

Major Employment Center
Land Use Study
Stakeholder Interview Summary

Sarasota County, Florida

December 18, 2006

Stakeholder Interview Summary

Over 50 stakeholders from the manufacturing industry, the real estate industry, the planning commission, economic development organizations, Sarasota County staff, staff from surrounding counties, Sarasota County municipalities managers, and elected officials from Sarasota County were interviewed regarding the current state of MECs in Sarasota County. Many of the interviews were conducted during a two-day site visit to Sarasota County on October 26th and 27th. Stakeholder panels were conducted with developers, commercial realtors, manufacturers, and various consultants in the real estate industry. Interview topics were wide ranging, from the current state of the commercial real estate market in Sarasota County to land use and economic development policies of the county. This document summarizes the major and recurring themes that were identified in this series of stakeholder interviews.

Real Estate Market Issues

1. MEC lands are being converted to other uses. Existing MEC developments have taken a long time to reach full occupancy. Land is presently more valuable as commercial or residential uses than MEC uses.

The most recent example of the phenomenon has been the proposed mixed-use Benderson development at the southwest quadrant of University and I-75. Approximately 225 acres of MEC designated land was recently considered for conversion to a mixture of retail, office, and residential uses for this development. The land currently designated as MEC has remained undeveloped for more than 15 years.. This potential conversion brings up a number of questions – Should land be reserved for MEC land uses if other uses provide a higher economic return? How long should land be reserved for MEC uses? What are the most appropriate locations for MEC lands?

Also, MEC-type developments can have longer time horizons since they may involve new business recruitment or proper timing for an existing business expansion. The county's property tax policy could potentially be reformed to encourage land-owner patience in recruiting MEC land uses.

2. Existing MECs, particularly in south county, are slow to develop as industrial uses. In general the county has seen little light industrial development in recent years.

Morris Industrial Park in south county was mentioned as representative of the apparent lack of demand. It is currently only about 1/3 developed. It is somewhat surprising that demand for MEC land uses is lagging in south county, because the south part of the county has generally cheaper land and a greater workforce are available. Inadequate infrastructure surrounding this industrial park may partially explain the lack of demand in this area. The consultant team needs to take a closer look at land use demand for light industrial uses in south Sarasota County.

3. Major developments such as Lakewood Ranch have been successful in attracting employment land uses to the county, especially office type uses.

One of the bright spots often mentioned for the county's MEC policy was the Lakewood Ranch Corporate Park. Development of this Corporate Park began in 1996, and it currently has an estimated 1.5 million square feet of office space. The available and approved vacant square feet of office space in the Lakewood Ranch Corporate Park DRI is in excess of 4.0 million square feet. The amount of light industrial in the corporate office park is relatively little.

Land Use Policy Issues

1. MECs are a key part of the county's economic development strategy to promote diverse employment opportunities and increase the tax base of the county.

Although reports of the success of the county's MEC land use policy varied, there was nearly universal support for the goals of the MEC policy, namely, to support economic diversification and greater employment opportunities for the citizens of Sarasota County. Several stakeholders mentioned the importance of attracting high-wage, high-quality jobs to the county. Also, it was generally agreed that setting aside lands for economic development uses was an important step in supporting these economic development goals. The controversy usually centered around how much MEC land should be set aside, in which locations, and how flexible the county should be about land designated as MEC future land use.

2. Constraints discouraging MEC development include impact fees and high land costs.

A variety of increasing business costs and regulatory difficulties were generally viewed as some of the greatest deterrents to MEC development and economic development in the county. Of these, impact fees and high land costs were the most often mentioned.

3. There is some disagreement about what is the proper location for MEC lands. Some people say they should be in the most accessible areas, while others say MEC lands should be in areas with lower land value, i.e. where MECs would be the highest and best use. MECs are needed in all parts of the county (north, central, and south).

One of the main areas of disagreement for stakeholders was where are the most appropriate locations for MEC lands. Some stakeholders thought the county should keep its current MEC land locations and make it more difficult to convert MECs lands to other uses. Other stakeholders advocated for a more flexible system, where some MEC lands could be converted while new MEC locations could be sought in less expensive areas. Most stakeholders agreed that there is a need for some MEC lands in all parts of the county – north, central, and south.

4. Some residents are concerned about land use compatibility issues and are opposing MEC type developments. A related concern is the appearance and aesthetics of MEC developments. Adequate buffers and land use transitions are needed to make MEC developments compatible with adjoining residential uses. Many participants noted that MEC developments generally have a poor image in the county.

Stakeholders cited both positive and negative examples of MEC development in terms of appearance. Opposition to MEC development from nearby residents was mentioned by many as a concern. Residential intrusion on or near designated MEC areas may decrease the viability of future MEC development.

5. The existing Urban Service Area may be a factor in the scarcity of land and/or the expense of land for MEC development.

Several stakeholders said that they believed land prices were higher due to the scarcity of land caused by the county holding the line on the Urban Service Area. Some suggested that the most appropriate location for MEC development would be outside the current Urban Service Area, where land prices are less.

6. There is a lack of policy clarity about whether and how much residential and commercial development is permitted on designated MEC lands. Also, there is disagreement about under which circumstances it is proper to permit MEC lands to be converted to other uses. The variety of zoning categories under MEC have substantially different requirements and create some confusion over the goals and standards for MEC development. Areas of confusion

include allowable mix of uses, required amounts of open space, and required buffers. Some uses allowed in MECs may be incompatible with industrial uses.

The wide variety of land uses (industrial, commercial, office, residential) and zoning categories permitted within the MEC future land use designation has created some confusion about what types of development are appropriate within MECs. Several stakeholders thought that certain types of residential development are compatible with MEC goals, but were unsure of how much and where residential would be permitted. There were also questions about how much commercial development is appropriate for designated MEC lands. Also, the different zoning categories within the MEC future land use have very different open space and buffer requirements, possibly creating perverse incentives to select the laxer of the zoning categories.

7. There is a divergence of opinion on whether or not Sarasota County has a fair and efficient development review process; however the SMART program is looked upon as strength. Rezonings are less efficient.

Some stakeholders said that the Sarasota County development review process is fair and efficient, while others said that it was neither fair nor efficient. Generally those associated with real estate development had a more negative view of the county's development review process. Specific concerns about the development review process included the length of development review, the lack of staff accountability about processing development applications, and the influence of anti-development or not-in-my-backyard advocates. The SMART program for expedited permitting was consistently mentioned as a bright spot in the county's development review process, one which has promoted economic development in the county.

8. The concurrency window is short relative to the time it takes to do employment-based development. Economic development efforts can take several years, and by the time they are complete concurrency may have expired.
9. Lack of incentives for redevelopment to occur.

Though it is Sarasota County policy to promote redevelopment, it was not clear to stakeholders how the county is promoting redevelopment in existing MEC areas.

10. Some MEC lands are located in undevelopable areas – wetlands and floodplains.
11. Annexation by cities is undermining some of the county's MEC efforts.

Some stakeholders perceived annexation by Sarasota County's cities as working against the county's economic development efforts. But several cities in the county have their own industrial or employment districts to promote new industrial development in the county. Generally there was agreement that the county and its cities need to cooperate more closely on land use policy.

Economic Development Policy Issues

1. It is increasingly difficult to attract light manufacturing and light industrial uses to the county. Factors discouraging industrial development include impact fees, insurance costs, land costs, and labor scarcity.
2. There is some uncertainty that the county's economic development efforts are targeted to the right industries. How feasible is economic growth in manufacturing and distribution considering the obstacles. Is research a feasible industry to attract? What are the most feasible industries for growth?

Almost all manufacturers currently located in the county began their businesses more than 20 years ago. Current local manufacturers who are seeking to expand generally seek locations outside of the county. For example, PGT Industries recently opened up a new manufacturing facility in North Carolina. The slow pace of light manufacturing and light industrial development in the county suggests that either the county needs to increase the incentives for this type of development, or the county needs to accept that this type of development is unlikely to occur given current conditions. Research into existing economic conditions can help determine what industries are feasible and/or likely to be attracted to Sarasota County. Also, the growth and expansion of existing local industries should be considered as a potential source of economic opportunity.

3. The scarcity of affordable housing is making it more difficult to attract a suitable workforce for many manufacturing and public sector jobs
4. There is a lack of adequate workforce available, largely due to the affordable housing issue

The lack of affordable housing in Sarasota County was perhaps the most consistent economic development issue mentioned by stakeholders. High housing costs make it more difficult to recruit and keep workers and increase the length of worker's commutes. Sarasota County has begun a number of innovative affordable housing policies and initiatives, but many stakeholders are unaware of these efforts or their results.

5. Hurricanes are a threat to manufacturers, both because of insurance costs and because of the threat of plant closure during a hurricane evacuation.
6. Many stakeholders think the county should explore more economic development incentives for the county's desired types of employment.

When asked about Sarasota County's most effective economic development policies, most stakeholders had difficulty identifying effective local incentives. There is a strong sentiment among many business people that the county talks about economic development but is not willing to dedicate resources to economic development, with tepid results as the outcome.

7. There is some concern that a business-unfriendly environment is being created through higher taxes, higher land costs, higher insurance costs, higher impact fees, and a lengthy and/or complex development approval process.

Recent events have made a difficult business investment climate worse, namely higher insurance costs and higher impact fees. Some stakeholders think the county is reaching a 'tipping point' where new business will not locate in the county, while old ones will gradually make an exodus. It is possible that the county is making its long-run fiscal situation worse by discouraging high-value businesses from locating in the county through high impact fees.

8. Sarasota County lacks a major economic driver such as a major research university or major airport to spur economic growth.
9. There is a desire for a more effective EDC, perhaps with more political independence. Some say the EDC should be more focused on existing industry, while others would like to see the EDC be more aggressive in its marketing efforts.

There was a diversity of opinion about the effectiveness of the EDC. Some questions that came up include whether the EDC is focused on attracting the right types of business, whether the EDC is focused enough on assisting expansion of existing local businesses, and whether the EDC has adequate focus on improving business conditions in the county through improvements to education, transportation, or other vital infrastructure.

10. The K-12 education system in the county is an asset and one of the best sources of local workers. Some manufacturer's recruit high school graduates. However there are not many higher education opportunities in technology fields.

The Sarasota County School system is planning on opening two new technical high schools in coming years. Manufacturers say that they look to the high school system as one of their supplies of labor.

Transportation & Other Issues

1. The more affordable housing is on the south side of the county, which results in high volumes of commuters moving south-north on I-75

Many stakeholders identified the north-south imbalance in affordable housing and jobs as a key issue. These stakeholders suggested that both more affordable housing in the north of the county as well as more job opportunities in the south of the county may alleviate this problem. On the other hand, as job opportunities increase in the south of the county, the worker shortage in the north end of the county could worsen.

2. Transportation congestion is becoming worse, especially on north-south routes. Transportation funding is limited and will not be able to address all of the congestion problems.