

WATERWAYS PLAN FOR MARTIN & ST. LUCIE COUNTIES

Waterways Forum #6: Economics of the Waterways

May 2, 2014

9:00 AM

Fort Pierce – Historic City Hall
315 Avenue A * Fort Pierce, FL 34950

AGENDA

1. Welcome & Introductions
2. Presentation of Preliminary Market & Economic Indicators:

W. Thomas Lavash, WTL+a
Tom Moriarity, RDS

3. Panel Discussion
4. Overview of Maritime Academies:

Lauren Rand, District Seaport Coordinator
Florida Department of Transportation

5. Additional Discussion & Comments
6. Next Events: Public Input Workshops

May 7, 2014	1-6 p.m.	Port St. Lucie Civic Center 9221 SE Civic Center Place, Port St. Lucie, FL 34952
May 8, 2014	1-6 p.m.	Indian Riverside Park 1707 NE Indian River Drive, Jensen Beach, FL 34957
May 9, 2014	1-6 p.m.	City of Fort Pierce River Walk Center 600 N. Indian River Drive, Fort Pierce, FL 34950

7. Adjourn

WATERWAYS PLAN FOR MARTIN & ST. LUCIE COUNTIES

Project Steering Committee

May 2, 2014

11:20 AM (estimated)

Fort Pierce – Historic City Hall
315 Avenue A * Fort Pierce, FL 34950

AGENDA

1. Welcome & Introductions
2. Waterways Forums & Workshops – Review & Discussion

<i>FORUM 1</i>	Marine Transportation	December 19, 2013 Thursday (2 PM)	Indian Riverside Park Frances Langford Dockside Pavilion (2 nd Floor) 1707 NE Indian River Drive; Jensen Beach, FL 34957
<i>FORUM 2</i>	Land Use & Upland Transportation	January 8, 2014 Wednesday (2 PM)	Historic City Hall 315 Avenue A; Fort Pierce, FL 34950
<i>FORUM 3</i>	Regulation & Management of Waterways	January 29, 2014 Wednesday (2 PM)	Stuart City Hall (City Commission Chambers) 121 SW Flagler Avenue; Stuart, FL 34994
<i>FORUM 4</i>	Natural Resources	February 27, 2014 Thursday (2 PM)	Port St. Lucie Community Center 2195 S.E. Airoso Blvd. Port St. Lucie, FL 34984
<i>FORUM 5</i>	Recreational/Cultural/Educational Activities	March 12, 2014 Wednesday (2 PM)	Port Salerno Community Center 4950 SE Anchor Avenue; Stuart, FL 34997
<i>FORUM 6</i>	Economic Development	May 2, 2014 Friday (9 AM)	Historic City Hall 315 Avenue A; Fort Pierce, FL 34950
<i>PUBLIC WORKSHOP A</i>	Public Input Workshops Open to the Public Identical Formats, Presentations, and Public Input Opportunities	May 7, 2014 Wednesday (1 PM)	Port St. Lucie Civic Center 9221 SE Civic Center Place, Port St. Lucie, FL 34952
<i>PUBLIC WORKSHOP B</i>		May 8, 2014 Thursday (1 PM)	Indian Riverside Park 1707 NE Indian River Drive, Jensen Beach, FL 34957
<i>PUBLIC WORKSHOP C</i>		May 9, 2014 Friday (1 PM)	City of Fort Pierce River Walk Center 600 North Indian River Drive, Fort Pierce, FL 34950
<i>DESIGN STUDIO</i>	Public invited to provide additional input and view ongoing work Open to the Public No Appointment Necessary	May 19 -23, 2014 Monday - Friday (9 AM – 6 PM)	TCRPC Office 421 SW Camden Avenue, Stuart, FL 34994

3. Project Schedule – Review & Discussion
4. Other Discussion & Comments
5. Next Meeting: Thursday, May 29 (2 PM) ???
 Location: TBD (Martin County)
6. Adjourn

Waterways Plan for Martin & St. Lucie Counties

Waterways Forum 6: Economics of the Waterways

FRIDAY, MAY 2, 2014

9:00 A.M.

Fort Pierce Historic City Hall, 315 Avenue A, Fort Pierce, FL 34950

Forum arranged by the Treasure Coast Regional Planning Council (TCRPC)
as part of the Waterways Plan for Martin & St. Lucie Counties.

NOTE TO READERS: This document reflects general meeting notes, including key questions and points of discussion raised during the Forum on Economics of the Waterways that occurred on Friday, May 2, 2014. General meeting notes were prepared by TCRPC.

General Meeting Notes

The meeting was opened at 9:00 a.m. by Dr. Kim DeLaney, TCRPC. Meeting participants introduced themselves (copies of the forum sign-in sheet are included with these notes). The members of the Steering Committee identified themselves.

(NOTE: Each speaker utilized power point slides, and a copy of the forum power point presentation is included with these meeting notes.)

Project Overview:

Dr. DeLaney provided a brief introduction on the Waterways Plan project. The project covers the waterways in both Martin and St. Lucie counties (about 120 miles of waterways, including roughly 44 miles of Intracoastal Waterway, 25 miles of St. Lucie River, and 25 miles of canals). The plan is funded by the Martin Metropolitan Planning Organization (MPO), St. Lucie Transportation Planning Organization (TPO), and Florida Inland Navigational District (FIND). Each organization is responsible for guiding long-term transportation and capital investments with a goal of maintaining high quality of life, high level of mobility, strong economic development, and sustainability.

This was the final forum in a six-forum series. The forums were intended to broaden the general knowledge of waterways-related issues – for the project team, the steering committee, and the general public – and help inform the development of the Waterways Plan.

Dr. DeLaney pointed out the series of public input workshops scheduled for May 7, 8, and 9th. Each workshop will be identical in format and run from 1 p.m. to 6 p.m., with an opening presentation summarizing what has been identified to-date and early indicators regarding

opportunities and challenges. The presentations will be followed by table sessions with maps for participants to evaluate various conditions, identify locations of challenges and potential improvements, and enhance the discussion by the public. Ideas generated in the public workshops will be utilized to inform the development of the Waterways Plan. The dates, times, and locations of the workshops are as follows:

<i>Public Workshop A</i>	Public Input Workshops Open to the Public Identical Formats, Presentations, and Public Input Opportunities	May 7, 2014 Wednesday (1 PM)	Port St. Lucie Civic Center 9221 S.E. Civic Center Place Port St. Lucie, FL 34952
<i>Public Workshop B</i>		May 8, 2014 Thursday (1 PM)	Indian Riverside Park 1707 NE Indian River Drive Jensen Beach, FL 34957
<i>Public Workshop C</i>		May 9, 2014 Friday (1 PM)	City of Fort Pierce River Walk Center 600 North Indian River Drive Fort Pierce, FL 34950

Following the workshops will be a five-day open design studio with a multidisciplinary team assembled to further evaluate the ideas obtained through the plan’s public outreach component and recommend improvements and interventions. The studio will be held at the Treasure Coast Regional Planning Council office during the week of May 19-23. The studio will be open to the public from 9 a.m. until at least 6 p.m., and the public is encouraged to attend. The studio offers another opportunity for the public and steering committee come together and see where various aspects of the plan are and to provide additional input. The goal is to have an initial plan together ~ a “work-in-progress” by the end of May to present for feedback from the project steering committee, the involved organizations, and the public.

TCRPC is also scheduling presentations of “work-in-progress” for the various advisory boards and committees of the MPO and TPO, which will be followed by presentations to the boards of those agencies. Those presentations are anticipated to begin in June, and they will provide a snapshot of what we have heard to-date, the information reviewed in due diligence, and the preliminary findings and recommendations. Following those presentations and additional public input, the plan document will be drafted for circulation in the month of July, which will allow the plan to be completed by its conclusion date in September 2014. Dr. DeLaney indicated the forum presentations would include the preliminary economic and market findings as well as FDOT’s evaluation regarding maritime academies. Following the presentations and related discussion, the forum would conclude, and the project steering committee would convene its meeting. Dr. DeLaney noted the public was welcome to attend the steering committee meeting as well, as the meeting was open to the public as are all waterways plan-related events.

**Overview of Preliminary Economic and Market Findings:
Presentation by W. Thomas Lavash (WTL+a) and Tom Moriarty (RDS)**

W. Thomas Lavash and Tom Moriarty presented an overview of the Preliminary Economic and Market Observations utilizing a power point format. The presentation contains extensive data assembled for the two counties regarding economic conditions, demographics, growth and development trends, and a preliminary evaluation of key waterways-related industries including marine industries, fishing, hospitality, and land development, and preliminary market demand for

various uses. The presentation included a general overview of each of the waterfront redevelopment areas that will be the focus of the market potentials analysis, including Port Salerno, Stuart, Rio, Jensen Beach, Palm City, Indiantown, and Fort Pierce as well as the City of Port St. Lucie. A copy of the presentation is included with these meeting notes.

General Questions and Answers

Questions were raised regarding the projections contained in the presentation, including the percentage of built but unoccupied retail and office space. Regarding conditions in neighboring communities, Mr. Lavash and Mr. Moriarity indicated the vacancies present in Martin and St. Lucie County are somewhat similar to trends evident in other communities in Florida and across the southeast. They noted a trend of declining concentration, with a shift of built space from the coast to the interior of the two counties, which varies from community to community.

Forum participants discussed the demographic trends and indicators contained in the presentation. Mr. Moriarity described the current market behavior as somewhat different than the past several decades. He noted that for the past fifty years, given land values and low energy costs, many parts of the country, including Florida specifically, has experienced outer growth spreading into undeveloped areas, with infrastructure extensions typically subsidized by the stability of the tax base in older parts of cities. Market behavior is now shifting where this historic trend of continued outward expansion is being replaced by consumers indicating they don't want to live on the outer edge of cities. Instead, they want to live closer in, with a desire to bike and walk rather than always drive. Mr. Moriarity indicated this trend is affected even in employment markets, while it does vary around the country, given the millennial job base, many companies are saying they don't want to locate far out in suburbia anymore. They want great road access and walkable environments because that is what our employees want.

Participants indicated there is substantial permitted but unbuilt development available in the two counties, with thousands of permitted but unbuilt housing units in Port St. Lucie, hundreds if not millions of square feet of commercial and industrial space, and three or four DRIs in addition to significant numbers of development orders in Martin County that remain valid. Therefore, much of the potential demand for new uses will be absorbing that unbuilt capacity.

Mr. Lavash acknowledged the approved but unbuilt inventory, noting much of what has been approved thus far may not be in desirable locations for market-based development. He further indicated every community and region are competing against others for the smaller slice of economic development, which emphasizes the need for well-thought economic development strategies that focus on unique qualities of communities that make them competitive – such as waterfront development and character.

Participants asked about the conflict between unbuilt inventory and growth projections forecasting additional development demand.

Mr. Lavash indicated the market study presents the available market characteristics and the reality of the products available now. There are segments of the population who prefer a lifestyle option that doesn't exist yet in portions of the study area. Fort Pierce is a good example

where there is property that is underutilized and underappreciated in some ways. Assets include waterfront views, water access, water proximity, and water recreation, which are highly desirable, but the real estate product is now catching up with that. Mr. Moriarity added that an analog to the existing condition is to evaluate expenditures. There are statistics that indicate what office workers will spend if the market provides the opportunity, for example buying lunch, clothes, shoes, and similar goods. However, if the stores aren't available, the money simply isn't spent. At a larger scale, for market-based development, there are consumers who want a particular kind of character of waterfront development with a walkable-scale community. However, there is not much of that project today in these focal areas. That is an emerging market opportunity that the developer side will catch up to and it is going to need numbers like this to say is my risk warranted for an appropriately scaled product.

Participants raised questions regarding lease rates. Mr. Moriarity indicated that leading up to the recession, there is a general sense the nation's economy was heavily and probably overly dependent on consumer expenditures. Credit markets were loose with lots of spending on discretionary items. In the United States, there is an average of 40 to 50 square feet per capita of retail space, which is high by international standards. In the UK by contrast, retail averages around 10 feet per person. Following that pattern of what makes it justifiable retail development, there is a relationship between sales - what people choose to spend and where they choose to spend it - and retail real estate as an investment. There is a threshold for retail referred to as investment grade retail, which tends to require rents of roughly \$20/square foot. Generally, retail rents should run between 8-12% of total sales, with an average of 10%.

Participants discussed hospitality and lodging as a focal industry, with questions directed to the economists regarding the types of hotels – bed and breakfasts, smaller family-run hotels, and other included in the analysis. Mr. Lavash indicated the primary source of hospitality data is a firm with national experience that tracks hospitality statistics across the country. The firm aggregates the data and is highly selective in how it is made available. Regarding atypical lodging institutions such as bed and breakfasts, Mr. Lavash indicated they are a component of the evaluation, and he further noted the area's complications regarding seasonal housing markets. Mr. Lavash indicated the hospitality metrics are based solely on the available data. After the data is collected for both counties, he indicated they would revisit the available data, and if gaps were apparent, they would try to assemble data in other means. He further noted the two counties represent a significant lack of typical data utilized for tourist development – where visitors are traveling from, why they are visiting the area, what additional products or services are desired, and what would compel them to return. This type of data is essential to meaningfully grow a hospitality industry, with many competing communities investing millions of dollars into hospitality data. The lack of local data will narrow the projections, but the analysis will provide a baseline that can be built upon over time.

Overview of FDOT Maritime Academy Feasibility Study Presentation by Lauren Rand, FDOT

Ms. Rand presented an overview of the FDOT analysis currently underway regarding the potential for a maritime academy – or academies – to be developed within the state of Florida. While there are seven maritime academies in the United States, none is in Florida. The study is

analyzing the market potential, curriculum opportunities, locational and infrastructure requirements for various types of programs. The evaluation will include an overview of the seven existing academies, including their curricula, enrollment, and trends. She noted the Port of Fort Pierce is one of several locations that have been submitted for consideration. The study will recommend types of programs and types of locations, but it is not anticipated to recommend specific types of academies to be located in a single location. Rather, she indicated the state is likely to recommend several locations in which a maritime academy – or components of one - could be located. Ms. Rand indicated FDOT anticipates to conclude the study in May 2014.

Participants asked about the timing of the study and its exclusivity to the Port of Fort Pierce location. Ms. Rand indicated several locations around the state have expressed interest in accommodating maritime academy activities. Participants also asked whether or not the study would include an evaluation of industry salaries. Ms. Rand indicated that information would be addressed in a follow-up study.

Dr. DeLaney thanked the presenters and participants, and she noted the public workshops were scheduled for May 7, 8 and 9 in the locations noted on the workshop flyer.

The forum adjourned at 11:10 a.m.

STEERING COMMITTEE MEETING

Waterways Plan for Martin & St. Lucie Counties

Waterways Forum 6: Economics of the Waterways

FRIDAY, MAY 2, 2014
11:15 AM

Fort Pierce Historic City Hall, 315 Avenue A, Fort Pierce, FL 34950

General Meeting Notes

The meeting was opened at 11:15 a.m. by Dr. Kim DeLaney, TCRPC. Materials distributed to committee members included agendas and workshop flyers. Self-introductions were provided by attendees.

Waterways Forums – Review & Discussion

The Committee discussed the key points raised during the panel discussion regarding economic and market observations, including:

- Data Concerns and the “Data Desert”
 - Committee members, Mr. Lavash, and Mr. Moriarity discussed the absence of consistent, longitudinal data regarding various aspects of market conditions, especially evident regarding the hospitality industry, which is a focal industry in economic analysis for the plan. Historic data is lacking for all land use types, which shifts the data source from a comprehensive one to anecdotal data for historic rental rates and occupancies.
 - Committee members noted the tourist development councils in both counties have historically focused more on marketing than data.
 - Given the lack of data
- Marine Industries Workforce Needs
 - MIATC representatives noted the distinction of salaries between marine industrial employees (\$50,500 average annual wages) versus commercial/retail sales (\$29,700 average annual wages). Mr. Lavash and Mr. Moriarity concurred with this general variation in income. MIATC representatives indicated the lack of a trained workforce is a need that crossed industry sub-clusters, including the moving of cargo, basic marine servicing, and marine manufacturing. Board-level discussions related to the plan have emphasized the workforce training and education needs of the industry.
 - Committee members discussed the potential for a high school and possibly a college career track in the marine industries. Related career training opportunities in Broward and Miami-Dade Counties were noted.

- The marketing of marine industries employment benefits was also discussed by the committee. Recent job fairs have indicated the job sector lacks the awareness of other professions, and further, the most recent job fair failed to produce any potential employees with relevant training, underscoring the need for high school career training for the basic job skills at a minimum.
- Cargo Opportunities
 - The committee discussed the potential for cargo shipping on the ICWW. Mr. Williamson indicated most modern barges cannot fit through the ICWW bridges. For the Port of Fort Pierce, there are several key niche opportunities, such as niche cargo (e.g., bulk or break-bulk items, local construction materials), megayachts, and trans-shipments.
- Public Access / Walton Road & Indian River Drive
 - Committee members noted the strong need for public waterways access, especially in St. Lucie County, and the Walton Road/Indian River Drive location was identified as a unique opportunity regarding access, which could also include an educational component. The ongoing TPO study regarding Walton Road widening was noted, along with historic discussions of the site's intermodal potential.
- Land Development Potential
 - Committee members discussed the need for the market study data to include permitted but unbuilt development opportunities, which was acknowledged by Mr. Lavash and Mr. Moriarity.
 - Committee members concurred with the focal areas for analysis regarding land development potentials, with the presence of active redevelopment programs in Port Salerno, Indiantown, Stuart, Rio, Jensen Beach, Old Palm City, and Fort Pierce. In addition, the potential growth demand for the City of Port St. Lucie was discussed, with an acknowledgement the City tended to lack waterfront parcels for redevelopment.
- Extent of Waterfront Recreational/Cultural/Educational Uses
 - Committee members discussed the expanse of waterfront recreational, cultural, and educational uses in the two counties, noting high number of public parcels provided some limitations on the development potential. It was noted these facilities provided indirect benefits to other land use types.
 - Committee members requested the plan include an inventory of these different types of uses.
 - There was also discussion regarding educational programs in the two counties, and committee members noted the consistency of the Martin County Environmental Studies Center program and its benefits towards environmental stewardship. St. Lucie County's programs were discussed as well, with concerns raised regarding the lack of long-term funding to continue the recent programs offered. Committee members discussed the benefits of a two-county education program, given the consistency of environmental resources and efficiencies that could be gained by broader programming.

- Marine Navigation Concerns
 - Committee members noted the continued broad public concerns regarding the impacts of the proposed All Aboard Florida project upon properties as well as the increased number of closures anticipated for the St. Lucie River Bridge.

Updated Project Schedule – Review & Discussion

Dr. DeLaney distributed an updated project schedule and flyers for the pending public workshops and design studio. Workshop dates and locations were noted as Wednesday, May 7 – Port St. Lucie Civic Center; Thursday, May 8 – Indian RiverSide Park; and Friday, May 9 – Fort Pierce River Walk Center. Each workshop would occur from 1-6 p.m., beginning with an opening presentation followed by table sessions, each of which would be facilitated by a project team member. Subsequently, a design studio would be hosted at the TCRPC office from Monday, May 19 through Friday, May 23, which would be open to the public from 9 a.m. until 6 p.m. Members of the Committee reviewed the schedules and concurred with the new dates, times and locations.

The meeting was adjourned at 12:20 p.m.

Waterways Plan for Martin and St. Lucie Counties
 Forum on Economics of the Waterway
 Friday, May 2, 2014
 9-12 p.m.
 Historic City Hall
 315 Avenue A
 Fort Pierce, FL 34950

SIGN-IN-SHEET

Last Name	First Name	Company	Email Address
Atkisson - Lovett	Jennifer	Realtor Assoc. of Martin County	jenniferatkisson@remax.net
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Waterways Plan for Martin and St. Lucie Counties
 Forum on Economics of the Waterway
 Friday, May 2, 2014
 9-12 p.m.
 Historic City Hall
 315 Avenue A
 Fort Pierce, FL 34950

SIGN-IN-SHEET

Last Name	First Name	Company	Email Address
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Beltren	Beth	Martin MPO	
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