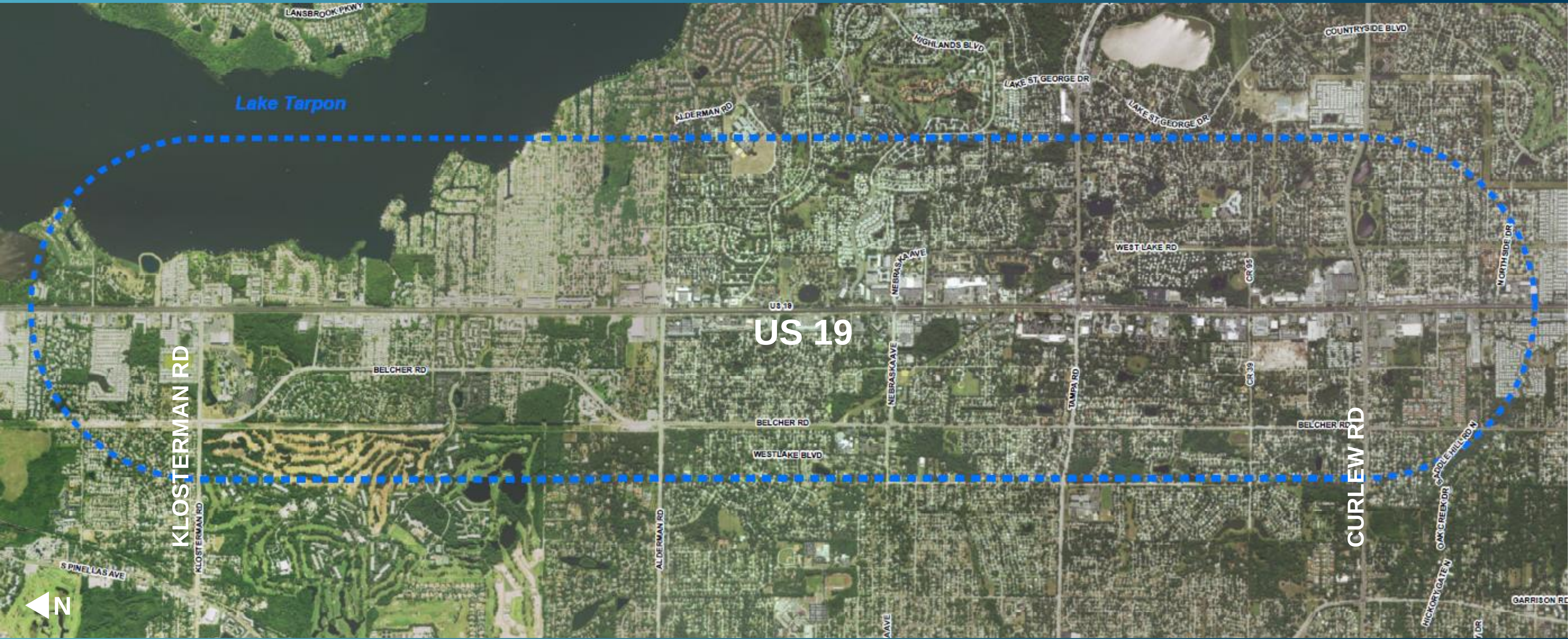


US 19 Corridor – Curlew Rd to Klosterman Rd Market/Economic Analysis

with assistance from **WTL+a** & **SB FRIEDMAN DEVELOPMENT ADVISORS**

Prepared for **PINELLAS COUNTY, FLORIDA**

00 Study Overview

A Market/Economic & Land Use Study for the US 19 Corridor in North Unincorporated County

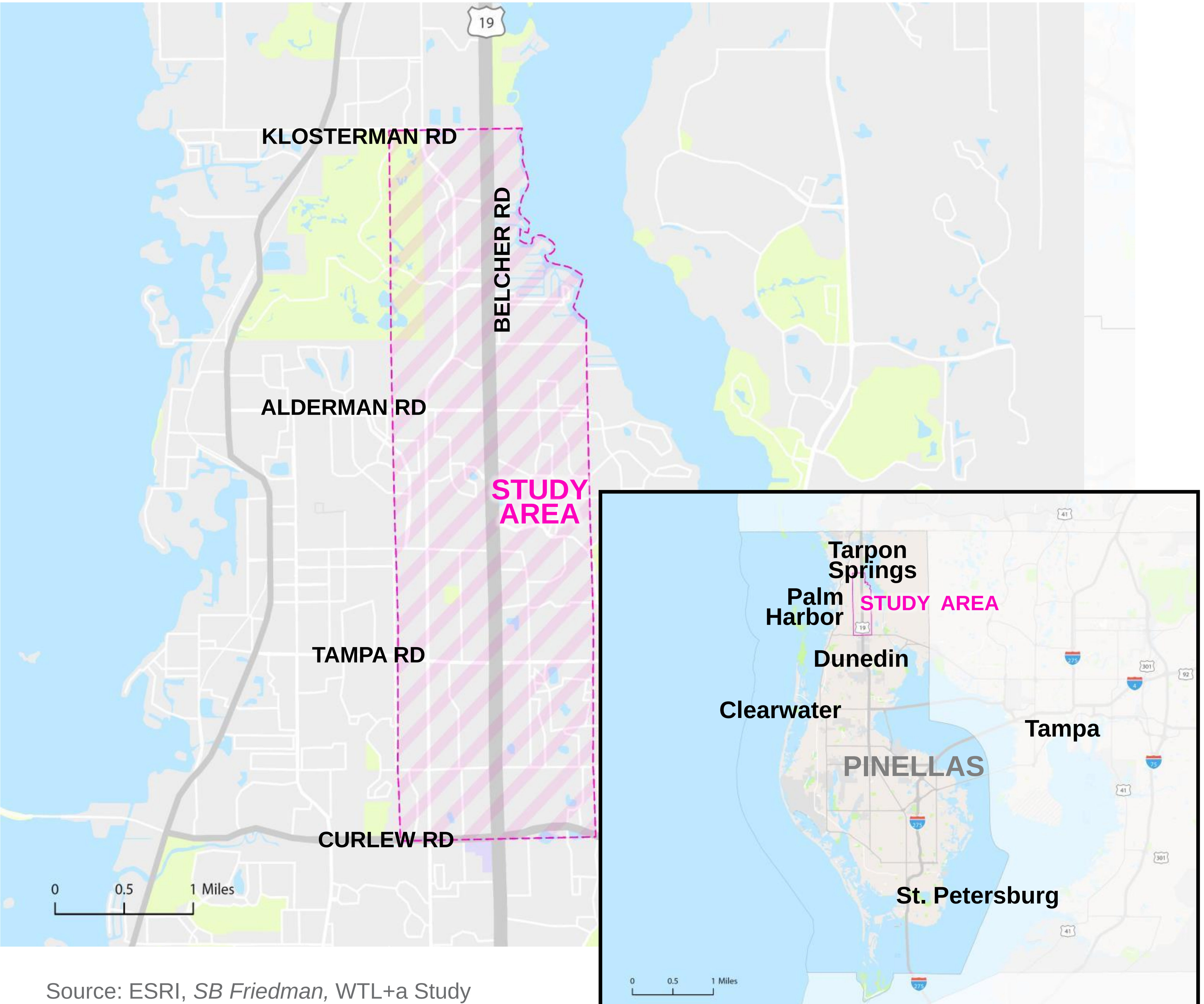
- Analyze economic and demographic conditions
- Evaluate patterns of land use and development
- Define market potentials for major land uses
- Define planning and economic development strategies

Outline

01 Existing Conditions

CONTEXT/CORRIDOR LOCATION
LAND USE/DEVELOPMENT
ACCESS/MOBILITY

01 **Existing Conditions:** Context/Corridor Location



Source: ESRI, *SB Friedman,* WTL+a Study

US 19 Study Area

- 8.5 mile corridor from Curlew Road to Kolsterman Road
- Study Area spans 0.75 miles on either side of US 19
- Focus on land uses fronting US 19

01 **Existing Conditions:** Land Use & Development

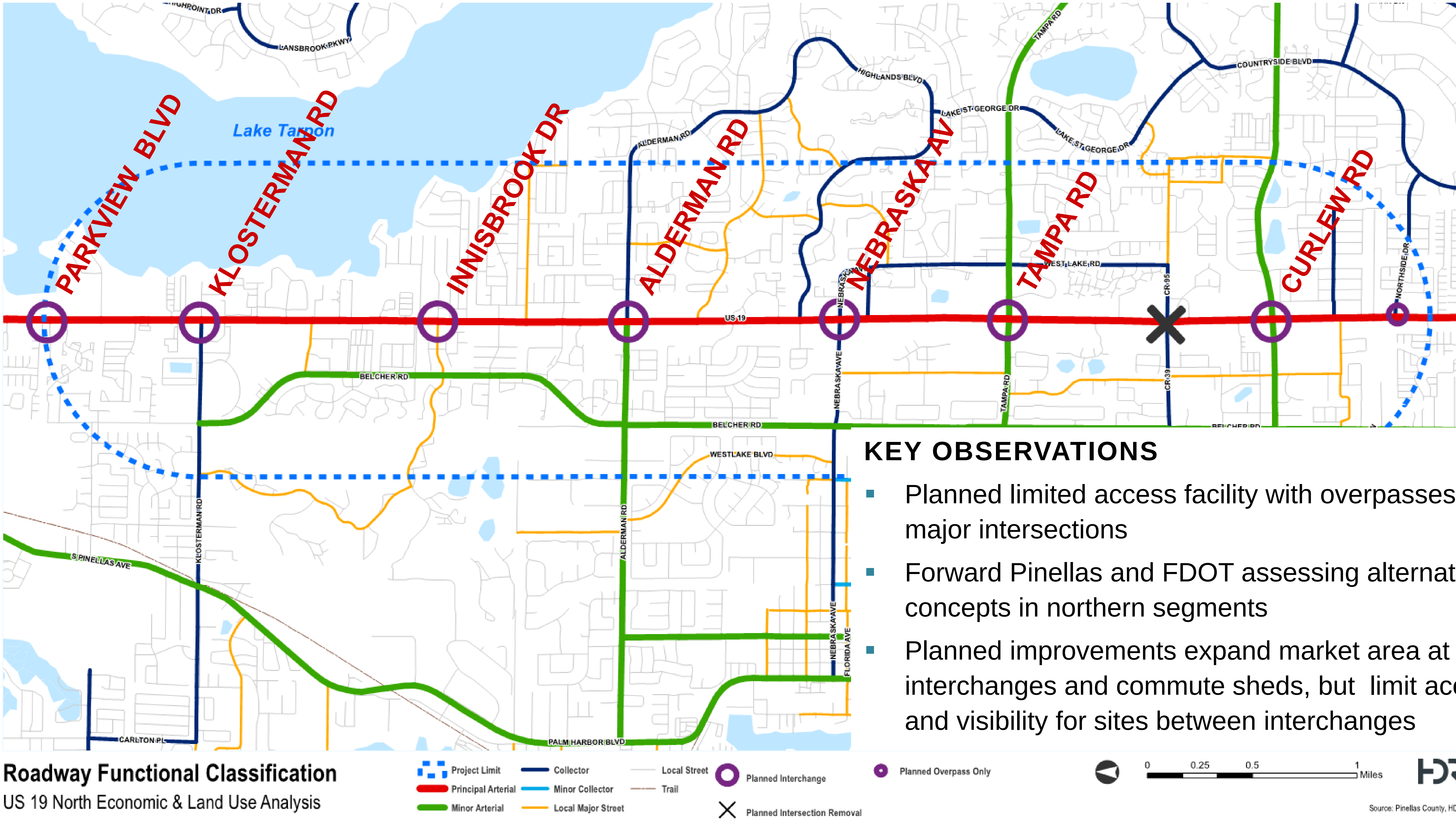
Source: HDR, *SB Friedman*

1. **Suburban "Main Street" Land Uses**
   - Community and neighborhood serving uses
   - Modest post-recession investment
   - Few major changes over the past 10-15 years

2. **Regional Accessibility but Poor Local Connections**
   - US 19 and major cross streets connect to region
   - Improvements expected to concentrate impacts
   - Discontinuous secondary street network limits local access

3. **Auto-Oriented Form and Pattern**
   - Typical arterial corridor with auto-centric development
   - Limited pedestrian and transit accommodations
   - Few character defining features or destinations

01 **Existing Conditions:** Access and Mobility



KEY OBSERVATIONS

- Planned limited access facility with overpasses at major intersections
- Forward Pinellas and FDOT assessing alternative concepts in northern segments
- Planned improvements expand market area at interchanges and commute sheds, but limit access and visibility for sites between interchanges

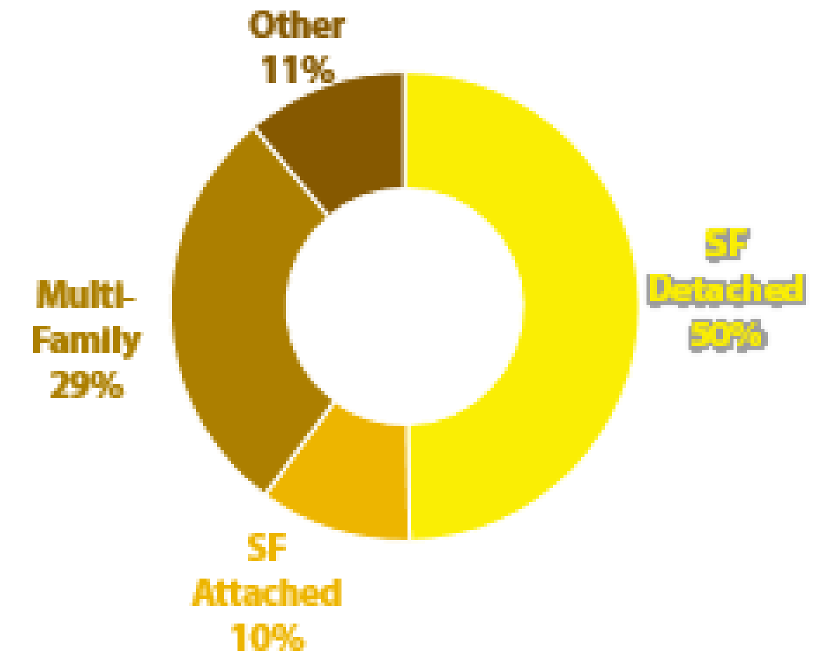
02 Housing Analysis

HOUSING PROFILE
MARKET POTENTIAL

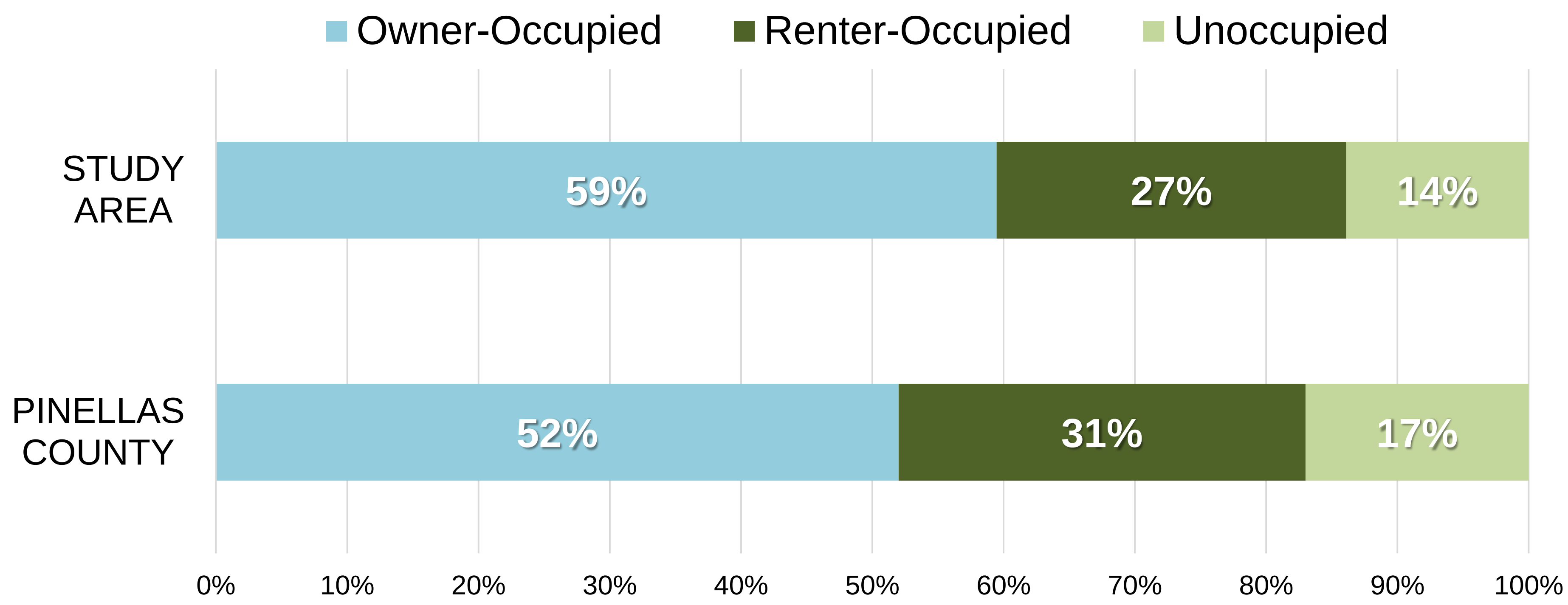
02 **Housing Analysis:** Study Area Housing Profile

- **77%** of owner-occupied housing has a value of less than $300,000, with a **median value of $174,550**
- High vacancy rate (13.9%) is largely attributable to **seasonal housing use**
  - *True* vacancy rate: 5.5%

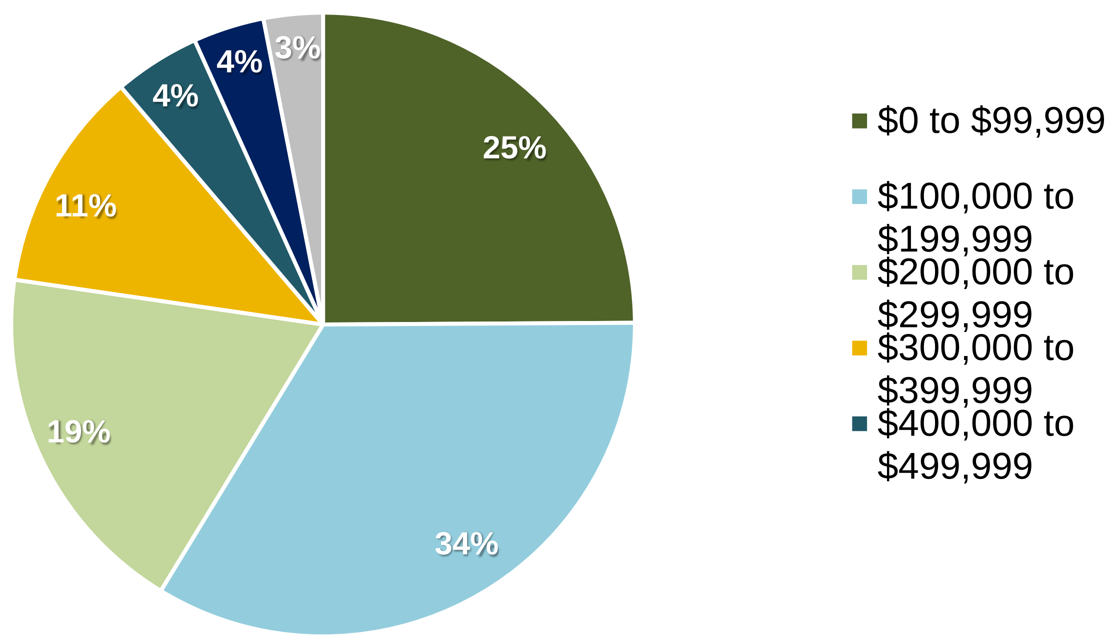
STUDY AREA HOUSING MIX,



HOUSING TENURE, 2016



STUDY AREA OWNER-OCCUPIED VALUE, 2016



Source: *SB Friedman,* WTL+a Study

02 **Housing Analysis:** Market-Rate Housing Potential

- **200 to 2,000 net new housing units estimated by 2040**
  - Based on 1) Historic annual growth rate of 0.18%, or
  - 2) Forecasted annual growth rate of 0.70%

- **Yields 1,230 to 5,100 new residents and 586-2,400 new housing units**
  - Assumes average household size of 2.10 remains unchanged
  - 372 existing units available to accommodate future growth in the Study Area

Source: *SB Friedman,* WTL+a Study

03 Hotel/Lodging Analysis

COMPETITIVE SUPPLY
MARKET POTENTIAL

03 Hotel Analysis: Competitive Supply

Economy 130 keys

1 Howard Johnson Inn and Suites Clearwater FL
2 Rodeway Inn

Midscale 208 keys

3 Lake Tarpon Resort
4 Quality Inn & Suites

Upper Midscale 405 keys

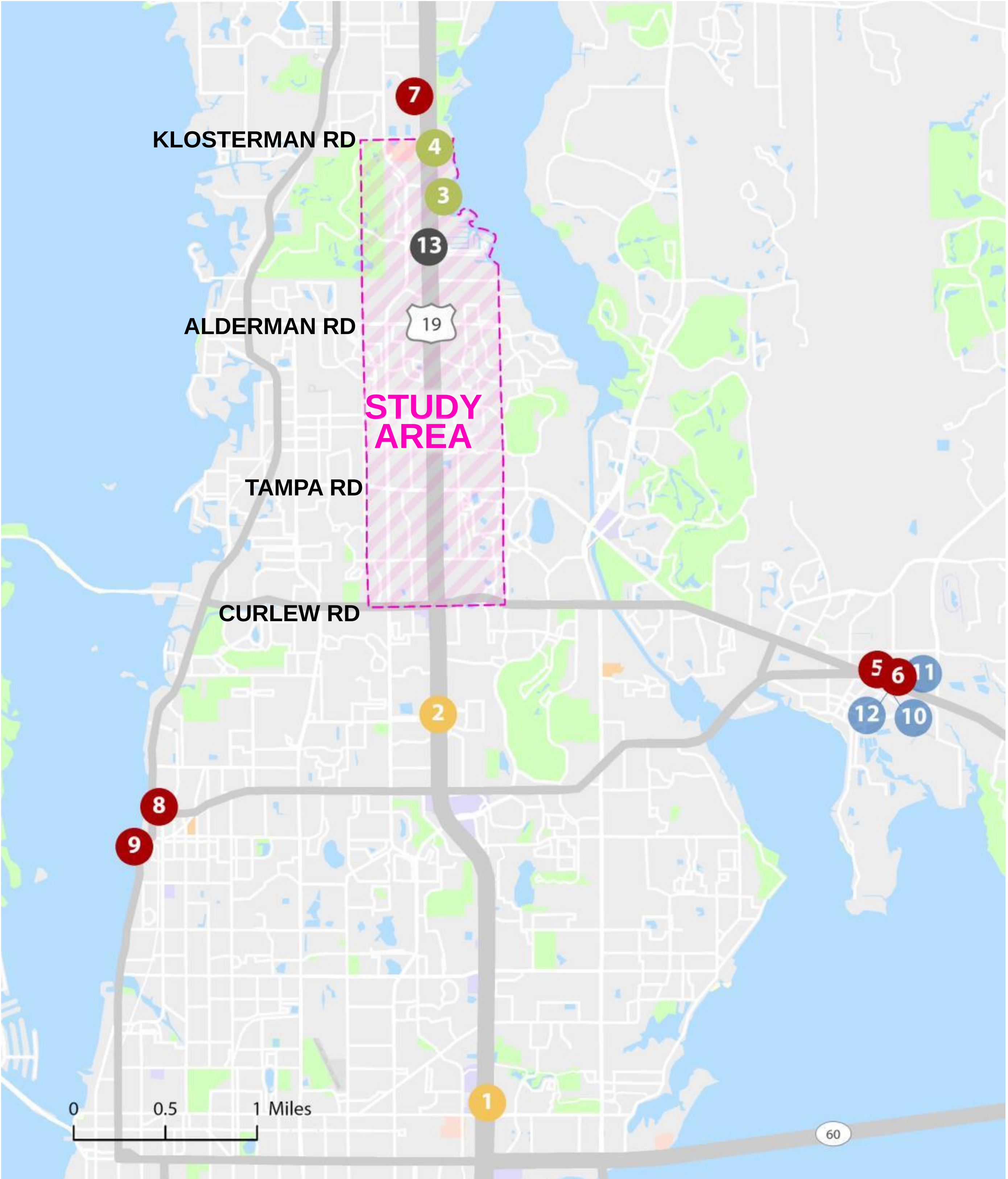
5 Hampton Inn & Suites Tampa Northwest/Oldsmar
6 Holiday Inn Express & Suites Tampa Northwest-Oldsmar
7 Hampton Inn & Suites Tarpon Springs
8 Holiday Inn Express & Suites Clearwater North/Dunedin
9 Best Western Plus Yacht Harbor Inn

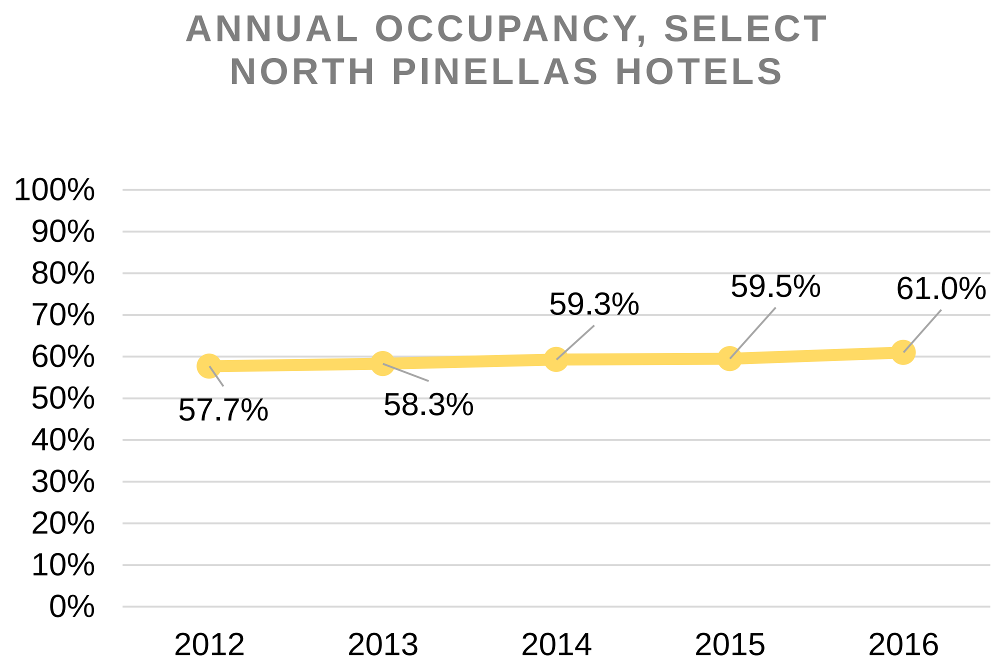
Upscale 260 keys

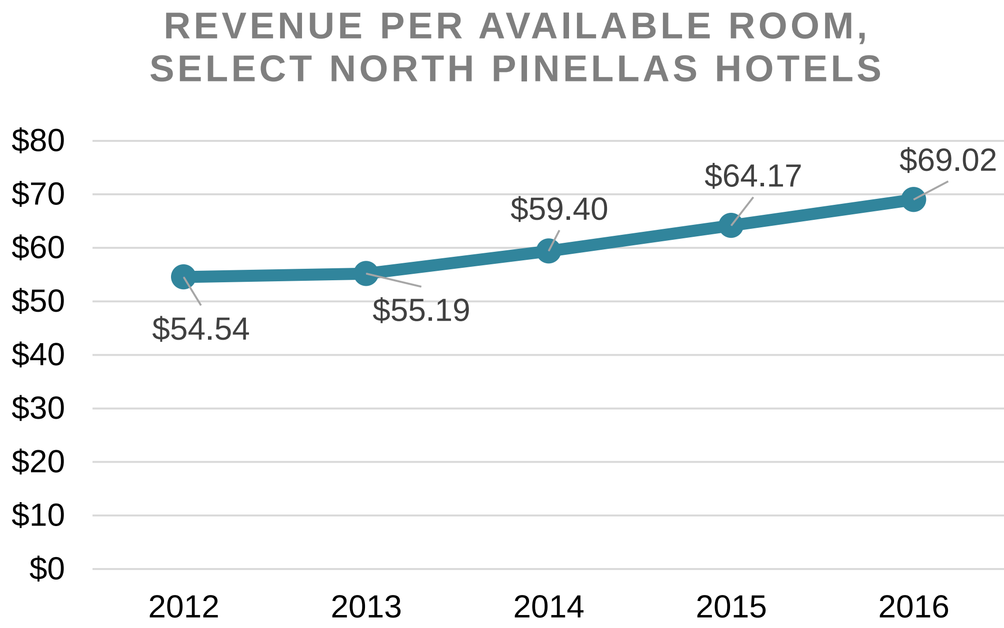
10 Courtyard by Marriott Tampa Oldsmar
11 Hilton Garden Inn Tampa Northwest/Oldsmar
12 Residence Inn by Marriott Tampa Oldsmar

Luxury 505 keys

13 Innisbrook Golf & Spa Resort







Source: ESRI, *SB Friedman,* WTL+a Study

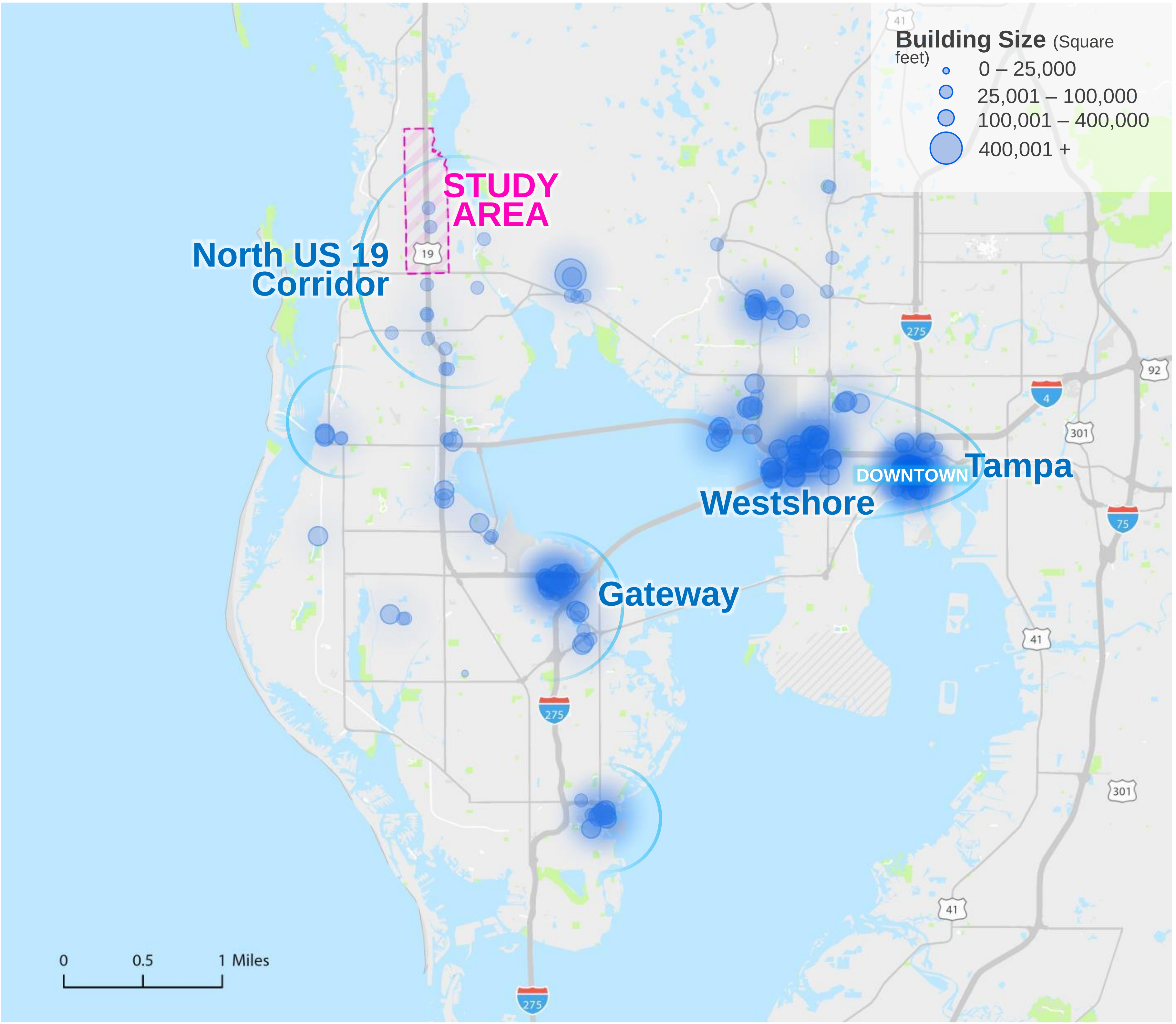
03 **Hotel Analysis:** Market Potential

- Hotel market performance is currently insufficient to support additional hotel development
- Near-term market potentials for hotel development are limited
- Continued strengthening of the area's hotel performance metrics would be required to sustain new hotel construction in the near-term (i.e., three to five years)

Source: WTL+a Study

04 Office Analysis

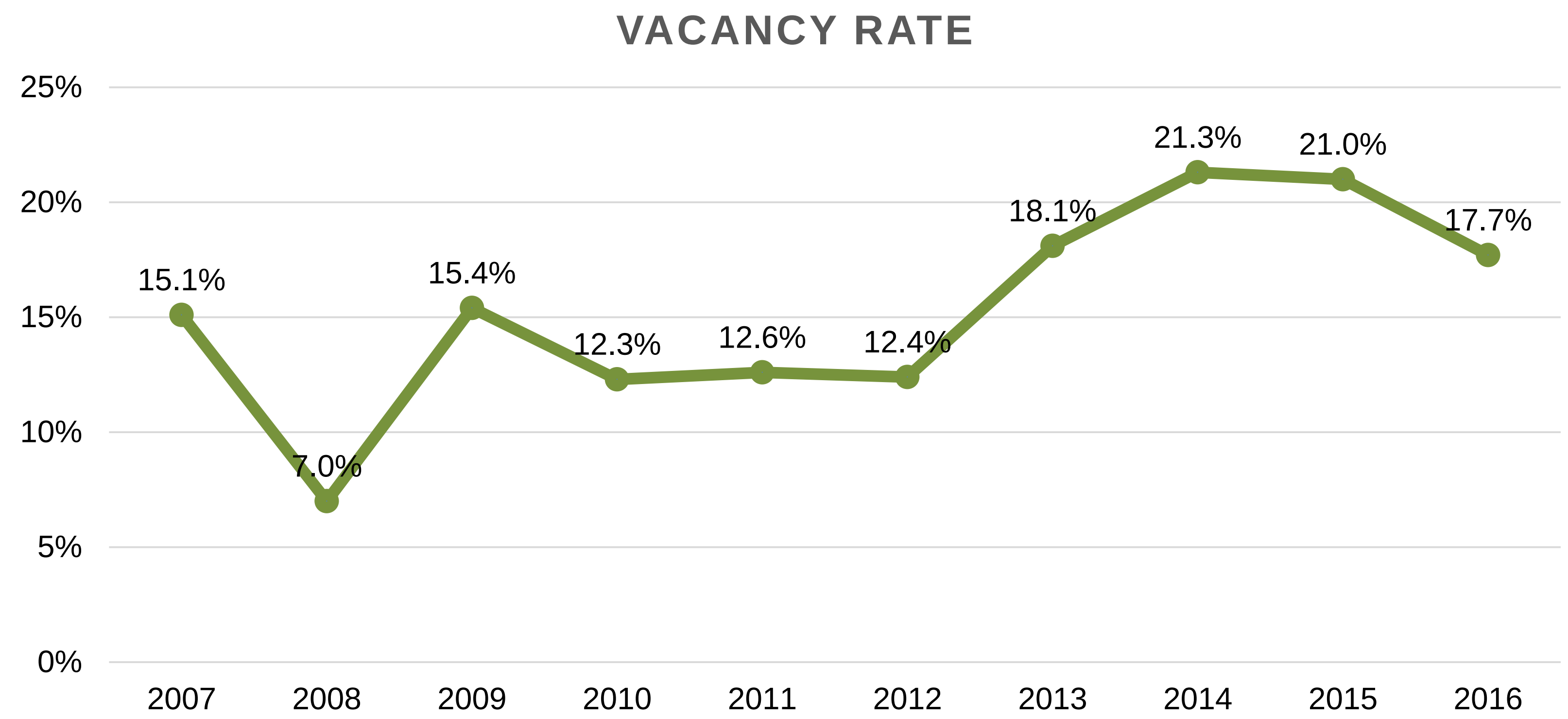
04 **Office Analysis:** Competitive Class A Supply

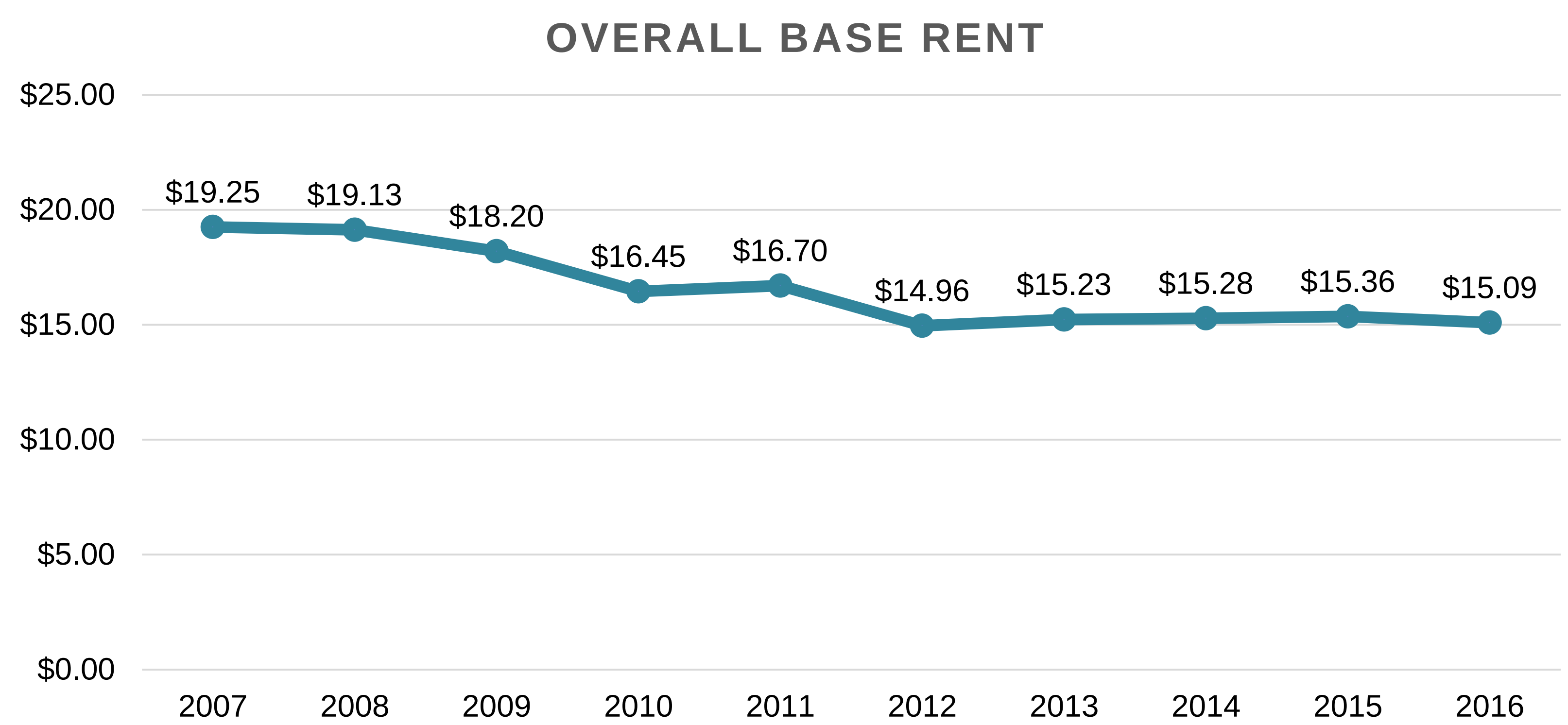


- Class A office is primarily located in three clusters:
  - Gateway
  - Westshore
  - Downtown Tampa
- There is limited Class A office located within the US 19 Corridor

Source: CoStar, ESRI, *SB Friedman*

04 **Office Analysis:** North US 19 Study Area – Overall Office



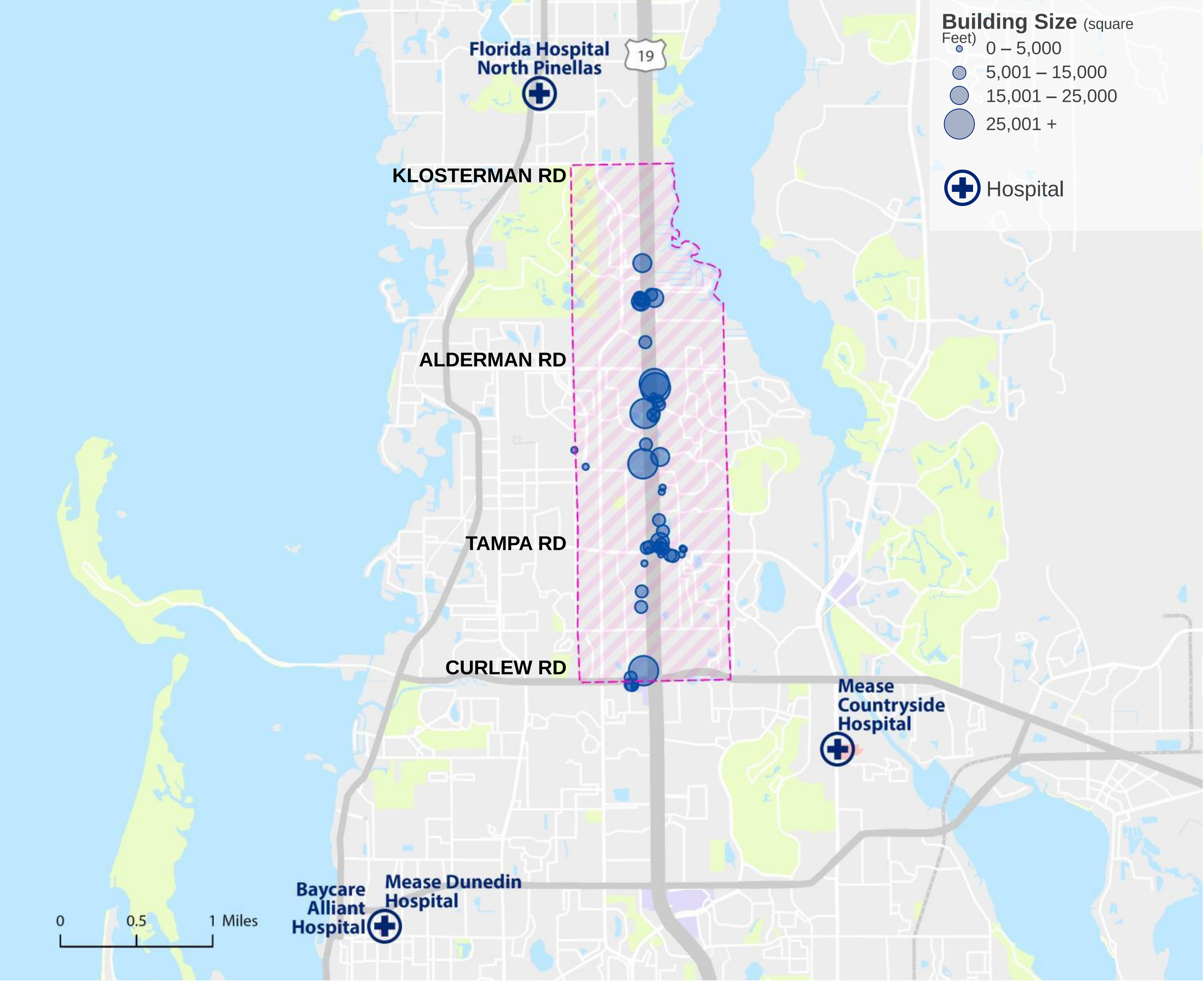


- Study Area office space:
  - **1.185 million SF**
  - **3%** of County's gross inventory
- **Vacancy rates increased** from 7% (2008) to over 21% (2014), and then declined to 17.7% (2016)
- From 2007-2016, **net absorption was a *negative* 172,970 SF, or 17,300 SF annually**
- Since 2014, an improving economy and tenant expansions/relocations[1] generated almost 50,000 SF of positive net absorption
- Study Area office rents have *decreased* over the past 10 years

Source: *SB Friedman,* WTL+a Study

Note: [1] such as Geographic Solutions, which opened a 28,000 sq. ft. expansion from its presence in the historic core of Palm Harbor

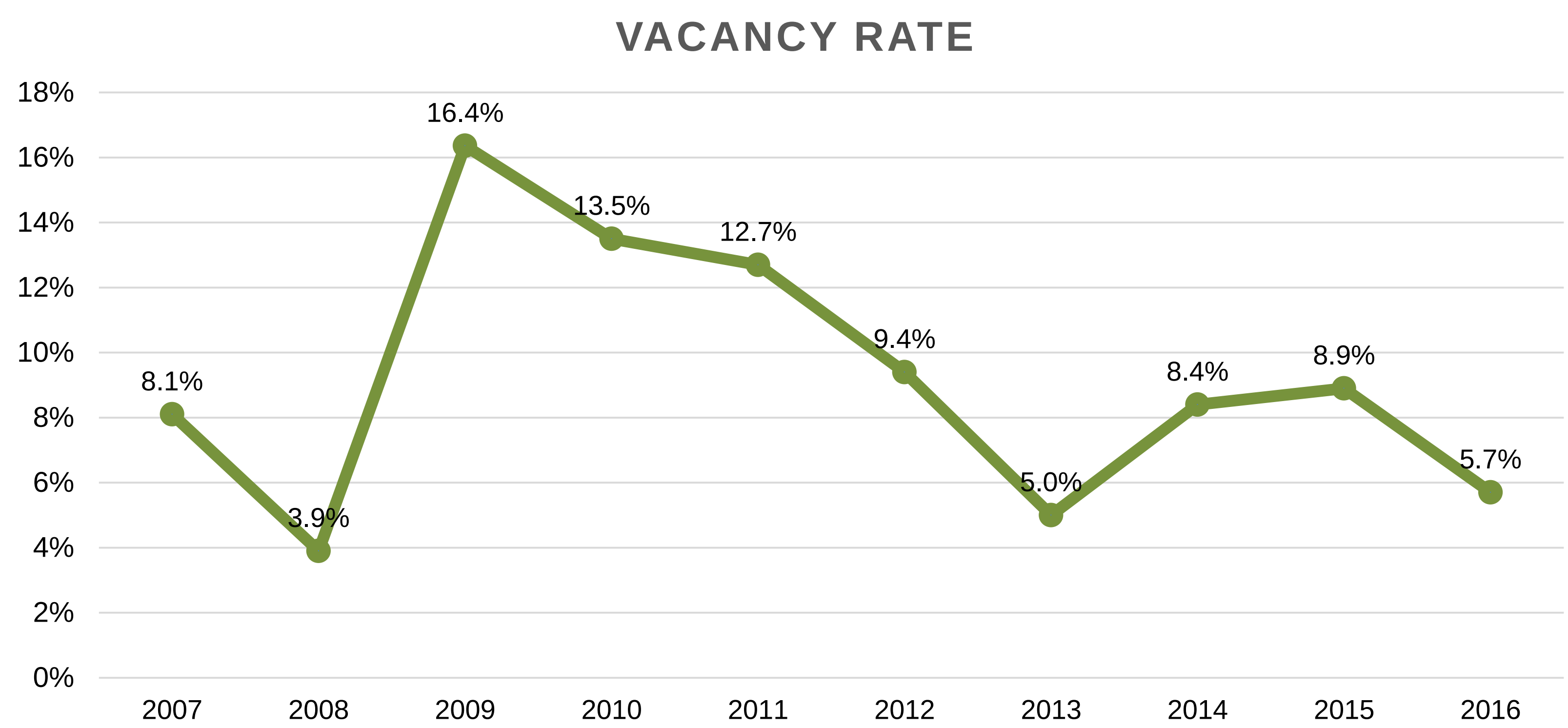
04 **Office Analysis:** North US 19 Corridor – Medical Offices

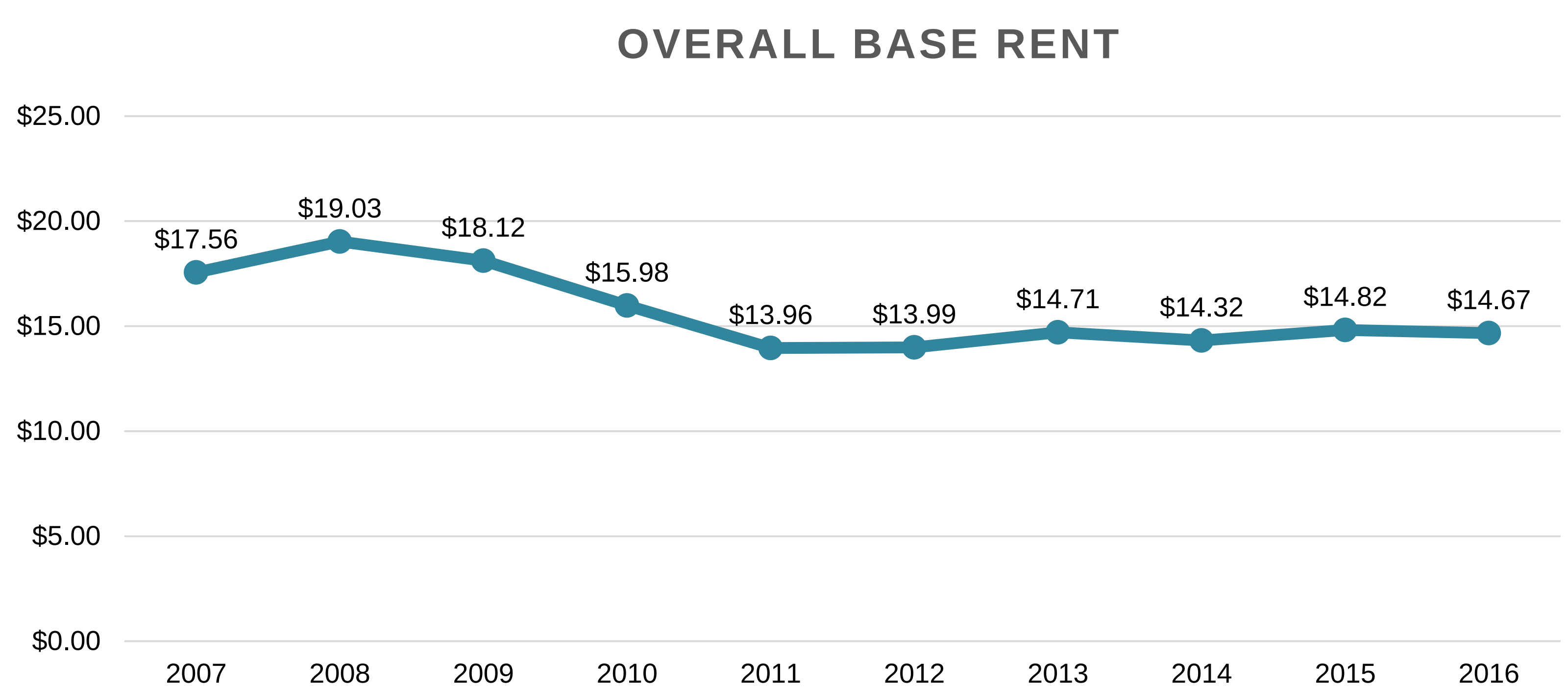


- Study Area medical office space:
  - **250,000 SF**
  - **19** medical office buildings
- Significant increase in spending for health care associated with **aging populations**
  - 25-34 age cohort: 17%
  - Over 65 age cohort: 35% to 40%
- Increasing amount of retail space converted to/occupied by medical and health-related businesses in Study Area
  - Converted from highly visible pad sites, or occupying in-line spaces intended for traditional retail and consumer service uses

Source: CoStar, ESRI, Google Maps, *SB Friedman,* WTL+a Study

04 **Office Analysis:** North US 19 Study Area – Medical Office





Source: *SB Friedman,* WTL+a Study

- Vacancy rates have fluctuated from a high of 16% (recession) to 5.7% (2016), suggesting a nominal **14,000 SF estimate of vacant medical office space**
- As economic conditions have improved since 2012, net absorption improved to 24,300 SF
- Study Area medical office rents also declined over the past 10 years

04 **Office Analysis:** Market Potential

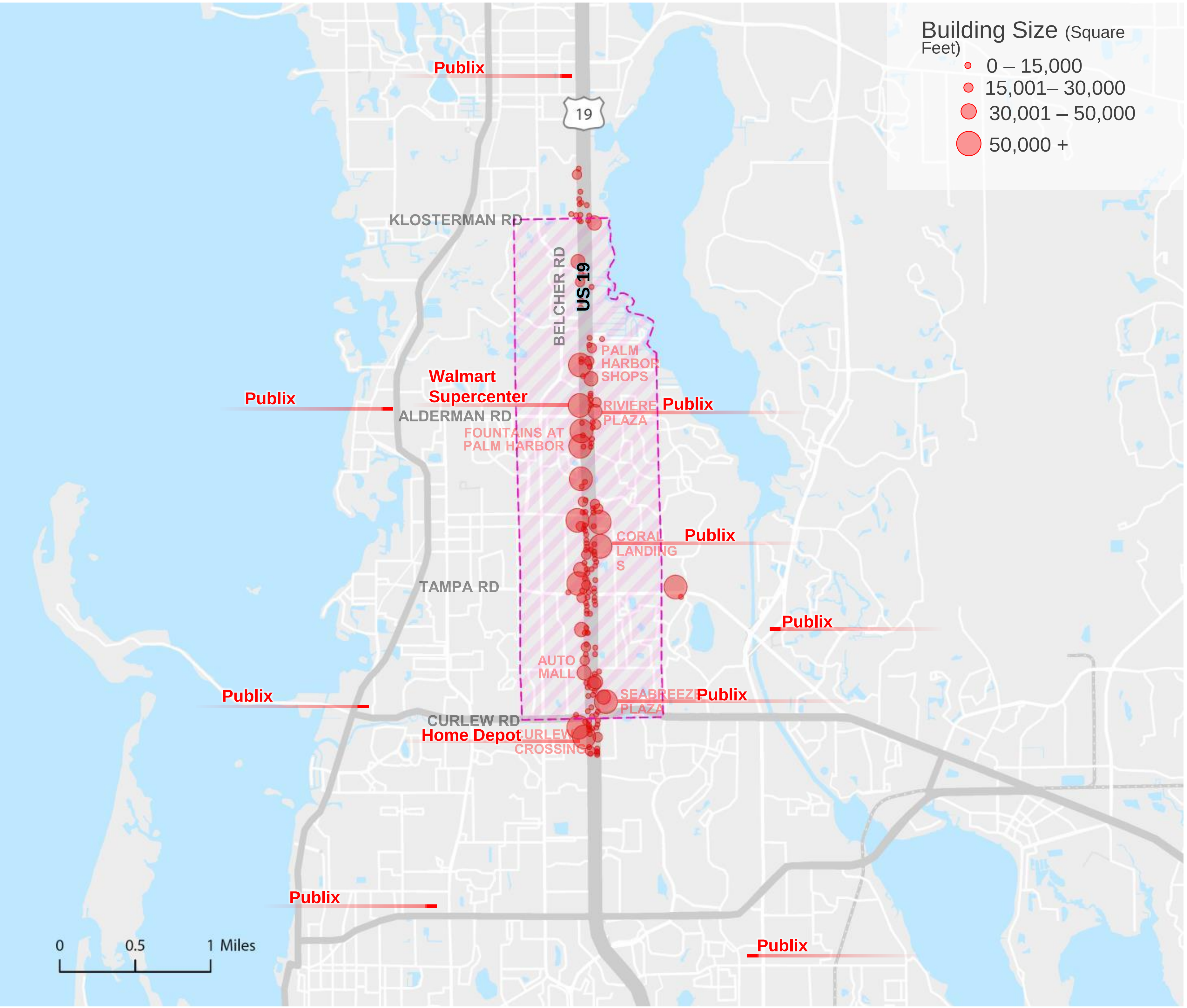
- Net demand for 54,400 square feet of new office space in the Study Area by 2023
- Corporate office will likely follow existing location patterns
- Speculative office space without an identified anchor tenant would be risky and highly unlikely
- A “wild card” build-to-suit tenant may find this location conducive to their needs; however, a commitment would be required prior to development
- Targeted business recruitment/relocation efforts may provide additional opportunities for new office development in key locations

Source: WTL+a Study

05 Retail Analysis:

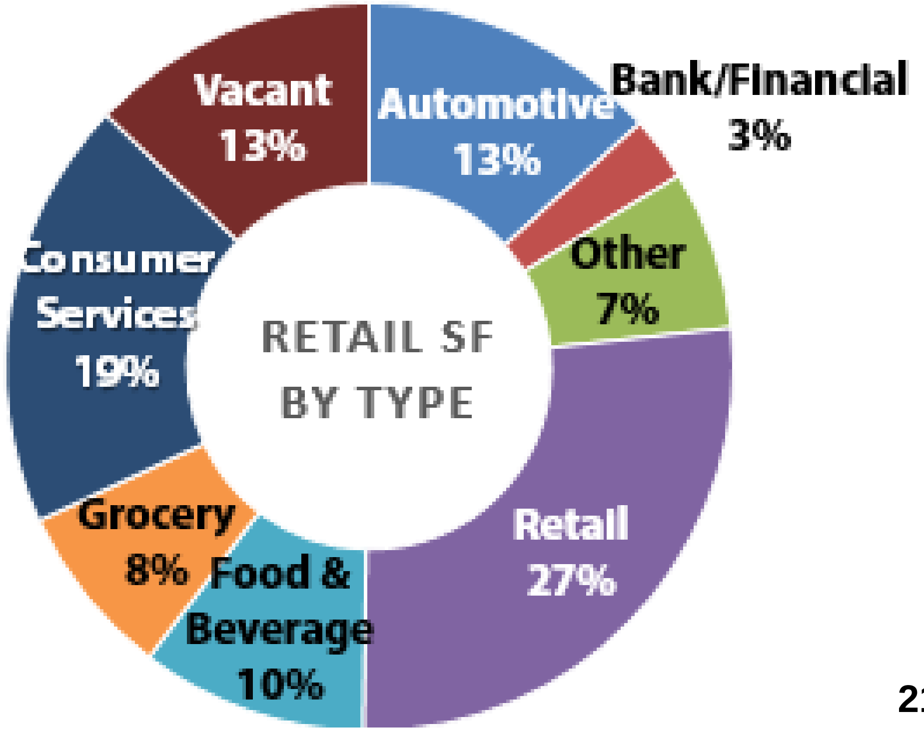
EXISTING RETAIL CLUSTERS
MARKET POTENTIAL

05 Retail Analysis: Retail Pattern



Source: ESRI, Google Maps, *SB Friedman,* WTL+a Study

- **Over 450** occupied businesses/spaces with a diversity of tenants
  - **84 (18.5%) of which are national and/or regional branded stores**, representing nearly 800,000 SF (25%) of commercial space
- **Land uses** include:
  - Grocery-anchored community shopping centers
  - Small commercial strip centers
  - Stand-alone 'pad sites' surrounded by surface parking lots
  - Five (5) major auto dealerships



05 **Retail Analysis:** Market Potential

- **The Study Area has more retail space than the current market supports:**
  - Total retail/consumer services oversupply: **636,000 SF**
  - Exacerbated by stronger offerings and competition for destination shopping elsewhere

- However, this assessment is fairly characteristic of Florida's older retail corridors and broader U.S. retail market conditions (significant oversupply)

- Redevelopment of U.S. 19 should consider:
  - Repositioning as a commercial corridor with a **greater mix of uses**
  - Infilling vacant retail space and/or demolition/replacement of obsolete retail space **before adding any significant amounts of new retail uses**

Source: WTL+a Study

05 Market Potential: Overview

Residential

- 200 to 2,000 units through 2040
- Surface parking likely
- US 19 improvements expand regional access to employment centers

Office

- Net demand for 54,000 square feet by 2023
- US 19 improvements will expand commute shed

Hotel

- Insufficient support for additional development
- Limited near term potential

Retail

- Suburban “Main Street” likely to continue
- Weak demand for new
- Challenges infilling, repositioning or replacing obsolete space, especially in between interchanges

Source: WTL+a Study

06 Strategic Planning

06 Strategic Planning: Challenges and Opportunities

Limited Potential for Transformational Change

- Crossroads locations and US 19 frontage are largely built out
- Few larger scale vacant sites
- Shallow lot depths, fragmented ownership, and access challenges
- Market potentials are relatively modest

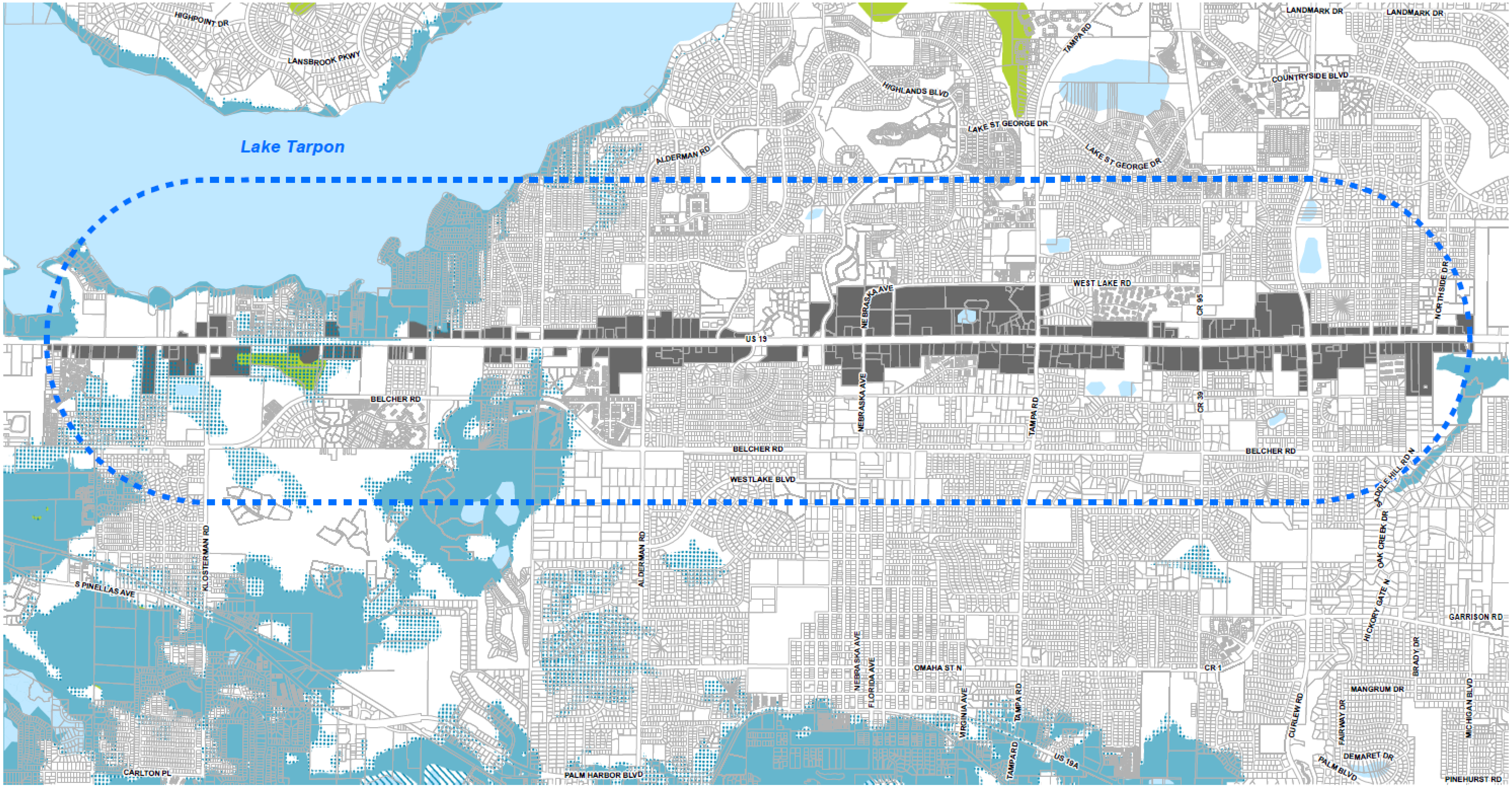
US 19 Improvements Impact Competitive Position

- Interchange locations will benefit from improved regional access
- Areas with parallel local roadways and cross-parcel connections will fare better
- Older retail properties in “in-between” areas will likely experience greatest challenges

Focus on Areas with Strong Locational & Access Advantages

- Planned interchanges and major crossroad locations
- Vacant sites and obsolete building stock and site configurations
- Street networks and cross-parcel connections for local circulation
- Higher density residential and office uses in close proximity

06 **Strategic Planning:** Planning Framework



Wetlands & Floodplains

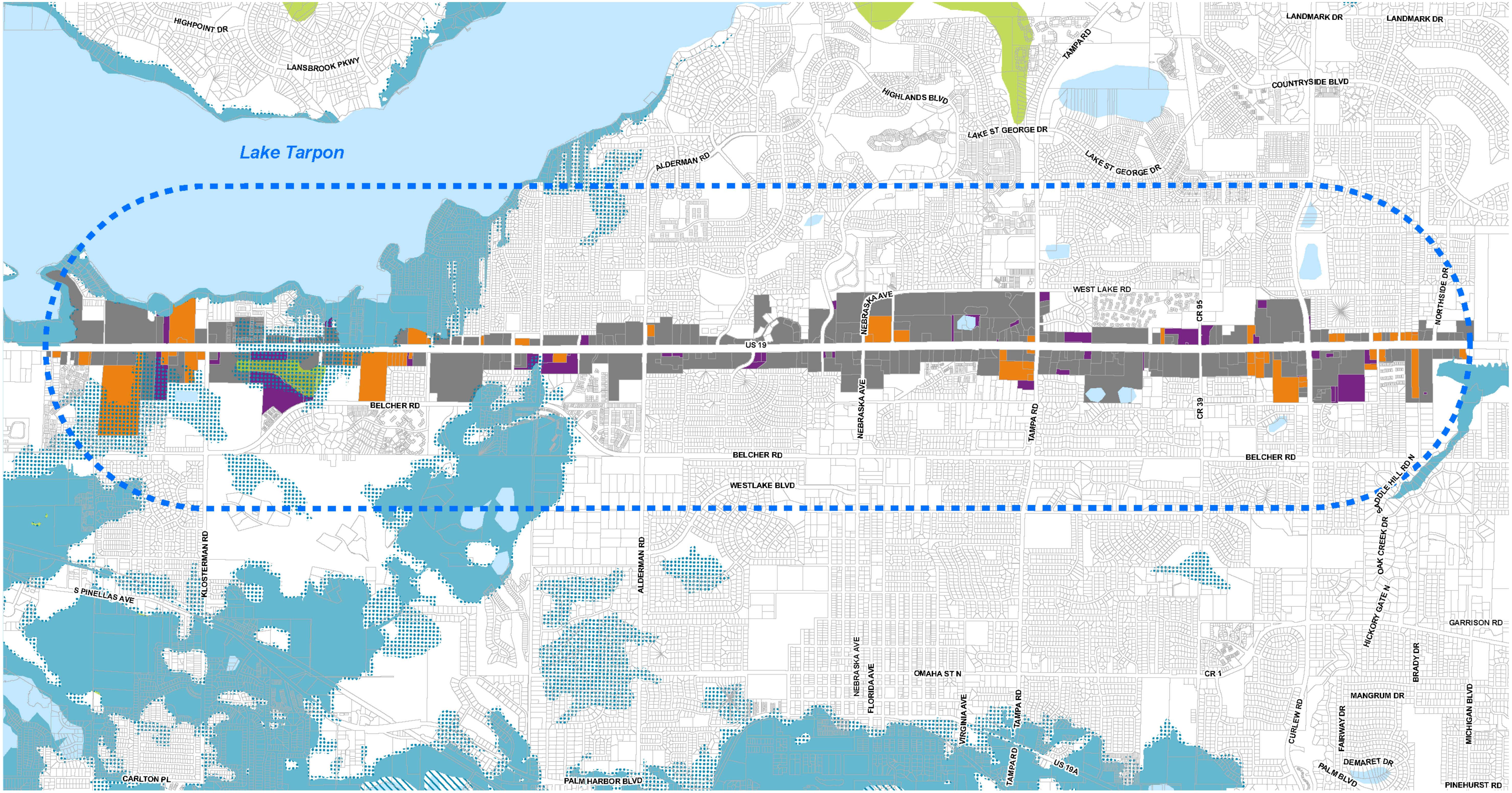
US 19 North Economic & Land Use Analysis

- Project Limit
- Water
- Wetlands
- Special Flood Hazard Areas (Zones A, AE, AO)
- Coastal Flood Zone with Velocity Hazard
- 500 Year Flood Zone
- Non-Residential/Multi-family

0 0.25 0.5 1 Miles

Source: Pinellas County, HDR

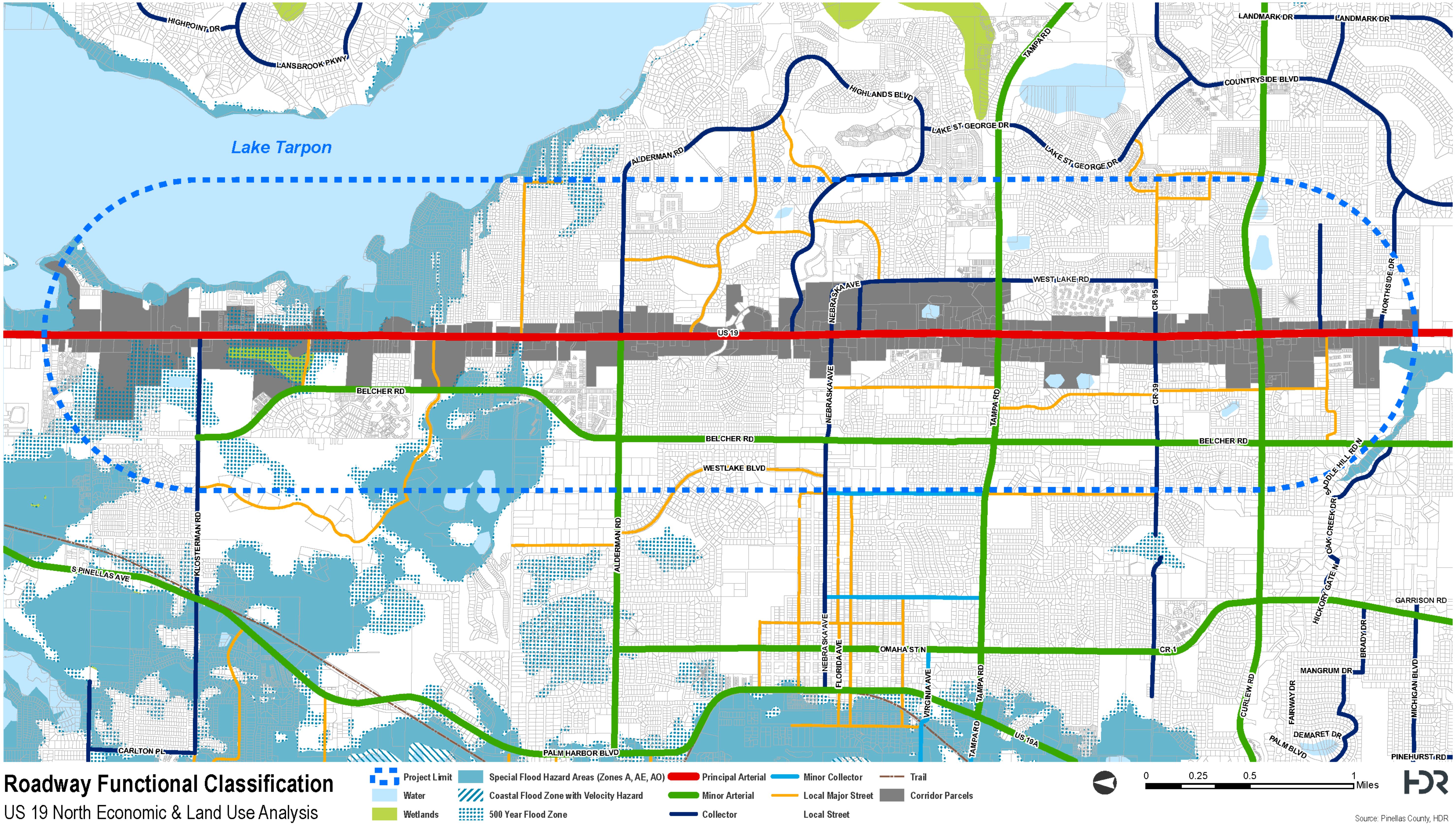
06 Strategic Planning: Planning Framework



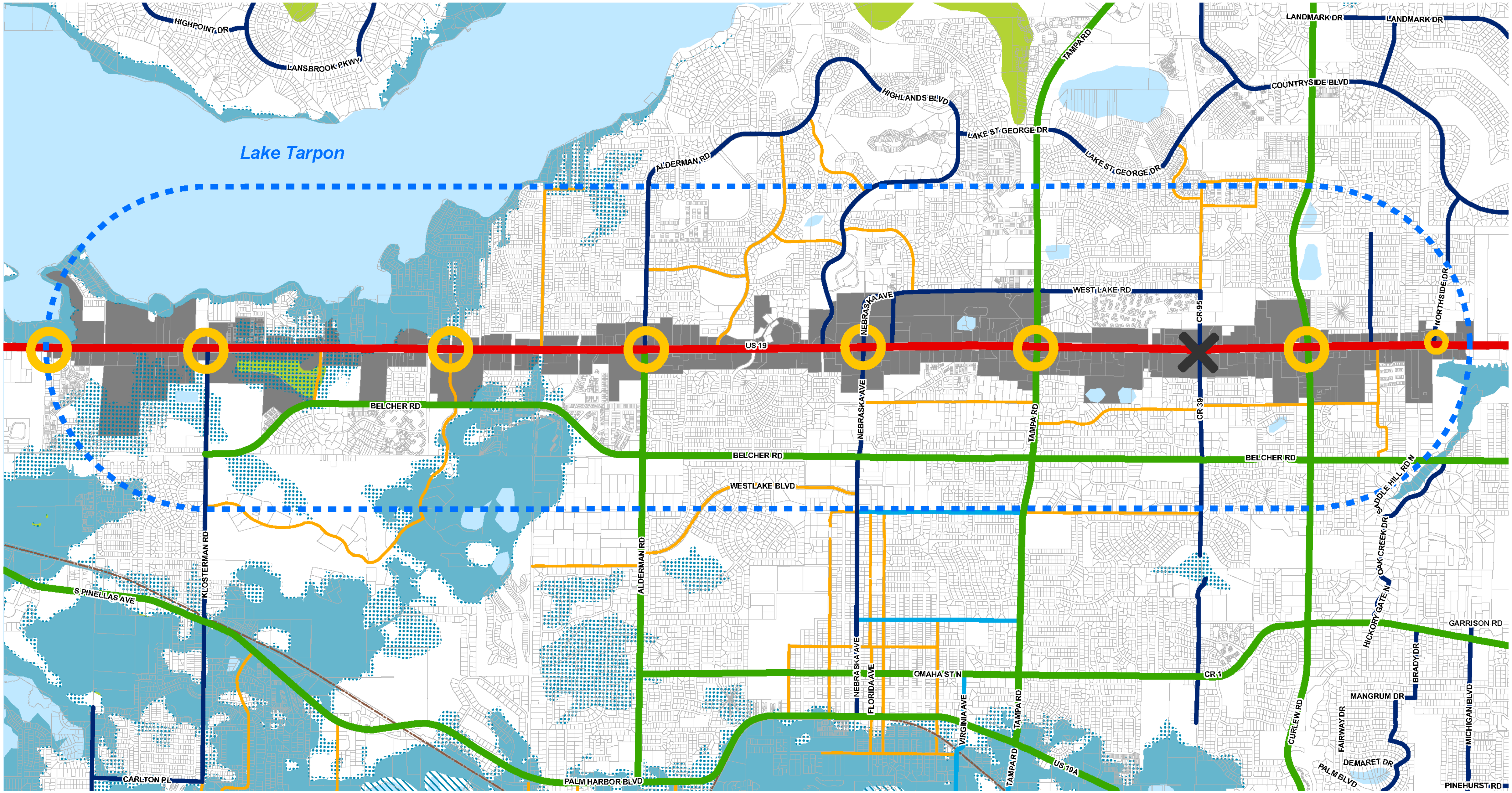
Corridor Redevelopment Potential

US 19 North Economic & Land Use Analysis

06 **Strategic Planning:** Planning Framework



06 Strategic Planning: Planning Framework



Planned US 19 Interchanges

US 19 North Economic & Land Use Analysis

Project Limit
Water
Wetlands
Corridor Parcels
Special Flood Hazard Areas (Zones A, AE, AO)
Coastal Flood Zone with Velocity Hazard
500 Year Flood Zone
Principal Arterial
Minor Arterial
Collector
Minor Collector
Local Major Street
Local Street
Trail
Planned Interchange
Planned Intersection Removal
Planned Overpass Only

0 0.25 0.5 1 Miles

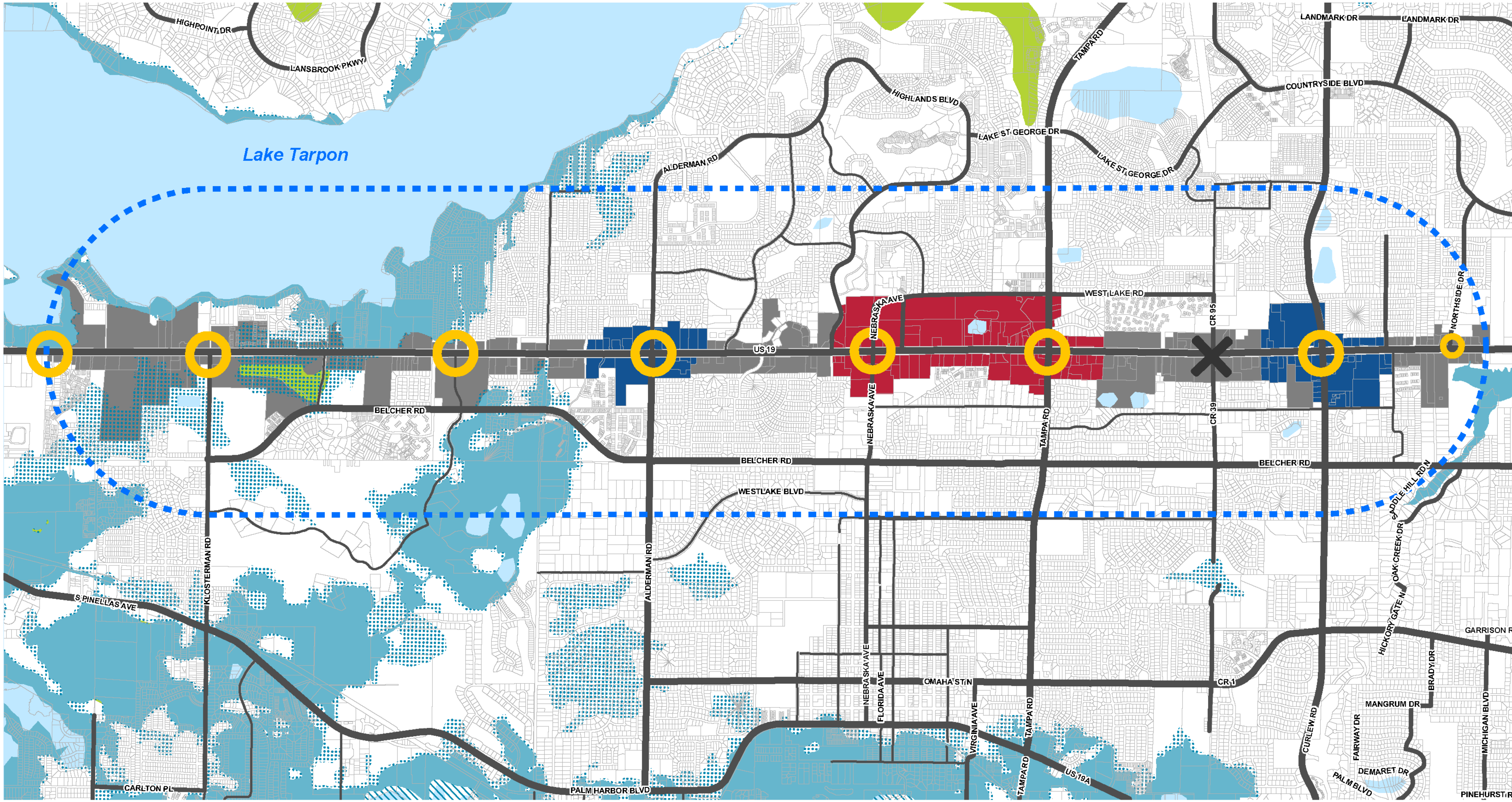
Source: Pinellas County, HDR

06 **Strategic Planning:** Center Definition & Strategies

- Center Definition
  - Strong locational and access advantages
  - Street network and site connectivity
  - Modest potential for development and redevelopment
- Development Strategies
  - Density and other regulatory incentives
  - Broader mix of permitted uses
  - Targeted economic development assistance
- Corridor Improvements
  - Investments to improve connections and reinforce district identity
  - Landscape and aesthetic improvements
  - Enhanced pedestrian and transit accommodations

Source: HDR, *SB Friedman*

06 **Strategic Planning:** Center Definition & Strategies



Preliminary Centers

US 19 North Economic & Land Use Analysis

- Project Limit
- Water
- Wetlands
- Special Flood Hazard Areas (Zones A, AE, AO)
- Coastal Flood Zone with Velocity Hazard
- 500 Year Flood Zone
- Arterial
- Collector
- Local Major Street
- Planned Interchange
- Planned Intersection Removal
- Planned Overpass Only
- Primary Center
- Secondary Center
- Corridor Parcels

0 0.25 0.5 1 Miles

Source: Pinellas County, HDR

06 **Strategic Planning:** Center Definition & Strategies

Refine Center Definitions & Align to Countywide Plan Categories

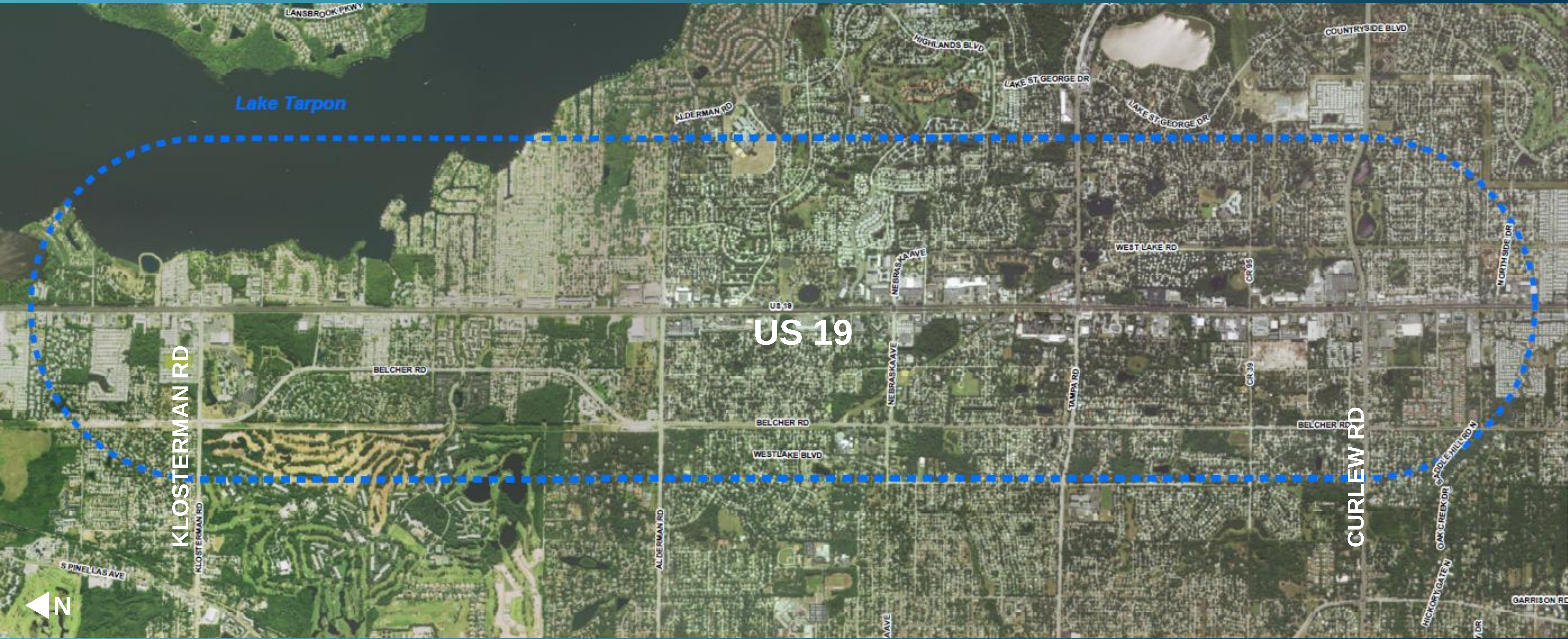
- Primary Center
  - Potential as a sub-regional retail node with broader range of uses
- Secondary Center
  - Potential as a neighborhood-scale activity center
- Corridor Frontage
  - Long term redevelopment and reuse strategies as access changes impact market position

Establish Objectives and Strategies by Center Type

- Reinvestment and redevelopment
- Refine land development policies and standards
  - mixed use allowances
  - form-based provisions
  - pedestrian- and transit-supportive standards

Realign Development Initiatives and Incentives

- Incentivize parcel assemblage, reinvestment, and redevelopment
- Address regulatory barriers to reinvestment and use change
- Identify opportunities to improve mobility, access, and connectivity



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