

# ECONOMIC AND MARKET ANALYSIS

The Kimley-Horn Team through its partner, Florida Economic Advisors, LLC, prepared the “Downtown Market Assessment Wauchula, Florida” with the intent to provide detailed analysis on the existing and projected demographic and socio-economic conditions within the City, as well as revenue projections from Tax Increment Financing (TIF) funding sources through the life of the CRA. The report includes the following sections:

- Study Introduction and Outline
- Overview of Area Economic Conditions
- Downtown Wauchula Economic & Market Potential
- Study Conclusions

## Study Introduction and Outline

Florida Economic Advisors was retained to conduct an independent economic analysis that investigates local market conditions influencing development and leasing potential for non-residential and residential uses in downtown Wauchula, Florida.

The City of Wauchula is considering strategies to promote sustainable economic activity in the downtown core, including the creation of development plans for several City-owned parcels within this area.



Downtown Wauchula, near the US 17-Main Street Intersection

The principal objective of this study is to address the following issues:

1. Historic trends and forecasted conditions of the Hardee County economy, establishing the area-wide parameters of growth potential and expansion.
2. An assessment of economic trends in the trade area immediately surrounding downtown Wauchula. This includes a profile of trade area demographics, housing stock, business activity, and employment.
3. Estimates of demand for residential and nonresidential uses in downtown

Wauchula.

4. Surveying of downtown Wauchula storefronts and case study analysis of other rural downtowns in order to establish success factors for the Main Street area.

This analysis includes 4 sections. Section 2 defines the local area of economic influence for the subject property, and provides an overview of historical and projected economic conditions influencing development in Hardee County. Section 3 discusses the economic and market potential for downtown Wauchula using trade area and case study analysis. Finally, Section 4 offers study conclusions and opinions on future actions to stimulate economic development in downtown. All tables, charts, forecasts and conclusions presented in this report are based on information provided by public and private sector sources that Florida Economic Advisors, LLC and Kimley-Horn and Associates, Inc. assumes to be reliable. Florida Economic Advisors, LLC and Kimley-Horn and Associates, Inc., makes no warranty, express or implied, regarding the accuracy or totality of data provided in this report. Future economic and political conditions not theorized in this analysis could substantially impact the rate and nature of project activity, resulting in economic impacts that significantly deviate from those offered in this report.

## Overview of Area Economic Conditions

### The Local Marketplace

A market area is defined in the Dictionary of Real Estate Terms, 4<sup>th</sup> Edition, as “a geographic region from which one can expect primary demand for a specific product or service provided at a fixed location.” For purposes of this report, the local area of economic influence



for the subject property is Hardee County. Hardee County’s 2008 population placed it 51st among Florida’s 67 counties, with one of the state’s smallest resident increases during the 2000-2008 period (ranked 65th of 67 counties in 2000-08 population growth).

### Hardee County Introductory Profile

Hardee County is one of Florida’s few remaining counties that has yet to experience the pressures of urbanization that have dominated the state’s post-1970 economic landscape. With an economy still dominated by agriculture, nearly one out of five jobs in Hardee County are in farming, forestry, and fishing. Comparatively speaking, less than 1.7 percent of Florida jobs can be found in these industry sectors. As economic development has largely bypassed Hardee County, population and employment growth has been negligible. Hardee County added approximately 14,000 people and 10,000 jobs over the 1970-2008 period, while Florida’s other 66 counties expanded by 11.4 million residents and 7.6 million jobs.

Current estimates place the population of Hardee County at approximately 29,000, with an attendant employment base of 14,500. The County’s largest private sector employers include the Florida Institute for Neurological Rehabilitation, Wal-Mart, C.F. Industries, Peace River Electric Cooperative, Wauchula State Bank, Florida Hospital Heartland Division, Mosaic, Old Castle Mulch, Pacer Marine, and First National Bank. These organizations employ 1,600 persons, or 11.3 percent of the total County workforce.

### Growth Patterns in Hardee County, 1980 to 2008

Future development potential in Hardee County should be closely tied to the demand for additional housing, as surrounding urban counties build out and realize steady cost-of-living increases due to rising land prices and constrained infrastructure. Population growth will be the major determinant of long-range trends for housing demand in the area.

The shaded portion of Table 2.1 provides the base historical conditions of Hardee County’s economy. Population by age and race, employment by industry, earnings, and income are profiled in Table 2.1 below. 2008 estimates indicate Hardee County has a population of 28,890<sup>1</sup> persons and 14,220 attendant employees (Source: Woods & Poole Economics. 2008 estimate as reported the University of Florida Bureau of Economic and Business Research: 27,909). These totals comprise 0.2 percent of the state’s population, and 0.1 percent of the state’s employment base. From 1980 through 2008, population growth within Hardee County accounted for 0.1 percent of state growth, or 8,510 persons. This equates to average annual population growth of 304 persons per year.

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During this period, 5,930 net new jobs were created in Hardee County, resulting in 0.1 percent of Florida's employment growth. The annualized rate of employment growth from 1980 - 2008 was 212 jobs.

Figure 1 presents a graphic summary of population growth by age within the County. Hardee County has one of Florida's youngest populations, with more than one in four residents under 18 years of age. 1980-2008 growth trends underscore this "youth movement", with 42.2 percent of the County's population increase occurring in the under-35 age cohort. Residents aged 55 and over only comprised 23.9 of the county's population increase during this time period, with the working age cohort (35 - 54 years) accounting for 33.9 percent of overall population growth.

**Table 2.1: Hardee County Economic Profile**

Growth 1980-2008	1980	1990	2000	2008	2010	2020	2030
<b>Total Population (Thousands)</b>	20.38	19.67	26.90	28.89	29.60	33.29	37.15
Age Under 5 Years	1.75	1.63	2.06	2.49	2.47	2.96	3.48
5 to 9 Years	1.84	1.69	2.00	2.14	2.42	2.65	3.21
10 to 14 Years	1.89	1.67	2.07	1.93	1.99	2.57	3.05
15 to 19 Years	1.97	1.54	2.19	1.97	1.94	2.62	2.85
20 to 24 Years	1.54	1.31	2.07	1.94	2.02	2.03	2.42
25 to 29 Years	1.58	1.40	2.06	2.83	2.73	2.56	2.75
30 to 34 Years	1.43	1.31	1.85	2.27	2.40	2.31	2.14
35 to 39 Years	1.16	1.29	1.95	2.01	2.01	2.18	2.02
40 to 44 Years	0.97	1.17	1.74	1.79	1.83	2.01	1.88
45 to 49 Years	0.89	1.03	1.52	1.70	1.75	1.81	1.95
50 to 54 Years	1.08	0.87	1.38	1.47	1.60	1.77	1.91
55 to 59 Years	0.95	0.77	1.21	1.33	1.34	1.67	1.72
60 to 64 Years	0.98	1.00	1.06	1.19	1.27	1.56	1.72
65 to 69 Years	0.83	1.04	1.04	1.00	1.11	1.38	1.70
70 to 74 Years	0.69	0.80	1.08	0.81	0.81	1.21	1.57
75 to 79 Years	0.43	0.56	0.87	0.76	0.69	0.84	1.13
80 to 84 Years	0.22	0.35	0.44	0.69	0.63	0.48	0.80
85 Years and Over	0.20	0.22	0.33	0.54	0.58	0.68	0.86
Median Age of Population	28.71	32.12	32.66	32.32	32.33	32.61	31.84
Caucasian Population	n.a.	13.91	14.79	13.83	13.60	12.55	11.31
African-American Population	n.a.	1.03	2.26	2.47	2.51	2.69	2.83
Native American Population	n.a.	0.07	0.11	0.19	0.19	0.24	0.26
Asian and Pacific Islander Population	n.a.	0.03	0.09	0.15	0.15	0.22	0.28
Hispanic Population	3.02	4.63	9.65	13.14	13.14	17.60	22.46
<b>Total Employment (Thousands)</b>	8.29	9.64	11.71	14.22	15.23	17.81	20.83
Farm	2.01	2.21	2.01	1.93	2.06	2.11	2.15
Forestry, Fishing, & Other	0.52	0.79	1.53	0.74	0.76	0.73	0.70
Mining	0.17	0.12	0.10	0.08	0.08	0.09	0.10
Utilities	0.35	0.34	0.27	0.14	0.14	0.16	0.18
Construction	0.17	0.22	0.35	0.37	0.33	0.41	0.49
Manufacturing	0.35	0.27	0.23	0.23	0.23	0.24	0.26
Wholesale Trade	0.13	0.24	0.25	0.28	0.27	0.29	0.31
Retail Trade	0.72	0.90	0.91	0.98	1.05	1.18	1.33
Transportation & Warehousing	1.26	1.24	1.53	1.30	1.25	1.54	1.88
Information	0.03	0.04	0.06	0.11	0.13	0.18	0.23
Finance & Insurance	0.24	0.20	0.29	0.34	0.36	0.43	0.50
Real Estate, Rental & Lease	0.16	0.13	0.18	0.30	0.30	0.38	0.49
Professional & Tech Services	0.12	0.17	0.25	0.18	0.18	0.20	0.21
Management & Enterprises	0.03	0.04	0.08	0.04	0.04	0.05	0.05
Administrative & Waste Services	0.07	0.09	0.22	0.77	0.73	0.87	1.03
Educational Services	0.00	0.00	0.00	0.03	0.03	0.04	0.06
Health Care & Social Assistance	0.42	0.62	0.88	3.13	3.79	4.91	6.34
Arts, Entertainment & Recreation	0.03	0.03	0.04	0.13	0.13	0.15	0.17
Accommodation & Food Services	0.15	0.21	0.23	0.52	0.50	0.55	0.60
Other Services	0.22	0.33	0.53	0.64	0.69	0.86	1.06
Federal Civilian Government	0.06	0.06	0.06	0.05	0.05	0.06	0.07
Federal Military Government	0.05	0.06	0.06	0.06	0.06	0.06	0.06
State and Local Government	1.03	1.32	1.65	1.87	2.05	2.31	2.55
<b>Total Earnings (Millions 2004\$)</b>	220.25	240.02	292.48	319.81	358.27	480.29	652.46
Per Capita Income (2004\$)	16,765.00	20,329.00	18,019.00	18,593.00	19,850.00	23,920.00	29,375.00
Avg. Household Income (2004\$)	53,242.00	60,272.00	56,166.00	56,190.00	59,845.00	72,214.00	90,637.00
Per Capita Income (Current\$)	8,055.00	15,097.00	16,624.00	20,858.00	23,308.00	38,786.00	68,664.00
Avg. Household Income (Current\$)	25,581.00	44,761.00	51,817.00	63,035.00	70,273.00	117,095.00	211,862.00
Retail Sales Per Household (2004\$)	18,110.00	23,086.00	20,223.00	20,458.00	19,400.00	21,434.00	24,414.00
Number of Households (Thousands)	6.34	6.46	8.14	8.90	9.15	10.29	11.18
Persons Per Household	3.17	2.94	3.07	2.97	2.96	2.96	3.03
<b>Households With Money Income (Thousands)</b>	6.34	6.46	8.14	8.90	9.15	10.29	11.18
Less than \$10,000 (2000\$)	n.a.	0.95	1.10	1.05	1.00	0.81	0.66
\$10,000 - \$29,999	n.a.	2.58	2.94	2.80	2.66	2.17	1.76
\$30,000 - \$44,999	n.a.	1.29	1.60	1.91	1.98	1.83	1.49
\$45,000 - \$59,999	n.a.	0.74	0.92	1.17	1.30	2.00	2.17
\$60,000 - \$74,999	n.a.	0.44	0.68	0.86	0.95	1.50	2.20
\$75,000 - \$99,999	n.a.	0.22	0.51	0.65	0.72	1.14	1.67
\$100,000 - \$124,999	n.a.	0.10	0.17	0.22	0.24	0.38	0.56
\$125,000 - \$149,999	n.a.	0.03	0.02	0.03	0.03	0.05	0.07
\$150,000 - \$199,999	n.a.	0.06	0.06	0.08	0.09	0.14	0.21
\$200,000 or more	n.a.	0.06	0.12	0.15	0.17	0.27	0.40

Data Sources: Woods & Poole Economics, Inc; Florida Economic Advisors, LLC

**Fig. 1: Hardee County Population Growth by Age 1980-2008**

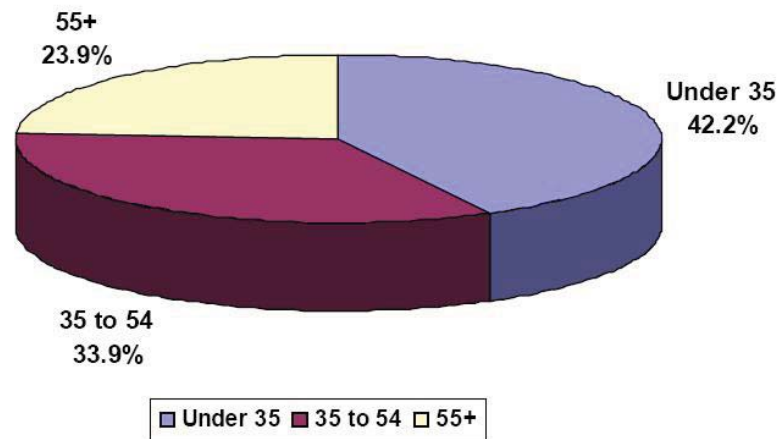
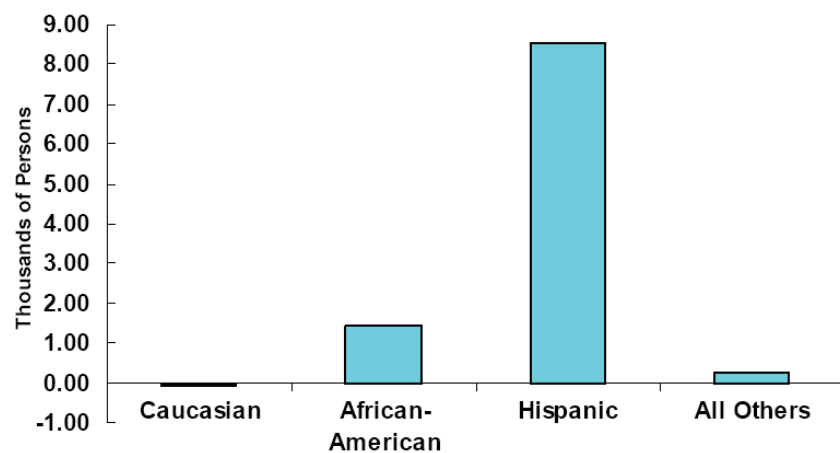


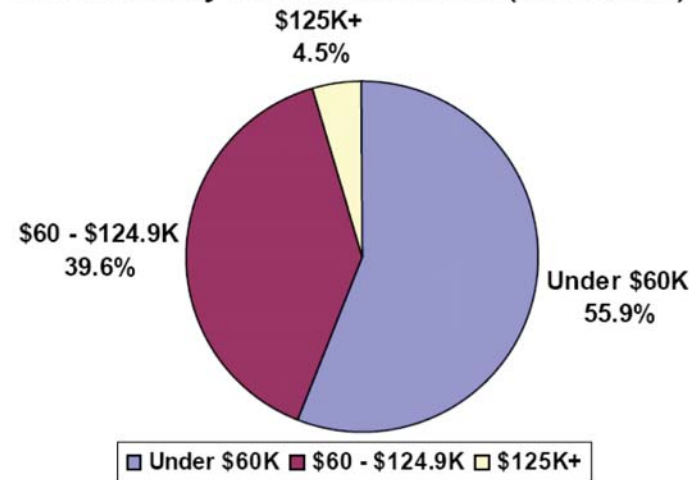
Figure 2 presents the profile of county population growth by race/ethnic status. Hispanic residents accounted for an overwhelming majority of Hardee County's population growth during the 1990-2008 period, at 92.3 percent (8,510 persons). African-Americans comprised the other significant share of population increase, with growth of 1,440 persons. Hardee County presently has the fourth highest percentage of Hispanics (41.0 percent) in its local population of all Florida counties, surpassed only by Osceola County (41.6 percent), Hendry County (47.8 percent), and Miami-Dade County (61.9 percent).

**Fig. 2: Hardee County HH Growth by Ethnicity 1990-2008**



The profile of household growth by income status is presented in Figure 3. From 1990 through 2008, the proportion of household growth with inflation-adjusted incomes<sup>3</sup> of under \$60,000 per year accounted for 55.9 percent of Hardee County's household growth (In Year 2000 dollars. Source: Woods and Poole Economics, Inc.). The County's middle to upper-middle income households, those in the \$60,000 to \$124,999 annual income range, held a noticeable but smaller share of overall growth at 39.6 percent.

**Fig. 3: Hardee County HH Growth by Income 1990-2008 (Year 2000\$)**



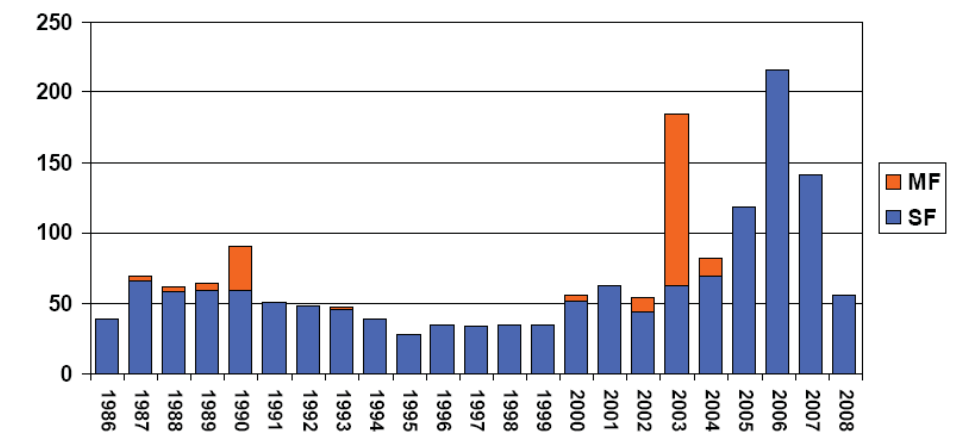
Upper income households (those with annual incomes of \$125,000 or more) made up 4.5 percent of the County's household formation during this 18-year period.

In inflation-adjusted dollars, the average household income has increased by 5.5 percent since 1980. 2008 estimates show that the average household income within the region is \$63,035. Hardee County's household size has dropped modestly since 1980, although it remains noticeably larger than the statewide average. The average persons-per-household estimate in Hardee County declined from 3.17 in 1980 to 2.97 in 2008.

Prior to 2002, Hardee County realized between 28 and 90 annual housing starts, averaging approximately 50 units per year. A surge in residential construction during the first half of this decade, similar to that seen in most of Florida's urban/urbanizing markets, effectively tripled the rate of annual residential construction within the County.

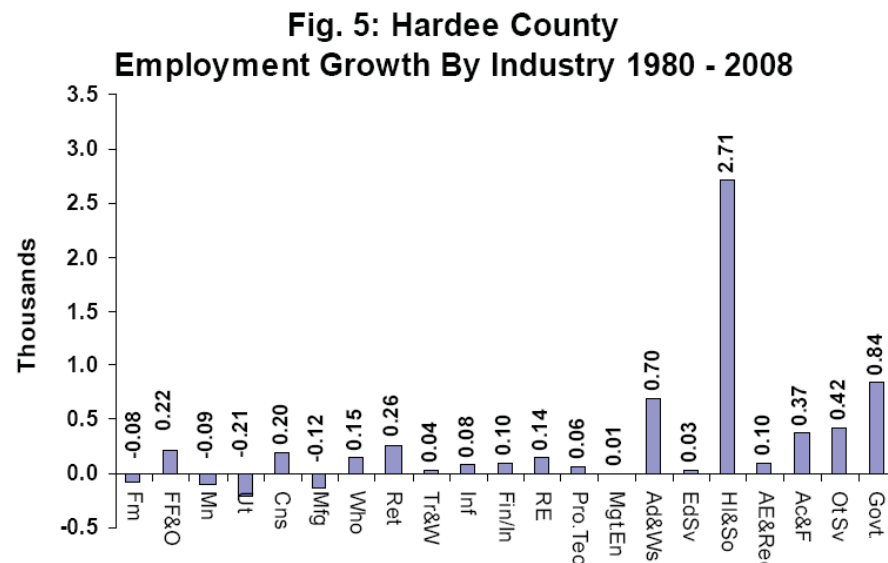
The recent state and national real estate recession has resulted in new construction moving back to the pre-2002 starts pace. This trend is not inconsistent with that seen in many other state and national markets, as the result of the housing market correction.

**Fig. 4: Hardee County Housing Starts 1986 - 2008**

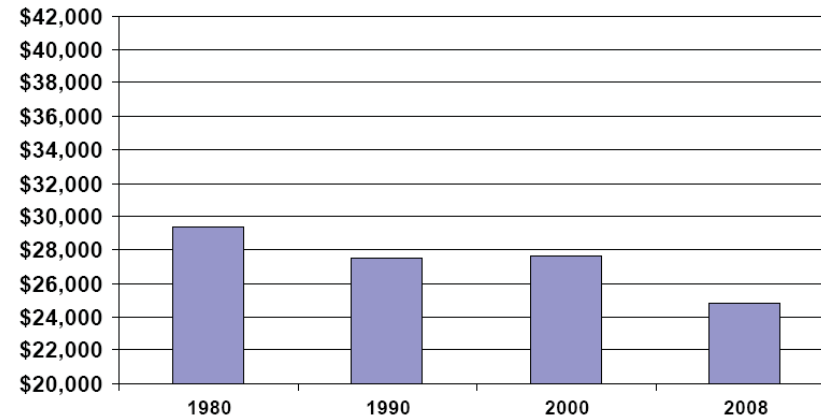


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Of the 5,930 new jobs created during the 1980 - 2008 period, 45.7 percent of these jobs have been in the healthcare and social assistance sector.



**Fig. 6: Hardee County Average Employee Earnings (2008\$) 1990-2008**



**Table 2.2: Hardee County Economic Profile**

Growth 2008-2030	1980	1990	2000	2008	2010	2020	2030
<b>Total Population (Thousands)</b>	20.38	19.67	26.90	28.89	29.60	33.29	37.15
Age Under 5 Years	1.75	1.63	2.06	2.49	2.47	2.96	3.48
5 to 9 Years	1.84	1.69	2.00	2.14	2.42	2.65	3.21
10 to 14 Years	1.89	1.67	2.07	1.93	1.99	2.57	3.05
15 to 19 Years	1.97	1.54	2.19	1.97	1.94	2.62	2.85
20 to 24 Years	1.54	1.31	2.07	1.94	2.02	2.03	2.42
25 to 29 Years	1.58	1.40	2.06	2.83	2.73	2.56	2.75
30 to 34 Years	1.43	1.31	1.85	2.27	2.40	2.31	2.14
35 to 39 Years	1.16	1.29	1.95	2.01	2.01	2.18	2.02
40 to 44 Years	0.97	1.17	1.74	1.79	1.83	2.01	1.88
45 to 49 Years	0.89	1.03	1.52	1.70	1.75	1.81	1.95
50 to 54 Years	1.08	0.87	1.38	1.47	1.60	1.77	1.91
55 to 59 Years	0.95	0.77	1.21	1.33	1.34	1.67	1.72
60 to 64 Years	0.98	1.00	1.06	1.19	1.27	1.56	1.72
65 to 69 Years	0.83	1.04	1.04	1.00	1.11	1.38	1.70
70 to 74 Years	0.69	0.80	1.08	0.81	0.81	1.21	1.57
75 to 79 Years	0.43	0.56	0.87	0.76	0.69	0.84	1.13
80 to 84 Years	0.22	0.35	0.44	0.69	0.63	0.48	0.80
85 Years and Over	0.20	0.22	0.33	0.54	0.58	0.68	0.86
Median Age of Population	28.71	32.12	32.66	32.32	32.33	32.61	31.84
Caucasian Population	n.a.	13.91	14.79	13.83	13.60	12.55	11.31
African-American Population	n.a.	1.03	2.26	2.47	2.51	2.69	2.83
Native American Population	n.a.	0.07	0.11	0.19	0.19	0.24	0.26
Asian and Pacific Islander Population	n.a.	0.03	0.09	0.15	0.15	0.22	0.28
Hispanic Population	3.02	4.63	9.65	13.14	13.14	17.60	22.46
<b>Total Employment (Thousands)</b>	8.29	9.64	11.71	14.22	15.23	17.81	20.83
Farm	2.01	2.21	2.01	1.93	2.06	2.11	2.15
Forestry, Fishing, & Other	0.52	0.79	1.53	0.74	0.76	0.73	0.70
Mining	0.17	0.12	0.10	0.08	0.08	0.09	0.10
Utilities	0.35	0.34	0.27	0.14	0.14	0.16	0.18
Construction	0.17	0.22	0.35	0.37	0.33	0.41	0.49
Manufacturing	0.35	0.27	0.23	0.23	0.23	0.24	0.26
Wholesale Trade	0.13	0.24	0.25	0.28	0.27	0.29	0.31
Retail Trade	0.72	0.90	0.91	0.98	1.05	1.18	1.33
Transportation & Warehousing	1.26	1.24	1.53	1.30	1.25	1.54	1.88
Information	0.03	0.04	0.06	0.11	0.13	0.18	0.23
Finance & Insurance	0.24	0.20	0.29	0.34	0.36	0.43	0.50
Real Estate, Rental & Lease	0.16	0.13	0.18	0.30	0.30	0.38	0.49
Professional & Tech Services	0.12	0.17	0.25	0.18	0.18	0.20	0.21
Management & Enterprises	0.03	0.04	0.08	0.04	0.04	0.05	0.05
Administrative & Waste Services	0.07	0.09	0.22	0.77	0.73	0.87	1.03
Educational Services	0.00	0.00	0.00	0.03	0.03	0.04	0.06
Health Care & Social Assistance	0.42	0.62	0.88	3.13	3.79	4.91	6.34
Arts, Entertainment & Recreation	0.03	0.03	0.04	0.13	0.13	0.15	0.17
Accommodation & Food Services	0.15	0.21	0.23	0.52	0.50	0.55	0.60
Other Services	0.22	0.33	0.53	0.64	0.69	0.86	1.06
Federal Civilian Government	0.06	0.06	0.06	0.05	0.05	0.06	0.07
Federal Military Government	0.05	0.06	0.06	0.06	0.06	0.06	0.06
State and Local Government	1.03	1.32	1.65	1.87	2.05	2.31	2.55
<b>Total Earnings (Millions 2004\$)</b>	220.25	240.02	292.48	319.81	358.27	480.29	652.46
Per Capita Income (2004\$)	16,765.00	20,329.00	18,019.00	18,593.00	19,850.00	23,920.00	29,375.00
Avg. Household Income (2004\$)	53,242.00	60,272.00	56,166.00	56,190.00	59,845.00	72,214.00	90,637.00
Per Capita Income (Current\$)	8,055.00	15,097.00	16,624.00	20,858.00	23,308.00	38,786.00	68,664.00
Avg. Household Income (Current\$)	25,581.00	44,761.00	51,817.00	63,035.00	70,273.00	117,095.00	211,862.00
Retail Sales Per Household (2004\$)	18,110.00	23,086.00	20,223.00	20,458.00	19,400.00	21,434.00	24,414.00
Number of Households (Thousands)	6.34	6.46	8.14	8.90	9.15	10.29	11.18
Persons Per Household	3.17	2.94	3.07	2.97	2.96	2.96	3.03
<b>Households With Money Income (Thousands)</b>	6.34	6.46	8.14	8.90	9.15	10.29	11.18
Less than \$10,000 (2000\$)	n.a.	0.95	1.10	1.05	1.00	0.81	0.66
\$10,000 - \$29,999	n.a.	2.58	2.94	2.80	2.66	2.17	1.76
\$30,000 - \$44,999	n.a.	1.29	1.60	1.91	1.98	1.83	1.49
\$45,000 - \$59,999	n.a.	0.74	0.92	1.17	1.30	2.00	2.17
\$60,000 - \$74,999	n.a.	0.44	0.68	0.86	0.95	1.50	2.20
\$75,000 - \$99,999	n.a.	0.22	0.51	0.65	0.72	1.14	1.67
\$100,000 - \$124,999	n.a.	0.10	0.17	0.22	0.24	0.38	0.56
\$125,000 - \$149,999	n.a.	0.03	0.02	0.03	0.03	0.05	0.07
\$150,000 - \$199,999	n.a.	0.06	0.06	0.08	0.09	0.14	0.21
\$200,000 or more	n.a.	0.06	0.12	0.15	0.17	0.27	0.40

Data Sources: Woods & Poole Economics, Inc; Florida Economic Advisors, LLC

*Growth Forecasts for Hardee County, 2008 to 2030*

The long-range forecasts presented for Hardee County reflect a market whose economic base will continue to grow at a modest pace. Annual population and employment growth from 2008 to 2030 will generally maintain a pace similar to the historic growth of the 1980 - 2008 period. Population growth will be influenced even more by increases in the under-35 age group. Middle income households will account for the vast majority of residential expansion to 2030. Finally, minority ethnic cohorts will continue to play a very large role in shaping the dynamics of county-wide growth.

Over the 2008 - 2030 period, population growth within Hardee County will account for 0.11 percent of state growth, or 8,260 persons. The area will see 6,610 net new jobs created by 2030, which will equate to 0.14 percent of Florida's projected employment growth. The shaded portion of Table 2.2 provides the statistical detail of these economic forecasts.

The average wage in Hardee County, when adjusted for inflation, has actually declined by 15.3 percent since 1980. The 2008 average wage in Hardee County was \$24,845, approximately 33.8 percent lower than the state average.

Figure 7 indicates an anticipated shift in the distribution of population growth by age. Hardee County will see a larger share of growth in the under-35 age group over the forecast horizon, relative to the historic trend. 52.2 percent of forecasted population growth will occur in the under-35 age range. Residents of the “working adult” age cohort (35-54) will account for 9.5 percent of the projected resident increase, and the 55+ segment is expected to make up 38.3 percent of the County’s forecasted population growth.

**Fig. 7: Hardee County Population Growth by Age 2008-2030**

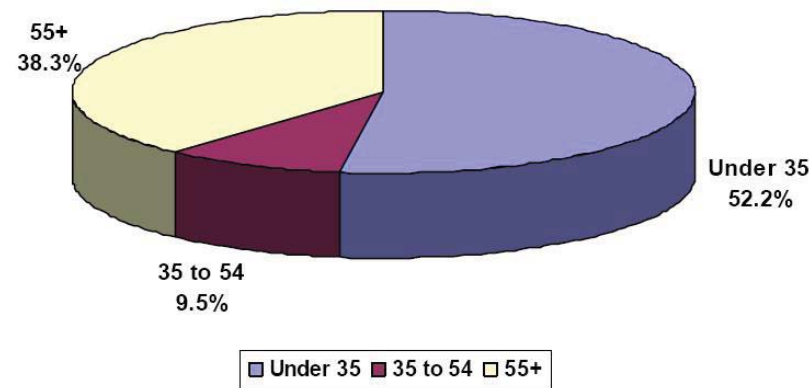
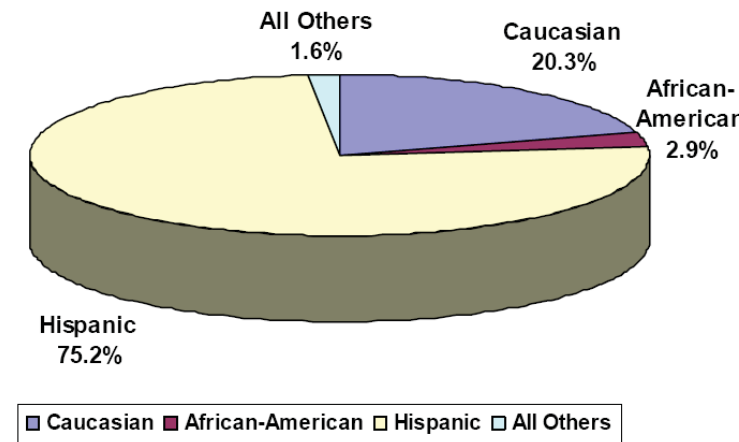


Figure 8 suggests that the future demographic profile of area residents will continue to be heavily influenced by minority ethnic and racial segments. During the 2008-2030 period, Hispanic residents will comprise 75.2 percent of Hardee County’s population growth. Caucasian residents are expected to account for 20.3 percent of the 2008-2030 increase, while the African-American population growth rate is expected to decline, thus accounting for only a 2.9 percent forecasted share.

Projections of household growth by income suggest that lower income households (incomes of less than \$60,000) will actually decline in Hardee County. The vast majority of growth will occur in households with incomes between \$60,000 and \$124,999.

The historic trend of annual housing starts reflects an average construction pace of 72 units per year. The 2008-2030 forecasts of household formation suggest growth of 104 occupied units per year. A forecasted long-range annual average of 88 starts per year for Hardee County would be consistent with these trends, although we

**Fig. 8: Hardee County Projected Pop. Growth by Ethnicity 2008-2030**



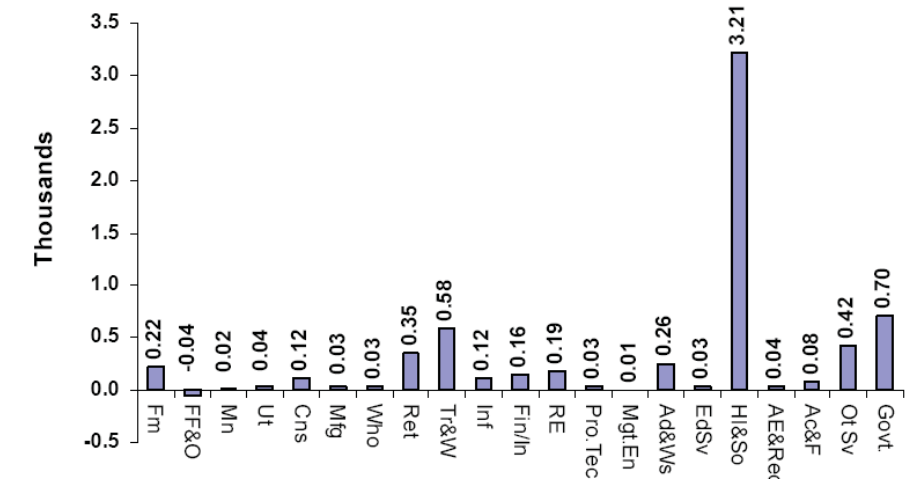
**Fig. 9: Hardee County HH Growth by Income 2008-2030 (Year 2000\$)**



would expect to see cycles of rapid construction (as was the case during the 2002-2007 period), and below average construction rates during the forecast horizon.

48.6 percent of forecasted job growth (3,210 jobs by 2030) is expected to occur in the healthcare & social assistance sectors. Other sectors forecasted to have relevant growth include government (700 jobs) and transportation/warehousing (580 jobs).

**Fig. 10: Hardee County Employment Growth By Industry 2008 - 2030**



## Downtown Wauchula Economic & Market Potential

### Introduction

Wauchula’s downtown is anchored by commercial, office, public, and civic uses along Main Street, with the major concentration of business activity occurring between U.S. 17 north and 9th Avenue. Main Street-area business and organizations include (note, business listings as of December 2009; this listing is not intended to be inclusive of all downtown business listings):

- Cracker Pub & Grill
- Giovanni’s Main Street Kitchen
- Java Cafe’
- J & R Grocery
- Paul’s Kitchen
- Metro PCS/Talk Solutions
- Bridal Creations
- Thrift Store
- The Magnolia Tree
- Jelly Beans Children’s Boutique
- Royals Furniture
- La Floresita Bridal & Western Wear
- Mom & Me Consignment
- Cat’s on Main
- Main Street Market
- Ridge Area ARC Resale Store
- Happy Hour Liquor
- Storts Taxes & Bookkeeping
- Old Pine Candle & Gifts

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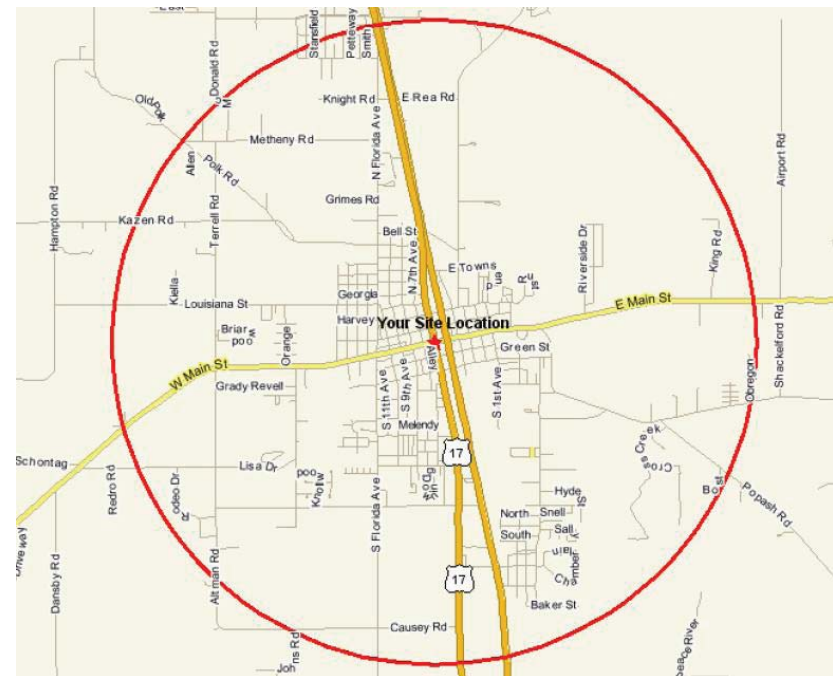
- Manley & Associates CPA's
- Penny's Twigs & Sticks
- Gloria Jean's Massage Therapy
- City Barber Shop
- Great Florida Insurance
- Manuel Citrus
- DC Nails
- Quilter's Inn Bed & Breakfast
- The Beauty Parlour
- Lisa's Hair & Nails
- Kerry Sue's Salon
- Hanchey's Carpet
- Klassix
- Peace River Center
- The Dental Center
- Teasin and Cuttin Up
- Masonic Temple (relocated in 2010)
- Al Richard & Son Custom Muffler
- Colon & McNeills, P.A.
- Jacobs Ins./Bail Bonds
- Main St. Wauchula/CRA/Chamber of Commerce/EDC
- The Hair Boutique
- Wauchula State Bank
- Stitch N' Sign
- Faith Presbyterian Church
- Division of Driver Licenses (relocated in 2010)
- Wauchula City Hall
- Hardee County Government Offices
- Coker Fuel (relocated in 2010)
- Cliff Ables, Attorney
- City of Wauchula Government offices/City Administration/ Police Department
- Incentive Research Corporation
- American Cancer Society
- Hardee County Title Insurance Agency
- Herald Advocate

Additional business located within the downtown area but outside of the primary study area include Mosaic, PhosChem Supply Company, Kenneth B. Evers, P.A., Morrell, Watson & Southwell, P.A., Burton & Burton, P.A., Candace Sylvia Preston, P.A., Robarts Funeral Home, Safeguard Security, Inc., Southland Title and Real Estate Services, LLC, and Lilly, O'Toole & Brown, LLP. Main Street Wauchula, established by the State of Florida in 1995 to promote successful downtown development, is affiliated with the National Trust for Historic Preservation Main Street Center. The Main Street program places an emphasis on elements of design, promotion, organization, and economic restructuring in order

to create and support a successful rural downtown. Now an agency within City government, Main Street Wauchula is also active in coordinating events such as Friday Night Live and "Grillin' and Chillin' ", entertainment.

## Economic and Demographic Profile (Area Surrounding Downtown)

In order to effectively assess opportunities for the expansion and sustainability of Wauchula's downtown, it is important to understand economic conditions of the areas immediately surrounding the downtown core. This analysis considers a 2-mile geographic radius extending from the intersection of U.S. Highway 17 South and Main Street.



2-Mile Radius: Intersection of U.S. 17 South & Main Street, Wauchula

Table 3.1 provides a summary population and housing profile of the downtown core 2-mile trade area. From 1990 through 2009, the population of this area increased by 38 percent. 2009 estimates place its permanent population at 8,453, residing in 2,561 households. This trade area has experienced modest growth over the last 19 years, lower than the overall County growth rate (47 percent) over the same time period.

Table 3.1  
Downtown Wauchula 2-Mile Radius Trade Area  
Population and Housing Profile

	1990	2000	2009	2014
Population	6,120	7,976	8,453	8,753
Households	2,135	2,515	2,561	2,610
Families	1,593	1,864	1,897	1,932
Housing Units	2,558	2,908	3,052	3,112
Owner-Occupied HUs	1,572	1,774	1,798	1,831
Renter Occupied HUs	563	742	763	779
Vacant HUs	423	392	491	502
Single Family HUs	n/a	2,019	2,094	2,130
Multifamily HUs	n/a	295	301	305
Mob. Home/Other HUs	n/a	595	659	679
Median Value, Owner				
Occupied Housing	\$43,068	\$56,356	\$102,821	\$116,635
Median HH Income	\$21,902	\$29,004	\$33,579	\$36,085
Average HH Income	\$29,024	\$39,294	\$47,204	\$51,296

Source: Nielsen Claritas

The area's 2009 housing stock is estimated at 68.6 percent single family, 9.9 percent multifamily, and 21.6 percent mobile home. The 2009 median value of owner-occupied housing in the trade area is \$102,821, with a median household income of \$33,579. Year 2014 forecasts project the 2-mile trade area at a population of 8,753 persons, with 2,610 households, and 3,112 housing units. These forecasts indicate that, over the next 5 years, the trade area will grow by 300 persons, 49 households, and 60 housing units. Of the projected 60-unit growth, 36 units are forecasted as single family, 20 as mobile home, and 4 as multifamily. 2009 estimates indicate that households within the 2-mile trade area have an average annual income of \$47,204. Five-year forecasts suggest that the average annual income of trade area households will approach \$51,296 by 2014.

Table 3.2 presents further detail on the breakdowns of household income and home values within the 2-mile trade area. Estimates provided by Nielsen Claritas indicate that 72.4 percent of the trade area's owner-occupied housing units are valued at less than \$150,000. In addition, 68.6 percent of trade area households have incomes of less than \$50,000 per year. This data presents a relatively clear profile of a lower-middle income area, with a modestly priced housing stock.

Table 3.2  
Downtown Wauchula 2-Mile Radius Trade Area  
2009 Housing Values and Household Incomes

Owner-Occupied Housing Unit Value		
\$0 - \$34,999	152	8.4%
\$35,000 - \$69,999	300	16.6%
\$70,000 - \$99,999	421	23.3%
\$100,000 - \$149,999	432	24.0%
\$150,000 - \$199,999	221	12.3%
\$200,000 - \$249,999	116	6.4%

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\$250,000 - \$299,999	82	4.5%
\$300,000 and up	79	4.4%
<b>Household Income Distribution</b>		
\$0 - \$19,999	729	28.4%
\$20,000 - \$29,999	417	16.3%
\$30,000 - \$39,999	335	13.1%
\$40,000 - \$49,999	276	10.8%
\$50,000 - \$59,999	199	7.8%
\$60,000 - \$74,999	178	6.9%
\$75,000 - \$99,999	203	7.9%
\$100,000 and up	226	8.8%

Source: Nielsen Claritas

The trade area's business and resident employment profile is presented in Table 3.3. A total of 3,196 trade area residents are employed in local industries (referred to as resident employment).

Conversely, 4,656 jobs exist within the trade area's 520 businesses (attendant employment). The 2-mile trade area accounts for nearly one-third of Hardee County's total workforce. 20 percent of trade area businesses are retail establishments. 56.9 percent of the trade area's working residents are employed in the following industries: agriculture, retail, educational services, and health care/social assistance. Possibly the most relevant piece of information that comes from the trade area employment and business assessment is that a substantial share of Hardee County's labor force works within 2 miles of the Wauchula downtown core. Planning efforts for downtown should incorporate uses and activities that generate interest for these trade area employees, providing incentives to stay downtown, as opposed to heading straight home after work.

**Table 3.3**  
Downtown Wauchula 2-Mile Radius Trade Area  
2009 Business & Employment Activity

Industry	Employment	Percentage
Ag/Forestry/Fishing	691	21.6%
Mining	63	2.0%
Construction	198	6.2%
Manufacturing	80	2.5%
Wholesale Trade	144	4.5%
Retail Trade	455	14.2%
Transportation/Warehouse	82	2.6%
Utilities	44	1.4%
Information	40	1.3%
Finance/Insurance/RE	114	3.6%
Prof/Sci/Tech/Admin	43	1.3%
Management of Companies	0	0.0%
Admin/Sup./Waste Management	66	2.1%
Educational Services	332	10.4%
Health Care/Soc. Asst.	340	10.6%
Entertainment/Rec. Svc	12	0.4%
Accommodation/Food Svc.	173	5.4%
Other Services	173	5.4%
Public Admin.	146	4.6%

Business Activity Within 2-Mile Radius			
	Mfg.	Retail	Total
Total Establishments	12	105	520
Estab. w/ 1-19 emp.	9	94	463
Estab. w/ 20-49 emp.	3	9	37
Estab. w/ 50-99 emp.	0	0	11
Estab. w/ 20+ emp.	3	11	54
Total Output (\$Millions)	26	131	469
Total Employees	115	1,078	4,656

Source: Nielsen Claritas

### Summary of Demands for Residential and Non-Residential Uses within the Downtown 2-Mile Trade Area

The Nielsen/Claritas population and housing projections forecast growth of only 60 units within the trade area over the 2009-2014 period. FEA believes this forecast is conservative, largely because the corresponding population forecast of 300 persons would suggest average household sizes at or above 5 persons per household. FEA suggests a modification of the housing forecast by applying a 3.0 persons per household estimate to the 300 person population forecast, thus yielding a 2009-2014 housing growth projection of 100 units (20 units per year).

Market conditions in the near to intermediate term are not favorable in this trade area for multifamily development, for several reasons. First, the area is dominated by low-priced single family and manufactured housing stock. It will be very difficult in the near term to develop and market multifamily products that will appeal to potential buyers/renters while remaining price competitive with the surrounding single-family inventory. Also, with very little urban activities or "lifestyle" elements in downtown that appeal to multifamily dwellers, it will be difficult to convince large numbers of people to forego the benefits of living in an affordable detached unit. These issues are discussed further in Section 3.4.

Table 3.4 provides estimates of demand for retail and restaurant space in downtown Wauchula. The Nielsen Claritas retail database estimates that households within the 2-mile trade area spent \$87,977,085 on retail items and dining. This compares with an aggregate sales estimate of \$86,655,948 in trade area retail stores and restaurants. These statistics suggest that as much as \$1,321,137 in annual retail/restaurant spending from trade area households is not occurring at businesses inside the trade area, indicating potential unmet need for these uses. Applying an annual sales ratio of \$300 per square foot to the excess expenditures, generates an unmet demand for 4,404 square feet of retail and restaurant space within the 2-mile trade area.

In addition to this "current" need, the projected household growth illustrated in Table 3.1 would generate incremental retail/restaurant spending of \$1,683,279 by

2014. Again, applying the \$300 sales per square foot ratio to this estimate, trade area unmet demand would be forecast to increase by another 5,611 square feet. In total, 10,015 square feet of retail and restaurant uses could be supported by households within the 2-mile trade area, as of year 2014.

**Table 3.4**  
Estimates of Retail & Restaurant Demand in Downtown Wauchula

Retail/Restaurant Demand Within 2-Mile Radius		
A.	Annual Consumer Expenditures of Trade Area HH	\$87,977,085
B.	Annual Store Sales Within 2-Mile Trade Area	\$86,655,948
C.	Excess Consumer Expenditures (A-B)	\$ 1,321,137
D.	Current Year Unmet Demand, @ 300/SF Sales (C/300)	4,404 sq. feet
E.	Additional Expenditures From 2009-14 HH Growth	\$ 1,683,279
F.	2009-14 Incremental Demand, @ 300/SF Sales (E/300)	5,611 sq. feet
G.	Total Unmet Demand to 2014 (C + F)	10,015 sq. feet
Demand Potential from Passer-By Traffic		
H.	U.S. 17 Average Daily Traffic (FDOT 2008 Est.)	10,500 ADT
I.	Downtown Capture Potential 1.00%	38,325 cars/yr.
J.	Average Expenditure Per Car, Per Stop	\$ 50.00
K.	Annual Passer-By Expenditures (I x J)	\$ 1,916,250
L.	Passer-By Supportable Square Footage (K/300)	6,388 sq. feet
<b>TOTAL RETAIL/RESTAURANT DEMAND (G+ L)</b>		<b>16,402 SQ. FEET</b>

Source: Nielsen Claritas

With an expansion of stores and restaurants that would provide "stopping" appeal for travelers passing through downtown along U.S. Highway 17, there is the potential for increasing the supportable retail/restaurant space in downtown Wauchula beyond the previously referenced estimate. While no observed case studies suggest that a rural downtown like Wauchula's would be able to capture more than 1 percent of passer-by traffic, a 1 percent share of U.S. 17's 10,500 average daily trips would correspond to 38,525 cars per year stopping in the Downtown area. At an average expenditure of \$50 per car, these "pass throughs" would generate 1,916,250 in downtown spending, supporting 6,388 square feet of retail/restaurant space. The aforementioned analysis suggests that an additional 10,000 to 16,000 square feet of retail and restaurant space is potentially supportable in downtown Wauchula within the next five years.

In local economies, office development generally takes two basic forms. One form is that of regionally-oriented office space development, which typically consists of large buildings (50,000 square feet in size or greater), that house one or more large corporations engaging in business activities that serve the needs of a metropolitan or regional area. The other prevailing form of office development, professional office space, is comprised of buildings that house smaller companies who offer lines of practice that directly serve the needs of local area residents and businesses (e.g. doctors, accountants, small law firms, realtors, etc.) Professional office buildings are typically much smaller than their regional office counterparts, and

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are well dispersed throughout a market area.

For purposes of this analysis, only professional office uses are considered for Downtown Wauchula, as the county is not expected to be of sufficient economic size during the long-range forecast period to necessitate regional office development.

In 2007 FEA conducted an analysis of growth in professional office space relative to population growth in five Central Florida counties. The counties of Orange, Lake, Seminole, Polk, and Osceola, with over 2.6 million residents and 48.7 million square feet of professional office space, has seen professional office space growth of 15.7 square feet per person since 1991. Applying this 15.7 square foot per person ratio to the trade area population forecast, indicates that an additional 4,710 square feet of professional office space could be supported in Downtown Wauchula by 2014.

## Other Relevant Considerations

While successful downtown plans typically have a well-designed and liberal mix of retail, office, and high density residential uses, establishing demand for multifamily residential products will be a serious near-term challenge. In addition to a modest population growth forecast (300 people over a five-year period), downtown Wauchula has to contend with the fact that it is a lower-middle income area dominated by low-priced single family housing.

Affordability guidelines established by the U.S. Department of Housing and Urban Development (HUD) indicate that a reasonable rent for a 2-bedroom unit in Hardee County would be \$750 a month. This rental rate would pay the monthly mortgage on a \$130,000 home, a higher value than two-thirds of all single-family units within 2 miles of Downtown. With this understanding, the question then becomes, what's the appeal for someone to buy or rent a high-density unit in downtown Wauchula? Typically, individuals who choose to live in a multifamily setting are foregoing the comforts of single-family living for being in an urban environment, in close proximity to shopping, services, and entertainment.

While there is no denying the existence of a modest downtown node within the City, that has some opportunity for expansion, there is little chance this area will evolve into a substantial urban setting that creates strong appeal for high-density living. Realistic options for making multifamily work in the near term would almost certainly have to involve public participation in subsidizing rental rates, in order to make the units more attractive than the low-priced single family surrounding downtown. Just "being downtown" isn't going to be enough of a selling point in downtown Wauchula, at least not for a while.

Prior to his death in 2007, Dr. Kent Robertson of St. Cloud State University in Minnesota was one of the country's foremost experts on the subject of rural downtown development and redevelopment. Dr. Robertson studied or directly participated in hundreds of development projects across the United States, and his works continue to be regularly cited as authoritative sources on successful rural downtowns. Dr. Robertson noted that successful rural downtowns frequently possess the following local assets:

- Strong, locally-owned independent businesses that have been a long-standing part of the local community.
- The presence of government functions (e.g. City Hall, County Courthouse, Police Station, Public Library, Post Office) that consistently bring people downtown.
- Open spaces that have witnessed many community events over the years and provide a place for lingering and social gatherings.
- A waterfront area, that, if designed properly, naturally acts as a magnet for human activity.
- Proximity to destinations (e.g. nearby communities, natural attractions, state parks).
- Local community-based financial institutions.
- Social gathering places in the downtown area, such as a movie theatre, church, or coffee shop.

While Wauchula's downtown already possesses some of these key assets, opportunities exist to build on the existing asset base and further enhance opportunities for expanded social and economic activity. Case studies of small U.S. downtowns illustrate the success that comes from creating these gathering places, generators of regular foot traffic that bring life and interest to a small downtown, as well as economic support for downtown businesses.



- Cushing, Oklahoma (pop. est. 8,800): Under the Downtown Cushing Main Street program, the 75-year old Dunkin Theatre was refurbished and converted into a single-screen movie theater under the operation of Carmike Cinemas. In addition, the Cushing Community Theatre was established nearby, a live action dinner theatre. These generating anchors assist in the support of nearly 60 businesses and organizations in Downtown Cushing, including a diverse mix of retail stores, restaurants, personal and business services, financial institutions, and civic establishments
- New Richmond, Wisconsin (pop. est. 7,500): New Richmond's downtown is anchored by the New Richmond Bowling Center, the Public Library, City Hall, and the Old Gem Theater, a live performance venue. The foot traffic created by these anchor uses helps to support an inventory of 19 retailers, 13 personal services shops, 11 financial services establishments, and 11 restaurants/bars, with an overall vacancy rate of only 5 percent.
- Versailles, Missouri (pop. est. 3,000): Located in the Ozark Valley, Versailles is on the National register of Historic Places, and has a downtown that supports almost 60 businesses and organizations, including general merchandise and specialty retail, personal and business services, and civic institutions. Key anchors of the downtown area include two fitness centers, and the Royal Community Theatre. The 288-seat capacity auditorium is a venue for live musicals, plays, and concerts featuring bluegrass, ragtime piano, vocal, and orchestra, magic and comedy. The Diamond Annex, adjacent to the auditorium, is home to community art shows.



Anchor uses, while being critical to the success of a rural downtown, are not solely responsible for the support of these central districts. These communities regularly sponsor events and festivals that bring large numbers of locals and visitors to their respective downtown areas. Feedback from local business owners in downtown Wauchula supports the notion that scheduled events are important to the success of their establishments. In a December 2009 interview, the owner of a main street restaurant and bar stated that her business relies heavily on the Friday Night Live event to generate customer traffic.

In addition to the aforementioned “market drivers” (anchor uses, events, local and passer-by demand), businesses will succeed only if their operating costs are reasonable and can result in profits. An analysis of lease rates in downtown Wauchula and several other Central Florida rural communities indicates that \$10 - \$13 per square foot (Annual) is an acceptable range for a business to profitably function, all other things being equal. This observation becomes somewhat more complicated in the downtown Wauchula market, as there are complaints from business owners of excessive power bills created by substandard electrical conditions in the existing structures. As an example, the owner of a main street establishment claims that her monthly utility bill is approximately \$2,000, in a 3,312 square foot structure. If this claim is true, it reflects an annual cost of \$7.25 per square foot in utilities. If this problem is widespread, it could create serious problems in business owners’ efforts to achieve and sustain profitability, regardless of market conditions. The costs of doing business, be they obvious or hidden, appear to be evident, as one observes the half-dozen vacant storefronts along Main Street.

### CRA-TIF Revenue Projections

Table 3.5 presents a projection of tax increment revenues for the City of Wauchula CRA from fiscal year 2010-11 to fiscal year 2024-25. These forecasts are based on the addition of 35,000 square feet of nonresidential space to the existing CRA roll over the next five years, at a base year assessed value of \$200 per square foot, and a taxable value of \$180 per square foot. The 35,000 square feet is representative of the forecasted commercial development noted in Section 3.3 (approx. 20,000 square feet, plus a “generator” anchor use (i.e. cinema, live theater, fitness club, community arts center, youth center, etc.) of approximately 15,000 square feet.

The projections assume zero growth in base TIF revenue from FY 2008-09 (\$590,630) to FY 2009-10. Existing TIF revenues, less the new non-residential construction, are assumed to increase at an annual rate of 1.2 percent from FY 2010-11 through FY 2024-25. Nonresidential additions to the existing TIF base are assumed to commence in FY 2010-11, with property values escalating at an average annual rate of 1.2 percent. The 35,000 square feet of nonresidential space

is projected to bring \$451,798 in TIF revenue to the City of Wauchula during the FY 2010-11 FY 2024-25 period. In total, \$10,311,733 in TIF revenue generation is forecasted for the 15-year period ending in FY 2024-25.

Table 3.5

**City Wauchula CRA Revenue Projections  
FY 2010-2011 Through FY 2024-2025**

FY 2010-11	\$607,636
FY 2011-12	\$618,649
FY 2012-13	\$629,885
FY 2013-14	\$655,769
FY 2014-15	\$667,543
FY 2015-16	\$675,553
FY 2016-17	\$683,660
FY 2017-18	\$691,864
FY 2018-19	\$700,166
FY 2019-20	\$708,568
FY 2020-21	\$717,071
FY 2021-22	\$725,676
FY 2022-23	\$734,484
FY 2023-24	\$743,196
FY 2024-25	\$752,115
<b>Total:</b>	<b>\$10,311,733</b>

Source: Florida Economic Advisors, LLC

### Other Potential Community Development Revenue Sources

In addition to tax increment revenues, the City of Wauchula and the CRA have opportunities to apply for state and federal grants, specifically targeted for economic and community facilities development in small and rural cities. Major programs include:

- Small Cities Community Development Block Grant (CDBG) Program - Administered by the Florida Department of Community Affairs (DCA), this program awards funds to rural areas for housing rehabilitation and preservation, utility and infrastructure improvements, economic development, job creation, parks/recreation, and downtown revitalization. Cities of fewer than 50,000 residents, counties of fewer than 200,000 residents are eligible to apply. The program contact at DCA is Jackie Dupree (850) 487-3644.
- Community Facilities Grant Program - Administered by the United States Department of Agriculture, this program awards grant funds for the construction or expansion of community facilities. These facilities can be in the areas of health care, public safety, and community/public services.

Grants may be made in conjunction with guaranteed loans. Cities of fewer than 20,000 residents are eligible to apply. Applications are filed at USDA Rural Development field offices.

- Rural Community Development Initiative - Administered by the United States Department of Agriculture, this program provides technical assistance and training funds to qualified intermediary organizations to develop their capacity to undertake housing, community facilities, and community economic development projects in rural areas. The intermediary organization may be public or private. This is a dollar-for-dollar matching grant. Applications are filed at USDA Rural Development field offices.

### Study Conclusions

As Florida has transformed over the last 30 years into one of the most relevant state economies in the U.S., this expansion has largely bypassed many of Florida’s interior counties south of Orlando, including Hardee County. With a population of just under 29,000, and employment of slightly more than 14,000, Hardee County falls in the lowest 25 percent of all Florida counties in terms of economic activity. The County’s population and business growth experienced since 1980 would create a city roughly the size of Minneola in Lake County, or Orange City in Volusia County.

Agriculture and health care are the dominant industries in Hardee County, comprising 41 percent of the labor force. Long-range forecasts indicate these sectors will continue to maintain, and even expand, their primary role in the county economy.

From 2010 to 2030, Hardee County is forecast to grow by 8,300 persons and 6,600 jobs. While these forecasts could be affected by future additions to the state and regional infrastructure, large scale transportation proposals such as the Heartland Parkway and Heartland Coast-to-Coast corridor are years away from serious consideration, and may not even materialize during the long-term forecast horizon. Absent these changes, it is difficult to envision a growth trend for Hardee County that substantially differs from its current trajectory. Despite Hardee County’s economic constraints, local market indicators and case study analysis suggest that downtown Wauchula has an opportunity to expand and become a more prosperous rural downtown, if the proper market and strategic elements are addressed. Demand analysis indicates that the downtown market could support 10,000 to 16,000 square feet of additional retail and restaurant development, and 4,700 square feet of professional office space, over the next five years.

Most of this development should be positioned in smaller spaces of less than

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2,000 square feet, as consumer expenditure constraints in the downtown area create additional survival challenges for larger businesses. Furthermore, the positioning of retail in a rural downtown is very important. Rural downtown stores should avoid offering product lines that are directly competitive with merchandise found in major warehouse retailers such as Wal-Mart. Downtown retailers selling groceries, hardware, electronics, sporting goods, appliances, and some basic apparel, simply cannot compete on price with a Wal-Mart in rural communities, due to economies of scale in store size, and limited consumer incomes. Specialty retail, restaurants, and personal services establishments typically fare much better in the small downtown setting, because they do not directly compete with the mega-retail outlets. With regards to residential, multifamily product demand is not significant in the near term, due to issues of price competitiveness with surrounding single family, and the lack of urban amenities in downtown.

Successful rural downtowns are characterized by several key elements that redevelopment experts refer to “local assets”. Wauchula has many of these local assets in its downtown, but lacks a truly consistent generator of foot traffic that can bring enthusiasm to the community and economic stimulus to surrounding downtown businesses. Popular generators of this type in rural downtowns include cinemas, live action theatres, libraries, bowling alleys, community arts centers, or fitness centers. In small towns of comparable size, these type of generators help support activity for as many as 50 or 60 surrounding businesses and civic organizations. Bringing this type of a generator (or generators) to downtown Wauchula could positively alter the demand estimates previously presented. It is very important to recognize that one-third of Hardee County’s labor force works within 2 miles of the intersection of U.S. 17 and Main Street. The more reasons these workers have to stay downtown after work (i.e., a workout at the gym, a movie, a play, etc.), as opposed to heading directly home, the more likely they are to spend their time and dollars in multiple downtown businesses.

The City’s sponsorship of downtown events is a very positive initiative that is also prevalent in other vibrant rural downtowns. Local businesses in downtown Wauchula owners have expressed their positive opinions of event activity on businesses, particularly Friday Night Live. Efforts to create additional events in downtown should be explored.

The costs of living and the costs of doing business are important factors to consider in creating a successful rural downtown. With regards to residential, although the market-supportable rent for a 2 bedroom apartment in Hardee County is \$750 a month, that number does not work well for downtown Wauchula in the current climate, because that rent equates to a higher mortgage payment than about two-thirds of the detached single family units would have. With regards to nonresidential, local and area-wide analysis indicates that lease

rates in the \$10 to \$13 per square foot range (Annual) are supportable under ideal conditions. However, commentary from local business owners suggests that conditions in some of the downtown buildings are not ideal, resulting in exorbitant operating expenses that push the costs of doing business beyond what can be profitably sustained. Whether these deficiencies are isolated or widespread in downtown is not entirely clear, but there is little question that businesses throughout downtown are struggling to remain profitable.

This is proven out in the multiple store vacancies along Main Street. One area where the City/CRA can likely provide the greatest impact is in the channeling of financial resources, to bring downtown buildings up to a quality operating standard, and to underwrite/subsidize rental costs for downtown residential and nonresidential units. Projections indicate that the CRA could generate \$10.3 million in TIF revenue over the next 15 years to support these activities. In addition, state and federal grant programs exist that could provide additional financial resources for community and economic development.

