Forward Pinellas
Target Employment and Industrial Land Study (TEILS)
2022 Update

Draft Report
December 21, 2022






Acknowledgements

Renaissance Planning in conjunction with SB Freidman Development Advisors provided consultant services to Forward Pinellas to complete the Target Employment and Industrial Land Study (TEILS) Update in 2022. The project was led by Forward Pinellas staff, with additional support from Pinellas County Economic Development (PCED) and Pinellas County Housing and Community Development. The project was also guided by a **Project Advisory Committee** that provided important feedback at key milestones in the project which ultimately shaped the final study recommendations. A listing of the Advisory Committee members is noted below. Additional participants in the study are also included on the following page.

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Other Acknowledgments
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Upper Tampa Bay Chamber of Commerce

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Key Findings & Recommendations

The following presents the high-level findings and key recommendations of the TEILS Update. The rest of the document details the analysis and stakeholder feedback supporting these findings.

- Since 2012, there has been **a 20% increase in target industry employment growth** in Pinellas County. Target industries have higher average wages at $86,000 per year compared to $58,800 for non-target industries in the county. Given these dynamics, **not all jobs are equal** when considering economic impact.
- Within target industries, the strongest job growth potential is in sectors **seeking high quality Class A office space in mixed use environments.** The market assessment reveals that there is another **3.0M square feet of office** needed by 2032, with approximately **one-third of that demand for target industries**. **Industrial demand is at 6.0M square feet**, but there is more limited job growth anticipated in target industries needing industrial space. Rather, there is a need to replace aging and obsolete industrial space with **1.4M square feet of new modern industrial space needed to retain and support job growth for existing target industry employers.**
- The way people work changed following COVID shutdowns. Notably, **the rise of hybrid work** is here to stay with employees and employers embracing a partial return to the office combined with work from home. The office space forecast projected for the county assumes **a 10% reduction in average square feet per employee** in the long-term (through 2050) to account for these shifts. Additionally, these dynamics are contributing to the **"flight to quality"** for office-based employers. Businesses that rely on innovation and collaboration are seeking amenity rich locations with modern buildings to help attract employees back to the office.
- Much of the existing office and industrial inventory in Pinellas County is older and may not meet the needs of modern employers. Macroeconomic changes, lack of vacant land, housing shortages and other factors mean that **more than 2.45M square feet of office and 19.9M square feet of industrial space could be susceptible to demolition in Pinellas County** in the coming years.
- Currently, there are more than 13,000 acres of land designated as Target Employment Centers (TECs) within the county. While the study's land suitability analysis revealed that many of the TEC's remain good for target employment, each TEC has **different levels of attractiveness and growth potential** for industrial and office users.
- The existing land use policies for the TEC's favor office and industrial land use preservation by discouraging conversion to other uses. However, House Bill 1339 and Senate Bill 962 challenged these policies to meet local housing demands. The aging inventory of existing office and industrial space in the TEC's also means these properties are not as attractive to modern users. Therefore, **a more strategic policy approach and other incentives are needed** to support the county's economic development objectives.
- The employer survey conducted as part of this study also revealed that near term **labor shortages and lack of housing affordability** are some of the biggest challenges facing local employers in target industries.
- In Pinellas, **land dedicated to employment uses has a much higher economic impact** than land dedicated to residential use alone. Additionally, maintaining the county's current jobs/housing balance ratio of 0.92 is good public policy relative to keeping commute times down and improving access to workers from local employers.

- Given these findings, the **designation of TEC's remains an important policy** to reinforce the **cluster-based approach to target industry growth countywide.** However, the one-size fits all land use policy currently in place needs to be replaced with a more **diverse palette of policy designations** that reflect different target industry needs and suitability characteristics as well as the existing character and local goals for the different TEC locations.

- The study findings also suggests that the county should **retain and expand the total number of TECs** by adding another 3,100 acres of newly designated TEC areas. The study recommends **enabling close to 60% of the TECs to become mixed use** without sacrificing employment potential. The other **40% of acreage in TEC's are still well suited for employment only-based uses**.

- More incentives will be needed to encourage the **timely redevelopment of obsolete buildings and infill of underutilized land** to make space for modern employment demands of target industries.

- The new mixed-use designation for some TEC's does present an opportunity to **incorporate a range of housing options** within close distance to key employers. Countywide affordable and workforce housing strategies could be revisited to identify the best opportunities for incorporation of housing options within TECs.

- More effort will be needed to **retain and support the growth of existing target industry employers with industrial space needs**. The county could consider expanding the funding and revisiting the criteria for awarding the Penny for Pinellas Employment Sites Program (ESP) grants to address modernization and expansion needs of existing target industry employers.

- The designation of mixed use TEC's will require more **small area planning** to identify site-level **opportunities to transform suburban commercial areas into thriving mixed use areas where people will want to both live and work**. These areas will need to be envisioned as new centers that can compete with the urban city centers of St. Petersburg and Clearwater. Place-making, walkability, green infrastructure and multi-modal transportation investments will be needed to ensure these areas can maximize land efficiency and become great 'new places' over time.

- Countywide, **aging industrial space outside the TEC's remains at high risk for conversion**. While these locations may not be suitable for the needs of modern target industry employers, they often serve important community needs. Therefore, another study recommendation is to **establish a new TEILS countywide working group** that consists of economic development interests, housing advocates, land use and transportation planners and other stakeholders to help local governments better assess repositioning or redevelopment potential of local industrial properties. This group could also be called upon to guide more regular updates of the TEILS to revisit key challenges and opportunities associated with target industry growth countywide.

- The confirmation of target industry growth potential for the county also reinforces the need for continued **workforce development to address real and perceived skills gap(s).** Doing so can help to ensure the long-term pipeline of talent can be grown from within the county to support the most promising **target industry clusters which call for more than 2,730 employees by 2032.**

Study Background and Context

A major focus of the Countywide Plan for Pinellas County is the retention and attraction of companies providing high-wage primary employment opportunities, known as target employers. Target employers are vital to the economic health of Pinellas County because these businesses and industries produce goods or services for statewide, national or international markets. The goods and/or services are exported to consumers outside of the region, resulting in a stream of new dollars coming into the local economy and ultimately a distribution of wealth occurs through wages paid to employees, a stronger supply chain, and increases in local government tax revenues.

Businesses providing these types of jobs include those that typically locate on land classified for industrial use, even though few of those types of uses create the negative impacts associated with traditional heavy industrial uses. These are the so-called "clean" industries desired by communities throughout the nation. Previous studies conducted by Forward Pinellas and Pinellas County Economic Development (PCED) have identified a clear need to retain industrially-designated land for both the expansion of existing firms and for the location/relocation of firms coming to the county. Conversely, not all target employers need to be located on land designated for industrial use and not all industrially-designated land is viable for these types of firms. Dramatic changes in technology, product and service delivery, automation, digitization, etc. have enabled some of these businesses to thrive in a variety of areas and districts.

Due to the lack of vacant greenfield land in Pinellas County, market forces have made the development of residential and commercial property more lucrative to the landowner/developer than industrial development, creating pressure to convert industrial parcels to other uses. At the same time, there is not enough developable industrial land to accommodate many target employers who wish to move into the county. In response, the Target Employment and Industrial Land Study was commissioned in 2008 to develop a series of strategies, including enacting land use policies that preserve property that can be used for target employment needs.

Pinellas by Design

Pinellas by Design remains a key policy guidance document driving land and economic development. Adopted in 2005, it calls for a focus on:

Job sectors that generate the highest possible wages

Export-oriented industry with 51% of product sold outside Pinellas County (and preferably Florida)

Sectors that have the potential to attract or create additional high-wage businesses

Employers that use available real estate efficiently given land constraints

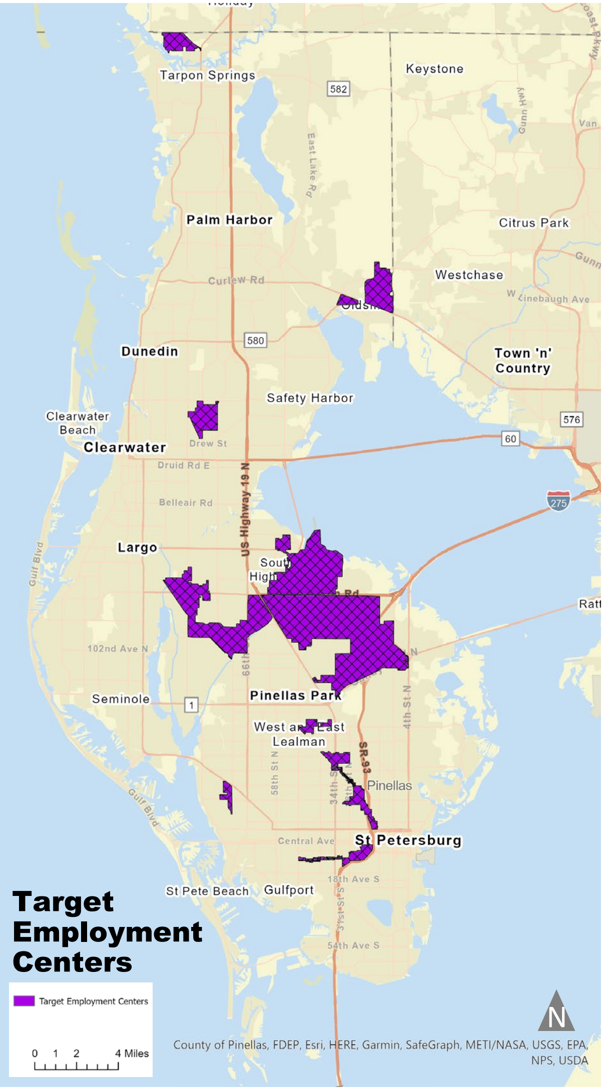
Criteria and policies that restrict the conversion of such land to other uses were subsequently adopted into Section 6.5.4.4 of the Countywide Rules and Land Use Goal 9.0 of the Countywide Plan Strategies. These provisions have reinforced Pinellas County's economic and redevelopment strategy for well over a decade.

Following the 2020 legislative session, Governor DeSantis approved House Bill 1339 (Section 125.01055, Florida Statutes), a bill addressing several provisions including affordable housing. Among other provisions, the new law allows the governing body of a county or municipality to approve an affordable housing development on any parcel designated for residential, commercial, or industrial use. The subsequent passage of Senate Bill 962 (Sections 125.01055 and 166.04151, Florida Statutes) in 2021 further empowers the conversion of land to accommodate affordable housing. This preemption conflicts with Countywide Plan policies prohibiting residential uses in the Employment and Industrial categories. Furthermore, Pinellas County recently established the Penny for Pinellas Affordable Housing Program and Employment Sites Program. These two programs provide up to $80 million in grant funding over the next decade for land acquisition or capital projects associated with the development, construction, and major rehabilitation of local workforce housing units or assistance in the construction and redevelopment of industrial (manufacturing & flex) and office buildings to facilitate a robust local economy that provides growth opportunities for existing businesses and attracts new target industry employers to Pinellas County.

These factors have compelled Forward Pinellas to reassess the locational needs of target employment industries in Pinellas County and the existing policy framework in the Countywide Plan which seeks to preserve land for high-wage jobs. This report represents the culmination of these efforts.

Approximately 13,000 acres are designated as Target Employment Centers (TEC's) in Pinellas County.

The TEC's fall under Section 6.5.4.4 of the Countywide Rules and Land Use Goal 9.0 of the Countywide Plan Strategies which restrict conversion of high value employment land to other uses.



Map 1 – Existing Target Employment Centers

Stakeholder Engagement

The 2022 update of TEILS involved several engagement efforts to supplement the technical analysis and further inform policy recommendations. The primary tier of engagement occurred with the TEILS Advisory Committee. The study team and Forward Pinellas Staff conducted five work sessions (2-virtual, 3 in-person) with the Advisory Committee to present key findings and garner feedback on implications and ideas for refining the TEILS policy approach. Additionally, study team and Forward Pinellas staff conducted three focus groups with interests from the Warehouse Arts District in St. Petersburg, Housing Advocates and Developers and Economic Development professionals. The study team also conducted one-on-one interviews with a handful of brokers and employers to inform the market study and the team sent out an employer survey on locational preferences. Finally, Forward Pinellas staff presented to the Forward Pinellas Board, maintained content on the TEILS website and met with local government staff throughout the course of the study.

Outreach and Engagement Strategies	
Advisory Committee Work sessions (5)	Focus Groups (3) Housing Warehouse Arts Local Economic Development and Planning Staff
Employer Interviews	Employer Survey (117 responses)
Forward Pinellas Board and Local Government Staff Briefings	Website Updates

Figure 1 – Outreach and Engagement

August 9, 2022 Advisory Committee Meeting

Photo Credit: Renaissance Planning

Target Industries & Real Estate Market Assessment

The target industry analysis and real estate market assessment included efforts to identify the key target industries, estimate future employment growth potential for each and identify geographic preferences and potential space needs to accommodate that future growth. The following pages present the highlights of this analysis. Details supporting these findings can be found in the Technical Appendix.

Given the limited supply of vacant land in the county, the aging supply of existing office and industrial buildings and new housing demand, many of the TEC's have faced pressure to convert employment-based properties to other uses, especially residential. Compounding this fact is that existing industrial and office inventory is becoming obsolete and not meeting the needs of modern employers.

For the purposes of the market assessment, the region is defined as the six-county area inclusive of Hernando, Hillsborough, Manatee, Pasco, Pinellas, and Polk counties. Pinellas currently has approximately 26% of the regional jobs with just under half a million jobs as of 2021. Target industry job growth has been steady since 2012 at 20% with the greatest increases occurring in office and industrial sectors. To keep this pace and remain competitive in the region, a key strategy is to focus on a cluster-based economic development strategy.

A cluster is a regional concentration of related industries. Regional economies are made up of two types of clusters, each with different geographic patterns and different competitive dynamics. Traded clusters, also known as **primary job clusters**, are groups of related industries that export products/serve markets beyond the region in which they are located. Since primary clusters compete in cross-regional markets, they are exposed to competition from other regions. Typically, approximately 30% of jobs in a geography are within primary clusters. Local clusters, also known as **secondary job clusters**, consist of industries that serve the local market. They are found in every region of the country, regardless of the competitive position of a particular location. A region's employment in secondary clusters is usually proportional to the population of that region and grows and contracts in tandem with population growth or decline.

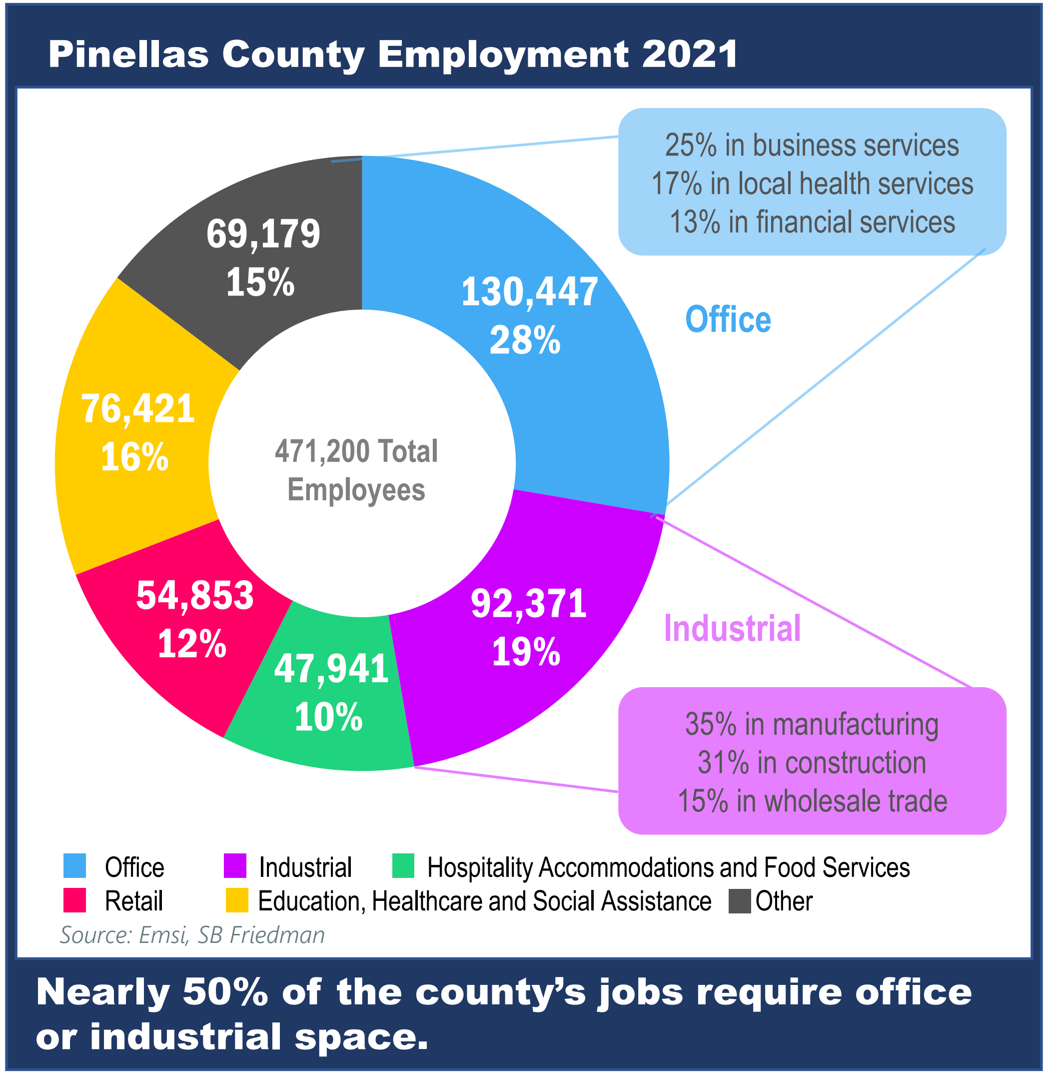


Figure 2 – 2021 Pinellas County Employment

The table below shows the **Top Job Clusters in Pinellas County as of 2021**. The **gross regional product (GRP)** measures the final market value of all goods and services produced in the region of study. GRP is the sum of total industry earnings, taxes on production & imports, and profits, less subsidies. **The location quotient (LQ)** compares a geography's industry composition to a larger area (e.g., nationally) to evaluate the geography's economic specialization. Industries with a high LQ typically represent export industries that bring dollars into the region and reflect the geography's competitive strengths. The **economic multiplier** measures how important one industry is relative to other industries in the region. For example, if an industry has an economic multiplier of 2.5, for every positive or negative change in that industry, the total effect on the regional economy will be 2.5 times the original change. The real estate criteria signifies if the employment can be housed in office or industrial space.

The top employment clusters are <u>business services, financial services and information technology</u>.

All three are primary job clusters.

		Size of Cluster		Competitiveness			Economic Benefits		Real Estate
	Cluster	2021 Jobs	2020 GRP	Location Quotient	2012-21 Growth	Regional Capture	Average Wages	Economic Multiplier	Office / Industrial Space
1	Business Services	32,862	$5,238,879,735	1.49	41%	31%	$83,736	1.96	x
2	Financial Services	16,118	$4,430,959,263	1.56	12%	28%	$101,183	3.33	x
3	Information Technology	13,666	$3,132,402,916	1.11	14%	32%	$91,156	2.55	x
4	Distribution and Electronic Commerce	12,567	$2,276,467,849	0.79	9%	17%	$65,707	2.45	x
5	Hospitality and Tourism	11,623	$989,547,580	1.19	-3%	42%	$49,655	1.74	
6	Education and Knowledge Creation	9,566	$729,672,964	0.60	116%	31%	$72,931	1.57	
7	Marketing, Design, and Publishing	7,021	$1,011,434,518	1.81	5%	53%	$68,080	1.83	x
8	Medical Technologies/Life & Marine Sciences	5,815	$1,191,823,581	1.39	16%	43%	$73,503	2.38	x
9	Microelectronics	4,702	$917,238,735	1.81	5%	61%	$56,977	2.67	x
10	Aviation/Aerospace/Defense	3,822	$865,696,614	1.64	-4%	65%	$79,843	2.24	x
11	Transportation and Logistics	2,683	$307,406,732	0.42	24%	17%	$46,849	2.08	x
12	Production Technology and Heavy Machinery	2,279	$311,892,595	0.85	20%	37%	$66,927	2.41	x
13	Communications Equipment and Services	1,877	$1,007,995,137	2.65	-2%	43%	$78,080	4.63	x
14	Printing Services	1,762	$193,092,367	1.43	-32%	49%	$56,329	1.99	x
15	Performing Arts	1,643	$156,671,334	0.81	23%	64%	$38,305	1.39	
	TOTAL	469,896	$50.26 B	--	11%	29%	$55,886	--	--

Source: BLS, Emsi, SB Friedman

● Manufacturing ● Knowledge & Research ● Professional, Business, & Consumer Services ● Tourism & Entertainment ● Transportation, Warehousing, & Utilities

Table 1 – Largest Primary Job Clusters in Pinellas County

The 2008 TEILS identified the target industry clusters as: aviation and aerospace, financial services, high tech industries, information technology, marine science, medical technology, microelectronics, modeling and simulation, optics and photonics, research and development, and wireless technology. Since that time, PCED has focused its employment recruiting and retention in these sectors with some minor modifications over time.

Looking ahead, it is important to build on existing strengths. Pinellas County's locational assets that can help support continued target industry growth include **institutional and public assets** such as the Maritime and Defense Technology Hub, University of South Florida College of Marine Science, the Tampa Bay Innovation Center and the nearby MacDill Airforce Base in Tampa. These are complemented by several large **private sector assets** including notable employers such as Tech Data, Jabil and Raymond James.

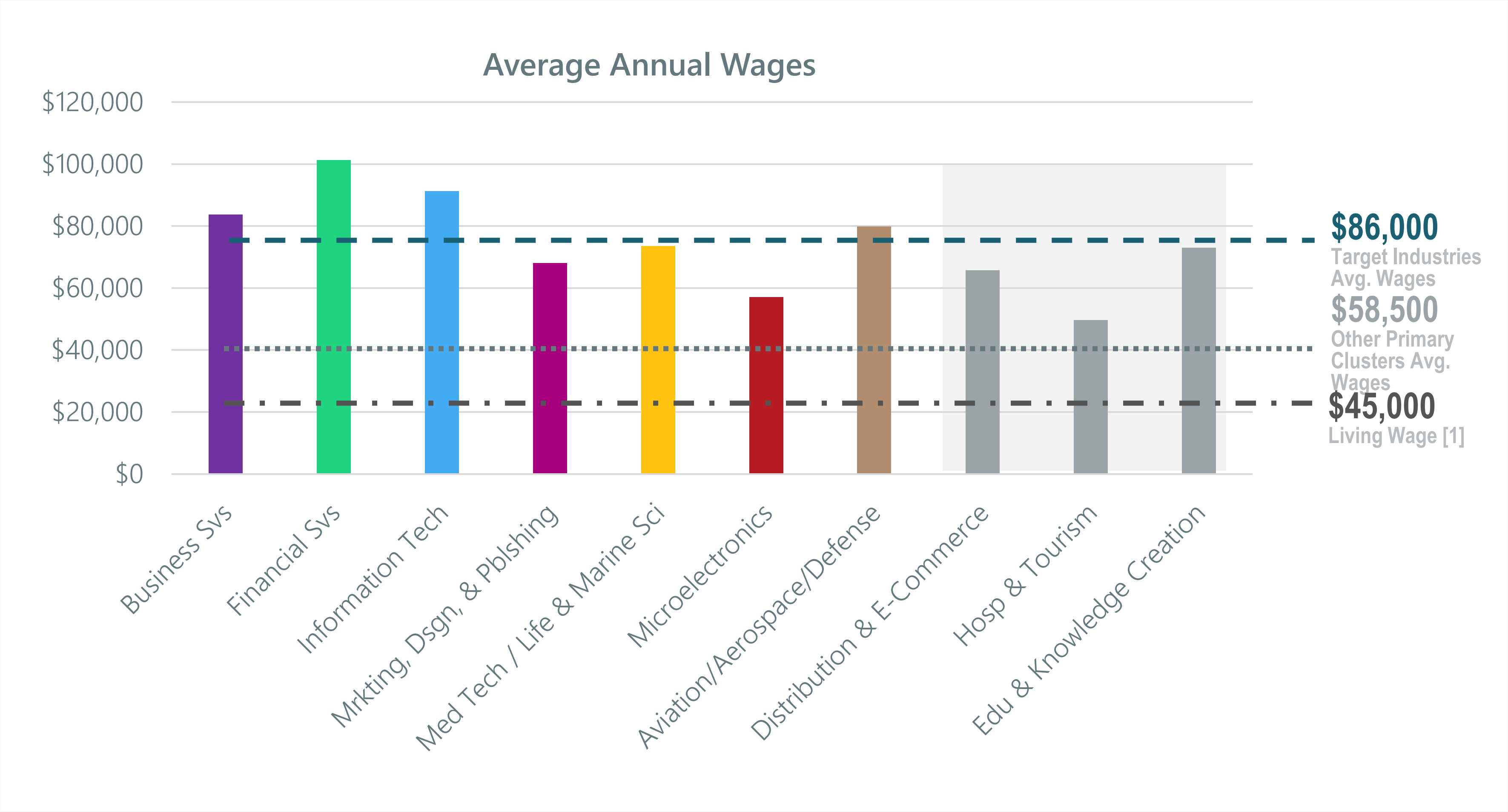
In addition to these assets, the study team also looked at the size of each existing target industry cluster, the gross regional product (GRP), the competitiveness (job growth over the last decade and regional capture of jobs), average wages and economic multiplier effects and real estate opportunities to assess future target industry growth.

Based on these factors, the revised **recommended target industries** for Pinellas County include business services, financial services, informational technology, medical technology and life/marine sciences, micro-electronics, aviation and aerospace/defense, marketing, design and publishing as shown to the right. A detailed description of each industry and the job sectors it consists of along with mapping of the existing locations in the county can be found in the *Target Industry & Real Estate Market Assessment* which is included in the Technical Appendix.

Figure 3 – Pinellas County Target Industry Clusters

Target Industries for Pinellas County have higher average wages and are key to growing the County's economy and quality of life.

Strong wages can support more buying power for housing and disposable income to spend on supporting secondary industries like retail and hospitality.



[1] Living wage for two working adults and two children
Source: BLS, Emsi, MIT Living Wage Calculator, SB Friedman

Figure 4 – Average Annual Wages by Industry Cluster

Each targeted industry cluster is comprised of several related job sectors.

Each cluster has different relative economic impacts and building space needs. The TEILS Update broadly categorized the different target industry clusters into either office-based or industrial based users.

This designation also informed the overall space needs and the target employment land suitability analysis.

BUSINESS SERVICES	FINANCIAL SERVICES	INFORMATION TECHNOLOGY	MARKETING, DESIGN, AND PUBLISHING	MICRO-ELECTRONICS	AVIATION/ AEROSPACE/ DEFENSE	MEDICAL TECHNOLOGIES / LIFE & MARINE SCIENCES
Business services has the **largest number of jobs (32,862 as of 2021) in the County and showed the most growth of the target industries since 2012**.	Financial services has the **highest wages of the target industries ($101,183 average salary in 2021)**.	This target industry has **high wages**, but a low location quotient, meaning that Information Technology is not a strong specialization within the county.	This target industry had approximately 7,021 jobs in 2021 and is tied with the Microelectronics industry cluster as having the **highest location quotient. Locating in Pinellas County matters to these employers.**	This manufacturing target industry has the **lowest average wages relative to other target industries**, but its high location quotient demonstrates **specialization within this sector** in Pinellas County.	This research and manufacturing target industry cluster **thrives in Pinellas due to the areas unique locational assets**. It also delivers high average salaries of almost $80K.	This industry cluster is made up of manufacturing and research sectors **with average salaries just over $73K**. It also supports emerging growth sectors unique to the **educational and coastal assets** of the area.
CLASS A OFFICE SPACE				INDUSTRIAL SPACE & HQ OFFICE SPACE		

Figure 5 – Target Industries and Space Types

Workforce Development and Target Industries

Pinellas County Economic Development (PCED) is not only responsible for growing, retaining and attracting employers, but also in ensuring access to a strong workforce. They work in partnership with local organizations such as CareerSource Pinellas and St. Petersburg College, employers and employees to address workforce development needs.

As described in the *2018 Comprehensive Regional Workforce Assessment* conducted by PCED and reinforced in *the 2020-2024 Career Source Pinellas Local Workforce Development Plan*, some of the Target Industries identified for Pinellas County do have workforce skill gaps as noted in the figure to the right. The Plan also recommended strengthening the collaboration between local businesses and all educational entities (K-12, Community/Technical College, and Four-Year colleges) as a key strategy to help address workforce development challenges for Target Industries.

BUSINESS SERVICES / FINANCIAL SERVICES	INFORMATION TECHNOLOGY	MICRO-ELECTRONICS / AVIATION/ AEROSPACE/ DEFENSE
AVAILABLE SKILLS AND POSITIONS		
✓ Bookkeeping ✓ Educational Attainment/Degrees ✓ Customer Service ✓ Analytical Thinking ✓ Accounting ✓ Microsoft Office	✓ Basic Knowledge/Experience ✓ Degreed Individuals ✓ Motivation/Work Ethic ✓ Programming Certifications ✓ General Technical Competence	✓ Basic/Entry Level Engineers ✓ Computer Programming ✓ Educational Background ✓ Systems Engineering ✓ Mechanical Engineers
CHALLENGING SKILLS AND NEEDED POSITIONS		
○ People/Soft Skills ○ Specific Industry Certifications ○ Advanced Finance ○ Advanced Accounting ○ Longevity in One Position ○ Experience in Sales	○ Experience ○ Tech Languages (ex: PHP, My SQL) ○ Data Scientists ○ Web Developers ○ Cross Training ○ Teamwork/Team Environment	○ Experienced Engineers ○ High End IT/Technology and Languages (ex. Oracle, MySQL) ○ AutoCAD ○ Soft Skills ○ Troubleshooting ○ Mechanical/Electrical Drafting ○ Electrical Engineers

Figure 6 – Target Industry Skill Strengths and Gaps

Emerging and Specialty Sectors

The seven major industry clusters described in the previous pages represent the strongest for the county. However, the table to the right illustrates some additional sectors of promise that are part of industry clusters around Distribution and Electronic Commerce, Education and Knowledge Creation, Production Technology, Water Transportation, Hospitality and Tourism, Automotive and Environmental Sciences.

Given the locational assets of Pinellas County, particularly the resources related to USF's College of Marine Sciences, the City of St. Petersburg is also focusing efforts to support growth in the 'blue economy.' The city established an Innovation District and recently opened the Defense and Maritime Technology Hub (which has 17 tenants all tied to defense and marine science related sectors). This sector is tied to collecting, analyzing and sharing data related to marine dynamics and presents and additional growth industry uniquely tied to the county's peninsula location.

The National Oceanic and Atmospheric Administration (NOAA) is one of the leaders in advancing the blue economy nationwide. According to its website, "In 2018, the American blue economy supported 2.3 million jobs, and contributed approximately $373 billion to the nation's gross domestic product through activities such as tourism and recreation, shipping and transportation, commercial and recreational fishing, power generation, research, and related goods and services." (NOAA Blue Economy Strategic Plan: 2021-2025)

Sectors in Other Primary Clusters					
NAICS	NAME OF SECTOR	ECONOMIC CLUSTER	2021 JOBS	2012-21 JOB GROWTH	AVG WAGES
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	Distribution and Electronic Commerce	1,007	35%	$90,584
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	Distribution and Electronic Commerce	619	14%	$70,356
423850	Service Establishment Equipment and Supplies Merchant Wholesalers	Distribution and Electronic Commerce	441	173%	$55,744
561499	All Other Business Support Services	Distribution and Electronic Commerce	438	94%	$134,316
423910	Sporting and Recreational Goods and Supplies Merchant Wholesalers	Distribution and Electronic Commerce	320	14%	$61,880
423860	Transportation Equipment and Supplies (except Motor Vehicle) Merchant Wholesalers	Distribution and Electronic Commerce	237	89%	$59,228
423440	Other Commercial Equipment Merchant Wholesalers	Distribution and Electronic Commerce	207	103%	$50,596
424610	Plastics Materials and Basic Forms and Shapes Merchant Wholesalers	Distribution and Electronic Commerce	143	67%	$75,452
611430	Professional and Management Development Training	Education and Knowledge Creation	1,270	1123%	$107,796
813920	Professional Organizations	Education and Knowledge Creation	317	268%	$66,612
333993	Packaging Machinery Manufacturing	Production Technology and Heavy Machinery	709	6%	$77,220
333415	Air-Conditioning/Warm Air Heating Equipment and Commercial and Industrial Refrigeration Equipment Manufacturing	Production Technology and Heavy Machinery	559	58%	$59,800
333318	Other Commercial and Service Industry Machinery Manufacturing	Production Technology and Heavy Machinery	284	34%	$65,416
333244	Printing Machinery and Equipment Manufacturing	Production Technology and Heavy Machinery	24	62%	$61,984
336612	Boat Building	Water Transportation	671	30%	$50,492
237990	Other Heavy and Civil Engineering Construction	Construction Products and Services	517	102%	$56,992
561510	Travel Agencies	Hospitality and Tourism	325	11%	$59,592
334513	Instruments and Related Products Manufacturing for Measuring, Displaying, and Controlling Industrial Process Variables	Information Technology and Analytical Instruments	275	25%	$68,432
336211	Motor Vehicle Body Manufacturing	Automotive	201	70%	$78,416
562998	All Other Miscellaneous Waste Management Services	Environmental Sciences	146	109%	$67,964
562119	Other Waste Collection	Environmental Sciences	55	238%	$73,112

Source: BLS, Emsi, SB Friedman

Table 2 – Job Sectors in Other Primary Industry Clusters

Future Space Needs

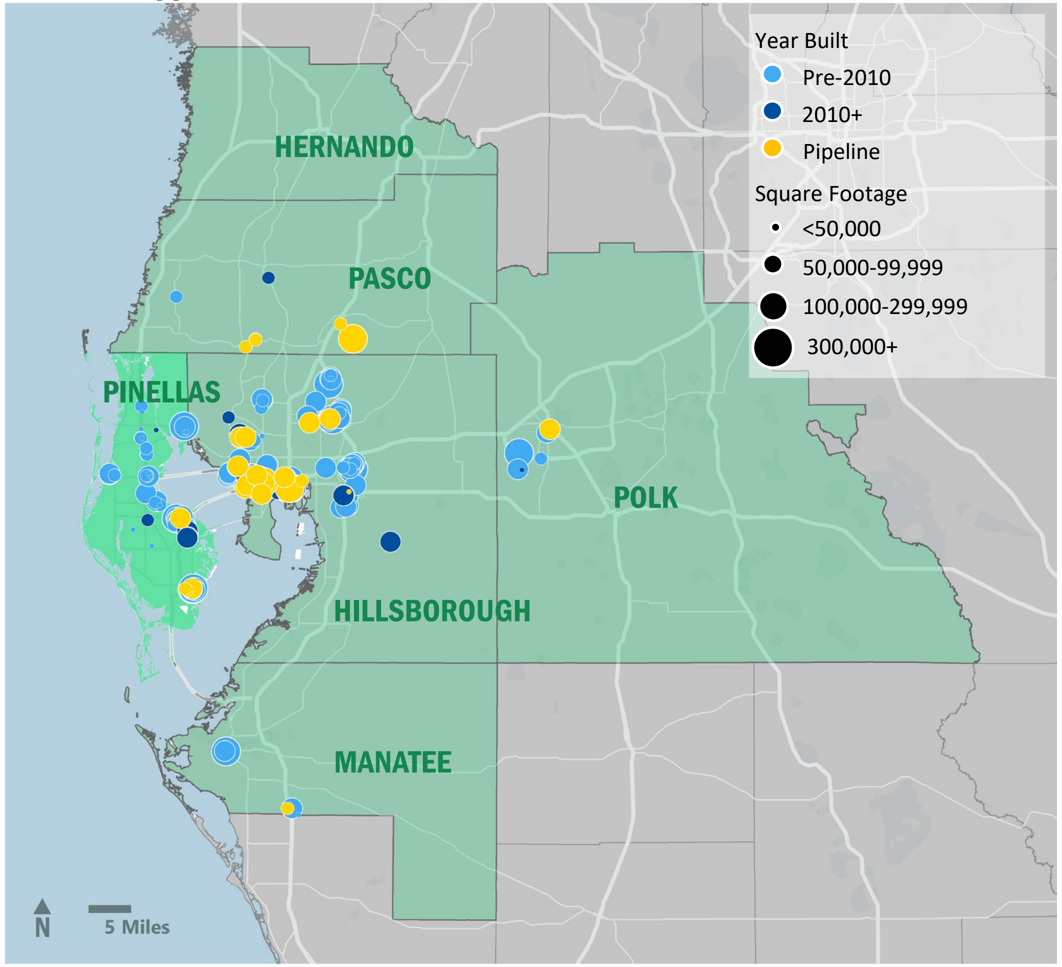
The overall employment and targeted industry job growth potential projected by 2032 served as an important factor in estimating future demand for office and industrial space within the county over the next decade. Additionally, the future forecast of space needs considered current supply, projected demand based on per employee square footage needs, post-COVID shutdown trends, insights from employers and stakeholder interviews, and the online survey of employers.

Office Supply and Demand

There are various types of office space in Pinellas County. For the purposes of this analysis, the study team relied on CoStar definitions of office class, which are reported by brokers. Building class varies depending on a variety of building characteristics, such as total rentable area, age, building finishes and materials, mechanical systems standards and efficiencies, developer, architect, building features, location/accessibility, property manager, design/tenant layout, and much more. Once assigned, a building's class reflects not only characteristics and attributes evaluated objectively, but also the subjective evaluations of finishes and amenities.

Class A Office is typically newer buildings (or if older, renovated) with top-of-the-line materials, features, and amenities. Class A buildings are in a desirable location and often achieve higher rents with notable tenants. Class B and Class C office are more average buildings without highly specialized architecture, materials, features, or amenities. The space is often older and may not be in prime locations. The target industries seeking Class A Office reflect those industries with the highest employment growth potential and the greatest economic impact. Pinellas currently has 24% of the regional supply of Class A Office space.

Class A [1] Office in the Tampa Bay Region



Source: CoStar (data from January 2022), Forward Pinellas, Pinellas County, SB Friedman

Map 2 – Class A Office in the Tampa Bay Region

Pinellas County has a highly desirable and regionally competitive Class A Office Market with <u>strong wages, business friendly climate and public incentive programs.</u>

Competitive Factors	County Dynamics
BUSINESS FRIENDLY ENVIRONMENT: Government/culture is welcoming to businesses and makes doing business easy	Businesses report that Pinellas County has become more desirable; Favorable taxes
TALENT / LABOR FORCE: Pool of workers with necessary skills or workforce development resources to develop them over time	Wage competition with peer communities
ACCESSIBILITY / INFRASTRUCTURE: Ability to easily access other markets or infrastructure necessary to conduct business	Gateway has strong transportation connections; Limited parking availability in urban areas
INCENTIVES: Availability of incentives from public sector	Penny for Pinellas Employment Sites Program
LAND/BUILDING AVAILABILITY: Availability to develop; combining multiple existing sites into a single site/Availability of Class A space that meet building specifications	Limited available space and land for new development; concern of floodplain and coastal high hazard areas in some portions of County; Some buildings may be functionally obsolete
QUALITY OF LIFE: Desirability as a place for employees to live	Affordability concerns; Limited reliable or rapid public transportation alternatives; Longer commute times

SB Friedman

The existing inventory of Class A office is approximately 8.63M square feet spread across 72 buildings. Most of this space was built before 2010 with about 52% of existing and pipeline Class A office located in the county's major urban centers and the Gateway TECs. Since 2010, 82% of Class A office has been built in the existing TECs. Approximately 29% of the existing Class A office space and anticipated pipeline of office space is locating in the mixed-use urban environment of Downtown St. Petersburg. Downtown St. Petersburg remains regionally competitive with Westshore and Downtown Tampa for Class A office space.

Nationwide there is a growing trend in office space reflecting a 'flight to quality.' This means that Class A office tenants are increasingly seeking office space with newer construction and located in areas with nearby amenities most often found in mixed-use urban environments. These dynamics are also contributing to the demolition of older office buildings. Since 2000, 3.3 million square feet of office space has been demolished in Pinellas County.

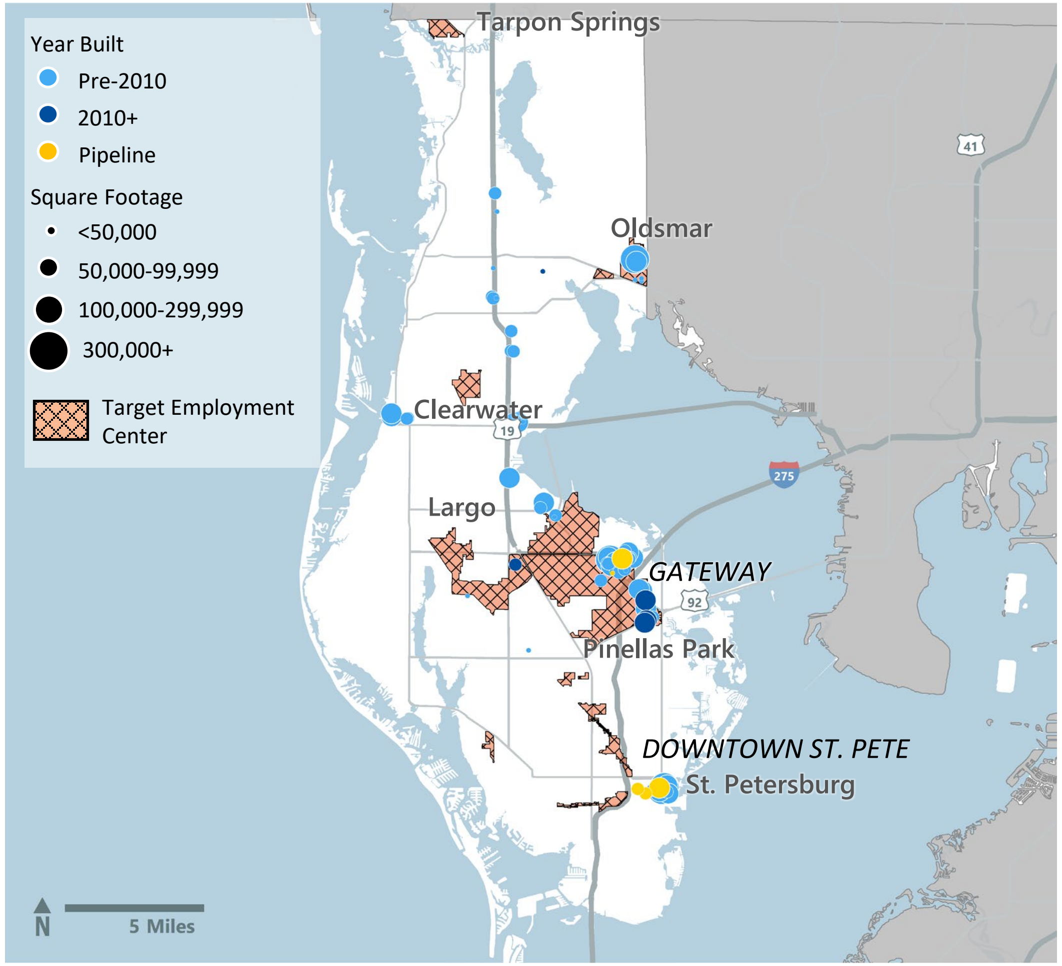
PINELLAS COUNTY CLASS A [1] OFFICE INVENTORY

	Square Feet	Buildings
Total Existing	8.63 M	72
Legacy (Pre-2010)	8.01 M	65
New (2010+)	614,800	7
Pipeline [2]	606,200	7

[1] Class A office excludes medical office.
[2] Pipeline is defined as proposed and under construction developments.

Table 3 – Class A Office Inventory

Class A [1] Office in Pinellas County



Source: CoStar (data from January 2022), Forward Pinellas, Pinellas County, SB Friedman

Map 3 – Class A Office in Pinellas County

The table to the right highlights examples of the types of Class A office (urban & mixed use; and suburban) most desirable to target industries. **Downtown St. Petersburg is the strongest Class A office market in the county** and competes favorably across the region for these employers.

CLASS A OFFICE BUILDING TYPOLOGIES FOR TARGET INDUSTRIES







	URBAN				SUBURBAN			
Name	Metwest Two	Heights Union – East Building	Thousand & One	1301 Central / Orange Station (Phase One)	American Strategic Insurance Building	The Renaissance Center VII	Jabil	Echelon City Center
Address	4040 W Boy Scout Blvd	2002 N Tampa St	1001 Water St	1301 Central Ave	2 Asl Way N	8641 Henderson Rd	10800 Roosevelt Blvd N	300 Carillon Pky
City	Tampa	Tampa	Tampa	St. Pete	St. Pete	Tampa	St. Pete	St. Pete
Submarket	Westshore	Downtown Tampa	Downtown Tampa	Downtown St. Pete	Gateway	NW Tampa	Gateway	Gateway
Year Built	2013	2020	2021	2023	2013	2020	2021	2022
Floors	10	6	20	5	3	4	4	5
Sq. Ft.	250,000	147,000	387,000	58,300	110,000	119,341	200,000	125,000
Land Acres	1.15	2.45	0.76	2.10	4.34	NA	7.53	NA
FAR	4.99	1.40	11.69	NA	0.58	NA	0.61	NA
Floor Plate	25,000	24,500	19,350	11,660	37,000	29,835	50,000	25,000
Parking	4/1,000 sf	3.25/1,000 sf	NA	3.35/1,000 sf	2/1,000 sf	5.36/1,000 sf	NA	NA
Occupancy	100%	98.07%	52.4%	Proposed	100%	100%	100%	Proposed
Avg Rent/SF	$32.58-39.82	$41.50	NA	$40.00-42.00	$25.77-31.50	$23.90-28.33	$25.04-20.61	$39.50
Spec/Suit	Speculative	Speculative	Speculative	Speculative	Suit	Speculative	Suit	Speculative
Key Tenant	PWC	Pfizer	NA	NA	Asl	NA	Jabil	NA

Table 4 – Class A Office Building Typologies for Target Industries

Photo Credits: SB Friedman

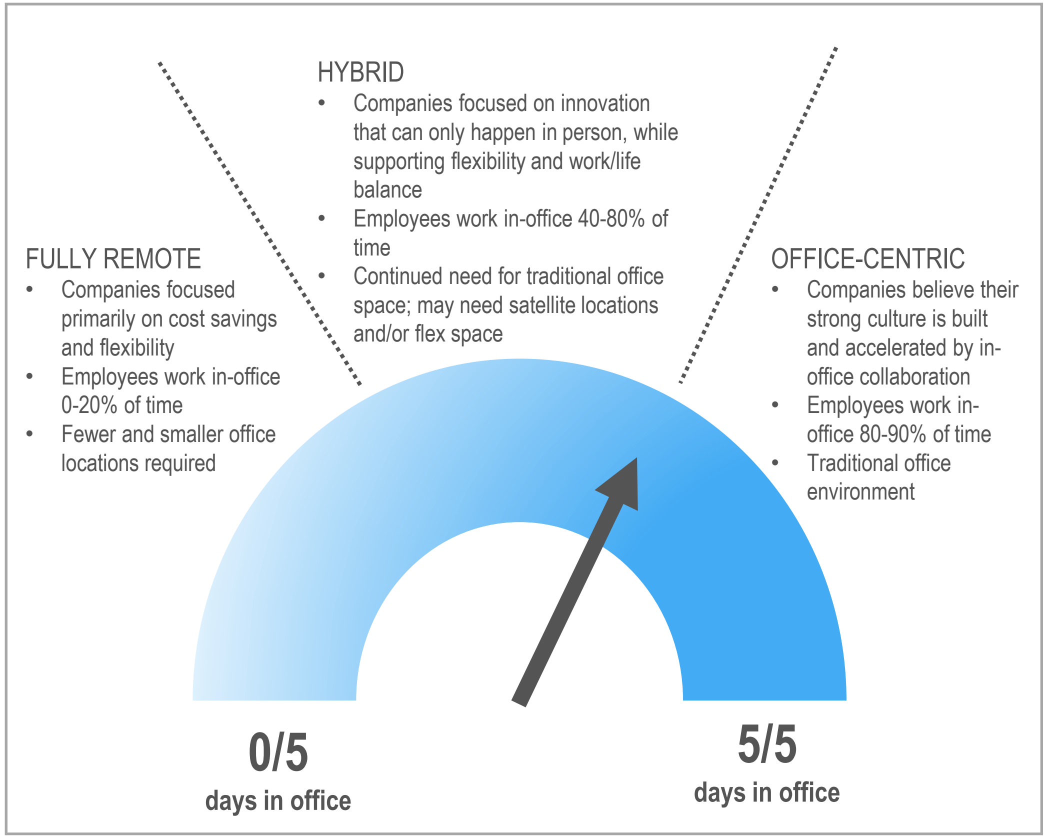
Post-COVID and the Future of Work

Post-COVID, the future of office demand in Pinellas County is likely to see an increase in employees working from home. National trends and employee surveys suggests that office workers are spending more days working from home per week, yet employers with strong innovation and collaboration-based needs are adopting a hybrid or office-centric based model. Office users are not anticipated to significantly downsize their footprint; however, work policies may reduce how many office workers occupy the same space on a given day and how that space is utilized. Given these dynamics, the future forecast for office demand in Pinellas County assumes a modest 10% reduction in average square feet per employee in the long-term (through 2050).

The ability to connect virtually has become ubiquitous for office workers. The long-term impacts of this type of connectivity vs. in person meetings on business success has yet to be well studied, but many industries are supporting the hybrid model.

Photo Credit: Adobe Stock

Many employers are adopting the hybrid model. Industries requiring more collaboration and innovation are opting to keep office space while also utilizing it in different ways.



Source: Bloomberg, CBRE, Cushman & Wakefield, JLL, NAIOP, SB Friedman

Figure 7 – Future of Work

Office Demand

The employment growth anticipated for Pinellas County over the next 10 years combined with the redevelopment of aging office space will result in the need for an additional 3 million square feet of office space. Nationally, employer location preferences in office space are shifting from car-oriented, single-use business parks to walkable, vibrant mixed-use places. While smaller professional office spaces often follow residential and retail growth throughout the County, most Class A office users likely would prefer to be in TEC's with Class A office clusters or urban Activity Centers like Downtown St. Petersburg and, to a lesser extent, Clearwater. Urban settings with additional amenities are also a factor in helping to attract employees back to the office in a post-COVID world.

KEY TERMINAL (2032) ASSUMPTIONS → **OFFICE DEMAND (2022-2032)**

ALL OFFICE

+7,400
New Office Jobs, 2022-2032

288
SF/Employee

6.9%
Vacancy Rate

0.42%
Demolition Rate (SF demolished per total SF)

→ **3 MILLION** Square Feet

TARGET INDUSTRY

+2,760
New Target Industry Office Jobs, 2022-2032

272
SF/Employee

→ **500,000-1 MILLION** Square Feet

Figure 8 – Employment Growth and Office Space Demand

Source: SB Friedman

The biggest challenge facing the growth of Class A Office is the cost to build at higher densities within mixed use environments. Additionally, suburban retrofits will be needed to transform the less desirable campus-style office parks into more thriving mixed-use centers. <u>Approximately 2 to 38 acres are needed</u> to support Target Industry Class A office development

Conversion of Office Demand to Land Needs

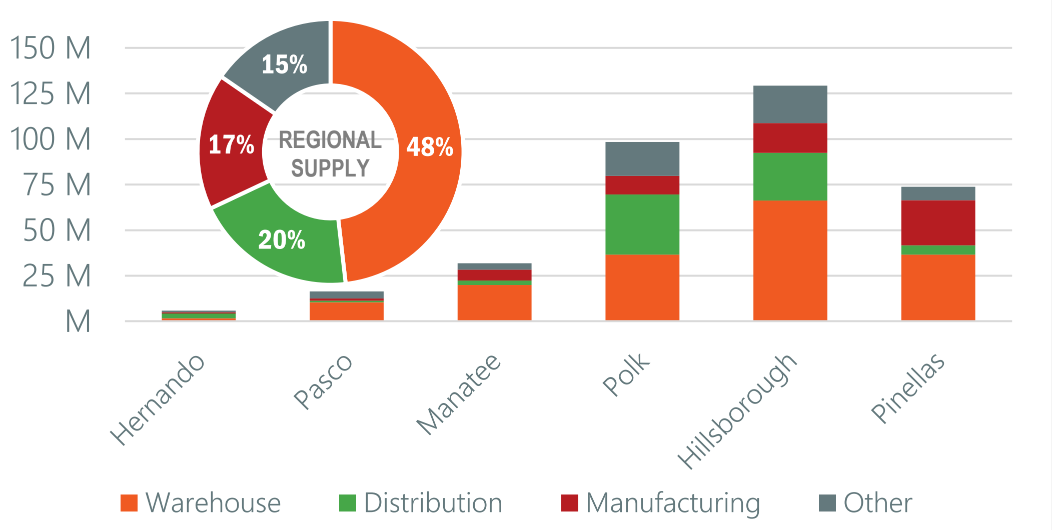
Density is typically measured as the floor area ratio (FAR), which is the ratio of the total building floor area to the size of the site. The site includes all site improvements such as stormwater management and parking. A higher FAR indicates a denser building. Class A Urban office has an FAR up to 6.0 in the Region, while suburban Class A typically has an FAR of less than 1.5.

Land Needs. Assuming an urban setting with an FAR of 6.0, approximately 12 net acres are required to support 3 million square feet of office development through 2032. Of which, approximately 2 net acres are needed to support 500,000 to 1 million square feet of office Target Industry development. Assuming suburban office development with an FAR of 0.6, approximately 120 net acres are required to support 3 million square feet of office development through 2032. Of which, approximately 38 net acres are needed to support 500,000 to 1 million square feet of office Target Industry development through 2032.

Source: SB Friedman

Industrial Supply and Demand

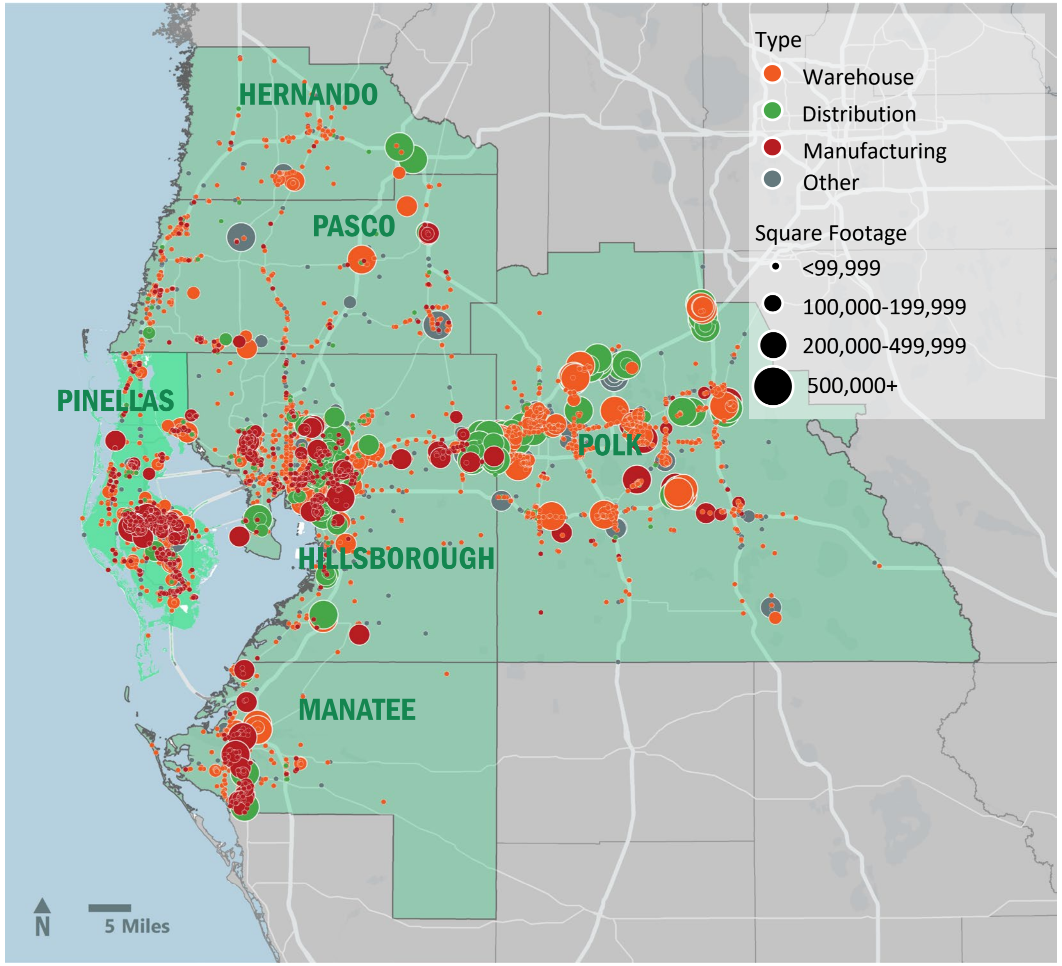
Industrial space takes on many different forms. It includes open area storage spaces, small scale manufacturing, e-commerce and specialized space that combines office, research and manufacturing. The six-county region has approximately 355.2 million square feet of industrial space (existing and pipeline). Pinellas has 23% of the regional share and Polk County has the largest amount of new and pipeline industrial space, especially along I-4. Nearly 68% of regional industrial space is warehousing or distribution space, **whereas 42% of existing and pipeline manufacturing space in the region is in Pinellas County.** However more than 95% of the industrial space in the county was built before 2010, making it less desirable to modern users and needs.



Source: Costar (data from March 2022), SB Friedman[; 1] Pipeline is defined as proposed and under construction developments

Figure 9 – Industrial Inventory by Type in the Tampa Bay Region

Industrial Inventory in the Tampa Bay Region



Source: CoStar (data from January 2022), Forward Pinellas, Pinellas County, SB Friedman

Map 4 – Industrial Inventory in the Tampa Bay Region

The Gateway TECs in Pinellas County present some of the strongest areas for supporting growth in target industries seeking to renovate and modernize their industrial space.

Competitive Factors	County Dynamics
BUSINESS FRIENDLY ENVIRONMENT: Government/culture is welcoming to businesses and makes doing business easy	Businesses report that Pinellas County has become more desirable; Favorable taxes
TALENT / LABOR FORCE: Pool of workers with necessary skills or workforce development resources to develop them over time	Wage competition with peer communities
ACCESSIBILITY / INFRASTRUCTURE: Ability to easily access other markets or infrastructure necessary to conduct business	Preference for proximity to airport/transportation networks; Gateway well positioned; stormwater challenges associated with industrial expansion
INCENTIVES: Availability of incentives from public sector	Penny for Pinellas Employment Sites Program
LAND/BUILDING AVAILABILITY: Availability to develop; combining multiple existing sites into a single site/Availability of modern industrial space that meet building specifications	Limited space available for larger businesses (or for small businesses to consolidate multiple sites); concern of floodplain and coastal high hazard areas; Some buildings may be functionally obsolete
QUALITY OF LIFE: Desirability as a place for employees to live	Affordability concerns; Limited reliable or rapid public transportation alternatives; Longer commute times

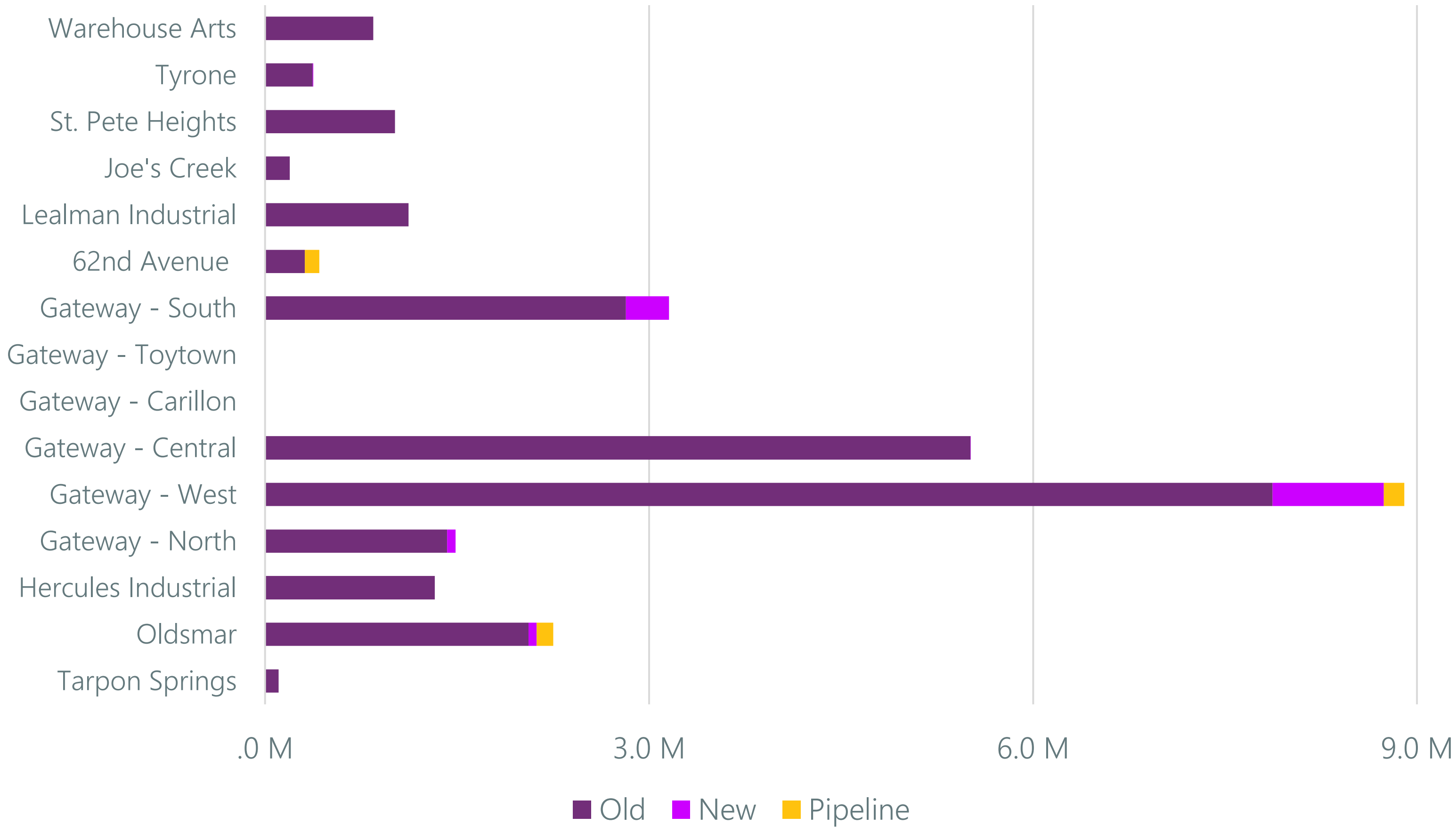
Source: SB Friedman

The Gateway TEC has the majority (nearly 19 million square feet of the 26.3 million square feet) of existing industrial space in Target Employment Centers. Within Gateway, 44% of space is manufacturing and 42% of space is warehouse. New and pipeline industrial space in the TECs are warehouse, distribution, and other industrial spaces.

Since the height of the Great Recession, the vacancy rate for industrial space has been steadily declining. In 2021 it was approximately 2.5%, showing strong demand. In comparison to other submarkets, South Pinellas has the largest premium for new warehouse and distribution space in the county, while there is a $1.50+ per square foot premium for industrial space in North Pinellas over South Pinellas.

Nearly 2 million square feet of industrial space was demolished in Pinellas County from 2000-2021. Of the demolished industrial space, 85% of the buildings were less than 50,000 square feet. Most of the demolition was of outdated manufacturing space. It will be necessary to replace or rehab some obsolete industrial space to retain/attract tenants. Extraordinary costs to rehab buildings may limit future improvements. Just under 20 million square feet and 1,826 buildings of industrial use could be susceptible to demolition in Pinellas County in the coming years.

TARGET EMPLOYMENT CENTERS EXISTING AND PIPELINE [1] INDUSTRIAL SPACE



[1] Pipeline is defined as proposed and under construction developments.
Source: CoStar (data from March 2022), SB Friedman

Figure 10 – TECs and Existing and Pipeline Industrial Space

Industrial Demand

The employment growth anticipated for Pinellas County over the next 10 years combined with the need to replace obsolete buildings to retain existing target industry employers will result in the need of an additional 6 million square feet of industrial space through 2032. The demand for industrial space is driven by employment growth as well as current vacancy rates, demolition rate, and the square foot per employee ratio. This forecast is dependent on various factors, including broader macroeconomic conditions, land limitations/site assembly efforts, intensification of existing pace or upcycling product, and level of public financial intervention. While there is demand for industrial space generally, there is limited demand for new industrial space associated with target industries given these considerations. A major factor is the lack of supply of large tracts of vacant land combined with competing demands and market premiums associated with redevelopment of land for other non-industrial uses.

KEY TERMINAL (2032) ASSUMPTIONS

INDUSTRIAL DEMAND (2022-2032)

ALL INDUSTRIAL

+3,400
New Industrial Jobs, 2022-2032

750
SF/Employee

3.2%
Vacancy Rate

0.17%
Demolition Rate
(SF demolished per total SF)

6 MILLION
Square Feet

TARGET INDUSTRY

REPLACEMENT OF OBSOLETE SPACE NEEDED TO RETAIN EXISTING TARGET INDUSTRIES

1.4 MILLION
Square Feet

Figure 11 – Employment Growth and Industrial Space Demand

Source: SB Friedman

The biggest challenge facing the growth industrial is the lack of contiguous vacant land to support more than 552 net acres of industrial needed. Additionally, local employers will need assistance to modernize existing buildings serving the target industries.

Conversion of Industrial Demand to Land Needs

Density is typically measured as the floor area ratio (FAR), which is the ratio of the total building floor area to the size of the site. The site includes all site improvements such as stormwater management and parking. A higher FAR indicates a denser building. Industrial buildings typically are lower density. For modeling purposes, SB Friedman assumed future development would have an **FAR of 0.25**.

Land Needs. Using an FAR of 0.25, approximately **552 net acres** are required to support 6 million square feet of industrial development through 2032. Of which, approximately **129 net acres** are needed to support 1.4 million square feet industrial Target Industry development, for replacement of existing obsolete industrial stock.

Many existing industrial buildings were built prior to adoption of the County's (and/or the municipality's) most recent stormwater regulations. Any redevelopment of the property would require improvements to the site to bring it up to current codes. The extraordinary cost associated with that as well as limited land availability to address the stormwater regulations may limit redevelopment potential and the potential to achieve higher densities.

Source: SB Friedman

Land Suitability Analysis

The study team completed a GIS-based land suitability analysis to identify areas in the county that were most suitable for office and industrial development. This analysis looked at suitability of existing vacant land and properties suitable for redevelopment. The results helped show the relative strength of different locations in the county for potential employment growth.

The suitability factors shown to the right supported heat mapping shown on the following page to illustrate hot spots in the county were there is likely a locational advantage for office or industrial space given these factors. Key assumptions, analysis methodology and data sources can be found in the *Land Suitability Analysis & Methodology* document included with the Technical Appendix.

SUITABILITY FACTORS

Site Size

For industrial uses, parcels of 5+ acres are the most desirable, whereas office development typically can be accommodated on 1 acre.

Countywide, there are **very few large parcels suitable for development**, making new industrial difficult to accommodate.

Transportation Access

Parcels within 5 minutes of a major highway have some of the strongest transportation access.

The county's interstates and bridges give **locations within southeastern Pinellas the highest transportation access scores**.

Access to Workforce

Locations reachable by the highest number of employees within a reasonable commute score the best.

Pinellas has **strong regional car access** to workers on both sides of the Bay. **Downtown St. Petersburg and Clearwater have the highest number of employees accessible by transit.**

Proximity to Similar Uses

Like follows like. Locations with strong clusters of similar uses will be most attractive to new growth of those same uses.

Office is concentrated in St. Petersburg, Gateway, Clearwater, and Oldsmar. Industrial concentrations exist in Gateway, Pinellas Park, Lealman, Clearwater Air Park, and Oldsmar

Quality of Urban Environment

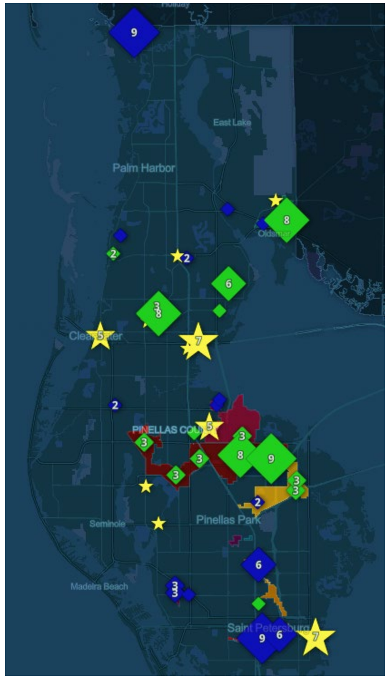
Office users seek high quality urban environments that are walkable and have nearby amenities like cultural destinations and other uses.

Highest walkability indices are in downtown St. Petersburg, downtown Clearwater, and along the 4th Street and Central Ave corridors.

The suitability analysis revealed several key insights as shown by the map to the right. Vacant parcels are few and far between. While there are several thousand acres of vacant land countywide, most are small and fragmented sites. This means that redevelopment of older building stock and infill of underutilized land will be a key factor in supporting employment growth moving forward.

The Gateway area remains one of the largest geographic clusters with the most land suitable for industrial uses. The urban centers of Clearwater and St. Petersburg present notable opportunities for office. The component mapping of each suitability layer can be found in the appendix.

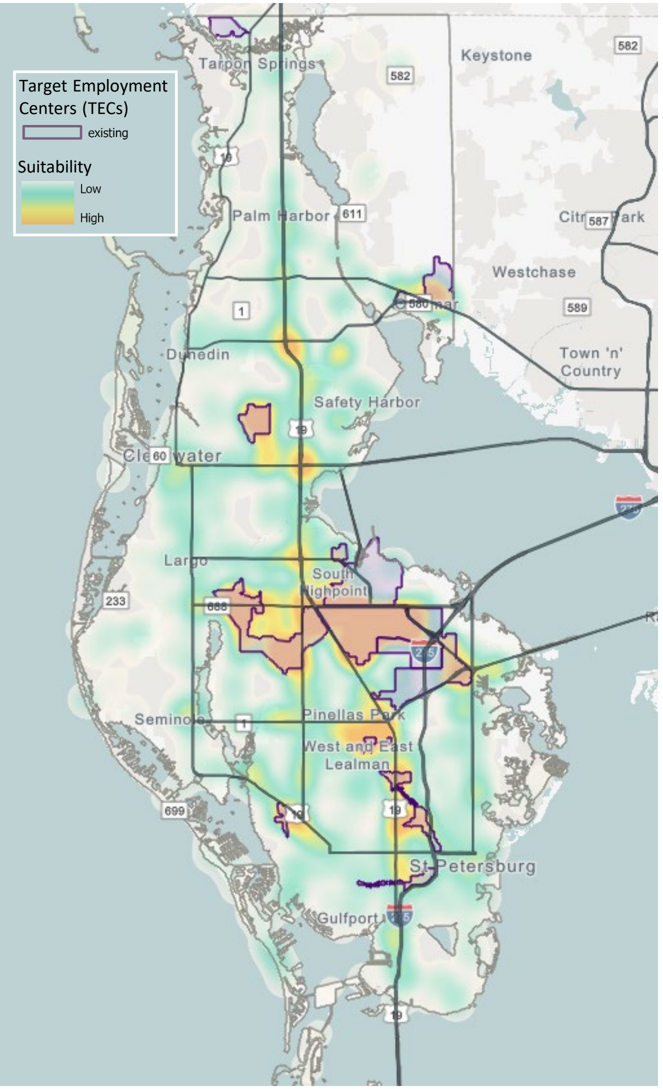
Photo Credit: Renaissance Planning



In addition to the quantitative land suitability analysis, the Advisory Committee also participated in a qualitative mapping exercise to provide insights on key locations for employment uses. The photo above is from the June 29, 2022, Advisory Committee Meeting and the graphic to the right visually summarizes the areas of the county identified by participants as key locations for employment and mixed uses centers.

The heat mapping shows the composite suitability for employment uses countywide with the overlay of the existing TEC boundaries.

This analysis combined with the market study, and stakeholder feedback helped inform locations for potential TEC expansion and the suggested new designations of targeted uses for different TECs.



Map 5 – Target Employment Land Suitability

Existing Policy Context and Other Considerations

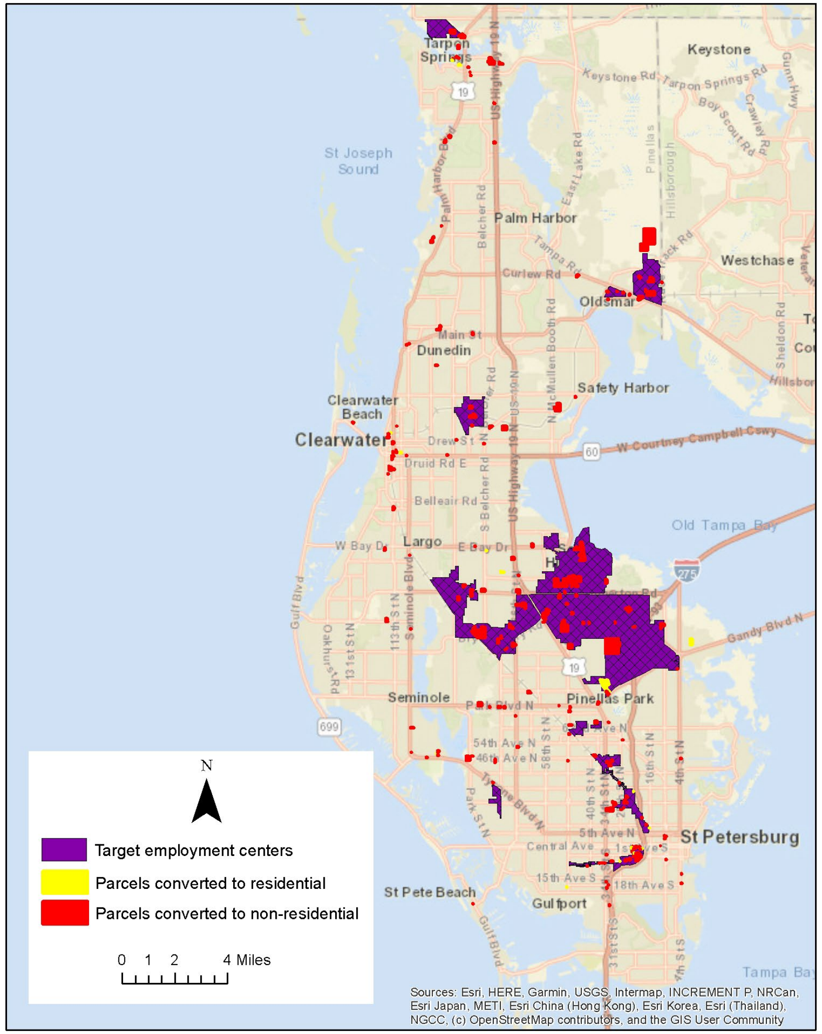
The designation of the Target Employment Centers (TECs) is enabled by Pinellas County's land use plan. The Countywide Plan includes the Countywide Plan Map (Ordinance No. 15-30, effective August 7, 2015), the Countywide Rules which designates future land use and associated land development regulations, and the Countywide Plan Strategies which includes goals and strategies to implement the objectives of the Countywide Plan. All the above are adhered to by the Pinellas Planning Council, the Board of County Commissioners in their capacity as the Countywide Planning Authority, and the twenty-five local governments in Pinellas County.

The TEC Overlay District designation was established soon after the 2008 TEILS report to further protect and encourage the preservation of highly valued areas for targeted employment uses. The existing policy has been helpful in encouraging employment growth in many areas and limiting conversions to non-employment uses. However there has been about a 10% loss in industrial acreage to other non-residential uses such office and retail countywide since 2009.

The enactment of state legislation (HB 1339 and SB 962) to support the production of affordable housing along with Pinellas County's own housing policy (Hou Policy 1.3.2) that states the need to *"prioritize affordable housing development that is: 1) proximate to concentrations of employment; 2) accessible to public transportation; and accessible to a range of services"* are also placing pressure on lands within the TECs to accommodate more residential.

The existing TEC policy is a one-size-fits all approach – meaning the TEC Overlay designation does not necessarily reflect the unique characteristics or evolving suitability of different TEC areas countywide for industrial, office or mixed use. Additionally, market conditions and the space needs of target industry employers have changed over the last decade. These dynamics combined with the perfect storm of limited land availability, aging and obsolete office and industrial buildings and unmet housing needs suggest that a more strategic policy approach to needed to support long term economic development and other countywide goals.

Parcels converted from industrial between 2009 and 2021



Map 6 – Industrial Land Conversions 2009-2021

In addition to job creation and housing demand influencing how to best use increasingly less land countywide, other policy considerations include jobs/housing balance, and the tradeoffs of different land uses in terms of taxable revenue and long-term economic impacts. In late 2022, the Tampa Bay Regional Planning Council (TBRPC) provided additional analysis to Forward Pinellas to support the TEILS Update. The analysis is included in the Technical Appendix and the highlights are noted below:

- **Benefits of Jobs and Housing Balance.** Communities benefit from having a strong jobs and housing balance whereby there is a nearby job within a reasonable commute shed for every employed resident of a given community. Achieving this equilibrium helps to reduce overall vehicle miles traveled (VMT) for work and the associated potential for commute time congestion and greenhouse gas emissions. It also provides employers with strong access to a diversified workforce nearby. **Pinellas County currently has a strong jobs/housing balance with a ratio of close to 1.0.** Losing land for employment use or otherwise not achieving job growth commensurate with residential growth could shift this balance causing more people to have to leave the county for work.
- **Benefits of Retaining Land for Employment Uses.** While cities are constantly evolving and changing, retaining land for employment uses provides long term economic value. Land dedicated to non-residential use typically cycles through multiple and diverse types of employment-based uses through reuse and redevelopment over time. However, land dedicated to residential use is often slower and more challenging to convert to other types of housing product or to non-residential over time. Residential typically stays residential, whereas non-residential lands remain highly adaptable. Additionally, there are different fiscal implications for how land is used. The TBRPC analysis shows that the **highest value of land use in Pinellas County is associated with target industry uses** including manufacturing, mixed-use development, financial and business services.

.

Economic Tradeoffs of Different Land Uses in Pinellas County

Source: Tampa Bay Regional Planning Council (TBRPC)

Figure 12 – Land Use Tradeoffs of Different Land Uses in Pinellas County

The figure above depicts the relative value of different land uses on similar acreage in Pinellas County. The value add for non-residential uses far exceeds the economic impacts associated with residential use. Details of this analysis can be found in the TBRPC Technical Memorandum: Economic Trade-Offs in Employment Land Conversion facing Pinellas County, dated June 16, 2022, and included in the Technical Appendix.

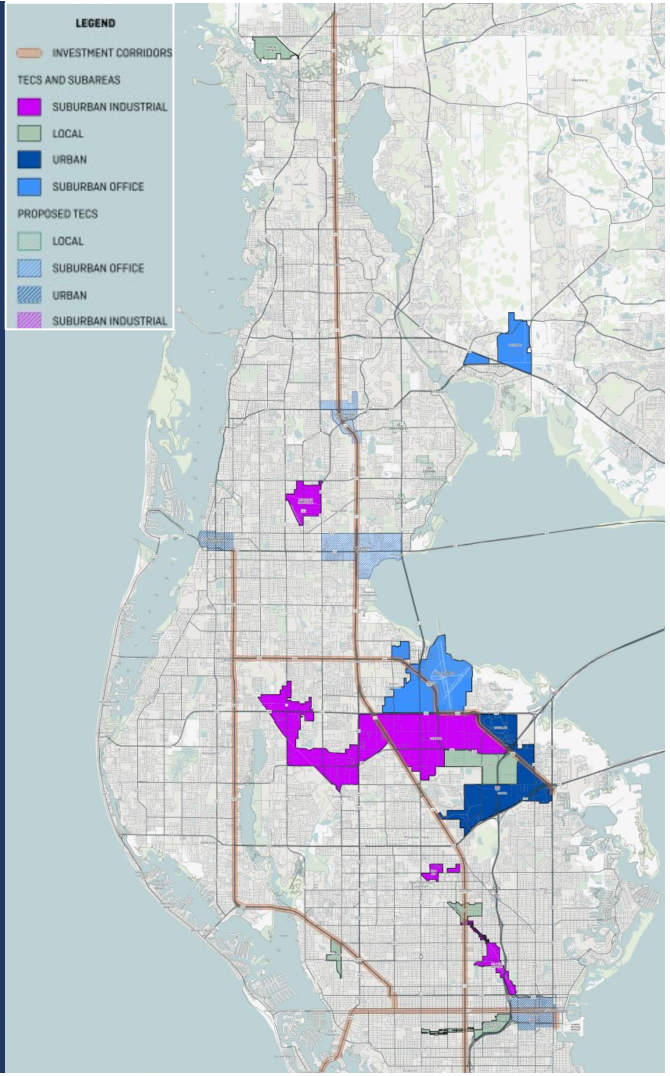
Policy Framework and Other Recommendations

Revisions to the geography of TECs and variations in land use typologies for different TECs is the key recommendation of the TEILS update. Additionally, more incentives will be required to help encourage modernization, redevelopment, infill and creation of new mixed-use centers to support job growth. A key finding of this TEILS update is that **not all jobs are equal,** and that **some areas of the county are better suited than others for encouraging target industry job growth.**

The map to the right shows the existing and proposed areas for TEC designation along with the proposed land use typologies (Local, Suburban Office, Suburban Industrial, and Urban) for each. It should be noted that the map is for illustration purposes only. The exact boundaries of both expansion and new TEC designations will ultimately be determined by local governments in partnership with Forward Pinellas.

The proposed palette of TEC typologies will help to **preserve some of the most highly suitable lands for office and industrial aimed at target industry growth**, while also **allowing for more mixed use (and the accommodation of residential)** in select areas. With the advent of more mixed use, the land use policies will also need to incorporate strong place-making design principles to ensure that future development and redevelopment creates an urban form that helps to create new ‘centers’ where people can both live and work. This will require a coordinated approach to land use and transportation within TECs, including the integration of both horizontal and vertical mixed use with strong walkability and public realm enhancements. It also means better aligning these new TEC centers with priority transportation corridors and investments where future premium transit and countywide trails can continue enhancing access between centers of employment and residential areas.

The study recommends retaining the existing TEC areas and adding in new TECs in Clearwater at Countryside, Downtown and Gulf to Bay/US 19, Downtown St. Petersburg and industrial areas in Safety Harbor. It also includes allowing for mixed use in the Suburban Office, Urban and Local TEC categories.



Map 7 – Proposed and Existing Target Employment Centers and Proposed Land Use Typologies

The recommended palette of land use designations includes:

TEC Local – These areas that house **smaller scale manufacturers and artisan users with industrial and warehouse space needs**. The TEC Local designation would allow for flex-space and mixed use in conjunction with local sub-area planning efforts (visioning studies, special area plans, etc.). An example of a TEC Local area would be the Warehouse Arts District in Downtown St. Petersburg.

TEC Suburban Industrial – These are areas characterized by **lower densities, large building footprints, suburban character and high auto-access.** These areas would encourage a mix of industrial and commercial uses, with an emphasis on industrial use preservation for target industries. An example of the Suburban Industrial designation would be the Central Gateway TEC.

TEC Suburban Office – These areas are where suburban office, retail and residential already exists in a campus-style character. These are areas with the **most potential for infill and redevelopment in more urban patterns with a greater vertical mix of uses**. These are areas also in need of the strongest placemaking enhancements to improve the sense of place, walkability and other amenities needed to attract more Class A Office users and create **new 'centers' of mixed-use activity**. An example of this type of place is Northern Gateway (Bay Vista).

TEC Urban – these are the existing and emerging urban areas of the county with larger scale target employment uses with **denser, vertically mixed-use character**. These are areas where the highest value Class A Office users seek to be. These locations also have high quality placemaking attributes that enable walk, bike and transit access with nearby amenities. Examples of these areas include Downtown St. Petersburg and Downtown Clearwater.

Images illustrate different building types for TECs. Top left is an example of a warehouse district with walkable streets encouraging mixed use; Top right is modern campus style office (Jabil); Bottom left is suburban industrial (Honeywell); Bottom right is new urban mixed-use office.

Photo Credits: Forward Pinellas Staff

The primary purpose of the proposed TEC designations is to create a more place-based approach to the target industry land use policies. Doing so will help to make the most of limited land while also preserving and encouraging the highest yield job-generating potential. Many of the existing employment and industrial parcels are underutilized - meaning the land could be used more creatively to accommodate additional uses, create more efficient land patterns and establish stronger place-making features. As existing employment parcels redevelop to accommodate more mixed-use, these areas can be **encouraged for residential and retail in addition to the current employment capacity, not in place of it**.

Given the age of the existing supply of office and industrial building stock, more policy enabled **incentives will be needed to encourage modernization, redevelopment and infill.** Incentives for mixed use could include intensity bonuses for horizontal mixed-use projects with strong urban design features, and maximum FAR exemptions for office and industrial projects larger than 25,000 square feet. Additional policy-related considerations to encourage infill and redevelopment include:

- **Parking** - Reexamining the site-by-site parking requirements to allow for shared parking, on-street parking and other creative measures to encourage less land needed to accommodate parking in TECs. In TEC's well served by transit, parking requirements can be further reduced.
- **Stormwater Management** - Another challenge to redevelopment and infill is the need to accommodate stormwater management. A comprehensive review of more creative stormwater management strategies such as the creation of district-level stormwater management facilities and green infrastructure techniques will again be needed to ensure the most efficient use of land and spread the burden across multiple parcels to accommodate stormwater needs. Pinellas County updated its Stormwater Manual (Pinellas County Stormwater Manual - Print - Pinellas County) in 2021. It includes best management practices in green infrastructure that when deployed can also help to enhance placemaking and improve the pedestrian environment in urbanized areas.

Target Employment Center	Existing	Proposed	TEC Designation
Tarpon TEC	x		TEC Local
Oldsmar TEC	x		TEC Suburban Office
Safety Harbor TEC		x	TEC Local
US 19/Clearwater Activity Center TEC		x	TEC Urban
Hercules Industrial TEC	x		TEC Suburban Industrial
Gulf to Bay/Safety Harbor/Clearwater TEC		x	TEC Urban
Downtown Clearwater		x	TEC Urban
Northern Gateway	x		TEC Suburban Office
Gateway Central	x		TEC Suburban Industrial
Gateway Carillon	x		TEC Urban
Gateway Landfill	x		TEC Local
Gateway Southern	x		TEC Urban
Gateway Western	x		TEC Suburban Industrial
Park Industrial Area	x		TEC Suburban Industrial
Lealman Industrial	x		TEC Local
Northwood Heights	x		TEC Suburban Industrial
Tyrone Square	x		TEC Local
Warehouse Arts	x		TEC Local
Downtown St. Pete		x	TEC Urban

Table 5 – Existing and Proposed TECs and Proposed Land Use Designations

- **Redevelopment and Modernization of Industrial Properties** – There is a need to support the retention and growth of existing target industries through the modernization of the existing industrial facilities. In addition to the policies noted above and several financial incentives targeted toward employment growth already in place, the county could consider additional criteria associated with its Employment Sites Program (ESP) to prioritize funding for existing target industry employers seeking to renovate and modernize their facilities. Additionally, the county could revisit funding of its Industrial Development Authority for the purpose of supporting small scale acquisition and redevelopment of prime industrial properties for modern target employment industrial uses within the proposed Suburban Industrial TECs.

- **Small Area Planning** – Creating a cohesive sense of place with a strong integration of multiple uses, walkable streets, shared parking and creative stormwater management requires more than a site-by-site approach. Therefore, in addition to the recommended TEC policy designations, each TEC would benefit from a more detailed small area plan or masterplan that would engage existing property owners, local government staff and other stakeholders in reimagining how multiple properties can redevelop over time. These efforts can also be helpful in better defining additional infrastructure upgrades and needs over time.

The image to the left illustrates the concept plans various opportunity sites identified in the 2015 City of St. Petersburg Innovation District visioning and small area plan. This effort presents a good model for aligning redevelopment and place-making goals with economic development objectives – a strategy that could be replicated for multiple TECs countywide.

Additional Strategies

- **Workforce Housing** – The county's housing policies and its Housing Compact clearly seek to locate workforce housing near job centers. The county is also calling for the construction of more than 1,000 units per year to address long term demands for more housing options. As the county continues advancing it housing priorities, there may be some benefit in revisiting the locational opportunities based on the findings of this study. Specifically, in the TECs where mixed use is being encouraged, there could be opportunities to explore public-private partnerships between nearby employers and housing developers to create more workforce housing near employment hubs.

- **Create a TEILS Working Group and Monitoring Program** – As this study demonstrated, the nature of work is continuing to change. It was also recognized that future economic development efforts to attract and retain target industries will take a collective approach between local government staff in housing, economic development and transportation, elected officials, the development community and housing advocates to continuously monitor and modify policies the ensure the most strategic use of land over time. Therefore, the TEILS data sets relative to future market demand and land utilization should be updated on a more regular cycle (every five years) to ensure that policies are responsive to changing needs. Additionally, a working group could be deployed to help smaller local governments leverage countywide insights when addressing local demands for employment-related land use conversion requests.

- **Workforce Development** – The identification of targeted industries provides a solid roadmap towards focusing economic development efforts towards sectors that will have the greatest return on the local economy. However, meeting the needs of these industries in terms of available workforce will remain a challenge without continuing to focus on the skills gaps. Additional partnering is likely needed between specialized industries, local educators and universities and workforce development entities to address these needs.

1 - Target Industry & Real Estate Market Assessment
2 - Target Industry NAICS Codes
3 - Land Suitability Analysis & Methodology
4 - Economic Trade-Offs in Employment Land Conversion Facing Pinellas County
5 - Employer Survey Results
6 - TEILS Update Literature Review