

## 4.0 MEC Capacity Analysis

## 4.0 MEC CAPACITY ANALYSIS

### DESCRIPTION OF MECS

According to the Sarasota County Planning Department, there are 14 MECs across the County, with the highest concentration in North County. As MECs are a County land use designation, MECs are only located in unincorporated areas of the County. As a means of analyzing the real estate and land use activity in each MEC, the MEC areas were grouped into six MEC “zones” for analysis. Real estate markets are best analyzed within the context of a general area known as a submarket. Several individual MEC areas were deemed too small or too geographically close to other MEC areas to be analyzed separately, so they are grouped for the purpose of market analysis. Using these MEC zones allows meaningful analysis of real estate trends such as new construction, absorption, and vacancy rates—key metrics which define real estate supply and demand. Also, many of the MEC areas are adjacent and have the same general locational characteristics. Land uses were also analyzed on individual MEC areas to make location-specific recommendations. Significant findings are summarized below.

- MECs contain 6,300 gross acres and 4,400 net acres of land. MECs contain 2,400 acres of vacant land, which includes Agriculture-Intensive, Agriculture-Native Range, Vacant-Private, Vacant-Public based on Jan. 2003 existing land use data from Sarasota County
- To test whether future development in the County can be accommodated in existing MECs, “undeveloped” land includes these four land use designations
- MECs contain 15.6 million sq. ft. of “workplace” uses (office, industrial, retail)
- Estimated overall intensities are quite low—with a floor area ratio (FAR) of only six percent —far below intensities characteristic of suburban development
- Industrial space comprises the lion’s share of uses: 12.2 million sq. ft. (78 percent) with a current assessed value of \$871 million
- There are 1.6 million sq. ft. of office space and 1.8 million sq. ft. of retail space across the MECs
- Commercial office and retail uses have a current assessed value of \$284 million

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### SUPPLY / DEMAND ANALYSIS

To obtain data, Sarasota County Property Appraiser’s 268,000 tax records database were sorted by commercial and industrial property type and mapped by address to derive key information. MEC growth potentials were tested across four scenarios over 30 years (2000-2030):

- Using undeveloped land at current intensities
- Using undeveloped land at higher intensities
- Using existing acreage at higher intensities (redevelopment)
- Using existing acreage and undeveloped land at higher intensities

The analysis utilized standard suburban commercial development intensities—at 30 percent lot coverage for office and Industrial; in many cases this resulted in doubling existing intensities.

## KEY FINDINGS

All land use data in the following key findings summary is from Sarasota County's existing land use GIS from January 2003.

### **MEC Zone A – Lakewood Ranch Corporate Park DRI (North)**

*[MEC Area 2, MEC Area 3]*

- Analysis Summary
  - » Contains 1,687 gross acres and 1,002 net acres of land
  - » Contains 863 acres of undeveloped land
  - » Zone is dominated by recent commercial office development at Lakewood Ranch
  - » Contains the smallest amount of industrial space (70,000 sq. ft.) of any MEC
  - » Very low industrial intensities (9 % FAR) - this finding does not reflect highest and best use
  - » Total of 200,000 sq. ft. of workplace uses, with current AV of \$29.2 million
  - » Estimate: 750 – 1,100 Employees
  - » Over 150,000 sq. ft. of new development in the pipeline
- Growth Scenarios
  - » #1 (New Development at Current Intensities): 4.3 million SF of office, 755,000 SF of industrial
    - Assumes new (greenfields) development on 863 acres of undeveloped land
    - Allocates 669 acres for new office development and 194 acres for new industrial development based on current split
    - Maintains current intensities of 0.15 for office and 0.09 for industrial
  - » #2 (New Development at Higher Intensities): 8.6 million SF of office, 2.5 million SF of industrial
    - Assumes new (greenfields) development on 863 acres of undeveloped land
    - Increases intensities to 30 percent FAR for both office and industrial
  - » #3 (Redevelopment): 15,000 SF of office, 17,000 SF of industrial
    - It is anticipated that 3.8 percent of current office space (class C or below) and 10 percent of current industrial space (below class C) will be redeveloped over the next 30 years
    - Increases intensities from 0.15 FAR to 0.30 FAR for office & 0.09 FAR to 0.30 FAR for industrial
    - Will require site planning and financial analyses to determine feasibility of surface versus structured parking
  - » #4: (Redevelopment and New Development at Higher Intensities): 8.6 million SF of office, 2.6 million SF of industrial
    - It is anticipated that 3.8 percent of current office space (class C or below) and 10 percent of current industrial space (below class C) will be redeveloped over the next 30 years
    - Increases intensities from 0.15 FAR to 0.30 FAR for office and 0.09 FAR to 0.30 FAR for industrial
    - Assumes new (greenfields) development on 863 acres of undeveloped land

## **MEC Zone B – Sarasota Center (North)**

### *MEC Area 6*

- Analysis Summary
  - » Contains 470 gross acres and 352 net acres of land
  - » Contains 202 acres of undeveloped land
  - » Contains smallest amount of net acres of land of any MEC
  - » Low industrial intensities (0.18 FAR)—does not reflect highest and best use
  - » Commercial intensities greater than typical suburban development patterns (0.59 FAR)
  - » Total of 1.1 million sq. ft. of workplace uses, with current AV of \$86.7 million
  - » Estimate: 2,500 to 3,500 employees
  - » Sarasota Center contains an aging industrial park with several light industrial buildings and small distribution operations
  - » Sarasota Center is located to the east of the County’s Urban Services Boundary and is characterized by older space of limited quality
- Growth Scenarios
  - » #1 (New Development at Current Intensities): 362,000 SF of office, 1.5 million SF of industrial
    - Assumes new (greenfields) development on 202 acres of undeveloped land
    - Allocates 14 acres for new office development and 188 acres for new industrial development based on current split
    - Maintains current intensities of 0.59 for office and 0.18 for industrial
  - » #2 (New Development at Higher Intensities): 612,000 SF of office, 2.5 million SF of industrial
    - Assumes new (greenfields) development on 202 acres of undeveloped land
    - Increases intensities to 1.0 FAR for office and 0.30 FAR for industrial
  - » #3 (Redevelopment): 10,000 SF of office, 84,000 SF of industrial
    - It is anticipated that 7.1 percent of current office space and 15 percent of current industrial space will be redeveloped
    - Increases intensities from 0.59 FAR to 1.0 FAR for office and 0.18 FAR to 0.30 FAR for industrial
    - Will require site planning and financial analyses to determine feasibility of surface versus structured parking
  - » #4: (Redevelopment and New Development at Higher Intensities): 622,000 SF of office, 2.5 million SF of industrial
    - It is anticipated that 7.1 percent of current office space and 15 percent of current industrial space will be redeveloped
    - Increases intensities from 0.59 FAR to 1.0 FAR for office & 0.18 FAR to 0.30 FAR for industrial
    - Assumes new (greenfields) development on 202 acres of undeveloped land

## MEC Zone C – Cattlemen Road/I-75 Corridor

[MEC Area 4, MEC Area 5, MEC Area 7, MEC Area 8, MEC Area 9]

- Analysis Summary
  - » Contains 1,710 gross acres and 1,157 net acres of land
  - » Contains 446 acres of undeveloped land
  - » Has largest amount of office space (951,000 sq. ft.) and retail (616,000 sq. ft. ) of any MEC
  - » Low office intensities (0.19 FAR)—do not reflect highest and best use
  - » Industrial intensities nearing typical suburban development patterns (0.25 FAR)
  - » Total of 4.4 million sq. ft. of workplace uses, with current AV of \$416 million
  - » Estimate: 10,000 – 12,000 employees
  - » High land values along the I-75 corridor by necessity must attract higher quality/ priced uses; hence, the preponderance of Class A and B office buildings
  - » Office vacancy rates peaked in 2001 at 31 percent; by year-end 2005, the submarket had achieved stabilization, with vacancies at less than one percent
  - » Cattlemen Road/I-75 Interchange corridor is a lower-quality, aging industrial area where opportunities for redevelopment should be explored
- Growth Scenarios
  - » #1 (New Development at Current Intensities): 1.1 million SF of office, 3.3 million SF of industrial
    - Assumes new (greenfields) development on 446 acres of undeveloped land
    - Allocates 134 acres for new office development and 312 acres for new industrial development based on current split
    - Maintains current intensities of 0.19 for office and 0.25 for industrial
  - » #2 (New Development at Higher Intensities ): 2.2 million SF of office, 4.1 million SF of industrial
    - Assumes new (greenfields) development on 446 acres of undeveloped land
    - Increases intensities to 0.38 FAR for office and 0.30 FAR for industrial
  - » #3 (Redevelopment): 57,000 SF of office, 114,000 SF of industrial
    - It is anticipated that 6.1 percent of current office space and 17.8 percent of current industrial space will be redeveloped
    - Increases intensities from 0.19 FAR to 0.38 FAR for office and slight increase from 0.25 to 0.30 for industrial
    - Will require site planning and financial analyses to determine feasibility of surface versus structured parking
  - » #4: (Redevelopment and New Development at Higher Intensities): 2.3 million SF of office, 4.2 million SF of industrial
    - It is anticipated that 6.1 percent of current office space and 17.8 percent of current industrial space will be redeveloped
    - Increases intensities from 0.19 FAR to 0.38 FAR for office and slight increase from 0.25 to 0.30 for industrial
    - Assumes new (greenfields) development on 446 acres of undeveloped land

## MEC Zone D – US 301/Northgate Industrial Park (North)

### MEC Area 1

- Analysis Summary
  - » Contains 571 gross acres and 447 net acres of land
  - » Contains 38 acres of undeveloped land
  - » Has smallest amount of office space (60,000 sq. ft.) of any MEC
  - » Very low office intensities (0.03 FAR)—do not reflect highest and best use
  - » Industrial intensities nearing typical suburban development patterns (0.25 FAR)
  - » Total of 3.6 million sq. ft. of workplace uses, with current AV of \$208 million
  - » Estimate: 8,000 – 10,000 employees
  - » Northgate Industrial Park can be characterized as an aging industrial zone with a limited number of office buildings
  - » With an average building footprint of only 5,000 sq. ft., office product in the Northgate Industrial Park could be characterized as “garden office”
- Growth Scenarios
  - » #1 (New Development at Current Intensities ): 7,000 SF of office, 364,000 SF of industrial
    - Assumes new (greenfields) development on 38 acres of undeveloped land
    - Allocates 5 acres for new office development and 33 acres for new industrial development based on current split
    - Maintains current intensities of 0.03 for office and 0.25 for industrial
  - » #2 (New Development at Higher Intensities): 64,000 SF of office, 433,000 SF of industrial
    - Assumes new (greenfields) development on 38 acres of undeveloped land
    - Increases intensities to 0.30 FAR for both office and industrial
  - » #3 (Redevelopment): 137,000 SF of office, 190,000 SF of industrial
    - It is anticipated that 26.7 percent of current office space and 30.2 percent of current industrial space will be redeveloped
    - Increases intensities from 0.03 FAR to 0.30 FAR for office and slight increase from 0.25 to 0.30 for industrial
    - May necessitate relocation plan for existing viable businesses
    - Will require site planning and financial analyses to determine feasibility of surface versus structured parking
  - » #4: (Redevelopment and New Development at Higher Intensities): 201,000 SF of office, 623,000 SF of industrial
    - It is anticipated that 26.7 percent of current office space and 30.2 percent of current industrial space will be redeveloped
    - Increases intensities from 0.03 FAR to 0.30 FAR for office and slight increase from 0.25 to 0.30 for industrial
    - Assumes new (greenfields) development on 38 acres of undeveloped land

## **MEC Zone E – Clark Road and McIntosh Road**

### *MEC Area 10*

- Analysis Summary
  - » Includes Palmer Ranch DRI Increment IV
  - » Contains 932 gross acres and 722 net acres of land
  - » Contains 235 acres of undeveloped land
  - » Contains largest amount of industrial space (4.0 million sq. ft.) of any MEC
  - » Very low office intensities (0.07 FAR)—do not reflect highest and best use
  - » Industrial intensities nearing typical suburban development patterns (0.28 FAR)
  - » Total of 4.8 million sq. ft. of workplace uses, with current AV of \$293.5 million
  - » ERA estimates: 10,000 to 12,000 employees
  - » Negative absorption: tenant departures such as Winn-Dixie resulted in one million sq. ft. of industrial space being vacated in 2005
  - » Opportunities for redevelopment among aging, obsolete properties appear strong
- Growth Scenarios
  - » #1 (New Development at Current Intensities): 118,000 SF of office, 2.4 million SF of industrial
    - Assumes new (greenfields) development on 235 acres of undeveloped land
    - Allocates 39 acres for new office development and 196 acres for new industrial development based on current split
    - Maintains current intensities of 0.07 for office and 0.28 for industrial
  - » #2 (New Development at Higher Intensities): 505,000 SF of office, 2.6 million SF of industrial
    - Assumes new (greenfields) development on 235 acres of undeveloped land
    - Increases intensities to 0.30 FAR for both office and industrial
  - » #3 (Redevelopment): 269,000 SF of office, 62,000 SF of industrial
    - It is anticipated that 41.1 percent of current office space and 20.3 percent of current industrial space will be redeveloped
    - Increases intensities from 0.07 FAR to 0.30 FAR for office and slight increase from 0.28 to 0.30 for industrial
    - May necessitate relocation plan for existing viable businesses
  - » #4: (Redevelopment and New Development at Higher Intensities): 774,000 SF of office, 2.6 million SF of industrial
    - It is anticipated that 41.1 percent of current office space and 20.3 percent of current industrial space will be redeveloped
    - Increases intensities from 0.07 FAR to 0.30 FAR for office and slight increase from 0.28 to 0.30 for industrial
    - Assumes new (greenfields) development on 235 acres of undeveloped land

## **MEC Zone F – South County MECs (South)**

*[MEC Area 12, MEC Area 13, MEC Area 14, MEC Area 15]*

- Analysis Summary
  - » Contains 919 gross acres and 702 net acres of land
  - » Contains 445 acres of undeveloped land
  - » Very low office intensities (0.08 FAR)—do not reflect highest and best use
  - » Estimate: 3,000 – 5,000 employees
  - » Industrial intensities lower than typical suburban development patterns (0.20 FAR)
  - » Total of 1.6 million sq. ft. of workplace uses, with current AV of \$121 million
  - » Demand for office-related uses in the South County should strengthen as the area's population expands
- Growth Scenarios
  - » #1 (New Development at Current Intensities): 272,000 SF of office, 3.1 million SF of industrial
    - Assumes new (greenfields) development on 445 acres of undeveloped land
    - Allocates 82 acres for new office development and 363 acres for new industrial development based on current split
    - Maintains current intensities of 0.08 for office and 0.20 for industrial
  - » #2 (New Development at Higher Intensities): 1.1 million SF of office, 4.7 million SF of industrial
    - Assumes new (greenfields) development on 445 acres of undeveloped land
    - Increases intensities to 0.30 FAR for both office and industrial
  - » #3 (Redevelopment): 235,000 SF of office, 61,000 SF of industrial
    - It is anticipated that 75 percent of current office space and 9.7 percent of current industrial space will be redeveloped
    - Increases intensities from 0.08 FAR to 0.30 FAR for office and slight increase from 0.20 to 0.30 for industrial
    - May necessitate relocation plan for existing viable businesses
    - Will require site planning and financial analyses to determine feasibility of surface versus structured parking
  - » #4: (Redevelopment and New Development at Higher Intensities): 1.3 million SF of office, 4.8 million SF of industrial
    - It is anticipated that 75 percent of current office space and 9.7 percent of current industrial space will be redeveloped
    - Increases intensities from 0.08 FAR to 0.30 FAR for office and slight increase from 0.20 to 0.30 for industrial
- Assumes new (greenfields) development on 445 acres of undeveloped land