

# 1.0 Executive Summary

## 1.0 EXECUTIVE SUMMARY

### PROJECT OVERVIEW

Major Employment Centers (MECs) are planned or existing concentrations of industrial, manufacturing, wholesale, and office employment in Sarasota County. Currently there are fourteen Major Employment Centers identified by the County. MECs are generally significant in size, and are located near major transportation routes with convenient access for the working population. The land use plan for some MECs has been created by the County through the recognition of existing land uses and the recognition of future opportunities, while the land use plan for other MECs has come from approved Developments of Regional Impact (DRIs).

The goal of this Major Employment Center Land Use Study is to ensure that the land use policy for managing current and future MECs supports the economic development goals of Sarasota County. Policies have been developed to support the County's land use and economic development goals for MECs. In order to coordinate land use policy with economic development goals, the MEC Land Use Study projected future employment for different growth industries as well as the supply and demand for land within MECs to meet the needs of these industries. The location of MEC lands relative to market demand and jobs/housing balance was also analyzed.

The public and stakeholders were engaged throughout the MEC Land Use Study process. The study began with an extensive stakeholder outreach including more than 40 one-on-one interviews with key stakeholders. A project website provided regular updates to progress on the plan. Three public meetings were held, with a kick-off in December of 2006, a preliminary analysis presentation in March of 2007, and an open house with major recommendations in July of 2007. In addition, other project updates were provided in sessions of the Sarasota County Planning Commission and the County Board of Commissioners, which were open to the public. Summary notes from public sessions are available on the MEC project website.

### COUNTY PROFILE

As a means of understanding future market demand for MEC-related land uses, the planning team examined demographic and economic trends and characteristics as well as current and historic (5-10 year) trends in market conditions across 'workplace' (i.e., commercial office, retail and industrial) land uses located within (and outside of) the County's existing MECs. These data cover the entire county, including incorporated areas. Relevant trends are highlighted below:

- Sarasota County's total population has increased substantially since 1970. In fact, the County's population jumped from 122,000 in 1970 to 327,000 in 2000—an increase of 205,000 residents over the past 30 years—reflecting a sustained annual growth rate of more than five percent per year. The County's current population is 380,200, with 53,000 new residents over the past six years. Growth is focused in North Port and Venice, as older areas surrounding the City of Sarasota are generally built out. Notably, North Port is the fastest growing municipality in the

County, with annual growth rates more than four times that of the unincorporated County since 1990. In the past six years alone, North Port added almost 30,000 new residents, and annexation opportunities (such as Thomas Ranch) are expected to enhance near-term growth.

- Population and household growth has fueled significant demand and a subsequent building boom for new housing. Between 1980 and 2005, the local governments in the County (i.e. incorporated areas as well as unincorporated areas) issued an annual average of 4,400+ residential building permits. Recently the number of residential permits issued however has slowed, with approximately only 700 permits issued between January 2007 and June 2007.
- Changes in the County's labor force are critical drivers of demand for workplace real estate such as office and manufacturing space. Notably, over the past 30 years, the County has added, on average, 4,600 new jobs each year. Employment growth has actually accelerated since 2000, with approximately 5,600 annual new jobs projected between 2000 and 2030. Sarasota County is outperforming the state in the following key sectors—Construction (driven by residential growth), and Services (in specific fields such as health care and social assistance, and arts, entertainment, and recreation).
- Office and industrial market conditions in Sarasota County have fluctuated over the past several years. Countywide, the office market has been strong since 2000, with positive net absorption averaging nearly 225,000 sq. ft. per year. In fact, the office market in Sarasota County is larger and more robust than neighboring Manatee County, which is located closer to Tampa. The City of Sarasota is the County's predominant office market, with the highest concentration of Class A buildings. In contrast, North Port and Venice are emerging as secondary office submarkets, with construction of smaller, Class B buildings typically occupied by price-sensitive, professional services businesses expanding to support the growing population in the southern parts of the County. There is greater demand in North County—particularly near Lakewood Ranch—for larger office buildings oriented to corporate users.
- The office inventory within MEC zones is limited. Based on ERA's analysis, the 15 MECs contain 1.2 million sq. ft. of office space in more than 75 buildings. Vacancies vary widely—from less than one percent to almost 40 percent in MEC Zone B. Between 2000 and 2005, net office absorption across the MECs has averaged approximately 73,000 sq. ft. per year. The only MEC that has experienced significant levels of new office development since 2000 is Lakewood Ranch/University Parkway. Notably, the MECs are under-performing both the City of Sarasota and the County as a whole in net absorption and vacancies.
- Industrial and flex buildings are the predominant use in Sarasota County's MECs, with an estimated inventory of more than 7.4 million sq. ft. of industrial space in 350 buildings. Between 2000 and 2005, net absorption of industrial space across the MECs was negative —averaging a loss of over 104,000 sq. ft. per year.



## VISION + GOALS

Project goals and a project vision were developed to coordinate overall policy and recommendations. The project vision, which was developed based on Sarasota County's economic development vision, is:

***A balanced land use pattern that promotes a diversity of employment, business, and economic growth throughout the County in such a way that protects the quality of life of Sarasota's residents and increases the sustainability of its activity patterns.***

Originally, project goals were focused on supporting the economic development goals of the County and ensuring an adequate supply of land. As the plan developed, stakeholder input suggested that these goals were linked to other important goals for the County, including relieving transportation congestion, an increased supply of affordable housing, and overall sustainability. The project goals that emerged from the study are:

1. Promote the economic development goals of the County, including a diversified economic base
2. Provide adequate land for retention and growth of new and existing employers
3. Make the most efficient use of limited land within the urban service area
4. Increase the sustainability of land development patterns and reduce the strain on the roadway system, which is subject to limited funding
5. Seek new opportunities for incorporating workforce housing
6. Make the most efficient use of county funds for promoting economic development

There is sufficient land within current MECs to address the projected employment needs of the County through 2030 if land is used more efficiently.

## MAJOR RECOMMENDATIONS

The primary recommendation from the study is that the one-size-fits-all model of current MECs needs to be further developed, so that there are several different types of MECs which serve different functions or roles. In short, there are four types of MECs recommended:

- o MECs focused on industrial development, or Exclusive Industrial Districts

- MECs focused on mixed use development, including employment land uses, retail, and multifamily housing, called Mixed Use Centers
- MECs targeted for redevelopment because of high land value or underutilized lands
- “General” MECs, which may include both office and industrial land uses and function much as current MEC policy dictates

Providing a variety of MEC types will serve several important goals for the County. Exclusive Industrial Districts will reserve lands primarily for industrial use, in order to ensure that future industry can afford to locate in the County. Exclusive Industrial Districts will also help keep land affordable for future industrial development in the County. Mixed Use Centers will allow the development of affordable housing in close proximity to employment centers. This will help to increase the supply of affordable housing in the County and help ameliorate the current strain on transportation infrastructure by placing workforce housing in closer proximity to employment destinations. Targeting certain existing MECs for redevelopment will help the County make efficient use of existing infrastructure and limit development to its current urban service area. Redevelopment may also help to make more efficient use of certain high value or underutilized county lands. All MECs should continue to function as locations for employment growth for the County, though the different types of MECs will serve this capacity differently. General MECs can continue to function as locations for master planned, business park type developments which serve to attract important industries to the County.



In addition, there are several other major findings and recommendations from the study. It was found that although land is scarce in some areas of the County, MEC land is being used inefficiently with very low development intensities. In the south area of the County, most MEC land is poorly located or has inadequate infrastructure. As a result, the other major recommendations that came from the study include:

- Use limited MEC land more efficiently /increase intensities of existing MECs
- Provide economic development incentives that help fund infrastructure
- Distribute employment centers throughout the County (especially to underserved areas in Central and South County)
- Provide economic development incentives that target key industries for the County and facilitate capital investment
- Permit floating business park zoning