MURDOCK VILLAGE: Highest and Best Use Study

MURDOCK VILLAGE CRA

Highest and Best Use Study

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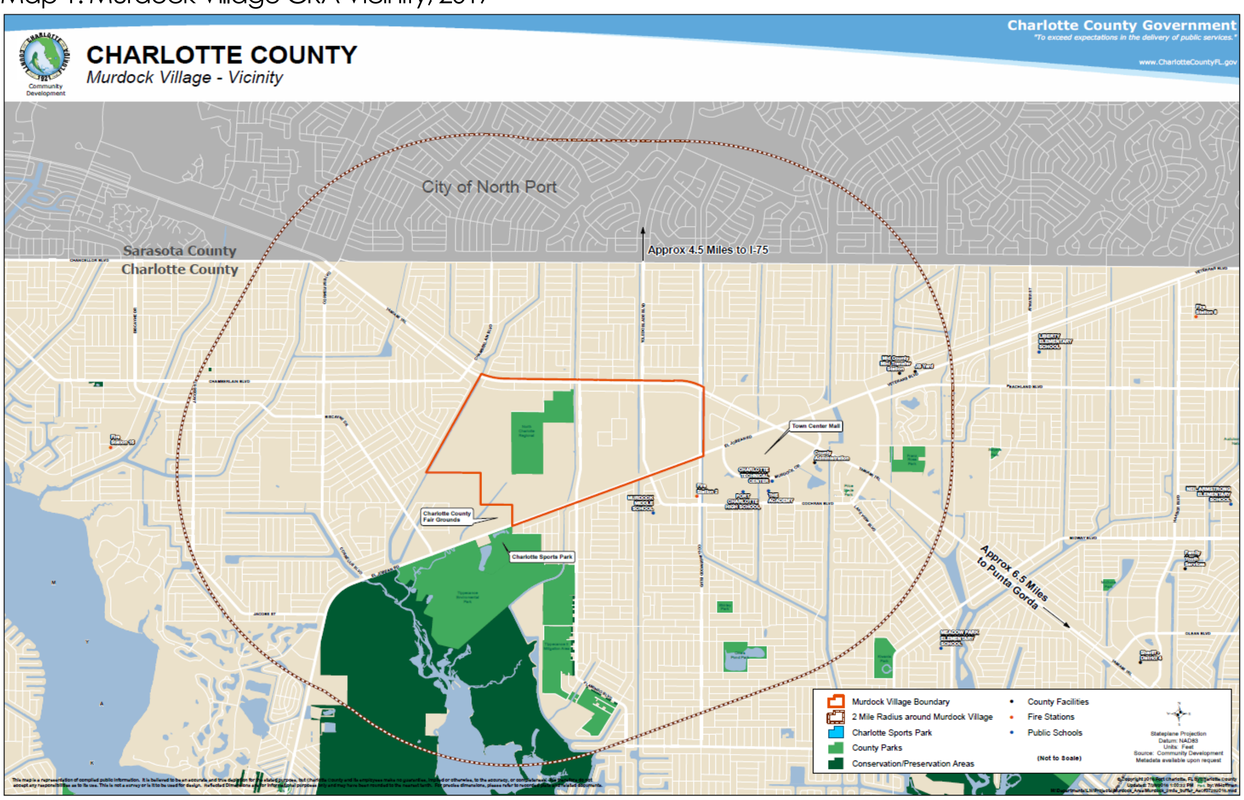
INTRODUCTION.

Kimley-Horn was retained by Charlotte County to conduct a highest and best use study as part of the 2017 Murdock Village Community Redevelopment Area (CRA) master plan update process. With a distinct focus on business and technology potential, this analysis documents existing conditions from a demographic and real estate market perspective, providing baseline market statistics to inform potential development opportunities. The market assessment considers both local and regional market forces impacting Charlotte County. Ultimately, findings presented in this document will be leveraged in the creation of an updated conceptual master plan for the site, blending a vision for the future with the market realities of Charlotte County.

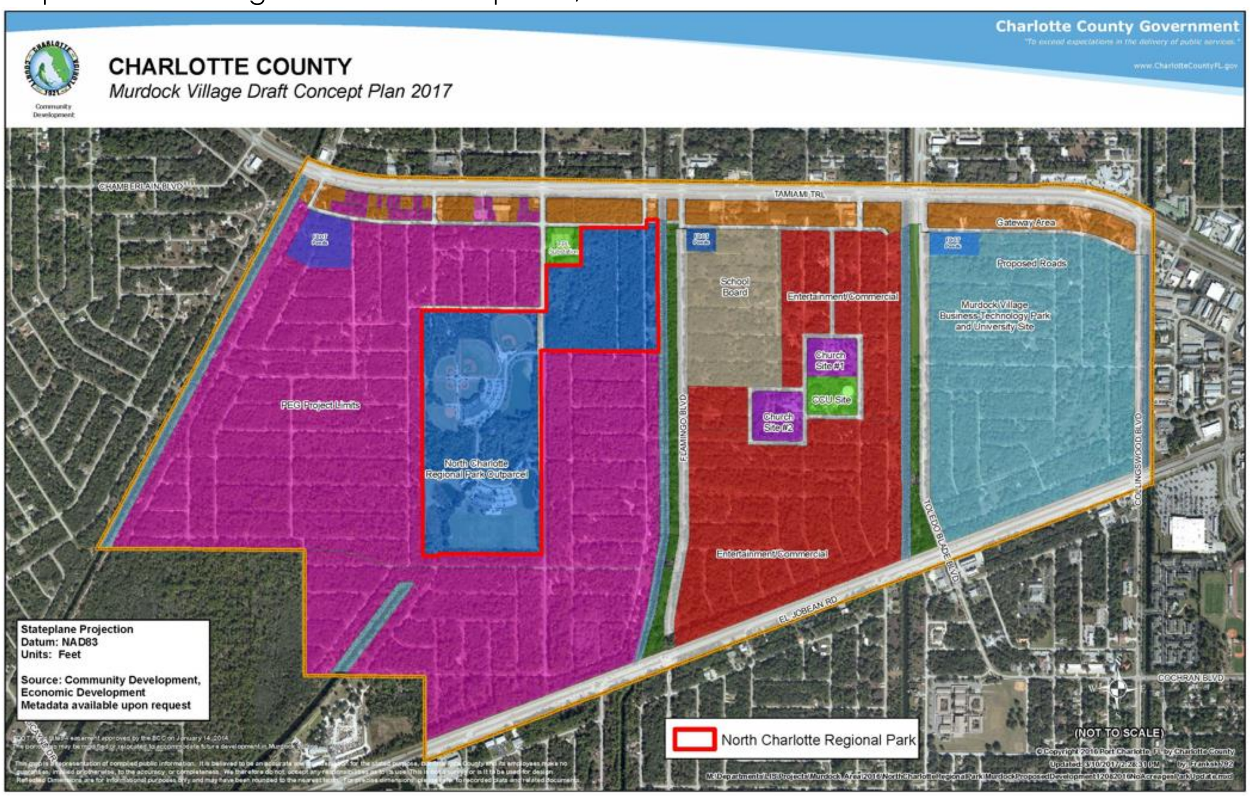
The Murdock Village CRA is in the unincorporated Port Charlotte area of Charlotte County, with direct access to US 41 and FL 776 (Map 1). Both thoroughfares provide connection to Sarasota County to the north. US 41 connects the site to Lee and Collier counties to the south. Surrounding land uses are largely single-family detached units on 80x120 lots. The Port Charlotte Town Center is located immediately east of the Murdock Village CRA, representing the County's largest commercial concentration including a mall, a wide-variety of retailers, and professional and government office space. Additionally, a concentrated area of light industrial and flex space users, largely serving the construction industry, is located across Collingswood Boulevard from the site, between US 41 and FL 776.

Map 1: Murdock Village CRA Vicinity, 2017



Originally approved in 2004, the Murdock Village CRA was created to provide an alternative to the antiquated land use patterns established by wide-scale subdivision platting in the 1950s and 1960s. The initial disposition strategy for the CRA was to convey the entire +/-856-acre property to a single developer. However, economic shifts following the 2007-2009 Recession have caused a reevaluation of the initial strategy, now focusing on the CRA as a series of smaller pods, with distinct visions, that could be separately sold for development.

Map 2: Murdock Village CRA Draft Concept Plan, 2017



As shown on Map 2, the pods are currently envisioned as follows:

- **Master Planned Residential Development**. The +/-450-acre portion of the CRA located west of Flamingo Boulevard is under active consideration for a master planned residential development, supplemented by a small commercial node. Initial site plans prepared by the developer show a mixture of residential product types, including single-family detached, townhouses, and apartments, as well as a retail center and hotel. This pod also includes the 120-acre North Charlotte Regional Park.
- **Entertainment/Commercial**. The current vision for the central pod, located roughly between Flamingo and Toledo Blade boulevards, is to be leveraged to

attract an entertainment use that would draw tourism and traffic to the immediate area. It also includes parcels owned by the school board and Charlotte County Utilities, as well as two existing churches.

- **Business and Technology Park**. Located between Toledo Blade and Collingswood boulevards, the final 165-acre development pod is currently envisioned as an employment center, with a focus on business, technology, research, and healthcare.

The Business and Technology Park development pod is the focus of this market assessment. Demand forecasts for the site consider a detailed look into strengths, weaknesses, opportunities, and threats for both the Murdock Village CRA and Charlotte County. Ultimately, key opportunities for the Business and Technology Park development site are described, and recommendations are provided to inform the creation of the updated conceptual plan. Given the size of the Murdock Village CRA, it is critical that the future vision for the property offer flexibility in order to accommodate shifts in the real estate market.

DEMOGRAPHIC PROFILE.

This section analyzes population and household trends by age, income, and tenure for a five-county Southwest Florida region, and more specifically for Charlotte County and a custom-defined Market Area surrounding Murdock Village. Educational attainment and high-level lifestyle preferences through a Tapestry Segmentation analysis have also been provided.

Three separate geographies are used in this analysis to demonstrate both regional and localized shifts in population characteristics. Understanding these shifts, on both regional and local scales, is important to project demand potential for business, research, and technology uses at Murdock Village. For the purpose of this analysis, the analysis geographies are described as follows:

- This analysis uses a five-county area incorporating four separate metropolitan statistical areas (MSA) along the Gulf Coast to demonstrate larger regional trends (Map 3). The combined *Southwest Florida region* was defined given Charlotte County's central location between the larger cities of Sarasota and Naples. Containing approximately 685,000 residents, Lee County is the most populous in the combined region, followed by Sarasota, Manatee, and Collier counties.

North Port-Sarasota-Bradenton MSA
- Manatee County
- Sarasota County

Punta Gorda MSA
- Charlotte County

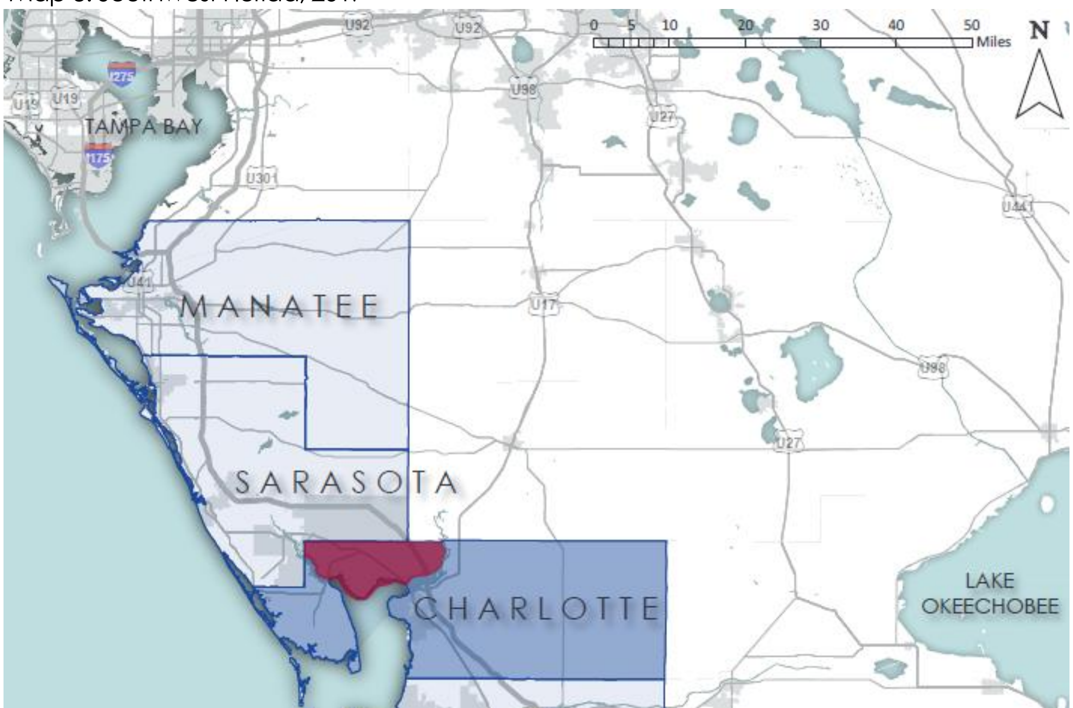
Cape Coral-Fort Myers MSA
- Lee County

Naples-Immokalee-Marco Island
- Collier County

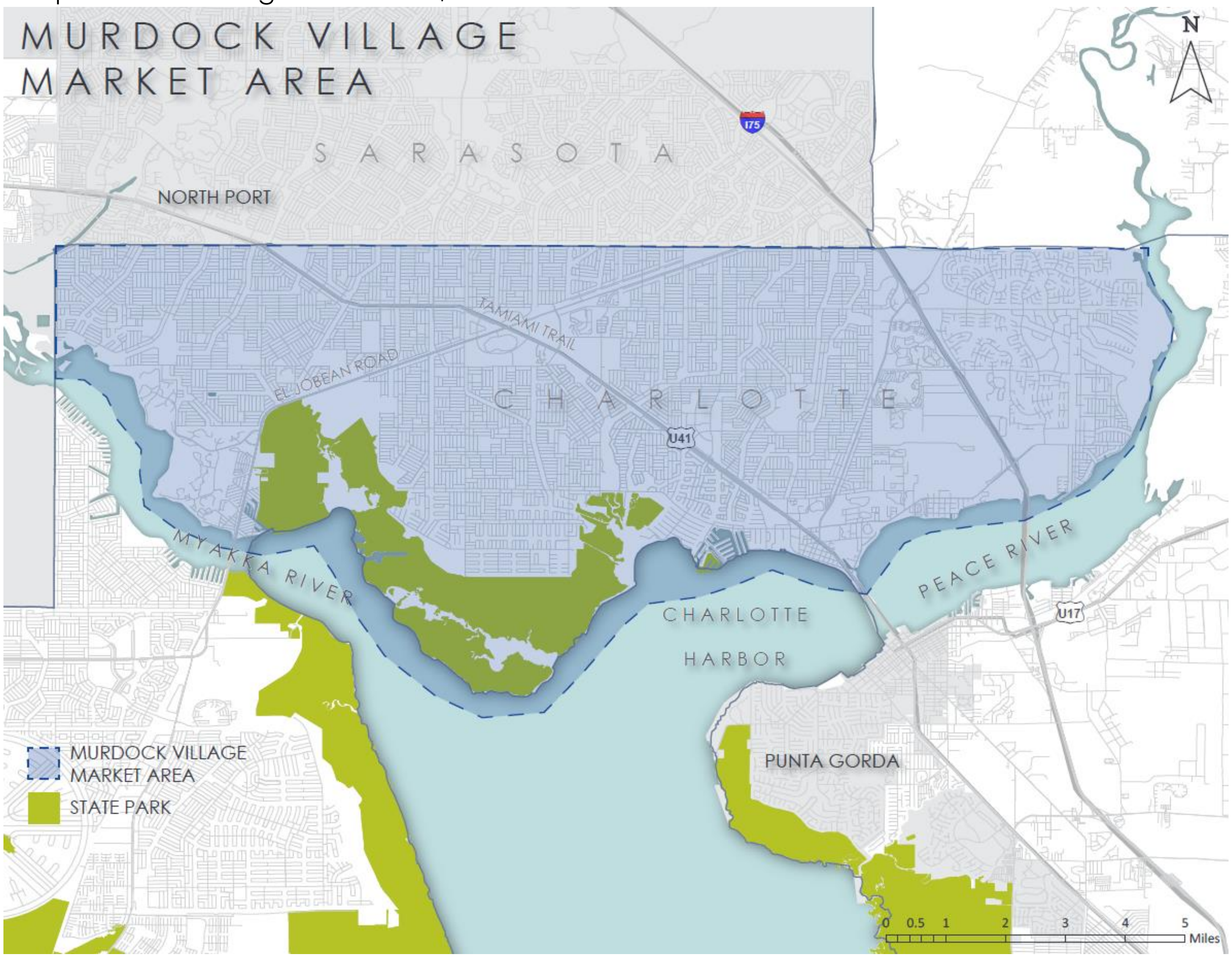
- Since many third-party sources, including the State of Florida, provide trend and forecast scenarios on a county-wide basis, measures for *Charlotte County* have been included in this analysis. Charlotte County is also its own metropolitan statistical area. It contains the region's smallest population base at nearly 175,000 residents, comprising approximately 8.8% of the aggregate total in 2016.

- In order to understand dynamics local to Port Charlotte, the *Murdock Village Market Area* was custom-defined and encompasses approximately 88 square miles (Map 4). The market area boundary is based on natural and man-made barriers that could affect market dynamics, and is roughly bounded by the Charlotte-Sarasota county line to the north and the Charlotte Harbor and Myakka and Peace rivers to the west, south, and east. Although residential product in the growing North Port area could support retail and tourism -based development in Murdock Village, this area was excluded from the market area because employment-based uses may consider local incentives to relocate. For this reason, Sarasota County was excluded.

Map 3: Southwest Florida, 2017



Map 4: Murdock Village Market Area, 2017



Population

The Murdock Village Market Area had an estimated 89,326 residents in 2016, representing a 17.4% increase since the 2000 Census count (Table 1). The increase of 13,228 residents over the 16-year period equates to a compound annual growth rate (CAGR) of approximately 1.0%. Comparatively, population in Charlotte County increased 22.4% since 2000, driven by new development east of I-75, and Southwest Florida experienced a growth rate of nearly 38.5%. Total population in Southwest Florida is nearing 2.0 million as of 2016 estimates. Overall, the Market Area's capture of regional growth has decreased slightly since 2000, measuring 2.4% of the total population increase.

Table 1: Comparison of Population Trends, 2000-2016

Area	2000	2010	2016	2000-2016 Δ #	2000-2016 Δ %	2000-2016 Δ CAGR
Murdock Village Market Area	76,098	83,428	89,326	13,228	17.4%	1.0%
Charlotte County	141,614	159,978	173,357	31,743	22.4%	1.3%
Southwest Florida	1,423,838	1,802,533	1,972,326	548,488	38.5%	2.1%
Market Area % Region	**5.3%**	**4.6%**	**4.5%**	**2.4%**		

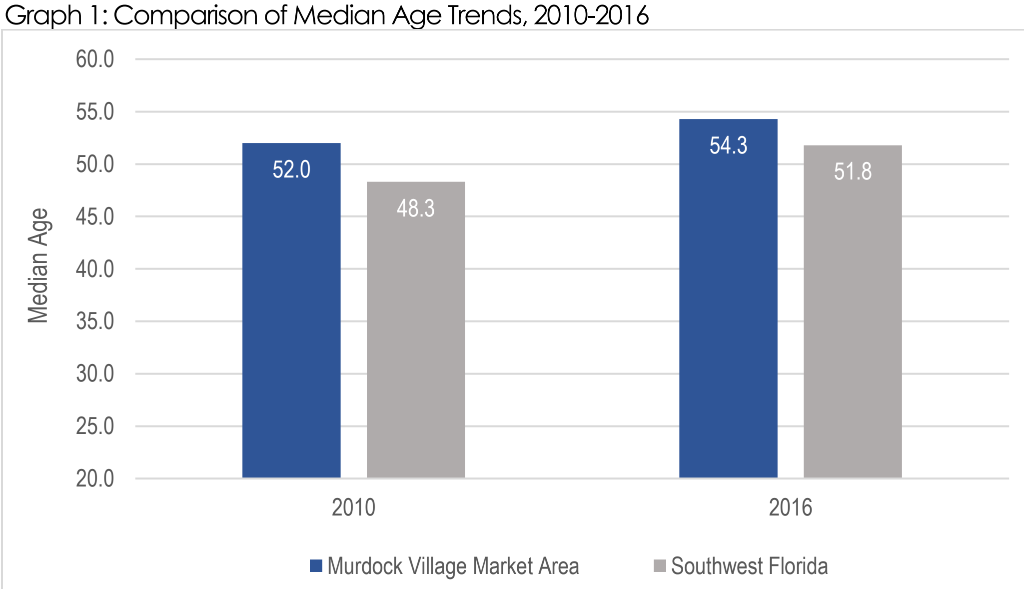
Source: ESRI Business Analysis Online; US Census; Kimley-Horn

According to the most recent estimates released by US Census for population, the Punta Gorda and Sarasota-Bradenton MSAs were two of the fastest growing areas in the United States in the last year, ranking 8th and 10th, respectively. While Manatee County captured more of the Sarasota-Bradenton MSA's growth, North Port, located in southern Sarasota County, is expanding quickly with an influx of new residential product at moderate price points.

Average Age

The Market Area's median age in 2016 was estimated at 54.3, higher than the 48.3 measure demonstrated in Southwest Florida (Graph 1). Sarasota and Manatee counties have been particularly successful in attracting young professional households, both with and without children, given these area's comparatively new housing stock with easy access to retail services, culture and entertainment nodes, and major employment centers. In fact, Charlotte County has the second oldest median age in the United States at over 58 years. Since 2010, the average age in all three geographies increased, indicating the continued impact of the aging Baby Boomer segment.

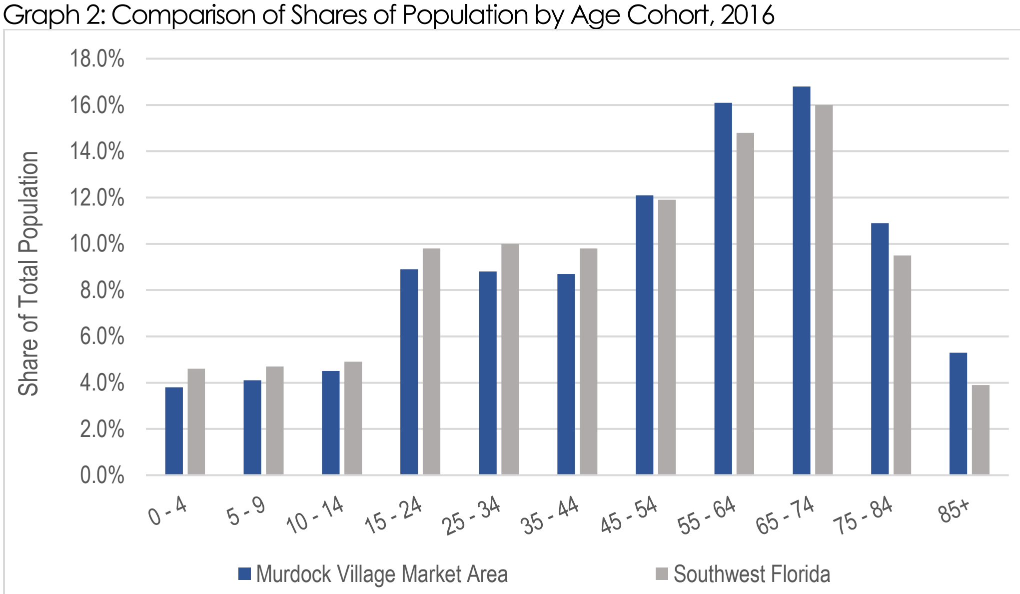
Graph 1: Comparison of Median Age Trends, 2010-2016



Population by Age Cohort

Consistent with regional and statewide trends, the Murdock Village Market Area is strongly influenced by residents over the age of 55. Graph 2 compares the overall shares of population by age cohort in the Market Area to Southwest Florida. Aligning with an older median age, the Market Area has higher shares of residents in all cohorts over age 55. Conversely, Southwest Florida has higher shares of Millennials (15-34) and Generation X (35-44). Not only do these cohorts typically represent new home owners or renters, but they also often correspond with younger family households. This results in higher shares of children less than 14 years old.

Graph 2: Comparison of Shares of Population by Age Cohort, 2016

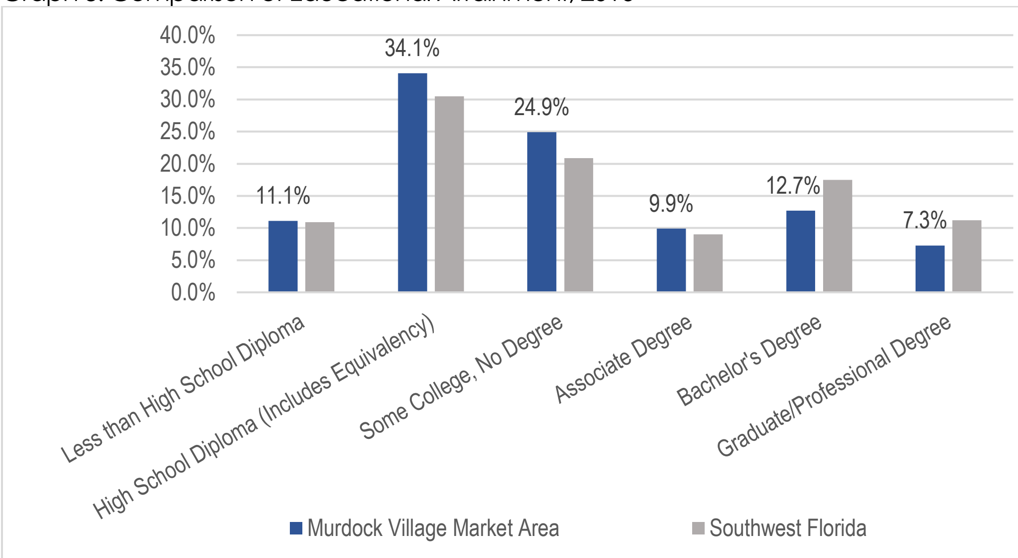


According to feedback provided in a series of interviews with key community stakeholders, the Charlotte County public school system has experienced declining enrollment in recent years. Some of the decline is attributable families relocating out of Charlotte County seeking newer housing stock and more robust cultural and entertainment centers. It is likely this trend will continue with the passage of a 2016 state regulation (HB 7029) that allows families to enroll students in the school system of their choice, regardless of residency. Open school choice will begin with the 2017-2018 school year.

Educational Attainment

Graph 3 compares educational attainment in the Market Area with Southwest Florida for population over the age of 25. While the region has comparatively higher shares of residents with a Bachelor's or Graduate/Professional degree, it should be noted that nearly 30% of the population in the Market Area has completed at least some level of collegiate education.

Graph 3: Comparison of Educational Attainment, 2016



Households

The Murdock Village Market Area had an estimated 39,252 households in 2016, representing a 17.6% growth rate over the 16-year period. During the same time period, Charlotte County increased by 37.1% and Southwest Florida grew by 36.7%. The slower growth rate in the Market Area is directly impacted by a more limited availability of vacant and developable properties, especially when compared to more rural areas in eastern Charlotte County. The Market Area comprised 2.6% of the total household increase in the region (*Table 2*).

Table 2: Comparison of Household Trends, 2000-2016

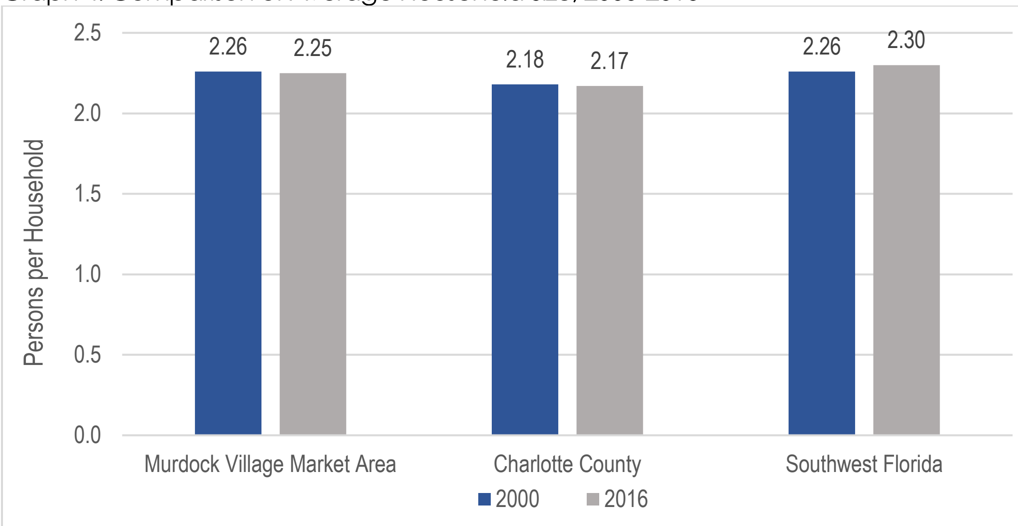
				2000-2016 Δ		
Area	**2000**	**2010**	**2016**	**#**	**%**	**CAGR**
Murdock Village Market Area	33,298	37,175	39,252	5,954	17.9%	1.0%
Charlotte County	79,753	100,632	109,326	29,573	37.1%	2.0%
Southwest Florida	617,828	777,842	844,591	226,763	36.7%	2.0%
Market Area % Region	**5.4%**	**4.8%**	**4.6%**	**2.6%**		

Source: ESRI Business Analysis Online; US Census; Kimley-Horn

Household Size

Nationally, the increase in Millennial and Baby Boomer residents has caused a gradual decline in average household size. Already hosting a significant concentration of older residents, many with no children living at home, household sizes in the Market Area and Charlotte County have remained largely unchanged since 2000 (Graph 4).

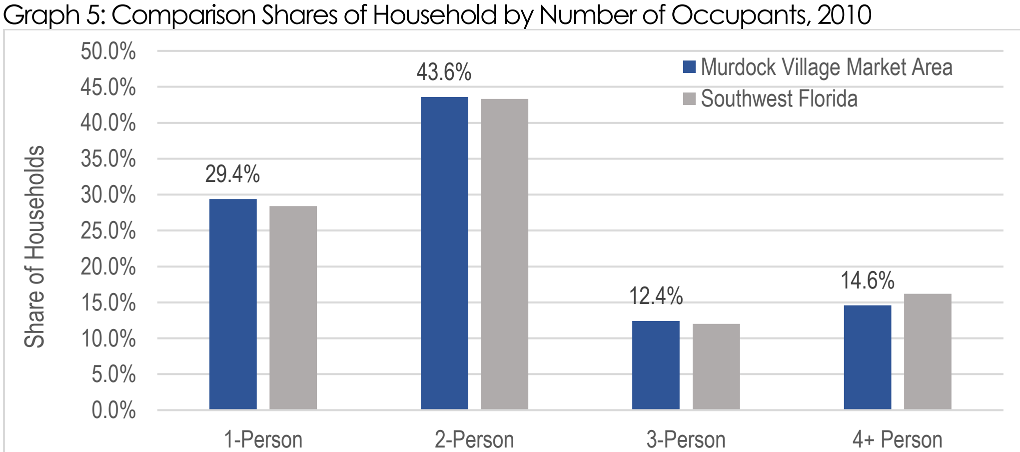
Graph 4: Comparison of Average Household Size, 2000-2016



Comparatively, the household size in the Southwest Florida region has experienced a gradual increase, as families are relocating to Manatee and Sarasota counties seeking new, but modestly priced, housing stock. Although Murdock Village and Southwest Florida reported similar average household sizes in 2000, the region demonstrated an increase while the Market Area declined.

As shown in *Graph 5*, two-person households are the most common in the Market Area, followed by single-person households. While, generally, the Murdock Village Market Area has comparable shares to those demonstrated in Southwest Florida, it has slightly lower shares of larger households. This is likely driven by higher concentrations of families elsewhere in the region.

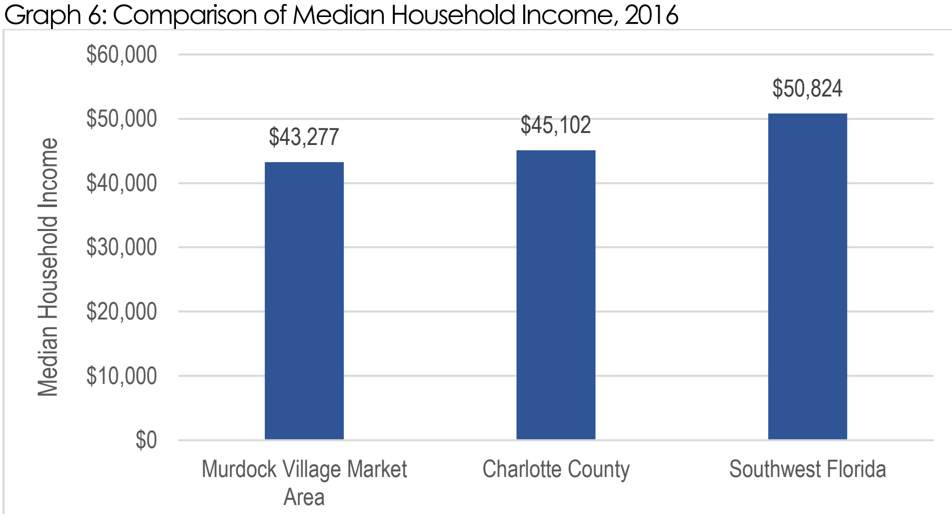
Graph 5: Comparison Shares of Household by Number of Occupants, 2010



Median Household Income

Graph 6 shows the median household income estimates for the Market Area, Charlotte County, and Southwest Florida in 2016. The Market Area's median household income in 2016 was estimated at $43,277, lower than Charlotte County and the region.

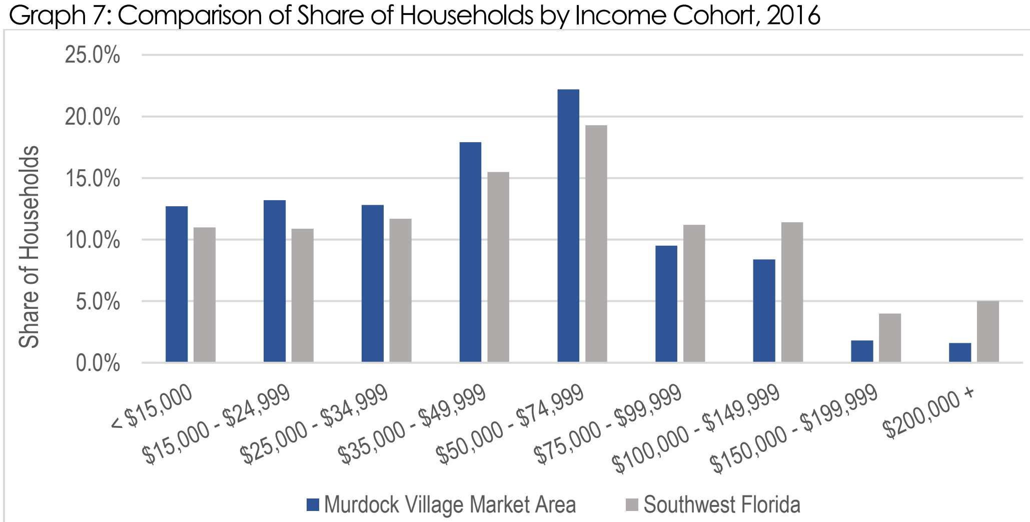
Graph 6: Comparison of Median Household Income, 2016



Households by Income Cohort

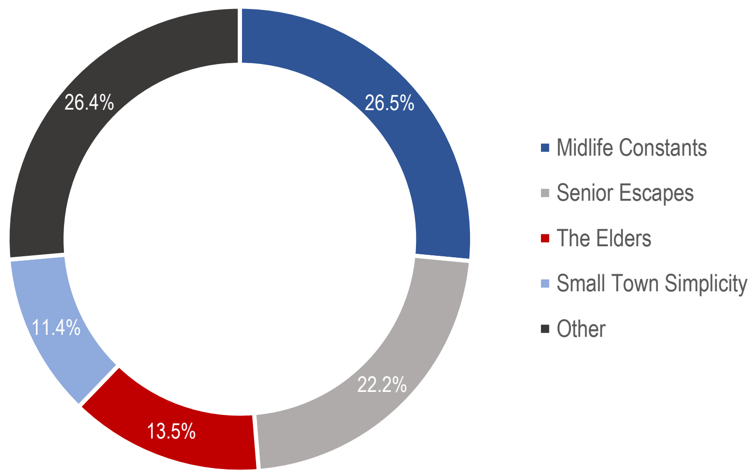
When compared to Southwest Florida, the Market Area has higher shares of all cohorts in the low- to middle-income ranges (Graph 7). Representing over 40% of all households in the Market Area, the concentration in the combined $35,000 to $74,999 income range is higher than Southwest Florida (34.8%). Conversely, high income households are more prominent in other areas of the region, particularly in those with more waterfront and beach access. The household formations further support a population base of residents at or nearing retirement, often seeking affordable housing prices.

Graph 7: Comparison of Share of Households by Income Cohort, 2016



Tapestry Segmentation Analysis

Tapestry segmentation, provided by Environmental Systems Research Institute, divides households into 67 groups based on consumer spending patterns and lifestyle attributes. Data provided in this type of analysis is increasingly being used by developers, builders, and retail tenants in the site selection and due diligence process.



As demonstrated in the figure above, the top four tapestry segments in the Market Area capture nearly 75% of the total households. Midlife Constants comprise largest tapestry segment at 26.5%, followed by Senior Escapes at 22.2%. The most influential tapestry segments in the Market Area are entirely represented by older residents, at or near retirement, with moderate incomes, often supplemented by social security or savings. These residents have a propensity for single-family detached units, but some seek to live in mobile homes or higher-density retiree housing. Brief descriptions of the three most common tapestries in the Market Area are provided below.

MIDLIFE CONSTANTS (26.5%)

Households are comprised of seniors, at or approaching retirement, with below-average labor force participation and above average net worth. They tend to live outside the central core of metropolitan regions in smaller communities, reflecting a more country lifestyle. This group is traditional, and not trendy, often opting for convenience and comfort.

Distinguishing Traits

- Often live in older, single-family homes in the suburban periphery
- Primarily married couples, with a growing share of singles
- Typically gravitate to settled neighborhoods with slow rates of change
- Labor force participation is below the national average, as many are retired
- Approximately 42% of households are receiving social security
- Approximately 28% also receive retirement income

SENIOR ESCAPES (22.2%)

Senior Escapes are heavily concentrated in warmer regions in Florida, California, and Arizona. While many residences began as seasonal getaways, they are now permanent as members of the household reach retirement. More than three-quarters of the homes are single-family detached, with a large share of those being mobile homes. Households often seek unincorporated or rural settings.

Distinguishing Traits

- Housing units have a high vacancy rate given their seasonal use
- Two-thirds of the households are married couples or singles without children living at home
- Nearly 75% of homes are owner-occupied, many owned without a mortgage
- Labor force participation is low, with more than half drawing Social Security
- Spend most of their time with spouse or significant other
- Conservative spending habits

THE ELDERS (13.5%)

With an average age of 71.8, this group represents the oldest Tapestry Segment market. Many of these residents favor communities designed for senior or assisted living, primarily in warmer-climate areas. Tend to seek locations on the suburban periphery of metropolitan regions to maintain a reasonable cost of living. Households tend to be informed, independent, and involved in the community.

Distinguishing Traits

- Average household size is 1.67, with most comprised of married or singles without children
- Seek owner-occupied housing units, but have more diversity in type between single-family, townhouses, and apartments
- Almost 60% reside in group quarters in nursing home facilities
- Labor force participation of only 21.3%; those still participating are often entrepreneurs or part-time employees
- Higher than average net worth

EMPLOYMENT PROFILE.

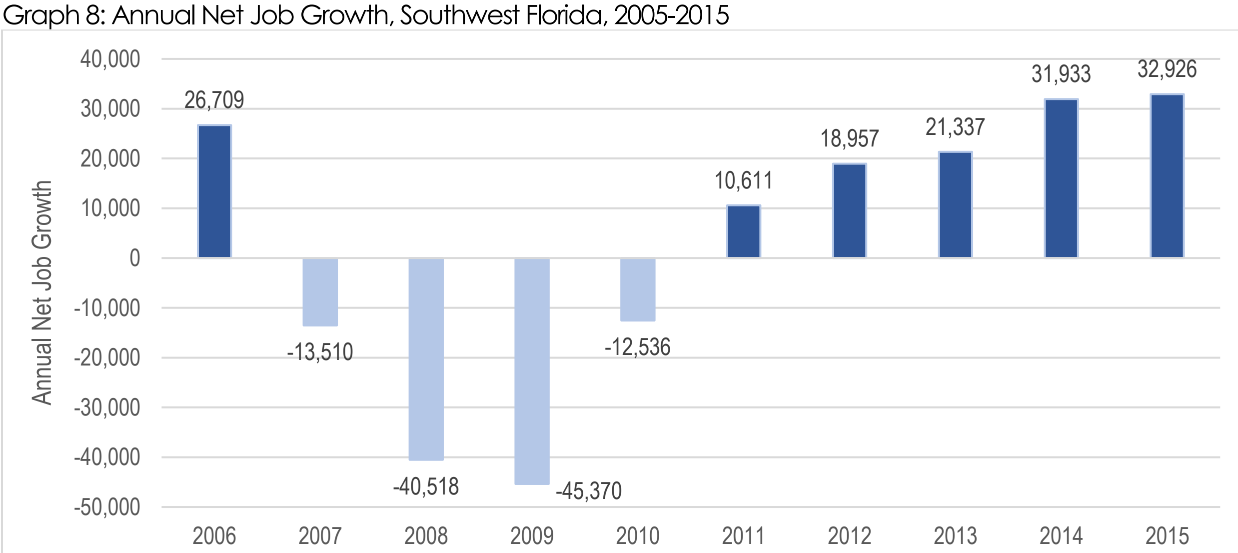
This section analyzes annual employment and wage trends by industry for the five-county Southwest Florida region, and more specifically for Charlotte County and the Murdock Village Market Area, describing overall growth and shifts between economic sectors.

Annualized Employment Growth Trends

Southwest Florida

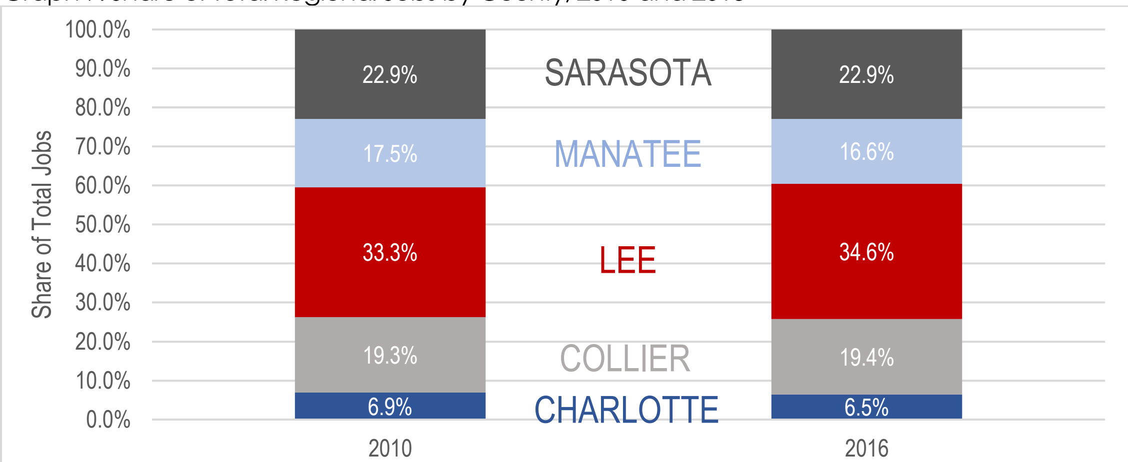
Southwest Florida was heavily impacted by the 2007-2009 Recession, causing a sharp decline in jobs between 2007 and 2010. Much of that loss was concentrated in industries serving a seasonal tourism market, as well as Construction sectors, a theme that is consistent with trends across the United States. As shown in *Graph 8*, the region experienced significant job losses during and immediately following the Recession. However, positive job growth has been experienced in every year since 2011, with the last two annual periods exceeding gains reported prior to the Recession. More than 65% of the growth in the last two years was concentrated in Sarasota and Lee counties.

Graph 8: Annual Net Job Growth, Southwest Florida, 2005-2015



In 2015, the 240,000 jobs in Lee County comprised more than one-third of the total jobs in Southwest Florida. In addition to hosting the largest share of jobs, Lee County also accounted for the most notable shift over the last five years, from 33.3% in 2010 to 34.6% of the total in 2015 (*Graph 9*). Charlotte County comprised 6.5% of the total regional job inventory in 2015, a decline from 6.9% in 2010. Two of the five regional counties lost market share between 2010 and 2015: Charlotte and Manatee.

Graph 9: Share of Total Regional Jobs by County, 2010 and 2015



As shown in Table 3, employment in the five-county Southwest Florida region increased by more than 115,000 jobs, or 20.0%, between 2010 and 2015. The gain was largely attributable to economic recovery in the Accommodation and Food Services, Retail Trade, and Construction industries, which were particularly affected during the Recession. Additionally, Healthcare and Social Assistance, experienced a net increase of nearly 15,000 jobs over the last five years.

Table 3: Annualized Employment by Industry, Southwest Florida, 2010-2015

Industry Classification	2010	2015	2010-2015 Δ #	2010-2015 Δ %
Accommodation and Food Services	67,964	89,481	21,517	31.7%
Retail Trade	90,457	110,332	19,875	22.0%
Construction	41,566	58,554	16,988	40.9%
Health Care and Social Assistance	92,506	107,152	14,646	15.8%
Administrative and Waste Services	36,688	44,969	8,281	22.6%
Professional and Technical Services	26,148	34,052	7,904	30.2%
Manufacturing	19,885	25,617	5,732	28.8%
Arts, Entertainment, and Recreation	21,441	26,556	5,115	23.9%
Transportation and Warehousing	10,650	14,329	3,679	34.5%
Other Services, Ex. Public Admin	21,475	24,905	3,430	16.0%
Educational Services	39,422	42,750	3,328	8.4%
Wholesale Trade	15,159	17,868	2,709	17.9%
Real Estate and Rental and Leasing	14,125	16,829	2,704	19.1%
Finance and Insurance	18,181	18,814	633	3.5%
Natural Resources and Mining	12,925	13,357	432	3.3%
Information	8,073	8,360	287	3.6%
Utilities	1,685	1,780	95	5.6%
Management of Companies and Enterprises	6,205	5,859	-346	-5.6%
Public Administration	33,237	31,751	-1,486	-4.5%
Total	**577,792**	**693,315**	**115,523**	**20.0%**

Source: Florida Department of Econoimc Opportunity; Kimley-Horn

In 2015, the largest employment sectors in Southwest Florida included Retail Trade, Healthcare and Social Assistance, and Accommodation and Food Services. These sectors are reflective of a market with high concentrations of seasonal tourism and older residents requiring medical care. The 306,965 jobs reported in these three sectors in 2015 made up 44.3% of the total jobs in the region.

Charlotte County

Hosting nearly 45,000 jobs, Charlotte County comprises approximately 6.5% of the regional total. The County experienced a 12.1% increase in employment since 2010, equating to 4,831 new jobs (Table 4). Since 2010, Retail Trade has overtaken Healthcare as the largest industry sector in the County. The three sectors that experienced the strongest growth since 2010, Construction, Accommodation and Food Services, and Retail Trade, are reflective of economic recovery following sharp declines during the Recession. Industries representing the largest increases in the last decade include:

- Construction (+970)
- Accommodation and Food Services (+905)
- Retail Trade (+859)
- Administrative and Waste Services (+708)
- Healthcare and Social Assistance (+442)

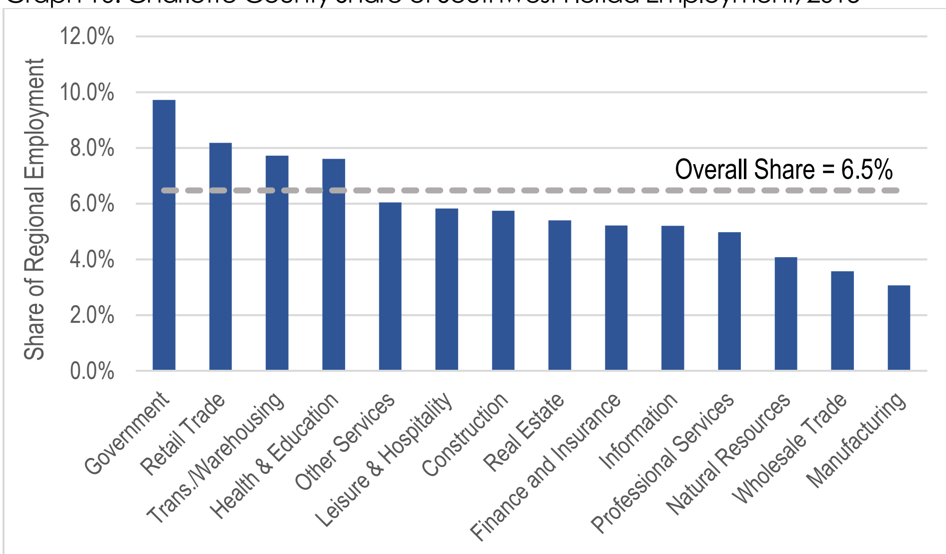
Table 4: Annualized Employment by Industry, Charlotte County, 2010-2015

			2010-2015 Δ	
Industry	**2010**	**2015**	**#**	**%**
Construction	2,390	3,360	970	40.6%
Accommodation and Food Services	4,630	5,535	905	19.5%
Retail Trade	8,162	9,021	859	10.5%
Administrative and Waste Services	1,817	2,525	708	39.0%
Health Care and Social Assistance	8,472	8,914	442	5.2%
Transportation and Warehousing	660	1,051	391	59.2%
Manufacturing	508	786	278	54.7%
Professional and Technical Services	1,292	1,533	241	18.7%
Real Estate and Rental and Leasing	715	908	193	27.0%
Management of Companies and Enterprises	71	160	89	125.4%
Wholesale Trade	552	638	86	15.6%
Other Services, Ex. Public Admin	1,419	1,505	86	6.1%
Arts, Entertainment, and Recreation	1,158	1,227	69	6.0%
Utilities	50	55	5	10.0%
Information	440	435	-5	-1.1%
Natural Resources and Mining	566	544	-22	-3.9%
Finance and Insurance	1,025	982	-43	-4.2%
Educational Services	2,612	2,487	-125	-4.8%
Public Administration	3,384	3,088	-296	-8.7%
Total	**39,923**	**44,754**	**4,831**	**12.1%**

Source: Florida Department of Economic Opportunity; Kimley-Horn

As shown in Graph 10, Charlotte County made up 6.5% of the total employment in Southwest Florida in 2015. With over 3,000 jobs, Government comprised the highest capture of regional jobs at nearly 10% of the total. Other employment sectors that captured an above average share of the regional total included Retail Trade, Transportation and Warehousing, and Health and Education.

Graph 10: Charlotte County Share of Southwest Florida Employment, 2015



Murdock Village Market Area

The most recent data available for the Murdock Village Market Area is from the U.S. Census' longitudinal employer-household dynamics dataset which was published in 2014. This dataset focuses on the relationship between where people live and where they work, providing the opportunity for customizable analysis based on Census Block Groups.

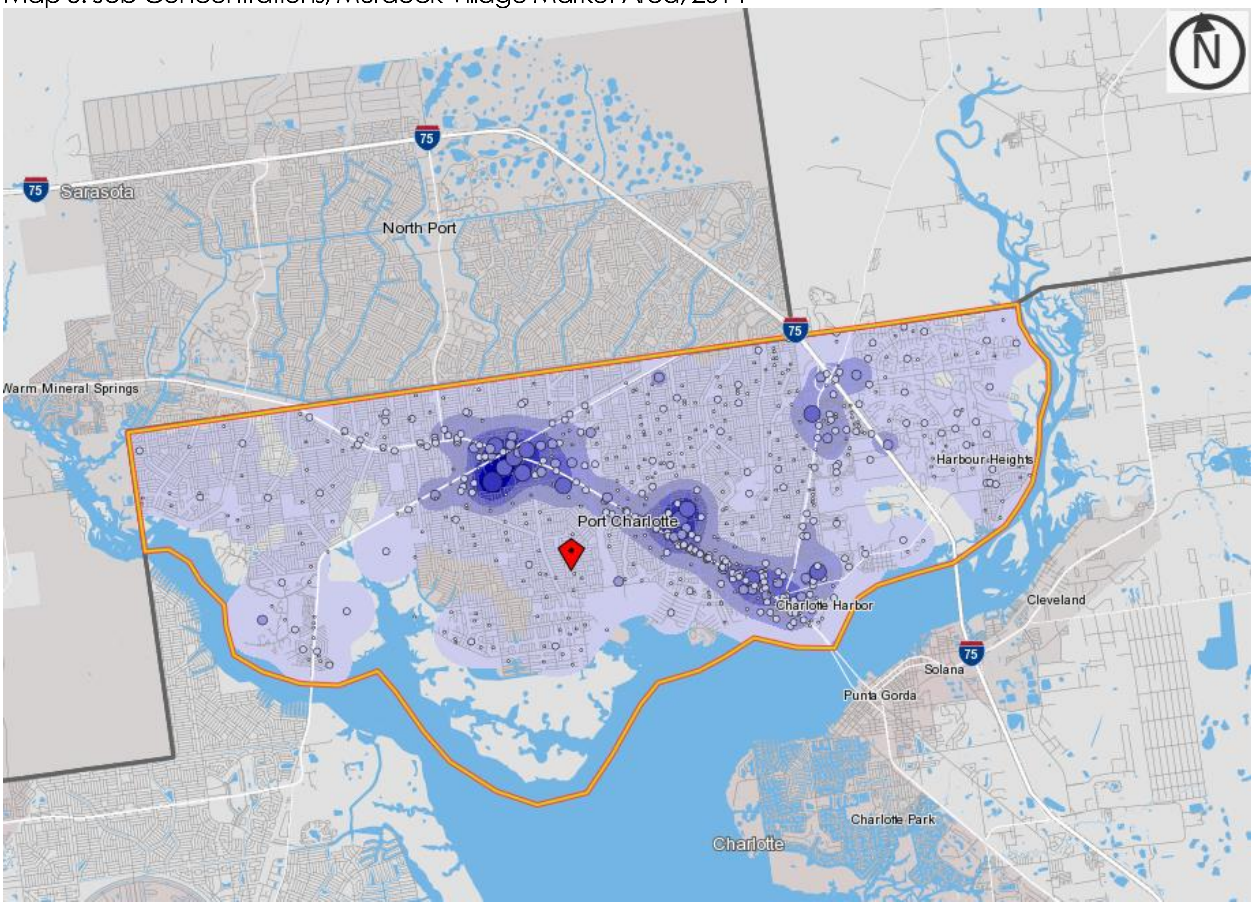
As shown in *Map 5*, jobs in the Murdock Village Market Area are generally located along US 41, driven by the following anchors:

- **Port Charlotte Town Center**. The intersection of US 41 and FL 776 represents the largest concentration of retail trade services in Charlotte County, anchored by Port Charlotte Town Center Mall. The area offers major big box retailers (Walmart, Target, Best Buy, Home Depot, Sam's Club), as well as smaller in-line spaces. Port Charlotte High School and the Charlotte County administrative offices are also nearby.

- **Fawcett Memorial Hospital/Bayfront Health**. Hosting two major hospital systems, the intersection of US 41 and Olean Boulevard represents a concentration of healthcare-related jobs. Other notable employment sectors in this area include the Cultural Center of Charlotte County and retail services serving hospital employees and patients.

- **Mixed-Sector Node at Edgewater Drive**. The southernmost employment concentration on US 41 is at Edgewater Drive. This area is home to Peace River Elementary School, a variety of retailers, including Rooms to Go and a Publix-anchored shopping center, as well as some medical office with proximity to the main medical node.

Map 5: Job Concentrations, Murdock Village Market Area, 2014



The Market Area reported 22,919 jobs in 2014, 18.0% more than the 19,416 jobs reported in 2009. The largest sectors included Healthcare and Social Assistance, driven by concentrations of medical jobs at the Fawcett and Bayfront campuses, and Retail Trade surrounding the Port Charlotte Town Center (Table 5). In addition to being the largest sectors, these two industries both demonstrated strong growth over the five-year period. Jobs in the Market area comprise approximately one-half of the County-wide total, and 3.3% of the employment base in Southwest Florida.

Overall, the sectors that experienced the most notable increases over the last ten years include:

- Healthcare and Social Assistance (+1,111)
- Retail Trade (+1,075)
- Administrative and Waste Services (+668)
- Accommodation and Food Services (+202)
- Other Services (+190)

Table 5: Annualized Employment by Industry, Market Area, 2009-2014

Industry	2009	2014	2009-2014 Δ #	2009-2014 Δ %
Health Care and Social Assistance	5,247	6,358	1,111	21.2%
Retail Trade	3,183	4,258	1,075	33.8%
Administrative and Waste Services	1,021	1,689	668	65.4%
Accommodation and Food Services	2,114	2,316	202	9.6%
Other Services, Ex. Public Admin	555	745	190	34.2%
Professional and Technical Services	638	806	168	26.3%
Construction	1,411	1,557	146	10.3%
Arts, Entertainment, and Recreation	456	565	109	23.9%
Management of Companies and Enterprises	34	134	100	294.1%
Transportation and Warehousing	71	120	49	69.0%
Manufacturing	138	175	37	26.8%
Natural Resources and Mining	5	19	14	280.0%
Utilities	11	23	12	109.1%
Wholesale Trade	266	256	-10	-3.8%
Finance and Insurance	546	507	-39	-7.1%
Information	362	313	-49	-13.5%
Real Estate and Rental and Leasing	338	260	-78	-23.1%
Public Administration	497	402	-95	-19.1%
Educational Services	2,523	2,416	-107	-4.2%
Total	**19,416**	**22,919**	**3,503**	**18.0%**

Source: US Census LEHD On the Map; Kimley-Horn

Annualized Wages by Industry

Southwest Florida

In 2015, the average annual wage in Southwest Florida was $41,593, an increase of $3,772, or 10.0%, since 2010 (Table 6). With an average wage of $113,787, Management of Companies and Enterprises is the highest paid sector in the region, followed by Utilities at $84,394 per year. Every industry sector in the region experienced an increase over the last five years, driven by recovery from the 2007-2009 Recession. The most notable changes included:

- Management of Companies and Enterprises (+$25,079)
- Utilities (+$17,360)

- Finance and Insurance (+$13,643)
- Real Estate and Rental and Leasing (+$11,295)
- Professional and Technical Services (+$9,213)

Table 6: Annualized Average Wages, Southwest Florida, 2010-2015

Industry Classification	2010	2015	2010-2015 Δ #	2010-2015 Δ %
Management of Companies and Enterprises	$88,708	$113,787	$25,079	28.3%
Utilities	$67,034	$84,394	$17,360	25.9%
Finance and Insurance	$65,893	$79,536	$13,643	20.7%
Real Estate and Rental and Leasing	$37,244	$48,539	$11,295	30.3%
Professional and Technical Services	$55,910	$65,124	$9,213	16.5%
Information	$49,554	$57,891	$8,337	16.8%
Wholesale Trade	$53,961	$61,510	$7,549	14.0%
Manufacturing	$45,155	$51,090	$5,935	13.1%
Natural Resources and Mining	$20,681	$26,554	$5,873	28.4%
Construction	$38,289	$43,917	$5,627	14.7%
Educational Services	$38,367	$42,136	$3,769	9.8%
Arts, Entertainment, and Recreation	$29,753	$33,242	$3,489	11.7%
Health Care and Social Assistance	$46,161	$49,426	$3,265	7.1%
Transportation and Warehousing	$41,707	$44,924	$3,217	7.7%
Other Services, Ex. Public Admin	$27,615	$30,793	$3,178	11.5%
Retail Trade	$28,437	$31,230	$2,793	9.8%
Administrative and Waste Services	$29,465	$32,120	$2,655	9.0%
Public Administration	$47,713	$50,185	$2,472	5.2%
Accommodation and Food Services	$22,087	$23,810	$1,723	7.8%
Total	**$37,821**	**$41,593**	**$3,772**	**10.0%**

Source: Florida Department of Econoimc Opportunity ; Kimley-Horn

Although demonstrating the highest average wage at $113,787, jobs in the Management of Companies and Enterprises sector make up only 0.8% of the regional total. Industries with the most jobs, Retail Trade and Healthcare, had average annual wages of $31,230 and $49,426, respectively, in 2015.

Charlotte County

The average annualized wage in Charlotte County in 2015 was $35,672, lower than the measure for Southwest Florida (Table 7). Finance and Insurance had the highest annual wage at over $60,000, followed by Professional and Technical Services and Education. The industries that experienced the largest increase over the 10-year period include:

- Educational Services (+$15,113)
- Finance and Insurance (+$12,094)
- Professional and Technical Services (+$11,171)
- Natural Resources and Mining (+$10,954)
- Construction (+$6,914)

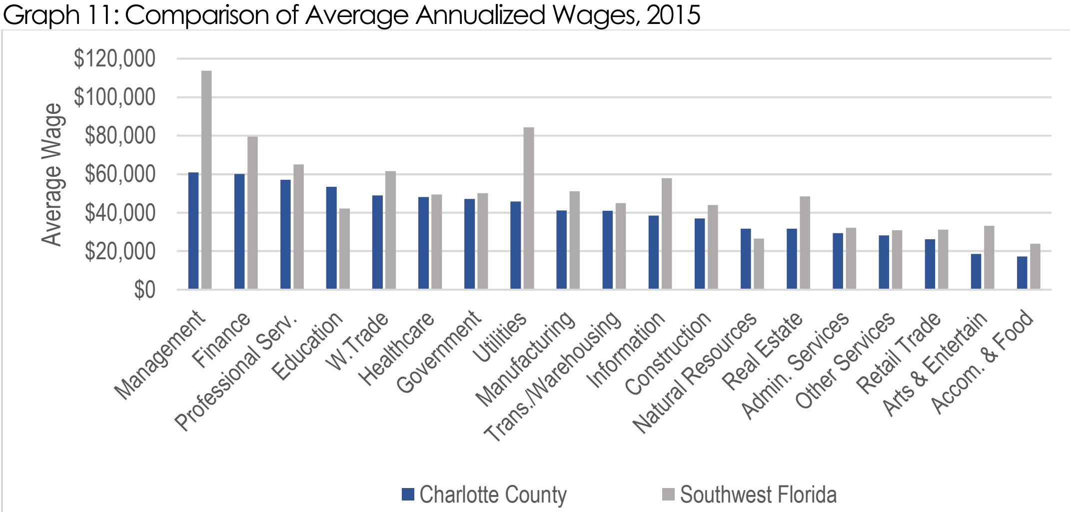
Table 7: Annualized Average Wages, Charlotte County, 2010-2015

Industry	2010	2015	2010-2015 Δ #	2010-2015 Δ %
Educational Services	$38,257	$53,370	$15,113	39.5%
Finance and Insurance	$47,933	$60,027	$12,094	25.2%
Professional and Technical Services	$45,853	$57,024	$11,171	24.4%
Natural Resources and Mining	$20,798	$31,752	$10,954	52.7%
Construction	$30,020	$36,934	$6,914	23.0%
Wholesale Trade	$42,029	$48,924	$6,895	16.4%
Manufacturing	$34,913	$41,213	$6,300	18.0%
Real Estate and Rental and Leasing	$26,264	$31,694	$5,430	20.7%
Health Care and Social Assistance	$43,545	$48,164	$4,619	10.6%
Utilities	$42,163	$45,813	$3,650	8.7%
Public Administration	$43,461	$47,062	$3,601	8.3%
Other Services, Ex. Public Admin	$24,725	$28,165	$3,440	13.9%
Accommodation and Food Services	$14,850	$17,313	$2,463	16.6%
Retail Trade	$23,845	$26,197	$2,352	9.9%
Transportation and Warehousing	$38,823	$40,943	$2,120	5.5%
Administrative and Waste Services	$28,651	$29,391	$740	2.6%
Management of Companies and Enterprises	$60,671	$60,844	$173	0.3%
Arts, Entertainment, and Recreation	$18,474	$18,640	$166	0.9%
Information	$48,291	$38,490	-$9,801	-20.3%
Average	**$32,414**	**$35,672**	**$3,258**	**10.1%**

Source: Florida Department of Economic Opportunity; Kimley-Horn

As shown in *Graph 11*, Charlotte County trails behind the region for average wages in nearly every industry sector, with the exception of Education and Natural Resources and Mining. The largest departures are in the Management, Utilities, Finance and Insurance, and Information sectors. It should be noted that average wages across all sectors is less varied in Charlotte County, ranging from a low of $17,313 to a high of approximately $60,000.

Graph 11: Comparison of Average Annualized Wages, 2015



REAL ESTATE HIGHLIGHTS.

Given the relatively small size of the office and industrial markets in Charlotte County, third-party real estate performance trends are limited. To provide insight into the real estate market, highlights of key activity nodes for office and industrial product types are provided below.

Office Highlights

Multi-tenant office buildings in Charlotte County are primarily concentrated in downtown Punta Gorda and near the Port Charlotte Town Center. Medical office space is located along US 41 near the Fawcett Memorial Hospital and Bayfront Health Port Charlotte campuses, as well as near Bayfront's facility in downtown Punta Gorda.

Downtown Punta Gorda covers nearly 24 city blocks on the south side of Charlotte Harbor, and contains a mixture of new and historic buildings following reinvestment after Hurricane Charley. Downtown hosts City of Punta Gorda government employees, as well as a wide variety professional services and finance companies. Height restrictions in downtown result in smaller individual buildings, typically not larger than 10,000 to 15,000 square feet. Medical office space is located near Bayfront Health Punta Gorda, a 208-bed private facility.

Triple net lease rates generally range from $12-$16 per square foot, depending on building quality and location, with medical office space achieving a slight premium. The 201 W Marion building, shown above on the left, represents one of the largest offerings in downtown in a vertically integrated building with top-of-the-market lease rates.

Charlotte County also has a concentration of medical office space near the **Fawcett and Bayfront Health Port Charlotte campuses**, off of US 41. Tenants in this space are seeking proximity to the two medical facilities, including specialty groups and private practices. Office buildings in this node generally range from 5,000 to 25,000 square feet, with rents comparable to downtown medical space at $15 to $20 per square foot.

According to feedback from Fawcett, one of the biggest challenges that these facilities face is availability of land for expansion. Fawcett is undertaking a $21 million expansion that includes 20 additional beds and a new parking deck. However, future visions for the institution include a more comprehensive $60-$70 million-dollar investment.

A third node of office activity is in the **Port Charlotte Town Center** area, including both Charlotte County government buildings and multi-tenant spaces targeting professional services and finance. There is significant variation of product in this area, from small single-story buildings to larger Class A structures containing over 50,000 square feet. With a greater diversity in product, lease rates in this area generally range from $10 to $15 per square foot, with the larger Class A space achieving rates similar to downtown Punta Gorda.

Industrial and Tech/Flex Highlights

Two industrial activity nodes in Charlotte County are highlighted in this section to demonstrate performance in this real estate sector. The nodes, a light industrial/ tech/flex development across Collingsworth Boulevard from the site, and a large-scale land offering surrounding the airport, have been selected because they offer divergent views of a wide-range of product in Charlotte County.

The **Murdock Circle Industrial Area** is located immediately east of the Murdock Village CRA, across Collingsworth Boulevard. Most properties in this area were constructed in the 1980s, and generally range in size from 5,000 to 25,000 square feet. The Murdock Circle area offers a mixture of owner-occupied and for-lease buildings that target typically warehouse and light industrial users. Largely related to the construction industry, businesses locating here are seeking proximity to customer base to enhance services provision. This area offers access to a customer base in Charlotte County, as well as North Port and Venice to the north. These types of users typically value easy access to customers over interstate access and large land availability.

As the construction industry continues to recover following the 2007-2009 Recession, available space for sale or lease in the Murdock Village industrial area appears to be limited. For rental opportunities, asking lease rates vary, but typically range from $7.00 to $10.00, depending on building size and configuration.

Targeting a different user profile, the **Punta Gorda Interstate Airport Park**, leverages proximity to I-75, as well as its adjacency to the Punta Gorda Airport. The 4,300-acre industrial area offers future users opportunities for site sizes ranging from one to 1,000 acres. Not only is this area part of a designated Foreign Trade Zone, local incentives like rapid permitting and shovel-ready sites, are being used to market the property on a global scale.

Cheney Brothers, Inc., a food distributor, opened its fifth Florida facility in 2015 in the Punta Gorda Interstate Airport Park, the most significant investment to date. The 275,000-square-foot facility hosts 380 jobs, with expansion plans on the horizon. Proximity and access to I-75 was a critical consideration in the selection of this site. Other users in the park include Southeastern Freightlines, Peace River Distribution, Blue Bell Creameries, Sherwin Williams Paint, as well as a variety of aviation-related users.

As with Cheney Brothers, proximity to I-75 is likely to be a major consideration for many of the users considering the Punta Gorda Interstate Airport Park. The Airport Park offers a unique opportunity in Charlotte County to access large tracts of land with proximity a variety of transportation modes, including highway, rail, and air. Users seeking a location in this area of the County are unlikely to cross-shop locations in Murdock Village given the urban nature of the area, smaller tracts of available land, and its further distance from I-75.

Babcock Ranch

As western Charlotte County continues to build-out, development has been moving eastward seeking locations for larger-scale master planned communities. One of the most notable of these is Babcock Ranch, located off FL 31. At build-out, the development is entitled for approximately 19,500 homes, containing 50,000 residents, and six million square feet of non-residential, all in a community that is powered by solar energy. Single-family detached housing prices start at about $350,000. Both residential units and components of the 'Founder's Square' town center are well underway with new residents and businesses already moving in. A charter school is under construction with opening anticipated for the Fall 2017 school-year. As this development continues to move forward, this area will capture and generate additional market demand. Build-out of the entire property is expected to be at least 20 years.

SWOT ANALYSIS.

STRENGTHS

INTERNAL

UNIQUE RESOURCES

ADVANTAGES

COMMODITIES

- Central location in northern Charlotte County; accessible location north of the Peace River and close to Sarasota County.
- Large tracts of single-ownership land that is "central to everything"
- Recent upgrades to surrounding transportation infrastructure and utility service nearing completion.
- Land prices are extremely competitive when compared to other areas in the region
- Punta Gorda/Charlotte County is the eighth fastest-growing MSA in the nation
- Tax rates are comparable to other nearby jurisdictions
- Charlotte County public school system has a good reputation
- Low crime rates
- High school robotics program/team has gained notoriety at the national level
- Robust offering of healthcare services with multiple providers and specialties
- Punta Gorda Airport (PGD) experiencing growth with expansions at Allegiant and Frontier
- A new 105-room Marriott, currently under construction, will expand the existing hotel stock
- Murdock Village has gained momentum with the press from the Private Equity Group's project, bringing new housing, hotel, and retail to the immediate area
- Recreation uses are attractors for tourism, including Englewood Beach, Charlotte Harbor/Peace River fishing and boating, and Tampa Bay Rays/Stone Crabs baseball

- Site infrastructure upgrades and installation required for transportation, utilities, and site work
- US 41 "gateway" to the site is not in direct control of the CRA, and is represented by a hodge-podge of uses in varying conditions
- Charlotte County has experienced a declining capture of total regional jobs; companies are increasingly seeking locations in or near major employment centers that also offer a mixture of uses and proximity to interstate infrastructure
- Cultural and entertainment activity nodes are limited, but is an important consideration for attracting young professionals and families
- Limited variety of housing stock with over-abundance of platted 80x120 lots; lack of executive and higher-end rental opportunities
- No on-the-ground speculative options for manufacturing/distribution/tech-flex space today
- Developed a reputation as a retirement community
- Declining student enrollment; loss of youth after high school limits young professionals in the community
- With more than one-half of the population either under the age of 19 or over 65, work force participation in Charlotte County has been in decline
- Only 30% of the population have attained an Associate's degree or higher in the County, accessibility to trained and educated workforce for employers is limited
- Second oldest County in the nation, results in an aging workforce with low labor force participation
- Planned development momentum trending to the east, capitalizing on more options for undeveloped large tracts

INTERNAL

CHALLENGES

DISADVANTAGES

COMPLICATIONS

WEAKNESSES

OPPORTUNITIES

EXTERNAL

POSITIVE TRENDS

ASSETS

- Western Michigan University extension campus will bring new momentum in education
  - o Expansion and rejuvenation at Florida Southwestern State College (FSWSC)
  - o Potential influx of new college-aged residents seeking access to competitive, yet affordable, education resources
  - o Initial focuses on aviation and medical fields
  - o Program is poised for growth
- Strong health care presence that is showing limited seasonality
- Healthcare providers are in expansion modes, but are essentially land-locked; consider off-site opportunities for free-standing emergency facility, research, and medical office
- PGD currently does not charge landing fees – expansion and growth on the horizon
- Rail lines near PGD could allow for intermodal users seeking access to air, rail, and highway
- Growth in older people with active lifestyles (OPALS) could be leveraged for 'encore careers' and the creation jobs through entrepreneurial growth
- Creation of a "place" for Port Charlotte that does not exist today
- Florida Southwestern State College can act as a receiver for grant funding for workforce training opportunities (CBI leveraged this)
- Charlotte County has incentive packages that could encourage major employers to consider the area, including abatements, partnerships, etc.

- Although new elected officials and staff hires have charted a new sentiment on development, perception exists of a difficult environment for planning approvals, amplified by a "vocal" minority of the public that doesn't want change
- High risk associated with business/technology product on land that requires significant invest ment to crate pad-ready sites
- As a way to attract top talent, STEM users are increasingly seeking space that offers urban, pedestrian friendly environment with access to services, dining, entertainment
- State regulations modified to allow families to choose county where children will attend school; resulting in decline in student population
- Loss of young professionals to other areas of the state/country following college
- Increased competitiveness in North Port, offering newer housing and a more defined community brand, has attracted a younger population in recent years
- Development of new housing stock has been stifled near the site, including multifamily options and higher-end, non-waterfront single-family units

EXTERNAL

NEGATIVE TRENDS

OBSTACLES

RISKS

THREATS

DEMAND POTENTIAL.

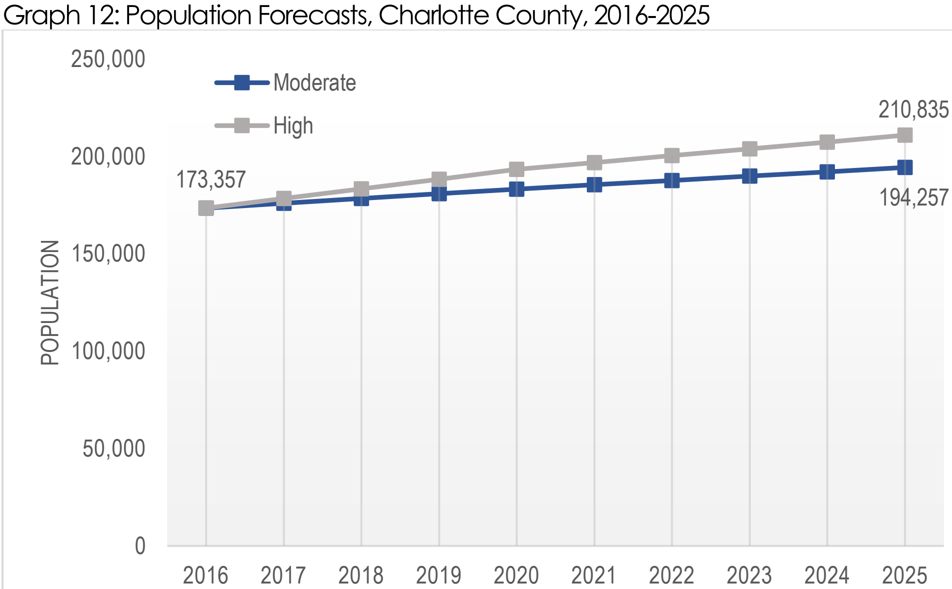
This section provides population and employment forecasts for Charlotte County. Forecasts, presented in two scenarios, are based on third-party data sources and consider the county's geographic location in the region, demographic and economic trends, tourism, and real estate market performance. Future employment growth is utilized to determine the basis for demand potential for office, tech flex, and industrial product as part of a Business and Technology strategy for the Murdock Village site.

Population Projection

Two scenarios are provided in this analysis, representing a moderate and high forecast of future population growth. Projections are based on data prepared by the Bureau of Economic and Business Research (BEBR) at the University of Florida. The starting point for the population forecasts are 2016 estimates, provided by ESRI, and consider a horizon through 2025.

Based on data provided by ESRI, Charlotte County had over 173,000 residents in 2016. As shown in *Graph 12*, the moderate scenario projects population in Charlotte County to near 195,000 residents by 2025, an increase of 12.1%. The high scenario forecasts the addition of over 37,000 new residents through 2025, reaching a total population in Charlotte County of 210,835.

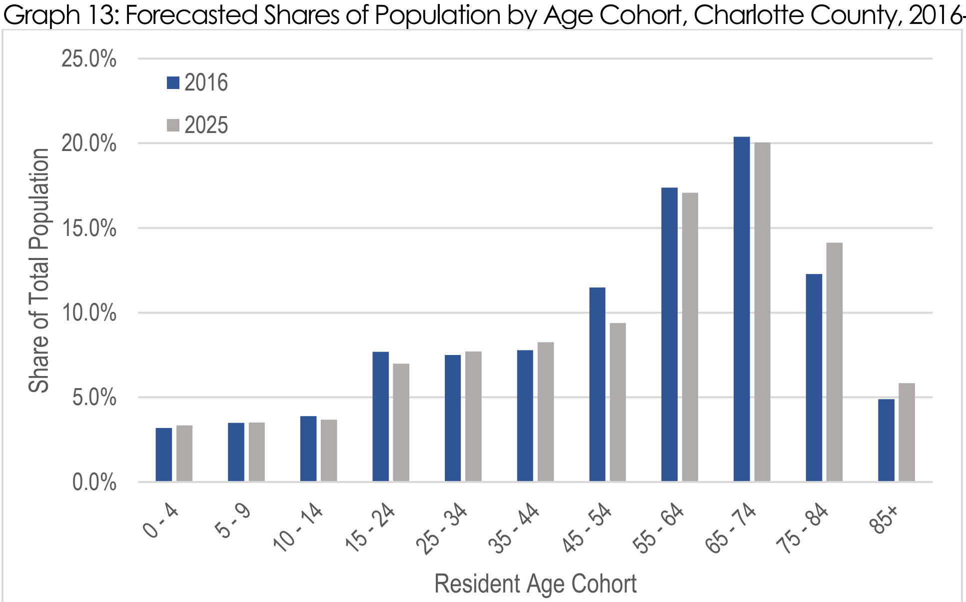
Graph 12: Population Forecasts, Charlotte County, 2016-2025



It should be noted that BEBR also provides a more conservative forecast for Charlotte County, which projects growth through 2025 of only 1,450 new residents. This scenario was not presented as part of this analysis for two reasons: (1) they suggest that the County could experience a decline in population through 2020, which does not appear plausible given recent releases of population growth from the US Census; and (2) momentum at Babcock Ranch, alone, will drive growth well beyond BEBR's conservative measure.

As shown in *Graph 13*, older residents are forecasted to continue to dominate the population age variation in Charlotte County in 2025. Although residents aged 55 through 74 will continue to represent the most common age cohorts, increased shares are expected in residents over the age of 75 as Baby Boomers age in place. Shares of most other cohorts are forecasted to remain relatively consistent, except for a decline in residents aged 45 to 54, largely due to the comparatively small size of Generation X. Labor force participation will continue to be an issue in Charlotte County as even more of the population will be at retirement age than the current measures.

Graph 13: Forecasted Shares of Population by Age Cohort, Charlotte County, 2016-2025



Employment Projection

Employment forecasts are based on interpretations of datasets prepared by Woods & Poole for Charlotte County. Woods & Poole is a third-party demographic and economic forecasting company that provides data nationally.

Based on these data sets, Charlotte County is expected to near 54,000 total jobs by 2025, a 12.1% increase from an estimated 45,700 jobs in 2016 (*Table 8*). Each with over 10,000 jobs, Retail Trade and Healthcare and Social Assistance are expected to remain the largest sectors in 2025.

All industries are expected to experience growth over the nine-year period, with the strongest sectors including:

- Healthcare and Social Assistance (+1,588)
- Retail Trade (+1,530)
- Accommodation and Food Services (+1,121)
- Construction (+1,062)
- Public Administration (+516)

Table 8: Employment Forecast, Charlotte County, 2016-2025

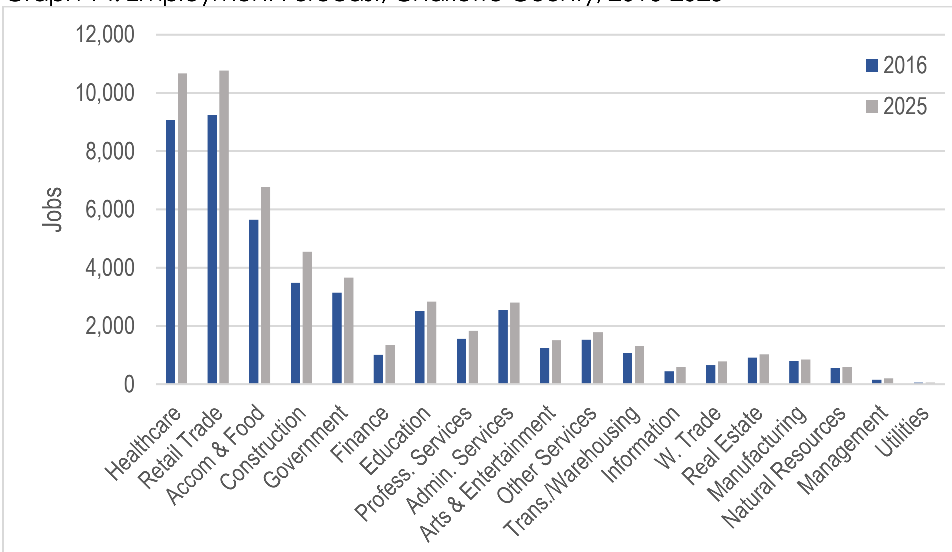
Industry	*2015*	2016	2020	2025	2016-2025 Δ #	2016-2025 Δ %
Health Care and Social Assistance	*8,914*	9,078	9,758	10,666	1,588	17.5%
Retail Trade	*9,021*	9,243	9,963	10,773	1,530	16.6%
Accommodation and Food Services	*5,535*	5,654	6,142	6,776	1,121	19.8%
Construction	*3,360*	3,487	3,956	4,549	1,062	30.5%
Public Administration	*3,088*	3,148	3,384	3,664	516	16.4%
Finance and Insurance	*982*	1,017	1,161	1,341	324	31.8%
Educational Services	*2,487*	2,522	2,661	2,835	314	12.4%
Professional and Technical Services	*1,533*	1,562	1,681	1,844	283	18.1%
Administrative and Waste Services	*2,525*	2,549	2,661	2,809	259	10.2%
Arts, Entertainment, and Recreation	*1,227*	1,251	1,358	1,510	259	20.7%
Other Services, Ex. Public Admin	*1,505*	1,531	1,638	1,784	253	16.6%
Transportation and Warehousing	*1,051*	1,069	1,167	1,317	247	23.1%
Information	*435*	449	511	598	149	33.1%
Wholesale Trade	*638*	656	715	786	130	19.8%
Real Estate and Rental and Leasing	*908*	920	967	1,028	108	11.8%
Manufacturing	*786*	797	828	853	56	7.0%
Natural Resources and Mining	*544*	549	571	597	48	8.7%
Management of Companies and Enterprises	*160*	164	180	201	37	22.3%
Utilities	*55*	56	56	57	1	2.6%
Total	***44,754***	**45,700**	**49,359**	**53,987**	**4,831**	**12.1%**

Source: Florida Department of Economic Opportunity; Woods & Poole; Kimley-Horn

It should be noted that the impact of the Babcock Ranch development is not likely captured in the forecasted prepared by Woods & Poole. The six million square feet of entitled non-residential space, with a focus on neighborhood-serving retail and professional office will generate new jobs in the County. More momentum in the residential component will be required before a significant influx of commercial development begins. It is likely majority of the employment impact for Babcock Ranch would not be experienced until post-2025.

As shown in *Graph 14*, the largest employment sectors in Charlotte County in 2025 are expected to be Healthcare, Retail Trade, Accommodation and Food Services, and Construction. While some sectors are forecasted to grow slower than others, none of the industries are anticipated to demonstrate a net decline through 2025.

Graph 14: Employment Forecast, Charlotte County, 2016-2025



Office Demand

Office-Occupying Employment Forecast

Office demand for Charlotte County was based on office-occupying growth, as reported Woods & Poole. To forecast the increase in office-occupying employment, office shares were applied to each industry projection (as previously demonstrated in the base employment forecast). Finance and Insurance, Professional and Technical Services, Management of Companies and Enterprises, and Real Estate and Rental and Leasing have the highest shares of office-occupying employment, ranging from 85% to 95%. Charlotte County is forecasted to have an increase of 2,541 office-occupying employees, or 17.4%, between 2016 and 2025 (*Table* 9).

Table 9: Office-Occupying Employment Forecast, Charlotte County, 2016-2025

Industry	Office Share	2016	2021	2026	2016-2026 Δ #	2016-2026 Δ %
Natural Resources and Mining	5.0%	27	29	30	2	8.7%
Utilities	15.0%	8	472	27,002	1	12.0%
Construction	10.0%	349	396	455	106	0.0%
Manufacturing	5.0%	40	41	43	3	7.0%
Wholesale Trade	25.0%	164	179	196	32	19.8%
Retail Trade	10.0%	924	996	1,077	153	16.6%
Transportation and Warehousing	25.0%	267	292	329	62	23.1%
Information	30.0%	135	153	179	45	33.1%
Finance and Insurance	95.0%	966	1,103	1,274	307	31.8%
Real Estate and Rental and Leasing	85.0%	782	822	874	92	11.8%
Professional and Technical Services	95.0%	1,483	1,597	1,752	269	18.1%
Management of Companies and Enterprises	95.0%	156	171	191	35	22.3%
Administrative and Waste Services	80.0%	2,039	2,128	2,247	208	10.2%
Educational Services	30.0%	757	798	851	94	12.4%
Health Care and Social Assistance	35.0%	3,177	3,415	3,733	556	17.5%
Arts, Entertainment, and Recreation	15.0%	188	204	226	39	20.7%
Accommodation and Food Services	10.0%	565	614	678	112	19.8%
Other Services, Ex. Public Admin	25.0%	383	410	446	63	16.6%
Public Administration	70.0%	2,204	2,369	2,565	361	16.4%
Total		**14,615**	**16,189**	**44,148**	**2,541**	**17.4%**

Source: Florida Department of Econoimc Opportunity; Woods & Poole; Kimley-Horn

Office Demand Forecast

Forecasted office-occupying jobs have been used to estimate demand potential for new square footage. National trends indicate a declining amount of office space per employee. Estimates for office demand are based on a 225-square-foot per employee average between 2016 and 2020 and 200 square feet per employee between 2020 and 2025.

Charlotte County is forecasted to add approximately 2,541 new office jobs between 2016 and 2025. At an average space per employee of between 200 and 225 square feet, this equates to demand of approximately 536,000 square feet of net new single- and multi-tenant office space over the nine-year period (*Table* 10). Most of the demand would likely be driven by healthcare, finance, and professional services. Including a 10% vacancy factor, applied to allow flexibility to accommodate inter- and intra-market moves, Charlotte County is forecasted to have total demand for over 589,540 square feet of additional office space between 2016 and 2025.

Table 10: Net New Office Demand, Charlotte County, 2016-2025

	New Office Demand 2016-2020	2020-2025	2016-2025 Total
Office Occupying Jobs	1,112	1,429	2,541
Square Feet/Employee	225	200	
Net Demand (Sq.Ft.)	250,200	285,745	535,945
Net Office Space Demand (Sq.Ft.)	275,220	314,320	589,540

Source: Florida Department of Econoimc Opportunity; Woods & Poole; Kimley-Horn

Industrial Demand

The industrial demand forecast is based on organic job growth, as previously demonstrated, and excludes large “drop-in” manufacturing and distribution site selections, similar to the Cheney Brothers relocation. These types of large-scale, drop-ins are extremely difficult to predict, and often require public-private partnerships or incentives to entice a user.

Industrial-Occupying Employment Forecast

Industrial-occupying employment projections are based on the Woods & Poole forecasts demonstrated previously in this section. These projections include jobs that would seek tech/flex, manufacturing, and warehouse/distribution facilities.

New industrial jobs in Charlotte County are based on shares of industrial-occupying employees by industry. These shares range from 0% for Financial Activities and Professional-focused sectors to 90% for Manufacturing and Wholesale Trade.

Charlotte County is expected to have an increase of 933 new industrial-occupying jobs in the nine-year period between 2016 and 2025, a 18.4% increase (Table 11). Notable increases are expected in the Retail Trade, Transportation and Warehousing, and Construction sectors.

Table 11: Industrial-Occupying Employment Forecast, Charlotte County, 2016-2025

Industry	Industrial Share	2016	2021	2026	2016-2026 Δ #	2016-2026 Δ %
Natural Resources and Mining	5.0%	27	29	30	2	8.7%
Utilities	60.0%	33	34	34	1	2.6%
Construction	15.0%	523	593	682	159	0.0%
Manufacturing	90.0%	717	745	767	50	7.0%
Wholesale Trade	90.0%	590	644	707	117	19.8%
Retail Trade	10.0%	924	996	1,077	153	16.6%
Transportation and Warehousing	60.0%	641	700	790	148	23.1%
Information	65.0%	292	332	389	97	33.1%
Finance and Insurance	0.0%	0	0	0	0	0.0%
Real Estate and Rental and Leasing	5.0%	46	48	51	5	0.0%
Professional and Technical Services	5.0%	78	84	92	14	18.1%
Management of Companies and Enterprises	0.0%	0	0	0	0	0.0%
Administrative and Waste Services	10.0%	255	266	281	26	0.0%
Educational Services	5.0%	126	133	142	16	12.4%
Health Care and Social Assistance	5.0%	454	488	533	79	17.5%
Arts, Entertainment, and Recreation	5.0%	63	68	75	13	20.7%
Accommodation and Food Services	0.0%	0	0	0	0	0.0%
Other Services, Ex. Public Admin	10.0%	153	164	178	25	0.0%
Public Administration	5.0%	157	169	183	26	16.4%
Total		**5,081**	**5,494**	**6,014**	**933**	**18.4%**

Source: Florida Department of Econoimc Opportunity; Woods & Poole; Kimley-Horn

Industrial Demand Forecast

Forecasted industrial-occupying jobs have been used to estimate square footage demand. Estimates for industrial demand are based on an average of 700 square feet per employee. Square feet per employee estimates vary from 300 square feet to 1,000 square feet, depending on use. Typically, Manufacturing and Wholesale Trade sectors require the most industrial space per employee.

Table 12 demonstrates the expected increase in new industrial-occupying employees and required square footage through 2025. Charlotte County is forecasted to have demand for approximately 653,000 square feet of industrial demand between 2016 and 2025. Including a 10% vacancy rate like the office projection, Charlotte County could support industrial space requirements for over 718,000 square feet through 2025.

Table 12: Net New Industrial Demand, Charlotte County, 2016-2025

	New Industrial Demand 2016-2020	New Industrial Demand 2020-2025	2016-2025 Total
Industrial Occupying Jobs	413	520	933
Square Feet/Employee	700	700	
Net Demand (Sq.Ft.)	288,973	363,974	652,947
Net Industiral Space Demand (Sq.Ft.)	317,870	400,372	718,242

Source: Florida Department of Econoimc Opportunity; Woods & Poole; Kimley-Horn

Murdock Village CRA Capture

Office Capture

In the short-term, the Murdock Village CRA is not likely to capture a significant portion of the projected organic growth in office demand, particularly for professional service industries. Urban office space is experiencing a resurgence across the nation. Office tenants are increasingly searching for locations that provide an alternative to auto-dependent, single-use, low-density suburban office parks.

Charlotte County is projected to have demand for nearly 590,000 square feet of office space through 2025. Downtown Punta Gorda will likely attract professional-services given its urban nature and access to retail services, dining, and nightlife. As Babcock Ranch continues development, some professional-services will seek a location there to have access to new office construction close to a growing customer base.

As other areas of the CRA are developed, including the residential area to the west, office may become a more viable use. Additionally, medical office space could be an attractive use on the site, especially if an anchor use like a free-standing emergency room was constructed. Having an anchor medical use on the site would likely catalyze office demand. Through 2025, Murdock Village could capture and estimated 10%-15% of the office demand in the County, or 60,000 to 75,000 square feet.

Industrial Capture

Murdock Village would be most competitive in attracting industrial space that is not dependent on immediate access to interstate transportation facilities. A primary focus of the nearby Murdock Circle industrial area is construction-related office and warehousing in a flexible space configuration. The CRA's central location would make this an attractive site for similar uses in the future.

Charlotte County is forecasted to support demand of over 718,000 square feet of industrial space through 2025. As previously noted, the industrial demand forecast is based on organic job growth, and excludes large "drop-in" manufacturing, warehousing, and distribution site selections, similar to the Cheney Brothers relocation. These types of large-scale, drop-ins are extremely difficult to predict, but would likely seek locations in the Punta Gorda Airport Interstate Industrial Park given accessibility to I-75 and the airport.

The Murdock Village would likely attract smaller-scale light industrial space. Industrial-occupying jobs are expected to make up 17% of the total increase through 2025. At a 15% to 20% capture of the total Charlotte County demand, the Murdock Village CRA could support 100,000 to 150,000 square feet of light industrial space through 2025.

OPPORTUNITIES FOR HIGHEST AND BEST USE.

This section outlines key opportunities for the Business and Technology development pod currently identified as part of the Murdock Village CRA. Site opportunities are based on demographic and economic trends, the SWOT analysis, demand forecasts for office and industrial space, and feedback obtained during a series of stakeholder interviews. Specific recommendations for the conceptual plan update are also provided based on the key opportunities.

Health and Wellness Opportunities

One of the most critical challenges facing the medical campuses of Fawcett Memorial Hospital and Bayfront Health is land availability in proximity to current facilities. Fawcett Memorial Hospital is in the midst of a $20+ million expansion to expand patient services and address a parking deficit, with a longer-term $60-$70 million vision on the horizon.

The significant population of older residents in Charlotte County will support continued growth and expansion of medical services throughout the County. During the stakeholder interview with Fawcett Memorial Hospital, needs identified that could be accommodated on the Murdock Village site included a free-standing Emergency Room facility, as well as supporting, modern medical office space. Other short-term needs include access to educational and training programs for laboratory, radiology, pharmaceutical, and therapy positions.

The Murdock Village site could be an attractive location for a free-standing emergency room because of its proximity and accessibility to the existing concentration of medical services off US 41 in Port Charlotte. Additionally, the site offers easy access to a growing base of residents, not only with the potential to serve residents in Port Charlotte and Charlotte County, but also in North Port in Sarasota County.

Healthcare demand in Southwest Florida is a high-demand employment base. Considerations for this as a component of the Business and Technology development pod are as follows:

- Murdock Village's proximity to residents in Port Charlotte and North Port makes it an attractive location for medical-related services
- Maintain an open line of communication with Fawcett as they develop the next $60-$70 million phase of capital investments
- Be prepared to partner on land acquisition and infrastructure investments in order to make the site more financially feasible for a medical anchor
- Extension campus programs targeting medical industries at Western Michigan University (WMU) would provide opportunities for training and education to support this industry in the future
- A medical anchor use, like a free-standing emergency room, would drive attractiveness for other uses close by, including medical office space and retail to serve patients and staff

Other Potential Opportunities

Education-Sponsored Classroom Space or Research Facility

The extension campus of WMU presents a clear opportunity in Charlotte County. Beginning this fall, WMU will offer a bachelor's degree in aviation flight science at shared space at the Florida SouthWestern State College Punta Gorda campus and at the Punta Gorda Airport.

WESTERN MICHIGAN UNIVERSITY

Program offerings for WMU are expected continue to expand in the next couple years, beginning with a physician's assistant degree in Fall of 2018. While aviation-focused programs will likely remain close to the Punta Gorda Airport, medical programming could find space in other areas of the County, especially places that have accessibility to the main hospital campuses.

In addition to the potential to host university programming, the WMU Kalamazoo campus has a Business Technology and Research Park that is the result of partnerships in life sciences, advanced engineering, and information technology. Businesses located in the park have regular opportunities to interact with the faculty, research staff and students at the adjacent campus.

The development of the 200-acre park is a partnership of the City of Kalamazoo and WMU. Recent plans for a 44-acre expansion are supported by a grant from the U.S. Economic Development Administration. According to WMU, to date, the park has generated more than 700 jobs and $150 million in investment.

Momentum with expansion efforts at the Florida offerings for WMU present an opportunity for collaboration at the Murdock Village site. Considerations for this as a component of the Business and Technology development pod are as follows:

- Continuous fostering of relationships at WMU will be critical
- FSWSU has room for expansion on their campus, so public investment will likely be required to support consideration of Murdock Village
- As the WMU programs are new to the area, patience will be required as the extension classes gain momentum
- Charlotte County should do additional research into how Kalamazoo's Business Technology and Research Park was conceived, structured, and financed to determine feasibility at Murdock Village
- The success of WMU's Business Technology and Research Park in Kalamazoo is partially driven by proximity to a top-rated engineering school
    - The focus of a park at Murdock Village should tap into degrees and expertise offered locally
    - While site offers proximity to Florida SouthWestern State College and WMU's extension campus, it is unlikely Charlotte County could repeat the same scale of Kalamazoo's Business Technology and Research Park

Light Industrial/Flexible Workspace

The Murdock Village Business and Technology Park site offers a centrally located position in Charlotte County with easy access to North Port and the balance of Sarasota County to the north. This central location could drive demand for light industrial/flex space that often seeks locations close to a customer base.

The Murdock Circle industrial area, located across Collingsworth Boulevard from the site, is attracting a wide-range of users, many related to the construction industry. Growth in North Port, as well as plans for continued development of Babcock Ranch, will positively impact the construction industry in Charlotte County.

The development of a more modern version of offerings at nearby Murdock Circle could provide start-up space for new companies entering the construction industry. As demonstrated below, flex space design has evolved in recent years with more visually attractive building exteriors and interiors. Well-designed light industrial/flex space can be more easily be accommodated within a larger mixture of uses.

The return to construction demand following the 2007-2009 Recession has driven expansion of construction-related jobs and demand for new space that offers a flexible interior. Considerations for this as a component of the Business and Technology development pod are as follows:

- Murdock Village's proximity to residents in Port Charlotte and North Port makes it an attractive location for construction-related industries
- Lacking a significant anchor, to attract a master developer for light industrial/flex space, Charlotte County would likely need to participate in site preparation to reduce risk and development cost; this could include infrastructure installation and/or site work

RECOMMENDATIONS

Conceptual Plan Considerations

Based on the demand forecasts and the identified site opportunities, business and technology uses could be considered as part of a larger strategy on the site. Typical floor area ratios of 0.3 for office space and 0.2 for light industrial, approximately 25 acres would be needed to accommodate the potential space demand through 2025. This excludes additional space needs that could be generated by an anchor use like WMU extension programs or a free-standing emergency facility.

Charlotte County should promote an open line of communication to the key healthcare providers in the area, namely Fawcett and Bayfront, to market the site for potential service expansion as future capital needs are identified. Target acreages for the Business and Technology development pod at the Murdock Village CRA could be as follows:

- ***Mixed-Use***. As the combined acreage demand for healthcare and light industrial is less than the 165-acre pod can accommodate, Charlotte County should consider a mixed-use land use designation for the site. This allows for flexibility in development as the market evolves and can create an environment that would be attractive for a variety of users through integration of product types. This mixed-use area could also accommodate educational opportunities that may be created through the Western Michigan University extension campus in Charlotte County. The newness of the program presents some uncertainty for what the timing and demand could be for educational facilities, including academics and research, in the future.

  Easy access to a mixed-use environment has become a major attraction in location decisions made by many major employers. According to a study on preferred locations prepared by NAIOP, "Attractive employment space typically is close to cafes, restaurants, retail shops, personal and business services, hospitality, and civic uses. The best locations are compact, walkable places near housing and public transit. Tenants expect their employees to be more satisfied in places that offer diverse, connected land uses. As a result, these companies anticipate higher productivity, less turnover, and more innovation."

  - ***Healthcare and Wellness***. Free-standing emergency room facilities are expanding quickly across the country. The average free-standing emergency facility operates 24 hours a day, seven days a week with an average of eight to 12 beds. As typical facility sizes range from 10,000 to 15,000 square feet, the acreage required to support development is small (typically less than five acres). Anchored by a free-standing emergency facility, demand for other medical office space is likely to increase. This analysis suggests approximately 50 acres be reserved at the Murdock Village site for development of healthcare and wellness uses.

- ***Light Industrial and Flexible Work Space***. Following recovery from the 2007-2009 Recession, the expected increase in construction jobs is supportive of additional light industrial and flex-office space. Murdock Village's central location between Sarasota and Naples, make it attractive as many of these uses want access to their customer base. Approximately 20 to 30 acres of land should be reserved for a variety of light industrial and flexible work space users. Many of the tenants will be focused on the construction industry, which often requires a mixture of front office and warehousing/storage square footage.

Workforce Training and Education Considerations

This section provides recommendations for the provision of training and education to support a skilled workforce in Charlotte County for the top growth sectors. Charlotte County is expected to near 54,000 total jobs by 2025, a 12.1% increase. Based on projections by Woods & Poole, the fastest growing sectors include Healthcare, Retail Trade, Accommodation and Food Services, and Construction. While some positions in the Retail Trade and Accommodation and Foods Services sectors do require specialized education, this analysis focuses on opportunities for Healthcare and Construction.

With over 1,500 new jobs projected in **Healthcare and Social Assistance** through 2025, this sector represents one of the strongest opportunities for education opportunities. According to Fawcett Memorial Hospital, some of the most immediate training needs are in laboratory services, radiology, respiratory therapy, and pharmaceuticals. Neither Bayfront or Fawcett are teaching hospitals, with relatively limited accommodation for rotations.

Florida SouthWestern State College offers two baccalaureate degrees, one post-associate certificate, eleven associates degrees, and five certificates that prepare students for careers in nursing, paramedics, and emergency medical services. Bolstering the training offered by Florida SouthWestern, the Western Michigan University extension campus will begin offering a Masters in Physician Assistant (PA) program in Fall 2018. These generalists work in a wide range of medical careers, and the number of PA's have more than doubled nationally since 2010.

Skilled trade workers in **Construction** have been in high demand as development returns. Nationally, people employed in the Construction industry is only at about 74% of the pre-Recession levels, driven by laborer that switched careers or retired during the economic downturn. Additionally, nearly one-third of the current employees nationally are within ten years of retirement. Education support for the construction industry could include trainings offered by trade groups, construction management programs at local universities, high-tech technology design training, and online programs. Some programs across the United States are developing construction academies that train across a variety of fields, including plumbing, electrical, and carpentry. Resulting in more well-rounded construction employees.