort.

This process resulted in a suggested evaluative analytical framework (as detailed in this memorandum) rather than a deal-specific analysis of all potential agreements currently under negotiation. To the extent that policy recommendations can be made about the process, a series of suggestions are included below.

To reduce debt obligations and incentivize private investment in Southern Grove, a series of financial tools and incentives have been structured and utilized in selected property transactions between the City and private developers/users. Among the tools and incentives used to date (or available for ongoing negotiations) are the following:

Ad Valorem Tax Abatements

In Florida, ad valorem property taxes are assessed on the value of land and improvements constructed by developers on that land. These improvements can include buildings and other components such as fences, parking areas, elevators or other specific elements. In Southern Grove, the City has used property tax abatement (defined as the deferred collection of property taxes for a specific period of time) as a development/investment incentive. While the value of the land remains taxable, the City agrees not to immediately collect the accrued property taxes on buildings constructed in order to reduce a developer's initial/up-front project costs, since the capital investment occurs at the beginning of the project and has the greatest impact on investor risk.

Two of the three case studies are eligible to receive a 10-year ad valorem/property tax abatement:

- **Tamco/City Electric**—the City provided a 10-year ad valorem/property tax abatement on the facility, which includes a 401,462 sq. ft. (finished) building comprising 140,849 sq. ft. of manufacturing space and 271,003 sq. ft. of general industrial/warehouse uses. Under the City's agreement, 100% of the improvement's (i.e., building only) property taxes are deferred annually for the first five years of the agreement, then taxes are gradually recouped at an increasing annual rate of 20% per year through year 10 (i.e., 20% in year six, 40% in year seven, 60% in year eight and 80% in year nine, with 100% of Tamco's property taxes recouped by the City in year 10 and beyond).
- **Oculus Surgical, Inc**.—the City will provide a 10-year ad valorem/property tax abatement on improvements upon completion. Similar to the Tamco incentives, 100% of the Oculus improvement's (i.e., building only) property taxes are deferred annually for the first five years of the agreement, then gradually recouped at an increasing annual rate of 20% per year through year 10 (i.e., 20% in year six, 40% in year seven, 60% in year eight and 80% in year nine, with 100% of property taxes generated by Oculus will be recouped by the City in year 10 and beyond).

Non-Ad Valorem Assessments & Fees

In addition to ad valorem property taxes on land and buildings, the City of Port St. Lucie and St. Lucie County also assess a range of non-ad valorem assessments and impact fees for public capital investment and fee administration costs. These non-ad valorem assessments and impact fees include the following:

- **City Special Assessment District (SAD):** Under Florida law, a municipality can establish a Special Assessment District (SAD) and levy fees to fund the costs of City-provided infrastructure providing benefits to the properties located within the boundaries of a specific assessment district. All of Southern Grove's 3,606 gross acres are within SAD district boundaries.

- As illustrated in Table 1, the annual SAD levy amounts are structured to vary according to land use category and include:

  - **Residential**—single-family units (ages 55 or less, 56-66, 67 and older); multi-family; rental apartments
  - **Commercial/Workplace**—retail, office, research and warehouse

  As illustrated in the 2020 tax bills from the St. Lucie County Property Appraiser at the end of this document, the annual Special Assessment District (SAD) payment for the three case studies is as follows:

  - **Tamco**—$129,000 per year (based on 430,000 gross sq. ft. at a current SAD rate of $0.30 per sq. ft.)
  - **Oculus Surgical, Inc.**—Oculus currently has development rights for a 53,743 sq. ft. warehouse for which it is assessed $16,122.90 per year under the SAD. Their approved site plan contemplates buildout of 150,000 sq. ft. (timing unknown), for which they would need to have General Finance Corporation/GFC (the City) assign additional development rights and corresponding SAD assessment. According to the City, the SAD assessment for Oculus at buildout will be $45,000 per year (based on 150,000 sq. ft. at a current SAD rate of $0.30 per sq. ft.)
  - **AHS**—$52,053.96 per year (based on 372 multi-family units at a current SAD rate of $139.93 per unit)

- **Community Infrastructure (CI):** In addition to SAD levies, municipalities in Florida can also assess Community Infrastructure fees, which are also differentiated by land use category. According to the City, the CI is a component of the CDD bond assessments; it is not related to the SAD assessment. Under the CDD, there are two components of bond assessments: CI (which benefits and is assessed against properties in all districts), and DI/District Infrastructure (which is assessed against and benefits only properties within a specified district). According to the City, only CI debt has been issued by the CDD. The CI debt is currently only assessed against developed property, not vacant acreage. There has been no DI debt issued. For Southern Grove, the CI fees have been distributed across the same land use categories as the SAD assessments, and annual CI fees are generally assessed at higher rates than SAD fees. NOTE: Both the SAD and the CI assessments include fees to the City and County to administer annual collections.

- **Community Development Districts (CDDs):** CDD fees are assessed to recover public infrastructure costs that benefit only properties within a specified geographic district. In the case of Southern Grove, the CDD boundaries are not coterminous with the entire SAD boundary area. CDDs have been used on a very limited basis to date in Port St. Lucie, as most property benefits (such as roads, etc.) are of benefit to all of the Southern Grove planning area.

  According to the City, the GFC-owned land in **the study area is not currently subject to CDD bond assessments.** The CDD does not levy assessments until a building permit is issued. The GFC-owned lands would only be assessed CDD bond debt in the event the CDD had issued bonds with debt service that exceeds that collected from properties for which building permits were issued and were assessed the CDD bond rate. This is currently not the case. The CDD bond assessment levied against properties that have been issued building permits is in excess of the debt service required for the CDD bonds issued to date. Further, the CDD bond assessments are based on an assumption that the Southern Grove Community Development District will issue CI bonds in increments up to a total of approximately $164.7 million (as financed; $138.3 million in actual construction funds), which is what the CDD's CI assessment rates are based on (assessment rates assume the total bond amount).

  To date, the CDD has issued approximately $15 million in CI bonds which are only assessed against properties that have been issued a building permit. The assessments are for a 26-year term from the point in time that they are levied against each property.

- **Job Creation Credits:** Florida's state jobs development program provides tax credits for new jobs created within urban and rural areas; the credits range from $500 to $2,000 per job and can be taken as credits against either the Florida Corporate Income Tax or the Florida Sales and Use Tax.

Evaluating Development Incentives

To understand the longer-term impacts of redevelopment incentives and benefits, the City requested a framework for evaluating the tools and incentives used to date in Southern Grove. The analysis is structured to assess the short-term and longer-term costs and benefits of specific incentives used to accelerate property sales within the Southern Grove planning area and to estimate the long-term benefits accruing over a 20-year period (beginning in 2020). As noted, for purposes of this analysis, the City identified three case studies—the recently opened Tamco/City Electric warehouse/manufacturing facility; Oculus Surgical, Inc., a recently-approved warehouse and research & development facility; and AHS, a recently-approved 372-unit multi-family apartment complex. The Tamco site was the only one of the three case studies that was not sold by the City's General Finance Corporation (GFC), as its sale preceded GFC acquisition of the Southern Grove study area.

It should be noted **the City's developer/user recruitment efforts in 2019 and early 2020 have been highly successful in generating property sales and attracting recent (and anticipated) private investment, tax revenues, and net new jobs.** As a result of these efforts, several parcels have recently been sold or are currently under negotiation. However, these properties have not yet been subdivided from larger parcels in the Southern Grove study area. As a result, specific metrics for these properties are unavailable. Until these properties are re-assessed and assigned specific information (such as new tax identification numbers, new building areas, taxable values for both land and improvements, etc.), it is *not* possible to complete full evaluations of multiple prior or pending agreements at this time.

Project Case Study: Tamco/City Electric

The recently-built Tamco/City Electric project was identified as having the most complete information to evaluate as a case study, using data provided by the St. Lucie County Property Appraiser's TRIM (True Rate in Millage) database.

As illustrated in Table 1, Tamco is a 401,462 sq. ft. (finished) manufacturing and warehouse facility, delivered in early 2020 and located at 11675 SW Tom Mackie Boulevard in the Southern Grove study area. The owner, CES Port St. Lucie FL Landlord LLC, purchased the 37.873 acre site for $2,207,200 in July 2018. The acquisition equates to a sale price of $58,283.60 per acre (or $1.34 per sq. ft.-dirt). According to Property Appraiser data, the site's 2020 taxable value is $31,255,700 (comprised of $3,124,500 in land value and $28,131,200 in building value). For SAD assessment purposes, the building contains 430,000 sq. ft. of gross building area upon which the annual SAD assessment is calculated.

According to the City, **provided certain job criteria are met**, incentives utilized to secure the development agreement with Tamco include:

- **Ad Valorem Property Tax Abatement on Building/Improvements**—through year nine (i.e., 100% deferral of ad valorem taxes for the first five years, then a graduated increase of 20% per year in years 6, 7, 8 and 9). Full (i.e., 100%) property taxes will be assessed and collected in year 10 and thereafter (through year 20 for purposes of this analysis). **The abatement does *not* apply to the taxable value associated with the land**; and
- **Tax Increment Financing (TIF) Credits**—the City noted the TIF credit is relatively low ($8,960 in 2019) during the nine-year period of the tax abatement as the TIF is generated only by the land value. According to the City, the TIF rebate has three tiers:
    - Tier 1 is based on the TIF directly generated by a qualified property;
    - Tier 2 is based on a pro-rata redistribution of any excess TIF (i.e., TIF generated by properties that exceed a property's SAD assessment) to all qualified properties that did not generate enough TIF on their own to offset their SAD assessment; and
    - Tier 3 is for CRA projects in the event there is any excess TIF after redistribution to those properties that did not generate enough TIF on their own to offset their SAD assessment.

According to the City, Tamco also received a share of Tier 2 TIF rebates (estimated at $19,225), bringing the facility's **total annual TIF rebate to $28,215** in 2019. For purposes of the analysis, the annual TIF rebate is held constant during the 20-year forecast period.

WTL+a

Table 1: Relevant Property Information & Assessment Rates—Tamco/City Electric

Project Owner	CES Port St. Lucie FL Landlord LLC	
Project Address	11675 SW Tom Mackie Boulevard	
Parcel Tax ID	4315-800-0003-000-6	
Finished/Under Air (SF)		401,462
Site Size (Acres)		37.873
2020 Taxable Value		
Land	$	3,124,500
Building		28,131,200
Total:	**$**	**31,255,700**
Annual Inflation Factor		**0%**

Land Use	City SAD		District CI	
Single-family Residential (55 or less) (Per Unit)	$	281.93	$	597.08
Single-family Residential (55 to 66) (Per Unit)	$	281.93	$	669.09
Single-family Residential (67 or more) (Per Unit)	$	281.93	$	723.44
Multi-family Units (Per Unit)	$	179.16	$	555.15
Apartment Units (Per Unit)	$	139.93	$	411.64
Retail (Per SF)	$	0.45	$	0.98
Office (Per SF)	$	0.45	$	0.45
Research & Development (Per SF)	$	0.45	$	0.43
Warehouse/Industrial (Per SF)	$	0.30	$	0.51
Hospital (Per Bed)	$	254.17	$	506.89
Hotel (Per Room)	$	254.17	$	506.89

WTL+a

Table 2: Total Impacts to the City of Port St. Lucie—Tamco/City Electric, 2020—2040

Taxing or Levying Authority	2020 Millage Rate/$1,000 AV	Year 1 2020	2 2021	3 2022	4 2023	5 2024	6 2025	7 2026	8 2027	9 2028	10 2029	11 2030	12 2031	13 2032	14 2033	15 2034	16 2035	17 2036	18 2037	19 2038	20 2039
City of Port St. Lucie																					
Annual Ad Valorem Taxes																					
% Taxable (10-Year Abatement-Improvements Only)		0%	0%	0%	0%	0%	20%	40%	60%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Land	$ 4.9807	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20	$ 15,562.20
Improvements	4.9807	-	-	-	-	-	28,022.61	56,045.23	84,067.84	112,090.45	140,113.07	140,113.07	140,113.07	140,113.07	140,113.07	140,113.07	140,113.07	140,113.07	140,113.07	140,113.07	140,113.07
TOTAL - Ad Valorem:	**$ 4.9807**	**$ 15,562.20**	**$ 15,562.20**	**$ 15,562.20**	**$ 15,562.20**	**$ 15,562.20**	**$ 43,584.81**	**$ 71,607.42**	**$ 99,630.04**	**$ 127,652.65**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**	**$ 155,675.26**
Non-Ad Valorem Assessments	**Rate**	**2020 Tax Bill**																			
PSL Stormwater Improv/Maint (ERU)	392.05	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44	$ 17,747.44
PSL SW Annexation SAD District #1	0.30	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00	129,000.00
Southern Grove CDD Bond	0.51	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37	174,113.37
Southern Grove CDD O&M		18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53	18,318.53
TOTAL - Non-Ad Valorem:		**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**	**$ 339,179.34**
Impact Analysis																					
Gross Annual Taxes & Assessments	(1)	**$ 354,741.54**	**$ 354,741.54**	**$ 354,741.54**	**$ 354,741.54**	**$ 354,741.54**	**$ 382,764.15**	**$ 410,786.76**	**$ 438,809.38**	**$ 466,831.99**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**	**$ 494,854.60**
City Impact Fees (Road Credit)	(2)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Potential TIF Credits		(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)
Other Benefits Provided by City		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES TO CITY:																					
Land Sales Revenues (Net to GFC)		$ -																			
+ Developer Infrastructure Contribution		$ -																			
+ Gross Annual Taxes		$ 354,741.54	$ 354,741.54	$ 354,741.54	$ 354,741.54	$ 354,741.54	$ 382,764.15	$ 410,786.76	$ 438,809.38	$ 466,831.99	$ 494,854.60	$ 494,854.60	$ 494,854.60	$ 494,854.60	$ 494,854.60	$ 494,854.60	$ 494,854.60	$ 494,854.60	$ 494,854.60	$ 494,854.60	$ 494,854.60
- Annual Incentives & TIF Credits		(168,328.33)	(168,328.33)	(168,328.33)	(168,328.33)	(168,328.33)	(140,305.71)	(112,283.10)	(84,260.49)	(56,237.87)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)	(28,215.26)
Net Annual Revenues:		**$ 186,413.21**	**$ 186,413.21**	**$ 186,413.21**	**$ 186,413.21**	**$ 186,413.21**	**$ 242,458.44**	**$ 298,503.66**	**$ 354,548.89**	**$ 410,594.12**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**	**$ 466,639.34**
Gross Ad Valorem & Non-Ad Valorem Tax Revenues During 10 Year Tax Abatement:										**Years 1-10:**	**$3,967,754.58**									**Years 1-20:**	**$7,371,203.95**
Less Total Cost of Incentives (10-Year Tax Abatement + Credits):			(3)								**$ (1,262,944)**										**$ (1,545,097)**
Net Tax Revenue to City of Port St. Lucie:			(4)								**$2,704,810.50**										**$5,826,107.27**
Estimated Leverage Ratio Per $1 of Public Investment (Years 10 & 20):											**$ 2.14**										**$ 3.77**

(1) Includes City of Port St. Lucie General Fund but excludes Voted Debt.
(2) Among City Impact Fees, the road credit for Tamco is charged as a direct pass-through that generates neither costs nor benefits to the City of Port St. Lucie.
(3) The estimated cost of incentives is the sum of the 10-year tax abatement plus the TIF credits.
(4) Net tax revenues are the difference between gross tax revenues and the total cost of incentives.
https://www.paslc.org/RECard/#/propCard/183271
https://stlucie.county-taxes.com/public/real_estate/parcels/4315-800-0003-000-6/bills/3907218

Source: St. Lucie County Property Appraiser; City of Port St. Lucie; RDS LLC; WTL+a, revised December 2020.

Table 3: Tax Revenues Accruing to Other Taxing Entities—Tamco/City Electric, 2020—2040

		Year																			
	2020 Millage	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Taxing or Levying Authority	Rate/$1,000 AV	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
All Other Taxing Entities (Land & Improvements)																					
% Taxable		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
County Parks MSTU	$ 0.2313	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44	$ 7,229.44
County Public Transit MSTU	0.1269	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35	3,966.35
Erosion District E	0.1763	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38	5,510.38
Law Enf/Jail/Judicial System	3.2324	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92	101,030.92
County General Revenue Fund	4.2077	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61	131,514.61
Children's Service Council	0.4765	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34	14,893.34
St Lucie County Fire District	3.0000	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10	93,767.10
FL Inland Navigation District	0.0320	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18	1,000.18
City of PSL Voted Debt	0.9193	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37	28,733.37
School Discretionary	0.7480	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26	23,379.26
School Capital Improvement	1.5000	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55	46,883.55
School Req Local Effort	3.7010	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35	115,677.35
School Voter Referendum	1.0000	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70	31,255.70
Mosquito Control	0.1352	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77	4,225.77
South FL Water Mgmt. District	0.2675	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90	8,360.90
TOTAL - Other Taxing Entities:	**$ 19.7541**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**	**$ 617,428.22**
																					$ 12,348,564

(1) Includes City of Port St. Lucie General Fund but excludes Voted Debt.

(2) Among City Impact Fees, the road credit for Tamco is charged as a direct pass-through that generates neither costs nor benefits to the City of Port St. Lucie.

(3) The estimated cost of incentives is the sum of the 10-year tax abatement plus the TIF credits.

(4) Net tax revenues are the difference between gross tax revenues and the total cost of incentives.

https://www.paslc.org/RECard/#/propCard/183271

https://stlucie.county-taxes.com/public/real_estate/parcels/4315-800-0003-000-6/bills/3907218

Source: St. Lucie County Property Appraiser; City of Port St. Lucie; RDS LLC; WTL+a, revised December 2020.

Other assumptions in the analysis of Tamco/City Electric include:

- Applying the current full City and ad valorem millage rates for all other taxing entities of $4.9807 and $19.7541, respectively, per $1,000 of assessed valuation. This analysis does not account for any potential changes in real estate millage rates or impact fees over time;
- Utilizing a 0% annual inflation factor over a 20-year forecast period (i.e., illustrated in 2020 dollars);
- Using the four annual non-ad valorem assessments as identified on Tamco's 2020 property tax bill (included at the end of this memorandum):
    - Port St. Lucie storm water improvement/maintenance ($17,747.44 per year)
    - Port St. Lucie SW Annexation SAD District #1 ($129,000 per year)
    - Southern Grove CDD Bond (District #1) ($174,113.37 per year), and
    - Southern Grove CDD Operations & Maintenance (O&M) ($18,318.53 per year).

Key Findings—Tamco/City Electric

As illustrated in Table 2 and Table 3, the analysis of public incentives awarded to the Tamco/City Electric project indicates the following:

- **The estimated cost of the ad valorem tax abatement to the City of Port St. Lucie over the first 10 years is $1,262,944.** This includes the foregone ad valorem taxes on the improvements (building) over the 10-year tax abatement as well as annual TIF credits totaling $282,153;
- With gross ad valorem and non-ad valorem tax revenues in years 1—10 of $3,967,755, this yields a **leverage ratio (public return-on-investment) of $1:$2.14 in private investment**. The project's overall leverage ratio improves after the tax abatement expires in year 10; over the 20-year forecast period, gross tax revenues are estimated at $7,371,204, which yields an **overall leverage ratio of $1:$3.77**;
- Over a 20-year period, other taxing entities could be expected to collect increasing amounts up to **$617,428 per year in ad valorem taxes on the project's building at current millage rates (using the building's 2020 taxable value)**. This equates to estimated total property taxes collected on the building over the 20-year forecast period of approximately

$12,348,564 to these other taxing entities. This amount includes an estimated **$574,667 in ad valorem tax revenues dedicated to "Port St. Lucie Voted Debt"**, which equates to $28,733.37 per year based on a current millage rate of $0.9193 per $1,000 of assessed valuation;

- Non-ad valorem assessments (SW Annexation SAD, CDD #5, etc.) are estimated to total $339,179 per year;
- To accurately compare the amount of acreage consumed against the annual SAD payments for each of the three case studies, the 37.87 acres owned by Tamco was added to the 1,091 acres owned by GFC (as the Tamco sale preceded the acquisition by GFC). As a result, considering the City's bond obligations, the 37.87-acre Tamco property represents 3.35% of this 1,129 acres, and the transaction as structured would appear to provide 2.86% of the City's annual SAD debt obligation;
- In conclusion, **total *net* revenues accruing to the City of Port St. Lucie over the 20-year forecast period from the Tamco/City Electric project are estimated at $5,826,107**; and
- In addition, job creation and the estimated value of annual salaries and other benefits will also generate other components of local economic drivers, such as annual retail sales and other taxes, direct and indirect spending, etc.

Project Case Study: Oculus Surgical, Inc.

As illustrated in Table 4, Oculus Surgical, Inc. is a proposed manufacturing and research & development facility to be located on an 8.174-site on SW Discovery Way in the Southern Grove study area. The owner, Oculus Surgical, Inc., purchased the site for $849,680 in November 2019. The acquisition equates to a sale price of $103,949 per acre (or $2.39 per sq. ft.-dirt). According to Property Appraiser data, the site's 2020 taxable value is $600,800 (for land only; as a vacant site, there is no improvement value).

WTL+a

Table 4: Relevant Property Information & Assessment Rates—Oculus Surgical, Inc.

Project Owner	Oculus Surgical, Inc.		
Project Address	TBD; SW Discovery Way		
Parcel Tax ID	4315-706-0003-000-7		
Finished/Under Air-Warehouse (SF)		53,743	
Finished/Under Air-R&D (SF)		96,257	
Total:		**150,000**	*(1)*
Site Size (Acres)		8.174	
2020 Taxable Value			
Land	$	600,800	
Improvements-Warehouse		3,765,873	*(2)*
Improvements-R&D		6,744,910	*(2)*
Total:	**$**	**11,111,583**	
Annual Inflation Factor		**0%**	

Land Use		City SAD		District CI
Single-family Residential (55 or less) (Per Unit)	$	281.93	$	597.08
Single-family Residential (55 to 66) (Per Unit)	$	281.93	$	669.09
Single-family Residential (67 or more) (Per Unit)	$	281.93	$	723.44
Multi-family Units (Per Unit)	$	179.16	$	555.15
Apartment Units (Per Unit)	$	139.93	$	411.64
Retail (Per SF)	$	0.45	$	0.98
Office (Per SF)	$	0.45	$	0.45
Research & Development (Per SF)	$	0.45	$	0.43
Warehouse/Industrial (Per SF)	$	0.30	$	0.51
Hospital (Per Bed)	$	254.17	$	506.89
Hotel (Per Room)	$	254.17	$	506.89

As noted above, Oculus currently has development rights for a 53,743 sq. ft. warehouse for which it is assessed under the SAD. Their approved site plan contemplates buildout of 150,000 sq. ft., for which they would need to have General Finance Corporation/GFC (the City) assign additional development rights and corresponding SAD assessment. According to the City, upon approval of additional development rights a future phase is expected to include a combination of warehouse, manufacturing and research & development functions (exact size unknown) as large as 96,257 sq. ft. under their proposed buildout/entitlements.

As this combination of uses may include highly-specialized functions, building features and interior fitout and equipment, the analysis utilizes an estimated improvement value of $70.07 per sq. ft. (similar to the Tamco facility), as estimated by City staff. This yields an assumed taxable value of $3,765,870 for the 53,743 sq. ft. warehouse in phase one and $6,744,910 for the remaining 96,257 sq. ft. facility in phase two.

According to the City, incentives utilized to secure the development agreement with Oculus include:

- **Ad Valorem Property Tax Abatement on Building/Improvements**—Oculus has been approved to receive the tax abatement. However, since the building has not yet been constructed, the applicant has not formally applied to receive the abatement. Upon delivery of the warehouse, a tax abatement of the improvements will be applied through year nine (i.e., 100% abatement of ad valorem taxes for the first five years, then a graduated increase of 20% per year in years 6, 7, 8 and 9). Full (i.e., 100%) property taxes will be assessed and collected in year 10 and thereafter (through year 20 of the forecast period). **The abatement does *not* apply to the taxable value associated with the land**; and
- **Tax Increment Financing (TIF) Credits**—Oculus will be eligible for a TIF credit. However, since no buildings have been constructed, the applicant has not formally applied to receive the credit. Therefore, it is not known what the actual annual TIF credit will be. For purposes of this analysis, a $10,000 annual TIF credit was applied as a placeholder over the 20-year forecast period.

Table 5: Total Impacts to the City of Port St. Lucie—Oculus Surgical, Inc., 2020—2040

		Year																			
	2020 Millage	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Taxing or Levying Authority	Rate/$1,000 AV	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
City of Port St. Lucie																					
Annual Ad Valorem Taxes-Warehouse		(3)		**Whse Delivered**		**R&D Delivered**															
% Taxable (10-Year Abatement-Improvements Only)				0%	0%	0%	0%	0%	20%	40%	60%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Land	$ 4.9807	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40	$ 2,992.40
Improvements-Warehouse	4.9807	-	-	-	-	-	-	-	3,751.34	7,502.67	11,254.01	15,005.35	18,756.69	18,756.69	18,756.69	18,756.69	18,756.69	18,756.69	18,756.69	18,756.69	18,756.69
Improvements-R&D	4.9807	-	-	-	-	-	-	-	-	-	6,718.87	13,437.75	20,156.62	26,875.50	33,594.37	33,594.37	33,594.37	33,594.37	33,594.37	33,594.37	33,594.37
TOTAL - Ad Valorem:	**$ 4.9807**	**$ 2,992.40**	**$ 2,992.40**	**$ 2,992.40**	**$ 2,992.40**	**$ 2,992.40**	**$ 2,992.40**	**$ 2,992.40**	**$ 6,743.74**	**$ 10,495.08**	**$ 20,965.29**	**$ 31,435.50**	**$ 41,905.71**	**$ 48,624.59**	**$ 55,343.46**	**$ 55,343.46**	**$ 55,343.46**	**$ 55,343.46**	**$ 55,343.46**	**$ 55,343.46**	**$ 55,343.46**
Non-Ad Valorem Assessments	**Rate**	**2020 Tax Bill**																			
PSL Stormwater Southern Grove (ERU)	22.1900	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97	$ 3,616.97
PSL SW Annexation SAD District #1	$ 0.30	16,122.90	16,122.90	16,122.90	16,122.90	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00	45,000.00
Southern Grove CDD Bond	0.51	-	-	27,408.93	27,408.93	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00	76,500.00
Southern Grove CDD O&M		2,400.67	2,400.67	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71	3,476.71
TOTAL - Non-Ad Valorem:		**$ 22,140.54**	**$ 22,140.54**	**$ 50,625.51**	**$ 50,625.51**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**	**$ 128,593.68**
Impact Analysis																					
Gross Annual Taxes & Assessments	(4)	**$ 25,132.94**	**$ 25,132.94**	**$ 53,617.91**	**$ 53,617.91**	**$ 131,586.08**	**$ 131,586.08**	**$ 131,586.08**	**$ 135,337.42**	**$ 139,088.75**	**$ 149,558.97**	**$ 160,029.18**	**$ 170,499.39**	**$ 177,218.26**	**$ 183,937.14**	**$ 183,937.14**	**$ 183,937.14**	**$ 183,937.14**	**$ 183,937.14**	**$ 183,937.14**	**$ 183,937.14**
City Impact Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Potential TIF Credits (Warehouse)	(5)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)
Potential TIF Credits (R&D)	(5)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)
Other Benefits Provided by City		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES TO CITY & SITE BENEFITS:																					
Land Sales Revenues (Net to GFC)		$ 682,462.15																			
+ Other Developer Benefits	***(6)***	-																			
+ Gross Annual Taxes		25,132.94	25,132.94	53,617.91	53,617.91	131,586.08	131,586.08	131,586.08	135,337.42	139,088.75	149,558.97	160,029.18	170,499.39	177,218.26	183,937.14	183,937.14	183,937.14	183,937.14	183,937.14	183,937.14	183,937.14
- Annual Incentives & Credits (Warehouse)		-	-	(23,756.69)	(23,756.69)	(23,756.69)	(23,756.69)	(23,756.69)	(20,005.35)	(16,254.01)	(12,502.67)	(8,751.34)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)
- Annual Incentives & Credits (R&D)		-	-	-	-	(38,594.37)	(38,594.37)	(38,594.37)	(38,594.37)	(38,594.37)	(31,875.50)	(25,156.62)	(18,437.75)	(11,718.87)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)	(5,000.00)
Net Annual Revenues:		**$ 707,595.09**	**$ 25,132.94**	**$ 29,861.22**	**$ 29,861.22**	**$ 69,235.02**	**$ 69,235.02**	**$ 69,235.02**	**$ 76,737.70**	**$ 84,240.37**	**$ 105,180.79**	**$ 126,121.22**	**$ 147,061.64**	**$ 160,499.39**	**$ 173,937.14**	**$ 173,937.14**	**$ 173,937.14**	**$ 173,937.14**	**$ 173,937.14**	**$ 173,937.14**	**$ 173,937.14**
Gross Ad Valorem & Non-Ad Valorem Tax Revenues During 10 Year Tax Abatement:												**Years 1-10:**	**$1,306,773.65**							**Years 1-20:**	**$3,454,014.02**
Less Total Cost of Incentives (10-Year Tax Abatement + Credits):			*(7)*										**$ (449,738.53)**								**(536,457.40)**
Net Tax Revenue to City of Port St. Lucie:			*(8)*										**$ 857,035.12**								**$2,917,556.62**
Estimated Leverage Ratio Per $1 of Public Investment (Years 10 & 20):													**$ 1.91**								**$ 5.44**

(1) Oculus Surgical, Inc. currently has development rights for 53,743 sq. ft. for which it is assessed under the SAD. Their approval site plan contemplates a buildout of 150,000 sq. ft. for which they would need to have GFC assign additional development rights and corresponding SAD assessment.
(2) The 2020 assessed value for building improvements is not available. For the Oculus facilities, the per square foot taxable value of the Tamco warehouse/industrial improvements ($70.07 per sq. ft.) was applied.
(3) Assumes delivery of 53,743 sq. ft. of warehouse space in 2021 and an additional 96,257 sq. ft. of improvements (proposed R&D facility) in 2024.
(4) Includes City of Port St. Lucie General Fund but excludes Voted Debt.
(5) Since the project has not been built, potential TIF credits are unknown at time of analysis. The analysis assumes a placeholder credit of $10,000 per year for the Oculus facilities.
(6) The developer of Oculus Surgical, Inc. receives an estimated one-time "lake benefit" of $158,400 as its share (27.3%) of benefits derived from a stormwater lake to be constructed by AHS at an estimated cost of $580,000.
(7) The estimated cost of incentives is the sum of the 10-year tax abatement plus any impact fee credits received in year 1.
(8) Net tax revenues are the difference between gross tax revenues and the total cost of incentives.
https://stlucie.county-taxes.com/public/real_estate/parcels/4315-706-0003-000-7/bills/4141293#bill *https://www.paslc.org/RECard/#/propCard/188170*

Source: St. Lucie County Property Appraiser; City of Port St. Lucie; RDS LLC; WTL+a, revised January 2021.

Table 6: Tax Revenues Accruing to Other Taxing Entities—Oculus Surgical, Inc., 2020—2040

Taxing or Levying Authority	2020 Millage Rate/$1,000 AV	Year 1 2020	2 2021	3 2022	4 2023	5 2024	6 2025	7 2026	8 2027	9 2028	10 2029
All Other Taxing Entities (Land & Improvements) (2)											
% Taxable		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
County Parks MSTU	$ 0.2313	$ 138.97	$ 138.97	$ 1,010.01	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11
County Public Transit MSTU	0.1269	76.24	76.24	554.13	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06
Erosion District E	0.1763	105.92	105.92	769.84	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97
Law Enf/Jail/Judicial System	3.2324	1,942.03	1,942.03	14,114.84	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08
County General Revenue Fund	4.2077	2,527.99	2,527.99	18,373.65	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21
Children's Service Council	0.4765	286.28	286.28	2,080.72	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67
St Lucie County Fire District	3.0000	1,802.40	1,802.40	13,100.02	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75
FL Inland Navigation District	0.0320	19.23	19.23	139.73	355.57	355.57	355.57	355.57	355.57	355.57	355.57
City of PSL Voted Debt	0.9193	552.32	552.32	4,014.28	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88
School Discretionary	0.7480	449.40	449.40	3,266.27	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46
School Capital Improvement	1.5000	901.20	901.20	6,550.01	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37
School Req Local Effort	3.7010	2,223.56	2,223.56	16,161.06	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97
School Voter Referendum	1.0000	600.80	600.80	4,366.67	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58
Mosquito Control	0.1352	81.23	81.23	590.37	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29
South FL Water Mgmt. District	0.2675	160.71	160.71	554.13	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35
TOTAL - Other Taxing Entities:	**$ 19.7541**	**$ 11,868.26**	**$ 11,868.26**	**$ 85,645.75**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**

Taxing or Levying Authority	Year 11 2030	12 2031	13 2032	14 2033	15 2034	16 2035	17 2036	18 2037	19 2038	20 2039
All Other Taxing Entities (Land & Improvements) (2)										
% Taxable	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
County Parks MSTU	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11	$ 2,570.11
County Public Transit MSTU	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06	1,410.06
Erosion District E	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97	1,958.97
Law Enf/Jail/Judicial System	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08	35,917.08
County General Revenue Fund	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21	46,754.21
Children's Service Council	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67	5,294.67
St Lucie County Fire District	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75	33,334.75
FL Inland Navigation District	355.57	355.57	355.57	355.57	355.57	355.57	355.57	355.57	355.57	355.57
City of PSL Voted Debt	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88	10,214.88
School Discretionary	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46	8,311.46
School Capital Improvement	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37	16,667.37
School Req Local Effort	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97	41,123.97
School Voter Referendum	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58	11,111.58
Mosquito Control	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29	1,502.29
South FL Water Mgmt. District	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35	2,972.35
TOTAL - Other Taxing Entities:	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**	**$ 219,499.32**
										$3,840,870.78

(1) Oculus Surgical, Inc. currently has development rights for 53,743 sq. ft. for which it is assessed under the SAD. Their approval site plan contemplates a buildout of 150,000 sq. ft. for which they would need to have GFC assign additional development rights and corresponding SAD assessment.

(2) The 2020 assessed value for building improvements is not available. For the Oculus facilities, the per square foot taxable value of the Tamco warehouse/industrial improvements ($70.07 per sq. ft.) was applied.

(3) Assumes delivery of 53,743 sq. ft. of warehouse space in 2021 and an additional 96,257 sq. ft. of improvements (proposed R&D facility) in 2024.

(4) Includes City of Port St. Lucie General Fund but excludes Voted Debt.

(5) Since the project has not been built, potential TIF credits are unknown at time of analysis. The analysis assumes a placeholder credit of $10,000 per year for the Oculus facilities.

(6) The developer of Oculus Surgical, Inc. receives an estimated one-time "lake benefit" of $158,400 as its share (27.3%) of benefits derived from a stormwater lake to be constructed by AHS at an estimated cost of $580,000.

(7) The estimated cost of incentives is the sum of the 10-year tax abatement plus any impact fee credits received in year 1.

(8) Net tax revenues are the difference between gross tax revenues and the total cost of incentives.

https://stlucie.county-taxes.com/public/real_estate/parcels/4315-706-0003-000-7/bills/4141293#bill *https://www.paslc.org/RECard/#/propCard/188170*

Source: St. Lucie County Property Appraiser; City of Port St. Lucie; RDS LLC; WTL+a, revised January 2021.

Other assumptions in the analysis of Oculus Surgical, Inc. include:

- Applying the current City and all other taxing entities ad valorem millage rates of $4.9807 and $19.7541, respectively, per $1,000 of assessed valuation. This analysis does not account for any potential changes in real estate millage rates or impact fees over time;
- Utilizing a 0% annual inflation factor over a 20-year forecast period (i.e., illustrated in 2020 dollars);
- Using the four annual non-ad valorem assessments as identified on the Oculus Surgical 2020 property tax bill (included at the end of this memorandum):
    - Port St. Lucie storm water improvement/maintenance ($3,616.97 per year). The stormwater fee after buildout cannot be determined
    - Port St. Lucie SW Annexation SAD District #1 ($16,122.90 per year for phase one and $45,000 per year after buildout)
    - Southern Grove CDD Bond (District #1) ($76,500 per year after buildout), and
    - Southern Grove CDD Operations & Maintenance (O&M) ($3,476.71 per year after buildout).

Key Findings—Oculus Surgical, Inc.

As illustrated in Table 5 and Table 6, the analysis of public incentives awarded to the Oculus Surgical project indicates the following:

- One-time net land sales revenue to the City's General Finance Corporation (GFC) of $682,462 in year one;
- The developer of the AHS multi-family project on an adjacent site will construct a 5.78-acre stormwater lake at an estimated cost of $580,000. This will benefit the Oculus site (and one other adjacent site). According to the City, Oculus did not contribute any cost but will enjoy the benefit, which is estimated to be approximately $158,400;
- **The estimated cost of the 10-year ad valorem tax abatement for the Oculus facilities (at buildout) to the City of Port St. Lucie is approximately $449,739.** This includes the foregone ad valorem taxes on the improvements (building) over the 10-year tax abatement

(years 3 through 12 of the analysis). This estimate also includes $100,000 in TIF credits (estimated using a placeholder of $10,000 per year);

- With gross ad valorem and non-ad valorem tax revenues during the first 10 years of $1,306,774, this yields a **leverage ratio (public return-on-investment) of $1:$1.91 in private investment**. The project's overall leverage ratio strengthens further after the tax abatement expires in year 10; over the 20-year forecast period, gross tax revenues are estimated at $3,454,014, which yields an **overall leverage ratio of $1:$5.44**;
- Over a 20-year period, other taxing entities could be expected to collect increasing annual amounts up to **$219,499 per year in ad valorem taxes on the project's improvements at current millage rates (using an estimated 2020 taxable value)**. This equates to estimated total property taxes collected on the Oculus project over the 20-year forecast period of approximately $3,840,870 to these other taxing entities. This amount includes an estimated **$178,772 in ad valorem tax revenues dedicated to "Port St. Lucie Voted Debt"**, which equates to $10,215 per year based on a current millage rate of $0.9193 per $1,000 of assessed valuation from the year in which the Oculus facility achieves full buildout;
- Non-ad valorem assessments (SW Annexation SAD, CDD #5, etc.) are estimated to total $128,594 per year during the years after the Oculus facility achieves full buildout;
- To accurately compare the amount of acreage consumed against the annual SAD payments for each of the three case studies, the 37.87 acres owned by Tamco was added to the 1,091 acres owned by GFC (as the Tamco sale preceded the acquisition by GFC). As a result, considering the City's bond obligations, the 8.17-acre Oculus project represents 0.72% of this 1,129 acres, and the transaction as structured would appear to provide 1.70% of the City's annual SAD debt obligation;
- In conclusion, **total *net* revenues accruing to the City of Port St. Lucie over the 20-year forecast period for the Oculus project are estimated at $2,917,557**; and
- In addition, job creation and the estimated value of annual salaries and other benefits will also generate other components of local economic drivers, such as annual retail sales and other taxes, direct and indirect spending, etc.

Project Case Study: AHS

As illustrated in Table 7, AHS is a proposed 372-unit multi-family rental apartment project to be located on a 16.25-acre site on SW Village Parkway and SW Trade Center Drive in the Southern Grove study area. The owner is Village at Tradition, LLC. According to the entitlement data provided by City, the project will include eight buildings comprising 298,680 sq. ft. of gross building area. Average unit size is estimated at 803 sq. ft.

For purposes of the financial scorecard analysis, the project's taxable value of $34,052,981 is comprised of $3,656,700 for land (from the St. Lucie County Property Appraiser) and an estimate of $30,398,281 for improvements. The taxable value for improvements is an estimate based on a per-unit value of $81,710 at Grand Palms at Tradition II, a new multi-family development located at 10680 SW Discovery Way.

The analysis distributes delivery of the project in two phases—four buildings containing 192 units (52%) in the first phase delivered in 2022 and four buildings with 180 units in phase two (48%) delivered in 2024. Non ad valorem payments are reflected for both phases.

According to the City, the AHS project will *not* be eligible for ad valorem property tax abatements. The project will be eligible for Tax Increment Financing (TIF) credits. However, since no buildings have been constructed, the applicant has not formally applied to receive the credit. It is not known what the annual TIF credit will be. For purposes of this analysis, an estimated annual TIF credit of $25,645 per year ($68.94/unit) was applied over the 20-year forecast period. This is an estimated based on the annual TIF credits in effect at Grand Palms at Tradition II ($68.94 per unit).

Table 7: Relevant Property Information & Assessment Rates—AHS Project

Project Owner	Village at Tradition, LLC	
Project Address	11750 SW Village Parkway	
Parcel Tax ID	TBD	
Finished/Under Air (SF)	298,680	
No. of Units	372	
Site Size (Acres)	16.25	
2020 Taxable Value		
Land	$ 3,656,700	
Building	30,396,281	*(1)*
Total:	**$ 34,052,981**	
Annual Inflation Factor	**0%**	

Land Use	City SAD	District CI
Single-family Residential (55 or less) (Per Unit)	$ 281.93	$ 597.08
Single-family Residential (55 to 66) (Per Unit)	$ 281.93	$ 669.09
Single-family Residential (67 or more) (Per Unit)	$ 281.93	$ 723.44
Multi-family Units (Per Unit)	$ 179.16	$ 555.15
Apartment Units (Per Unit)	$ 139.93	$ 411.64
Retail (Per SF)	$ 0.45	$ 0.98
Office (Per SF)	$ 0.45	$ 0.45
Research & Development (Per SF)	$ 0.45	$ 0.43
Warehouse/Industrial (Per SF)	$ 0.30	$ 0.51
Hospital (Per Bed)	$ 254.17	$ 506.89
Hotel (Per Room)	$ 254.17	$ 506.89

Table 8: Total Impacts to the City of Port St. Lucie—AHS, 2020—2040

Taxing or Levying Authority	2020 Millage Rate/$1,000 AV	Year 1 2020	2 2021	3 2022	4 2023	5 2024	6 2025	7 2026	8 2027	9 2028	10 2029	11 2030	12 2031	13 2032	14 2033	15 2034	16 2035	17 2036	18 2037	19 2038	20 2039
City of Port St. Lucie																					
Annual Ad Valorem Taxes				Ph 1 Delivery		Ph 2 Delivery															
% Taxable		0%	0%	52%	52%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Land	$ 4.9807	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93	$ 18,212.93
Improvements	4.9807	-	-	78,139.23	78,139.23	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76	151,394.76
TOTAL - Ad Valorem:	**$ 4.9807**	**$ 18,212.93**	**$ 18,212.93**	**$ 96,352.15**	**$ 96,352.15**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**	**$ 169,607.68**
Non-Ad Valorem Assessments	**Rate**	**2020 Tax Bill**																			
PSL Stormwater Southern Grove (ERU)	205.5200	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19	$ 7,193.19
PSL SW Annexation SAD District #1	$ 139.93	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96	52,053.96
Southern Grove CDD Bond	411.64	-	-	79,627.64	79,627.64	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08	153,130.08
Southern Grove CDD O&M	-	4,774.90	4,774.90	7,866.69	7,866.69	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09	10,749.09
TOTAL - Non-Ad Valorem:		**$ 64,022.05**	**$ 64,022.05**	**$ 146,741.48**	**$ 146,741.48**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**	**$ 223,126.32**
Impact Analysis																					
Gross Annual Taxes & Assessments	*(3)*	**$ 82,234.98**	**$ 82,234.98**	**$ 243,093.63**	**$ 243,093.63**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**	**$ 392,734.00**
City Impact Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Potential TIF Credits	*(4)*	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)
Other Benefits Provided by City		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

TOTAL REVENUES TO CITY:																					
Land Sales Revenues (Net to GFC)		$1,721,900.45																			
+ Other Developer Benefits	***(5)***	$ -																			
+ Gross Annual Taxes		$ 82,234.98	$ 82,234.98	$ 243,093.63	$ 243,093.63	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00	$ 392,734.00
- Annual Incentives & Credits		(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)	(25,644.76)
Net Annual Revenues:		**$1,778,490.66**	**$ 56,590.21**	**$ 217,448.87**	**$ 217,448.87**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**	**$ 367,089.24**
Gross Ad Valorem & Non-Ad Valorem Tax Revenues During 10 Year Tax Abatement:										**Years 1-10:**	**$3,007,061.21**									**Years 1-20:**	**$6,934,401.20**
Less Total Cost of Incentives (TIF Credits) ***(6):***											**$ (256,447.63)**										**(512,895.26)**
Net Tax Revenue to City of Port St. Lucie ***(7):***											**$2,750,613.58**										**$6,421,505.94**
Estimated Leverage Ratio at Years 10 & 20:											**$ 10.73**										**$ 12.52**

(1) The 2020 assessed value for building improvements is not available. For purposes of this analysis, WTL+a used the average assessed value of new multi-family units at Grande Palms at Tradition, located at 10680 SW Academy Way ($81,710 per unit).
(2) Assumes two phases of construction: 192 units in phase 1 delivered in 2022, and 180 units in phase 2 delivered in 2024.
(3) Includes City of Port St. Lucie General Fund but excludes Voted Debt.
(4) The TIF credit is an estimate based on the per unit TIF credit for Grand Palms at Tradition I and II ($68.94 per unit).
(5) The developer of AHS receives an estimated one-time "lake benefit" of $319,300 as its share (55.1%) of benefits derived from a stormwater lake to be constructed by AHS at an estimated cost of $580,000.
(6) The estimated cost of incentives is the sum of the 10-year tax abatement plus TIF credits.
(7) Net tax revenues are the difference between gross tax revenues and the total cost of incentives.
https://stlucie.county-taxes.com/public/real_estate/parcels/4315-706-0004-000-4/bills/4141939

Source: St. Lucie County Property Appraiser; City of Port St. Lucie; RDS LLC; WTL+a, revised January 2021.

WTL+a

Table 9: Tax Revenues Accruing to Other Taxing Entities—AHS, 2020—2040

Taxing or Levying Authority	2020 Millage Rate/$1,000 AV	1 2020	2 2021	3 2022	4 2023	5 2024	6 2025	7 2026	8 2027	9 2028	10 2029	11 2030	12 2031	13 2032	14 2033	15 2034	16 2035	17 2036	18 2037	19 2038	20 2039
		Year																			
All Other Taxing Entities (Land & Improvements) (2)																					
% Taxable		100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
County Parks MSTU	$ 0.2313	$ 845.79	$ 845.79	$ 4,065.27	$ 4,065.27	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45	$ 7,876.45
County Public Transit MSTU	0.1269	464.04	464.04	2,230.36	2,230.36	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32	4,321.32
Erosion District E	0.1763	644.68	644.68	3,098.60	3,098.60	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54	6,003.54
Law Enf/Jail/Judicial System	3.2324	11,819.92	11,819.92	56,811.80	56,811.80	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86	110,072.86
County General Revenue Fund	4.2077	15,386.30	15,386.30	73,953.41	73,953.41	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73	143,284.73
Children's Service Council	0.4765	1,742.42	1,742.42	8,374.84	8,374.84	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25	16,226.25
St Lucie County Fire District	3.0000	10,970.10	10,970.10	52,727.20	52,727.20	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94	102,158.94
FL Inland Navigation District	0.0320	117.01	117.01	562.42	562.42	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70	1,089.70
City of PSL Voted Debt	0.9193	3,361.60	3,361.60	16,157.37	16,157.37	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91	31,304.91
School Discretionary	0.7480	2,735.21	2,735.21	13,146.65	13,146.65	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63	25,471.63
School Capital Improvement	1.5000	5,485.05	5,485.05	26,363.60	26,363.60	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47	51,079.47
School Req Local Effort	3.7010	13,533.45	13,533.45	65,047.78	65,047.78	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08	126,030.08
School Voter Referendum	1.0000	3,656.70	3,656.70	17,575.73	17,575.73	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98	34,052.98
Mosquito Control	0.1352	494.39	494.39	2,376.24	2,376.24	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96	4,603.96
South FL Water Mgmt. District	0.2675	978.17	978.17	4,701.51	4,701.51	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17	9,109.17
TOTAL - Other Taxing Entities:	**$ 19.7541**	**$ 72,234.82**	**$ 72,234.82**	**$ 347,192.77**	**$ 347,192.77**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**	**$ 672,685.99**
																					$ 11,601,831

(1) The 2020 assessed value for building improvements is not available. For purposes of this analysis, WTL+a used the average assessed value of new multi-family units at Grande Palms at Tradition, located at 10680 SW Academy Way ($81,710 per unit).

(2) Assumes two phases of construction: 192 units in phase 1 delivered in 2022, and 180 units in phase 2 delivered in 2024.

(3) Includes City of Port St. Lucie General Fund but excludes Voted Debt.

(4) The TIF credit is an estimate based on the per unit TIF credit for Grand Palms at Tradition I and II ($68.94 per unit).

(5) The developer of AHS receives an estimated one-time "lake benefit" of $319,300 as its share (55.1%) of benefits derived from a stormwater lake to be constructed by AHS at an estimated cost of $580,000.

(6) The estimated cost of incentives is the sum of the 10-year tax abatement plus TIF credits.

(7) Net tax revenues are the difference between gross tax revenues and the total cost of incentives.

https://stlucie.county-taxes.com/public/real_estate/parcels/4315-706-0004-000-4/bills/4141939

Source: St. Lucie County Property Appraiser; City of Port St. Lucie; RDS LLC; WTL+a, revised January 2021.

Other assumptions in the analysis of AHS include:

- Applying the current full City and all other taxing entities ad valorem millage rates of $4.9807 and $19.7541, respectively, per $1,000 of assessed valuation. This analysis does not account for any potential changes in real estate millage rates or impact fees over time;
- Utilizing a 0% annual inflation factor over a 20-year forecast period (i.e., illustrated in 2020 dollars);
- Using the four annual non-ad valorem assessments as identified on AHS's 2020 property tax bill (included at the end of this memorandum):
    - Port St. Lucie storm water improvement/maintenance ($7,193.19 per year). The stormwater fee after buildout cannot be determined
    - Port St. Lucie SW Annexation SAD District #1 ($52,053.96 per year)
    - Southern Grove CDD Bond (District #1) ($153,130.08 per year after buildout when phase two is delivered in year 5), and
    - Southern Grove CDD Operations & Maintenance (O&M) ($10,749.09 per year after buildout when phase two is delivered in year 5).

Key Findings—AHS

As illustrated in Table 8 and Table 9, the analysis of public incentives awarded to the AHS project indicates the following:

- One-time net land sales revenue to the City's General Finance Corporation (GFC) of $1,721,900 in year one;
- The developer of AHS will construct a 5.78-acre stormwater lake at an estimated cost of $580,000. This will benefit AHS as well as Oculus Surgical and one other adjacent site. According to the City, AHS' "lake benefit" accounts for 55.1% of the total, or approximately $319,300;
- **The estimated cost of the one-time City impact fee credit as well as estimated TIF credits to the City of Port St. Lucie over the first 10 years is $256,448.** This includes an estimated $25,645 in annual TIF credits;

- With gross ad valorem and non-ad valorem tax revenues during the first 10 years of $3,007,061, this yields a **leverage ratio (public return-on-investment) of $1:$10.73 in private investment**. This is driven, in part, by the significant one-time revenues generated by the land sale in year one. Over the 20-year forecast period, gross tax revenues are estimated at $6,934,401; with **$512,895 in total estimated credits** this yields an **overall leverage ratio of approximately $1:$12.52**;
- Over a 20-year period, other taxing entities could be expected to collect increasing amounts up to **$672,686 per year (stabilized) in ad valorem taxes at current millage rates (at an estimated 2020 taxable value using Grand Palms at Tradition II as a comparable)**. This equates to estimated total property taxes collected on the building over the 20-year forecast period of approximately $11,601,830 to these other taxing entities;
- Non-ad valorem assessments (SW Annexation SAD, CDD #5, etc.) are estimated to total $223,126 per year (stabilized);
- To accurately compare the amount of acreage consumed against the annual SAD payments for each of the three case studies, the 37.87 acres owned by Tamco was added to the 1,091 acres owned by GFC (as the Tamco sale preceded the acquisition by GFC). As a result, considering the City's bond obligations, the 16.25-acre AHS property represents 1.44% of this 1,129 acres, and the transaction as structured would appear to provide 1.15% of the City's annual SAD debt obligation;
- In conclusion, **total *net* revenues accruing to the City of Port St. Lucie over the 20-year forecast period from the AHS project are estimated at $6,421,506**; and
- In addition, the AHS project could be expected to provide limited job creation, with the estimated value of annual salaries and other benefits also generating other components of local economic drivers, such as annual retail sales and other taxes, direct and indirect spending, etc.

Conclusion

The financial scorecard analysis of the three case studies reveals that each is projected to produce positive leverage ratios generated by ad valorem and non-ad valorem tax revenues by year 10 (when property tax abatements expire) as well as over the 20-year forecast period. In fact, positive leverage ratios are projected to occur *prior to* the expiration of the tax abatement for both the Tamco and Oculus Surgical, Inc. projects.

SW Annexation District #1 Special Assessment District (SAD)

According to the City, the annual principal and interest payment on the SW Annexation District #1 Special Assessment District (SAD) bond in 2020 was $7,222,952 for the 2,732 acres comprising the entirety of Southern Grove. The final debt service payment on the SAD is scheduled for July 2045.

Further, the 2020 annual principal and interest payment on the SAD for the 1,091 acres comprising the GFC-owned land was $4,509,778. The 2020 obligation was lower than both 2019 ($4,587,549) and 2018 ($4,715,794). With recent additional land sales generating higher annual revenues to GFC, this should strengthen the City's ability to meet debt obligations and accelerate the rate at which the SAD bond is reduced.

As illustrated in Table 10 below, the three case study projects cumulatively occupy 62.30 acres of land. To accurately compare the amount of acreage consumed against the annual SAD payments for each of the three case studies, the 37.87 acres owned by Tamco was added to the 1,091 acres owned by GFC (as the Tamco sale preceded the acquisition by GFC). As a result, the three case studies comprise approximately 5.52% of the total acreage.

Table 10: Stabilized Year SAD Payments—Selected Case Studies

			As % of Annual Payment	Site Size (Acres)	As % of Gross Acreage
Southwest SAD #1 Assessment (GFC Portion)					
Annual Principal & Interest Payment	**$**	**4,509,778.13**			**1,129** *(1)*
Tamco/City Electric	$	129,000.00	2.86%	37.87	3.35%
Oculus Surgical, Inc. (At Buildout)		76,500.00	1.70%	8.17	0.72%
AHS		52,053.96	1.15%	16.25	1.44%
Annual Total:	**$**	**257,553.96**	**5.71%**	**62.30**	**5.52%**

(1) The Tamco sale preceded acquisition of the 1,091 acres acquired by GFC. For purposes of this analysis, the 37.87 acres of land owned by Tamco was added to this for a total of 1,129 acres.

Source: City of Port St. Lucie; Treasure Coast Regional Planning Council; WTL+a, January 2021.

Together, based on the "snapshot in time" represented in the scorecard analysis, **the three projects would be estimated to generate approximately $257,554 per year in SAD assessments at buildout**, which would account for 5.71% of the annual principal and interest payment on the SAD bond.

Potential CDD Assessments

As noted previously, CDD fees are assessed to recover public infrastructure costs that benefit only properties within a specified geographic district. In the case of Southern Grove, the CDD boundaries are not coterminous with the entire SAD boundary area. CDDs have been used on a very limited basis to date in Port St. Lucie, as most property benefits (such as roads, etc.) are of benefit to all of the Southern Grove planning area.

According to the City, the GFC-owned land in **the study area is not currently subject to CDD bond assessments.** The CDD does not levy assessments until a building permit is issued. The GFC-owned lands would only be assessed CDD bond debt in the event the CDD had issued bonds with debt service that exceeds that collected from properties for which building permits were issued and were assessed the CDD bond rate. This is currently not the case. The CDD bond assessment levied against properties that have been issued building permits is in excess of the debt service required for the CDD bonds issued to date.

Further, the CDD bond assessments are based on an assumption that the Southern Grove Community Development District will issue CI bonds in increments up to a total of approximately $164.7 million (as financed; $138.3 million in actual construction funds), which is what the CDD's CI assessment rates are based on (assessment rates assume the total bond amount).

To date, the CDD has issued approximately $15 million in CI bonds which are only assessed against properties that have been issued a building permit. The assessments are for a 26-year term from the point in time that they are levied against each property.

In conclusion, the CDD mechanism exists to finance infrastructure; properties are not assessed until construction occurs; and, current CDD fees are nominal (as reflected in the tax bills) and restricted to operations and maintenance for the CDD structure. While CDD fees cannot be estimated, the City/GFC should continue to monitor the CDD mechanism as additional buildings are constructed and maintain a holistic perspective on land values and financial conditions in the Southern Grove study area.

CHRIS CRAFT *Serving Our Neighbors*
TAX COLLECTOR
ST. LUCIE COUNTY

P.O. Box 308
Fort Pierce, FL 34954-0308
772-462-1650
www.tcslc.com

2020 REAL ESTATE
NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS

Skip the trip and pay at www.tcslc.com
- echeck (electronic payment from your checking account with no fee)
- Credit card (2.5% convenience fee applies)
- Print your receipt instantly online!

ACCOUNT	ESCROW
4315-800-0003-000/6	

CES Port St Lucie FL Landlord LLC
%SunTrust Equity Fundling LLC
3333 Peachtree Rd NE 10th Foor
Atlanta, GA 30326

11675 SW Tom Mackie BLVD, Port Saint Lucie
SOUTHERN GROVE PLAT NO. 23 (PB 77-23)
PARCEL 3 (37.873 AC - 1,649,748 SF)

AD VALOREM TAXES

TAXING AUTHORITY		MILLAGE RATE	ASSESSED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAXES LEVIED
County Parks MSTU	772-462-1670	0.2313	31,255,700	0	31,255,700	7,229.44
Co Public Transit MSTU	772-462-1670	0.1269	31,255,700	28,131,200	3,124,500	396.50
Erosion District E	772-462-1670	0.1763	31,255,700	28,131,200	3,124,500	550.85
Law Enf,Jail,Judicial Sys	772-462-1670	3.2324	31,255,700	28,131,200	3,124,500	10,099.63
Co General Revenue Fund	772-462-1670	4.2077	31,255,700	28,131,200	3,124,500	13,146.96
Childrens Service Council	772-408-1100	0.4765	31,255,700	0	31,255,700	14,893.34
St Lucie Co Fire District	772-621-3342	3.0000	31,255,700	0	31,255,700	93,767.10
FL Inland Navigation Dist	561-627-3386	0.0320	31,255,700	0	31,255,700	1,000.18
City of Port St Lucie	772-871-5069	4.9807	31,255,700	28,131,200	3,124,500	15,562.20
City of PSL Voted Debt	772-871-5069	0.9193	31,255,700	0	31,255,700	28,733.37
School Discretionary	772-429-3970	0.7480	31,255,700	0	31,255,700	23,379.26
School Capital Improvemnt	772-429-3970	1.5000	31,255,700	0	31,255,700	46,883.55
School Req Local Effort	772-429-3970	3.7010	31,255,700	0	31,255,700	115,677.35
School Voter Referendum	772-429-3970	1.0000	31,255,700	0	31,255,700	31,255.70
Mosquito Control	772-462-1670	0.1352	31,255,700	28,131,200	3,124,500	422.43
S FL Wtr Mgmt District	561-686-8800	0.2675	31,255,700	0	31,255,700	8,360.90

MILLAGE CODE 9341 TOTAL MILLAGE 24.7348 TOTAL AD VALOREM TAXES $411,358.76

RETAIN THIS PORTION FOR YOUR RECORDS

eBill
Go paperless and receive your tax bill by email.
www.tcslc.com

NON-AD VALOREM ASSESSMENTS

LEVYING AUTHORITY			AMOUNT
PS61	Port St Lucie Stormwater Improv/Maint	772-871-5069	17,747.44
PSS2	PSL Southwest Annexation SAD Dist. N	772-871-5069	129,000.00
SGC1	Southern Grove CDD Bond	561-630-4922	174,113.37
SGCD	Southern Grove CDD O&M	561-630-4922	18,318.53
TOTAL ASSESSMENTS			$339,179.34

COMBINED TAXES AND ASSESSMENTS $750,538.10

Scan to view your bill online

Pay One Amount (Discount Already Deducted)	If Postmarked By / Please Pay	Nov 30, 2020	Dec 31, 2020	Jan 31, 2021	Feb 28, 2021
		$720,516.58	$728,021.96	$735,527.34	$743,032.72

CHRIS CRAFT TAX COLLECTOR ST. LUCIE COUNTY
P.O. Box 308
Fort Pierce, FL 34954-0308
772-462-1650
www.tcslc.com

2020 REAL ESTATE
NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS

ACCOUNT	ESCROW
4315-706-0003-000/7	

Skip the trip and pay at www.tcslc.com
- echeck (electronic payment from your checking account with no fee)
- Credit card (2.5% convenience fee applies)
- Print your receipt instantly online!

Oculus Surgical Inc
562 NW Mercantile PL Ste 104
Port St Lucie, FL 34986-1613

0 TBD, Port Saint Lucie
SOUTHERN GROVE PLAT NO. 29 (PB 88-34)
TRACT 2 (8.174 AC - 356,059 SF)

AD VALOREM TAXES

TAXING AUTHORITY		MILLAGE RATE	ASSESSED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAXES LEVIED
County Parks MSTU	772-462-1670	0.2313	600,800	0	600,800	138.97
Co Public Transit MSTU	772-462-1670	0.1269	600,800	0	600,800	76.24
Erosion District E	772-462-1670	0.1763	600,800	0	600,800	105.92
Law Enf,Jail,Judicial Sys	772-462-1670	3.2324	600,800	0	600,800	1,942.03
Co General Revenue Fund	772-462-1670	4.2077	600,800	0	600,800	2,527.99
Childrens Service Council	772-408-1100	0.4765	600,800	0	600,800	286.28
St Lucie Co Fire District	772-621-3342	3.0000	600,800	0	600,800	1,802.40
FL Inland Navigation Dist	561-627-3386	0.0320	600,800	0	600,800	19.23
City of Port St Lucie	772-871-5069	4.9807	600,800	0	600,800	2,992.40
City of PSL Voted Debt	772-871-5069	0.9193	600,800	0	600,800	552.32
School Discretionary	772-429-3970	0.7480	600,800	0	600,800	449.40
School Capital Improvemnt	772-429-3970	1.5000	600,800	0	600,800	901.20
School Req Local Effort	772-429-3970	3.7010	600,800	0	600,800	2,223.56
School Voter Referendum	772-429-3970	1.0000	600,800	0	600,800	600.80
Mosquito Control	772-462-1670	0.1352	600,800	0	600,800	81.23
S FL Wtr Mgmt District	561-686-8800	0.2675	600,800	0	600,800	160.72

MILLAGE CODE 9341 TOTAL MILLAGE 24.7348 TOTAL AD VALOREM TAXES $14,860.69

RETAIN THIS PORTION FOR YOUR RECORDS

eBill
Go paperless and receive your tax bill by email.
www.tcslc.com

NON-AD VALOREM ASSESSMENTS

LEVYING AUTHORITY			AMOUNT
PS80	PSL Stormwater Southern Grove	772-871-5069	3,616.97
PSS2	PSL Southwest Annexation SAD Dist. N	772-871-5069	16,122.90
SGC1	Southern Grove CDD Bond	561-630-4922	0.00
SGCD	Southern Grove CDD O&M	561-630-4922	2,400.67

TOTAL ASSESSMENTS $22,140.54

COMBINED TAXES AND ASSESSMENTS $37,001.23

Scan to view your bill online

Pay One Amount (Discount Already Deducted)	If Postmarked By Please Pay	Nov 30, 2020 $35,521.18	Dec 31, 2020 $35,891.19	Jan 31, 2021 $36,261.21	Feb 28, 2021 $36,631.22

CHRIS CRAFT *Serving Our Neighbors*
TAX COLLECTOR
ST. LUCIE COUNTY

P.O. Box 308
Fort Pierce, FL 34954-0308
772-462-1650
www.tcslc.com

ACCOUNT	ESCROW
4315-706-0004-000/4	

2020 REAL ESTATE

NOTICE OF AD VALOREM TAXES AND NON-AD VALOREM ASSESSMENTS

Skip the trip and pay at www.tcslc.com
- echeck (electronic payment from your checking account with no fee)
- Credit card (2.5% convenience fee applies)
- Print your receipt instantly online!

VILLAGE AT TRADITION LLC
12895 SW 132nd ST # 202
Miami, FL 33186-7201

0 TBD, Port Saint Lucie
SOUTHERN GROVE PLAT NO. 29 (PB 88-34)
TRACT 3 (16.252 AC - 707,937 SF)

AD VALOREM TAXES

TAXING AUTHORITY		MILLAGE RATE	ASSESSED VALUE	EXEMPTION AMOUNT	TAXABLE VALUE	TAXES LEVIED
County Parks MSTU	772-462-1670	0.2313	3,656,700	0	3,656,700	845.79
Co Public Transit MSTU	772-462-1670	0.1269	3,656,700	0	3,656,700	464.04
Erosion District E	772-462-1670	0.1763	3,656,700	0	3,656,700	644.68
Law Enf,Jail,Judicial Sys	772-462-1670	3.2324	3,656,700	0	3,656,700	11,819.92
Co General Revenue Fund	772-462-1670	4.2077	3,656,700	0	3,656,700	15,386.30
Childrens Service Council	772-408-1100	0.4765	3,656,700	0	3,656,700	1,742.42
St Lucie Co Fire District	772-621-3342	3.0000	3,656,700	0	3,656,700	10,970.10
FL Inland Navigation Dist	561-627-3386	0.0320	3,656,700	0	3,656,700	117.01
City of Port St Lucie	772-871-5069	4.9807	3,656,700	0	3,656,700	18,212.93
City of PSL Voted Debt	772-871-5069	0.9193	3,656,700	0	3,656,700	3,361.60
School Discretionary	772-429-3970	0.7480	3,656,700	0	3,656,700	2,735.21
School Capital Improvemnt	772-429-3970	1.5000	3,656,700	0	3,656,700	5,485.05
School Req Local Effort	772-429-3970	3.7010	3,656,700	0	3,656,700	13,533.45
School Voter Referendum	772-429-3970	1.0000	3,656,700	0	3,656,700	3,656.70
Mosquito Control	772-462-1670	0.1352	3,656,700	0	3,656,700	494.39
S FL Wtr Mgmt District	561-686-8800	0.2675	3,656,700	0	3,656,700	978.16

MILLAGE CODE 9341 TOTAL MILLAGE 24.7348 TOTAL AD VALOREM TAXES $90,447.75

RETAIN THIS PORTION FOR YOUR RECORDS

eBill

Go paperless and receive your tax bill by email.

www.tcslc.com

NON-AD VALOREM ASSESSMENTS

LEVYING AUTHORITY			AMOUNT
PS80	PSL Stormwater Southern Grove	772-871-5069	7,193.19
PSS2	PSL Southwest Annexation SAD Dist. I	772-871-5069	52,053.96
SGC1	Southern Grove CDD Bond	561-630-4922	0.00
SGCD	Southern Grove CDD O&M	561-630-4922	4,774.90

TOTAL ASSESSMENTS $64,022.05

COMBINED TAXES AND ASSESSMENTS $154,469.80

Scan to view your bill online

Pay One Amount (Discount Already Deducted)	If Postmarked By Please Pay	Nov 30, 2020 $148,291.01	Dec 31, 2020 $149,835.71	Jan 31, 2021 $151,380.40	Feb 28, 2021 $152,925.10

APPENDIX E

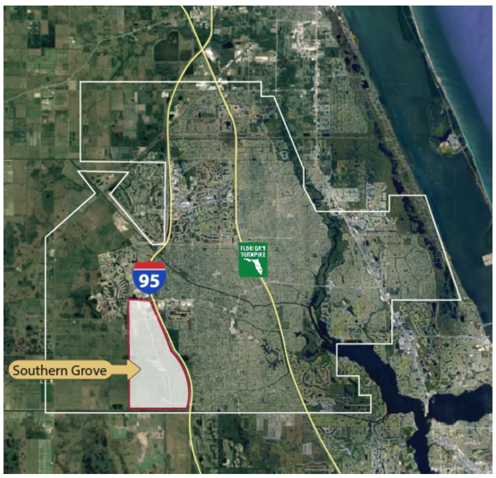
WTL+a

Technical Memorandum #4

Economic Impact Analysis

Southern Grove Master Plan

Port St. Lucie, FL



Prepared for:
Treasure Coast Regional Planning Council
Stuart, FL

On behalf of:
City of Port St. Lucie
Port St. Lucie, FL

January 2021 **FINAL**

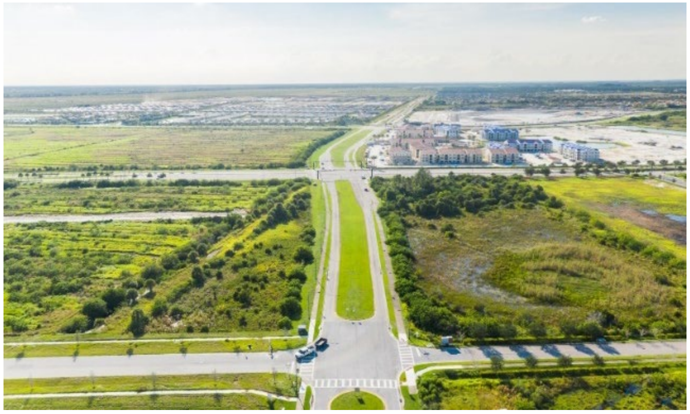
General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable at the time the study was conducted. This study is based on estimates, assumptions, and other information developed by WTL +Associates (referred hereinafter as "WTL+a") from its independent research effort, general knowledge of the market and the industry, and consultation with the client and its representatives. No responsibility is assumed for any inaccuracies in reporting by the client, its agent and/or representatives, or any other data source used in preparing or presenting this study.

No warranty or representation is made by WTL+a that any of the projected values or results contained in this study will be achieved. Possession of this study does not carry with it the right of publication thereof or to use the name of "WTL+a" in any manner without first obtaining the prior written consent of WTL+a. No abstracting, excerpting or summarizing of this study may be made without first obtaining the prior written consent of WTL+a. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person, other than the client, without first obtaining the prior written consent of WTL+a. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from WTL+a.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Overview



The City of Port St. Lucie, located in St. Lucie County, Florida, is one of the fastest-growing municipalities in the State of Florida. Established in 1961, its municipal boundaries encompass 121.5 square miles. The City acquired 1,215.9 acres known as the "Southern Grove" property (the "study area") on June 28, 2018, of which approximately 1,183 acres are owned by the City of Port St. Lucie Government Finance Corporation (GFC), and the focus of this analysis. The study area is a part of the Southern Grove Development of Regional Impact (DRI), which encompasses approximately 3,606 acres.

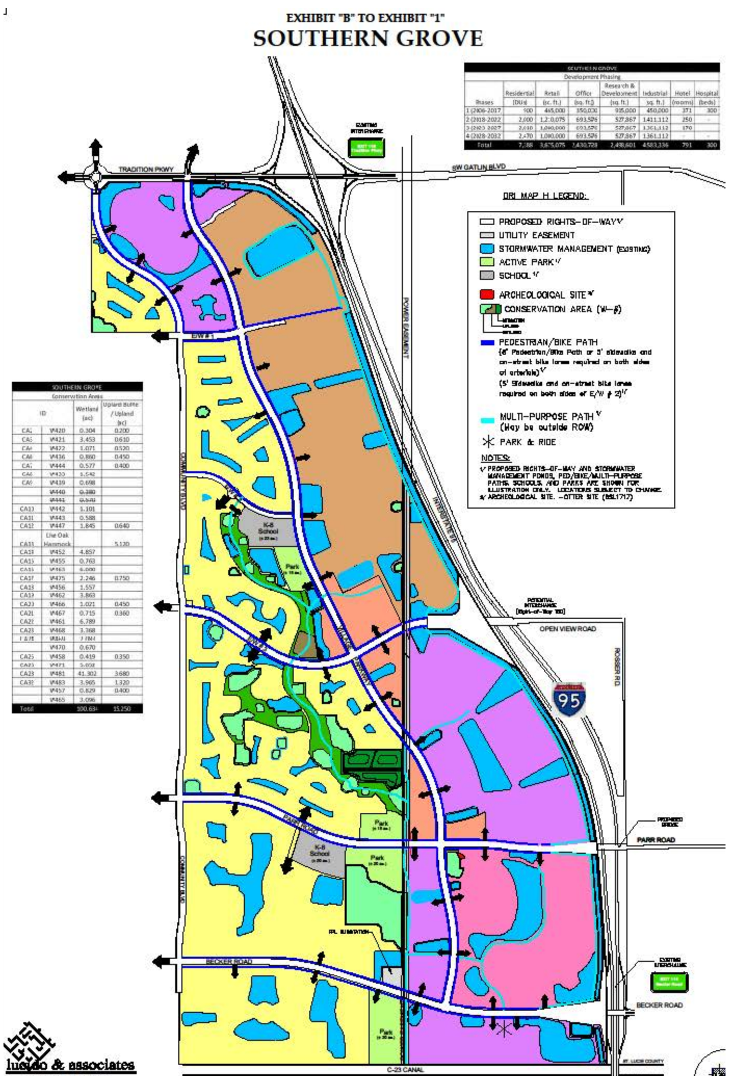
Technical Memorandum #4 summarizes the findings of the economic impact analysis, which **estimates the direct, indirect and induced economic impacts accruing to St. Lucie County** and/or the City of Port St. Lucie from future development in the Southern Grove study area. As illustrated in Table 1 below, **the analysis evaluates the impacts generated by land uses identified in the *proposed* recommended entitlements to GFC-owned land.** The economic impact analysis utilizes an impact model developed by IMPLAN Group, LLC. IMPLAN is a proprietary analytical model which measures the impacts of a specific project or industry on a geographic area's economic activity in terms of sales, income, employment, and tax revenue. The IMPLAN model includes:

- **Direct Impacts**—defined as employment and spending
- **Indirect Impacts**—defined as secondary effects of spending through incomes generated by a project's primary uses and relevant employment sectors, and
- **Induced Impacts**—defined as indirect spending by employees.

The IMPLAN model is the national standard for measuring economic activity, and is used by multiple public and private entities across the United States, including municipal, county and state governments.

This memorandum supplements previous technical memoranda, including: #1 (demographic/economic profile); #2 (real estate market conditions, and development potentials); and #3 (financial scorecard analysis).

Figure 1: Southern Grove Study Area



Impacts of the 2020 Pandemic

This report presents the findings of the economic impact analysis. The analysis is **based on data and conditions *prior to* COVID-19 impacts**. While the timing for future development may be more extended due to the pandemic, there are potentials for selected, well considered new growth and investment. Experience in other Florida markets has demonstrated the best way to fully optimize economic benefits in Port St. Lucie will result from a carefully structured and implemented plan that appropriately integrates different land uses and phases to provide development flexibility.

The most important difference between year-end 2019 (the data-year used for this analysis) and current conditions in December 2020 is the impact of the global Coronavirus pandemic. COVID-19 has already had a significant impact on commercial real estate, although these impacts vary considerably from location to location. It has affected consumer spending, real estate sales, job prospects and recreation options in ways that have profoundly modified pre-COVID conditions. **The office market, especially for technology and other computer-based industries, has responded most rapidly and *not* in ways that are likely to encourage new office development.** At the broadest levels across the country, early reactions to self-isolation and working-at-home have resulted in some companies advising employees to work at home for the remainder of 2020, while Twitter has announced that its employees can work at home *forever*.

The travel, hospitality and retail industries have been particularly hard-hit, with airline passenger volumes reportedly down by upwards of 90% to 95%, major layoffs in the hotel and food & beverage industries, and the May 2020 announcement of a bankruptcy filing by the Hertz Rental Car company. The travel and leisure market based on tourism have been seriously impacted and will likely take several years to stabilize, much less fully recover. **The National Retail Federation speculated in May 2020 that as many as 40% of small retailers *may never re-open***.

In its bi-annual bankruptcy update of the retail industry, BDO Global (an international network of public accounting, tax, consulting and business advisory firms formerly known as Binder Dijker Otte) identified 18 retailers that headed to bankruptcy court in the first half of the year and another 11 in July through mid-August. In fact, the industry's bankruptcy record so far put it on pace with 2010, following the Great Recession when there were 48 bankruptcy filings by retailers. The COVID-19 pandemic has essentially interfered with what is normally a cyclical pattern for retailers and set up the industry for yet more bankruptcies in 2020's second half.

According to BDO researchers, 2020 is on track to set the record for the highest number of retail bankruptcies and store closings in a single year. By BDO's measure, bankrupt retailers alone have announced nearly 6,000 store closings this year, more from January through mid-August than the record 9,500 stores that closed throughout 2019, and most of them in malls. More than 15 retailers (including Macy's, Bed Bath & Beyond and Gap) outside of bankruptcy court have announced a total of 4,200 closures.

National unemployment levels in 2020 are at their highest since the Great Depression of the 1930s. From a record yearly low of 3.5% in February, seasonally-adjusted unemployment jumped to 14.7% in April. With uneven recovery generated by the pandemic, the *official* national unemployment rate has steadily declined over the past seven months: 13.3% in May; 11.1% in June; 10.2% in July; 8.4% in August; 7.9% in September; 6.9% in October; and 6.7% in November.

By comparison, according to the Department of Economic Opportunity (DEO), Florida's unemployment rate jumped from a low of 2.8% in February 2020 to 13.8% in April; 13.7% in May; 10.3% in June; 11.4% in July; 7.3% in August; 7.2% in September; and remained at 6.4% in both October and November. For a visitor destination like Florida, where the $111.7 billion annual tourism industry is the state's largest industry, the impact is already great and could become a profound issue as the virus continues prior to widespread vaccinations. Like many states, government policies are seeking to balance social responsibility and safety with the need to re-open businesses and encourage visitors to return. The re-opening of beaches and public spaces across the state has been a relief to millions of Florida residents, but it could also result in a virus rebound that could require retrenchment or (at minimum) more carefully regulated public behaviors.

Taken in total, **these impacts have caused a major slowdown in economic activity across Florida (especially in hospitality and tourism-dependent sectors), and the costs of lost consumer spending will result in near-term increases in vacancy rates for retail and office uses, a massive slowdown in tourism and visitor spending**, and a slow recovery period, due in large part to the number of unknowns about a global pandemic. Until a reliable vaccine is developed and produced in sufficient volumes to stabilize the rate of transfer, recreating consumer confidence to travel, to spend time in other places, and to have the money to stimulate local economies will be set back for many months, if not years.

The short-term economic prospects should be cautious and slow. However, there are mitigating factors that could change the mid-to longer-term outlook:

- **Slowing of Unsupportable Speculative Real Estate Development**—an overheated real estate market in Florida has encouraged speculative development and over-entitlements in many submarkets.
- **Time to Plan More Effectively—**a slowdown could encourage a more manageable pace of development and reduce environmental and social impacts that often result from hurried decisions.
- **Business Opportunities for Millennials**—the millennial generation is highly entrepreneurial and will be more willing to start new retail, food & beverage, and consumer service businesses once the pandemic has stopped.
- **Pent up Demand for Social Experiences**—while on-line sales have spiked, consumers are also looking forward to dining out, going out, and shopping; consumer demand for goods and services is pent-up at levels not seen since the 2007 recession.
- **Creative Regulation & Behavior Management**—if reasonable standards can be put into place and safety practices realized, Florida's beaches, communities, and visitor destinations should rebound faster than other parts of the country.

For Port St. Lucie and Southern Grove, the impacts of COVID-19 are more likely related to time and phasing than a permanent loss of economic activity. The area's economic recovery period may present opportunities to take advantage of the 'pause' and consider how to best optimize prospective agreements to create new jobs, attract business investment, and create an overall plan that will capitalize on the site's advantages. For example, the Cleveland Clinic has stimulated a bio-health cluster in the northern portion of the Southern Grove study area, and manufacturing and warehouse/distribution companies have been attracted due to the proximity to I-95 and lower land values than more urbanized counties to the south. While economic recovery may take two to three years, the longer-term prospects for Southern Grove remain moderate but steady over time.

Ironically, U.S. financial markets have stabilized more quickly than consumer markets. The reduced costs of debt/capital have encouraged developers to accelerate proposed projects, allowing 18-24 months for regulatory review, approvals, and construction so that they are ready for the rebound when it occurs. The challenge for the City of Port St. Lucie will be to select those projects carefully so that new development in the Southern Grove study area can generate the greatest economic benefits possible for the City of Port St. Lucie over the long-term.

Study Area Entitlements

The Southern Grove Master Plan is intended to build upon the City's prior planning efforts and reorganize the land uses and infrastructure to produce a more sustainable, economically viable development program that accomplishes a range of key goals over time—primarily to **reinforce the development of a high-intensity jobs corridor for the City that generates economic benefits and net new jobs.** The Master Plan recommends the creation of three districts, including Bio/Health and Workplace Districts (within the Southern Grove property) and a Town Center District (in the Tradition DRI located to the north of the study area). In addition, the Master Plan also recommends the assignment of three new Land Use Classifications: Employment Center, Lifestyle/Commercial and Mixed-Use.

The Employment Center classification focuses on industrial warehouse/distribution, research and development, and supporting office uses. The Mixed-Use category focuses on higher density residential, including townhouse and apartment uses, retail/commercial, office, and educational uses, and the Lifestyle/Commercial classification focuses on higher-intensity retail/commercial centers that include office and higher density residential use.

A key recommendation in the plan is to modify land use entitlements and integrate these entitlements into updated assessment rates for the Special Assessment District (SAD) with an increase in industrial and office space and multi-family residential units over current entitlements as well as a decrease in retail entitlements to better correspond to market conditions and supportable development potentials as identified in the WTL+a Market Study.

Current, proposed, and allocated/pending entitlements in the Southern Grove study area are illustrated in Table 1.

WTL +a

Table 1: Recommended Entitlements (Proposed) for GFC-owned Land

RECOMMENDED ENTITLEMENTS FOR GFC-OWNED LAND
(1215.9 acres including pending 21-acre transfer from Mattamy)

CATEGORY	CURRENT	PROPOSED	ALLOCATED/PENDING	REMAINING
Residential (SF units)	-	-	-	-
Residential (TH units)	786	900		900
Residential (Apt units)	900	900	372	528
Retail (SF)	2,582,851	500,000	49,478	450,522
Office (SF)	4,296,480	1,000,000	155,481	844,519
Warehouse/Industrial (SF)	3,838,336	8,000,000	4,353,743	3,646,257
School (SF)	-	-		-
R&D (SF)	(included with Office)	1,000,000		1,000,000
Hotel (Beds)	240	500	204	296
Hospital (Beds)	-	-		-

Source: Treasure Coast Regional Planning Council, December 2020.

As a result of this key recommendation, the analysis evaluates the economic impacts generated by the following proposed land use entitlements:

- **Residential**—900 townhouse units and 900 multi-family units
- **Supporting Retail**—500,000 sq. ft. of retail uses
- **Workplace**—1.0 million sq. ft. of office (oriented to professional/business services), 1.0 million sq. ft. of research & development (R&D) uses, and 8.0 million sq. ft. of general industrial space, and
- **Lodging/Hospitality**—500 hotel rooms.

Estimates of gross building area, by land use, are illustrated below:

Table 2: Estimated Building Area & Comparison of Current & Proposed Entitlements

	Current Entitlements		Proposed Entitlements		Allocated/Pending	
	Total	**SF**	**Total**	**SF**	**Total**	**SF**
Residential						
Townhouse For-Sale	786	1,285,862	900	1,472,361	-	-
Multi-Family Rental	900	884,700	900	884,700	372	365,676
Subtotal (Units):	**1,686**	**2,170,562**	**1,800**	**2,357,061**	**372**	**365,676**
Workplace						
Office	-	4,296,480	-	1,000,000	-	155,481
Commercial Retail	-	2,582,851	-	500,000	-	49,478
Research & Development	-	-	-	1,000,000	-	-
Warehouse & Distribution	-	3,838,336	-	8,000,000	-	4,353,743
Subtotal (SF):	**-**	**10,717,667**	**-**	**10,500,000**	**-**	**4,558,702**
Supporting Services						
Hotel	240	111,120	500	231,500	204	94,452
Subtotal (Rooms & SF):	**240**	**111,120**	**500**	**231,500**	**204**	**9,006,897**
PROJECTED BUILD OUT:	**1,926**	**12,999,349**	**2,300**	**13,088,561**	**576**	**9,372,573**

(1) Anticipated development buildout based on unit and square footage estimates provided by Treasure Coast Regional Planning Council.

(2) Analysis assumes 463 gross sq. ft. per hotel room, based on national industry standards (including Assets America and Cushman & Wakefield, Inc.); and average unit size of 1,636 sq. ft. for townhouses and 983 sq. ft. for multi-family units.

Source: City of Port St. Lucie; Treasure Coast Regional Planning Council; WTL+a, January 2021.

Assumptions, Methodology & Data Sources

The economic impact analysis evaluates how the development program for Southern Grove could be expected to impact St. Lucie County, including the City of Port St. Lucie through the creation of new jobs as well as new tax revenues accruing to the City, County and potential other taxing districts/entities.

As noted, WTL+a utilized IMPLAN (a national software and data provider) that calculates impact multipliers and generates a model that applies inputs from Southern Grove's proposed development program to estimate corresponding impacts on job growth and fiscal revenues. To strengthen and validate these multipliers, WTL+a also incorporated data from the U.S. Census (on employment growth trends by industry sector) and ESRI Business Analyst (a national analytics and data provider, on number of employees by business type, jobs-to-population ratios and other key metrics).

The following key inputs were utilized in the analysis:

- **Hard and soft construction costs** for the proposed recommended entitlements, including residential (multi-family/townhouse and apartment), commercial (retail), workplace uses (office, industrial and research & development/R&D) and lodging/hospitality are based on industry standards, specific known comparables in/surrounding Port St. Lucie within each land use and/or inputs for similar construction in South Florida using cost estimates from RS Means; and
- **Infrastructure costs** for the Southern Grove's future infrastructure, public realm and transportation-related improvements are based on the "Civil Infrastructure Order-of-Magnitude Estimate of Probable Cost", (prepared in December 2020 by Captec Engineering, Inc. for several major categories, including: roadways, utilities, drainage stormwater, Tradition Trail, gateway elements and transit stops.

The results of the economic impact analysis are presented in detail below.

Economic Impacts

During Construction/Sales & Ongoing Operations

Southern Grove's economic impacts can be classified into two primary categories that affect job growth, tax revenues, and County expenditures:

- **Temporary/One-time Impacts**—during site construction and sales/lease-up of each land use before the project is fully occupied. For example, construction of infrastructure, public realm improvements and each of the land uses generates temporary construction jobs and associated taxes. Initial home sales of Southern Grove's residential uses (900 townhouse units) would be expected to generate sizeable property transfer tax revenues; and

- **Ongoing Operations**—ongoing annual impacts once the project is built out and achieves stabilized (95%) and/or full occupancy. Once Southern Grove is built out and achieves stabilized and/or full occupancy, the primary sources of City and County revenues will include property taxes from residents and corporate and sales tax receipts from businesses expenditures that, in turn, can fund municipal services such as fire protection, police protection, EMS, and public-school costs.

Moreover, as fiscal revenues and expenses are so different before and after a project has stabilized, the analysis considers these two periods separately. As such, the results of these analyses are presented in separate tables for (1) the time during construction/sales/lease-up, and (2) the ongoing period after stabilized occupancies have been achieved.

Direct, Indirect & Induced Impacts

The analysis considers not only direct (i.e., on-site) job growth and fiscal revenues but also indirect and induced fiscal impacts. Indirect impacts reflect the "trickle-down" nature of money. For example, when a new job is created, an employee generates economic activity through the purchase of goods and services with that income (and income tax revenues in those states with income taxes). That spending is taxed via various taxing categories such as retail sales and business taxes. Not only does this employee generate additional indirect tax revenues but this spending generates "induced" impacts, such as another business hiring additional employees and the resultant spending that occurs with that new employee. These additional economic impacts are incorporated into the analysis.

Other Development Impacts

Other key inputs and assumptions pertain to types of workplace/industry sectors and tenants that would be expected to locate at Southern Grove, including the potential types of businesses; the amount of commercial office, research & development, industrial and warehouse/logistics and/or supporting retail space each could be expected to occupy; reasonable annual sales estimates for each business enterprise; and order-of-magnitude hard and soft construction costs for the entire project using the proposed recommended entitlements illustrated in Table 1 above. These are critical inputs required in the IMPLAN model to generate total estimated jobs and tax revenues for each type of job, by industry sector.

WTL+a has estimated property tax revenues accruing to St. Lucie County's General Fund and School District if Southern Grove is developed as proposed. While there are multiple other tax revenues that could be created by new development at this stage of the analysis these other tax revenues—such as communications and utility taxes, retail sales tax receipts, business licensing and the like—cannot be determined because of uncertainties associated with types of businesses phasing/annual unit absorption, annual retail sales, etc.

Estimated Construction Costs

As illustrated in Table 2 under the proposed recommended land use entitlements, **potential development costs are estimated to total $1,761,847,300** (in current/2021 dollars). WTL+a notes, however, that this *excludes* costs associated with land acquisition as such costs cannot be determined for future deals. However, land acquisition costs could be expected to enhance the project's overall economic impacts beyond those identified in this analysis. As detailed below, estimated construction costs will also sustain a significant number of one-time jobs in construction, engineering, design, and other related fields during Southern Grove's buildout. Estimated construction costs for each use are as follows:

Residential

- The project's potential 1,800 housing units, comprising 900 townhouse units and 900 rental apartments with more than 2.357 million sq. ft. of gross building area, are estimated to cost $282,847,300, or 16% of total construction costs

Workplace

- The project's 1.0 million sq. ft. of workplace office uses are estimated to cost $175,000,000 ($175 per sq. ft.), or 9.9% of total construction costs
- The project's significant industrial/warehousing & distribution entitlements (8.0 million sq. ft.) are estimated to cost $960 million, or 54% of total construction costs
- The project's 1.0 million sq. ft. of research & development uses are estimated to cost $180,000,000, or 10.2% of total construction costs

In sum, **Southern Grove's workplace uses, at buildout, are estimated to cost $1.315 billion, or fully 75% of all-in development costs** in 2021 dollars.

Supporting Services

- The project's 500,000 sq. ft. of retail space is estimated to cost $90 million ($180 per sq. ft.) and lodging/hospitality uses are estimated to cost $74 million. These supporting uses are estimated to comprise 9% of all-in construction costs in 2021 dollars.

Table 3: Estimated Construction Costs at Buildout (2021 $)

	Total Units	Average SF / Unit	Average Unit Cost	Total SF *(1)*	Hard Costs	Unit of Measurement	Estimated Hard Costs *(2)*	Soft Costs	Estimated Soft Costs *(3)*	TOTAL COSTS
Residential (4)										
Townhouse For-Sale	900	1,636	$ 265,025	1,472,361	$ 90.00	Per SF	$ 132,512,500	$ 30.00	$ 44,170,833	$ 176,683,333
Multi-Family Rental	900	983	-	884,700	$ 90.00	Per SF	79,623,000	$ 30.00	26,541,000	106,164,000
Total/Weighted Average:	**1,800**	**1,309**		**2,357,061**			**$ 212,135,500**		**$ 70,711,833**	**$ 282,847,333**
										16%
Workplace										
Office				1,000,000	$ 131.25	Per SF	$ 131,250,000	$ 43.75	$ 43,750,000	$ 175,000,000
Research & Development				1,000,000	$ 135.00	Per SF	135,000,000	$ 45.00	45,000,000	180,000,000
Warehouse & Distribution				8,000,000	$ 90.00	Per SF	720,000,000	$ 30.00	240,000,000	960,000,000
Total/Weighted Average:				**10,000,000**			**$ 986,250,000**		**$ 328,750,000**	**$ 1,315,000,000**
										75%
Supporting Services										
Commercial Retail				500,000	$ 135.00	Per SF	$ 67,500,000	$ 45.00	$ 22,500,000	$ 90,000,000
Hotel *(5)*	500	463	$ 148,000	231,500	$ 111,000	Per Key	55,500,000	$ 37,000	18,500,000	74,000,000
Subtotal	**500**			**731,500**			**$ 123,000,000**		**$ 41,000,000**	**$ 164,000,000**
										9%
TOTAL: *(6)*	**2,300**			**13,088,561**			**$ 1,321,385,500**		**$ 440,461,833**	**$ 1,761,847,333**

(1) Land uses/entitlement square foot estimates provided by Treasure Coast Regional Planning Council. Residential unit sizes are based on WTL+a market study.
(2) Construction costs comprise 75% hard costs and 25% soft costs based on industry standards. Townhouse construction costs are based on anticipated average unit sale price from comparables.
(3) Analysis assumes that soft costs comprise the following: 60% real estate/financials, 30% architectural/engineering and 10% legal/administrative.
(4) Analysis assumes a 50-50% split between 2BR and 3BR townhomes, with $252,600 average unit price for 2 BR townhomes ($162 per sq. ft.) and $277,450 for 3 BR townhomes ($155 per sq. ft.).
(5) Analysis assumes construction costs of $111,000 per key (room) for "Upper Midscale" hotel product and 463 gross sq. ft. per room (based on industry standards from Assets America, Cushman & Wakefield).
(6) Estimated development costs for each use at buildout (i.e., year of delivery) in current (2021) dollars.

Source: Treasure Coast Regional Planning Council; Jon Stover & Associates, Inc.; WTL+a; January 2021.

One-time Impacts: Construction

The analysis estimates that Southern Grove could create a significant number of temporary (or "one-time") construction jobs generated by the project's potential 13,088,561 sq. ft. of gross building area under the proposed recommended entitlements.

Table 4: One-time Economic Impacts of Construction (2021 $)

Impact Type	Employment *(1)*		Labor Income *(2)*		Value Added (Sales - Costs)		Output (Total Sales)
Construction-Hard Costs							
Direct Effect	15,665	$	669,173,484	$	832,930,423	$	1,400,885,500
Indirect Effect	2,303		88,247,316		159,044,644		327,158,392
Induced Effect	2,853		103,329,020		206,491,764		378,100,230
Subtotal - Hard Costs:	**20,821**	**$**	**860,749,819**	**$**	**1,198,466,830**	**$**	**2,106,144,122**
Construction-Soft Costs							
Direct Effect	2,739	$	87,074,422	$	203,217,406	$	374,211,833
Indirect Effect	1,085		37,180,582		63,083,959		125,009,446
Induced Effect	487		16,858,360		33,847,546		61,878,540
Subtotal - Soft Costs:	**4,312**	**$**	**141,113,364**	**$**	**300,148,911**	**$**	**561,099,819**
Total Construction Impacts							
Direct Effect	**18,405**	**$**	**756,247,906**	**$**	**1,036,147,829**	**$**	**1,775,097,333**
Indirect Effect	3,388		125,427,897		222,128,602		452,167,837
Induced Effect	3,340		120,187,379		240,339,310		439,978,770
TOTAL: ***(3)***	**25,133**	**$**	**1,001,863,183**	**$**	**1,498,615,742**	**$**	**2,667,243,941**

(1) Direct effect employment is an estimate by IMPLAN based on total sales of all construction-related material. Employment, labor income and sales are provided for the entire construction period. To understand annual impacts, these estimates must be divided by total years of construction.

(2) Labor Income includes both employee compensation and proprietor income.

(3) Estimated impacts are presented in current (2021) dollars.

Source: IMPLAN Group, LLC; Jon Stover & Associates, Inc.; WTL+a, January 2021.

As illustrated in Table 4, this includes:

- A total of **15,665 *direct* construction job years** (i.e., the amount of labor needed for one year's work) over the entire construction period (which is unknown at this time), plus another

2,739 *direct* construction job years in architecture, engineering, design, and other professional services. Income from these jobs would be expected to be spent on a variety of goods and services, which could support an additional 3,380 *indirect* and 3,340 *induced* job years in various industry sectors; and

- In summary, the construction period could be expected to generate the following direct, indirect and induced impacts:
  - More than 25,100 construction job years
  - Approximately ***$1.498 billion* in "value-added" business revenues**, and
  - An estimated ***$1.0 billion* in total labor income**.

One-time Impacts: Infrastructure

According to the "Civil Infrastructure Order-of-Magnitude Estimate of Probable Cost", prepared by Captec Engineering, Inc. on December 4, 2020, the estimated costs of infrastructure for Southern Grove are $62.04 million (in 2021 dollars). This includes: $44.31 million for various road improvements (roadway, lighting, landscape, roundabout, Dutch intersection and transit stops); and $17.7 million for engineering, design, administration and contingency costs.

Table 5: One-time Economic Impacts of Infrastructure (2021 $)

Impact Type	Employment *(1)*	Labor Income *(2)*	Value Added (Sales - Costs)	Output (Total Sales)
Total Infrastructure Costs				
Direct Effect	296	$ 14,828,284	$ 29,213,796	$ 62,034,000
Indirect Effect	127	5,203,138	9,588,820	21,020,614
Induced Effect	76	2,745,185	5,485,963	10,045,172
TOTAL: *(3)*	**499**	**$ 22,776,607**	**$ 44,288,579**	**$ 93,099,787**

(1) Direct effect employment is estimated by IMPLAN based on total sales. Employment, labor income and sales are provided for the entire construction period. To understand annual impacts, these estimates must be divided by the total years of construction.
(2) Labor Income includes both employee compensation and proprietor income.
(3) Estimated impacts are presented in current (2021) dollars.

Source: IMPLAN Group, LLC; Jon Stover & Associates, Inc.; WTL+a, January 2021.

As illustrated in Table 5, the $62.04 million investment in infrastructure could be expected to generate 296 person-years of employment, which could be expected to generate $14.8 million in direct labor income and $29.2 million in "value-added" business revenues. In total, the one-time impacts of infrastructure could be expected to generate the following direct, indirect and induced impacts:

- 499 construction job years
- Approximately $44.3 million in "value-added" business revenues, and
- Approximately $22.7 million in total labor income.

Permanent Impacts: Ongoing Operations

Once development of Southern Grove is complete, there will be significant annual impacts from "ongoing operations and occupancy" of the project. These impacts will be generated throughout Port St. Lucie, St. Lucie County and beyond; however, due to data limitations with multipliers available only at the County level, the economic impact analysis is focused on **only those impacts generated by ongoing operations on St. Lucie County itself.** These impacts, which are illustrated in Table 6, are highlighted below:

- **At buildout, the project could potentially create up to 16,937 direct jobs** plus an additional 8,655 indirect and more than 4,000 induced jobs—for a total of more than 29,600 jobs at stabilized operations;
- Because of the project's significant amount of proposed workplaces uses (including general industrial, warehousing/logistics, office and research & development), fully 58% of the direct jobs (16,937) would be generated by these uses, which may include employment sectors such as warehousing, distribution, logistics/freight movement, light assembly/device manufacturing, medical and bio-tech research and development, etc.;
- At buildout and stabilized occupancies (95% for workplace office, industrial and R&D uses and 92% for supporting retail), **buildout of Southern Grove could potentially generate more than $1.06 *billion* in annual labor income** based on current annual salaries among various industry sectors used by IMPLAN in the analysis;
- The project could potentially **create up to $1.59 *billion* in annual value-added business revenues** (i.e., gross sales less costs across multiple business types)—irrespective of

location—generated by direct, indirect and induced economic activity. Fully $798 million of total business revenues could be generated in direct (i.e., on-site) annual business sales and activity at buildout; and

Table 6: Total Economic Impacts at Buildout—Ongoing Operations & Occupancy (2021 $)

	At Buildout			
Impact Type	**Employment**	**Labor Income *(1)***	**Value Added (Sales - Costs)**	**Output (Total Sales)**
Economic Impacts: Housing				
Direct Effect				
Indirect Effect				
Induced Effect	668	$ 23,211,362	$ 46,576,320	$ 85,673,532
Subtotal:	**668**	**$ 23,211,362**	**$ 46,576,320**	**$ 85,673,532**
Economic Impacts: Workplace & Supporting Services				
Direct Effect	16,937	$ 635,377,514	$ 798,404,105	$ 1,947,870,225
Indirect Effect	8,655	$ 282,529,300	$ 506,410,466	$ 1,227,227,062
Induced Effect	3,371	$ 122,189,963	$ 244,130,006	$ 446,988,255
Subtotal:	**28,963**	**$ 1,040,096,776**	**$ 1,548,944,576**	**$ 3,622,085,542**
Overall Economic Impacts at Buildout				
Direct Effect	16,937	$ 635,377,514	$ 798,404,105	$ 1,947,870,225
Indirect Effect	8,655	$ 282,529,300	$ 506,410,466	$ 1,227,227,062
Induced Effect	4,038	$ 145,401,325	$ 290,706,325	$ 532,661,787
TOTAL:	**29,631**	**$ 1,063,308,139**	**$ 1,595,520,896**	**$ 3,707,759,074**

(1) Labor Income includes both employee compensation and proprietor income.

Source: IMPLAN Group, LLC; Jon Stover & Associates, Inc.; WTL+a, January 2021.

- In summary, if the proposed Southern Grove entitlements are constructed as described in the master plan, the IMPLAN economic impact model estimates that **Southern Grove could generate more than $3.7 *billion* in annual economic output across direct, indirect, and induced economic activity** in ongoing operations if buildout is achieved, and stabilized occupancies (ranging from 92% to 95%) are achieved across all land uses.

Annual Tax Revenues: Ongoing Operations

Once development of Southern Grove is complete, there would be significant annual ad valorem tax revenues accruing to the City of Port St. Lucie and St. Lucie County (as well as other taxing entities) in the form of net new real estate taxes for real property created by new housing, supporting retail and workplace uses.

Table 7: Current Ad Valorem Millage Rates—St. Lucie County, 2021

Taxing Entity		Current Millage Rate
City of Port St. Lucie		
Land & Improvements	$	4.9807
City Of PSL Voted Debt	$	0.9193
Total - City of Port St. Lucie:	**$**	**5.9000**
Other Taxing Entities		
County Parks MSTU	$	0.2313
Co Public Transit MSTU	$	0.1269
Erosion District E	$	0.1763
Law Enf,Jail,Judicial Sys	$	3.2324
Co General Revenue Fund	$	4.2077
Children's Service Council	$	0.4765
St Lucie Co Fire District	$	3.0000
FL Inland Navigation Dist	$	0.0320
School Discretionary	$	0.7480
School Capital Improvement	$	1.5000
School Req Local Effort	$	3.7010
School Voter Referendum	$	1.0000
Mosquito Control	$	0.1352
South FL Water Mgmt District	$	0.2675
Total - Other Taxing Entities	**$**	**18.8348**
COUNTYWIDE MILLAGE:	**$**	**24.7348**

Source: St. Lucie County Property Appraiser; WTL+a, revised January 2021.

For purposes of this analysis, WTL+a **estimated only those ad valorem/property tax revenues accruing to the General Funds of the City of Port St. Lucie and St. Lucie County** based on the 2020 millage rates illustrated in Table 7 ($5.9000 per $1,000 of assessed value in Port St. Lucie and $18.8348 per $1,000 in St. Lucie County). We note that **any potential deductions from taxable values (such as Homestead Exemptions, tax abatements, etc.) have been excluded from this analysis as these are unknown at this time.**

Key results are summarized below and illustrated in Table 8:

- The project's residential uses (potentially 1,800 units at buildout) would be expected to generate approximately $1.66 million per year for the City of Port St. Lucie (and $5.32 million per year for other taxing entities) based on estimated assessed values of $282.8 million at buildout;
- **The project's workplace uses (office, R&D and industrial) could be expected to generate the largest amount of annual property taxes** for relevant jurisdictions and taxing authorities. With taxable values estimated at $1.3 billion at buildout, Southern Grove's workplace uses could be expected to generate approximately **$7.75 million per year in annual ad valorem revenues for the City of Port St. Lucie** (and $24.7 million for other taxing entities); and
- The project's supporting uses, including retail and hotel, could be expected to generate more than $967,600 in annual ad valorem revenues for the City of Port St. Lucie (and $3.08 million for other taxing entities).

In conclusion, **estimates of annual ad valorem tax revenues are very preliminary as a result of a number of unknown factors** at this time. For example, the ad valorem estimate for general industrial uses does not consider the types of users, such as logistics, that could be located at Southern Grove. High-volume logistics users (such as an Amazon Logistics/Freight facility) typically command much higher values due to fixtures/equipment necessary for operations.

Southern Grove's 13.08 million sq. ft. of land uses identified in the proposed recommended entitlements could be expected to create more than **$1.76 *billion* in gross assessed values at buildout** (in current/2021 dollars). At current millage rates, this has the potential to generate more than **$10.39 million in annual property tax revenues** for the City of Port St. Lucie at buildout.

The amount of annual property taxes generated by buildout at Southern Grove for both the City and County could be higher or lower depending on a multitude of other factors, including:

- Actual development activity in each land use identified in the master plan
- Degree of quality of building improvements as well as tenant and equipment fitout/improvements
- Actual taxable values
- Actual tenant mix, particularly in workplace uses such as office, research & development and industrial
- Magnitude of tax exemptions and property tax abatements, and
- Other factors unknown at the time of this analysis.

Table 8: Annual Property Tax Revenues at Buildout

Land Use	Development Program	Gross Building Area	Estimated Taxable Value at Buildout (1): Total Hard & Soft Costs	Estimated Taxable Value at Buildout (1): All-in Value Per SF	Estimated Gross Annual Property Taxes (2): Port St. Lucie $ 5.9000	Estimated Gross Annual Property Taxes (2): St. Lucie County $ 18.8348
Residential						
Townhouse For-Sale	900	1,472,361	$ 176,683,333	$ 120	$ 1,042,432	$ 3,327,795
Multi-Family Rental	900	884,700	106,164,000	120	626,368	1,999,578
Total (Units):	**1,800**	**2,357,061**	**$ 282,847,333**	**$ 120**	**$ 1,668,799**	**$ 5,327,373**
As % of Total		*18%*			*16%*	
Workplace						
Office		1,000,000	$ 175,000,000	$ 175	$ 1,032,500	$ 3,296,090
Research & Development		1,000,000	180,000,000	180	1,062,000	3,390,264
Industrial/Warehouse & Distribution		8,000,000	960,000,000	120	5,664,000	18,081,408
Total (SF):		**10,000,000**	**$ 1,315,000,000**	**$ 132**	**$ 7,758,500**	**$ 24,767,762**
As % of Total		*76%*			*75%*	
Supporting Services						
Commercial Retail (SF)		500,000	$ 90,000,000	$ 180	$ 531,000	$ 1,695,132
Hotel (Rooms)	500	231,500	74,000,000	320	436,600	1,393,775
Total (Rooms & SF):	**500**	**731,500**	**$ 164,000,000**	**$ 224**	**$ 967,600**	**$ 3,088,907**
		6%			*9%*	
TOTAL:	**2,300**	**13,088,561**	**$ 1,761,847,333**	**$ 135**	**$ 10,394,899**	**$ 33,184,042**

(1) For purposes of the analysis, estimated taxable values are based on hard and soft construction costs, as actual taxable values are unknown at this time.

(2) This preliminary analysis excludes potential deducts from annual property taxes (e.g., Homestead Exemption for owner-occupied properties; ad valorem tax abatements, etc.), as these are unknown at this time.

Source: St. Lucie County Property Appraiser; Jon Stover & Associates, Inc.; WTL+a, revised January 2021.

APPENDIX F

WTL +a

Technical Memorandum #5

Comparable Cities Analysis

Southern Grove Master Plan

Port St. Lucie, FL

Prepared for:
Treasure Coast Regional Planning Council
Stuart, FL

On behalf of:
City of Port St. Lucie
Port St. Lucie, FL

January 2021 **DRAFT**

WTL +a

Real Estate & Economic Advisors
Washington, DC—Provincetown, MA
202.636.4002 301.502.4171 774.538.6070

General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable at the time the study was conducted. This study is based on estimates, assumptions, and other information developed by WTL +Associates (referred hereinafter as “WTL+a”) from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and/or representatives, or any other data source used in preparing or presenting this study.

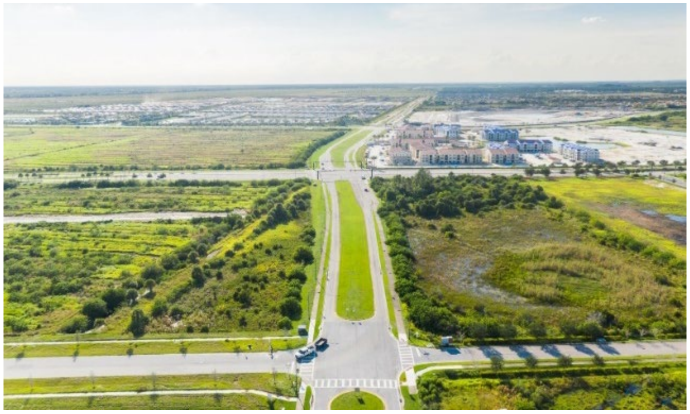
No warranty or representation is made by WTL+a that any of the projected values or results contained in this study will be achieved. Possession of this study does not carry with it the right of publication thereof or to use the name of "WTL+a" in any manner without first obtaining the prior written consent of WTL+a. No abstracting, excerpting or summarizing of this study may be made without first obtaining the prior written consent of WTL+a. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person, other than the client, without first obtaining the prior written consent of WTL+a. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from WTL+a.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Table of Contents

Tables & Figures

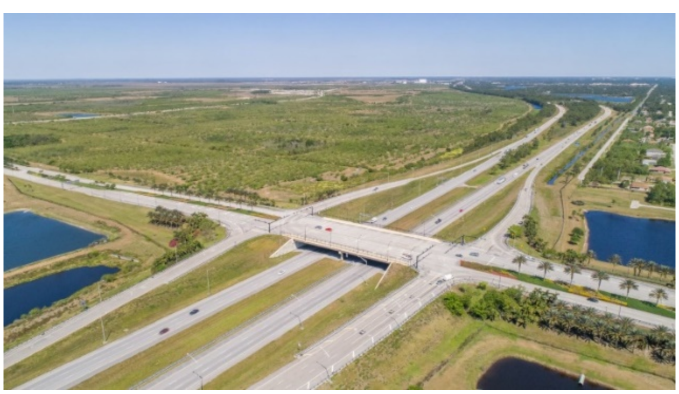
Overview



The City of Port St. Lucie, located in St. Lucie County, Florida, is one of the fastest-growing municipalities in the State of Florida. Established in 1961, its municipal boundaries encompass 121.5 square miles. The City acquired 1,215.9 acres known as the "Southern Grove" property (the "study area") on June 28, 2018, of which approximately 1,183 acres are owned by the City of Port St. Lucie Government Finance Corporation (GFC), and the focus of this analysis. The study area is a part of the Southern Grove Development of Regional Impact (DRI), which encompasses approximately 3,606 acres.

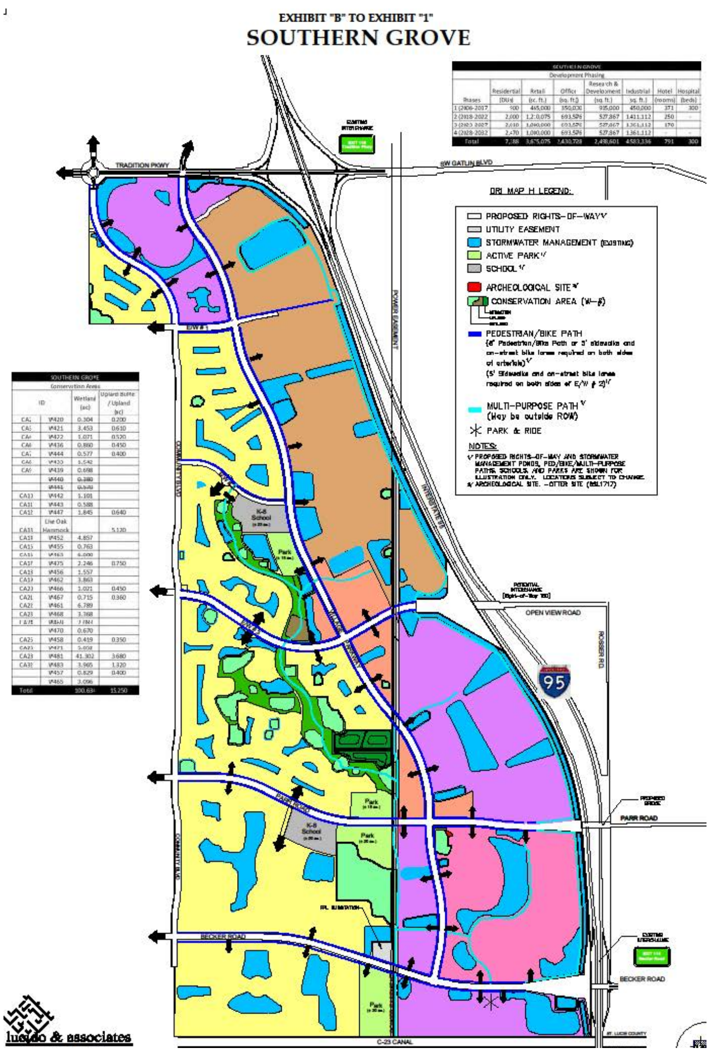
A key City objective in undertaking the analysis of employment metrics in five similarly-situated communities in Florida is to understand trends in Port St. Lucie to:

- **Evaluate long-term employment trends** and ascertain strengths and weaknesses in specific industry sectors;
- **Review each community's current "toolkit" of economic incentives** focused on business retention and recruitment;
- **Determine how the City can gain market share** in the industries being targeted for the Southern Grove study area; and
- **Inform potential business retention and recruitment strategies** in specific industry sectors that guide the City's economic development efforts.



City staff identified a list of five candidate comparable/competitive cities in multiple counties for this analysis. These include: Cape Coral (Lee County); Lakeland (Polk County); Palm Bay (Brevard County); Pembroke Pines (Broward County); and West Palm Beach (Palm Beach County). Technical Memorandum #5 summarizes the findings of this analysis of comparable cities, and supplements previous technical memoranda, including: #1 (demographic/economic profile); #2 (real estate market conditions and development potentials); #3 (financial scorecard analysis); and #4 (economic impacts). In addition, the findings of this analysis will also be used to guide Technical Memorandum #6, which will outline recommended implementation considerations and strategies.

Figure 1: Southern Grove Study Area



Impacts of the 2020 Pandemic

This report presents the findings of the economic impact analysis. The analysis is **based on data and conditions *prior to* COVID-19 impacts**. While the timing for future development may be more extended due to the pandemic, there are potentials for selected, well considered new growth and investment. Experience in other Florida markets has demonstrated the best way to fully optimize economic benefits in Port St. Lucie will result from a carefully structured and implemented plan that appropriately integrates different land uses and phases to provide development flexibility.

The most important difference between year-end 2019 (the data-year used for this analysis) and current conditions in December 2020 is the impact of the global Coronavirus pandemic. COVID-19 has already had a significant impact on commercial real estate, although these impacts vary considerably from location to location. It has affected consumer spending, real estate sales, job prospects and recreation options in ways that have profoundly modified pre-COVID conditions. **The office market, especially for technology and other computer-based industries, has responded most rapidly and *not* in ways that are likely to encourage new office development.** At the broadest levels across the country, early reactions to self-isolation and working-at-home have resulted in some companies advising employees to work at home for the remainder of 2020, while Twitter has announced that its employees can work at home *forever*.

The travel, hospitality and retail industries have been particularly hard-hit, with airline passenger volumes reportedly down by upwards of 90% to 95%, major layoffs in the hotel and food & beverage industries, and the May 2020 announcement of a bankruptcy filing by the Hertz Rental Car company. The travel and leisure market based on tourism have been seriously impacted and will likely take several years to stabilize, much less fully recover. **The National Retail Federation speculated in May 2020 that as many as 40% of small retailers *may never re-open***.

In its bi-annual bankruptcy update of the retail industry, BDO Global (an international network of public accounting, tax, consulting and business advisory firms formerly known as Binder Dijker Otte) identified 18 retailers that headed to bankruptcy court in the first half of the year and another 11 in July through mid-August. In fact, the industry's bankruptcy record so far put it on pace with 2010, following the Great Recession when there were 48 bankruptcy filings by retailers. The COVID-19 pandemic has essentially interfered with what is normally a cyclical pattern for retailers and set up the industry for yet more bankruptcies in 2020's second half.

According to BDO researchers, 2020 was on track to set the record for the highest number of retail bankruptcies and store closings in a single year. By BDO's measure, bankrupt retailers alone have announced nearly 6,000 store closings this year, more from January through mid-August than the record 9,500 stores that closed throughout 2019, and most of them in malls. More than 15 retailers (including Macy's, Bed Bath & Beyond and Gap) outside of bankruptcy court have announced a total of 4,200 closures.

National unemployment levels in 2020 are at their highest since the Great Depression of the 1930s. From a record yearly low of 3.5% in February, seasonally-adjusted unemployment jumped to 14.7% in April. With uneven recovery generated by the pandemic, the *official* national unemployment rate has steadily declined over the past seven months: 13.3% in May; 11.1% in June; 10.2% in July; 8.4% in August; 7.9% in September; 6.9% in October; and 6.7% in November.

By comparison, according to the Department of Economic Opportunity (DEO), Florida's unemployment rate jumped from a low of 2.8% in February 2020 to 13.8% in April; 13.7% in May; 10.3% in June; 11.4% in July; 7.3% in August; 7.2% in September; and remained at 6.4% in both October and November. For a visitor destination like Florida, where the $111.7 billion annual tourism industry is the state's largest industry, the impact is already great and could become a profound issue as the virus continues prior to widespread vaccinations. Like many states, government policies are seeking to balance social responsibility and safety with the need to re-open businesses and encourage visitors to return. The re-opening of beaches and public spaces across the state has been a relief to millions of Florida residents, but it could also result in a virus rebound that could require retrenchment or (at minimum) more carefully regulated public behaviors.

Taken in total, **these impacts have caused a major slowdown in economic activity across Florida (especially in hospitality and tourism-dependent sectors), and the costs of lost consumer spending will result in near-term increases in vacancy rates for retail and office uses, a massive slowdown in tourism and visitor spending**, and a slow recovery period, due in large part to the number of unknowns about a global pandemic. Until a reliable vaccine is developed and produced in sufficient volumes to stabilize the rate of transfer, recreating consumer confidence to travel, to spend time in other places, and to have the money to stimulate local economies will be set back for many months, if not years.

The short-term economic prospects should be cautious and slow. However, there are mitigating factors that could change the mid-to longer-term outlook:

- **Slowing of Unsupportable Speculative Real Estate Development**—an overheated real estate market in Florida has encouraged speculative development and over-entitlements in many submarkets.
- **Time to Plan More Effectively—**a slowdown could encourage a more manageable pace of development and reduce environmental and social impacts that often result from hurried decisions.

- **Business Opportunities for Millennials**—the millennial generation is highly entrepreneurial and will be more willing to start new retail, food & beverage, and consumer service businesses once the pandemic has stopped.
- **Pent up Demand for Social Experiences**—while on-line sales have spiked, consumers are also looking forward to dining out, going out, and shopping; consumer demand for goods and services is pent-up at levels not seen since the 2007 recession.
- **Creative Regulation & Behavior Management**—if reasonable standards can be put into place and safety practices realized, Florida's beaches, communities, and visitor destinations should rebound faster than other parts of the country.

For Port St. Lucie and Southern Grove, the impacts of COVID-19 are more likely related to time and phasing than a permanent loss of economic activity. The area's economic recovery period may present opportunities to take advantage of the 'pause' and consider how to best optimize prospective agreements to create new jobs, attract business investment, and create an overall plan that will capitalize on the site's advantages. For example, the Cleveland Clinic has stimulated a bio-health cluster in the northern portion of the Southern Grove study area, and manufacturing and warehouse/distribution companies have been attracted due to the proximity to I-95 and lower land values than more urbanized counties to the south. While economic recovery may take two to three years, the longer-term prospects for Southern Grove remain moderate but steady over time.

Ironically, U.S. financial markets have stabilized more quickly than consumer markets. The reduced costs of debt/capital have encouraged developers to accelerate proposed projects, allowing 18-24 months for regulatory review, approvals, and construction so that they are ready for the rebound when it occurs. The challenge for the City of Port St. Lucie will be to select those projects carefully so that new development in the Southern Grove study area can generate the greatest economic benefits possible for the City of Port St. Lucie over the long-term.

How is Port St. Lucie Positioned?

Before key findings of this analysis of comparable cities are presented, the following highlights recent trends and current employment metrics in the City of Port. St. Lucie. This includes long-term trends in employment by industry sector, the City's current business mix and jobs-to-population ratio, and labor force inflow/outflow patterns and characteristics. (Some of this same data was previously presented in Technical Memorandum #1—Demographic & Economic Profile). For definition:

- Employment *inflow* is defined as labor force residents that live elsewhere but work in Port St. Lucie
- Employment *outflow* is defined as labor force residents that live in Port St. Lucie but leave to work elsewhere.

Port St. Lucie Employment Trends

- As illustrated in Table 1, U.S. Census data indicate that **Port St. Lucie added 7,144 new jobs between 2007 and 2018** (latest date available). Notably, **Port St. Lucie captured fully 96% of all job growth in St. Lucie County** during this 12-year period. This increased the City's employment base from 23,471 jobs in 2007 to 30,615 jobs in 2018, reflecting a solid compound annual growth rate of 2.4% per year. As a proportion of total employment in St. Lucie County, Port St. Lucie's share also expanded—from 33.8% in 2007 to 39.8% in 2018;
- **Port St. Lucie lost only 939 jobs during the 2008—2011 recession**/recovery. As detailed below, this is well-below the job losses incurred in each of the five comparable cities. Over the past 12 years, net job losses occurred in the following industry sectors:
    - Wholesale Trade (-1,480)—this affects demand for warehousing & distribution facilities
    - Construction (-481)—this affects demand for warehousing & distribution and industrial space
    - Professional/Business Services (-445)—this affects demand for office space
    - Public Administration/Government (-228)
- In 2018, **Port St. Lucie's largest employment sector was Health Care, with 20% of all jobs**. Two other largest sectors include Retail (16.7%) and Accommodation & Food Services (14.8%); and
- Over the past 12 years, new jobs were created in 10 of 19 industry sectors, with the greatest number of new jobs in the following sectors:
    - **Retail Trade**—this sector exhibited the largest absolute increase in new jobs (3,170), reflecting an extraordinary annual growth rate of 8.7% per year
    - **Health Care**—2,623 new jobs were created in Health Care, reflecting a sustained annual growth rate of 5.3% per year, and
    - **Accommodation & Food Services**—this sector added 1,854 new jobs, a growth rate of 4.8% per year.

Table 1: Employment Trends—City of Port St. Lucie, 2007—2018

Industry Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018 % Dist.	Change: 2007-2018 Amount	Change: 2007-2018 CAGR %
		National Recession & Recovery													
Agriculture & Mining	89	83	78	71	44	30	35	44	43	57	48	47	0.2%	(42)	-5.6%
Construction	2,926	2,465	1,533	1,272	1,306	1,219	1,325	1,718	1,921	2,081	2,303	2,445	7.7%	(481)	-1.6%
Manufacturing	700	616	631	606	636	394	449	498	729	548	532	597	1.8%	(103)	-1.4%
Transp & Warehousing	183	175	154	154	190	254	218	200	228	214	197	256	0.7%	73	3.1%
Utilities	135	133	91	133	155	174	174	147	195	195	173	183	0.6%	48	2.8%
Trade															
Wholesale	2,592	2,660	2,888	2,679	2,720	2,792	1,887	1,476	1,198	1,376	1,391	1,112	4.7%	(1,480)	-7.4%
Retail	2,093	2,721	2,767	2,803	3,920	3,783	3,892	4,182	4,145	5,058	4,979	5,263	16.7%	3,170	8.7%
Information	154	126	111	115	342	478	150	165	94	135	100	98	0.3%	(56)	-4.0%
Finance & Insurance	734	625	572	574	586	736	727	690	707	754	700	732	2.3%	(2)	-0.02%
Real Estate/Rental & Leasing	425	390	342	324	400	520	362	461	452	401	416	516	1.4%	91	1.8%
Services															
Prof'l/Business Services	1,974	1,557	1,492	1,203	1,380	1,272	1,433	1,421	1,452	1,283	1,617	1,529	5.4%	(445)	-2.3%
Management of Companies	22	38	31	36	15	29	38	37	23	37	28	12	0.1%	(10)	-5.4%
Administration/Waste Mgmt.	2,076	1,941	1,891	2,210	2,240	2,694	2,824	2,930	3,193	2,926	2,761	2,905	9.2%	829	3.1%
Educational Services	519	610	538	737	656	443	547	585	788	844	858	864	2.9%	345	4.7%
Health Care & Social Assistance	3,427	3,900	4,107	4,279	4,681	4,891	5,185	5,201	5,503	5,579	5,970	6,050	20.0%	2,623	5.3%
Arts/Entertainment/Recreation	604	803	605	665	629	549	440	498	651	667	771	724	2.6%	120	1.7%
Accommodation & Food Services	2,731	2,619	2,815	2,760	3,192	3,491	3,581	3,659	4,101	4,375	4,437	4,585	14.8%	1,854	4.8%
Other Services	452	474	492	494	600	679	838	945	1,113	1,155	1,246	1,290	4.2%	838	10.0%
Public Administration/Gov't	1,635	1,567	1,605	1,449	1,349	1,292	1,268	1,315	1,301	1,319	1,372	1,407	4.6%	(228)	-1.4%
TOTAL:	**23,471**	**23,503**	**22,743**	**22,564**	**25,041**	**25,720**	**25,373**	**26,172**	**27,837**	**29,004**	**29,899**	**30,615**		**7,144**	**2.4%**
Annual Change:	-	*32*	*(760)*	*(179)*	*2,477*	*679*	*(347)*	*799*	*1,665*	*1,167*	*895*	*716*			
Annual % Change:	-	*0.1%*	*-3.2%*	*-0.8%*	*11.0%*	*2.7%*	*-1.3%*	*3.1%*	*6.4%*	*4.2%*	*3.1%*	*2.4%*			
Port St. Lucie As % of SL County:	**33.8%**	**34.4%**	**35.6%**	**36.1%**	**36.8%**	**38.1%**	**37.5%**	**38.3%**	**38.8%**	**39.3%**	**39.9%**	**39.8%**		**12-Year Avg:**	***37.4%***

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

Port St. Lucie Business Mix & Jobs-to-Population Ratio

- As illustrated in Table 2, Dun & Bradstreet data suggest that in 2020, there are 46,802 jobs in 6,179 businesses in Port St. Lucie. The sizable difference in employment between 2018 Census data (30,615) and 2020 Dun & Bradstreet (46,802) is attributable primarily to part-time employment (which is included in Dun & Bradstreet), two additional years of job growth, and the method by which jobs are categorized. Services (45%) and Retail Trade (32%) account for the two largest industry sectors in Port St. Lucie;
- Based on 2020 employment, **Port St. Lucie's jobs-to-population ratio is a relatively low 0.24**—on par with Cape Coral (0.25) but below other comparable cities. That is, there are roughly 24 jobs for every 100 residents of Port St. Lucie;

Port St. Lucie Labor Force Inflow/Outflow

- As illustrated in Table 3, between 2009 and 2018 **the net difference between labor force residents *leaving* Port St. Lucie to work elsewhere and employees living elsewhere but working in Port St. Lucie increased by 15,278—a significant increase of 59%**—and well-above the changes exhibited in labor force outflow in the other communities selected for this analysis;
- Specifically, the 59% increase between 2009 and 2018 reflects the difference between City residents in the labor force *leaving* to work elsewhere (which increased by 20,397, or 53%) versus the number of residents who live elsewhere but *work in* Port St. Lucie (which increased by only 5,119, or 40%);
- According to Census data, while the City's labor force population increased by 47% during this 10-year period, the number of jobs increased by only 34%;
- Among the inflow labor force (i.e., labor force residents that live outside Port St. Lucie but work in the City), "All Other Services" industries generated both the largest absolute gain in new jobs (3,680) as well as the highest rate of growth (47%) during this period.

Table 2: Business Mix—City of Port St. Lucie, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**132**	2.1%	**420**	0.9%
Construction	**603**	9.8%	**2,511**	5.4%
Manufacturing	**79**	1.3%	**930**	2.0%
Transportation & Warehousing	**160**	2.6%	**618**	1.3%
Communications	**56**	0.9%	**309**	0.7%
Utilities	**16**	0.3%	**77**	0.2%
Wholesale & Retail Trade				
Wholesale	133		1,144	
Retail	1,227		14,903	
- Home Improvement	72		652	
- General Merchandise	64		3,093	
- Food Stores	114		2,015	
- Auto Dealers/Gas Stations	124		696	
- Apparel & Accessory Stores	82		681	
- Furniture/Home Furnishings	106		589	
- Eating & Drinking Places	345		5,086	
- Miscellaneous & Non-store Retail	320		2,091	
Subtotal - All Retail:	**1,360**	22.0%	**16,047**	34.3%
Finance/Insurance/Real Estate	**495**	8.0%	**2,562**	5.5%
Services				
- Hotel/Lodging	20		363	
- Automotive Services	197		548	
- Motion Pictures & Amusements	166		890	
- Health Services	473		8,140	
- Legal Services	61		278	
- Educational Institutions	81		3,586	
- Other Services	1,557		7,149	
Subtotal - Services:	**2,555**	41.3%	**20,954**	44.8%
Government	**68**	1.1%	**1,699**	3.6%
Unclassified Establishments	**655**	10.6%	**675**	1.4%
TOTAL:	**6,179**	**100.0%**	**46,802**	**100.0%**

ANALYSIS:		
	2020 Employment	**46,802**
	% Share of St. Lucie County	**50.8%**
(1)	**2020 Population (ESRI)**	**197,907**
	Jobs/Population Ratio	**0.236**

(1) *ESRI population estimate as of 1/1/20; this differs from the state estimate of:* 202,914 *as of 4/1/20.*

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

Table 3: Inflow/Outflow Job Characteristics—City of Port St. Lucie, 2009—2018

	2009	2014	2018	Change: 2009-2018 Amount	Change: 2009-2018 %
Total Inflow/Outflow					
Employed in Port St. Lucie	22,876	26,087	30,615	7,739	**34%**
Labor Force Living in Port St. Lucie	48,637	62,518	71,654	23,017	**47%**
Net Job Inflow (+) or Outflow (-)	**(25,761)**	**(36,431)**	**(41,039)**	**(15,278)**	**59%**
Outflow Job Characteristics (1)					
Workers in "Goods Producing" Industries	4,957	6,065	7,636	2,679	**54%**
Workers in "Trade, Transportation & Utilities" Industries	7,653	11,654	12,747	5,094	**67%**
Workers in "All Other Services" Industries	26,093	33,493	38,717	12,624	**48%**
Total:	**38,703**	**51,212**	**59,100**	**20,397**	**53%**
Inflow Job Characteristics (2)					
Workers in "Goods Producing" Industries	1,449	1,329	1,778	329	**23%**
Workers in "Trade, Transportation & Utilities" Industries	3,715	4,120	4,825	1,110	**30%**
Workers in "All Other Services" Industries	7,778	9,332	11,458	3,680	**47%**
Total:	**12,942**	**14,781**	**18,061**	**5,119**	**40%**

(1) Includes job characteristics of labor force residents of Port St. Lucie who work elsewhere.
(2) Includes job characteristics of labor force residents elsewhere who work in Port St. Lucie.

Source: U.S. Census Bureau, On-the-Map; WTL+a; December 2020.

Figure 2: Employment Densities—City of Port. St. Lucie, 2018

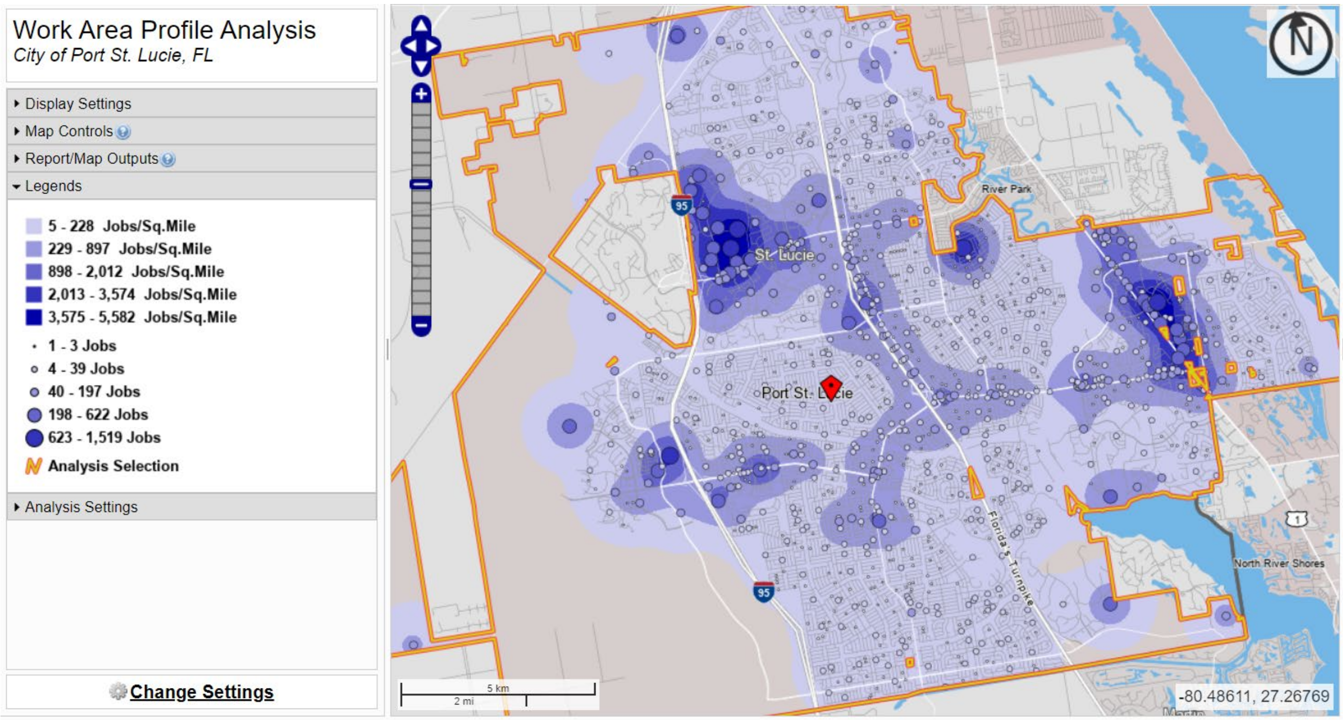
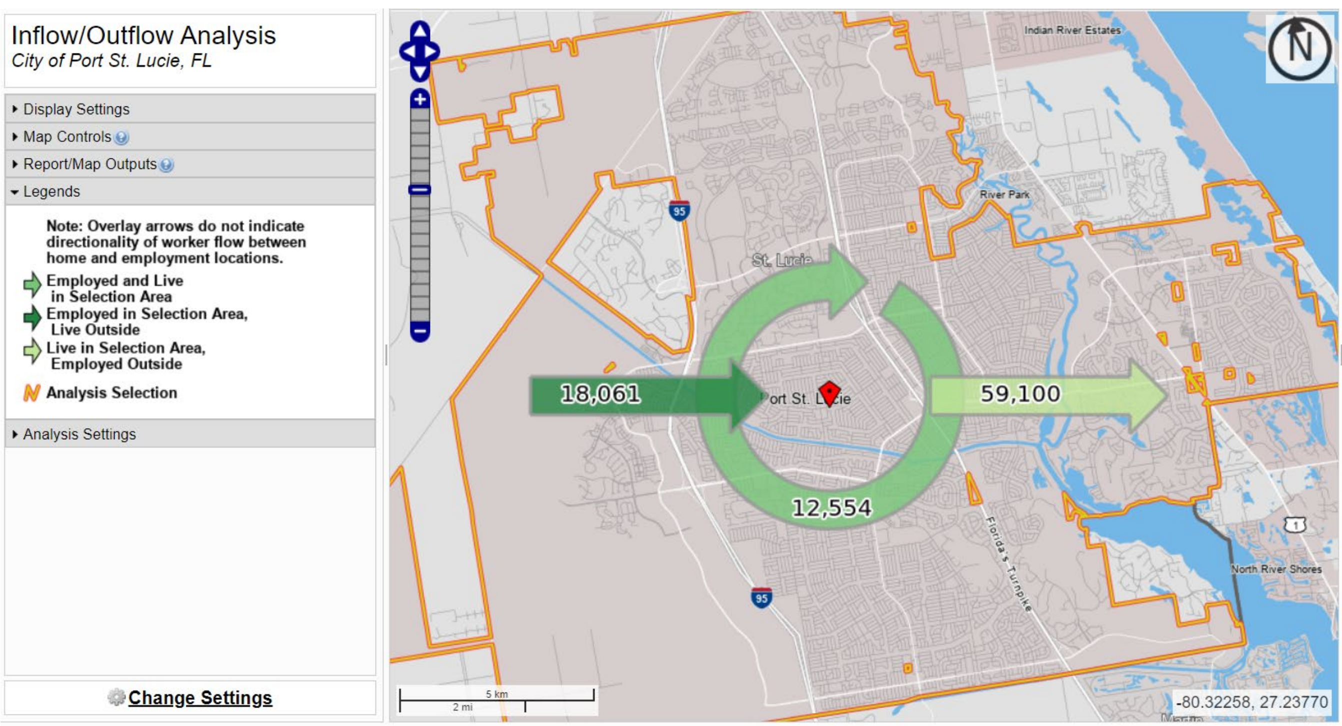


Figure 3: Labor Force Inflow/Outflow—City of Port St. Lucie, 2018



Key Findings & Conclusions

The analysis of five selected comparable communities (and counties) presented in detail below reveals a number of findings and conclusions that should serve to guide Port St. Lucie's ongoing and future economic development initiatives. The analysis resulted in several consistent themes that emerged from this 'snapshot in time'. These themes reinforce the importance of carefully crafted strategies regarding business retention and recruitment and the continued use of financial incentives to ensure successful buildout of Southern Grove as a jobs corridor. These findings are presented below:

Emerging, Diversifying Economy

Port St. Lucie (and, more broadly St. Lucie County) is an economy in transition—a 50-year evolution from a low-density suburban, almost-exclusively residential community (with supporting retail) to a more broad-based economy focused on job creation and a more prominent role as a regional employment center. Notably, this evolution is reflected in **St. Lucie County being the smallest of the five counties examined—with a 2020 population of 326,400 and an employment base of just over 92,100 jobs.** As illustrated in Table 1, this yields **a low jobs-to-population ratio of 0.28** (that is, there are 28 jobs for every 100 residents of St. Lucie County). By comparison, the jobs-to-population ratios in each of the other four counties are higher—ranging from a low of 0.34 in Polk County (Lakeland) to 0.38 in Lee County (Cape Coral) to a high of 0.49 in Palm Beach County (West Palm Beach).

This is also reinforced at the municipal level. **While Port St. Lucie comprises fully 61% of the County's total population (a higher share than any of the other five cities), its jobs-to-population ratio is similarly low.** With a 2020 population of 197,907 (ESRI) and 46,802 jobs (Dun & Bradstreet), this yields a ratio of 0.24 (i.e., 24 jobs per 100 residents). By comparison, these same ratios range from 0.25 in Cape Coral (also undergoing similar transitions as Port St. Lucie but adding jobs at a faster clip) to 0.64 in Lakeland and 0.86 in West Palm Beach. Only Palm Bay in Lee County has a lower ratio—of 0.19.

Lakeland is illustrative of the maturation of emerging economies; its location on the high-growth I-4 corridor between two large metropolitan areas (Tampa and Orlando) and historically lower land costs have fueled a diversified economy with a significant increase in jobs. In fact, between 2007 and 2018, Polk County exhibited a net gain of 27,418 new jobs—almost four times the pace of job growth in St. Lucie County during this period. Approximately 60% of Polk County's new job growth (16,405 jobs) was in Lakeland, driven by growth in Transportation & Warehousing and in both office-using and retail jobs.

As industrial facilities are typically land consumptive (single-story, high bay buildings), annual positive net absorption of industrial/warehousing in Lakeland also illustrates this evolution:

- 286,300 sq. ft. per year in 2013
- 603,350 sq. ft. per year in 2015
- 1,436,227 sq. ft. per year in 2020

This increasing 'critical mass' of targeted uses compares to an average of almost 82,600 sq. ft. per year since 2013 in Port St. Lucie. This maturation—particularly in Lakeland's industrial market is also illustrated in the tenant mix delivered in 2020—ranging from large single anchor users such as HCA (713,343 sq. ft.) to Amazon (711,000 sq. ft.) and others. This supports Port St. Lucie's recently-negotiated transactions for the proposed Sansone and Project Bullet projects, which will benefit Southern Grove in the form of large-scale "build-to-suit" projects for single tenants such as the proposed FedEx distribution facility. Like Port St. Lucie, Lakeland also benefits from similar locational dynamics—including immediate interstate access (I-4), a growing labor force, and proximity to large metro markets.

The theme of an emerging, diversifying economy is also illustrated in inflow/outflow job characteristics. As illustrated in Table 6 and Table 7, job outflow *declined* in both Palm Bay (by 8,072 labor force residents, a 41% decrease) and Pembroke Pines (by 2,416 labor force residents, a 7% decrease). That is, fewer labor force residents left Palm Bay and Pembroke Pines to work elsewhere as job growth expanded in each city between 2009 and 2018. Also, job inflow *increased* in both Lakeland (by 14,066 labor force residents, a 52% increase) and West Palm Beach (by 7,471 labor force residents, a 22% increase). In other words, sufficient job growth in Lakeland and West Palm Beach resulted in an increase in the labor force working within these jurisdictions but living elsewhere.

By comparison, Census data indicate that **job *outflow* increased significantly in Port St. Lucie between 2009 and 2018**. As noted previously, the **number of Port St. Lucie residents in the labor force working *outside* the city increased by 20,397 (a 59% increase),** but the number of employees living elsewhere but working *in* Port St. Lucie increased by only 5,119 (a 40% increase) over this 10-year period. This net difference (job *outflow* of 15,278, or 59%) amplifies the importance of securing businesses and net new employment in the Southern Grove jobs corridor to reduce the number of residents leaving to work elsewhere.

Economic Anchors Drive Job Growth

Another key finding is the critical role that specific economic (and associated employment) anchors play in accelerating job growth in several of these comparable communities. For example, Palm Bay in Brevard County benefits substantially from its proximity to NASA's Kennedy Space Center as well as two military installations—Cape Canaveral Air Force Station and Patrick Air Force Base. As illustrated in Table 4 and Table 5, between 2007 and 2018, Palm Bay added 13,868 new jobs (roughly double the number of new jobs in Port St. Lucie). This included 1,762 new jobs in Professional/Business Services, Information, and Management of Companies and 2,817 new jobs in Public Administration/Government (20% of Palm Bay's total job growth between 2007 and 2018). This includes office-using sectors in engineering and other professional services associated with the functions of Kennedy Space Center, such as L3 Harris Technologies, Inc.

While the presence of key economic anchors such as these near Palm Bay generate significant economic impacts and job growth, the elimination of specific publicly-sponsored programs also contributes to sizable fluctuations in employment and impacts to the city's economy. For example, when the Space Shuttle program ended in 2011 (and preceded by the cancellation of the Constellation Program in 2010), it likely contributed to job losses in Manufacturing, with the loss of more than 4,000 jobs in this sector between 2009 and 2014.

Palm Bay also benefits from the presence of several educational institutions, including: Florida Institute of Technology's Spaceport Education Center, Eastern Florida State College, and the Kennedy Space Center Learning Institute. As illustrated in Table 14, Educational Services exhibited the greatest increase (and fluctuations) in employment among Palm Bay's 19 industry sectors (with a reported 10,961 new jobs created between 2007 and 2018).

West Palm Beach's unique role as the seat of Palm Beach County and its primary central city has generated job growth in specific office-using sectors as well as Public Administration/Government. As illustrated in Table 4 and Table 5, West Palm Beach added a net gain of 3,452 new jobs in office-using sectors (accounting for 29% of the city's job growth) and 1,571 new jobs in Public Administration/Government (accounting for 13% of all new jobs) between 2007 and 2018.

In other examples of economic anchors, Lakeland benefits from its location as the recently-expanded corporate headquarters of Publix Supermarkets. As such, the city benefitted from the creation of 2,028 new jobs in the Management of Companies sector between 2007 and 2018. In Pembroke Pines (a fully built out suburb of Fort Lauderdale), the presence of North Perry Airport (a general aviation facility) has attracted at least eight flight training academies/schools and aerial media businesses surrounding the airport. In addition, Broward College—South Campus, located in Pembroke Pines, offers degree programs in Aviation Maintenance Management, Avionics, Airport Management, Professional Pilot Technology, Commercial Flight Operations, FAA Aircraft Airframe Mechanics, and Aviation Administration.

These results among comparable cities reinforce the **importance of enhancing opportunities for expansion of Southern Grove's existing institutional and educational anchors, such as Cleveland Clinic and Keiser University,** as well as identifying and securing other economic anchors across appropriate industry sectors to enhance job creation prospects at Southern Grove.

Health Care/Bio-tech as Economic Engine

Across the U.S., the Health Care & Social Assistance industry sector has exhibited significant job growth over the past 20 years. Job growth and expansion in this sector has been driven by expanding opportunities in medical care, an aging population, and research & development in medical- and bio-technology. These trends are also evident in each of the five comparable communities. For example, in Lee County/Cape Coral, Lee Health System is the county's largest employer, providing 13,595 jobs.

While the **medical and bio-tech industries have generated significant new job growth, some of this growth has been supported by public incentives**. For example, in Palm Beach County, both the Scripps Research Institute and Max Planck Florida Institute for Neuroscience received significant public incentives to develop their facilities. Scripps (a 350,000 sq. ft. facility opened in 2009 with 600 jobs), received $310 million in Federal economic development funds through the State of Florida and $187 million from Palm Beach County. Max Planck (a 100,000 sq. ft. facility opened in 2012 with 120 jobs), received $94 million from the State of Florida, $87 million from Palm Beach County and a land donation from Florida Atlantic University. FAU established the Jupiter Life Sciences Initiative, a 20,000 sq. ft. facility with 40 jobs, to collaborate with both institutes.

Job growth in Health Care in the comparable communities as well as Port St. Lucie included:

Community	New Health Care Jobs	% of All New Jobs
Palm Bay	422	3%
West Palm Beach	1,646	14%
Cape Coral	2,625	22%
Lakeland	3,776	23%
Port St. Lucie	**2,623**	**37%**
Pembroke Pines	3,621	37%

The number of jobs in Health Care in Port St. Lucie (2,623) and the arrival of Cleveland Clinic in the City reinforces the critical importance of **Cleveland Clinic as an anchor to attract other businesses in Health Care as well as medical- and bio-technology**. WTL+a recommends the following to support this finding:

- Support Cleveland Clinic's proposed acquisition of adjacent acreage to provide for expansion opportunities of the Bio/Health District as proposed in the Southern Grove Master Plan. The proposed Bio/Health District would extend from Tradition Parkway to Discovery Way. The bio-medical concentration would be expected to attract high-skills/higher paying professional jobs while drawing health care customers from both St. Lucie County and surrounding jurisdictions. The Bio/Health District plan provides the greatest densities and intensities of proposed uses with an urban development form;
- Ensure that all future industrial uses, including warehousing and distribution facilities, are clustered in the proposed Workplace District located between Discovery Way and Becker Road, which is designed to accommodate large format industrial, warehouse/distribution, and office/research uses generally east of Hegener Boulevard. This will ensure that sufficient acreage exists to provide for expansion opportunities in the proposed Bio/Health District; and
- Support proposed expansion of Cleveland Clinic facilities as well as associated medical and research facilities (e.g., medical office buildings by Tradition Health LLC) and expansion of programs associated with Florida International University's merger with the Torrey Pines Institute for Molecular Studies in 2020.

We note that the City of Port St. Lucie may or may not need to provide financial subsidies to attract another institution related to medical- and bio-technology as Cleveland Clinic already serves as a primary anchor in the Southern Grove study area, and it provides the kinds of jobs and pay scales that serve as a strong complement to ancillary and associated businesses. The presence of the Cleveland Clinic has created a highly credible economic 'anchor' that can draw and sustain allied professional jobs and businesses that will want to be located nearby.

Over-reliance on Retail as Economic Development

The five comparable communities have exhibited a significant increase in retail and hospitality jobs over the past 20 years. As illustrated in Table 5, job growth in Retail Trade, Accommodation & Food Services, and Arts/Entertainment/Recreation added thousands of new jobs between 2007 and 2018:

Community	New Retail/Hospitality Jobs	% of All New Jobs
Palm Bay	1,957	14%
Pembroke Pines	3,352	34%
West Palm Beach	4,098	34%
Cape Coral	5,011	43%
Port St. Lucie	**5,144**	**72%**
Lakeland	6,610	40%

It is striking that **fully 72% of all new jobs in Port St. Lucie between 2007 and 2018 were in the retail and hospitality sectors**. As detailed previously in Technical Memorandum #2, this coincides with construction of 2,419,000 sq. ft. of new retail space citywide and total net absorption of 2,390,200 sq. ft. between 2007 and 2019. While new retail construction leveled off in 2019 and 2020, these performance metrics resulted in stabilized occupancies of 95% or higher over the past five years (i.e., vacancy rates of 5% or less). Retail growth in Port St. Lucie has been fueled by ongoing population and household growth.

However, the retail industry nationally is undergoing significant transition, with a downturn driven by the following:

- Store over-expansion and excess retail zoning entitlements (particularly in a property rights state like Florida);
- Declining sales and profits and an oversupply of 'physical' retail stores and rapid growth of on-line retailing;
- Store closings and bankruptcies (particularly among legacy department stores);
- Changes in both the consumer marketplace (as customers tired of shopping malls and on-line sales increased prior to the effects of the COVID pandemic in 2020); and
- Shifts in underlying retail center business models, particularly for shopping malls.

As noted above, COVID-19 has already had a significant impact on commercial real estate, although these impacts vary considerably from location to location. It has affected consumer spending, real estate sales, job prospects, and recreation options in ways that have profoundly modified pre-COVID conditions. According to BDO, 2020 was on track to set the record for the highest number of retail bankruptcies and store closings in a single year. By BDO's measure, bankrupt retailers alone have announced nearly 6,000 store closings this year, more from January through mid-August than the record 9,500 stores that closed throughout 2019, and most of which were located in shopping malls. More than 15 retailers (including Macy's, Bed Bath & Beyond and Gap) outside of bankruptcy court have announced a total of 4,200 closures.

The original DRI proposal for a 2.2 million sq. ft. enclosed super-regional shopping mall in the Southern Grove study area has been eliminated by changes in the retail/shopping mall industries. A super-regional shopping mall in this location will never open. At the time the original Southern Grove DRI was created, retail growth was accepted as a mechanism to create a range of jobs—from entry level sales and services through top management. These findings in the highly unlikely prospect to create this type of retail reinforce a key recommendation to **avoid over-reliance on retail jobs as an economic development strategy**. This also supports a recommendation in the master plan to reduce retail entitlements in Southern Grove—from current levels of 2,582,251 sq. ft. to 500,000 sq. ft. at buildout.

Conclusions

Employment and demographic data indicate that **St. Lucie County and Port St. Lucie are in the midst of a transition from a low-density suburban residential community to a more diversified economy.** As the county has a much smaller population than the comparables profiled in this analysis, it is not currently considered a regional employment destination. This is borne out by the sizable increase in job *outflow*—labor force residents leaving to work elsewhere. Since this evolution is ongoing, the proportion of jobs lost during the national recession and recovery (2008—2011) was low in comparison to the larger counties.

St. Lucie County's employment status is also reflected in the state Department of Economic Opportunity (DEO) grouping for classification purposes with Indian River and Martin Counties (known as "Workforce Development Area 20"). DEO's recently-released employment forecasts for 2020—2028 suggest that **this three-county region could be expected to add 27,666 new jobs** over the next eight years. Based on Dun & Bradstreet 2020 data, St. Lucie County currently accounts for 42.5% of all jobs in this three-county region. If St. Lucie County *maintains* its fair share of jobs it would yield almost 11,800 new jobs countywide by 2028. Further, **if Port St. Lucie *maintains* its fair share of countywide jobs it would yield approximately 6,000 new jobs citywide over the next eight years**. While this estimate is an indicator of future growth (and demand potentials for specific types of workplace real estate such as office and industrial space), it is not necessarily a firm prediction. Moreover, with significant uncertainties remaining about economic recovery due to the pandemic, job growth and recovery in specific industry sectors remain unknown—at least for the short-term. Thus, forging clear, proactive economic development strategies that focus on business retention and recruitment with the continued use of incentives should remain a critical goal of the City of Port. St. Lucie.

Case studies of each of the five comparable communities are presented after the summary data below.

WTL+a

Table 4: Summary of Employment Characteristics—Selected Comparable Counties & Cities

Comparison of County Employment Patterns	2020 (ESRI)			2007-2018 (Census)				2028 Forecast (DEO)	
				2008-2010 National Recession			Actual		Forecast
	Total Population	Total Jobs	Jobs-to-Population Ratio	Jobs Lost	% of All Jobs	Total New Jobs	Annual % Growth	New Jobs 2020-2028	Annual % Growth
Brevard County	616,481	226,816	0.37	(11,542)	3.1%	17,699	0.80%	25,022	1.31%
Broward County	1,909,545	910,156	0.48	(71,565)	5.0%	77,606	0.88%	110,541	1.54%
Lee County	753,337	283,183	0.38	(29,938)	7.0%	39,021	1.95%	36,791	1.86%
Palm Beach County	1,471,269	713,943	0.49	(56,059)	5.6%	75,851	1.20%	87,755	1.65%
St. Lucie County	**326,357**	**92,137**	**0.28**	**(7,056)**	**3.6%**	**7,430**	**0.93%**	**11,757**	**1.60%**
Polk County	703,886	239,042	0.34	(32,422)	8.4%	27,418	1.11%	28,618	1.41%

Comparison of City Employment Patterns									
				2008-2010 National Recession			Actual	Current	*If* Fair
	Total Population	Total Jobs	Jobs-to-Population Ratio	Jobs Lost	% of All Jobs	Total New Jobs	Annual % Growth	Share of County Jobs	Share Maintained
Cape Coral	186,294	45,752	0.25	(4,496)	10.9%	11,684	3.66%	16.2%	5,944
Lakeland	111,262	71,405	0.64	(7,372)	3.8%	16,405	1.94%	29.9%	8,549
Palm Bay	119,426	22,197	0.19	(2,764)	4.8%	13,868	4.78%	9.8%	2,449
Port St. Lucie	**197,907**	**46,802**	**0.24**	**(939)**	**2.1%**	**7,144**	**2.45%**	**50.8%**	**5,972**
Pembroke Pines	167,378	52,184	0.31	(1,870)	2.6%	9,899	2.19%	5.7%	6,338
West Palm Beach	111,654	96,119	0.86	(8,640)	4.0%	11,997	1.31%	13.5%	11,815

Source: U.S. Census Bureau; American Community Survey; Florida Department of Economic Opportunity (DEO); ESRI Business Analyst; WTL +a, December 2020.

Table 5: Summary of New Jobs by Industry Sector—Comparable Cities, 2007—2018

Community	Industrial: Construction	Manufacturing	Transportation & Warehousing	Wholesale Trade & Utilities	Total	As % of New Jobs
Selected Industry Sectors (Absolute Job Growth)						
Cape Coral	415	464	134	30	**1,043**	**9%**
Lakeland	(106)	(99)	748	(701)	**(158)**	**N/A**
Palm Bay	146	(4,831)	293	404	**(3,988)**	**N/A**
Pembroke Pines	(42)	44	336	58	**396**	**4%**
Port St. Lucie	**(481)**	**(103)**	**73**	**(1,432)**	**(1,943)**	**N/A**
West Palm Beach	356	206	(158)	(1,275)	**(871)**	**N/A**

Community	Office: Administration & Support	Information & Mgmt. of Cos.	Prof'l/Business Services	Finance/Insurance & Real Estate	Total	As % of New Jobs
Cape Coral	693	(72)	640	(301)	**960**	**8%**
Lakeland	2,404	1,681	266	2,693	**7,044**	**43%**
Palm Bay	(41)	416	1,450	(63)	**1,762**	**13%**
Pembroke Pines	635	81	274	581	**1,571**	**16%**
Port St. Lucie	**829**	**(66)**	**(445)**	**89**	**407**	**6%**
West Palm Beach	5,641	170	(1,324)	(1,035)	**3,452**	**29%**

Community	Retail & Hospitality: Retail Trade	Accommodation/ Food Services	Arts/Entertainmt & Recreation	Total	As % of New Jobs
Cape Coral	2,672	2,334	5	**5,011**	**43%**
Lakeland	4,113	2,678	(181)	**6,610**	**40%**
Palm Bay	1,146	801	10	**1,957**	**14%**
Pembroke Pines	2,083	1,525	(256)	**3,352**	**34%**
Port St. Lucie	**3,170**	**1,854**	**120**	**5,144**	**72%**
West Palm Beach	1,639	1,893	566	**4,098**	**34%**

Community	Other Sectors: Health Care & Social Assistance	As % of New Jobs	Public Administration/ Government	As % of New Jobs	Education	As % of New Jobs
Cape Coral	2,625	22%	(226)		125	1%
Lakeland	3,776	23%	(518)		243	1%
Palm Bay	422	3%	2,817	20%	10,961	79%
Pembroke Pines	3,621	37%	(3)		545	6%
Port St. Lucie	**2,623**	**37%**	**(228)**		**345**	**5%**
West Palm Beach	1,646	14%	1,571	13%	1,313	11%

Source: U.S. Census On-the-Map; WTL+a, January 2021.

Table 6: Summary of Labor Force Inflow/Outflow Trends—Comparable Cities, 2009—2018

Community	Change in Inflow/(Outflow): 2009-2018 *(1)* Amount	%	Explanation
Cape Coral	(1,990)	6%	**Outflow *increased***: 1,990 more residents worked outside Cape Coral in 2018 than 2009
Lakeland	14,066	52%	**Inflow *increased***: 14,066 residents living elsewhere but working in Lakeland increased (52% increase)
Palm Bay	(8,072)	-41%	**Outflow *decreased***: 8,072 fewer residents left Palm Bay to work elsewhere between 2009 & 2018
Pembroke Pines	(2,416)	-7%	**Outflow *decreased***: 2,416 fewer residents left Pembroke Pines to work elsewhere between 2009 & 2018
Port St. Lucie	**(15,278)**	**59%**	**Outflow *increased*: 15,278 more residents worked** outside Port St. Lucie in 2018 than 2009 (59% increase)
West Palm Beach	7,471	22%	**Inflow *increased***: 7,471 residents living elsewhere but working in West Palm Beach increased by 22%

(1) This illustrates the change in inflow (i.e., employees that live elsewhere but work in the community) or outflow (i.e., employees that work elsewhere but live in the community).

Source: U.S. Census On-the-Map; WTL+a, January 2021.

Table 7: Summary of Change in Inflow Job Characteristics—Comparable Cities, 2009—2018

Community	Job Change by Industry Clusters: 2009-2018		
	Workers in "Goods Producing"	Workers in "Trade, Transportation & Utilities"	Workers in "All Other Services"
Cape Coral	4,199	2,036	4,196
Lakeland	920	5,314	12,380
Palm Bay	(1,820)	1,432	13,767
Pembroke Pines	11	2,557	8,009
Port St. Lucie	**329**	**1,110**	**3,680**
West Palm Beach	2,162	1,700	13,704

Source: U.S. Census On-the-Map; WTL+a, January 2021.

Case Study: City of Cape Coral

Cape Coral in located in Lee County on the Gulf Coast in southwest Florida. Cape Coral is the principal city in the Cape Coral—Ft. Myers Metropolitan Statistical Area, encompassing 115.1 square miles (about 50% larger than Port St. Lucie) and a 2020 population of 186,294 (6% lower than Port St. Lucie).

Figure 4: City of Cape Coral

Cape Coral Employment Trends

- Between 2007 and 2018, **job growth in Cape Coral was 64% greater than it was in Port St. Lucie with almost 11,700 new jobs** created. This increased Cape Coral's employment base from 24,100 jobs in 2007 to 35,800 jobs in 2018, reflecting a strong compound growth rate of 3.7% per year. As a proportion of total employment in Lee County, Cape Coral's share also expanded—from 14.6% in 2007 to 17.5% in 2018. The 2018 employment base in Cape Coral is 17% larger than Port St. Lucie;

Table 8: Employment Trends—City of Cape Coral, 2007—2018

		National Recession & Recovery											2018	Change: 2007-2018	
Industry Sector	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**% Dist.**	**Amount**	**CAGR %**
Agriculture & Mining	24	24	24	8	272	891	1,046	1,792	2,368	1,705	1,081	1,946	5.4%	1,922	N/A
Construction	4,800	3,006	2,255	2,227	2,433	2,622	2,928	3,434	3,871	4,533	4,748	5,215	14.6%	415	0.8%
Manufacturing	940	811	575	566	612	753	758	929	990	1,129	1,201	1,404	3.9%	464	3.7%
Transp & Warehousing	170	161	138	118	159	198	212	228	259	282	330	304	0.8%	134	5.4%
Utilities	11	11	12	7	9	32	26	24	24	17	18	14	0.0%	3	2.2%
Trade															
Wholesale	546	469	428	523	517	556	603	600	560	571	550	573	1.6%	27	0.4%
Retail	3,349	3,598	3,491	3,486	4,220	4,635	4,806	5,004	5,654	5,659	5,683	6,021	16.8%	2,672	5.5%
Information	432	370	313	327	379	283	366	603	354	434	436	336	0.9%	(96)	-2.3%
Finance & Insurance	1,140	984	744	648	668	651	660	644	702	771	824	919	2.6%	(221)	-1.9%
Real Estate/Rental & Leasing	809	639	605	661	503	643	701	680	685	789	767	729	2.0%	(80)	-0.9%
Services															
Prof'l/Business Services	1,246	1,307	1,163	999	1,170	1,343	1,405	1,560	1,714	1,692	1,832	1,886	5.3%	640	3.8%
Management of Companies	32	31	35	27	38	38	32	48	34	50	40	56	0.2%	24	5.2%
Administration/Waste Mgmt.	1,302	1,170	1,208	1,121	1,338	1,551	1,497	1,450	1,495	1,928	1,878	1,995	5.6%	693	4.0%
Educational Services	617	609	538	535	488	591	677	752	711	693	707	742	2.1%	125	1.7%
Health Care & Social Assistance	2,392	2,392	2,593	2,954	4,400	4,349	3,842	3,924	4,051	4,511	4,729	5,017	14.0%	2,625	7.0%
Arts/Entertainment/Recreation	354	378	319	326	425	444	460	584	557	350	383	359	1.0%	5	0.1%
Accommodation & Food Services	2,747	2,588	2,645	2,557	2,903	3,477	3,985	4,422	4,772	5,188	4,941	5,081	14.2%	2,334	5.8%
Other Services	1,329	1,203	929	970	1,081	1,152	1,119	1,109	1,335	1,424	1,525	1,553	4.3%	224	1.4%
Public Administration/Gov't	1,868	1,780	1,597	1,567	1,589	1,497	1,551	1,473	1,579	1,617	1,616	1,642	4.6%	(226)	-1.2%
TOTAL:	**24,108**	**21,531**	**19,612**	**19,627**	**23,204**	**25,706**	**26,674**	**29,260**	**31,715**	**33,343**	**33,289**	**35,792**		**11,684**	**3.7%**
Annual Change:	-	*(2,577)*	*(1,919)*	*15*	*3,577*	*2,502*	*968*	*2,586*	*2,455*	*1,628*	*(54)*	*2,503*			
Annual % Change:	-	*-11%*	*-9%*	*0.1%*	*18%*	*11%*	*4%*	*10%*	*8%*	*5%*	*-0.2%*	*8%*			
Cape Coral As % of Lee County:	**14.6%**	**14.1%**	**14.1%**	**14.5%**	**15.8%**	**16.7%**	**16.8%**	**17.5%**	**17.2%**	**17.2%**	**17.0%**	**17.5%**		**12-Year Avg:**	***16.1%***

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

- Cape Coral lost almost 4,500 jobs during the 2008—2011 recession/recovery—far more than the 939 jobs lost in Port St. Lucie. Over the past 12 years, net job losses occurred in Information, Finance/Insurance and Real Estate;
- In 2018, **Cape Coral's largest sector was Retail, with 16.8% of all jobs**. Retail Trade comprises 16.7% of jobs in Port St. Lucie. The three other largest sectors in Cape Coral include Construction (15%), Accommodation & Food Services (14%), and Health Care (14% of all jobs as compared to 20% in Port St. Lucie); and
- Over the past 12 years, new jobs were created in 15 of 19 industry sectors. Retail Trade exhibited the largest absolute increase in new jobs (2,672), reflecting annual growth of 5.5% per year; 2,625 new jobs were created in Health Care, reflecting a sustained annual growth rate of 7% per year. By comparison, growth rates in these two sectors in Port St. Lucie between 2007 and 2018 were 8.7% per year for Retail and 5.3% per year in Health Care.

Cape Coral Business Mix & Jobs-to-Population Ratio

- As illustrated in Table 6, Dun & Bradstreet data suggest that in 2020, there were 45,750 jobs in 6,782 businesses in Cape Coral. The sizable difference in employment between 2018 Census data (35,800) and 2020 Dun & Bradstreet (45,750) is attributable to part-time employment, two additional years of job growth, and the method by which jobs are categorized. Services (37%) and Retail Trade (28%) account for the two largest industry sectors (compared to 45% and 32% in Port St. Lucie);
- Based on 2020 employment, **Cape Coral's jobs-to-population ratio is a relatively low 0.25**—on par with Port St. Lucie (0.24);

Cape Coral Labor Force Inflow/Outflow

- As illustrated in Table 7, between 2009 and 2018 the number of labor force residents *leaving* Cape Coral to work elsewhere increased by 1,990—an increase of 6%. This is well-below the 59% increase in labor force outflow in Port St. Lucie; and
- According to Census data, while the labor force population increased by 34% during this 10-year period, the number of jobs increased by 83%. "Goods producing industries" generated both the largest absolute gain in new jobs (4,200) as well as the highest rate of growth (276%) during this period.

Table 9: Business Mix—City of Cape Coral, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**165**	2.4%	**635**	1.4%
Construction	**780**	11.5%	**4,207**	9.2%
Manufacturing	**140**	2.1%	**1,295**	2.8%
Transportation & Warehousing	**187**	2.8%	**774**	1.7%
Communications	**39**	0.6%	**405**	0.9%
Utilities	**10**	0.1%	**122**	0.3%
Wholesale & Retail Trade				
Wholesale	154		918	
Retail	1,211		12,935	
- Home Improvement	87		849	
- General Merchandise	51		1,611	
- Food Stores	121		2,479	
- Auto Dealers/Gas Stations	131		783	
- Apparel & Accessory Stores	42		101	
- Furniture/Home Furnishings	106		469	
- Eating & Drinking Places	345		4,947	
- Miscellaneous & Non-store Retail	328		1,696	
Subtotal - All Retail:	**1,365**	20.1%	**13,853**	30.3%
Finance/Insurance/Real Estate	**736**	10.9%	**4,883**	10.7%
Services				
- Hotel/Lodging	11		260	
- Automotive Services	177		667	
- Motion Pictures & Amusements	190		1,099	
- Health Services	330		2,973	
- Legal Services	65		324	
- Educational Institutions	66		3,424	
- Other Services	1,581		8,022	
Subtotal - Services:	**2,420**	35.7%	**16,769**	36.7%
Government	**63**	0.9%	**2,748**	6.0%
Unclassified Establishments	**877**	12.9%	**61**	0.1%
TOTAL:	**6,782**	**100.0%**	**45,752**	**100.0%**

ANALYSIS:	
2020 Employment	**45,752**
% Share of Lee County	***16.2%***
2020 Population	**186,294**
Jobs/Population Ratio	**0.25**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

Table 10: Inflow/Outflow Job Characteristics—City of Cape Coral, 2009—2018

	2009	2014	2018	Change: 2009-2018 Amount	Change: 2009-2018 %
Total Inflow/Outflow					
Employed in Cape Coral	19,612	29,260	35,792	16,180	**83%**
Labor Force Living in Cape Coral	53,565	61,227	71,735	18,170	**34%**
Net Job Inflow (+) or Outflow (-)	**(33,953)**	**(31,967)**	**(35,943)**	**(1,990)**	**6%**
Outflow Job Characteristics (1)					
Workers in "Goods Producing" Industries	5,337	4,890	6,748	1,411	**26%**
Workers in "Trade, Transportation & Utilities" Industries	8,921	11,132	12,352	3,431	**38%**
Workers in "All Other Services" Industries	30,219	32,966	37,798	7,579	**25%**
Total:	**44,477**	**48,988**	**56,898**	**12,421**	**28%**
Inflow Job Characteristics (2)					
Workers in "Goods Producing" Industries	1,520	4,160	5,719	4,199	**276%**
Workers in "Trade, Transportation & Utilities" Industries	2,863	4,066	4,899	2,036	**71%**
Workers in "All Other Services" Industries	6,141	8,795	10,337	4,196	**68%**
Total:	**10,524**	**17,021**	**20,955**	**10,431**	**99%**

(1) Includes job characteristics of labor force residents of Cape Coral who work elsewhere.

(2) Includes job characteristics of labor force residents elsewhere who work in Cape Coral.

Source: U.S. Census Bureau, On-the-Map; WTL+a; December 2020.

Figure 5: Employment Densities—City of Cape Coral, 2018

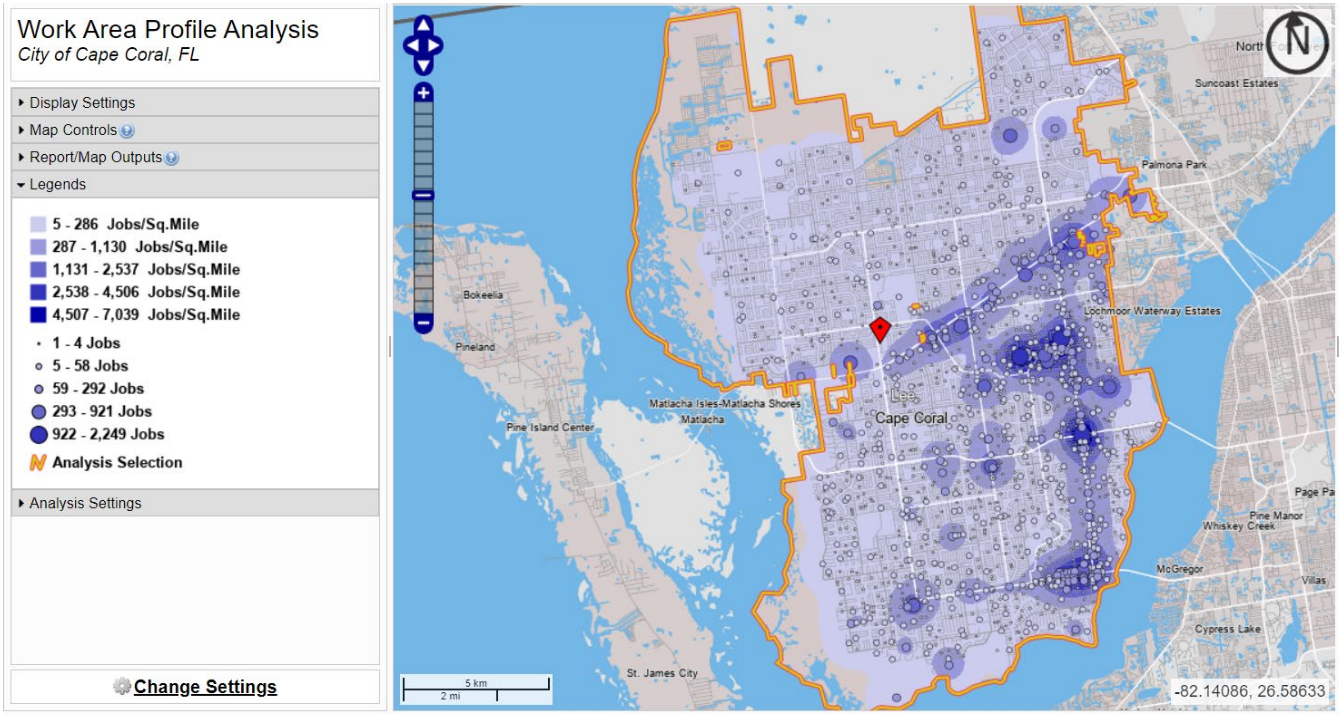
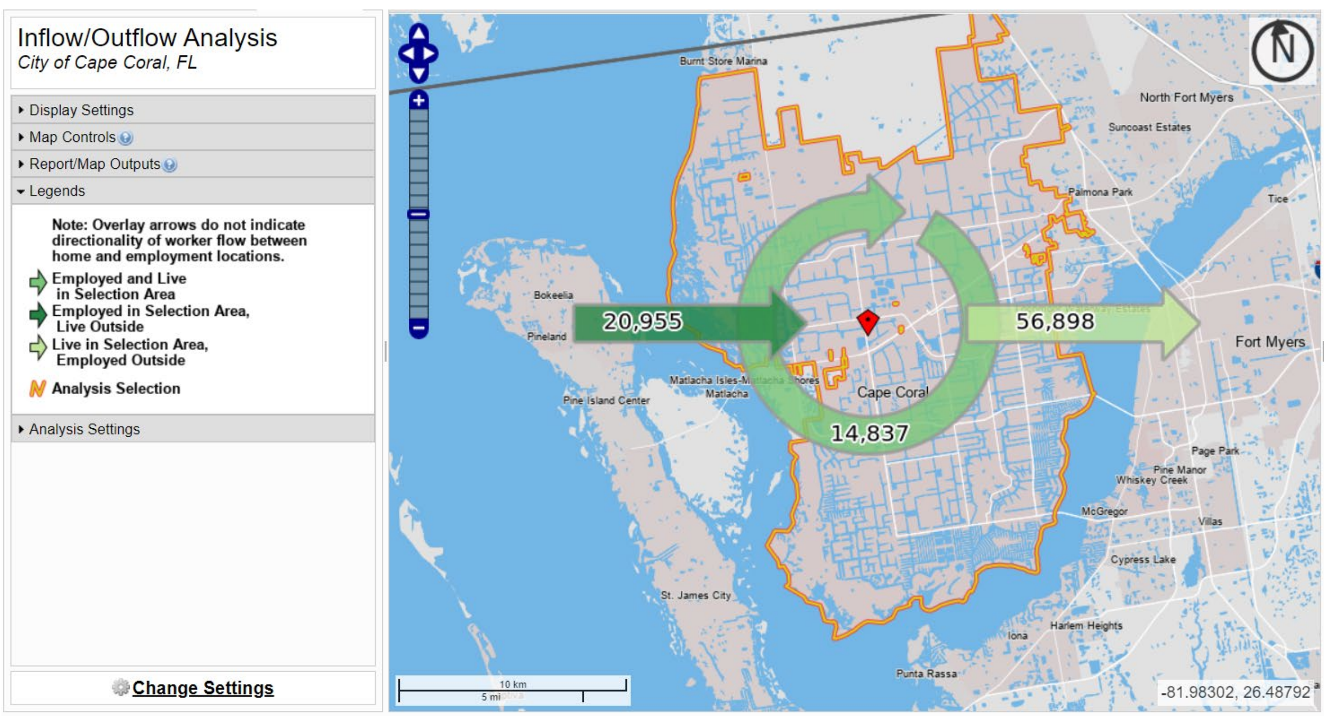


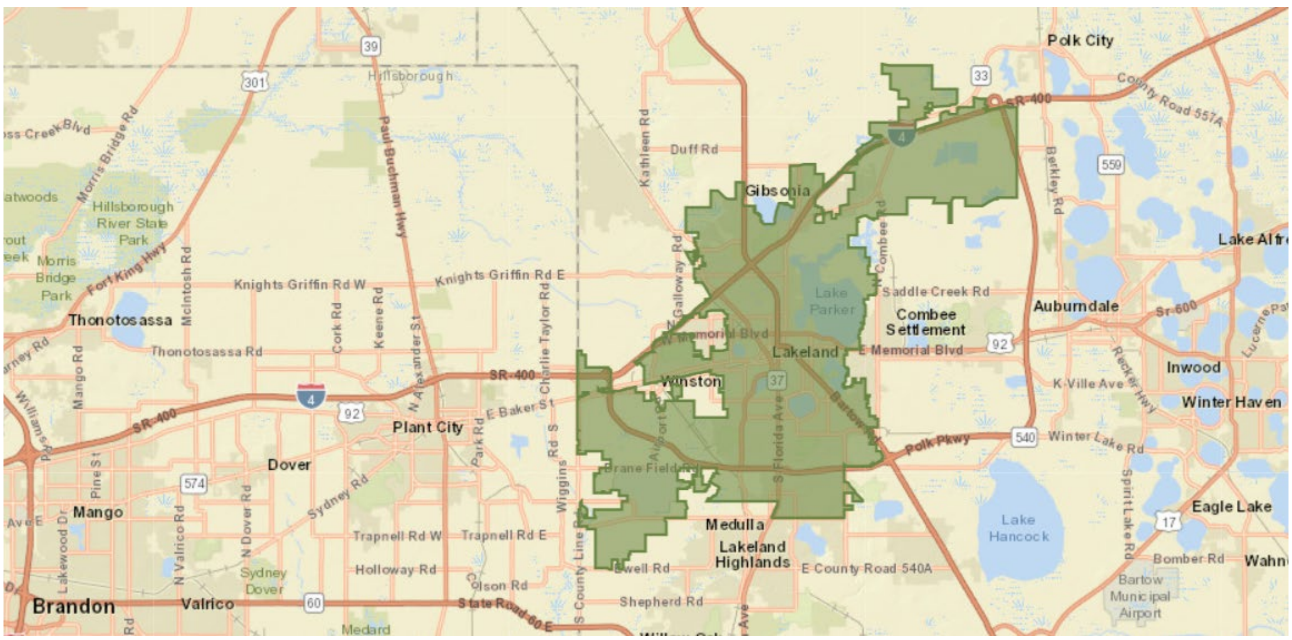
Figure 6: Labor Force Inflow/Outflow—City of Cape Coral, 2018



Case Study: City of Lakeland

Lakeland is located in Polk County on the I-4 corridor between Tampa and Orlando. The city serves as the County seat of Polk County, encompassing 51.45 square miles (approximately one-third smaller than Port St. Lucie), with a 2020 population of 111,262 (44% lower than Port St. Lucie).

Figure 7: City of Lakeland



Lakeland Employment Trends

- As illustrated in Table 8, between 2007 and 2018, **job growth in Lakeland was fully 130% greater than job growth in Port St. Lucie, with 16,405 new jobs.** This increased Lakeland's employment base from 69,772 jobs in 2007 to 86,177 jobs in 2018, reflecting a compound growth rate of 1.9% per year. As a proportion of total employment in Polk County, Lakeland's share also expanded—from 32.9% in 2007 to 36% in 2018—which is a smaller share than Port St. Lucie's 50.8% share of St. Lucie County;
- Even though Lakeland's population is smaller, its employment base (86,177 jobs) is fully 181% larger than Port St. Lucie (30,615);

Table 11: Employment Trends—City of Lakeland, 2007—2018

		National Recession & Recovery											2018	Change: 2007-2018	
Industry Sector	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**% Dist.**	**Amount**	**CAGR %**
Agriculture & Mining	60	42	58	37	55	54	78	73	63	67	27	20	0.0%	(40)	-9.5%
Construction	2,645	2,641	2,097	1,839	1,621	1,655	1,692	1,961	2,122	2,118	2,397	2,539	2.9%	(106)	-0.4%
Manufacturing	5,398	5,309	4,534	4,731	4,900	5,126	5,183	5,266	5,546	5,676	5,407	5,299	6.1%	(99)	-0.2%
Transp & Warehousing	5,976	5,595	5,353	5,080	5,835	6,081	5,859	5,683	6,482	6,992	6,901	6,724	7.8%	748	1.1%
Utilities	19	21	54	28	46	67	73	55	41	47	42	47	0.1%	28	8.6%
Trade															
Wholesale	3,716	2,794	2,633	2,305	2,550	2,567	2,475	2,483	2,762	2,762	2,952	2,987	3.5%	(729)	-2.0%
Retail	7,793	8,256	7,621	6,153	7,933	9,279	9,262	10,059	10,475	11,389	11,699	11,906	13.8%	4,113	3.9%
Information	1,011	893	816	757	743	694	822	856	701	679	595	664	0.8%	(347)	-3.7%
Finance & Insurance	2,922	3,053	2,850	2,694	3,473	4,799	4,911	3,966	5,645	5,876	5,313	5,700	6.6%	2,778	6.3%
Real Estate/Rental & Leasing	1,297	1,386	1,294	1,245	1,281	1,201	850	1,028	1,093	1,097	1,145	1,212	1.4%	(85)	-0.6%
Services															
Prof'l/Business Services	3,041	2,839	2,690	2,723	2,793	3,017	2,697	2,707	2,812	2,947	3,245	3,307	3.8%	266	0.8%
Management of Companies	5,117	5,085	5,699	4,828	5,670	5,852	5,783	5,874	6,637	6,632	6,720	7,145	8.3%	2,028	3.1%
Administration/Waste Mgmt.	4,551	4,807	4,439	4,619	5,063	5,582	5,185	6,365	6,456	7,330	6,863	6,955	8.1%	2,404	3.9%
Educational Services	2,292	2,147	1,986	2,320	2,279	1,995	2,167	2,456	2,406	2,323	1,966	2,535	2.9%	243	0.9%
Health Care & Social Assistance	11,673	12,545	12,051	12,687	13,366	14,251	13,941	13,947	14,737	14,604	15,118	15,449	17.9%	3,776	2.6%
Arts/Entertainment/Recreation	1,345	1,210	1,103	1,282	1,171	1,188	1,252	1,161	1,584	1,244	1,425	1,164	1.4%	(181)	-1.3%
Accommodation & Food Services	5,521	5,174	5,113	4,532	5,220	5,992	6,326	6,254	6,855	7,226	7,802	8,199	9.5%	2,678	3.7%
Other Services	1,901	1,575	1,236	1,158	1,232	1,317	1,286	1,329	1,246	1,340	1,356	1,349	1.6%	(552)	-3.1%
Public Administration/Gov't	3,494	3,405	3,320	3,382	3,381	3,278	3,282	3,156	3,261	3,071	3,006	2,976	3.5%	(518)	-1.4%
TOTAL:	**69,772**	**68,777**	**64,947**	**62,400**	**68,612**	**73,995**	**73,124**	**74,679**	**80,924**	**83,420**	**83,979**	**86,177**		**16,405**	**1.9%**
Annual Change:	*-*	*(995)*	*(3,830)*	*(2,547)*	*6,212*	*5,383*	*(871)*	*1,555*	*6,245*	*2,496*	*559*	*2,198*			
Annual % Change:	*-*	*-1%*	*-6%*	*-4%*	*10%*	*8%*	*-1%*	*2%*	*8%*	*3%*	*0.7%*	*2.6%*			
Lakeland As % of Polk County:	**32.9%**	**33.2%**	**36.1%**	**32.4%**	**34.0%**	**35.8%**	**35.1%**	**35.6%**	**35.8%**	**36.1%**	**36.0%**	**36.0%**		**12-Year Avg:**	***34.9%***

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

- Lakeland lost almost 7,400 jobs during the 2008—2011 recession/recovery (significantly more than the 939 jobs lost in Port St. Lucie). Over the past 12 years, net job losses occurred in nine of 19 sectors, with Wholesale Trade (-729), Other Services (-552), and Government (-518) exhibiting the largest job losses;
- In 2018, **Lakeland's largest employment sector was Health Care, with almost 18% of all jobs** (and below Port St. Lucie's 20%). The three other largest sectors include Retail Trade (13.8%), Accommodation & Food Services (9.5%), and Management of Companies (8.3% of all jobs); and
- New jobs were added in 10 of 19 industry sectors; Retail Trade exhibited the greatest increase in new jobs (4,113), reflecting a *sustained* annual growth rate of 3.9% per year. By comparison, 3,776 new jobs were created in Health Care—significantly more than the 2,623 Health Care jobs created in Port St. Lucie—which reflect a sustained annual growth rate of 2.6% per year. Notably, while the number of new jobs in Health Care in Port St. Lucie was less than Lakeland, its rate of growth in this sector was far higher (5.3% per year).

Lakeland Business Mix & Jobs-to-Population Ratio

- As illustrated in Table 9, Dun & Bradstreet data suggest that in 2020, there were 71,405 jobs in 5,139 businesses in Lakeland. The sizable difference in employment between 2018 Census data (86,177) and 2020 Dun & Bradstreet (71,405) may be attributable to part-time employment, a two-year difference in data, and the method by which jobs are categorized that yield some sizable variations in employment counts between Dun & Bradstreet and the U.S. Census across several sectors. For example:
    - Manufacturing (3,985 vs. 5,299);
    - Retail Trade (18,067 vs. 11,906);
    - Finance/Insurance/Real Estate (8,079 vs. 6,912); and
    - Government (3,703 vs. 2,976).
- Based on 2020 employment, **Lakeland's jobs-to-population ratio is a strong 0.64**—significantly greater than Port St. Lucie's 0.24 (i.e., there are 64 jobs for every 100 Lakeland residents versus 24 jobs for every 100 Port St. Lucie residents);

Table 12: Business Mix—City of Lakeland, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**64**	1.2%	**289**	0.4%
Construction	**245**	4.8%	**2,274**	3.2%
Manufacturing	**132**	2.6%	**3,985**	5.6%
Transportation & Warehousing	**101**	2.0%	**841**	1.2%
Communications	**49**	1.0%	**583**	0.8%
Utilities	**7**	0.1%	**58**	0.1%
Wholesale & Retail Trade				
Wholesale	150		3,180	
Retail	1,116		18,067	
- Home Improvement	52		795	
- General Merchandise	52		2,698	
- Food Stores	123		2,917	
- Auto Dealers/Gas Stations	117		2,002	
- Apparel & Accessory Stores	85		708	
- Furniture/Home Furnishings	56		503	
- Eating & Drinking Places	323		6,533	
- Miscellaneous & Non-store Retail	308		1,911	
Subtotal - All Retail:	**1,266**	24.6%	**21,247**	29.8%
Finance/Insurance/Real Estate	**559**	10.9%	**8,079**	11.3%
Services				
- Hotel/Lodging	45		674	
- Automotive Services	123		871	
- Motion Pictures & Amusements	134		1,040	
- Health Services	335		11,404	
- Legal Services	112		1,397	
- Educational Institutions	107		3,214	
- Other Services	1,210		11,613	
Subtotal - Services:	**2,066**	40.2%	**30,213**	42.3%
Government	**90**	1.8%	**3,703**	5.2%
Unclassified Establishments	**560**	10.9%	**133**	0.2%
TOTAL:	**5,139**	**100.0%**	**71,405**	**100.0%**

ANALYSIS:	
2020 Employment	**71,405**
% Share of Polk County	***29.9%***
2020 Population	**111,262**
Jobs/Population Ratio	**0.64**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

Lakeland Labor Force Inflow/Outflow

- As illustrated in Table 10, between 2009 and 2018 the number of **labor force residents who live elsewhere but work in Lakeland increased during this 10-year period by 14,066—reflecting an increase of 52%.** That is, an additional 14,066 employees worked in the City of Lakeland in 2018 versus those that did in 2009. This is the *reverse* of Port St. Lucie, which exhibited a significant jump in labor force residents *leaving* to work elsewhere (15,278, a 59% increase in *outflow*); and
- According to U.S. Census data, while the labor force population in Lakeland increased by 19% during this 10-year period, the number of jobs increased by 33%. "All Other Services industries" generated the largest absolute gain in new jobs (12,380) and "Trade, Transportation & Utilities industries" exhibited the highest rate of growth (39%) during this period.

Table 13: Inflow/Outflow Job Characteristics—City of Lakeland, 2009—2018

	2009	2014	2018	Change: 2009-2018 Amount	%
Total Inflow/Outflow					
Employed in Lakeland	64,947	74,679	86,177	21,230	**33%**
Labor Force Living in Lakeland	38,102	40,790	45,266	7,164	**19%**
Net Job Inflow (+) or Outflow (-)	**26,845**	**33,889**	**40,911**	**14,066**	**52%**
Outflow Job Characteristics (1)					
Workers in "Goods Producing" Industries	4,471	3,934	4,453	(18)	**-0.4%**
Workers in "Trade, Transportation & Utilities" Industries	7,365	7,016	7,935	570	**8%**
Workers in "All Other Services" Industries	14,104	16,669	18,100	3,996	**28%**
Total:	**25,940**	**27,619**	**30,488**	**4,548**	**18%**
Inflow Job Characteristics (2)					
Workers in "Goods Producing" Industries	5,550	6,022	6,470	920	**17%**
Workers in "Trade, Transportation & Utilities" Industries	13,597	16,114	18,911	5,314	**39%**
Workers in "All Other Services" Industries	33,638	39,372	46,018	12,380	**37%**
Total:	**52,785**	**61,508**	**71,399**	**18,614**	**35%**

(1) Includes job characteristics of labor force residents of Lakeland who work elsewhere.
(2) Includes job characteristics of labor force residents elsewhere who work in Lakeland.

Source: U.S. Census Bureau, On-the-Map; WTL+a; December 2020.

Figure 8: Employment Densities—City of Lakeland, 2018

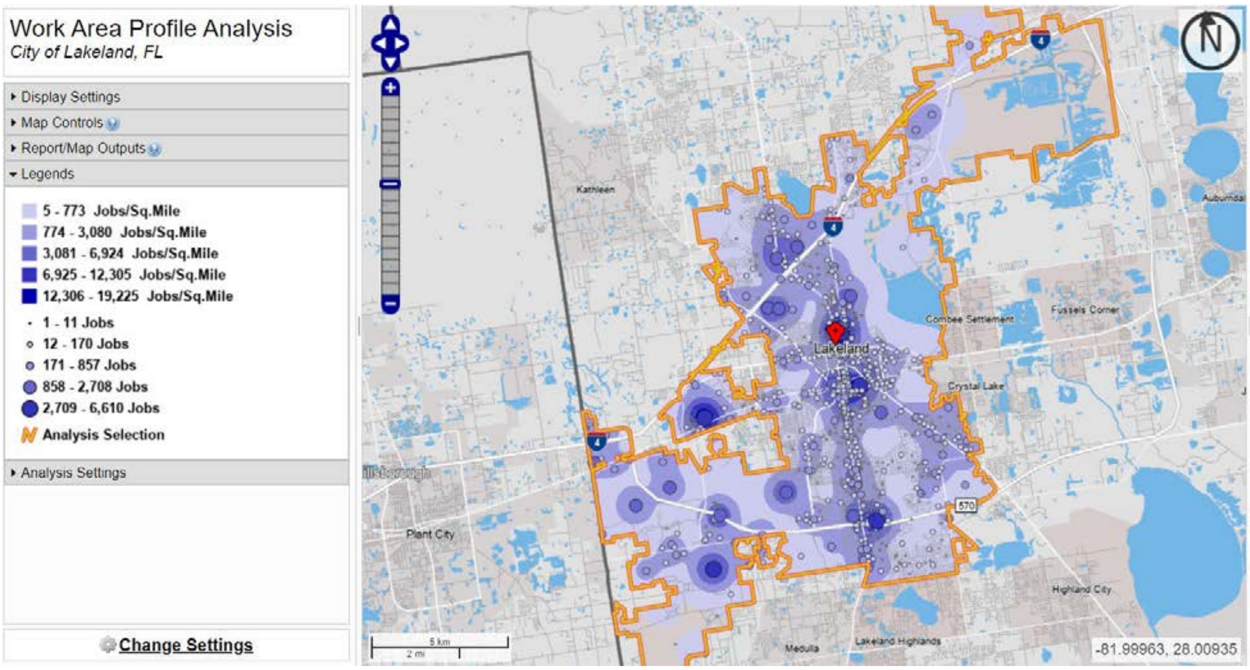
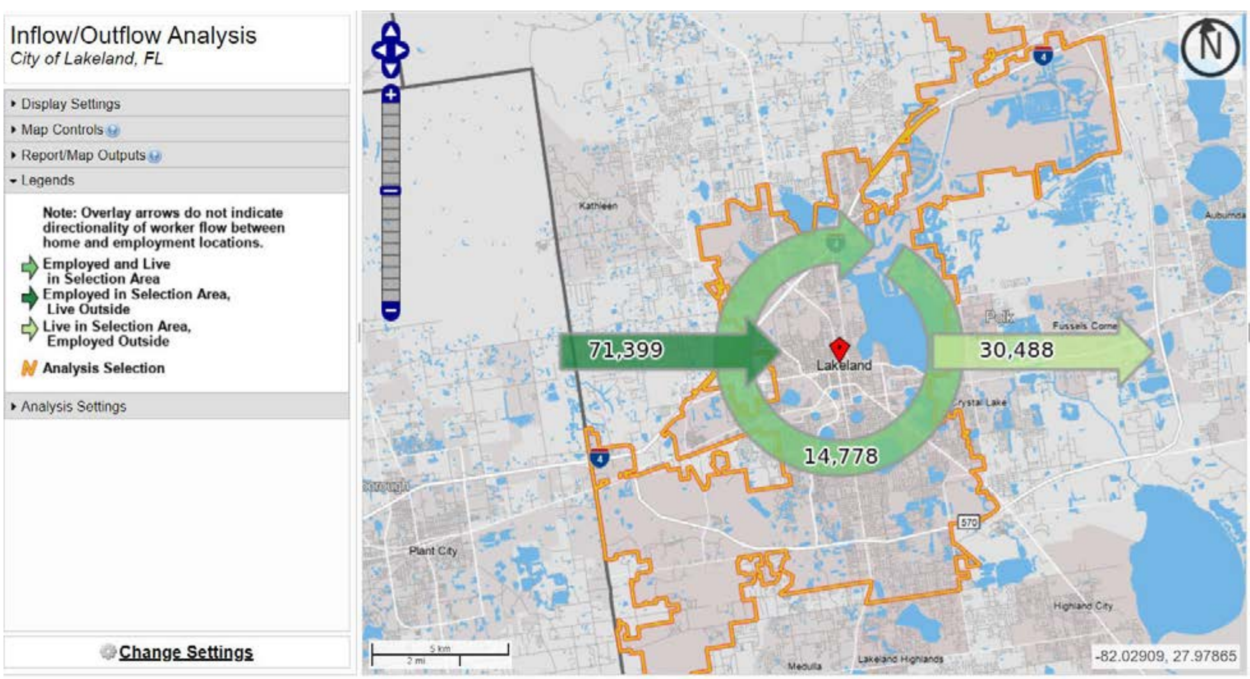


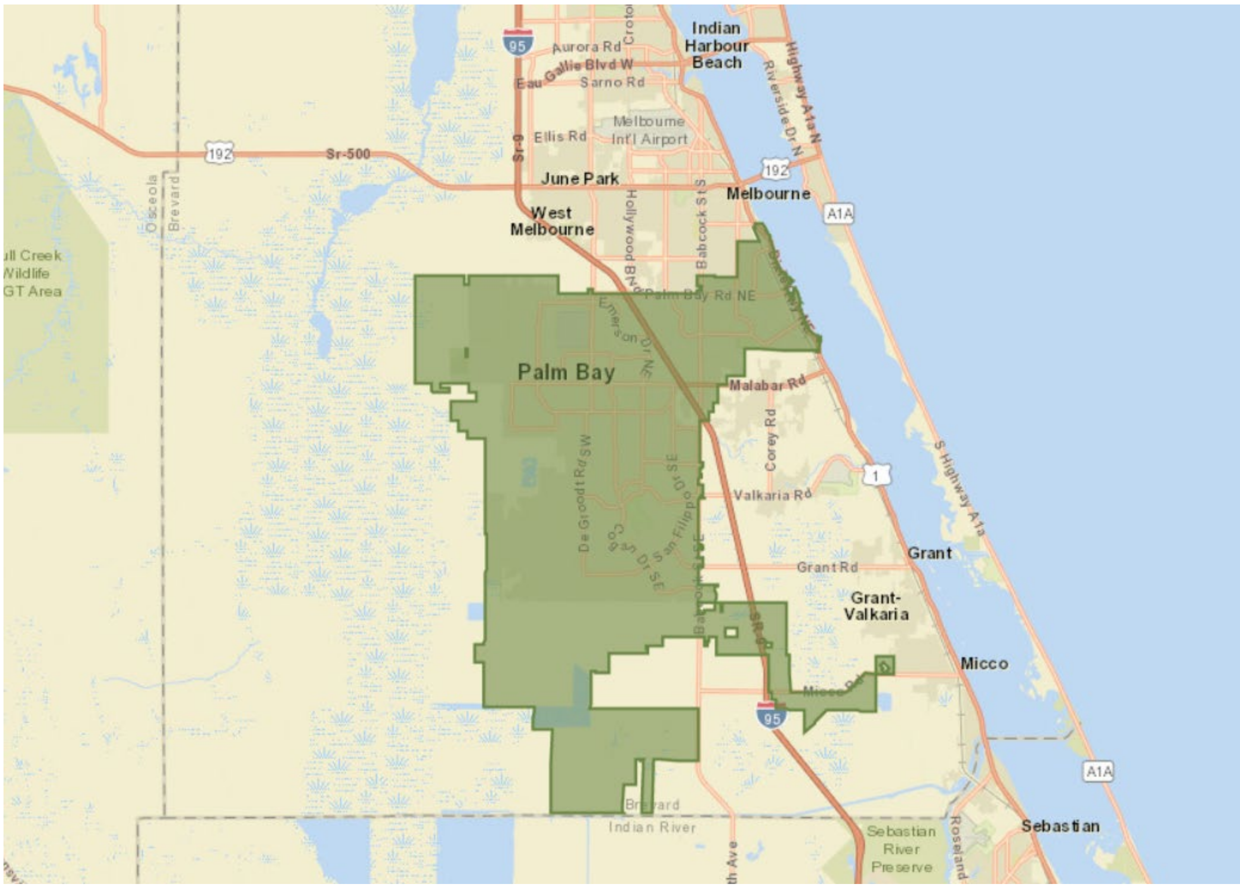
Figure 9: Labor Force Inflow/Outflow—City of Lakeland, 2018



Case Study: City of Palm Bay

Palm Bay is located in Brevard County on the I-95 corridor, between Vero Beach and Melbourne, on Florida's East Coast. The city encompasses 68.84 square miles (approximately 10% smaller than Port St. Lucie) and has a 2020 population of 119,426 (40% lower than Port St. Lucie).

Figure 10: City of Palm Bay



Palm Bay Employment Trends

- As illustrated in Table 11, between 2007 and 2018 **job growth in Palm Bay was 95%greater than total job growth in Port St. Lucie, with 13,868 new jobs** (versus 7,144 new jobs in Port St. Lucie). This resulted in an increase in Palm Bay's employment base—from 20,639 jobs in 2007 to 34,507 jobs in 2018. This reflected a strong compound growth rate of 4.8% per year;

WTL+a

Table 14: Employment Trends—City of Palm Bay, 2007—2018

		National Recession & Recovery											2018	Change: 2007-2018	
Industry Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	% Dist.	Amount	CAGR %
Agriculture & Mining	46	6	23	11	14	17	23	18	23	16	19	19	0.1%	(27)	-7.7%
Construction	1,730	1,330	1,152	954	1,014	964	1,119	1,245	1,478	1,631	1,723	1,876	5.4%	146	0.7%
Manufacturing	8,632	8,564	8,232	7,214	7,266	6,803	6,677	4,042	4,025	3,825	3,981	3,801	11.0%	(4,831)	-7.2%
Transp & Warehousing	178	171	160	155	188	168	185	664	502	527	463	471	1.4%	293	9.2%
Utilities	15	9	16	8	13	15	21	6	9	12	16	18	0.1%	3	1.7%
Trade															
Wholesale	428	467	429	201	274	286	318	285	363	362	381	829	2.4%	401	6.2%
Retail	1,869	1,670	1,778	1,839	2,327	2,423	2,268	2,568	2,718	2,778	2,750	3,015	8.7%	1,146	4.4%
Information	143	107	46	65	56	66	84	120	119	371	412	518	1.5%	375	12.4%
Finance & Insurance	268	237	196	228	246	283	300	266	250	291	395	365	1.1%	97	2.8%
Real Estate/Rental & Leasing	379	356	391	348	122	138	142	121	169	166	205	219	0.6%	(160)	-4.9%
Services															
Prof'l/Business Services	665	563	557	657	670	556	641	606	728	659	845	2,115	6.1%	1,450	11.1%
Management of Companies	7	14	24	24	28	25	51	7	5	58	33	48	0.1%	41	19.1%
Administration/Waste Mgmt.	977	1,111	772	546	550	542	629	722	682	831	828	936	2.7%	(41)	-0.4%
Educational Services	290	372	352	181	324	336	245	279	177	10,713	275	11,251	32.6%	10,961	39.5%
Health Care & Social Assistance	1,608	1,691	1,885	2,074	1,761	1,782	1,816	1,848	1,898	1,900	2,060	2,030	5.9%	422	2.1%
Arts/Entertainment/Recreation	139	157	110	101	103	123	116	106	96	98	78	149	0.4%	10	0.6%
Accommodation & Food Services	1,416	1,452	1,601	1,651	1,614	1,704	1,771	1,839	2,090	1,993	2,144	2,217	6.4%	801	4.2%
Other Services	586	604	532	521	523	494	463	435	463	460	472	550	1.6%	(36)	-0.6%
Public Administration/Gov't	1,263	1,191	1,099	1,097	1,067	1,024	975	1,006	1,033	4,071	4,116	4,080	11.8%	2,817	11.2%
TOTAL:	**20,639**	**20,072**	**19,355**	**17,875**	**18,160**	**17,749**	**17,844**	**16,183**	**16,828**	**30,762**	**21,196**	**34,507**		**13,868**	**4.8%**
Annual Change:	-	*(567)*	*(717)*	*(1,480)*	*285*	*(411)*	*95*	*(1,661)*	*645*	*13,934*	*(9,566)*	*13,311*			
Annual % Change:	-	*-3%*	*-4%*	*-8%*	*2%*	*-2%*	*1%*	*-9%*	*4%*	*83%*	*-31%*	*63%*			
Palm Bay As % of Brevard County:	**10.6%**	**10.8%**	**10.6%**	**9.7%**	**9.7%**	**9.6%**	**9.7%**	**8.6%**	**8.7%**	**15.3%**	**10.3%**	**16.3%**		**12-Year Avg:**	***10.8%***

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

- As a proportion of total employment in Brevard County, Palm Bay's share also expanded—from 10.6% in 2007 to 16.3% in 2018—which is a much smaller share than Port St. Lucie's 50.8% share of St. Lucie County;
- Palm Bay lost more than 2,760 jobs during the 2008—2011 recession/recovery (significantly more than the 939 jobs lost in Port St. Lucie). Over the past 12 years, net job losses occurred in five of 19 sectors, with Manufacturing (-4,831) and Real Estate Rental & Leasing (-160) exhibiting the greatest declines;
- The presence of NASA's Kennedy Space Center as well as Cape Canaveral Air Force Station and Patrick Air Force Base in Brevard County has contributed to sizable fluctuations in the County's employment base. It is likely that some portion of job losses in Manufacturing in Palm Bay can be attributed to the end of the Space Shuttle program in 2011, which was preceded by the cancellation of the Constellation Program in 2010. Notably, over 4,000 Manufacturing jobs were lost between 2009 and 2014;
- In 2018, **Palm Bay's largest sector was Educational Services, with almost 33% of all jobs** (and well-above Port St. Lucie's 3% share in this sector). The three other largest sectors include Public Administration/Government (11.8%), Manufacturing (11%), and Retail (8.7% of all jobs). Again, the presence of Kennedy Space Center, Cape Canaveral Air Force Station, and Patrick Air Force Base account for the sizable number of jobs in the Public Administration/Government sector; and
- New jobs were added in 14 of 19 industry sectors; Educational Services exhibited the greatest increase (and fluctuations) in new jobs (10,961), reflecting a *sustained* annual growth rate of 39.5% per year. This is due to the presence of Florida Institute of Technology's Spaceport Education Center, Eastern Florida State College, and the Kennedy Space Center Learning Institute;
- Other large net job gains occurred in Government (+2,817) and Professional/Business Services (+1,450), reflecting a compound annual increase of 11% per year. Retail Trade added 1,146 new jobs. Only 422 new jobs were created in Health Care in Palm Bay between 2007 and 2018;

Palm Bay Business Mix & Jobs-to-Population Ratio

- As illustrated in Table 12, Dun & Bradstreet data suggest that in 2020, there were 22,197 jobs in 2,649 businesses in Palm Bay. Similar to Lakeland, there are sizable differences in employment between 2018 Census data (34,507) and 2020 Dun & Bradstreet (22,197) that may be attributable to part-time employment, a two-year difference in data, and the method by which jobs are categorized that yield sizable variations in employment counts between Dun & Bradstreet and the U.S. Census across several sectors. For example:
  - Manufacturing (2,611 vs. 3,801);
  - Retail Trade (6,023 vs. 3,015);
  - Health Care (1,115 vs. 2,030);
  - Education Services (2,233 vs. 11,251); and
  - Government (2,788 vs. 4,080).
- Based on 2020 employment, **Palm Bay's jobs-to-population ratio is a very low 0.19**—lower than Port St. Lucie's 0.24 ratio (i.e., there are only 19 jobs for every 100 Palm Bay residents versus 24 jobs for every 100 Port St. Lucie residents);

Palm Bay Labor Force Inflow/Outflow

- As illustrated in Table 13, between 2009 and 2018 the number of **labor force residents who live in Palm Bay but work elsewhere *declined* during this 10-year period, by 8,072—reflecting a decrease of 41%.** That is, more jobs became available for Palm Bay residents to work closer to home in 2018 than were available in 2009. This is the *reverse* of Port St. Lucie, which exhibited a significant increase in labor force residents *leaving* to work elsewhere (15,278, a 59% increase in outflow); and
- According to U.S. Census data, while the labor force population in Palm Bay increased by 18% during this 10-year period, the number of jobs increased by fully 78%. "All Other Services industries" generated the largest absolute gain in new jobs (13,767), reflecting a remarkable jump of 309%. This is likely attributable to significant fluctuations (but an overall increase in government and contractor jobs associated with both Kennedy Space Center and military installations in Brevard County.

Table 15: Business Mix—City of Palm Bay, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**102**	3.9%	**301**	1.4%
Construction	**289**	10.9%	**1,393**	6.3%
Manufacturing	**68**	2.6%	**2,611**	11.8%
Transportation & Warehousing	**60**	2.3%	**303**	1.4%
Communications	**20**	0.8%	**95**	0.4%
Utilities	**4**	0.2%	**18**	0.1%
Wholesale & Retail Trade				
Wholesale	68		466	
Retail	531		6,023	
- Home Improvement	32		448	
- General Merchandise	23		505	
- Food Stores	66		1,278	
- Auto Dealers/Gas Stations	85		708	
- Apparel & Accessory Stores	20		35	
- Furniture/Home Furnishings	31		230	
- Eating & Drinking Places	143		1,968	
- Miscellaneous & Non-store Retail	131		851	
Subtotal - All Retail:	**599**	22.6%	**6,489**	29.2%
Finance/Insurance/Real Estate	**190**	7.2%	**1,191**	5.4%
Services				
- Hotel/Lodging	10		111	
- Automotive Services	93		344	
- Motion Pictures & Amusements	57		234	
- Health Services	119		1,115	
- Legal Services	14		60	
- Educational Institutions	49		2,233	
- Other Services	605		2,854	
Subtotal - Services:	**947**	35.7%	**6,951**	31.3%
Government	**62**	2.3%	**2,788**	12.6%
Unclassified Establishments	**308**	11.6%	**57**	0.3%
TOTAL:	**2,649**	**100.0%**	**22,197**	**100.0%**

ANALYSIS:	
2020 Employment	**22,197**
% Share of Brevard County	***9.8%***
2020 Population	**119,426**
Jobs/Population Ratio	**0.19**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

Table 16: Inflow/Outflow Job Characteristics—City of Palm Bay, 2009—2018

	2009	2014	2018	Change: 2009-2018 Amount	Change: 2009-2018 %
Total Inflow/Outflow					
Employed in Palm Bay	19,355	16,183	34,507	15,152	**78%**
Labor Force Living in Palm Bay	38,932	39,979	46,012	7,080	**18%**
Net Job Inflow (+) or Outflow (-)	**(19,577)**	**(23,796)**	**(11,505)**	**(8,072)**	**-41%**
Outflow Job Characteristics (1)					
Workers in "Goods Producing" Industries	4,092	4,549	6,172	2,080	**51%**
Workers in "Trade, Transportation & Utilities" Industries	6,076	6,786	7,337	1,261	**21%**
Workers in "All Other Services" Industries	21,472	23,024	23,438	1,966	**9%**
Total:	**31,640**	**34,359**	**36,947**	**5,307**	**17%**
Inflow Job Characteristics (2)					
Workers in "Goods Producing" Industries	5,766	3,456	3,946	(1,820)	**-32%**
Workers in "Trade, Transportation & Utilities" Industries	1,835	2,774	3,267	1,432	**78%**
Workers in "All Other Services" Industries	4,462	4,333	18,229	13,767	**309%**
Total:	**12,063**	**10,563**	**25,442**	**13,379**	**111%**

(1) Includes job characteristics of labor force residents of Palm Bay who work elsewhere.

(2) Includes job characteristics of labor force residents elsewhere who work in Palm Bay.

Source: U.S. Census Bureau, On-the-Map; WTL+a; December 2020.

Figure 11: Employment Densities—City of Palm Bay, 2018

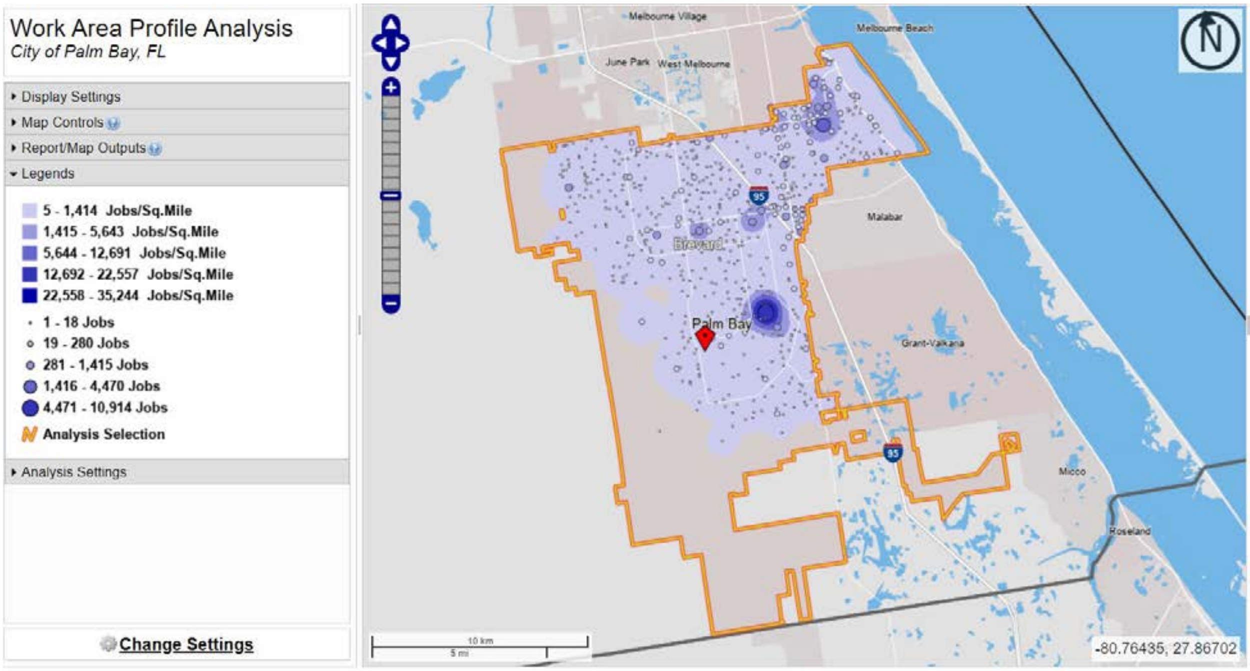
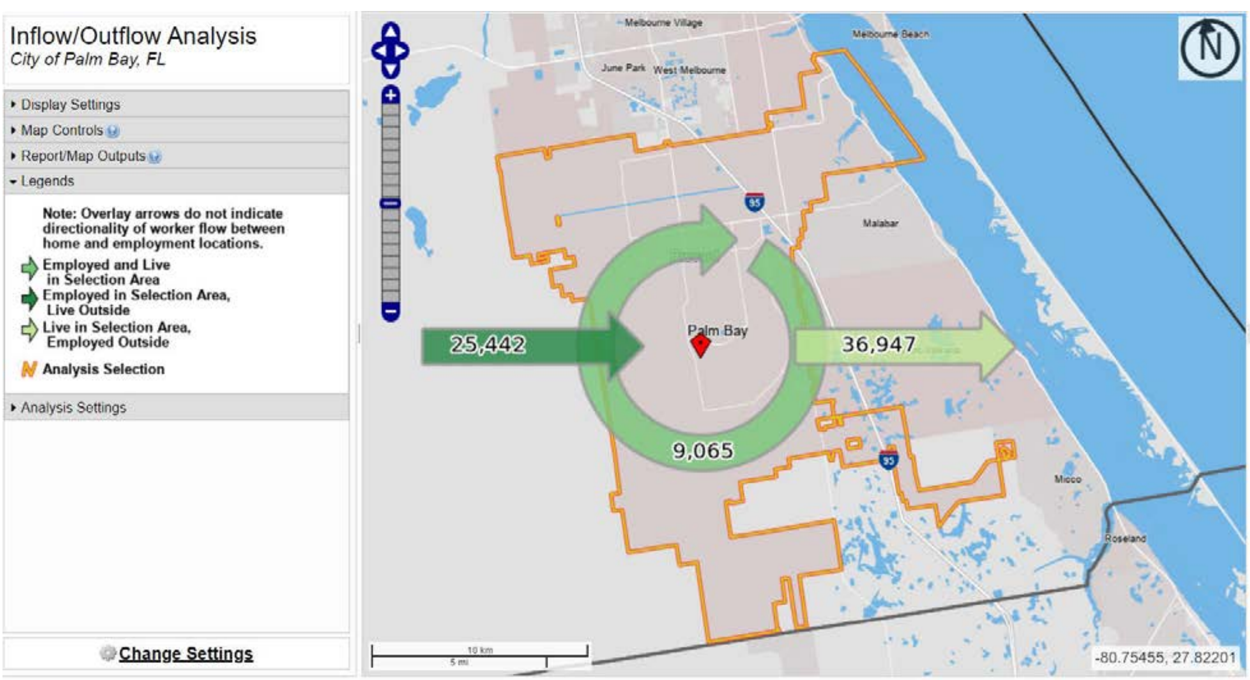


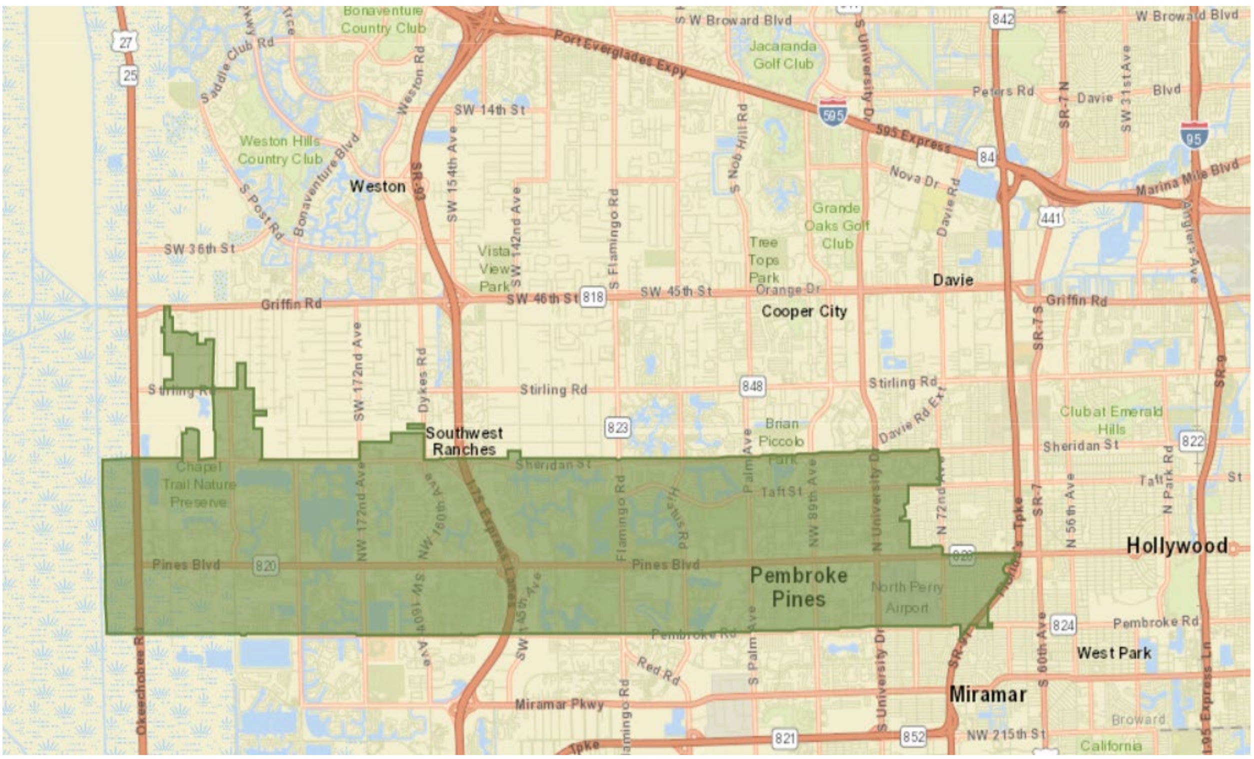
Figure 12: Labor Force Inflow/Outflow—City of Palm Bay, 2018



Case Study: City of Pembroke Pines

Pembroke Pines is located in western Broward County and straddles both I-75 on the west and I-95 on the east, on Florida's East Coast. The city encompasses 34.83 square miles (approximately half the size of Port St. Lucie) and had a 2020 population of 167,378 (15% less than Port St. Lucie).

Figure 13: City of Pembroke Pines



Pembroke Pines Employment Trends

- As illustrated in Table 14, between 2007 and 2018, **job growth in Pembroke Pines was 39% greater than overall job growth in Port St. Lucie, with 9,900 new jobs** (versus 7,144 new jobs in Port St. Lucie). This resulted in an increase in Pembroke Pines' employment base—from 36,765 jobs in 2007 to 46,660 jobs in 2018. This reflected a compound annual growth rate of 2.2% per year. As a share of total Broward County employment, Pembroke Pines has remained steady in the range of 5% to 6% over the past 12 years;

Table 17: Employment Trends—City of Pembroke Pines, 2007—2018

Industry Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018 % Dist.	Change: 2007-2018 Amount	Change: 2007-2018 CAGR %
		National Recession & Recovery													
Agriculture & Mining	68	96	72	69	74	106	105	32	39	33	26	25	0.1%	(43)	-8.7%
Construction	870	793	835	587	745	800	626	639	791	870	941	828	1.8%	(42)	-0.4%
Manufacturing	284	295	199	183	265	480	262	275	328	348	293	328	0.7%	44	1.3%
Transp & Warehousing	570	647	655	608	640	685	623	672	749	780	768	906	1.9%	336	4.3%
Utilities	-	1	-	-	-	-	-	-	1	-	-	1	0.0%	1	N/A
Trade															
Wholesale	882	981	850	926	1,289	1,194	1,388	1,133	1,006	990	955	939	2.0%	57	0.6%
Retail	8,902	8,773	8,528	8,775	10,068	10,114	10,016	10,351	11,156	10,877	10,931	10,985	23.5%	2,083	1.9%
Information	234	447	512	425	451	580	552	440	425	497	490	437	0.9%	203	5.8%
Finance & Insurance	1,422	1,331	1,131	1,140	1,410	1,529	1,505	1,259	1,717	1,738	1,828	1,970	4.2%	548	3.0%
Real Estate/Rental & Leasing	539	546	458	512	497	570	510	576	663	552	575	572	1.2%	33	0.5%
Services															
Prof'l/Business Services	1,934	1,764	1,615	1,691	2,089	2,174	1,912	2,135	2,126	2,121	2,280	2,208	4.7%	274	1.2%
Management of Companies	183	127	130	70	79	59	72	410	249	84	63	61	0.1%	(122)	-9.5%
Administration/Waste Mgmt.	1,869	2,290	1,707	1,760	1,927	2,803	3,084	3,255	2,993	2,739	2,227	2,504	5.4%	635	2.7%
Educational Services	1,139	576	700	933	984	953	753	835	931	1,253	1,633	1,684	3.6%	545	3.6%
Health Care & Social Assistance	6,988	7,185	7,369	7,815	8,812	8,603	8,585	8,325	9,740	9,921	10,493	10,609	22.7%	3,621	3.9%
Arts/Entertainment/Recreation	988	1,016	919	870	969	891	848	713	826	784	639	732	1.6%	(256)	-2.7%
Accommodation & Food Services	6,236	5,923	5,593	5,756	6,563	6,977	7,375	7,516	7,884	7,561	7,797	7,761	16.6%	1,525	2.0%
Other Services	1,219	1,256	1,215	1,255	1,298	1,381	1,389	1,453	1,538	1,521	1,530	1,679	3.6%	460	3.0%
Public Administration/Gov't	2,438	2,360	2,407	2,322	2,421	2,380	2,393	2,289	2,176	2,498	2,425	2,435	5.2%	(3)	-0.01%
TOTAL:	**36,765**	**36,407**	**34,895**	**35,697**	**40,581**	**42,279**	**41,998**	**42,308**	**45,338**	**45,167**	**45,894**	**46,664**		**9,899**	**2.2%**
Annual Change:	-	*(358)*	*(1,512)*	*802*	*4,884*	*1,698*	*(281)*	*310*	*3,030*	*(171)*	*727*	*770*			
Annual % Change:	-	*-1%*	*-4%*	*2%*	*14%*	*4%*	*-1%*	*1%*	*7%*	*-0.4%*	*2%*	*2%*			
Pembroke Pines As % of Broward:	**4.8%**	**4.9%**	**5.0%**	**5.1%**	**5.5%**	**5.8%**	**5.7%**	**5.5%**	**5.7%**	**5.5%**	**5.5%**	**5.5%**		**12-Year Avg:**	***5.4%***

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

- Pembroke Pines lost 1,870 jobs during the 2008—2011 recession/recovery (more than the 939 jobs lost in Port St. Lucie). Over the past 12 years, nominal job losses occurred in five of 19 sectors, with Arts/Entertainment/Recreation (-256) and Management of Companies (-122) exhibiting the largest job losses;

- In 2018, **Pembroke Pines' largest industry sector was Retail Trade, with 23.5% of all jobs** (above Port St. Lucie's 17%). Retail Trade was closely followed by Health Care (22.7%) and Accommodation & Food Services (16.6%); and

- New jobs were added in 14 of 19 industry sectors; Health Care exhibited the greatest increase in new jobs (3,621), reflecting a *sustained* annual growth rate of 3.9% per year--significantly more than the 2,623 Health Care jobs created in Port St. Lucie. Almost 2,100 new jobs were created in Retail Trade and 1,525 new jobs were created in Accommodation & Food Services;

Pembroke Pines Business Mix & Jobs-to-Population Ratio

- As illustrated in Table 15, Dun & Bradstreet data suggest that in 2020, there were 52,184 jobs in 7,065 businesses in Pembroke Pines. The relative difference in employment between 2018 Census data (46,664) and 2020 Dun & Bradstreet (52,184) may be attributable to part-time employment, a two-year difference in data, some variations in employment counts and the method by which jobs are categorized between Dun & Bradstreet and the U.S. Census across several sectors. For example:
    - Construction (1,502 vs. 828);
    - Retail Trade (18,088 vs. 10,985);
    - Finance/Insurance/Real Estate (4,102 vs. 2,542); and
    - Government (1,997 vs. 2,436).

- Based on 2020 employment, **Pembroke Pines' jobs-to-population ratio is 0.31**—higher than Port St. Lucie's 0.24 ratio (i.e., there are 31 jobs for every 100 Pembroke Pines residents versus 24 jobs for every 100 Port St. Lucie residents);

Table 18: Business Mix—City of Pembroke Pines, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**81**	1.1%	**411**	0.8%
Construction	**316**	4.5%	**1,502**	2.9%
Manufacturing	**83**	1.2%	**658**	1.3%
Transportation & Warehousing	**158**	2.2%	**1,933**	3.7%
Communications	**68**	1.0%	**422**	0.8%
Utilities	**8**	0.1%	**60**	0.1%
Wholesale & Retail Trade				
Wholesale	171		1,289	
Retail	1,324		18,088	
- Home Improvement	45		478	
- General Merchandise	69		2,399	
- Food Stores	147		2,326	
- Auto Dealers/Gas Stations	99		1,508	
- Apparel & Accessory Stores	144		1,527	
- Furniture/Home Furnishings	75		578	
- Eating & Drinking Places	398		6,601	
- Miscellaneous & Non-store Retail	347		2,671	
Subtotal - All Retail:	**1,495**	21.2%	**19,377**	37.1%
Finance/Insurance/Real Estate	**737**	10.4%	**4,102**	7.9%
Services				
- Hotel/Lodging	11		296	
- Automotive Services	107		782	
- Motion Pictures & Amusements	168		1,134	
- Health Services	608		7,219	
- Legal Services	73		235	
- Educational Institutions	102		3,449	
- Other Services	1,667		8,330	
Subtotal - Services:	**2,736**	38.7%	**21,445**	41.1%
Government	**39**	0.6%	**1,997**	3.8%
Unclassified Establishments	**1,344**	19.0%	**277**	0.5%
TOTAL:	**7,065**	**100.0%**	**52,184**	**100.0%**

ANALYSIS:	
2020 Employment	**52,184**
% Share of Broward County	***5.7%***
2020 Population	**167,378**
Jobs/Population Ratio	**0.31**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

Table 19: Inflow/Outflow Job Characteristics—City of Pembroke Pines, 2009—2018

	2009	2014	2018	Change: 2009-2018 Amount	Change: 2009-2018 %
Total Inflow/Outflow					
Employed in Pembroke Pines	34,895	42,308	46,664	11,769	**34%**
Labor Force Living in Pembroke Pines	68,261	71,586	77,614	9,353	**14%**
Net Job Inflow (+) or Outflow (-)	**(33,366)**	**(29,278)**	**(30,950)**	**(2,416)**	**-7%**
Outflow Job Characteristics (1)					
Workers in "Goods Producing" Industries	4,950	4,342	5,177	227	**5%**
Workers in "Trade, Transportation & Utilities" Industries	15,657	16,594	17,695	2,038	**13%**
Workers in "All Other Services" Industries	41,683	44,304	47,579	5,896	**14%**
Total:	**62,290**	**65,240**	**70,451**	**8,161**	**13%**
Inflow Job Characteristics (2)					
Workers in "Goods Producing" Industries	918	723	929	11	**1%**
Workers in "Trade, Transportation & Utilities" Industries	8,830	10,813	11,387	2,557	**29%**
Workers in "All Other Services" Industries	19,176	24,426	27,185	8,009	**42%**
Total:	**28,924**	**35,962**	**39,501**	**10,577**	**37%**

(1) Includes job characteristics of labor force residents of Pembroke Pines who work elsewhere.

(2) Includes job characteristics of labor force residents elsewhere who work in Pembroke Pines.

Source: U.S. Census Bureau, On-the-Map; WTL+a; December 2020.

Pembroke Pines Labor Force Inflow/Outflow

- As illustrated in Table 16, between 2009 and 2018 the number of **labor force residents who live in Pembroke Pines but work elsewhere *declined* during this 10-year period, by 2,416—reflecting a decrease of 7%.** That is, more jobs became available for Pembroke Pines residents to work closer to home in 2018 than were available in 2009. This is the *reverse* of Port St. Lucie, which exhibited a significant increase in labor force residents *leaving* to work elsewhere (15,278, a 59% increase in outflow); and
- According to U.S. Census data, while the labor force population in Pembroke Pines increased by 14% during this 10-year period, the number of jobs increased by 34%. "All Other Services industries" generated the largest absolute gain in new jobs (8,009), reflecting a 42% rate of growth during this period.

Figure 14: Employment Densities—City of Pembroke Pines, 2018

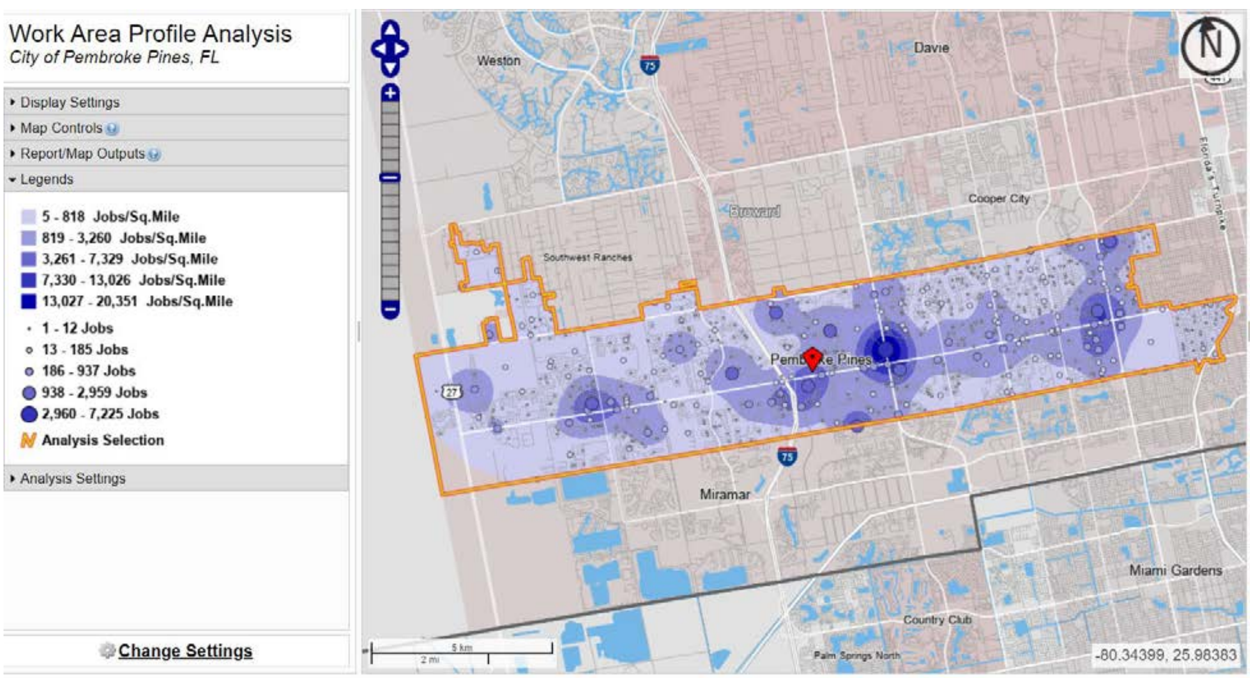
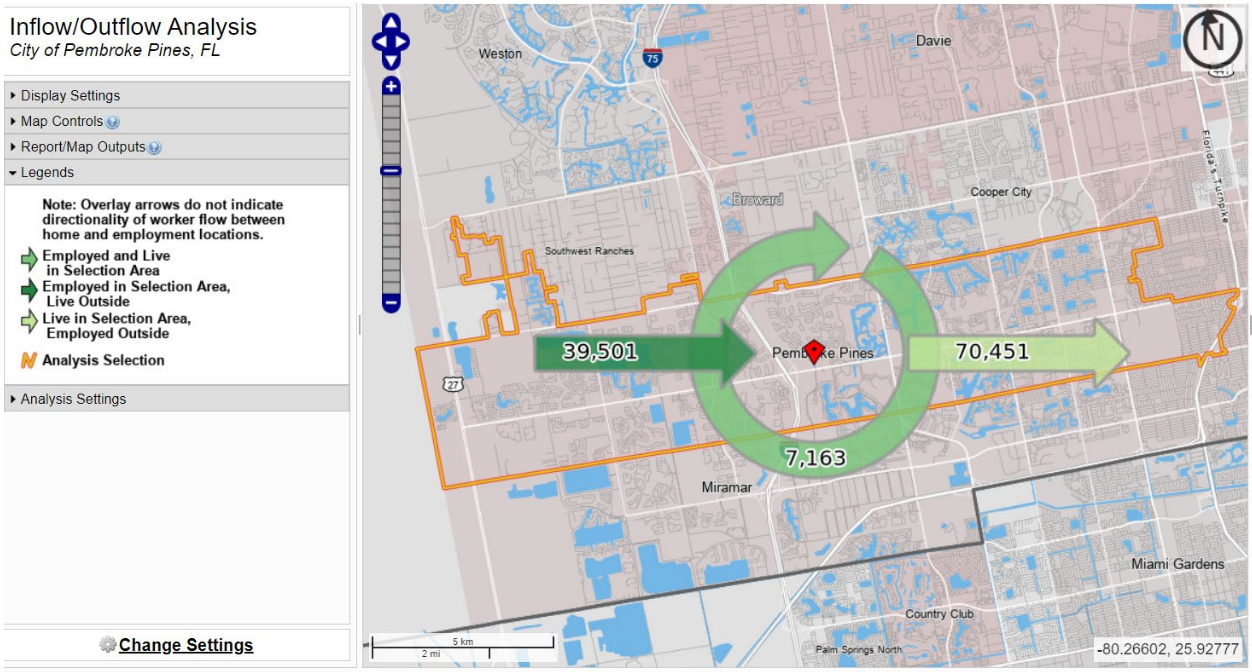


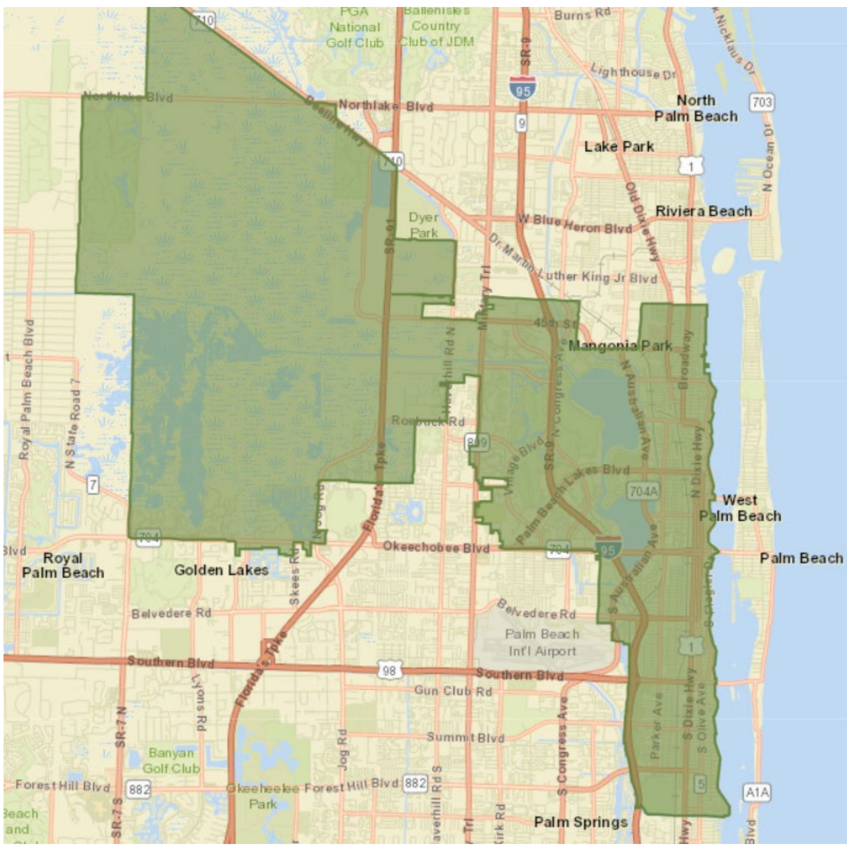
Figure 15: Labor Force Inflow/Outflow—City of Pembroke Pines, 2018



Case Study: City of West Palm Beach

West Palm Beach is the principal municipality and County seat of Palm Beach County, stretching from the Intracoastal Waterway west to State Road 7. The city encompasses 58.20 square miles (approximately 75% the size of Port St. Lucie's land area), with expansion of the City's boundary propelled by annexation into central Palm Beach County. The city had a 2020 population of 111,654 (44% lower than Port St. Lucie).

Figure 16: City of West Palm Beach



West Palm Beach Employment Trends

As illustrated in Table 17, between 2007 and 2018, **job growth in West Palm Beach was 68% greater than overall job growth in Port St. Lucie, with 11,997 new jobs** (versus 7,144 new jobs in Port St. Lucie). This resulted in an increase in the city's employment base—from 78,238 jobs in 2007 to 90,238 jobs in 2018—and reflected a compound annual growth rate of 1.3% per

Table 20: Employment Trends—City of West Palm Beach, 2007—2018

Industry Sector	2007	2008 (National Recession)	2009 (National Recession)	2010 (National Recession)	2011	2012	2013	2014	2015	2016	2017	2018	2018 % Dist.	Change: 2007-2018 Amount	Change: 2007-2018 CAGR %
Agriculture & Mining	12	8	20	355	411	390	424	422	391	442	400	425	0.5%	413	38.3%
Construction	4,071	3,720	3,077	2,537	2,348	2,296	2,612	3,015	3,390	3,685	4,143	4,427	4.9%	356	0.8%
Manufacturing	2,412	2,313	2,007	2,319	2,187	1,805	1,733	1,790	2,172	2,402	2,542	2,618	2.9%	206	0.7%
Transp & Warehousing	1,567	1,171	968	977	1,071	1,533	1,549	1,618	1,425	1,553	1,507	1,409	1.6%	(158)	-1.0%
Utilities	886	850	781	219	224	203	206	172	229	238	254	254	0.3%	(632)	-10.7%
Trade															
Wholesale	2,263	2,029	1,935	1,857	2,008	2,068	2,254	2,368	2,636	2,089	1,788	1,620	1.8%	(643)	-3.0%
Retail	6,084	5,881	5,273	5,275	6,242	6,035	6,079	6,353	6,890	7,463	7,514	7,723	8.6%	1,639	2.2%
Information	3,377	3,251	2,417	2,245	2,658	2,644	2,565	2,515	2,755	2,986	2,939	2,742	3.0%	(635)	-1.9%
Finance & Insurance	3,995	3,358	3,110	2,766	2,895	2,652	2,808	3,210	3,298	3,067	2,974	3,348	3.7%	(647)	-1.6%
Real Estate/Rental & Leasing	2,418	2,418	2,212	2,009	2,360	2,020	1,840	1,818	2,000	1,739	1,984	2,030	2.2%	(388)	-1.6%
Services															
Prof'l/Business Services	9,148	9,052	8,407	7,705	7,748	7,616	6,842	7,006	7,586	7,868	7,616	7,824	8.7%	(1,324)	-1.4%
Management of Companies	664	720	697	866	842	926	1,107	1,386	1,291	1,392	1,582	1,469	1.6%	805	7.5%
Administration/Waste Mgmt.	6,091	4,813	3,787	4,883	5,945	5,552	5,863	7,641	9,605	10,647	10,638	11,732	13.0%	5,641	6.1%
Educational Services	917	833	1,642	1,808	1,815	1,876	1,976	2,039	2,057	2,114	2,087	2,230	2.5%	1,313	8.4%
Health Care & Social Assistance	13,745	12,664	12,065	12,012	12,694	12,815	11,842	13,013	16,165	15,418	15,160	15,391	17.1%	1,646	1.0%
Arts/Entertainment/Recreation	1,409	1,423	1,507	1,234	1,930	1,415	1,668	1,814	1,952	1,915	1,945	1,975	2.2%	566	3.1%
Accommodation & Food Services	7,249	7,088	6,075	6,394	6,702	6,577	6,970	7,148	7,964	8,815	8,957	9,142	10.1%	1,893	2.1%
Other Services	2,100	2,108	1,974	1,913	2,195	2,022	2,118	2,202	2,330	2,423	2,452	2,475	2.7%	375	1.5%
Public Administration/Gov't	9,830	12,225	12,275	12,224	12,227	11,554	11,476	11,235	11,297	11,057	11,336	11,401	12.6%	1,571	1.4%
TOTAL:	**78,238**	**75,925**	**70,229**	**69,598**	**74,502**	**71,999**	**71,932**	**76,765**	**85,433**	**87,313**	**87,818**	**90,235**		**11,997**	1.3%
Annual Change:	-	*(2,313)*	*(5,696)*	*(631)*	*4,904*	*(2,503)*	*(67)*	*4,833*	*8,668*	*1,880*	*505*	*2,417*			
Annual % Change:	-	*-3%*	*-8%*	*-1%*	*7%*	*-3%*	*0%*	*6%*	*10%*	*2%*	*1%*	*3%*			
West Palm Beach As % of PB County:	**14.5%**	**14.5%**	**14.5%**	**14.3%**	**14.4%**	**14.1%**	**13.6%**	**14.0%**	**14.8%**	**14.6%**	**14.4%**	**14.6%**		**12-Year Avg:**	***14.4%***

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

year. As a share of total employment in Palm Beach County, West Palm Beach has remained steady in the range of 14% to 15% over the past 12 years;

- West Palm Beach lost 8,640 jobs during the 2008—2011 recession/recovery (more than the 939 jobs lost in Port St. Lucie) and another 2,570 jobs in 2012 and 2013. Over the past 12 years, job losses occurred in seven of 19 sectors, with Professional/Business Services (-1,324) and Finance/Insurance/Real Estate (-1,035) exhibiting the largest job losses. Notably, these sectors are primary demand generators for office space; over the past 13 years (2007—2019), annual net office absorption in West Palm Beach has averaged only 21,220 sq. ft. per year. Over the past five years, net annual office absorption has been flat ;
- In 2018, the **largest industry sector in West Palm Beach was Health Care, with 17.1% of all jobs** (on par Port St. Lucie's 17%), followed by Administration/Waste Management (13%) and Public Administration/Government (12.6%); and
- New jobs were added in 12 of 19 industry sectors; Administration/Waste Management exhibited the greatest increase in new jobs (5,641), reflecting a *sustained* annual growth rate of 6.1% per year, followed by 1,893 new jobs in Accommodation & Food Services (2.1% per year). Only 1,646 new jobs were created in Health Care, reflecting a compound average annual increase of 1.0% per year;

West Palm Beach Business Mix & Jobs-to-Population Ratio

- As illustrated in Table 18, Dun & Bradstreet data suggest that in 2020, there were 96,119 jobs in 9,190 businesses in West Palm Beach. The relative difference in employment between 2018 Census data (90,235) and 2020 Dun & Bradstreet (96,119) may be attributable to part-time employment, a two-year difference in data, and some variations in employment counts and the method by which jobs are categorized between Dun & Bradstreet and the U.S. Census across several sectors. For example:
  - Construction (2,950 vs. 4,427);
  - Retail Trade (17,11 vs. 7,723); and
  - Finance/Insurance/Real Estate (8,604 vs. 5,378).

Table 21: Business Mix—City of West Palm Beach, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**101**	1.1%	**779**	0.8%
Construction	**428**	4.7%	**2,950**	3.1%
Manufacturing	**162**	1.8%	**11,317**	11.8%
Transportation & Warehousing	**189**	2.1%	**1,419**	1.5%
Communications	**92**	1.0%	**1,600**	1.7%
Utilities	**15**	0.2%	**201**	0.2%
Wholesale & Retail Trade				
Wholesale	191		2,235	
Retail	1,473		17,111	
- Home Improvement	69		667	
- General Merchandise	55		1,014	
- Food Stores	132		2,010	
- Auto Dealers/Gas Stations	162		3,443	
- Apparel & Accessory Stores	98		804	
- Furniture/Home Furnishings	124		826	
- Eating & Drinking Places	421		5,687	
- Miscellaneous & Non-store Retail	412		2,660	
Subtotal - All Retail:	**1,664**	18.1%	**19,346**	20.1%
Finance/Insurance/Real Estate	**1,110**	12.1%	**8,604**	9.0%
Services				
- Hotel/Lodging	57		1,192	
- Automotive Services	173		878	
- Motion Pictures & Amusements	192		2,301	
- Health Services	554		11,532	
- Legal Services	530		4,785	
- Educational Institutions	103		3,525	
- Other Services	2,021		14,266	
Subtotal - Services:	**3,630**	39.5%	**38,479**	40.0%
Government	**228**	2.5%	**11,041**	11.5%
Unclassified Establishments	**1,571**	17.1%	**383**	0.4%
TOTAL:	**9,190**	**100.0%**	**96,119**	**100.0%**

ANALYSIS:	
2020 Employment	**96,119**
% Share of Palm Beach County	***13.5%***
2020 Population	**111,654**
Jobs/Population Ratio	**0.86**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

- Based on 2020 employment, the **jobs-to-population ratio in West Palm Beach is a strong 0.86**—significantly higher than Port St. Lucie's 0.24 (i.e., there are 86 jobs for every 100 residents of West Palm Beach versus 24 jobs for every 100 Port St. Lucie residents). This clearly reflects the city's role as the primary Central Business District (CBD) for Palm Beach County and its role as a regional employment center for office, County seat, and cultural and arts/entertainment destination;

West Palm Beach Labor Force Inflow/Outflow

- As illustrated in Table 19, between 2009 and 2018 the number of **labor force residents who live elsewhere but work in West Palm Beach increased during this 10-year period, by 7,471—reflecting an increase of 22%.** That is, almost 7,500 additional employees worked in the City of West Palm Beach in 2018 versus those that did in 2009. This is the *reverse* of Port St. Lucie, which exhibited a significant jump in labor force residents *leaving* to work elsewhere (15,278, a 59% increase in *outflow*); and
- According to U.S. Census data, the labor force population in West Palm Beach increased by 35% during this 10-year period, and the number of jobs increased by 29%. "All Other Services industries" generated the largest absolute gain in new jobs (13,704), reflecting a 28% rate of growth during this period.

WTL+a

Table 22: Inflow/Outflow Job Characteristics—City of West Palm Beach, 2009—2018

	2009	2014	2018	Change: 2009-2019 Amount	%
Total Inflow/Outflow					
Employed in West Palm Beach	70,167	76,716	90,235	**20,068**	**29%**
Labor Force Living in West Palm Beach	35,658	42,300	48,255	**12,597**	**35%**
Net Job Inflow (+) or Outflow (-)	**34,509**	**34,416**	**41,980**	7,471	**22%**
Outflow Job Characteristics (1)					
Workers in "Goods Producing" Industries	2,684	2,730	3,697	**1,013**	**38%**
Workers in "Trade, Transportation & Utilities" Industries	5,906	7,168	7,933	**2,027**	**34%**
Workers in "All Other Services" Industries	18,566	22,695	25,621	**7,055**	**38%**
Total:	**27,156**	**32,593**	**37,251**	**10,095**	**37%**
Inflow Job Characteristics (2)					
Workers in "Goods Producing" Industries	4,538	4,708	6,700	**2,162**	**48%**
Workers in "Trade, Transportation & Utilities" Industries	8,077	9,371	9,777	**1,700**	**21%**
Workers in "All Other Services" Industries	49,050	52,930	62,754	**13,704**	**28%**
Total:	**61,665**	**67,009**	**79,231**	**17,566**	**28%**

(1) Includes job characteristics of labor force residents of West Palm Beach who work elsewhere.
(2) Includes job characteristics of labor force residents elsewhere who work in West Palm Beach.

Source: U.S. Census Bureau, On-the-Map; WTL+a; December 2020.

Figure 17: Employment Densities—City of West Palm Beach, 2018

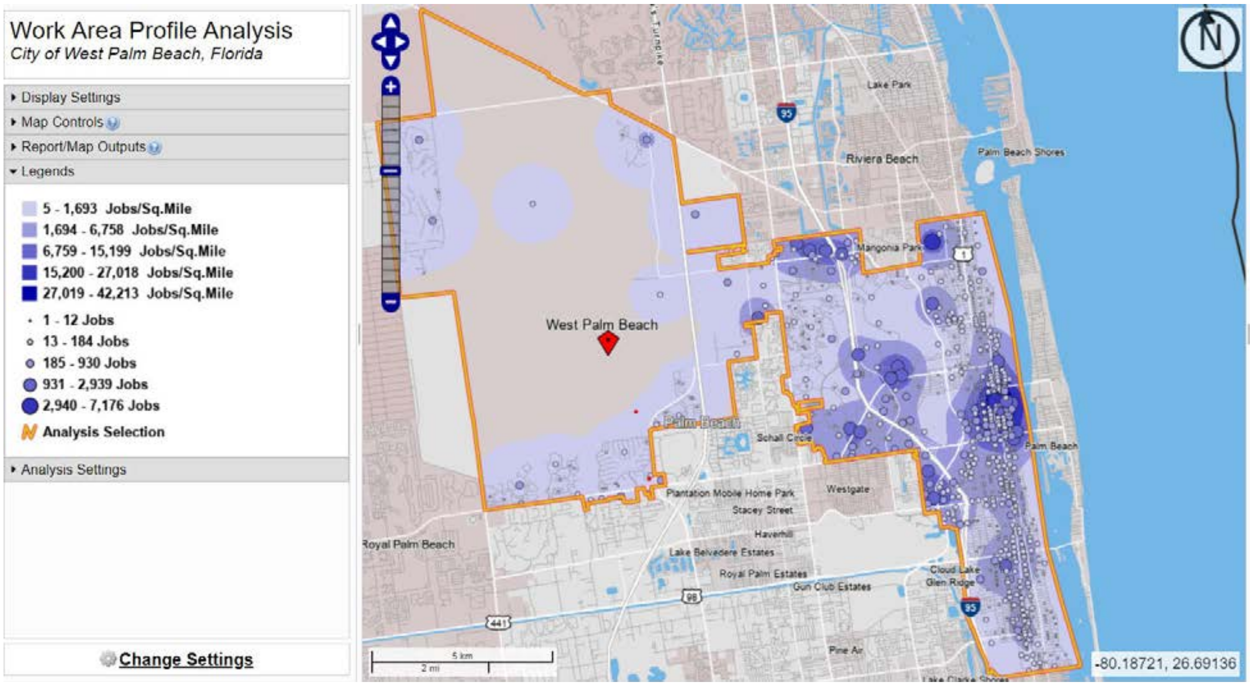
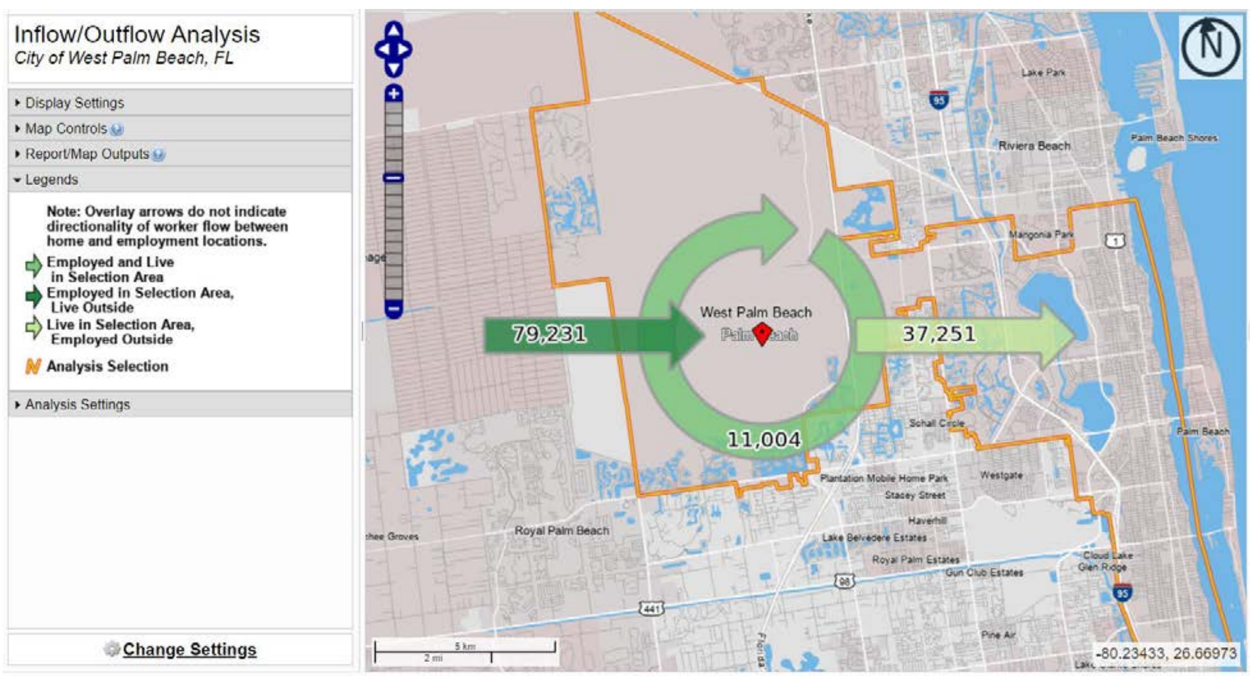


Figure 18: Inflow/Outflow Job Characteristics—City of West Palm Beach, 2018



Appendix—Supporting County Data

Table 23: Employment Trends—Brevard County, 2007—2018

Industry Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018 % Dist.	Change: 2007-2018 Amount	CAGR %
		National Recession & Recovery													
Agriculture & Mining	449	316	276	223	213	225	213	226	270	264	222	244	0.1%	(205)	-5.4%
Construction	14,303	11,622	9,396	7,911	7,619	7,521	8,232	9,856	11,059	12,844	13,180	14,022	6.6%	(281)	-0.2%
Manufacturing	22,753	22,722	20,906	19,964	19,471	19,717	19,171	18,650	19,991	21,369	22,406	24,595	11.6%	1,842	0.7%
Transp & Warehousing	2,982	2,892	2,469	2,900	3,235	3,655	3,669	3,238	3,576	3,558	3,655	3,666	1.7%	684	1.9%
Utilities	422	356	369	349	307	272	276	239	250	274	333	294	0.1%	(128)	-3.2%
Trade															
Wholesale	5,514	6,039	5,206	5,243	5,546	5,641	5,800	5,499	5,112	4,925	5,008	4,929	2.3%	(585)	-1.0%
Retail	20,642	21,392	20,804	20,131	22,948	23,146	22,671	23,832	25,480	25,436	25,326	25,665	12.1%	5,023	2.0%
Information	2,577	2,564	2,305	2,127	2,073	2,274	2,064	2,269	2,328	2,293	2,018	2,365	1.1%	(212)	-0.8%
Finance & Insurance	4,892	4,628	4,363	4,684	4,766	4,630	4,868	4,726	4,529	4,310	4,678	5,106	2.4%	214	0.4%
Real Estate/Rental & Leasing	2,822	2,866	2,697	2,616	2,133	2,211	2,230	2,321	2,478	2,565	2,429	2,660	1.3%	(162)	-0.5%
Services															
Prof'l/Business Services	13,330	13,364	11,642	11,180	12,570	11,840	11,833	12,260	12,270	13,480	14,473	15,673	7.4%	2,343	1.5%
Management of Companies	1,567	1,579	1,457	1,406	1,687	1,442	1,614	1,957	2,144	2,444	2,533	2,192	1.0%	625	3.1%
Administration/Waste Mgmt.	22,458	13,997	19,603	20,117	19,089	14,874	13,968	13,673	13,367	13,033	13,466	13,884	6.6%	(8,574)	-4.3%
Educational Services	15,859	15,685	15,780	16,078	16,568	16,933	16,539	16,981	16,801	16,503	16,644	17,179	8.1%	1,320	0.7%
Health Care & Social Assistance	25,267	29,465	28,947	30,042	30,391	30,873	30,788	30,242	30,600	32,123	33,905	33,078	15.6%	7,811	2.5%
Arts/Entertainment/Recreation	3,523	3,573	2,910	3,131	3,058	3,392	2,965	3,170	3,948	3,764	4,029	4,038	1.9%	515	1.2%
Accommodation & Food Services	17,851	17,353	17,479	17,685	18,133	18,910	19,850	20,322	21,743	22,309	22,396	23,332	11.0%	5,481	2.5%
Other Services	5,896	5,590	5,300	5,264	5,761	5,709	5,730	5,859	6,163	6,643	6,657	6,568	3.1%	672	1.0%
Public Administration/Gov't	11,097	10,487	10,753	13,221	12,513	12,174	12,097	12,301	12,361	12,309	12,448	12,413	5.9%	1,316	1.0%
TOTAL:	**194,204**	**186,490**	**182,662**	**184,272**	**188,081**	**185,439**	**184,578**	**187,621**	**194,470**	**200,446**	**205,806**	**211,903**		**17,699**	**0.8%**
Annual Change:	-	*(7,714)*	*(3,828)*	*1,610*	*3,809*	*(2,642)*	*(861)*	*3,043*	*6,849*	*5,976*	*5,360*	*6,097*			
Annual % Change:	-	*-4%*	*-2%*	*1%*	*2%*	*-1%*	*-0.5%*	*2%*	*4%*	*3%*	*3%*	*3%*			

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

Table 24: Business Mix—Brevard County, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**649**	2.6%	**2,772**	1.2%
Construction	**1,959**	8.0%	**10,645**	4.7%
Manufacturing	**654**	2.7%	**10,154**	4.5%
Transportation & Warehousing	**633**	2.6%	**6,296**	2.8%
Communications	**200**	0.8%	**3,423**	1.5%
Utilities	**60**	0.2%	**467**	0.2%
Wholesale & Retail Trade				
Wholesale	583		5,743	
Retail	5,055		56,472	
- Home Improvement	306		3,291	
- General Merchandise	212		6,914	
- Food Stores	525		7,617	
- Auto Dealers/Gas Stations	693		6,400	
- Apparel & Accessory Stores	232		1,113	
- Furniture/Home Furnishings	389		3,067	
- Eating & Drinking Places	1,350		20,243	
- Miscellaneous & Non-store Retail	1,348		7,827	
Subtotal - All Retail:	**5,638**	22.9%	**62,215**	27.4%
Finance/Insurance/Real Estate	**2,338**	9.5%	**12,684**	5.6%
Services				
- Hotel/Lodging	190		3,451	
- Automotive Services	687		3,037	
- Motion Pictures & Amusements	647		5,298	
- Health Services	1,402		32,015	
- Legal Services	349		1,698	
- Educational Institutions	354		14,264	
- Other Services	5,354		35,792	
Subtotal - Services:	**8,983**	36.5%	**95,555**	42.1%
Government	**551**	2.2%	**20,846**	9.2%
Unclassified Establishments	**2,939**	11.9%	**1,759**	0.8%
TOTAL:	**24,604**	**100.0%**	**226,816**	**100.0%**

ANALYSIS:	
2020 Employment	**226,816**
2020 Population	**616,481**
Jobs/Population Ratio	**0.37**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

WTL+a

Table 25: Employment Trends—Broward County, 2007—2018

		National Recession & Recovery											2018	Change: 2007-2018	
Industry Sector	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**% Dist.**	**Amount**	**CAGR %**
Agriculture & Mining	1,165	1,098	1,020	1,124	1,114	1,351	1,167	1,083	1,151	1,345	1,331	1,047	0.1%	(118)	-1.0%
Construction	56,693	48,440	36,363	29,695	29,226	27,743	29,360	36,598	41,382	44,091	45,647	46,625	5.5%	(10,068)	-1.8%
Manufacturing	33,298	30,829	26,526	24,605	25,256	26,147	25,050	25,906	27,241	26,251	26,620	27,138	3.2%	(6,160)	-1.8%
Transp & Warehousing	22,615	23,804	20,178	20,462	21,604	21,773	22,448	22,391	23,838	24,841	26,490	28,352	3.4%	5,737	2.1%
Utilities	1,452	1,424	1,501	1,439	1,408	1,398	1,365	1,155	1,152	1,170	1,086	1,095	0.1%	(357)	-2.5%
Trade															
Wholesale	45,644	44,866	41,717	41,359	43,599	45,195	44,492	45,008	46,511	47,405	47,474	47,578	5.7%	1,934	0.4%
Retail	93,609	93,690	91,749	94,514	107,468	102,683	104,690	107,215	113,788	112,581	112,998	114,984	13.7%	21,375	1.9%
Information	18,061	18,324	16,135	15,895	18,459	19,435	19,482	19,127	19,916	18,624	21,083	20,486	2.4%	2,425	1.2%
Finance & Insurance	42,070	38,198	35,867	33,718	35,494	34,882	33,426	33,851	35,643	35,179	35,805	38,844	4.6%	(3,226)	-0.7%
Real Estate/Rental & Leasing	23,065	22,147	19,133	19,377	19,316	19,423	19,500	20,325	21,916	21,597	21,974	22,441	2.7%	(624)	-0.2%
Services															
Prof'l/Business Services	52,360	51,217	49,563	51,444	55,073	50,282	51,327	51,349	52,885	55,498	58,036	58,462	6.9%	6,102	1.0%
Management of Companies	7,072	5,931	5,745	5,380	5,715	6,675	7,496	8,465	8,163	8,059	8,612	8,742	1.0%	1,670	1.9%
Administration/Waste Mgmt.	67,646	64,705	55,828	56,625	59,873	64,707	68,870	73,341	77,656	81,399	83,397	82,874	9.8%	15,228	1.9%
Educational Services	60,227	59,857	58,220	59,766	59,929	55,808	58,670	60,027	59,993	60,276	60,664	59,934	7.1%	(293)	-0.04%
Health Care & Social Assistance	88,226	87,459	88,881	90,309	92,819	94,045	94,832	94,396	98,861	103,482	104,257	109,386	13.0%	21,160	2.0%
Arts/Entertainment/Recreation	13,691	13,737	13,440	12,956	14,050	11,855	12,995	13,003	14,724	15,058	15,053	14,903	1.8%	1,212	0.8%
Accommodation & Food Services	68,990	69,362	66,325	69,094	72,531	76,748	79,136	81,610	85,735	88,299	87,967	88,655	10.5%	19,665	2.3%
Other Services	27,324	27,404	26,033	27,110	27,662	29,053	28,846	28,859	30,053	30,875	31,428	31,672	3.8%	4,348	1.4%
Public Administration/Gov't	40,658	38,817	38,077	40,759	41,332	39,506	39,800	39,389	37,997	37,833	37,859	38,254	4.5%	(2,404)	-0.6%
TOTAL:	**763,866**	**741,309**	**692,301**	**695,631**	**731,928**	**728,709**	**742,952**	**763,098**	**798,605**	**813,863**	**827,781**	**841,472**		**77,606**	**0.9%**
Annual Change:	-	*(22,557)*	*(49,008)*	*3,330*	*36,297*	*(3,219)*	*14,243*	*20,146*	*35,507*	*15,258*	*13,918*	*13,691*			
Annual % Change:	-	*-3%*	*-7%*	*0.5%*	*5%*	*-0.4%*	*2%*	*3%*	*5%*	*2%*	*2%*	*2%*			

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

Table 26: Business Mix—Broward County, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**1,465**	1.3%	**8,796**	1.0%
Construction	**6,658**	5.9%	**44,792**	4.9%
Manufacturing	**2,571**	2.3%	**39,003**	4.3%
Transportation & Warehousing	**3,271**	2.9%	**28,919**	3.2%
Communications	**934**	0.8%	**13,395**	1.5%
Utilities	**194**	0.2%	**2,396**	0.3%
Wholesale & Retail Trade				
Wholesale	3,712		47,836	
Retail	20,413		211,464	
- Home Improvement	1,161		10,521	
- General Merchandise	914		19,193	
- Food Stores	2,086		29,717	
- Auto Dealers/Gas Stations	2,965		31,005	
- Apparel & Accessory Stores	1,481		9,362	
- Furniture/Home Furnishings	1,649		12,347	
- Eating & Drinking Places	5,180		67,671	
- Miscellaneous & Non-store Retail	4,977		31,648	
Subtotal - All Retail:	**24,125**	21.2%	**259,300**	28.5%
Finance/Insurance/Real Estate	**12,046**	10.6%	**91,189**	10.0%
Services				
- Hotel/Lodging	676		18,034	
- Automotive Services	2,714		12,398	
- Motion Pictures & Amusements	2,714		31,614	
- Health Services	6,043		80,855	
- Legal Services	2,655		18,706	
- Educational Institutions	1,413		45,405	
- Other Services	24,578		180,710	
Subtotal - Services:	**40,793**	35.9%	**387,722**	42.6%
Government	**1,063**	0.9%	**31,626**	3.5%
Unclassified Establishments	**20,620**	18.1%	**3,018**	0.3%
TOTAL:	**113,740**	**100.0%**	**910,156**	**100.0%**

ANALYSIS:	
2020 Employment	**910,156**
2020 Population	**1,909,545**
Jobs/Population Ratio	**0.48**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

Table 27: Employment Trends—Lee County, 2007—2018

		National Recession & Recovery											2018	Change: 2007-2018	
Industry Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	% Dist.	Amount	CAGR %
Agriculture & Mining	3,285	2,907	2,937	2,680	1,680	1,995	2,292	2,921	3,540	2,929	2,465	3,221	1.6%	(64)	-0.2%
Construction	29,307	22,329	16,573	14,482	14,550	14,598	15,098	18,315	21,025	24,392	26,094	28,274	13.8%	(1,033)	-0.3%
Manufacturing	6,566	5,431	4,038	4,081	4,287	4,317	4,492	4,571	5,022	5,221	5,595	6,093	3.0%	(473)	-0.7%
Transp & Warehousing	2,395	2,352	2,042	2,036	2,512	2,694	2,970	3,267	3,373	3,927	3,745	3,928	1.9%	1,533	4.6%
Utilities	821	777	773	761	777	862	860	824	760	762	752	780	0.4%	(41)	-0.5%
Trade															
Wholesale	6,602	7,055	5,448	5,232	5,995	6,349	6,708	6,567	6,575	6,711	6,725	6,566	3.2%	(36)	-0.05%
Retail	24,443	23,678	21,473	21,385	25,395	27,573	28,276	28,931	32,539	32,990	32,664	33,905	16.6%	9,462	3.0%
Information	3,460	3,098	2,636	2,427	2,917	2,621	2,973	3,189	2,938	2,857	2,809	2,897	1.4%	(563)	-1.6%
Finance & Insurance	5,734	5,438	5,121	4,863	4,772	4,742	4,955	4,901	4,682	5,060	5,364	4,998	2.4%	(736)	-1.2%
Real Estate/Rental & Leasing	5,355	4,977	4,456	4,475	4,376	4,616	4,758	4,471	4,914	6,120	6,064	6,416	3.1%	1,061	1.7%
Services															
Prof'l/Business Services	10,278	9,903	8,987	8,634	10,472	10,428	10,961	11,193	12,843	13,474	13,906	14,625	7.2%	4,347	3.3%
Management of Companies	2,172	2,380	2,414	2,514	2,905	3,205	3,321	3,465	3,314	3,178	2,891	3,222	1.6%	1,050	3.7%
Administration/Waste Mgmt.	13,713	12,048	11,165	10,900	11,829	11,930	12,083	13,177	14,594	16,490	15,506	17,170	8.4%	3,457	2.1%
Educational Services	2,025	2,279	2,360	2,171	2,257	2,355	2,552	2,506	2,214	2,297	2,443	2,549	1.2%	524	2.1%
Health Care & Social Assistance	17,378	17,648	18,096	19,719	19,744	20,285	19,845	20,884	22,008	23,478	24,240	24,963	12.2%	7,585	3.3%
Arts/Entertainment/Recreation	5,647	5,530	6,632	4,919	6,021	6,095	6,004	6,546	7,527	7,136	7,250	6,915	3.4%	1,268	1.9%
Accommodation & Food Services	19,231	18,697	18,244	18,255	20,275	22,732	24,147	25,054	28,902	29,502	29,480	29,480	14.4%	10,249	4.0%
Other Services	6,776	6,312	5,513	5,716	6,207	6,410	6,292	6,460	7,255	7,784	8,057	8,207	4.0%	1,431	1.8%
Public Administration/Gov't	-	-	-	-	-	-	-	-	-	-	-	-	0.0%	-	N/A
TOTAL:	**165,188**	**152,839**	**138,908**	**135,250**	**146,971**	**153,807**	**158,587**	**167,242**	**184,025**	**194,308**	**196,050**	**204,209**		39,021	1.9%
Annual Change:	-	*(12,349)*	*(13,931)*	*(3,658)*	*11,721*	*6,836*	*4,780*	*8,655*	*16,783*	*10,283*	*1,742*	*8,159*			
Annual % Change:	-	*-7%*	*-9%*	*-3%*	*9%*	*5%*	*3%*	*5%*	*10%*	*6%*	*1%*	*4%*			

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

Table 28: Business Mix—Lee County, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**855**	2.6%	**4,147**	1.5%
Construction	**3,372**	10.1%	**23,466**	8.3%
Manufacturing	**657**	2.0%	**6,607**	2.3%
Transportation & Warehousing	**922**	2.8%	**5,816**	2.1%
Communications	**227**	0.7%	**3,673**	1.3%
Utilities	**88**	0.3%	**1,531**	0.5%
Wholesale & Retail Trade				
Wholesale	878		8,052	
Retail	6,365		78,642	
- Home Improvement	420		4,615	
- General Merchandise	254		7,436	
- Food Stores	645		10,774	
- Auto Dealers/Gas Stations	698		8,596	
- Apparel & Accessory Stores	399		4,964	
- Furniture/Home Furnishings	534		3,677	
- Eating & Drinking Places	1,732		28,320	
- Miscellaneous & Non-store Retail	1,683		10,260	
Subtotal - All Retail:	**7,243**	21.7%	**86,694**	30.6%
Finance/Insurance/Real Estate	**3,633**	10.9%	**23,971**	8.5%
Services				
- Hotel/Lodging	320		6,162	
- Automotive Services	830		5,687	
- Motion Pictures & Amusements	1,022		9,935	
- Health Services	1,758		23,742	
- Legal Services	496		3,316	
- Educational Institutions	397		22,066	
- Other Services	7,278		45,635	
Subtotal - Services:	**12,101**	36.3%	**116,543**	41.2%
Government	**406**	1.2%	**10,357**	3.7%
Unclassified Establishments	**3,803**	11.4%	**378**	0.1%
TOTAL:	**33,307**	**100.0%**	**283,183**	**100.0%**

ANALYSIS:	
2020 Employment	**283,183**
2020 Population	**753,337**
Jobs/Population Ratio	**0.38**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

Table 29: Employment Trends—Palm Beach County, 2007—2018

Industry Sector	2007	National Recession & Recovery				2012	2013	2014	2015	2016	2017	2018	2018	Change: 2007-2018	
		2008	2009	2010	2011								% Dist.	Amount	CAGR %
Agriculture & Mining	10,249	8,933	9,375	7,276	8,007	8,023	7,966	7,609	7,297	7,849	7,583	7,557	1.2%	(2,692)	-2.7%
Construction	40,650	33,176	25,341	22,160	21,781	20,566	23,146	26,877	29,070	32,314	34,683	36,243	5.9%	(4,407)	-1.0%
Manufacturing	20,105	18,728	16,298	15,269	14,733	14,732	14,761	15,556	17,036	18,474	19,391	18,677	3.0%	(1,428)	-0.7%
Transp & Warehousing	6,736	7,741	6,534	6,199	7,452	7,316	7,737	8,824	8,905	9,766	9,930	9,712	1.6%	2,976	3.4%
Utilities	1,929	2,002	1,943	1,442	1,435	1,529	1,590	1,559	1,934	2,163	2,350	2,457	0.4%	528	2.2%
Trade															
Wholesale	22,799	21,945	20,084	19,352	20,274	20,194	21,466	20,870	23,338	23,077	22,871	23,164	3.8%	365	0.1%
Retail	60,787	61,147	57,243	58,567	68,856	65,302	66,807	69,030	74,687	74,634	74,615	75,122	12.2%	14,335	1.9%
Information	9,902	9,516	8,137	7,807	8,794	9,033	9,217	9,879	10,249	10,790	11,334	10,718	1.7%	816	0.7%
Finance & Insurance	23,488	21,643	19,496	20,193	21,662	21,772	22,526	22,583	23,005	22,750	22,921	24,048	3.9%	560	0.2%
Real Estate/Rental & Leasing	15,024	14,574	12,583	12,196	13,706	12,848	13,816	13,701	14,388	15,088	15,203	16,202	2.6%	1,178	0.7%
Services															
Prof'l/Business Services	39,210	38,701	35,171	34,279	37,119	39,080	40,549	39,625	41,824	45,758	45,845	46,544	7.6%	7,334	1.6%
Management of Companies	10,322	9,903	9,305	9,788	9,134	9,557	10,257	9,763	12,862	11,862	11,939	11,772	1.9%	1,450	1.2%
Administration/Waste Mgmt.	48,375	45,003	36,166	40,775	45,256	44,313	48,006	53,976	51,619	55,073	55,177	55,673	9.0%	7,298	1.3%
Educational Services	35,891	35,245	36,707	35,871	36,288	33,159	35,468	36,174	34,795	37,573	37,969	40,063	6.5%	4,172	1.0%
Health Care & Social Assistance	71,711	72,993	72,924	77,085	78,733	78,399	80,108	82,174	89,220	91,568	92,114	93,308	15.1%	21,597	2.4%
Arts/Entertainment/Recreation	17,138	16,468	16,411	15,247	16,519	16,470	17,088	18,127	18,809	18,606	20,165	19,847	3.2%	2,709	1.3%
Accommodation & Food Services	55,839	55,083	50,645	50,466	55,924	56,552	58,003	61,424	66,358	69,074	69,673	70,533	11.4%	14,694	2.1%
Other Services	22,405	21,679	20,593	20,832	22,330	23,112	23,279	23,497	24,971	25,907	26,201	26,774	4.3%	4,369	1.6%
Public Administration/Gov't	27,960	30,489	29,505	30,384	30,193	29,134	29,050	28,618	26,270	27,520	27,995	27,957	4.5%	(3)	-0.001%
TOTAL:	**540,520**	**524,969**	**484,461**	**485,188**	**518,196**	**511,091**	**530,840**	**549,866**	**576,637**	**599,846**	**607,959**	**616,371**		75,851	1.2%
Annual Change:	-	*(15,551)*	*(40,508)*	*727*	*33,008*	*(7,105)*	*19,749*	*19,026*	*26,771*	*23,209*	*8,113*	*8,412*			
Annual % Change:	-	*-3%*	*-8%*	*0.2%*	*7%*	*-1%*	*4%*	*4%*	*5%*	*4%*	*1%*	*1%*			

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

Table 30: Business Mix—Palm Beach County, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**1,471**	1.9%	**11,258**	1.6%
Construction	**5,036**	6.4%	**29,726**	4.2%
Manufacturing	**1,527**	1.9%	**35,163**	4.9%
Transportation & Warehousing	**1,805**	2.3%	**12,424**	1.7%
Communications	**610**	0.8%	**5,731**	0.8%
Utilities	**141**	0.2%	**4,083**	0.6%
Wholesale & Retail Trade				
Wholesale	2,031		24,472	
Retail	13,487		154,632	
- Home Improvement	802		7,814	
- General Merchandise	560		14,895	
- Food Stores	1,304		21,276	
- Auto Dealers/Gas Stations	1,386		16,680	
- Apparel & Accessory Stores	1,133		7,416	
- Furniture/Home Furnishings	1,102		6,813	
- Eating & Drinking Places	3,523		53,545	
- Miscellaneous & Non-store Retail	3,677		26,193	
Subtotal - All Retail:	**15,518**	19.6%	**179,104**	25.1%
Finance/Insurance/Real Estate	**9,273**	11.7%	**70,082**	
Services				
- Hotel/Lodging	325		13,481	
- Automotive Services	1,558		7,618	
- Motion Pictures & Amusements	2,034		25,003	
- Health Services	5,342		76,789	
- Legal Services	1,988		14,275	
- Educational Institutions	937		72,932	
- Other Services	17,817		119,946	
Subtotal - Services:	**30,001**	37.9%	**330,044**	46.2%
Government	**920**	1.2%	**34,187**	4.8%
Unclassified Establishments	12,939	16.3%	**2,141**	0.3%
TOTAL:	**79,241**	**100.0%**	**713,943**	**100.0%**

ANALYSIS:	
2020 Employment	**713,943**
2020 Population	**1,471,269**
Jobs/Population Ratio	**0.49**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

Table 31: Employment Trends—Polk County, 2007—2018

Industry Sector	2007	National Recession & Recovery				2012	2013	2014	2015	2016	2017	2018	2018	Change: 2007-2018	
		2008	2009	2010	2011								% Dist.	Amount	CAGR %
Agriculture & Mining	7,390	7,591	7,654	7,304	7,851	8,168	6,676	5,436	6,320	5,332	4,552	3,763	1.6%	(3,627)	-6.0%
Construction	15,624	13,650	10,756	9,727	9,288	9,066	9,239	10,683	11,654	12,823	13,097	13,545	5.7%	(2,079)	-1.3%
Manufacturing	19,351	17,671	15,592	14,885	15,571	16,098	17,186	17,579	18,085	18,945	19,065	18,982	7.9%	(369)	-0.2%
Transp & Warehousing	11,430	11,512	11,405	11,247	12,965	13,871	13,595	13,284	14,885	16,117	16,534	16,766	7.0%	5,336	3.5%
Utilities	443	466	402	340	331	412	458	514	500	498	496	557	0.2%	114	2.1%
Trade															
Wholesale	10,447	9,476	9,063	8,246	9,083	9,812	9,709	9,560	10,229	10,224	10,732	10,808	4.5%	361	0.3%
Retail	20,139	21,626	21,335	20,508	23,550	25,550	25,379	26,321	28,451	30,199	31,063	32,572	13.6%	12,433	4.5%
Information	1,976	1,848	1,623	1,576	1,518	1,478	1,613	1,608	1,473	1,501	1,226	1,726	0.7%	(250)	-1.2%
Finance & Insurance	9,489	9,187	8,793	7,819	9,878	9,835	9,671	8,957	10,362	10,316	9,763	10,145	4.2%	656	0.6%
Real Estate/Rental & Leasing	3,368	3,602	3,241	3,093	3,030	2,976	2,570	2,791	2,990	3,120	3,183	3,341	1.4%	(27)	-0.1%
Services															
Prof'l/Business Services	7,070	6,947	6,707	6,740	6,806	6,967	6,844	6,638	6,730	6,817	7,317	7,649	3.2%	579	0.7%
Management of Companies	6,433	6,050	6,761	5,716	6,483	6,788	6,711	6,766	7,583	7,764	7,854	8,321	3.5%	1,888	2.4%
Administration/Waste Mgmt.	18,862	17,751	13,690	14,656	12,838	13,190	14,102	14,992	15,779	17,384	16,834	17,128	7.2%	(1,734)	-0.9%
Educational Services	21,106	21,094	4,872	21,279	21,516	20,446	20,741	19,883	19,876	20,061	20,123	21,014	8.8%	(92)	-0.04%
Health Care & Social Assistance	23,863	24,608	24,327	25,777	26,484	26,217	27,203	27,569	27,862	28,610	29,003	29,905	12.5%	6,042	2.1%
Arts/Entertainment/Recreation	3,112	3,114	2,512	2,587	2,582	3,716	3,770	3,980	7,224	4,541	4,663	4,241	1.8%	1,129	2.9%
Accommodation & Food Services	12,918	12,412	12,543	12,880	13,851	14,586	15,872	16,080	18,319	18,484	19,629	20,315	8.5%	7,397	4.2%
Other Services	5,446	5,164	5,315	4,722	5,007	5,010	4,886	5,009	5,029	5,241	5,333	5,637	2.4%	191	0.3%
Public Administration/Gov't	13,643	13,257	13,097	13,223	13,070	12,566	12,397	12,123	12,585	12,927	12,713	13,113	5.5%	(530)	-0.4%
TOTAL:	**212,110**	**207,026**	**179,688**	**192,325**	**201,702**	**206,752**	**208,622**	**209,773**	**225,936**	**230,904**	**233,180**	**239,528**		**27,418**	**1.1%**
Annual Change:	-	*(5,084)*	*(27,338)*	*12,637*	*9,377*	*5,050*	*1,870*	*1,151*	*16,163*	*4,968*	*2,276*	*6,348*			
Annual % Change:	-	*-2%*	*-13%*	*7%*	*5%*	*3%*	*1%*	*1%*	*8%*	*2%*	*1%*	*3%*			

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

Table 32: Business Mix—Polk County, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Agriculture & Mining	**519**	2.7%	**6,846**	2.9%
Construction	**1,447**	7.5%	**12,055**	5.0%
Manufacturing	**543**	2.8%	**11,568**	4.8%
Transportation & Warehousing	**585**	3.0%	**5,363**	2.2%
Communications	**169**	0.9%	**1,375**	0.6%
Utilities	**49**	0.3%	**613**	0.3%
Wholesale & Retail Trade				
Wholesale	663		9,389	
Retail	3,987		50,003	
- Home Improvement	216		3,563	
- General Merchandise	216		7,139	
- Food Stores	469		7,700	
- Auto Dealers/Gas Stations	603		5,857	
- Apparel & Accessory Stores	171		1,051	
- Furniture/Home Furnishings	234		2,228	
- Eating & Drinking Places	1,082		17,336	
- Miscellaneous & Non-store Retail	996		5,129	
Subtotal - All Retail:	**4,650**	24.0%	**59,392**	24.8%
Finance/Insurance/Real Estate	**1,746**	9.0%	**14,873**	6.2%
Services				
- Hotel/Lodging	203		1,881	
- Automotive Services	626		3,038	
- Motion Pictures & Amusements	495		4,200	
- Health Services	980		51,213	
- Legal Services	276		2,343	
- Educational Institutions	401		17,749	
- Other Services	4,256		30,267	
Subtotal - Services:	**7,237**	37.4%	**110,691**	46.3%
Government	**466**	2.4%	**15,566**	6.5%
Unclassified Establishments	**1,939**	10.0%	**700**	0.3%
TOTAL:	**19,350**	**100.0%**	**239,042**	**100.0%**

ANALYSIS:	
2020 Employment	**239,042**
2020 Population	**703,886**
Jobs/Population Ratio	**0.34**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

WTL+a

Table 33: Employment Trends—St. Lucie County, 2007—2018

		National Recession & Recovery											2018	Change: 2007-2018	
Industry Sector	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**% Dist.**	**Amount**	**CAGR %**
Agriculture & Mining	4,075	4,127	3,118	2,844	3,740	3,126	2,698	1,789	1,204	1,060	915	754	1.0%	(3,321)	-14.2%
Construction	6,247	5,342	3,794	3,188	3,213	3,047	3,361	3,872	4,139	4,350	4,849	5,252	6.8%	(995)	-1.6%
Manufacturing	2,916	2,524	2,045	1,928	2,003	2,339	2,550	2,876	3,055	3,422	3,546	3,806	4.9%	890	2.5%
Transp & Warehousing	686	978	942	1,000	1,200	1,240	1,185	1,234	1,359	1,454	1,409	1,588	2.1%	902	7.9%
Utilities	1,435	1,361	1,342	1,438	1,695	1,598	1,545	1,335	1,526	1,428	1,405	1,284	1.7%	(151)	-1.0%
Trade															
Wholesale	4,719	4,526	4,413	4,092	3,981	4,064	3,122	2,778	2,504	2,745	2,809	2,462	3.2%	(2,257)	-5.7%
Retail	6,107	6,758	6,658	6,518	8,571	8,251	8,366	8,832	9,445	9,913	9,938	10,257	13.3%	4,150	4.8%
Information	388	368	308	302	683	839	498	526	455	470	404	461	0.6%	73	1.6%
Finance & Insurance	2,625	2,292	2,087	2,136	1,736	1,386	1,364	1,247	1,313	1,348	1,323	1,230	1.6%	(1,395)	-6.7%
Real Estate/Rental & Leasing	1,124	1,046	1,005	972	1,080	1,122	952	1,104	1,235	1,250	1,408	1,196	1.6%	72	0.6%
Services															
Prof'l/Business Services	3,684	3,060	2,845	2,491	2,643	2,611	3,092	3,720	4,170	3,921	3,883	3,561	4.6%	(123)	-0.3%
Management of Companies	98	112	97	166	154	169	190	242	249	251	266	232	0.3%	134	8.1%
Administration/Waste Mgmt.	3,474	3,377	2,971	3,272	3,502	3,899	4,064	4,323	4,408	4,438	4,372	5,491	7.1%	2,017	4.2%
Educational Services	8,494	8,999	8,827	8,678	9,038	8,780	8,901	8,682	9,114	9,164	8,906	9,311	12.1%	817	0.8%
Health Care & Social Assistance	8,698	9,197	9,331	9,592	10,520	10,538	10,759	10,242	10,833	11,298	11,812	11,783	15.3%	3,085	2.8%
Arts/Entertainment/Recreation	1,360	1,623	1,354	1,453	1,469	1,350	1,146	1,146	1,359	1,294	1,420	1,348	1.8%	(12)	-0.1%
Accommodation & Food Services	5,971	5,362	5,545	5,698	6,274	6,501	7,133	7,169	7,869	7,915	8,138	8,513	11.1%	2,542	3.3%
Other Services	1,803	1,855	1,917	1,837	1,987	2,082	2,249	2,480	2,929	3,065	3,044	3,054	4.0%	1,251	4.9%
Public Administration/Gov't	5,601	5,369	5,221	4,844	4,543	4,530	4,511	4,806	4,549	5,033	5,070	5,352	7.0%	(249)	-0.4%
TOTAL:	**69,505**	**68,276**	**63,820**	**62,449**	**68,032**	**67,472**	**67,686**	**68,403**	**71,715**	**73,819**	**74,917**	**76,935**		**7,430**	**0.9%**
Annual Change:	-	*(1,229)*	*(4,456)*	*(1,371)*	*5,583*	*(560)*	*214*	*717*	*3,312*	*2,104*	*1,098*	*2,018*			
Annual % Change:	-	*-2%*	*-7%*	*-2%*	*9%*	*-1%*	*0.3%*	*1%*	*5%*	*3%*	*1%*	*3%*			

Source: U.S. Census Bureau, On-the-Map; WTL +a, December 2020.

Table 34: Business Mix—St. Lucie County, 2020

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Mining & Natural Resources	**300**	2.6%	**1,769**	1.9%
Construction	**1,030**	8.8%	**5,540**	6.0%
Manufacturing	**233**	2.0%	**3,274**	3.6%
Transportation & Warehousing	**324**	2.8%	**2,094**	2.3%
Communications	**96**	0.8%	**537**	0.6%
Utilities	**26**	0.2%	**203**	0.2%
Wholesale & Retail Trade				
Wholesale	339		3,370	
Retail	2,384		24,951	
- Home Improvement	138		1,454	
- General Merchandise	103		3,872	
- Food Stores	278		3,797	
- Auto Dealers/Gas Stations	359		2,918	
- Apparel & Accessory Stores	128		829	
- Furniture/Home Furnishings	173		802	
- Eating & Drinking Places	599		7,909	
- Miscellaneous & Non-store Retail	606		3,370	
Subtotal - All Retail:	**2,723**	23.2%	**28,321**	30.7%
Finance/Insurance/Real Estate	**980**	8.4%	**4,929**	5.3%
Services				
- Hotel/Lodging	71		929	
- Automotive Services	401		1,250	
- Motion Pictures & Amusements	300		2,000	
- Health Services	725		13,762	
- Legal Services	157		663	
- Educational Institutions	164		6,321	
- Other Services	2,765		13,502	
Subtotal - Services:	**4,583**	39.1%	**38,427**	41.7%
Government	**202**	1.7%	**6,196**	6.7%
Unclassified Establishments	**1,216**	10.4%	**847**	0.9%
TOTAL:	**11,713**	**100.0%**	**92,137**	**100.0%**

ANALYSIS:

2020 County Employment	92,137
As % of Workforce Region 20	**40.8%**
2020 County Population	326,357
Jobs/Population Ratio	**0.28**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, December 2020.

APPENDIX G

Technical Memorandum #6

Public Incentives & Preliminary Implementation Considerations

Southern Grove Master Plan

Port St. Lucie, FL

Prepared for:
Treasure Coast Regional Planning Council
Stuart, FL

On behalf of:
City of Port St. Lucie
Port St. Lucie, FL

January 2021 **DRAFT**

WTL +a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

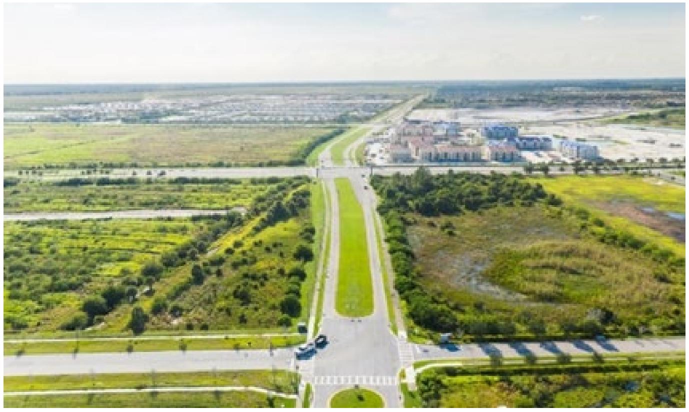
General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable at the time the study was conducted. This study is based on estimates, assumptions, and other information developed by WTL +Associates (referred hereinafter as “WTL+a”) from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and/or representatives, or any other data source used in preparing or presenting this study.

No warranty or representation is made by WTL+a that any of the projected values or results contained in this study will be achieved. Possession of this study does not carry with it the right of publication thereof or to use the name of "WTL+a" in any manner without first obtaining the prior written consent of WTL+a. No abstracting, excerpting or summarizing of this study may be made without first obtaining the prior written consent of WTL+a. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person, other than the client, without first obtaining the prior written consent of WTL+a. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from WTL+a.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

Overview



The City of Port St. Lucie, located in St. Lucie County, Florida, is one of the fastest-growing municipalities in the State of Florida. Established in 1961, its municipal boundaries encompass 121.5 square miles. The City acquired 1,215.9 acres known as the "Southern Grove" property (the "study area") on June 28, 2018, of which approximately 1,183 acres are owned by the City of Port St. Lucie Government Finance Corporation (GFC), and the focus of this analysis.

The study area is a part of the Southern Grove Development of Regional Impact (DRI), which encompasses approximately 3,606 acres. Technical Memorandum #6 summarizes a series of recommended implementation strategies, approaches, and policy suggestions to consider as Southern Grove is fully planned, developed, and built-out. It supplements Technical Memoranda #1—#5, which provide a demographic/economic profile, real estate market conditions and development potentials, a financial scorecard analysis, economic impact analysis, and summary of comparable cities. These memoranda have been prepared as part of an overall market/financial analysis of Southern Grove.

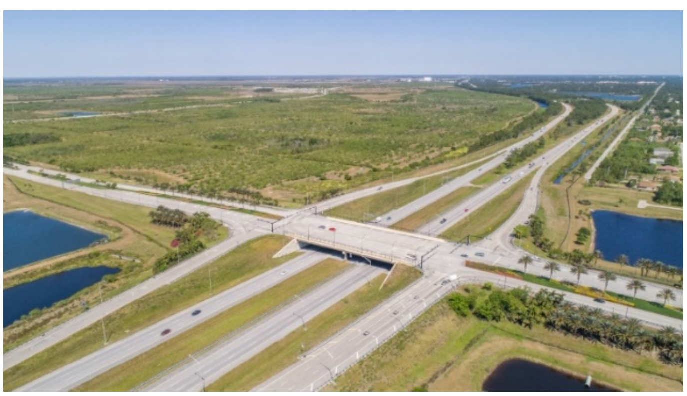
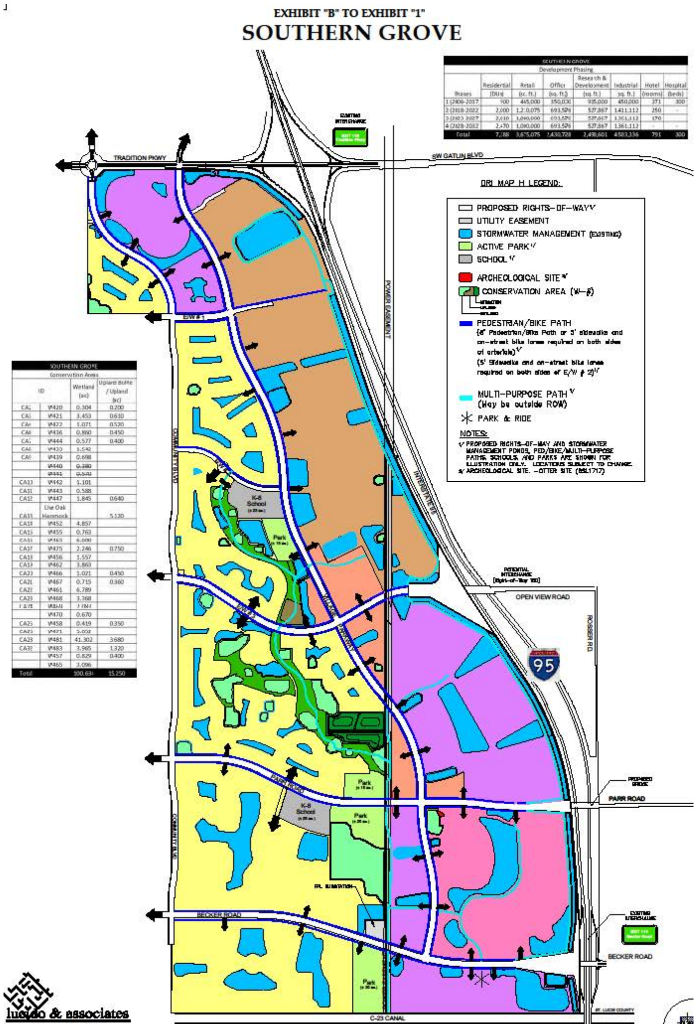


Figure 1: Southern Grove Study Area



WTL +a, with Retail & Development Strategies LLC, evaluated a series of existing financing structures, redevelopment tools and incentives used to encourage the sale and development of available Southern Grove parcels, with a series of parallel engineering analyses completed through TCRPC. Prepared by Captec, Inc., these studies include assessments of current storm water management infrastructure, roads and transportation analysis and system-wide implications of various redevelopment projects in Southern Grove. These separate studies include: Project Memorandum #1 (Due Diligence) and Project Memorandum #4 (Land Development & Infrastructure Overview).

Impacts of the 2020 Pandemic

This report presents the findings of the real estate market and development potentials for housing, workplace (commercial office and industrial), and supporting uses such as retail and hotel/lodging. It should be noted that **market conditions presented are based on data and conditions *prior to* COVID-19 impacts**. While the timing for future development may be more extended due to the pandemic, there are potentials for selected, carefully considered new growth and investment. Experience in other Florida markets has demonstrated the best way to fully optimize economic benefits will result from a strategically structured and implemented master plan that appropriately integrates different land uses and phases to provide development flexibility.

The most important difference between year-end 2019 (the data-year used for this analysis) and current conditions in January 2021 is the impact of the global Coronavirus pandemic. COVID-19 has already had a significant impact on commercial real estate, although these impacts vary considerably from location to location. It has affected consumer spending, real estate sales, job prospects and recreation options in ways that have profoundly modified pre-COVID conditions. **The office market, especially for technology and other computer-based industries, has responded most rapidly and *not* in ways that are likely to encourage new office development.** At the broadest levels across the country, early reactions to self-isolation and working-at-home have resulted in some companies advising employees to work at home for the remainder of 2020, while Twitter has announced that its employees can work at home *forever*.

The travel, hospitality and retail industries have been particularly hard-hit, with airline passenger volumes reportedly down by as much as 90%, major layoffs in the hotel and food & beverage industries, and the recent announcement of a bankruptcy filing by the Hertz Rental Car company. The travel and leisure market based on tourism has been seriously impacted and will likely take several years to stabilize, much less fully recover. **The National Retail Federation speculated in May 2020 that as many as 40% of small retailers *may never re-open*.**

In its bi-annual bankruptcy update of the retail industry, BDO Global ((an international network of public accounting, tax, consulting and business advisory firms formerly known as Binder Dijker Otte) identified 18 retailers that headed to bankruptcy court in the first half of the year and another 11 in July through mid-August. In fact, the industry's bankruptcy record so far put it on pace with 2010, following the Great Recession, when there were 48 bankruptcy filings by retailers. The COVID-19 pandemic has essentially interfered with what is normally a cyclical pattern for retailers and set up the industry for yet more bankruptcies in 2020's second half.

According to BDO researchers, 2020 was on track to set the record for the highest number of retail bankruptcies and store closings in a single year. By BDO's measure, bankrupt retailers alone have announced nearly 6,000 store closings this year, more from January through mid-August than the record 9,500 stores that closed throughout 2019, and most of them in malls. More than 15 retailers (including Macy's, Bed Bath & Beyond and Gap) outside of bankruptcy court have announced a total of 4,200 closures.

National unemployment levels in 2020 are at their highest since the Great Depression of the 1930s. From a record yearly low of 3.5% in February, seasonally-adjusted unemployment jumped to 14.7% in April. With uneven recovery generated by the pandemic, the *official* national unemployment rate has steadily declined over the past seven months: 13.3% in May; 11.1% in June; 10.2% in July; 8.4% in August; 7.9% in September; 6.9% in October; and 6.7% in November.

By comparison, according to the Department of Economic Opportunity (DEO), Florida's unemployment rate jumped from a low of 2.8% in February 2020 to 13.8% in April; 13.7% in May; 10.3% in June; 11.4% in July; 7.3% in August; 7.2% in September; and remained at 6.4% in both October and November. For a visitor destination like Florida, where the $111.7 billion annual tourism industry is the state's largest industry, the impact is already great, and could become a profound issue as the virus continues prior to widespread vaccinations. Like many states, government policies are seeking to balance social responsibility and safety with the need to re-open businesses and encourage visitors to return. The re-opening of beaches and public spaces across the state has been a relief to millions of Florida residents, but it could also result in a virus rebound that could require retrenchment, or (at minimum) more carefully regulated public behaviors.

Taken in total, **these impacts will cause a major slowdown in economic activity across Florida (especially in hospitality and tourism-dependent sectors), and the costs of lost consumer spending will result in near-term increases in vacancy rates for retail and office uses, a massive slowdown in tourism and visitor spending**, and a slow recovery period, due in large part to the number of unknowns about a global pandemic. Until vaccinations are given in sufficient volumes to significantly reduce the rate of transfer, thereby restoring consumer confidence to travel, spend time in other places, and have the money to stimulate local economies will be set back for many months, if not years.

Accordingly, the short-term economic forecasts should be cautious and slow. However, there are mitigating factors that could change the mid-to longer-term outlook:

- **Slowing of Unsupportable Speculative Real Estate Development**—an overheated real estate market in Florida has encouraged speculative development and over-entitlements in many submarkets.
- **Time to Plan More Effectively—**a slowdown could encourage a more manageable pace of development and reduce environmental and social impacts that often result from hurried decisions.
- **Business Opportunities for Millennials**—the millennial generation is highly entrepreneurial and will be more willing to start new retail, food & beverage, and consumer service businesses once the pandemic has stopped.
- **Pent up Demand for Social Experiences**—while online sales have spiked, consumers are also looking forward to dining out, going out, and shopping; it would be reasonable to assume consumer demand for goods and services is pent-up at levels not seen since the 2007 recession.
- **Creative Regulation & Behavior Management**—if reasonable standards can be put into place and safety practices realized, Florida's beaches, communities, and visitor destinations should rebound faster than other parts of the country.

For Port St. Lucie and Southern Grove, the impacts of COVID-19 are more likely related to time and phasing than a permanent loss of economic activity. The area's economic recovery period may present opportunities to take advantage of the 'pause' and consider how to best optimize prospective agreements to create new jobs, attract business investment, and create an overall plan that will capitalize on the site's advantages.

We note that Port St. Lucie potentially benefits due to its overall location and ready access to other parts of the state with I-95 and the Florida Turnpike. Other advantages include a location contiguous to Martin County (which has not aggressively sought development) and proximity to the more populous counties of South Florida (Palm Beach, Broward and Miami-Dade Counties) to the south. Port St. Lucie also has available land, adopted land development and regulatory policies focused on job creation, and a large master-planned site with available land at Southern Grove.

These factors are expected to strengthen opportunities for Port St. Lucie to attract specific business categories, especially logistics, distribution and warehousing, and light manufacturing. Because Port St. Lucie is adjacent to both I-95 and the Florida Turnpike, the City is poised for additional growth and economic development, drawing investment and facilities from the increasingly built-out, more urbanized counties to its south. For example, Cleveland Clinic has stimulated a bio-health cluster in the northern portion of the Southern Grove study area, and manufacturing and warehouse/distribution companies have been attracted due to the proximity to I-95 and lower land values than more urbanized counties to the south.

Land values and densities are lower, vehicular and truck access is very good, and there is a clear commitment to jobs creation. Port St. Lucie can benefit from Florida’s need for light industrial and warehousing uses that can respond to sustained increases in on-line sales and for Florida-based distribution and fulfillment centers to satisfy that demand.

Ironically, U.S. financial markets have stabilized more quickly than consumer markets. The reduced costs of debt/capital have encouraged developers to accelerate proposed projects, allowing 18-24 months for regulatory review, approvals, and construction so that they are ready for the rebound when it occurs. The challenge for the City of Port St. Lucie will be to select those projects carefully so that new development in the Southern Grove study area can generate the greatest economic benefits possible for the City over the long-term. While economic recovery may take two to three years, the longer-term prospects for Southern Grove remain moderate but steady over the near-term.

Economic Development Incentives—Comparable Cities

Technical Memorandum #5 presented an employment-based analysis of five comparable cities identified by the City of Port St. Lucie as relevant comparable examples for potential policy and redevelopment guidance. Part of that analysis included a series of interviews and survey documentation of financial and policy-oriented incentives employed in each city. It should be noted that, while the five cities—Cape Coral, Lakeland, Palm Bay, Pembroke Pines and West Palm Beach account for 56% to 94% of Port St. Lucie's population, the characteristics of the surrounding contexts are quite different. As illustrated in Table 1 below, Port St. Lucie is the largest in total population (specifically, Lakeland, West Palm Beach, and Palm Bay are each 56% to 60% of Port St. Lucie's population). However, when surrounding counties (and the economic bases they represent) are compared with St. Lucie County, the differences are much greater:

- Brevard County (Palm Bay) is just under twice as large as St. Lucie County,
- Polk (Lakeland) and Lee (Cape Coral) counties are more than twice as large as St. Lucie County, and
- Palm Beach (West Palm Beach) and Broward (Pembroke Pines) are between 4.5 and 5.9 times the population of St. Lucie County.

Table 1: Population of Comparable Cities

	2020			
City	**City Population**	**County**	**County Population**	**City As % of County**
Cape Coral	186,294	Lee County	753,337	25%
Lakeland	111,262	Polk County	703,886	16%
Palm Bay	119,426	Brevard	616,481	19%
Pembroke Pines	167,376	Broward	1,909,545	9%
Port St. Lucie	**197,907**	**St. Lucie**	**326,357**	**61%**
West Palm Beach	111,654	Palm Beach	1,471,269	8%

Source: U.S. Census Bureau; ESRI Business Analyst; RDS LLC; WTL+a, January 2021.

In addition, West Palm Beach and Pembroke Pines are both located within the heavily urbanized area extending from Miami-Dade County in the south up the east coast of Florida. As such, those two comparables are more heavily influenced by regional economic drivers than the more rural (though rapidly urbanizing) St. Lucie County (at least for now).

This analysis is useful in two findings about the use of incentives. The first key finding illustrates that as **development pressure moves north up the coast from increasingly built-out areas of Broward and Palm Beach Counties, the relatively lower land values in St. Lucie County present an opportunity to capture a larger share of regional growth through incentives**.

The second key finding is that despite its smaller size and county population, Port St. Lucie has constructed a successful series of incentives to accelerate the community's share of commercial investment. While unusually complicated in both range and application, the **policies and incentives enacted by Port St. Lucie to encourage development of Southern Grove have proven largely effective in attracting investment** and assigning assessment costs to the private sector. Both the Financial Scorecard (Technical Memorandum #3) and Economic Impact Analysis (Technical Memorandum #4) indicate the use of incentives, assessments, and other tools has drawn new employment and capital investment and reduced the City's overall debt obligations in the process.

While there can be refinements made as future deals are executed, **Port St. Lucie's current development incentives and assessments program should be considered successful**, particularly when viewed in the context of the City's smaller financial and economic capacity to address opportunities when compared to the five comparable city/county areas.

In analyzing the five comparable cities, the identified Target Industries were also considered. Florida's state-sponsored Qualified Target Industry (QTI) Program provided assistance for localities to pursue industries targeted for both local and state benefits in recruiting industry to the state. The state identified a range of economic sectors, and local economic development plans adopted those industries that best suited their local conditions. As illustrated in Table 2 (and likely affected by the core list developed by the state), the target industries overlap between the comparable cities.

We also note that within this range of industries, Port St. Lucie has particularly benefited from the presence of Cleveland Clinic to encourage location/investment by other institutional and professional Health Care investors. All of the other comparable cities have identified Life Sciences and Health Care as target industries.

Table 2: Summary of Targeted Industries—Comparable Cities

City of Cape Coral	City of Lakeland	City of Palm Bay	City of Pembroke Pines	City of Port St. Lucie	City of West Palm Beach
Medical Technology	Clean Technology	Clean Technology	Advance Materials & High Tech		Agribusiness
Logistics & Distribution	Life Sciences	Life Sciences	Manufacturing		Aviation/Aerospace
Manufacturing	Information Technology	Information Technology	Alternative Energy & Renewable		Financial Services + Hedge Funds
Aviation & Aeronautics	Aviation/Aerospace	Aviation/Aerospace	Resources		Corporate Headquarters
Life Sciences	Homeland Security/Defense	Homeland Security/Defense	Aviation/Aerospace		Distribution & Logistics
Information Technology	Emerging Technologies	Emerging Technologies	Global Business Services		Equestrian
Emerging Technologies	Logistics/Distribution	Logistics/Distribution	Global Media & Production		Clean Tech
Defense and Homeland Security	Corporate headquarters	Corporate headquarters	Corporate HQ and Marketing		Healthcare
Corporate Headquarters	Financial & Professional Services	Financial & Professional Services	Operations		International Commerce
Financial & Professional Services	Emerging Technologies		Human Resources & Higher Educ.		IT/Telecommunications
	Manufacturing		International Trade & Logistics		Life Sciences
			Life Sciences		Manufacturing
			Marine Industries		Marine Industries

Source: Cape Coral Economic Development Plan, 2019; City of Lakeland Target Industries, 2020; City of Palm Bay Economic Development Strategic Plan; City of Pembroke Pines, 2014-2019 Economic Development Strategic Plan (expired); City of West Palm Beach Economic Development Strategic Plan, 2018; RDS LLC; WTL+a, January 2021.

Port St. Lucie's use of incentives to attract Cleveland Clinic was a critical positive decision and one that should be protected and leveraged as the Clinic and its related businesses continue to grow. It is a strong complement to the other industry sectors included in the pending manufacturing/research & development, such as Oculus Surgical, Inc., and logistics projects, such as Project Sansone.

To summarize the comparison cities' incentives with those currently (or in some cases, potentially) offered, the range of incentives available in each of the cities is illustrated in Table 3 (financial incentives) and Table 4 (policy incentives). The analysis indicates **Port St. Lucie is currently offering financial and policy incentives that are equal to those offered in larger, more populous, and more economically powerful counties**. While the population of individual cities serves as one basis for comparison, it is notable that Port St. Lucie has developed incentive programs that are competitive with counties that incorporate much larger economic engines.

It is noteworthy that despite the differences in economic scale and community contexts between the five comparable communities, **Port St. Lucie's incentives program was viewed with interest as a possible model for other communities.**

Table 3: Comparison of Financial Incentives—Comparable Cities

Financial Incentives	Cape Coral	Lakeland	Palm Bay	Pembroke Pines	Port St. Lucie	West Palm Beach	Notes
CDBG Funds							*Cape Coral:* CDBG used only for affordable housing *Pembroke Pines:* Created small business COVID impact fund, but no awards yet *Lakeland:* Affordable housing only *West Palm Beach:* Mostly for affordable housing, but potentially available for other projects
Ad Valorem Property Tax Abatement							*Cape Coral:* Allowed in CRAs; plan to expand into other areas *Lakeland:* 3-5 year, 30%-50% abatement for designated QTI businesses *Palm Bay:* Available, but not frequently used (two examples); hope to expand *West Palm Beach:* Has been used in the past
Florida QTI Job Creation Grants ***NOTE: Expired July 1, 2020 (Not Renewed)***							*Lakeland:* Grants funded through State of FL *West Palm Beach:* Business recruitment & development *Pembroke Pines:* Applied but jobs not created, so not funded
Local QTI Job Creation Grants							*Lakeland:* Polk County grants supplementing state QTI grants *West Palm Beach:* City funds participating match to County & State grants
Industrial Development Revenue Bond (IDRB Financing)							*Lakeland:* IRBs issued by Polk County to finance fixed asset investments for qualified manufacturers & non-profits; IRBs not allowed for working capital or inventory *Cape Coral:* Only offered through Lee County
Tax Increment Financing (TIF)							*Palm Bay:* Bayfront & Business Improvement District CRA areas; $200,000 maximum TIF over 20 years *Lakeland:* TIF for CRA Core/downtown; 5,000+ acres *West Palm Beach:* Used extensively throughout CRAs
'Synthetic' TIF							*Cape Coral:* Trying to create public debt-financed project repaid by future increase in property values (ad valorem); no specified boundaries, no 'but-for' clause; requires public referendum approval
Community Redevelopment Agency (CRA)							*Cape Coral:* 1,070-acre Bayfront Community Redevelopment District; sunsets in 2024 *Lakeland:* Core Improvement area (CBD & adjoining districts) *West Palm Beach:* Downtown/City Center CRA & Northwood/Pleasant City CRA
Small Business Incentive Fund							*Cape Coral:* COVID relief proposed for local small businesses *Pembroke Pines:* See CDBG above

Table 3 (Continued): Comparison of Financial Incentives—Comparable Cities

Financial Incentives	Cape Coral	Lakeland	Palm Bay	Pembroke Pines	Port St. Lucie	West Palm Beach	Notes
HUB (Historically Underutilized Businesses) Zone							*Cape Coral:* $1,500 cash rebates/job for new FT job creation, higher wage rates, construction impacts for renovation or new construction, community needs or catalysts in designated areas *Palm Bay:* Creates contracting opportunities for businesses in designated areas ('Empowerment Contracting'); SBA qualifies by Zip Code; limited use to date, but hope to expand
Business Improvement District (BID)							Property tax surcharge dedicated to improvements & services within a designated boundary *Palm Bay:* BID established in low-density commercial/residential district in 2018 *West Palm Beach:* Downtown Development Authority/DDA
Sales Tax Reimbursement							Depends on County; applicable if local Food & Beverage or Sales Tax enacted *Palm Bay:* Proposed 1,000-acre PD requesting 1% retail surcharge for infrastructure
Provision of Public Infrastructure							*West Palm Beach:* City bond funds available for streetscape
Infrastructure Reimbursements							*Lakeland:* Negotiated on deal-by-deal basis *West Palm Beach:* City will subsidize improved streetscapes within entitlements on a reimbursement basis
Land Sale Price Discounts							*Pembroke Pines:* City has acquired land at below market value & re-sold at market value *West Palm Beach:* Mostly used for housing; Old City Hall redevelopment included reduced sales price to developer for specific mixed-use program, open space & design; City reduced sales price to cover 'gap'
Florida Power & Light Job Creation Utility Incentives							Energy use rebate to new companies creating permanent jobs; eligibility is confirmed through FP&L, credited only after jobs provided. In effect for comp cities, but no confirmed job creation to receive credits
Electrical Use Rider (Phased Cost Reduction)							*Lakeland:* Utility costs discounted for up to 5 years for business relocation/expansion through City-owned electric utility; ***unique to Lakeland***
Foreign Trade Zone							*Lakeland:* 5-year declining credit for energy use for new/expanded businesses; City owns the Lakeland electric utility *Cape Coral:* FTZ designation *Palm Bay: Access through non-contiguous "key hubs" elsewhere in county* *Pembroke Pines:* Designated but not renewed
Opportunity Zone (Designated Area[s])							*Lakeland:* Reductions in import/export duties & customs fees for raw materials & manufactured products *Palm Bay:* OZ designated but located over 'preserve area', so not usable
Cash Incentives for Job Creation & Business Relocation/Expansion							*Cape Coral:* 2,750-acre Opportunity Zone; 8,900 vacant parcels; $1,500/job (min of 5 FT) for targeted industries *Lakeland:* Up to $120,000/year in City rebates for job creation *Pembroke Pines:* Will participate if County/State provide *credits/funds* *West Palm Beach:* Job training assistance & relocation incentives

Source: City Websites; Interviews with Local Economic Development Staff; RDS LLC; WTL+a, January 2021.

Table 4: Comparison of Policy Incentives—Comparable Cities

Policy Incentives	Cape Coral	Lakeland	Palm Bay	Pembroke Pines	Port St. Lucie	West Palm Beach	Notes
Bonus Zoning for Public Enhancements							*West Palm Beach:* Used to encourage public space development w/in entitlements *Palm Bay:* Can be provided through Development Agreements
Transfer of Development Rights (TDRs)							*West Palm Beach:* Very successful in downtown area; City's TDR 'bank' is sold out. developers must purchase on open market. City has also sold TDRs to raise funds for historic Black church renovation
Expedited Review & Permitting							*Pembroke Pines:* Designated as a 'Platinum Review' city (through Greater FLL Alliance) *Lakeland:* Expedited review process
Impact Fee Mitigation (Credits/Refunds/Deferrals)							*West Palm Beach:* Use City grants to reimburse for County impact fees *Cape Coral:* Deferrals only, want to expand to other forms *Palm Bay:* Can be offered through Development Agreements *Lakeland:* Water & wastewater use, application & permitting fees
Ombudsman Services for Entitlement Process							*West Palm Beach:* 'Concierge' management of entitlements & permitting *Palm Bay:* Coordinated through reorganization of Economic Development Department *Cape Coral:* Management help with project entitlements & permitting
TOTAL-Incentive Programs Offered:	**6**	**14**	**7**	**6**	**13**	**16**	

Source: City Websites; Interviews with Local Economic Development Staff; RDS LLC; WTL+a, January 2021.

City of Cape Coral

Cape Coral is a largely residential city located across the Caloosahatchee River from Fort Myers, which, although it comprises only half of Lee County's population, is the commercial and governmental center for Lee County. Notably, Cape Coral currently has 8,900 vacant parcels and a 2,750-acre designated Opportunity Zone. The city offers job creation tax rebates for salaries above Lee County's average wage levels and incentives for job-creating business expansions and relocations. Road and utility impact fees can be deferred to fund infrastructure, and business development incentives are available within CRA boundaries.

Economic development incentives were described by the city's economic development staff as available on "a case-by-case basis". Cape Coral is also planning to establish a 'Synthetic' TIF, a revenue program that functions more like a traditional Tax Increment Financing mechanism but without establishing specific boundaries for a TIF district. It was uncertain when and how that will be created and implemented.

In several cases, the city's economic development staff was very interested in learning more about both Port St. Lucie's development incentives and also in comparing their programs to other comparable cities. All but Pembroke Pines have current economic development plans in place, both to identify target industries and to guide their use of incentives.

City of Lakeland

Lakeland, located in Polk County, is positioned approximately halfway between the rapidly growing Tampa/Hillsborough County and Orlando/Orange County metropolitan areas located along I-4. The city also has several distinctive characteristics that differentiate it from other comparable cities and from Port St. Lucie. For example, Lakeland is a regional medical center with hospitals and medical specialties that account for significant growth in the Health Care sector. Lakeland is also the corporate headquarters of Publix, which generates more than $11.2 billion in annual revenues for its stores located throughout the Southeast U.S. The City of Lakeland also owns the local electrical utility, providing a unique electrical power rebate provided as an incentive for relocation and expansion of job-creating industries.

Polk County has also capitalized on its central Florida location on I-4 to incentivize significant recruitment and expansion of warehousing and logistics centers in the area between Lakeland

and Plant City (in neighboring Hillsborough County). The city has focused incentives on job creation and business/industrial recruitment linked to locational advantages and an available labor base.

City of Palm Bay

Palm Bay's economic development program is relatively new, with a program director brought in to create and enhance available incentives. Many of the programs already in place in Port St. Lucie have not been tried or made available in Palm Bay. The city's economic development department is hiring outside brokers to assist in securing land sales and capital investment on City-owned surplus land. The Palm Bay City Council is being presented a proposed program in mid-February to consider ad valorem property tax abatements as part of a program of incentives and inducements. The city's source of infrastructure funding is based on a fair share impact fee, but it has not yet been used. Recognizing the need for additional infrastructure funding, a 1% retail sales tax is being proposed.

Notably, Palm Bay's designated Opportunity Zone overlaps with an adjoining municipality, but the portion of the Opportunity Zone within Palm Bay is located in a dedicated preserve area and will require revisions, if still applicable. The economic development director also noted another similarity with Port St. Lucie in that General Development Corporation (GDC) played a key role in residential development of the city in the 1960s, with similar development patterns in both. Due to its proximity to Cape Canaveral and the Kennedy Space Center, Palm Bay has joined with Melbourne and other nearby cities to focus on defense contracting, technology, and space-related industries.

City of Pembroke Pines

In contrast to the larger cities, Pembroke Pines is at a much earlier stage in establishing economic and policy incentives. According to the city's economic development office, they are now investigating the need for incentives as a tool to attract investment to a largely built-out suburban municipality that extends roughly 14 miles along Highway 820/Pines Boulevard between Hollywood and the Everglades/Francis Taylor Wildlife Management Area. As a largely residential community with low density commercial strip development along primary arterials, Pembroke Pines has not traditionally offered development incentives. The city's economic development initiatives were primarily directed at land acquisition (including the former

Women's Prison site and North Perry Airport) and re-selling these parcels at higher prices. Pembroke Pines' 2014-2019 Economic Development Plan expired last year and has been funded to be updated, but the city is waiting for post-COVID conditions to become clearer. The plan may not be updated until 2022, and new incentives will be placed on hold until then.

City of West Palm Beach

West Palm Beach is in a different position, having established itself as the major commercial and office center in Palm Beach County, and as a downtown retail destination in its central business district. Flanked by the Island of Palm Beach on the east and equestrian developments in Wellington and numerous approved Planned Developments in the central/western part of Palm Beach County, downtown West Palm Beach is a fully mixed-use area that includes 11,600 dwelling units; 1.66 million sq. ft. of office space (out of 14.1 million sq. ft. citywide) and more than 12,000 white-collar workers; five hotels; and 150 retail and restaurant businesses along Clematis Street and within Rosemary Square (formerly CityPlace).

The city's economic development focus has included façade improvements, building redevelopment incentives for older commercial structures, and a full range of other incentives (see Table 3 and Table 4). West Palm Beach has also implemented a successful Transfer of Development Rights (TDR) program in the downtown area, largely supported by ongoing development and increasing density. According to the West Palm Beach Economic Development Department, all of their available TDRs have been sold, and developers are requesting the City 'create new TDRs' to respond to unavailable supply on the open market. Unlike the other comparable cities, West Palm Beach is experiencing a rolling market for existing office space, residential demand and strategies to support and sustain post-COVID retail uses. However, the city's development incentive issues are more related to managing growth and demand rather than aggressively seeking to attract it. West Palm Beach offers the greatest number of the listed incentives, slightly more than Port St. Lucie and Lakeland.

Land Disposition & Revenue Strategies

The City of Port St. Lucie has used a comprehensive series of land disposition programs and revenue strategies to market, sell, and incentivize redevelopment of land parcels in Southern Grove. Given the amount of debt assumed by the City for prior infrastructure commitments intended to enhance/capture value from redevelopment, it is not surprising that the complex web of assessments, fees, and various tools have been put into place. The range of financing and fee mechanisms currently structured for Southern Grove is considerably more complex than those undertaken in most comparably-sized cities.

These economic development tools were created to provide direct City revenues from the sale of City property; in some cases, transaction momentum has been enhanced by incentives (in the form of land value write-downs, generation of direct sales revenues at market value to "backstop" public debt, and/or generation of longer-term generation ad valorem taxes). The incentives and how they have been combined are specific to the particular needs and requirements of the intended purchasers and the negotiated solutions created to address them.

Real estate values are shaped by a number of variables that affect how the public sector can benefit. The City of Port St. Lucie has already incorporated many of the sophisticated tools needed for flexible responses to separate development opportunities, and these are illustrated by the three case studies in Technical Memorandum #3.

Among the annual assessments and fees the City is allowed to charge are the following sources used to pay for public bond obligations:

Special Assessment Districts (SAD)

Port St. Lucie has used Special Assessment District (SAD) assessments to cover bond debt for improvements to the Southern Grove study area.

Community Development Districts (CDD)

Community Development District (CDD) assessments can also be levied for community-wide improvements, such as road networks or district-wide infrastructure; operations and maintenance (O&M) fees can also be assessed. A CDD structure is in place in Southern Grove.

Community Improvement (CI)

Community Improvement (CI) fees can be assessed on properties within Southern Grove for community-wide infrastructure improvements.

District Improvement (DI)

District improvement (DI) costs can be recovered through an annual DI charge for infrastructure improvements within a specific district, benefitting only those parcels that are adjacent to those improvements. While this particular assessment has not yet been implemented in Southern Grove, it is within the rights of the City to install these fees, as applicable.

Other Fees or Incentives

Other annual fees and/or development incentive funding can include stormwater management fees and credits for job creation or other public goods. However, we note the sources and uses of these fees and/or credits attributable to St. Lucie County do not originate with or provide revenues to the City of Port St. Lucie.

Implementation Context & Recommended Action Steps

This section has two parts. The first is a conceptual overview of traditional land disposition alternatives for publicly-owned property and the potential relevance to Port St. Lucie. The second portion describes recommended implementation approaches and tools suggested for future consideration in Port St. Lucie for Southern Grove.

Public Property Disposition Alternatives—Advantages & Disadvantages

Publicly owned property represents an asset held by city, state, national, or some other public entity that can be used to provide some form of public benefit. That benefit may take many forms, including but not limited to:

- Public open space
- Public parking
- Closing the economic gap on affordable housing through a reduction in land value
- Development of public services structures, educational, cultural, or recreational facilities
- Long-term expansion opportunities for future growth of public facilities
- Environmental areas such as wetlands, ecological/wildlife/plant conservation areas

- Securing or expanding key economic development goals, such as land development or job creation

To varying degrees, each of these 'public' uses serves to address a necessity and benefit for the general public, and it also constitutes a responsibility for governmental units, whether in protecting resources or providing leveraged redevelopment opportunities. In circumstances in which publicly-owned property could be redeveloped, increased in density, or significantly changed in its use, there are different options for the approaches to capturing that development potential.

The five primary approaches are:

Government as Owner/Developer

Redevelopment by the governing public entity, which could range from a city government to a regional authority (such as a transportation authority, a parks authority or other), state or national government is a primary mechanism. In this case, the governmental entity would be the 'developer' of the site, with complete control, complete responsibility for financing and maintaining the facility, and future responsibility for management and operations of the facility, whatever purpose it may serve.

Fee Simple Sale to the Private Sector

The public sector can sell property to private interests on a fee-simple basis, but it can restrict/incentivize redevelopment through tools such as zoning, density allowances, requirements of provision of public uses (such as open space, affordable housing, business start-up space, parking or other public facilities) to influence what is allowed to be developed.

Ground/Land Leases

Publicly held land and/or facilities can be leased (most often on a long-term basis ranging from 50 to 99 years) to private entities for development/redevelopment. Under this approach, the underlying land remains in public ownership in exchange for a rental revenue stream (called a ground lease or land lease) paid by the private investors to the public sector owner. The value of that ground/land lease is negotiated, but it may also include a reversion clause in which any vertical development (buildings or other improvements paid for by the private sector lessor) would transfer back to the public entity at the time the ground/land lease term ends.

Joint Venture Partnership

In a public/private joint venture, a legal partnership agreement is structured between public and private entities, where the public sector partner retains some share of the project equity as well as shares in the project risk (i.e., responsibility for a negotiated share of losses as well as gains) and any resulting benefits. The share percentages are negotiated and can include contribution of land as a minority equity share, but with the majority of risk, financing, and a greater percentage of profits allocated to the private investment partner(s).

Public Private Partnerships (“P3”)

This model, which has grown in public sector interest as a result of needs for public infrastructure over the past 10 years, is structured in a way in which the public sector negotiates some form of participation in a project with the intent to provide a clearly defined public benefit as a result of its participation. P3s, as they are commonly known, offer the widest range of negotiable components and have been expanding as a mechanism to leverage public resources (such as land, infrastructure, financing, or development policies) to achieve a public objective in a project that is typically financed, developed, and managed by private interests. Public/private partnerships can include consolidation of projects and services through private partners, including design/build contracts, build and transfer, ongoing project management, or other combinations over the term of the agreement.

Advantages and disadvantages and relevance to Port St. Lucie of each approach are summarized below.

Government as Owner/Developer

Advantages

- Can take direct actions but within public approvals and available public funding
- Development programs can be fully public in nature without outside developer investment requirements
- Public buildings and projects are usually eligible for lower cost public financing (i.e., revenue or General Obligation bonds, capital investment budgets, etc.)

Disadvantages

- Limited precedents for government development other than public facilities (e.g., police and fire stations, schools, libraries, recreational facilities, government buildings such as City Halls, County buildings, state buildings, infrastructure); commercial development is not a core mission for governmental entities.
- The public sector is often less able to tightly manage budgets, cost overruns, and change orders
- To avoid overspending, quality of design and construction may be lower than privately developed projects
- The policy decision and implementation process may be affected by election cycles and changing priorities of elected officials

Relevance for Southern Grove

Unlike other comparable cities, Port St. Lucie has undertaken an active role as an owner/developer in response to the specific conditions surrounding the DRI and creation of the Government Finance Corporation (GFC). Through a complex web of incentives, inducements, tax and fee deferrals, and other tools, Port St. Lucie has expanded its tax base, attracted investor companies to develop raw land, reduced its responsibility for prior recurring debt obligations, and begun to counter its need for more jobs for area residents. While this role is non-traditional, Port St. Lucie is directly involved as a 'developer' and development-inducing government.

Fee Simple Sale to the Private Sector

Advantages

- Straightforward transaction; many legal precedents
- Sales proceeds go directly to governing entity; up-front revenue boost
- Liabilities and other obligations shift to purchaser; can reduce exposure for some site conditions to public sector (assumes complete transparency in disclosures of environmental, tax liens, or other obligations attached to the property

- Public sector can influence project resulting from sale through zoning, density, and other property rights granted above existing zoning; provision of public funds can reduce costs of financing, land use restrictions, negotiated development proffers, etc.

Disadvantages

- Once a sale has occurred, any potential future value enhancements (beyond sale revenues and higher property taxes) transfer to private sector owner; a public asset once sold is no longer 'public'
- Establishment of post-redevelopment 'value' as a component of the sale price may be hard to balance against private negotiating positions
- If the city or county is approaching full build-out, land sales can increase future pricing of additional public facilities required by long-term growth; land (and particularly public land) is not infinite
- Government has less experience with commercial real estate and may not negotiate efficiently to reach a full and fair sales price; this is an issue if the public sector goal is to maximize/optimize revenue enhancement rather than another 'public' goal

Relevance for Southern Grove

Port St. Lucie has completed transactions for institutional, commercial, and residential projects within the Southern Grove planning area. Sales of sites have been directly negotiated by the City's representatives as well as working through commercial brokers to close land sales and attract new businesses and investment. To accelerate the pace of these transactions, a range of incentives have been negotiated and varied by site/deal structure. On a deal-by-deal basis, the near-term (up to 10 years) impacts have ranged in their impacts resulting from the incentives provided. However, as shown in the case study analyses in Technical Memorandum #3, the longer-term benefits resulting from increased ad valorem taxes are anticipated to provide significantly improved returns to the City of Port St. Lucie over time.

Ground Lease/Land Leases

Advantages

- Ground leases significantly reduce developer costs because the access to land does not require full purchase price
- Public entity receives ongoing revenues from ground lease agreement; lease rates can be flat (i.e., "predictable" for bond financing or other public revenue programs) or can include multipliers for inflation, value enhancements, etc.
- Public sector retains ownership of land over time
- Public sector retains any buildings and takes ownership of infrastructure or other 'vertical' development at end of ground lease term
- Depending on site size and context, development program can be negotiated to address designated public sector goals (e.g., affordable housing, public parking, open space, public facilities)
- Project can be completed with low investment by public sector
- Since land remains in public ownership, all private improvements are fully depreciable, improving return on investment (ROI) for private lessor/developer
- Depending on negotiated requirements, can obligate lessor to provide amenities and public benefits at reduced cost to public sector

Disadvantages

- To achieve financing and investment, ground leases are long-term, usually minimum of 30 years and frequently 50 to 99 years; long term commitment means property unavailable for up to a century
- If the leasehold and improvements are sold before the ground lease term is up, the value may be lower than a fee-simple sale because of the more complicated ownership/control approach
- Because private sector lessors do not own the property, may require higher equity commitments or complicated lender subordination terms; public 'owner' is almost always subordinated to other financial participants due to risk allocations
- Private sector controls land and improvements throughout ground lease term; public revenues limited to negotiated lease amount

- If development programs/objectives are not met, or developer defaults during ground lease term, could become a management issue for future government entities, particularly if ground lease revenues are linked to other public financing instruments
- Liabilities should rest with lessor but may become an issue over time, depending on changing programmatic needs, environmental issues, or other legal concerns
- Overall project/property vertical improvement (buildings) values tend to become less and less over the term of the ground lease; vertical development typically is considered a diminishing asset

Relevance for Southern Grove

This approach has not yet been implemented in Port St. Lucie, although it might be considered over the longer-term, both as the City's debt is reduced and as the number of remaining available parcels is reduced (and potentially of higher value). To be fully beneficial, the specific location, land use(s) and types of buildings constructed and other factors involved in any long-term lease should be carefully considered and compared to other disposition approaches.

Joint Venture Partnerships

Advantages

- If structured properly, joint ventures (JVs) can generate higher revenues to the public sector partner over the life of the agreement
- Public sector land can be capitalized as an equity commitment to the project, generating up front revenues and a revenue stream over time
- Developer risk is lower if part of the risk is shared by other partners, including public sector/government partners
- Revenues may flow to public sector partner, either based on cash flows or potential project sale
- Can be used to address public interests/public benefits

Disadvantages

- Governments may or may not be able to participate as Limited or Unlimited Partners depending upon state regulations

- Relatively few examples of JVs between governmental units and private development companies; more typical JVs occur between developers and investors, developers, and family trusts or institutions that want low risk, steady revenues over many years or corporate/institutional property owners and developers seeking access to properties with limited availability
- Calculation and distribution of net profits may require careful monitoring of cash flow, management costs, and developer overhead/fees under a JV agreement
- Liabilities are shared between public and private JV Partners
- Public JV partnership may be considered a liability for private sector financing due to political uncertainties
- Public sector JV partners must carefully structure terms of participation to avoid financial obligations in case of default, termination, or unanticipated 'put and call' provisions

Relevance for Southern Grove

As with ground leases, it would only be under certain circumstances that a Joint Venture partnership might make sense for the City of Port St. Lucie. Cities have sometimes worked with institutional and non-profit organizations/universities/research centers on a joint venture basis. A strictly commercial joint venture between the City and a private developer would be less likely due to potential liabilities, limited liquidity of public funds, or other factors.

Public/Private Partnerships (P3s)

Advantages

- Maximum flexibility for the public sector in deal structuring; everything is negotiable
- Opportunity to leverage public funding and land use policies to attract private investors, developers, and managers
- Because the objective is to achieve some form of public benefit, most of the financial risk is assumed by the private sector partner
- Operational and implementation risks are transferred to the private sector partner from the governmental partner
- Depending on the structure of the partnership, the return on investment is typically spelled out in the contract, but final payment is often based on performance

- Under public/private partnerships both the public and private partners can do what each does best – the public side achieving some form of benefit for the public good (provision of public assets or services such as affordable housing, infrastructure, public open space or amenities, etc.); the private side is usually more efficient at cost containment, management of change orders, and commercial/market responsiveness
- Because of private involvement, quality of design, construction, and materials may be higher than on purely ‘public’ projects
- As appropriate, lower cost public financing mechanisms may reduce developer (and overall project) costs, which can improve feasibility
- Less public sector experience in commercial real estate may be an advantage for private interests to negotiate deal terms

Disadvantages

- Public sector may not achieve maximum/optimum deal terms due to private sector development experience and private assumption of greater risk
- Project scale may affect whether private interests can gain enough returns to participate; may be fewer prospects who want to deal with additional deal complexities and obligations
- Election cycles for public officials may be viewed as commitment risks by private investors
- While implementation under P3’s may be more efficient, the time required to establish terms, negotiate, and execute a partnership agreement lengthens the process, which can increase initial ‘carrying costs’ for private interests
- Default or failure by private interests over time may become a public obligation for the governmental partner
- Real estate cycles and changing financial/capital markets can alter returns for private partners
- P3’s require “patient money” from private partners; this may limit the field of potential developers willing to participate
- Limited and inconsistent prototypes in the U.S.; early examples of toll roads in multiple states and “sale” of parking meter revenues in Chicago demonstrated notable gaps in public sector negotiating capacity and/or negative outcomes. While P3s are increasing as an implementation approach, recent history suggests careful and deliberate decisions by both public and private partners are necessary

Relevance for Southern Grove

Sometimes described as a future trend for governments, P3s seem to function best in more dense, urban environments with higher land values, more complex zoning and land use combinations, and greater pressure to provide public spaces and amenities. As with joint ventures and ground leases, this approach would be heavily dependent on a specialized project and deal structure and opportunity for the City.

Recommended Public Incentives & Implementation Strategies

From an economic development perspective, Southern Grove includes an extraordinary level of complexity. Southern Grove's debt and financing obligations, the scale of the bond indebtedness the City inherited from the prior owner (Tradition Land Company), and the need to generate jobs for local residents have created the necessity of continuing new deals as an ongoing City priority. The urgency of the City's negotiations for property transactions during the master planning effort for Southern Grove has determined a direction in the types of land uses and potential returns-on-investment to the City of Port St. Lucie. While some of the uses desired by area residents (such as recreation and entertainment facilities) are not immediately poised for property sales agreements or specific tenant/users, the City's longer-term debt obligations will be supported by the deals negotiated to-date.

Because of the economic and financial burdens created by the City's bond obligations, the City has taken an aggressive and successful approach to land sales and use of incentives to attract investment; to attract new (or retain employment to the City); and to recruit new businesses to specific locations/parcels in the Southern Grove study area. By its nature, the goal of public debt reduction has been a necessary priority as well as an incremental economic development tool for the City. However, as more sites have been sold and an increasing share of public debt is paid down and/or renegotiated, it is timely to suggest other policies, programs, and strategies for redevelopment the City of Port St. Lucie could initiate over time.

The parameters for these approaches differ in the timeline in which they might be deployed and in the amount of potential revenue generated for the City. The suggested economic development strategies are not intended to change or replace the range of special assessments and other incentives currently used by the City of Port St. Lucie. Instead, other incentive tools as described below are intended to supplement current approaches and incentives and potentially offer other types of returns to the City in exchange for the relative risks that each carries.

As the City's financial and bonded debt levels for Southern Grove stabilize and a longer public investment horizon becomes possible, the following additional economic development incentives, strategies, and concepts are suggested for consideration.

Use of Commercial Brokers to Market & Source Potential Buyers

This strategy has been used by the City in Southern Grove to market a package of parcels to individual buyers in the area south of the bio-medical/health district surrounding the Cleveland Clinic. A well-regarded local commercial broker and developer (Tambone Companies) was contracted by the City to market a block of Southern Grove parcels (comprising approximately 84 acres) to prospective owner/users. In the case of the recently-approved Sansone project, which was secured through Tambone Companies' services, the transaction includes an expected owner/user (who also absorbed the cost of infrastructure improvements) as well as adjacent parcels that are being marketed by Sansone on a secondary basis.

The contracted broker approach achieved several objectives:

- The pace of land sales and redevelopment was increased due to the network and commercial real estate contacts provided by the broker
- The City of Port St. Lucie benefited by a group of land sales that transferred multiple parcels
- Some initial costs were absorbed by Tambone Companies, which were reimbursed after the sale, reducing the City's risk and financial exposure
- Overall redevelopment was accelerated by combining multiple parcels, and
- New investment and job creation and new businesses were attracted to Southern Grove.

It is recommended that this approach continue to be available as needed to market as-yet unsold Southern Grove parcels.

Land Value Write-downs

The City has completed several economic development-based property transactions in Southern Grove that include both reduced and significantly reduced land valuations. The recently-approved Sansone project agreement transferred those parcels at approximately the cost of infrastructure required for redevelopment. As described in Technical Memorandum #3, **land costs alone are not an adequate measure of economic benefit to the City of Port St. Lucie; reduced land values can accelerate and incentivize a redevelopment project** that creates jobs (such as the Oculus Surgical project), retain businesses and jobs (such as the Tamco/City Electric project), and create temporary construction jobs and retail spending generated by residents of new housing (such as the AHS multi-family project).

These (and other) projects have achieved other economic benefits, encouraged by reduced costs for the properties they occupy. As the availability of competing properties at this scale/size is reduced as locations south of St. Lucie County are built out, it may be possible to modify the degree to which minimum thresholds for land sales are reduced, although **it is *not* recommended that land write downs be eliminated from the tools available to close new economic development deals in Southern Grove**. While creating short-term differences in market value, the long-term ad valorem tax and economic development benefits generated far outpace the value of the write-downs themselves.

Ground Leases

As described above, all of the completed real estate transactions in Southern Grove have been fee-simple sales, although most have also included one or more financial incentives such as ad valorem property tax abatements, deferral of impact fees or other special assessments, or other financial concessions. As the number of property sales and overall economics of the entire Southern Grove study area increase and offset public debt, it may become possible for the City to consider offering ground leases instead of sales for selected properties. Ground leases offer both advantages and disadvantages to both the lessor (the City of Port St. Lucie) and potential lessees (e.g., developers, businesses that want to construct and operate facilities).

For the City, ground lease revenues would stretch out over the number of years identified in the lease term, potentially exceeding the revenues generated at the time of direct fee simple sale. This revenue stream would most likely be structured as monthly payments in exchange for the lessee's right to make improvements, develop new buildings and facilities, and invest without having the impacts of up-front land acquisition costs. For the lessee, a monthly lease payment would reduce the initial capital investment and potential levels of debt required to complete the project since ground lease payments would be an ongoing operating cost.

The other aspect of a ground lease is that the City, as lessor, would not lose ownership of the property, yielding only the right to occupy and improve the site for the term of the lease. It is also a conventional part of ground leases that whatever buildings and improvements are made by the lessee during the term of the lease, these improvements convey back to the lessor (the City of Port St. Lucie) at the end of the lease. Buildings, landscape improvements, and other property enhancements can then be leased or sold to a different commercial prospect after the ground lease's expiration or termination.

A negative factor when considering ground leases is that the subject projects and improvements may be more difficult to finance for lessees. Generally, financial institutions like the simplicity and predictability of full property ownership because their risk is lower if the property can be resold in case the borrower defaults, goes bankrupt, or vacates at the end of the holding period. Under a ground lease, the fact that the underlying land is not owned by the lessee can create a different perception of risk, although a public owner should be considered less risky than a private/commercial owner.

The other major factor is the term of the ground lease, as the lease term should be as long as possible, often assumed to be up to 99 years. However, ground lease terms have been decreasing in length, particularly if the ground lease term can be linked to the depreciable life of the improvements (vertical development) made by the lessee. For example, a warehouse and distribution facility may only have a typical usable life of 30 or 40 years before becoming functionally obsolete. A ground lease that is tied to the expected usable life of the vertical improvements (such as a warehouse building) will not be as permanent as a 99-year ground lease, and it would provide more flexibility to the City over time without compromising the ability to finance buildings for the lessor. The lessor could still finance and depreciate the buildings, equipment, and other improvements but without the longer-term commitment of a 99-year ground lease.

Florida has precedents for creating ground leases for publicly-owned land with private commercial interests, both at 'market rate' lease values and at below-market rates as a form of development incentive financing. In Bradenton, Manatee County entered into a ground lease for development of a 252-room convention hotel adjacent to the Bradenton Convention Center. The ground lease term is 40 years, with up to two 10-year renewals at a rate of $1 per year. The hotel will generate potential customers/support for the convention center, create new jobs and local spending, and generate transient occupancy (bed) taxes. If the hotel closes or is sold during the first 20 years of the ground lease, a penalty fee of between $1 million and $5 million (depending upon the year of the closure or sale) is required to be paid to the County and is incorporated into the ground lease contract.

This Manatee County example may be an extreme one in its annual revenue concession, but it demonstrates that commercial development projects can be financed and executed without having the land ownership be part of the agreement. After the expiration of the ground lease, the property and improvements will revert to full ownership by the County. Other provisions in the ground lease agreement provide guarantees for provision of parking, insurance, and liabilities; maintenance and management quality; permitted and prohibited activities on the property; a covenant restricting land-use to a hotel; and risk factors such as rights for assignment and terms of default to protect the County as the ground lessor. In particular, the ground lease includes terms specifying there will be no subordination of financial obligations to protect the County's position as landlord of the property. A $60 million, eight-story 252-room Sheraton Hotel is to be completed in 2021 as a result of the ground lease deal.

This suggested ground lease strategy should be considered as a longer-term public investment option for future land transactions if the terms of negotiation will support it. It should also be noted that the City of Port St. Lucie would need to adopt the position that it would be in the land ownership business for the full term of entering a ground lease, implying that City staff will be administering and managing the lease agreement, payments, and ongoing status. Ad valorem taxes would still be generated on the vertical improvements; job benefits would accrue to the area; and at the end of the lease term, the City would own a marketable asset for re-lease or for sale, presumably at a higher price than the land might have generated if originally sold rather than leased.

Joint Venture/Public Private Partnership

While it may be argued that the City's redevelopment efforts in Southern Grove have functioned as public/private partnerships (P3s) to achieve broader development and civic goals, the difference is in whether the City can (and is willing to) participate in more material ways. This participation could be exercised through provision of equity or capital in exchange for a share of overall project ownership and of a negotiated share of the revenues that ownership can generate. Precedents are limited, and this concept may be more than the City government and/or Port St. Lucie voters are willing to take on. Another complication is that because the City would be a participating partner in a development project, certain financial and other liabilities would also be assigned to the City, in exchange for it receiving a share of the project profits. While a full development partnership would be the most complex structure for this type of agreement, a contribution of City-owned land as a part of the project's equity could allow a larger financial return over time than an up-front, fee-simple sale.

This approach might be most applicable to development of a commercial recreation facility on City-owned land, which was identified as a strong desire by residents participating in the development of the Master Plan. Rather than selling or ground leasing the publicly owned land, the City could contribute its property as part of the overall development financing. Another form would consider using City-backed financing (potentially through a municipal bond) to underwrite some/all of the costs of construction of a recreational facility, then contracting with a commercial business/third-party to operate and manage the facility jointly with the City. In this way, the amount of initial capital investment required from a private operator could be reduced while still providing a new recreational facility (which could be a shell building through equipment or other accessories) as a public recreational benefit to Port St. Lucie residents. The specific terms of such an agreement would depend on multiple factors, including the level of financial and liability risk the City is willing to take; the use of public debt for a facility operated by a private commercial enterprise; and the willingness and capacity of the City to reach beyond traditional recreational management and programming to new models.

Land Banking

When the City of Port St. Lucie acquired the Southern Grove study area, it was engaged in a remarkably large-scaled experiment in land development—from public ownership to private ownership that could be expected to meet public objectives to generate new ad valorem tax revenues and new jobs. As described previously, the City has successfully completed a number of transactions that met these public objectives. **The approach to reduce or eliminate**

the infrastructure bond debt may be the most appropriate strategy for the remainder of the Southern Grove study area.

However, as available land is sold, and the momentum of redevelopment increases, it may also become possible, over time, to slow the pace of transactions and to "bank" land to allow its value to increase. In many jurisdictions across the U.S., land banking has most often been utilized to (a) assemble parcels in deteriorating areas to allow development of less remunerative uses such as affordable housing, or (b) to preserve agricultural land in the face of redevelopment pressure in fast-growing areas. The latter has been used in Florida to 'reserve' agricultural and orchard land from development.

In the case of Southern Grove, the development cycle had already begun, and the area's need for new companies to create jobs for local residents has been partially realized among completed transactions. Whether in Southern Grove (e.g., reserving land proximate to Cleveland Clinic and the bio/health district for bio/health users) or in future growth areas of the western DRIs, it may be possible to hold land to wait for value appreciation and provide even greater returns to the City. The context for this type of land banking should be based on sustained growth and elimination of the infrastructure bond debt. It will necessitate some amount of time and multiple economic cycles before Port St. Lucie is positioned to 'bank' land for higher returns, but it is suggested for consideration as a future strategy.

APPENDIX H

"A City for All Ages"

Southern Grove Master Plan
Civil Infrastructure Order of Magnitude
Estimate of Probable Cost

11/30/2020

Treasure Coast Regional Planning Council

Indian River – St. Lucie – Martin – Palm Beach

Item	Description	Quantity	Unit	Cost Per Mile	Item Cost
A. ROADWAY					
	TYPICAL SECTION: 2~12 ft lanes, 6 ft paved shoulder, swale and 8 ft sidewalk on both sides within a 100 FT Right of Way				
1	Hegener Drive from Discovery Way to Becker Road (3.06 MI) Marshall Parkway from Village Pkwy to Hegener Drive (0.30 MI) Paar Drive from Village Pkwy to Hegener Drive (0.40 MI)	3.76	MI	$ 2,011,200	$ 7,600,000
	TYPICAL SECTION Subtotal:				**$ 7,600,000**
	LIGHTING				
2	Decorative Street Lighting (pedestrian-scale poles with banner and bollards)	3.76	MI	$1,148,397	$ 4,300,000
	LIGHTING Subtotal:				**$ 4,300,000**
	LANDSCAPE				
3	Tree alley, ground cover shrubs, and Irrigation	3.76	MI	$ 97,700	$ 400,000
	LANDSCAPE Subtotal:				**$ 400,000**
	ROUNDABOUT				
4	2 lane Roundabout at Marshall Pkwy and Hegener Drive	1	EA	$ 850,000	$ 850,000
	ROUNDABOUT Subtotal:				**$ 850,000**
	DUTCH INTERSECTION				
5	Pedestrian and bike markings at Tradition Pkwy and Village Pkwy	1	EA	$ 150,000	$ 150,000
	DUTCH INTERSECTION Subtotal:				**$ 150,000**
B. UTILITIES					
	WATER SERVICE				
6	12" PVC Water Main includes fire hydrants and looped tie-in	5.24	MI	$ 400,750	$ 2,100,000
	WATER SERVICE Subtotal:				**$ 2,100,000**
	SANITARY SERVICE				
7	8" PVC Gravity Sewer includes Manholes	2.46	MI	$ 560,000	$ 1,377,600
8	8" Force Main (C900) Includes fittings, valves and tie-in/tap	1.68	MI	$ 1,476,000	$ 2,479,680
9	Lift Stations	4	EA	$ 400,000	$ 1,600,000
	SANITARY SERVICE Subtotal:				**$ 5,500,000**
	CONDUIT				
10	4" Conduit (Pair) for communications and/or fiber optic service	3.76	MI	$ 98,000	$ 368,480
11	6" Conduit (Pair) for electrical and/or fiber optic service	3.76	MI	$ 104,000	$ 391,040
	CONDUIT Subtotal:				**$ 760,000**
C. DRAINAGE STORMWATER					
	CULVERTS				
12	72" Culvert crossings and roadway drainage connection to the Southern Grove Master Drainage System	5	EA	$ 350,000	$ 1,750,000
	CULVERTS Subtotal:				**$ 1,750,000**
	LAKES				
13	Lake construction Includes earthwork and removal of unsuitable organic soils from impoundment areas	174	AC	$ 37,300	$ 6,500,000
	LAKES Subtotal:				**$ 6,500,000**
	LITTORAL SHELF				
14	Littoral shelf earthwork and plantings (DUDA Canal Lake Mitigation	3.12	MI	$ 835,000	$ 2,600,000
	LITTORAL SHELF Subtotal:				**$ 2,600,000**

Southern Grove Master Plan
Civil Infrastructure Order of Magnitude
Estimate of Probable Cost

11/30/2020

Treasure Coast Regional Planning Council

Indian River – St. Lucie – Martin – Palm Beach

Item	Description	Quantity	Unit	Cost Per Mile	Item Cost
D. TRADITION TRAIL					
15	12 ft wide multiuse trail Includes 8 ft wide concrete multiuse trail and 4 ft wide flexipave walking surface	6.24	MI	$ 600,000	$ 3,744,000
16	Pedestrian Lighting	6.24	MI	$ 700,000	$ 4,368,000
				TRADITION TRAIL Subtotal:	**$ 8,000,000**
E. GATEWAY ELEMENTS					
LAKE FEATURES					
17	Decorative Monument Signs and Art, Lighting, Hardscape, Landscape, and Fountains placed at key locations at Tradition Medical Center, Marshall/I-95 and Becker/I-95	3	EA	$ 233,000	$ 700,000
				LAKE FEATURES Subtotal:	**$ 700,000**
CORNER FEATURES					
18	Decorative Monument Signs and Art, Lighting, Hardscape, Landscape Plaza items to be placed at key locations at Marshall/Village, Paar/Village and Village/Becker	6	EA	$ 300,000	$ 1,800,000
				CORNER FEATURES Subtotal:	**$ 1,800,000**
F. TRANSIT STOPS					
19	Decorative shelter, concrete pad, lighting, landscaping, bench, signage at Village/Becker, Village/Marshall and Village/Innovation.	3	EA	$ 100,000	$ 300,000
				TRANSIT STOP Subtotal:	**$ 300,000**
				Subtotal:	**$ 43,310,000**
				Engineering, Design and Administration (20%):	**$ 8,662,000**
				Contengency (20%):	**$ 8,662,000**
				Grand Total:	**$ 60,634,000**

Notes:

1. *This estimate is based on the City of Port St Lucie Southern Grove Master Plan, Dated December 2020.*
2. *The roadway section costs include the typical section items and the trail costs would be in addition to the roadway costs.*
3. *Offsite PSLUSD utility main extensions are NOT included (raw water, reuse water, potable water, sanitary sewer force mains, etc.)*
4. *Offsite roadway widening improvements listed in the DRI are NOT included.*
5. *I-95 interchanges and/or bridge improvements are NOT included.*
6. *This estimate is based on building all improvements at one time; phasing the improvements will significantly change the costs.*
7. *All items include clearing/grubbing/erosion control/grading/soddig/pavement marking/signage/etc.*
8. *Traffic signal costs for Becker Road and Village Parkway are already included in the CDD master costs and are NOT repeated herein.*
9. *The minor secondary roadways are NOT included herein and will be constructed by the parcel developers.*

APPENDIX I

SOUTHERN GROVE DRI - Required Infrastructure Summary

Roadway	Existing Lanes	Required Improvement	Status	Potable Water Improvement	Status	Sanitary Sewer Improvement	Status
Becker Road							
Interstate I-95	0	New Interchange	Satisfied	12" WM	Existing	N/A	N/A
Village Pkwy to I-95	6LD	Widen to 6LD	Satisfied	12" WM	Existing	N/A	N/A
Community Blvd to Village Pkwy	0	Construct 6LD		12" WM		N/A	N/A
Village Parkway							
Tradition Parkway to E/W 1	6LD	Construct 6LD	Satisfied	24" WM	Existing	16" FM	Existing
E/W 1 to E/W 3	4LD	Widen to 6LD		24" WM	Existing	16" FM	Existing
E/W 3 to E/W 4	4LD	Widen to 6LD		24" WM	Existing	16" FM	Existing
E/W 4 to Becker Rd	4LD	Widen to 6LD		24" WM	Existing	16" FM	Existing
Tom Mackie Boulevard							
E/W 1 to Trade Center Drive	2L	Construct 2L	Satisfied	12" WM	Existing	San Sewer, LS & 8" FM	Existing
Hegener Drive							
Trade Center Drive to E/W 3	0	Construct 2L		12" WM		San Sewer, LS & 8" FM	
E/W 3 to E/W 4	0	Construct 2L		12" WM		San Sewer, LS & 8" FM	
E/W 4 to Becker Rd	0	Construct 2L		12" WM		San Sewer, LS & 8" FM	
Community Blvd.							
Tradition Pkwy to E/W 1	2LD	Widen to 4LD		12" WM	Existing	N/A	N/A
E/W 1 to E/W 4	Responsibility of the Residential Master Developer			N/A	N/A	N/A	N/A
Becker Road to E/W 4	0	Widen to 4LD		12" WM		N/A	N/A
E/W 1 (Discovery Way)							
Community Blvd to Village Pkwy	2LD			12" WM	Existing	N/A	N/A
E/W 3 (Openview/Marshall Pkwy.)							
Community Blvd to Village Pkwy	2LD			12" WM	Existing	N/A	N/A
Village Pkwy to West of I-95	0	Construct 2LD		12" WM		N/A	N/A
E/W 4 (Paar Dr.)							
Community Blvd to Village Pkwy	0	Construct 2LD				N/A	N/A
Village Pkwy to West of I-95	0	Construct 2LD		12" WM		N/A	N/A
Rosser Road to Port St Lucie Blvd	2L			24" WM	Existing	N/A	N/A
Tradition Parkway							
Interstate I-95	Ramps	Ramps	Satisfied				
Village Pkwy to I-95	6LD	Widen to 6LD	Satisfied				
Community Blvd to Village Pkwy	4LD	Construct 4LD	Satisfied				
N/S A to Community Blvd	0	Construct 4LD					
N/S A							
Tradition Pkwy to Crosstown	0	Construct 4LD					
Crosstown Pkwy to Glades Cut-off	0	Construct 2L					
Westcliffe Lane							
N/S A to Village Parkway	0	Construct 2L					
Crosstown Parkway							
Village Parkway to N/S A	0	Construct 4LD					
Commerce Center Dr to Village	2LD	Construct 6LD					
N/S A to Range Line Road	0	Construct 2L					
St Lucie West Boulevard							
Commerce Center Dr to I-95	2L	Construct 4LD					

SOUTHERN GROVE DRI - Required Infrastructure Summary

Roadway	Existing Lanes	Required Improvement	Status	Potable Water Improvement	Status	Sanitary Sewer Improvement	Status
Port St. Lucie Boulevard							
Paar Dr to Darwin Blvd	2	Widen to 4LD					
Darwin Blvd to Gatlin Blvd	4	Widen to 6LD					
Paar Dr to Darwin Blvd	4	Widen to 6LD					
Becker Road							
East of I-95 to Savona Blvd	4	Widen to 6LD					
Savona Blvd to Port St Lucie Blvd	4	Widen to 6LD					
Savona Boulevard							
Gatlin Blvd to California Blvd	2L	Widen to 4LD					
Paar Dr to Gatlin Blvd	2L	Widen to 4LD					
St. Lucie West Boulevard							
California Blvd to Cashmere Blvd	4	Widen to 6LD					
Interstate 95 to Peacock Blvd	4	Widen to 6LD					
Peacock Blvd to California Blvd	4	Widen to 6LD					
Cashmere Boulevard							
Crosstown Pkwy to SLW Blvd	2L	Widen to 4LD					
California Boulevard							
Savona Blvd to Del Rio Blvd	2L	Widen to 4LD					
Bayshore Boulevard							
Prima Vista Blvd to Selvitz Road	2L	Widen to 4LD					
Darwin Boulevard							
Paar Dr to Port St Lucie Blvd	2L	Widen to 4LD					
Crosstown Parkway							
Manth Lane to US 1	6LD	Widen to 6LD	Satisfied				
Citrus Highway							
St Lucie County Line to SR 714	2L	Widen to 4LD					
Martin Highway (SR 714)							
Citrus Hwy to Fla's Turnpike	2L	Widen to 4LD					
Martin Highway (SR 714)							
Fla's Turnpike to High Meadows	4LD	Widen to 4LD	Satisfied				
Martin Highway (SR 714)							
High Meadows Ave to Berry Ave	4LD	Widen to 4LD	Satisfied				
Midway Road							
Torino Parkway to Selvitz Road	4LD	Widen to 4LD	Satisfied				
Midway Road							
Selvitz Road to 25th Street	4LD	Widen to 4LD	Satisfied				
Midway Road							
25th Street to Oleander	4LD	Widen to 4LD	Satisfied				
Range Line Road							
SR 714 to Becker Road	2L	Widen to 4LD					

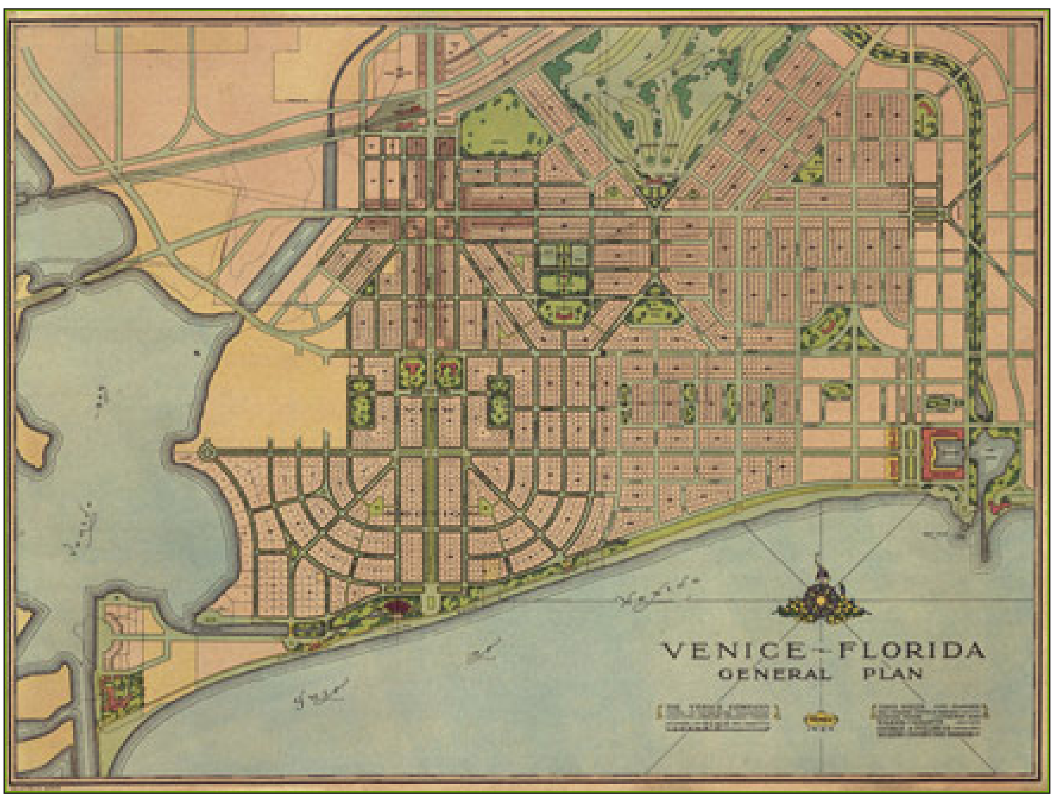
L= Lane; D=Divided; E/W 1 = Discovery Way; E/W 3 = Openview Dr.; E/W 4 = Paar Dr.

APPENDIX J

Florida is facing new challenges

Local governments are increasingly employing planning strategies and methods that provide predictability, balance land uses and mobility, and promote economic resilience and physical beauty in future growth. For coastal cities who faced near abandonment during the 1970s, the trend over the last two decades has been to re-cast themselves as viable, sustainable downtowns. For the first time in 40 years, ongoing discussions are engaged about restoring passenger rail service to the FEC corridor. Florida residents are playing a much more active role in planning and urban design decisions. The recent COVID-19 pandemic emphasized the value of communities that are walkable, bikeable, and contain well-designed open-air settings for outdoor dining and gathering, And perhaps most importantly, Floridians in general are recognizing how fragile the state is ecologically and that future growth and redevelopment must be more compact, require less fuel consumption, and promote a legacy of responsibility for both the natural and built environments.

This chapter discusses and describes time-tested principles that have historically shaped communities into sustainable, multi-modal, healthy, and attractive places.



John Nolen's 1925 plan for Venice, Florida, is one of 54 master plans the landscape architect designed in Florida in the 1920s. Nolen's plans are exemplary representations of many of the principles of urban design outlined in this report.

Historic Patterns of Growth in Florida

Historically, towns, cities, and individual developments have followed one of two general patterns as they develop: a suburban pattern or a traditional pattern.

A) The Suburban Pattern

The suburban pattern of development segregates uses by creating single use, disconnected areas. As a result, shopping, housing, schools, and recreation are not organized in an intrinsically connected, compact manner. In order to access each of these disconnected areas, the use of an automobile is typically required. As a result, parking becomes a dominant feature of a sprawling landscape. This sprawling and disconnected development relies upon a limited roadway network that gradually degrades and limits mobility options of a community.

This erosion of mobility is centered around the inevitable result that most vehicular trips must occur on collector or arterial roads. Local roads that are comfortable and safe for pedestrians and cyclists as well as motorists are either disconnected from most destinations or no longer sufficient to handle the vehicular demands of the suburban pattern of settlement. With most of the traffic volume accommodated on fewer and fewer local roads, the connecting thoroughfares become increasingly wide, auto-dominant, and unable to provide a safe or desirable environment for cyclists and pedestrians.

***Top**:* Conventional suburban pattern of development. Uses are strictly separated.

***Bottom**:* Traditional pattern of development. Uses coexist and form multi-use neighborhoods.

As roadways become less desirable, new development naturally "turns its back" to the road. This common development model further exacerbates the degraded physical environment, making suburban development self-perpetuating and very difficult to reverse. The necessity of an automobile is reinforced, and the situation worsens. Under the suburban pattern of development, the more an area develops, the worse the traffic congestion becomes.

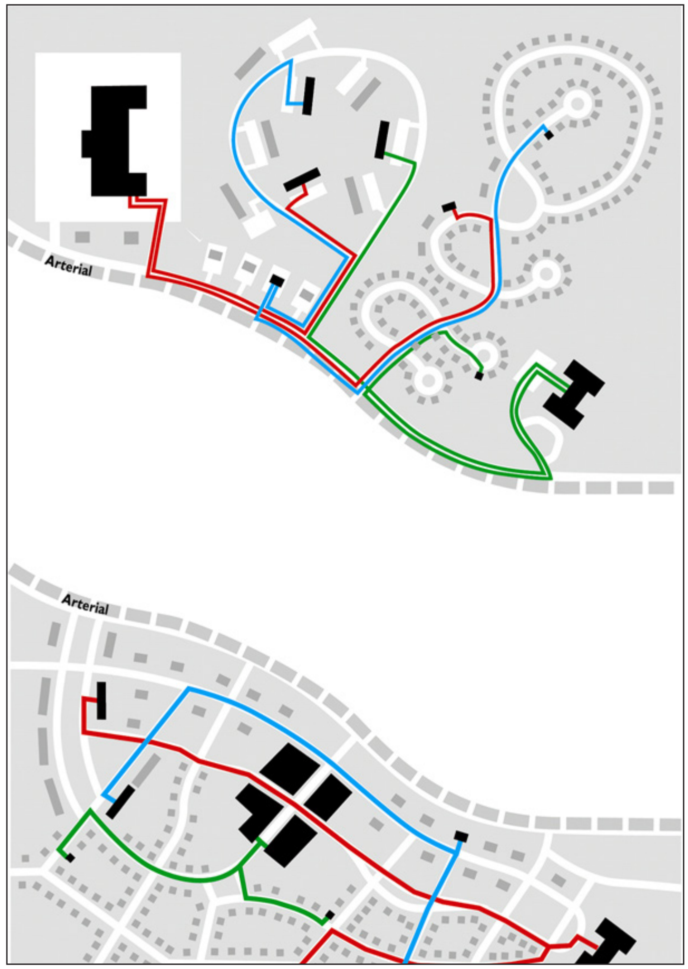
The degree to which a community is auto-dependent is a result of its development patterns (suburban or traditional) and the network and size of its streets and blocks. The effect of the suburban pattern is particularly difficult for children and the elderly who either cannot drive or are losing their ability to drive. Many elderly residents of isolated communities find they must move from their homes and neighbors when they can no longer drive. This is due, in part, to another hallmark of the suburban pattern: low density. Low-density development has made the critical mass needed for a viable transit system almost impossible to achieve, thereby giving the transportation disadvantaged limited options.

B) The Traditional Pattern

The traditional pattern of development is how cities, towns, and neighborhoods were built prior to World War II. In contrast to the suburban pattern, the traditional pattern mixes and interconnects different uses through a dense network of streets, blocks, and public spaces. This network of streets allows for the dispersion of vehicle trips throughout the community, rather than forcing all cars onto a limited number of through streets.

Dispersing vehicular trips into multiple routes allows roadways to be smaller with fewer lanes. Smaller roadways, unlike collector or arterial roads, easily accommodate bicyclists and pedestrians in a safe and often beautiful environment. One could easily travel from home to work or shopping on local streets without having to engage larger, auto-dominant thoroughfares. Additionally, a system of interconnected neighborhood streets reduces the number of local trips that rely on arterial and collector roads. As a result, the interconnected neighborhood streets also allow the larger, faster moving thoroughfares to remain a civilized size, serve primarily "through" traffic, and maintain efficiency as well.

Many of South Florida's older downtowns - such as Stuart, West Palm Beach, Lake Worth, and Delray Beach - are great examples of the traditional pattern of development. Each of these areas has places to live, work, and shop all within very close proximity. Their higher densities are more transit-supportive and the balance of uses lessens the need for vast parking areas and creates livelier places throughout the day.



***Top**:* Conventional suburban pattern of development. All traffic collects on one road.

***Bottom**:* Traditional pattern of development. A street network creates many alternatives to get from one location to another.

A Shifting Paradigm

The majority of the metropolitan areas in south Florida have been built following the suburban model of single-use, disconnected pods that rely almost entirely on limited collector and arterial roadway networks. An interesting experiment is to visit any of the older downtowns listed above, find a major east-west roadway (Kanner Highway, Southern Boulevard, Lake Worth Road, Atlantic Avenue, etc.), and drive west. What one typically discovers is a road that progressively widens while the number of cross streets diminishes, and a public realm that becomes unattractive and auto-dominant. Having experienced the impacts of the suburban pattern of development for decades, many in South Florida desire a change. In the early 1980s, this dissatisfaction led to a resurgence of interest in areas developed in the traditional pattern. In fact, during the past twenty years, a nation-wide trend to develop and restore urban environments has been evident.

Principles of Urban Design

Every community has unique characteristics and conditions and boasts a unique identity. However, common fundamental planning principles have successfully shaped great cities, towns, and neighborhoods for centuries, and still describe successful, sustainable places today. These planning principles guide the designs and recommendations of the Southern Grove Master Plan.

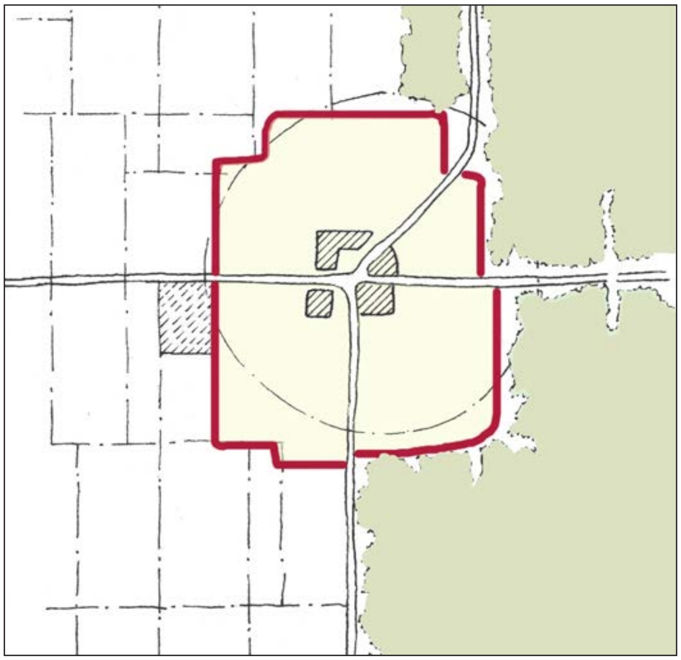
History and research have demonstrated that the most successful, livable and economically resilient communities share the same basic, time-tested planning principles that guide:

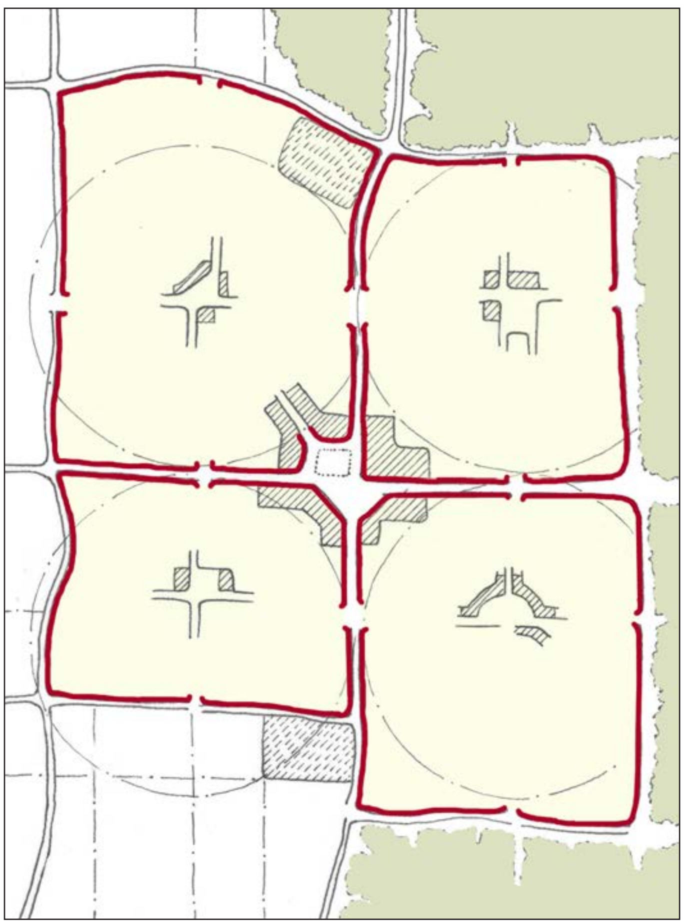
a) Neighborhood Size
b) Neighborhood Center and Edge
c) Interconnected Network of Streets
d) Mix of Uses
e) Mix of Building Types
f) Proper Building Placement
g) Proper Parking Placement
h) Civic Buildings
i) Public Open Space

Port St. Lucie is a developing city with a mix of land development patterns. While the older portions of the City, east of I-95, tend to be suburban in format, the Tradition development has utilized an urban, walkable format in the Tradition Town Center and surrounding neighborhoods with market acceptance and success. This chapter describes the basic characteristics of each principle and their interdependency. While all principles are essential to the creation of place and to achieve physical and economic resilience for Port St. Lucie, some require more attention than others moving forward. The goal is to create predictability, establish a strong identity through the creation of place and to ensure the City is both physically and economically resilient for generations to come. To that effect, it is important that special attention be paid to the principles with particular focus on those highlighted above in bold: **Mix of Uses, Proper Building Placement** and **Proper Parking Placement**.

Top: Diagram of an ideal neighborhood, depicting a center and edge, an appropriate mix of uses and building types, diverse housing affordabilities, properly arranged public open spaces, and preserved natural areas. When combined, multiple neighborhoods form towns and cities.
Image Courtesy of Dover Kohl & Partners

Bottom: Diagram of the fundamental planning principles applied to a neighborhood.





***Top**:* Diagram of a neighborhood. When isolated in the countryside it is a Village.
***Bottom**:* Diagram of a Town: a combination of two or more neighborhoods.

A) Neighborhood Size

The Neighborhood is the basic increment of development of traditional towns and cities. When clustered with other neighborhoods it becomes a town or city; when standing free in the landscape, it is a village.

The Neighborhood is limited in size. Each neighborhood typically ranges in size from 40 to 125 acres. This results in a majority of the population living within a 5-minute walking distance (1/4 mile) of the neighborhood center. This distance represents the average most people will walk to satisfy their daily needs (whether this means reaching an actual destination, or accessing transit that provides transportation to the ultimate destination). When two or more neighborhoods are combined they form towns and cities.

The density of a residential neighborhood typically averages between 6 and 10 units per acre. Such density allows for a wide spectrum of housing options and lot sizes. Downtown cores and the more urban neighborhoods typically have much higher average densities given the larger occurrence of multi-family buildings. With higher densities, a greater variety of service is possible within close proximity to homes. Neighborhoods mostly dedicated to a specialized use or activity are Special Districts (i.e. industrial, entertainment, etc).

B) Center, Edge and Neighborhood Transition

Center, Edge and the Transect

A traditional neighborhood has a clearly defined Center and Edge and is generally structured so that a wide range of building types, density, and uses are accommodated in close proximity and arranged by intensity (more rural-to- more urban). This orderly, gradual transition is commonly referred to as the “Transect”.

Transitions between Uses and Scale

Buildings have fronts and backs. In order to ensure compatibility, buildings of like scale and massing and compatible uses should face each other on a street. The front a building is much more relevant to the public realm than its rear. Ideally, transitions between differing intensities, uses, and scales should occur at the rear of buildings (parking areas or back yards) or along alleys.

Neighborhood Edge

The lowest densities and less intense uses are placed towards the edge of the neighborhood. Neighborhood edges can be natural (i.e. rivers, natural preserves, farmland), or manmade (i.e. wide, high traffic streets).

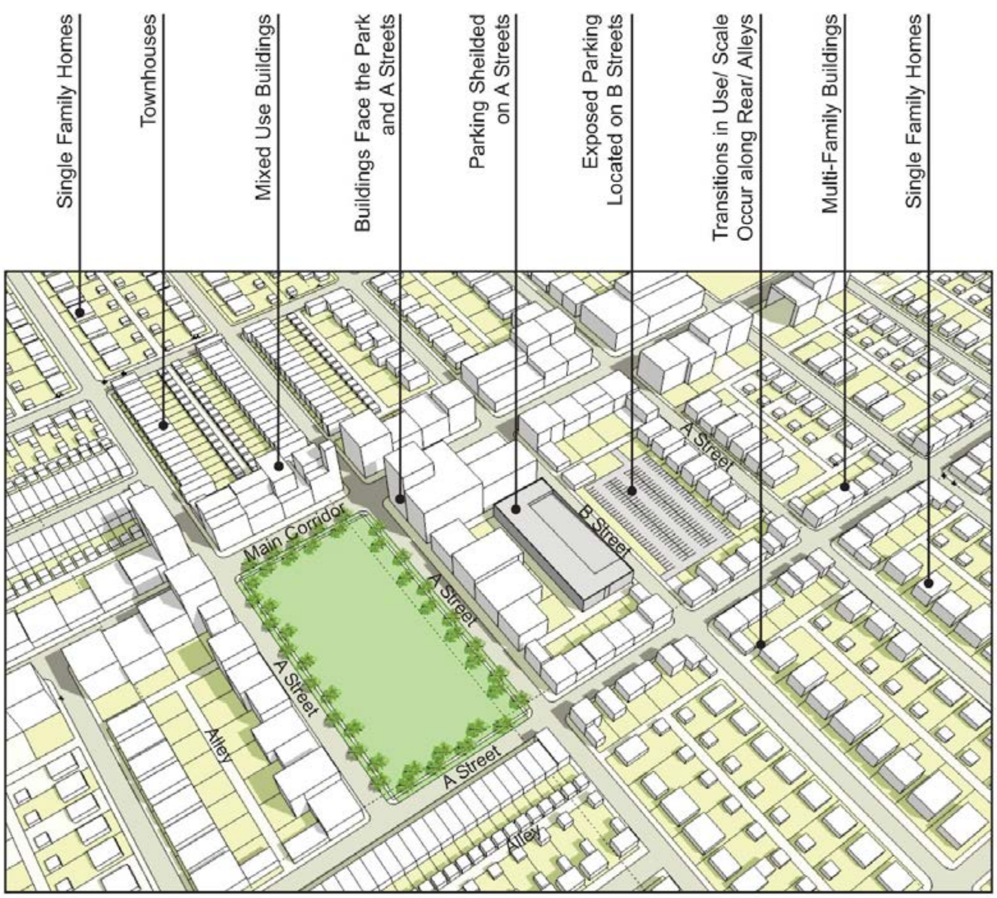


Illustration of transition of uses, scale, and massing. Note the use of roads and alleys in the transition between varying intensities.

"A" AND "B" STREETS

"A" streets are where the primary pedestrian activity and vehicle traffic occur. They have active ground floor uses, the primary building façade, the main building entrance, and limited or restricted curb cuts.

"B" Streets are the secondary streets and can accommodate parking, service and shipping entrances, driveways, and curb cuts.

***Center & Bottom**:* Streets, whether in commercial or residential areas, are centers for human interaction and should be designed with great care for pedestrians, bicyclists and automobiles alike.

C) An Interconnected Network of Streets

Streets are the Center for Human Activity

Streets are centers of human activity. As such, they should be inviting and comfortable places for people, whether driving, walking, or cycling.

Approximately thirty percent of developed areas in a neighborhood are dedicated to streets, which is why the way streets are designed and shaped by adjacent development has significant impacts on the safety, comfort, and quality of life. Street design should be undertaken with the same care given to any other important public or civic space.

The Power of the Grid

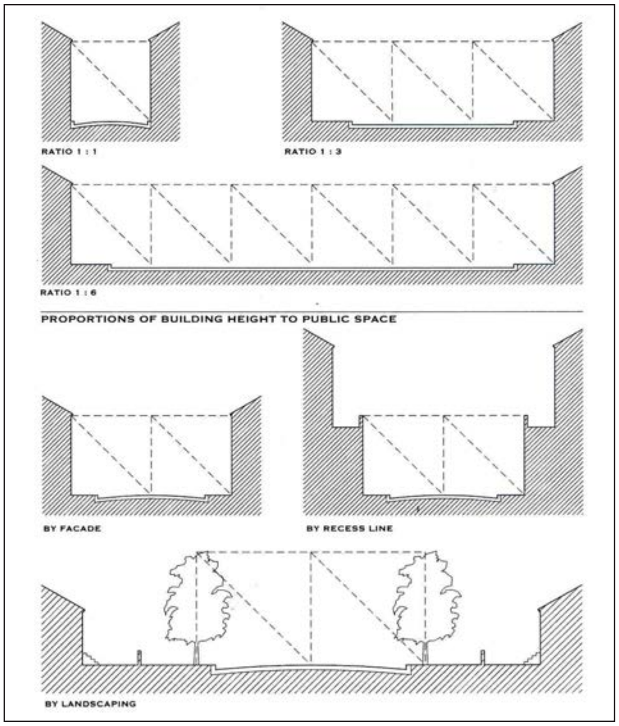
The grid is the most efficient system of street planning and circulation. When streets intersect with other streets, a fine network of alternative transportation routes results. Users of the system have many more routes to choose from, improving convenience for all modes of transportation. Another benefit of utilizing a dense network of streets, is intersections can be smaller and safer to cross for both motorists and non-motorists.

Block Size

The "block" is an essential, central element of urban planning. Blocks are areas surrounded by streets containing lots for private or public development. They are the basic unit of neighborhood planning.

Traditional neighborhoods are composed of blocks in a variety of sizes and shapes. In order to establish a walkable environment, a dense grid of interconnected streets is necessary, which ultimately affects block size. To achieve both walkability and a strong network of streets, blocks should have an average perimeter no greater than 1,320 feet.

Communities with a grid in place should protect it and its effectiveness by not closing streets to public use. As growth occurs, the opportunity to expand and enhance the grid with new connections must be taken in order to equitably distribute new traffic demands and accommodate a range of transportation options in the community.



Top*: Ideal height-to-width ratios. (Architectural Graphic Standards, American Institute of Architects).*

Bottom*: As stated in Architectural Graphic Standards, a height to width ratio of one-to-three is the minimum height to width ratio if a sense of spatial enclosure is to result. The smaller the ratio, the higher sense of place and generally the higher the property values.*

Diversity of Street Types

Great towns have a hierarchy of streets that are different in size, function, and configuration. Streets in business districts are usually wider with on-street parking lanes and broad sidewalks to accommodate street furniture, formal landscaping, and a large number of pedestrians. Local streets in residential areas are narrower, accommodating slower vehicular speeds with informal on-street parking arrangements, narrower sidewalks, and planting strips between the sidewalk and the travel lanes. General street types include highways, corridors (boulevards, avenues, etc.), commercial streets (main street), residential streets, and alleys.

Street to Building Height Ratio

As stated in Architectural Graphic Standards, published by the American Institute of Architects, a ratio of one-to-three is the minimum to create a sense of spatial enclosure. The smaller ratio is typically more desirable as frequently indicated by higher real estate values. Consequently, recommended building heights will vary in accordance with the width of the street and sidewalks and the building setbacks. Wider streets accommodate taller buildings while narrower streets accommodate smaller buildings. In order to achieve the desired sense of enclosure on very wide streets, like boulevards, tall buildings frame the space, frequently reinforced with formally aligned street trees planted in medians. In lower density neighborhoods where single-family homes set back from the street, the proper enclosure can be provided with a continuous alignment of street trees. A proper building height relative to the width of the street is important to provide a sense of enclosure and definition to the street space.

Speed is Key to Safety

In order to have streets conducive to human interaction, they must be and feel safe. Vehicular speed is directly linked to street safety. The chart to the right shows the increase in pedestrian fatalities as vehicles travel faster. Fatality rates increase significantly when vehicular speeds reach 30 miles per hour; fatality rates rise significantly, to about 80%, when vehicular speeds reach 40 miles per hour. The most effective way to keep traffic moving slowly is to design the roads to physically encourage the speed vehicles are intended to travel. Roadways should not be designed for faster speeds (through lane width, number of lanes, etc.), and rely upon posted speeds to control traffic.

Roadway Design Speed

A network of two-lane parallel routes is the most efficient way to move traffic, and since the streets are narrower, pedestrians and cyclists feel safer, thereby encouraging the use of other modes of transportation. Speeds generally increase on wider roads, As lanes are added to a roadway, the incremental gain in capacity per lane mile is reduced because distances between vehicles becomes greater. Longer following distances between vehicles creates less compactness, less capacity, and consequently result in less efficient streets.

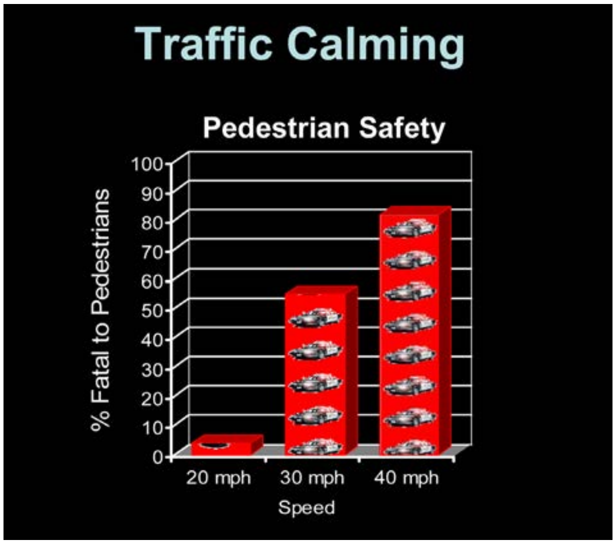
Traffic Calming Design Elements

The best way to calm traffic is to design streets for the actual speed desired, as opposed to designing for higher speeds and posting slower speeds on the roadway signage. An array of elements can be used in the design of a street to calm traffic. Care must be given to the design and function of the street for all users when using traffic calming design features.

Sidewalks and Pathways

Sidewalks are an integral part of the street and should be installed parallel to roadways. Sidewalks along streets create predictable, intuitive pedestrian routes. Installing sidewalks on both sides of the street encourage walking. A dense network of streets with sidewalks and/or multi-use paths offers choices, disperses foot and cycle traffic, and reduces unnecessary and dangerous road crossings.

Multi-use paths are routes designed for pedestrians, cyclists, skaters and other forms of non-motorized travel. These paths are intended for both transportation and recreation activities. The widths of sidewalks and multi-uses paths vary according to the location and level of use.



Pedestrian Safety Graph: Pedestrian safety decreases as vehicle speed increases

Bulb-out and median create a lateral shift in the travel route. Image courtesy of Ian Lockwood.

Active commercial streets with wide sidewalks, with space for pedestrians, strollers, and outdoor cafes.

Street Trees

Properly planted, street trees serve three purposes: beautification, safety, and shelter. The most beautiful streets typically display strong alignments of formal, regularly spaced street trees. Trees planted between the sidewalk and the roadway help shield those using the sidewalk from passing cars. Street trees are also an effective traffic-calming device. The trees create a feeling of enclosure, and drivers tend to slow, becoming more aware of pedestrians. Trees provide shelter from the sun, which encourages walking.

Street Furnishings and Lighting

Benches, shelters, fountains, and signage should be detailed and designed as furniture to be placed within the outdoor room of the city that constitutes the street. The community should use locally distinctive, durable, and easy to maintain materials for street furniture.

Seating

Seating on key pedestrian routes should be provided every 300 to 600 feet to offer rest and afford opportunities for natural surveillance. Seating encourages street activity and offers respite to those who may be physically disadvantaged.

Signs

The excessive or insensitive use of traffic and business signs can also have a negative impact on the street. Too many signs compete for a driver's attention. Messages on the street should be necessary and not distract the driver. Important messages should not be competing with unnecessary messages.

Lighting

Pedestrian-scaled lighting in appropriate places will encourage use by cyclists and pedestrians. Lighting should be pedestrian in scale and full spectrum. Mixed-use and commercial districts are generally active later than residential neighborhoods and require brighter lighting solutions to ensure safety.

Bicycle Parking

Bike parking should be made as convenient as car parking and considered part of the necessary infrastructure.

Beautiful streets are a civic amenity that also accommodates motorists, pedestrians, cyclists, and outdoor diners.

D) A Balanced Mix of Uses

Places that have a sustainable pattern of development tend to have a balanced mix of land uses, which means people can live, work, shop, recreate and satisfy most daily needs within their community. Providing easy access to these uses does not mean people will stop traveling outside their community, but it greatly reduces (or even eliminates) the necessity to travel longer distances. A balanced mix of uses decreases the financial burden of providing spread-out infrastructure for the municipality, reduces reliance on fossil fuels, allows children and older people to be self-sufficient, and a reduces the number of vehicles a household needs to function.

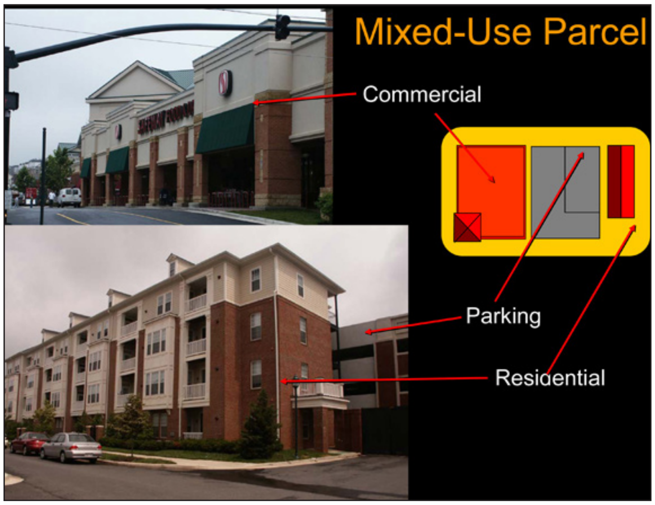
A general desire for cities and neighborhoods to be more sustainable has led to a renewed interest in mixed-use districts. Mixed-use districts combine uses to accommodate diverse functions within an area. The mix can be a combination of residential, commercial, industrial, office, institutional, or other land uses. Allowing a mix of uses contributes to the sustainability of a city by legalizing the close proximity of various destinations.

The most successful mixed-use communities are compact, allowing ease of access between uses, and efficiently allocating resources such as water, electricity, roads, lighting, and street furnishings. Land is utilized resourcefully, typically occupied by higher density and intensity buildings. Parking requirements are reduced since a single trip provides access to many destinations. Compactness also supports alternative modes of transportation including walking, cycling, and mass transit.

Mixed-use can occur vertically within a building or horizontally across a parcel or district.

Mixed-use buildings lining a commercial street in a Florida downtown.

Mixed use building integrating retail office and residential uses.



Mixed use can occur both vertically within a building, or horizontally within a given block. The image above shows a single block that accommodates a diversity of uses.

E) Appropriate Mix of Housing Types

A balanced community has all types of individuals, earning a spectrum of incomes requiring a broad spectrum of housing options. To serve these individuals, a community should offer a palette of building types: single-family homes, townhouses, multi-family buildings, mixed-use buildings, outbuildings (containing accessory dwelling units), and estate homes. People should have choices that reflect their preferred lifestyle and income level, all of which can vary over time. A mix of housing types allows people to stay in one community all of their lives, if they so choose. How the types are arranged is paramount to sustainability. When housing types are separated into large, single-type developments, the result is a segregated community. Housing segregation contributes to road congestion and widening.

F) Proper Building Placement and Alignment

Controlling building placement and alignment ensures that a predictable public realm is established. On commercial streets or higher density areas, buildings are generally set close to the sidewalk, aligned in a continuous façade to shape the street and encourage walking. Drivers tend to slow in response to a feeling of enclosure, becoming more aware of both the businesses and pedestrians. Pedestrians and cyclists feel safer in a visually defined street and have a more interesting environment where buildings line the route instead of parking lots and landscape buffers. In lower density, single-family areas, a more generous setback for the front yards is appropriate.

Top: *Outbuildings, which are ancillary to the main dwelling unit, constitute a simple way of providing housing affordability within any neighborhood.*

Center & Bottom*: Houses and mixed use buildings line the street and define the pedestrian space.*

G) Proper Parking Placement and Quantities

Parking is an essential component of development. Sufficient parking should be provided in reasonable proximity to the destination it serves. In a traditional development form, parking opportunities take many different forms, including on-site, on-street, shared, or garaged. In a sprawl form, parking lots are a dominant feature of the landscape. Placemaking design practice suggests utilizing many parking options to provide choices and to ensure parking supports, rather than detracts from, the desired environment.

On-Street Parking

On-street parking should be provided whenever possible. On-street parking can take two forms: a dedicated lane or an informal arrangement. In commercial, mixed-use, or higher density areas, on-street parking should be accommodated within a dedicated lane. The availability of on-street parking is directly related to increased sales in commercial streets. In addition, on-street parking physically shields pedestrians from moving cars, allows quick, convenient access to buildings, and acts as an effective traffic calming device.

In lower density areas, on-street parking occurs in informal arrangements. Intermittent parking along the sides of a road in a staggered fashion, results in a yield traffic pattern whereby on-coming drivers must slow and take turns moving around parked vehicles. This type of movement contributes to slowing traffic, resulting in safer neighborhood streets.

Off-Street Parking

Off-street parking should be shielded from the view of the street to ensure an attractive, interesting pedestrian environment. Buildings provide the best screening. Other strategies can be used, including landscape buffers and low walls, but these are most successful if a building facade comprises most of the area along the street.

District-Wide Parking Strategy

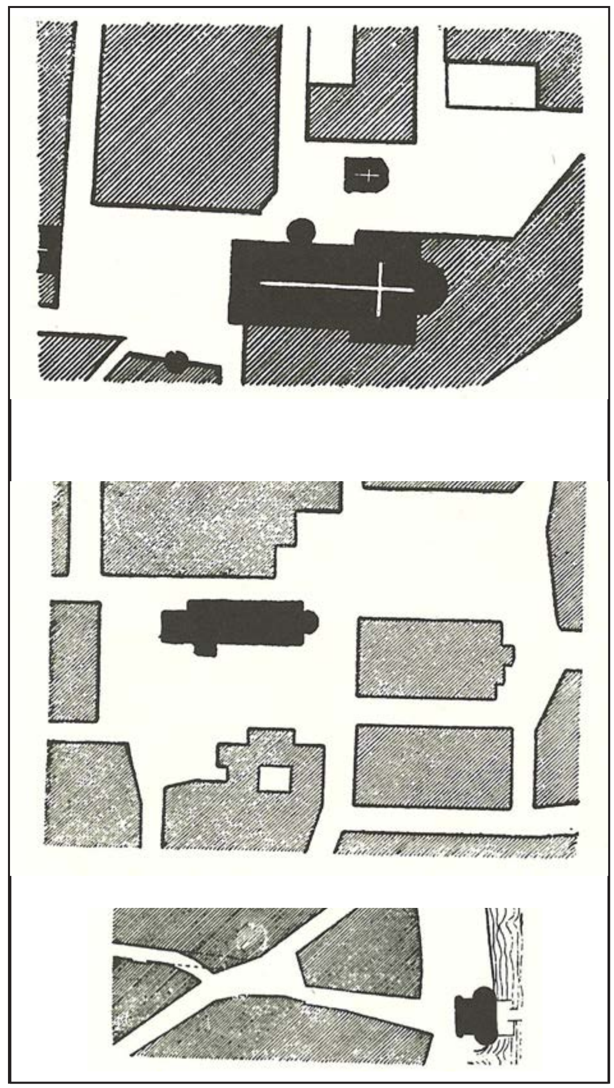
Parking requirements for destination areas of a city should be determined using a district-wide strategy rather than expecting all parking be provided on a parcel-by-parcel basis. For areas intending to become or maintain "park once" environments, reduced individual requirements and district-wide solutions are possible. "Park once" areas are places that easily allow a person to park and then walk between multiple destinations, instead of driving to and parking at each specific destination. Examples of district-wide strategies include incorporating public on-street parking, municipal lots, and mixing land uses to share spaces. For example, in areas with commercial, office and residential uses, the residents generally vacate parking spaces during working hours, freeing them for use by businesses or workers/ customers living nearby, lessen the parking demand.

Parking in a structure is shielded from view by buildings that address the street.

H) Civic Buildings

Public buildings, such as schools, places of worship, and libraries, are important components of a community. These civic buildings help define the identity of a place and foster a sense of community pride. Significant public buildings, such as city halls, libraries, courthouses, and universities, should serve as centerpieces for downtown areas. To reflect their importance in the community and public nature, these buildings should be prominently located. Appropriate sitings for civic buildings include facing a public plaza, occupying a town square, or terminating the view of a street. Diagrams (shown below) by Camillo Sitte demonstrate various organizations celebrating civic buildings within city fabric. These studies are included in the book The American Vitruvius: An Architects' Handbook of Civic Art, by Hegemann & Peets, first published in 1922, which remains, over 65 years later, an excellent guide for civic building placement and design.

The Polk County Historical Museum, originally the courthouse, in Bartow, Florida.



Studies of Civic Building Placement by Camillo Sitte.
***Top**: Piazza del Duomo in Ravenna, Italy.*
***Center**: Eglise Saint-Martin in Brunswick, Germany.*
***Bottom**: Gentpoort Gate in Brugge, Belgium.*

I) Public Open Space

Parks and open space are critical for the livability of any community. To ensure the success of public open spaces, they must be properly designed and placed. Parks need to be naturally monitored, without requiring the constant patrol of police or security personnel. By surrounding public open spaces with the fronts of buildings and interconnecting streets, natural surveillance of the space is provided. In neighborhoods, people living around and visiting the park provide oversight. In mixed-use areas, parks and plazas are frequented by shoppers and workers during the day and by residents in the evening. This 24-hour activity ensures a level of safety. Neighborhoods, towns, and cities should aspire to have many public open spaces, serving diverse purposes:

Regional Parks
Regional parks are usually composed of many acres of preserved land with trails and room for active recreational fields. This type of open space should ideally coincide with natural land areas.

Multi-Use Play Fields
Multi-Use Play Fields are active parks that provide sports fields. These fields may be incorporated and shared with schools.

Greens
Greens are open spaces generally surrounded on all sides by homes or other building types, with streets along at least two sides. Greens are informally landscaped and are generally for passive use or informal sport activities (i.e. throwing a frisbee).

Plazas
Plazas are open spaces generally surrounded on all sides by buildings, with streets along at least two sides. Plazas are formally landscaped, frequently incorporating hardscape to accommodate both passive use and community gatherings.

Squares
Squares are formally landscaped urban open spaces. Squares provide a setting for civic buildings or monuments. Squares can either be part of a block or surrounded by streets on all sides.

Fletcher Park on Lake Bonny, Lakeland, Florida

Multi-use fields

This Florentine plaza serves as a gathering space and a market for both residents and visitors.

The square offers a formal setting for a civic building.