Comprehensive Economic Development Strategy

February 20, 2009 Committee Meeting
REGIONAL DATA

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

RAW DATA

DEMOGRAPHICS

By 2060 the population of the seven-county region will increase nearly 50 percent and exceed 3 million. Four out of the seven counties in the region will more than double their population by 2060 (Source: BEBR).

<u>Historical Population Growth</u>

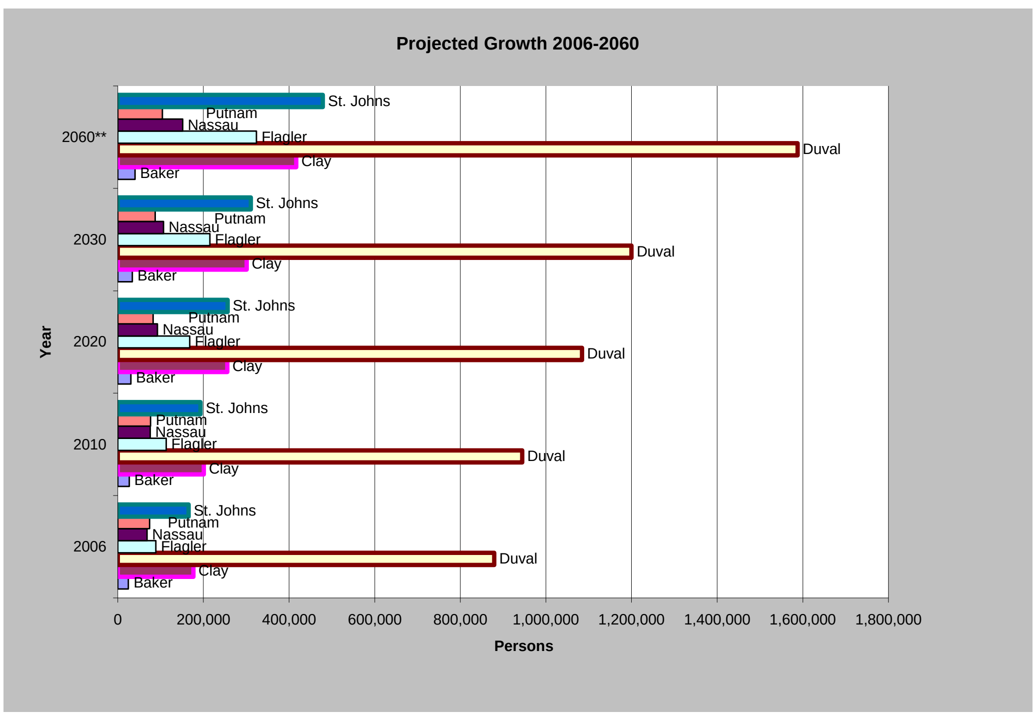
Regional Population Growth								
Year	**County**							**Total**
	Baker	Clay	Duval	Flagler	Nassau	Putnam	St. Johns	Region
1930	6,273	6,859	155,503	2,466	9,375	18,096	18,676	217,248
1940	6,510	6,468	210,143	3,008	10,826	18,698	20,012	275,665
1950	6,313	14,323	30,4029	3,367	12,811	23,615	24,998	389,456
1960	7,363	19,535	455,411	4,566	17,189	3,2212	30,034	566,310
1970	9,242	32,059	528,856	4,454	50,626	36,290	30,727	662,254
1980	15,289	67,052	571,003	10,913	32,894	5,0549	51,303	799,003
1990	18,486	105,986	672,971	28,701	42,941	6,5070	83,829	1,017,984
2000	22,259	140,814	778,879	49,832	57,663	70,423	123,135	**1,243,005**
Percentage of Change								
	354.84%	2052.98%	500.38%	2020.76%	615.07%	389.16%	659.312%	**572.16%**

Source: U.S. Census Bureau

Projected Growth

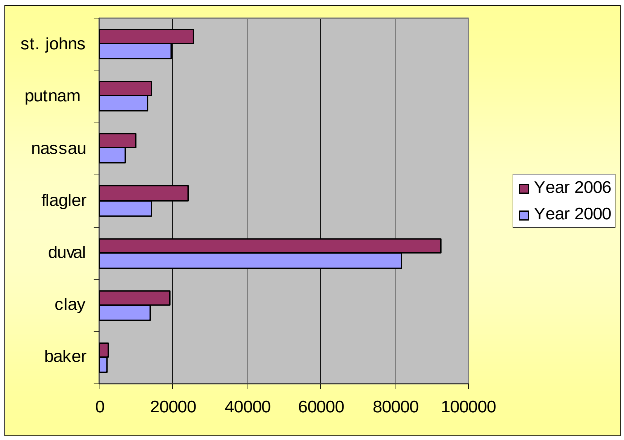
County	2006	2010	2020	2030	2060**
Baker	25,000	26,900	30,900	34,100	40,620
Clay	176,900	201,100	255,600	300,900	417,090
Duval	879,200	944,500	1,084,400	1,199,900	1,587,860
Flagler	89,100	113,100	168,000	215,100	323,800
Nassau	68,200	75,800	92,700	106,900	151,600
Putnam	74,400	77,000	82,700	87,500	104,300
St. Johns	165,300	193,400	256,800	310,500	479,160
Region Totals	1,480,106	1,633,810	1,973,120	2,256,930	3,104,430

Source ** Calculation using 1000 Friends of Florida projection methodology. 2006-2030 are BEBR projections



Population by Age

According to the US Census, in 2000 Northeast Florida's there were 151,699 persons 65 years of age and older. In 2006, this same population increased by 24% to 187,922, while the total population of the region increased by 19%. In terms of percentage of total population, in 2000 those 65 years of age and older represented approximately 12.2% of the total population. In 2006, this percentage increased slightly to 12.7%.



Source: BEBR

Population by Race (Source: BEBR)

- 72% of the region's population today is white.
- 22% of the region's population is Black
- 6% of the region's population is Hispanic.
- < 2% of the region's population is Asian

State-wide, approximately 68% of the population is white, 15% black, and 17% Hispanic.

Hispanics and Latinos are projected to have the largest increase in numbers when compared to their current population. By 2030, the Hispanic and Latino populations are projected to increase by 106,146. However, this still only represents 7% of the projected 2030 population for the Northeast Florida region.

POVERTY RATES

Poverty Thresholds Average Poverty Thresholds for a Family of Four In the United States			
Year	**Dollar Threshold**	**Year**	**Dollar Threshold**
1994	$15,286	2001	$18,267
1995	$15,719	2002	$18,556
1996	$16,183	2003	$18,979
1997	$16,555	2004	$19,484
1998	$16,813	2005	$20,144
1999	$17,184	2006	$20,794
2000	$17,761	2007	$21,386

Source: BEBR (US Census; US Department of Commerce)

Income and Poverty Estimates: Median Household Income Persons Living In Poverty in the State and Counties of Florida 2005				
County	**Median Household Income (dollars)**	**Percentage Change from 2000**	**Poor Persons (total)**	**Percentage**
Florida	$42,437	9.4	2,220,829	12.8
Baker	$43,011	10.1	3,204	14.5
Clay	$54,277	10.8	13,660	8.1
Duval	$44,694	8.1	97,784	12.1
Flagler	$45,355	12.2	7,757	9.6
Nassau	$51,007	9.0	5,858	9.2
Putnam	$30,958	11.2	15,013	20.9
St. Johns	$57,277	9.6	11,880	7.5

Source: BEBR (US Census; US Department of Commerce)

EDUCATION

All information sourced to: Florida Department of Education, 1989-1999 thru 2005-2006 Graduation / Drop Out Rates

Education achievement rates for the state and region

High School or Less Rates:

- Florida 49.9%
- Region 51%

Bachelor's Degree Achievement Rates:

- Florida 42.2%
- Region 43.3%

Graduate Degree Achievement Rates

- Florida 6.7%
- Region 5.2%

There are 67 school districts, not including the Florida School for the Deaf and Blind district, in the state of Florida. School districts in Northeast Florida vary in their state-wide rankings from number 4 (Nassau County) to number 59 (Duval County).

Drop-out Rates and School District Rankings

	Drop-out Rate	**4-Year High School Graduation Rate**	**School District Ranking**
Baker County	3.7%	77.9%	17
Clay County	1.9%	75.3%	10
Duval County	6.6%	64.3%	59
Flagler County	1.9%	77.1%	36
Nassau County	3.4%	80.7%	4
Putnam County	4%	78.6%	58
St. Johns County	2%	78.3%	7

INFRASTRUCTURE / UTILITIES

Water and Wastewater Systems

The Regions infrastructure comprises the physical systems to support the population, including water supply and wastewater treatment. As the region increases in population so does the need to provide essential services. The pressure to keep up with future water demand is an increasingly important topic as our economic market expands in an internationally competitive business environment.

The amount of wastewater generated is directly proportional to water consumption. The environmental issues related to the treatment and discharge of wastewater is as concerning as the water supply. The State of Florida and the region continue to monitor, regulate and enforce alternative mechanisms to better manage water and wastewater infrastructure. Appropriately planned and implemented development can lead to more sustainable communities and contribute to competitive economy and improved quality of life. Infill and reinvestment in these areas, including the replacement of deteriorating infrastructure, repair and expansion of existing facilities, and development of alternative water supplies and improved treatment techniques all support increased economic development activities and investments within the region.

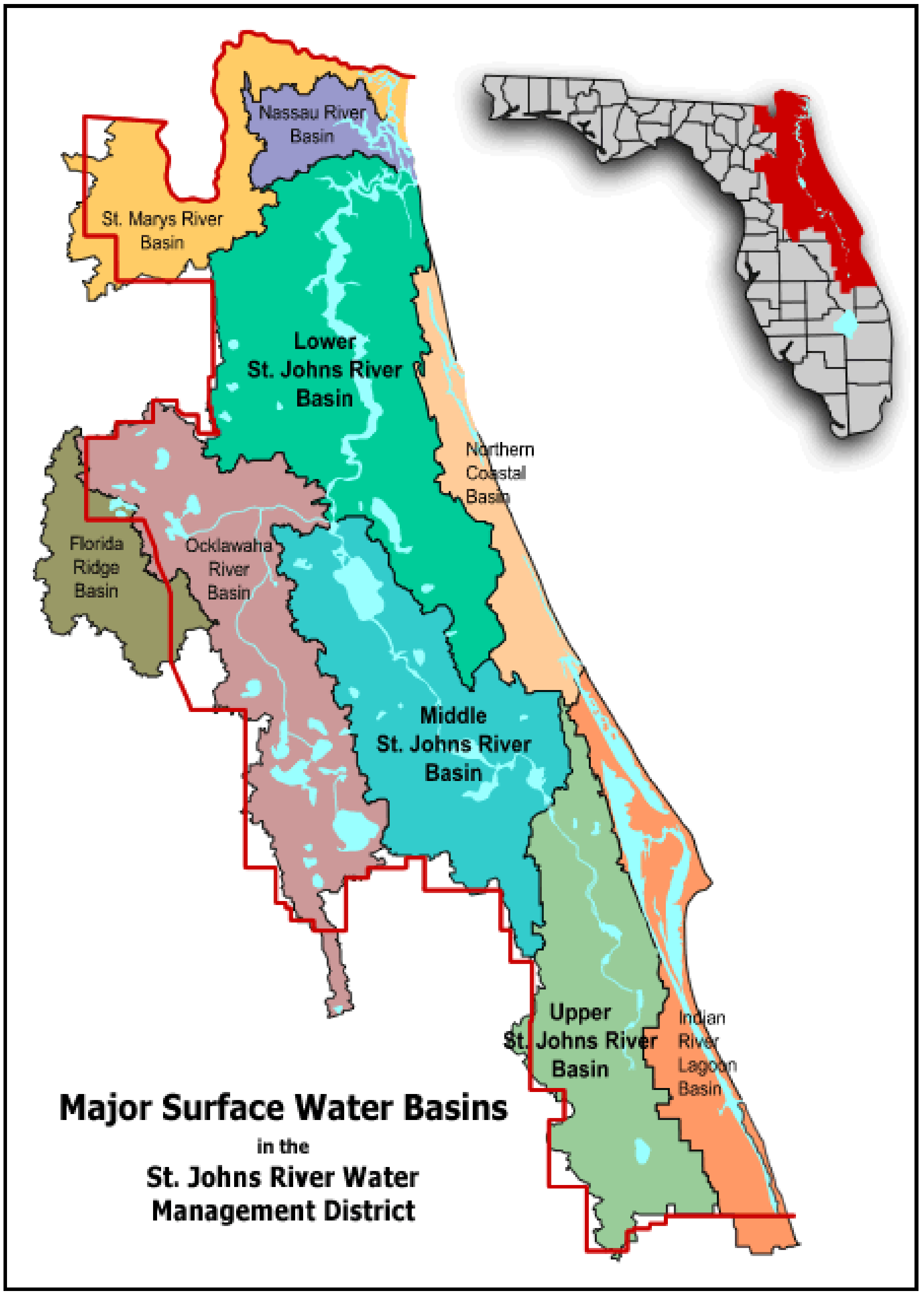
The Northeast Florida region lies within the St. Johns River Water Management District. Within this district potable groundwater is withdrawn from the Floridan aquifer. Of the five major groundwater basins, three cover the seven county regions that comprise Northeast Florida—St. Mary's Groundwater Basin, Lower St. Johns Groundwater Basin, and the Volusia Groundwater Basin. Water use by population and by category is summarized below. Water is indicated in millions gallons per day.

Water Usage - 2007

County	Population	Water Usage (mgd)
Baker	4,162	5.85
Clay	128,106	28.23
Duval	289,300	178.99
Flagler	10,212	41.38
Nassau	27,085	53.01
Putnam	11,456	50.86
St. Johns	132,848	60.81
Total		**419.13**

Water Use by Category - 2007				
Category	**Freshwater (mgd)**	**Saline (mgd)**	**Reuse* (mgd)**	**All Water Use (mgd)**
Public	611.47	0	-	611.47
Domestic	72.46	0	-	72.46
Commercial/Industrial/Institutional	105.01	6.71	-	111.72
Agricultural Irrigation	414.96	0	-	414.96
Recreation	54.22	0	-	54.22
Thermoelectric Power Generation	7.69	0	-	7.69
Total	**1,265.81**	**6.71**		**1,272,52**

*****data not available



St. Johns River Water Management District issues consumptive use permit (CUP) to ensure regulatory compliance. All persons requiring use of large amounts of water, except those exempt by statute or District rule, are required to obtain a CUP. Permits for consumptive use are issued for a finite duration and these must be renewed when expired. Since 1991, all water users have been required to report their water use by using a water meter or by an alternative method approved by the District. In 2008, 193 CUPs were issued by the District; there were 3,040 active CUPs at the end of 2004.

The Environmental Protection Agency Office of Wastewater Management (OWM) monitors programs to protect water and watersheds. Its programs and initiatives promote compliances with requirements of the Federal Water Pollution Control Act. OWM works in conjunction with the Environmental Protection Agency (EPA) and local governments to regulate discharge into surface waters including wetlands, lakes, rivers and oceans. Included in this purview is the monitoring sanitary sewer conveyance and discharge.

The Department of Environmental Protection Northeast district is made up of 20 counties including the seven county region of Northeast Florida. There are 482 wastewater facilities in this district, approximately 14 percent of the states total. The permitted capacity for discharge is 26.56 mgd or 2 percent of the State's total flow.

Due to the rural characteristics of the region onsite sewage treatment and disposal systems are used. These facilities are constructed on individual sites to provide wastewater disposal where municipal sewerage is not available. The systems usually consist of a septic tank and a subsurface infiltration system.

Typically, septic tanks that are properly sited, designed, constructed, and operated as onsite systems are effective wastewater treatment systems. However as the number and density of septic systems increase throughout the region, there may be concerns of adverse impacts on ground and surface waters. There is the potential for the contamination of ground and surface waters and this is of particular concern in coastal counties.

Water-related infrastructure issues facing Northeast Florida include the inability of the region's existing potable water supply to meet current and future water demand and increased pressure on strained treatment and distribution systems for water and wastewater. In order to address these issues long-term the State has implemented a mechanisms for local governments to develop a water supply plan.

The Florida Water Supply Plan is the Department of Environmental Protection's (DEP) principal planning tool for long-term protection of Florida's water resources. It is developed pursuant to Section 373.036, Florida Statutes, which requires that it specifically include:

- The programs and activities of the Department related to water supply, water quality, natural systems, flood protection, and floodplain management.
- The water quality standards of the Department.
- The District Water Management Plans (including regional water supply plans) of the five regional water management districts.
- The Water Resource Implementation Rule (Ch. 62-40, F.A.C.).

Sources:

Florida Department of Environmental Protection
St. Johns River Water Management District

Electricity Consumption

Consumption as determined by capital stock:

Gas and Electric Variable	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gas and Electric K*	4.499	4.549	4.601	4.649	4.695	4.742	4.787	4.888	4.991

Source: REMI Policy Insight 9.0 Data

Electricity Providers

Electric providers in Northeast Florida are:-

- JEA
- Florida Power & Light
- Clay Electric Cooperative
- Beaches Energy Services
- Seminole Electric
- Progress Energy Florida, Inc.
- Florida Public Utilities
- Green Cove Springs
- Okefenoke REMC

JEA

The Jacksonville Electric Authority (JEA) serves Duval County and portions of Nassau, St. Johns and Clay counties within the region. JEA as of 2000 has a total generating capacity of 2, 842 megawatts of which 379 megawatts (15 percent) is reserve capacity. The regions' electric uses are among the lowest in the southeastern Unites States (according toe the Cornerstone Regional Development Partnership) and service is considered reliable. The JEA electric system currently serves more than 360,000 customers in Jacksonville and parts of three adjacent counties. JEA's water system serves more than 240,000 water customers and 186,000 sewer customers, or more than 80 percent of all water and sewer utility customers in our service area. JEA owns and operates three generating plants and all transmission and distribution facilities. A fourth power plant, the St. Johns River Power Park (SJRPP), is owned jointly by JEA and the Florida Power & Light Company (FPL) and operated by JEA. JEA and FPL are also joint owners of Unit 4 at Georgia Power Company's coal-fired Robert W. Scherer Plant (Plant Scherer), which is located in Macon, Georgia. JEA owns a

200 net megawatt share of Unit 4. JEA's ownership interest in Scherer is structured as a separate JEA bulk power supply system. In addition, JEA produces 3.2 megawatts from a methane-fueled generating facility at the Girvin Road Landfill. JEA's net generating capability is 2,361 megawatts.

JEA's general system details are provided below:-

Electric System
- 412,294 customers
- 900 square miles of service area
- 6,000 miles of distribution
- 730 miles of transmission.

Electric Generation
- St. Johns River Power Park (SJRPP)
- Northside Generating Station (NGS)
- Plant Scherer • Brandy Branch (BB)
- Kennedy (KS)

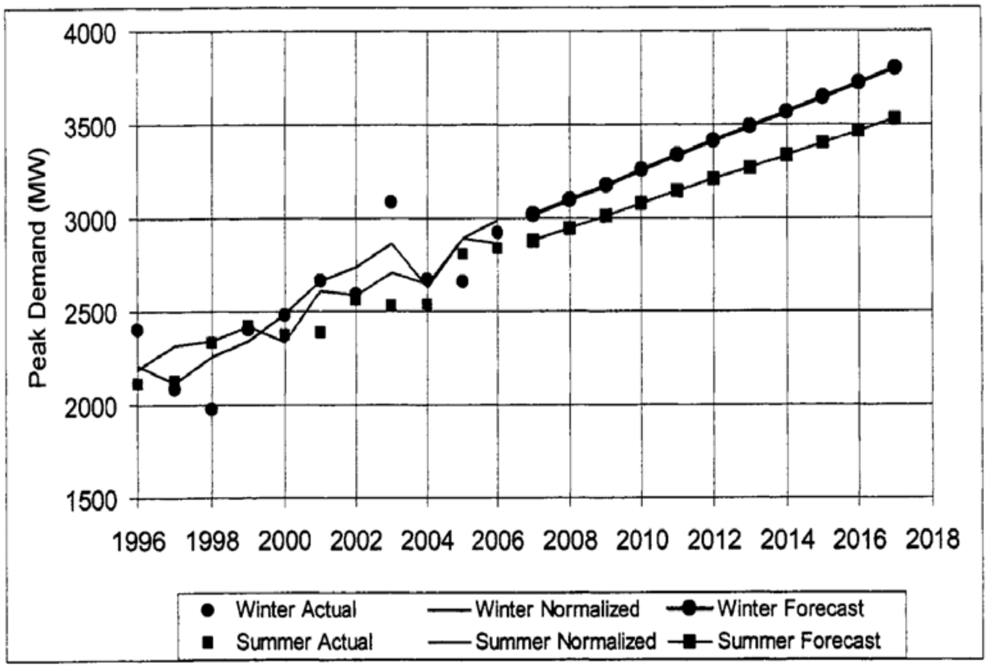
Generation Technologies
- Three Pulverized Coal (PC) units —SJRPP 1 and 2, Scherer
- Two Circulating Fluidized Bed (CFB) units —NGS 1 and 2
- One Oil/Gas-fired unit—NS3
- Seven Combustion Turbines—NS 4,KS 2, BB
- One combined cycle unit (CC)

Electric Mix
- Gas/Oil—53% • Solid Fuel—47%

Power Supply Mix
- Gas/Oil—12% • Solid Fuel— 84% • Other— 4%

JEA's newest generating facility is Brandy. JEA is also a founding member of The Energy Authority (TEA), which was created in August 1997 to represent its member utilities in the sale and purchase of wholesale electricity. Today, TEA membership consists of 11 public power utilities in seven states. The graph below is the historical and forecast summer and winter peaks fro JEA.

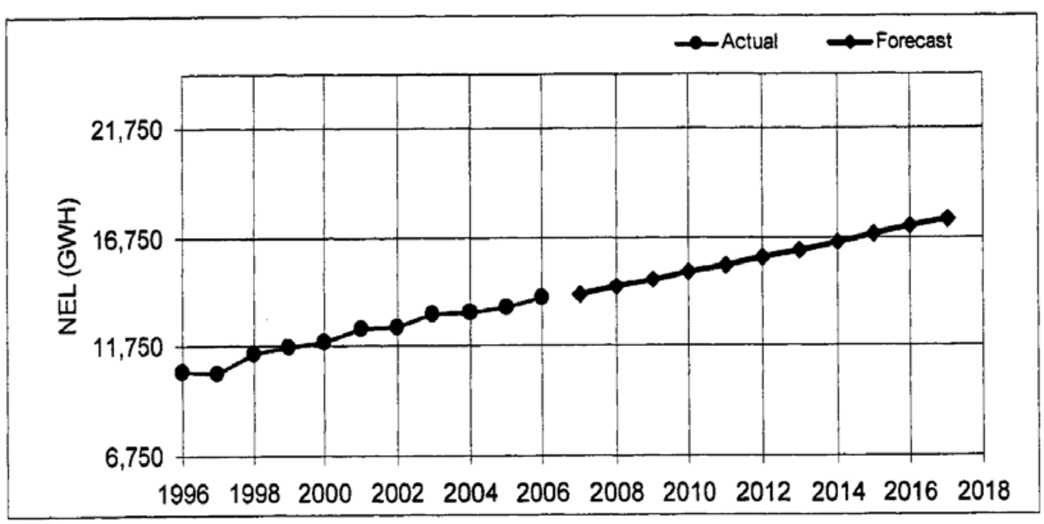
Historical and Forecast Summer and Winter Peaks



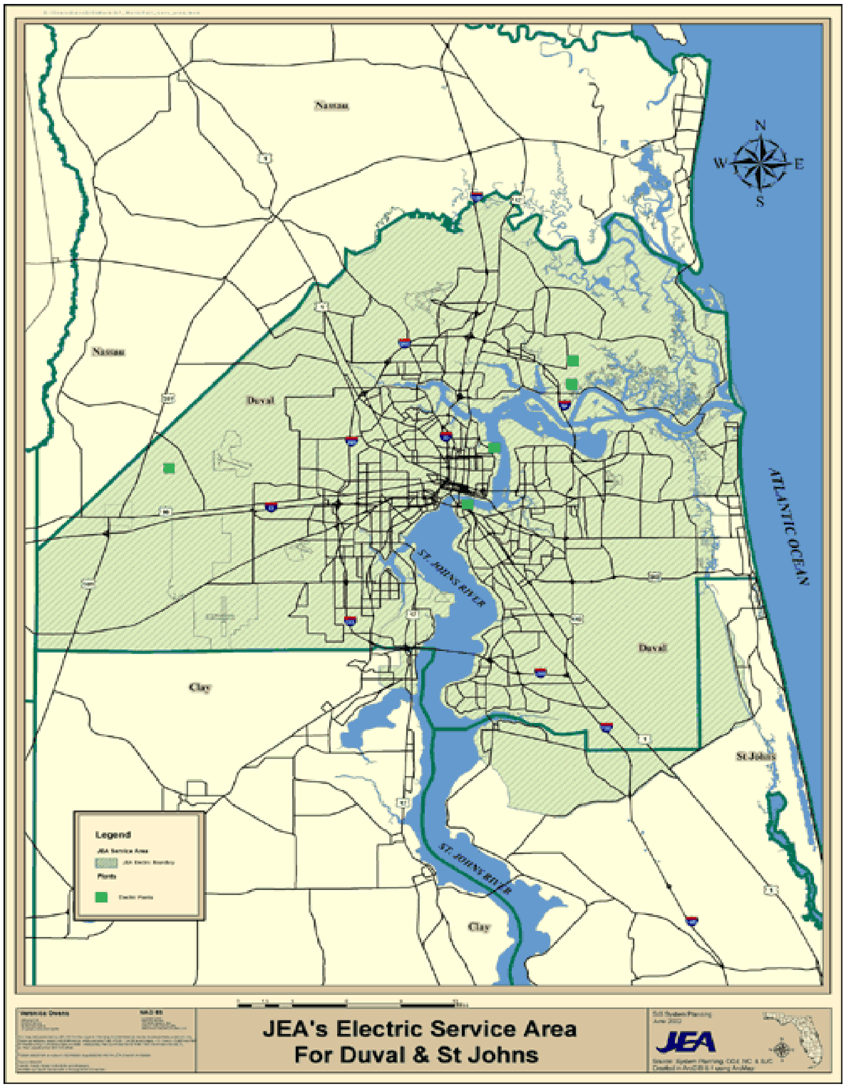
Source: JEA Ten Year Site Plan: 2007

The graph below depicts the net energy load estimated for historical and projected heating and cooling days.

Historical and Forecast NEL



Source: JEA Ten Year Site Plan: 2007



Source: JEA

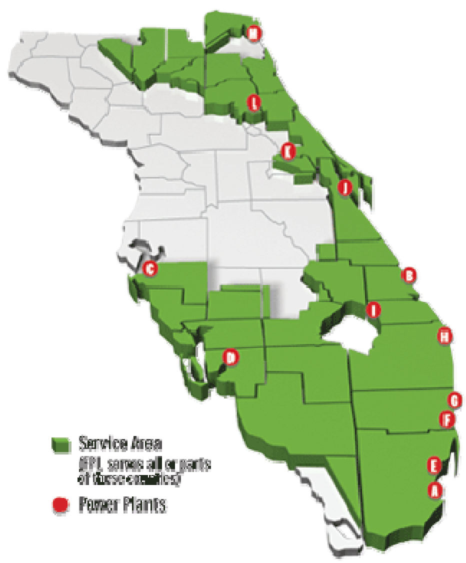
Brandy, located in west Jacksonville, home to three 170 megawatt combustion turbine units. These units are capable of operating on both natural gas and diesel fuel. Units1 and 2 went into commercial operation May 31, 2001, followed by Unit 3 on October 12, 2001.

The Northside Generating Station Repowering Project made Jacksonville home to two of the largest circulating fluidized bed combustors, or CFBs, in the world. These CFBs produce nearly 300 megawatts each and utilize coal and petroleum coke as fuels.

Florida Power & Light Company

Florida Power & Light Company is one of the largest, fastest-growing and top-performing electric utilities in the nation. In 2007, FPL's average number of customer accounts grew by 87,000 to 4.5 million. FPL uses a diverse mix of fuels at its power plants to generate reliable electricity. Because of its fuel mix, FPL is recognized as a clean-energy company, with one of the lowest emissions profiles among U.S. utilities. In fact, coal – the highest carbon-emitting fuel – makes up almost 50 percent of the national fuel mix. By comparison, FPL currently obtains most of its electricity (52 percent) from clean-burning natural gas. Nuclear power, which produces no greenhouse gas emissions, is responsible for another significant portion (19 percent) of power production. As Florida continues to grow, it is FPL's responsibility to plan new power plants to ensure that electricity needs are met while preserving Florida's environment. FPL is working with state regulators to find a balanced approach by considering the benefits of each type of fuel source to continue to supply reliable, clean energy at a stable price.

It takes fuel to produce the electricity Floridians use every day. FPL is committed to running its power plants efficiently to mitigate the high cost of fuel and keep electric rates stable. And the company is taking a host of actions to mitigate the impact of fuel costs by improving the efficiency of its existing plants and building new generation facilities with lower fuel costs. The graphic below indicates the service area and the locations of the power plants.



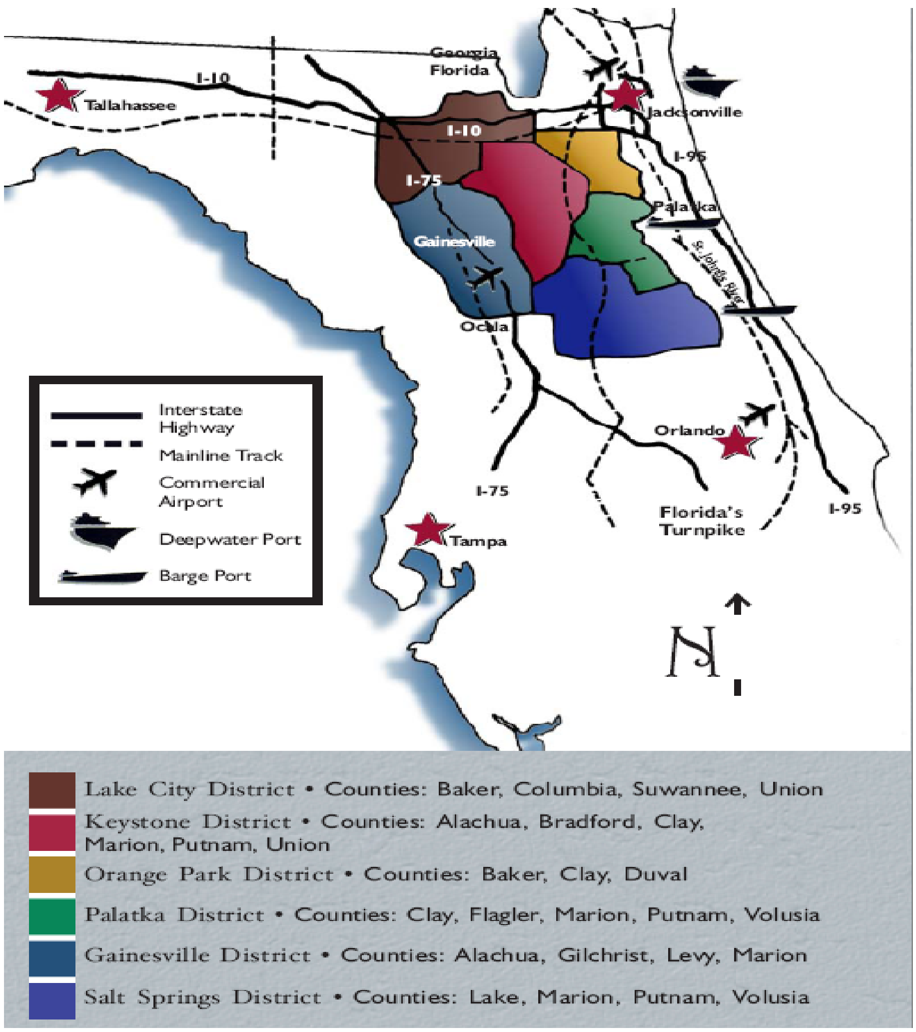
Source: FP&L

	FP&L Power generation as of Dec 31, 2006			Net Cap.
		Units	| Fuel	(mw)
A	Turkey Point	5	Nuclear/Oil/Gas	3,318
B	St. Lucie*	2	Nuclear	1,553
C	Manatee	3	Oil/Gas	2,742
D	Fort Myers	2	Gas/Oil	1,764
E	Cutler	2	Gas	204
F	Lauderdale	2	Gas/Oil	872
G	Port Everglades	4	Oil/Gas	1,219
H	Riviera	2	Oil/Gas	565
I	Martin	5	Gas/Oil	3,738
J	Cape Canaveral	2	Oil/Gas	792
K	Sanford	3	Gas/Oil	2,054
L	Putnam	2	Gas/Oil	498
M	St. John's River*	2	Coal/Petroleum Coke	250
•	Scherer (in GA)*	1	Coal	646
•	Gas/Internal Combustion Turbines (Peaking Units)			1,920
			FPL Generation (subtotal)	**22,135**
			Purchased Power	2,965
			System Total	**25,100**
	Capacity additions 2008-2011			**Megawatts**
•	West County Energy Center #1		Gas	1,219
•	West County Energy Center #2		Gas	1,219
•	West County Energy Center #3		Gas	1,219
			Subtotal Additions (projected)	**3,657**
			System and Purchase Adjustments	-741
			System Total Summer 2010 (projected)	**28,016**

Source: FP&L

Clay Electric Cooperative, Inc.

The co-op has approximately 165,000 member-owners and its service area stretches into 14 North Florida counties (Alachua, Baker, Bradford, Clay, Columbia, Flagler, Gilchrist, Lake, Levy, Marion, Putnam, Suwannee, Union and Volusia). The co-op has over 12,800 miles of distribution and transmission lines. The co-op's power supply provided by Seminole Electric Cooperative, owned by Clay Electric and nine other electric cooperatives. Seminole operates a 1300 megawatt coal-fired plant near Palatka, a 500 megawatt combined cycle generating facility and 310 megawatts of peaking capacity. The coal-fired plant features state of the art environmental controls. The combined cycle generating facility (the Richard J Midulla generating facility) is located in Hardee County and began commercial operation on January 1, 2002. The 310 megawatts of peaking capacity, consisting of five combustion turbine generating units, went into service on December 1, 2006.



Source: Clay Electric Cooperative

Beaches Energy Services

Beaches Energy Services offers service to Jacksonville Beach, Neptune Beach, Ponte Vedra and Palm Valley. Beaches Energy Services is a member of the Florida Municipal Power Agency (FMPA). FMPA is a wholesale power company owned by municipal electric utilities. FMPA provides economies of scale in power generation and related services to support community-owned electric utilities.. The Agency provides wholesale power and it is owned by 29 municipal electric utilities. The Agency provides electric service to over 1.7 million Floridians. In fiscal year 2007 the total megawatts provided to the Beaches Energy Service area was approximately 187 megawatts (according to FMPA). The power supply is from a mixture of owned and purchased capacity.

Seminole Electric Cooperative, Inc.

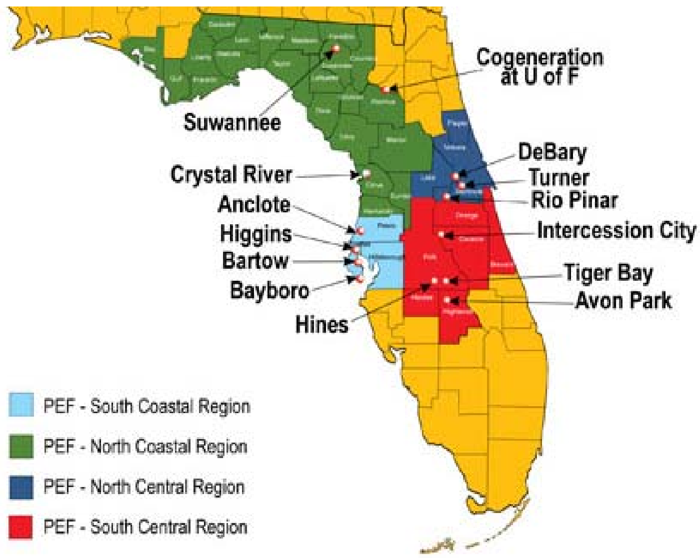
Seminole Electric is a generation and transmission cooperative. An estimated 1.7 million individuals and businesses rely on Seminole's 10 member distribution systems for their electric power, in portions of 46 counties throughout Florida.

The primary energy resource serving Seminole's member systems is Seminole Generating Station. This 1300 megawatt, coal-fueled power station is located in Northeast Florida in Putnam County, on the St. Johns River, south of Jacksonville near the City of Palatka. Seminole Generating Station's output is distributed across transmission lines to Seminole's 10 member distribution systems that in turn, deliver electricity to individuals and business - about 1.6 million people and business, or 10% of Florida's population, through about 775,000 meters (as of year end 2003). About 90% of our members' accounts are residential; homes represent about 70% of our member load.

Progress Energy Florida, Inc.

Progress Energy Florida operates power-generating facilities at 32 sites in North Carolina, South Carolina and Florida. Together, the company's power plant fleet is capable of generating more than 21,000 megawatts of electricity. Progress Energy Florida serves portions of Flagler County.

The following graphics depicts the coverage areas.



Florida Public Utilities

Florida Public Utilities Company provides energy services to communities in growing markets throughout Florida. The Company's distribution systems provide natural gas, propane gas and electric service. The Company does not generate electricity or produce natural or propane gas. The rates charged to our customers, except for propane gas, are regulated by the Florida Public Service Commission. This utility company serves Nassau portions of Nassau County and has a headquarter in Fernandina Beach.

Corporate Headquarters: West Palm Beach, Florida	
Divisions:	Northeast Florida -- Fernandina Beach Northwest Florida -- Marianna Central Florida -- DeBary West Florida -- Inglis South Florida -- West Palm Beach
Number of Customers Served: Approximately 94,000	
Regulated Services:	
Electric:	Calhoun County (Northwest Florida) Jackson County (Northwest Florida) Liberty County (Northwest Florida) Nassau County (Northeast Florida)
Natural Gas:	Palm Beach County (South Florida)

	Martin County (South Florida) Northern Broward County (South Florida) Volusia (Central Florida) Seminole (Central Florida)
Non-Regulated Products/Services:	
Propane:	Broward County Citrus County Duval County Hillsborough County Lake County Levy County Marion County Martin County Nassau County Palm Beach County Seminole County Volusia County
Hearth & Patio:	
Retail store featuring propane appliances and hearth/patio accessories located in Fernandina Beach, Florida.	
Florida Public Utilities is Publicly Held:	
Common Stock is traded under the symbol FPU on the American Stock Exchange	

Green Cove Springs

The City of Green Cove Springs in Clay County offers residents a complete package of utility services including electric, water, wastewater and refuse.

Okefenoke REMC

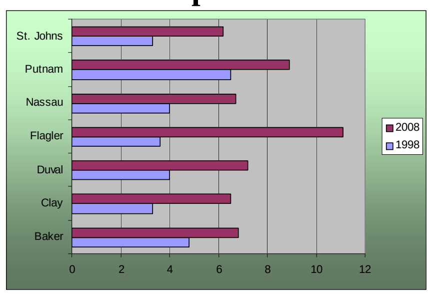
Okefenoke REMC serves nearly 34,000 commercial, industrial and residential customers in southeast Georgia and northeast Florida. Okefenoke serves Baker and Nassau Counties.

EMPLOYMENT

Unemployment

The seven counties in Northeast Florida region have all experienced substantial increases in their unemployment rates between January 1998 and November 2008.

Figure 1.3: Unemployment Rates January 1998 and November 2008 Comparisons



Bureau of Labor Statistics

Labor Force (Available Workers)

According to a Jacksonville, Florida Area Labor Availability Report dated May 2008 published by The Pathfinders, the Jacksonville area, which is defined as the seven counties making up Northeast Florida, has 137,300 available workers for “new or expanding businesses.”

Earned Income by Employment Sector

Earned Income by Employment Sector

Sector	Earned Income 2006	Sector	Earned Income 2006
Construction	$2.8 billion	Manufacturing	$2.3 billion
Wholesale Trade	$1.9 billion	Retail Trade	$2.7 billion
Transportation	$1.7 billion	Information	$861 million
Finance	$3.7 billion	Real Estate	$961 million
Professional Services	$2.6 billion	Management	$563 million
Administrative Services	$1.8 billion	Health Care	$3.4 billion
Educational Services	$263 million	Arts	$399 million
Accommodation	$1.1 billion	Other Services	$1.1 billion

Source: BEBR

Median Household Income

Within the seven-county region of Northeast Florida, median household income ranges from a low of $33,442 to a high of $61,859, as illustrated by the table below. St. Johns, Clay and Nassau Counties have the highest median household incomes. Putnam County has the lowest at $33,442.

County	Median Household Income
Baker	$48,309
Clay	$61,110
Duval	$49,911
Flagler	$48,917
Nassau	$55,566
Putnam	$33,442
St. Johns	$61,859

Source: BEBR

Total Personal Income

Personal income per capita, Florida and its counties 2002 thru 2006:

Personal Income, Per Capita Basis
2002-2006

County	2002	2003	2004	2005	2006
Florida	29,727	30,330	32,618	34,798	36,720
Baker	20,226	21,554	22,994	23,627	24,619
Clay	26,846	27,758	28,675	30,646	31,983
Duval	29,452	30,779	32,459	34,712	36,616
Flagler	24,227	25,026	26,632	28,474	29,001
Nassau	31,264	32,534	35,885	38,860	41,227
Putnam	19,407	20,635	20,828	21,755	23,086
St. Johns	37,296	37,610	41,795	44,648	48,283

Source: BEBR

Total Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the total of wages and supplements to the wages, proprietor's income, rental income etc. Personal income in the region is income of the region received by or behalf of all individuals living in the region. Personal income as a percent of the nation as indicated in the table below is personal income in the region as a share of the nation.

Variable	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Emp (Thous)	869.10	878.08	887.07	895.58	903.43	910.55	917.42	922.92	927.19
-Total Emp As % of Nation	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Private Non-Farm Emp (Thous)	753.02	760.15	767.31	774.00	780.11	785.49	790.66	795.45	799.14
-Private Non-Farm Emp As % of Nation	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
Total GRP (Bil Fixed 2000$)	59.97	62.05	64.19	66.37	68.52	70.71	72.90	74.91	76.87
Pers Inc (Bil Nom $)	56.24	59.37	62.63	65.97	69.36	72.80	76.29	79.67	83.13
- Pers Inc As % of Nation	0.46	0.46	0.47	0.47	0.47	0.47	0.48	0.48	0.48

Source: REMI Policy Insight 9.0 Data

Percent change in future Employment

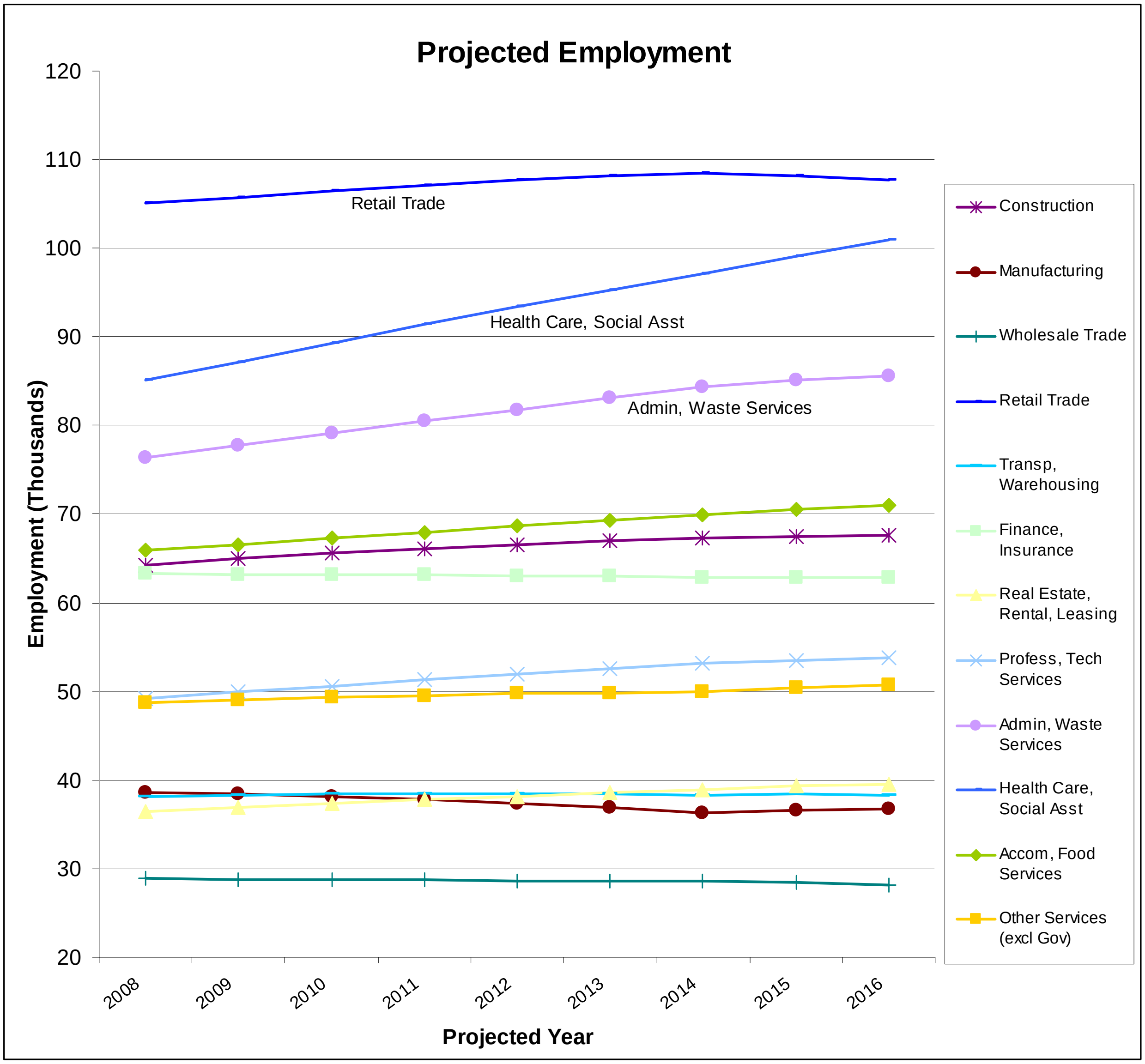
The percent change in employment from the current to the projected year of 2016 is provided below. The jobs are indicated by the industries that are considered the largest in the region.

Variable	2008	2016	Annual change Total	Percent
Forestry, Fishing, Other	3,277	3,355	10	0.30
Mining	885	865	-3	-0.28
Utilities	1,589	1,567	-3	-0.17
Construction	64,221	67,552	416	0.65
Manufacturing	38,658	36,770	-236	-0.61
Wholesale Trade	28,916	28,192	-91	-0.31
Retail Trade	105,034	107,774	343	0.33
Transp, Warehousing	38,120	38,345	28	0.07
Information	13,682	13,293	-49	-0.36
Finance, Insurance	63,266	62,895	-46	-0.07
Real Estate, Rental, Leasing	36,445	39,570	391	1.07
Profess, Tech Services	49,164	53,817	582	1.18
Mngmt of Co, Enter	7,324	7,052	-34	-0.46
Admin, Waste Services	76,420	85,609	1149	1.50
Educational Services	11,108	13,245	267	2.40
Health Care, Social Asst	85,081	101,024	1993	2.34
Arts, Enter, Rec	15,142	16,445	163	1.08
Accom, Food Services	65,926	71,034	639	0.97
Other Services (excl Gov)	48,755	50,737	248	0.51
TOTAL Non- Farm Private Sectors	753,013	799,141	5766	0.77

Source Florida Agency for Workforce Innovation

Projected Employment for largest industries

Among the major sectors of employment in the private sector, the total number of projected jobs is to increase by approximately 46 thousand jobs. A 6 percent increase in the private sectors can be attributed to continued steady growth occurring in mostly Retail Trade, Healthcare Services and Administrative and Waste services. The graph below includes only those employment sector growth for the private sector that are at least 5 percent and above of the regional employment.



Source: REMI Policy Insight 9.0 Data

Projected employment growth rates

For all non-farm private industries in the Region, the projection of employment growth by sector indicates that most will experience an increase in the near future. Educational services and Heath care services are expected to be the highest at a 14 percent growth increase from 2008 to 2014. The growth in the employment rate is followed by Administrative and Waste services and Professional and Technical Services. The following sectors are considered the major sectors according to the North American Industry Classification System (NAICS) and include 19 major sectors.

Projected employment growth by sector

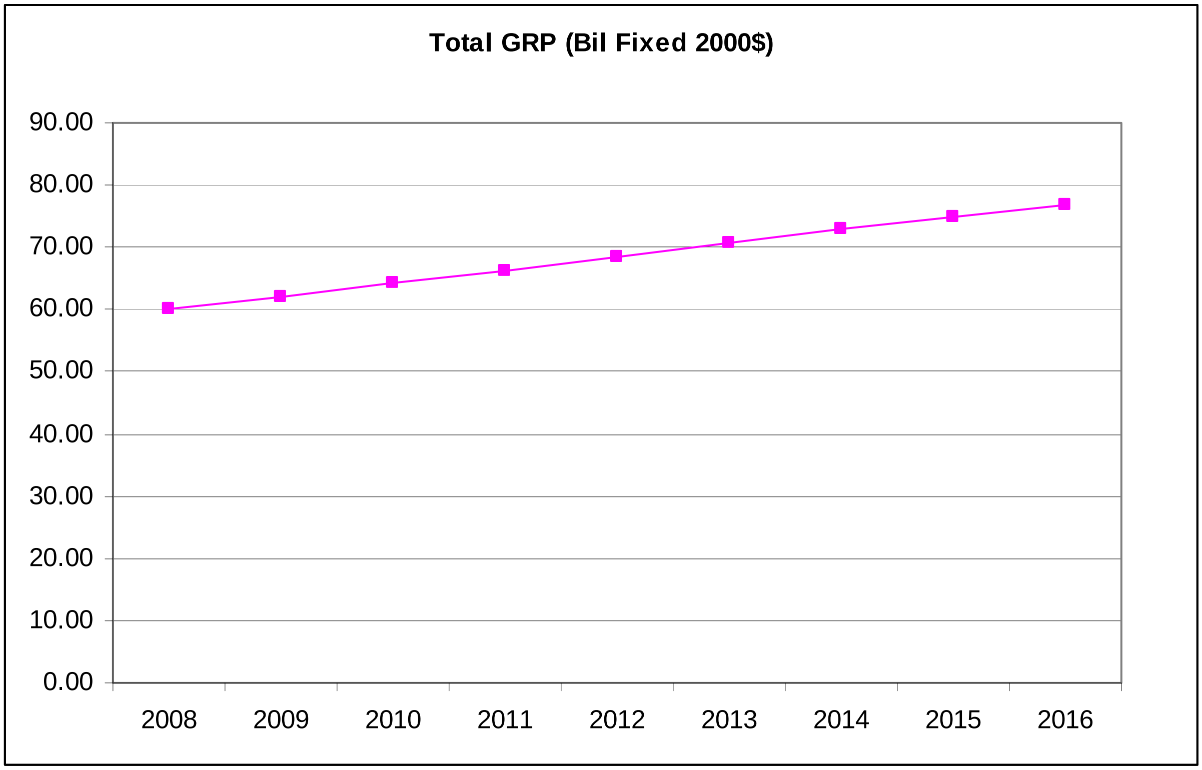
Sector	2008 Emp.	Projected Growth 2008-2014
Forestry, Fishing, Other	3,277	0%
Mining	885	-4%
Utilities	1,589	-3%
Construction	64,221	5%
Manufacturing	38,658	-6%
Wholesale Trade	28,916	-1%
Retail Trade	105,034	3%
Transp, Warehousing	38,120	1%
Information	13,682	-1%
Finance, Insurance	63,266	-1%
Real Estate, Rental, Leasing	36,445	7%
Profess, Tech Services	49,164	8%
Mngmt of Co, Enter	7,324	-2%
Admin, Waste Services	76,420	10%
Educational Services	11,108	14%
Health Care, Social Asst	85,081	14%
Arts, Enter, Rec	15,142	7%
Accom, Food Services	65,926	6%
Other Services (excl Gov)	48,755	3%
TOTAL Non- Farm Private Sectors	753,013	5%

Source: REMI Policy Insight 9.0 Data

ECONOMY

Gross Regional Product

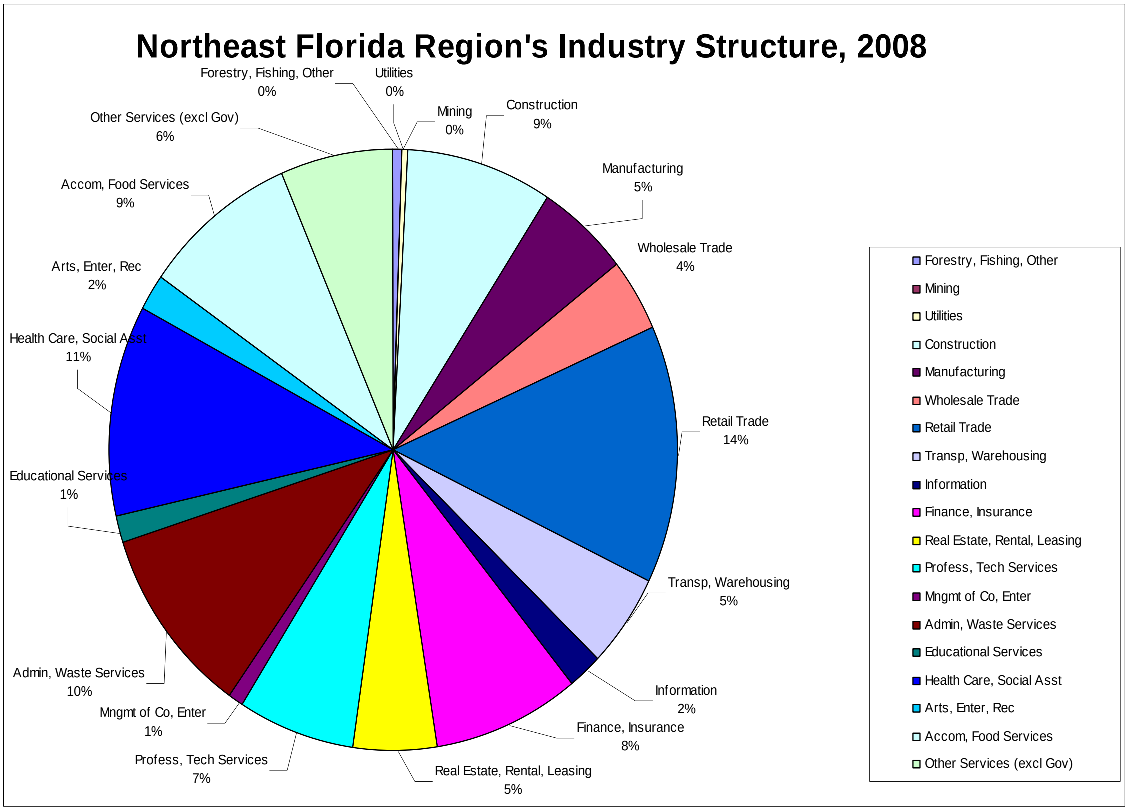
The Gross Region al Product (GRP) as indicated in the above table is analogous to the national concept of Gross Domestic Product. The current and projected GRP variable is in fixed year 2000 dollars and is listed in billions.



Source: REMI Policy Insight 9.0 Data

Largest Private Sector Industries

Northeast Florida Region's three largest private sectors (in 2-digit NAICS codes) are: Retail Trade, Health care and Social Areas and Administrative support and Waster Service. Together with Construction, Accommodations and Food service and Finance and Insurance, they account for 61 percent of regional employment. The chart below is the industry structure allocated in percent by private sector categories.



Source: REMI Policy Insight 9.0 Data.

Location Quotients

Employment by Industry Location Quotients									
Industry	Duval County, Florida	Baker County, Florida	Clay County, Florida	Flagler County, Florida	Nassau County, Florida	Putnam County, Florida	St. Johns County, Florida	Region	Florida -- Statewide
NAICS 11 Agriculture, forestry, fishing and hunting	0.08	1.94	ND	ND	2.76	ND	ND	1.59	1.3
NAICS 21 Mining, quarrying, and oil and gas extraction	0.04	NC	ND	ND	NC	ND	ND	0.04	0.12
NAICS 22 Utilities	0.22	ND	ND	ND	1.07	5.93	0.58	1.95	0.72
NAICS 23 Construction	1.3	2.05	1.82	1.78	1.24	1.46	1.35	1.57	1.3
NAICS 31-33 Manufacturing	0.51	0.46	0.38	0.56	0.67	1.22	0.5	0.61	0.47

NAICS 42 Wholesale trade	1.11	ND	0.43	0.33	0.51	0.42	0.88	0.61	0.99
NAICS 44-45 Retail trade	0.96	1.44	1.8	1.48	1.48	1.4	1.27	1.40	1.08
NAICS 48-49 Transportation and warehousing	1.57	5.08	ND	ND	0.6	0.26	0.35	1.57	0.83
NAICS 51 Information	0.79	0.86	0.59	2.62	0.28	0.23	0.35	0.82	0.89
NAICS 52 Finance and insurance	2.06	0.57	0.47	0.7	0.5	0.76	0.62	0.81	1.01
NAICS 53 Real estate and rental and leasing	1.03	0.36	1.38	1.59	0.93	0.59	1.04	0.99	1.34

NAICS 54 Professional and technical services	0.96	ND	0.76	0.62	0.48	ND	0.75	0.71	0.99
NAICS 55 Management of companies and enterprises	0.98	ND	0.48	0.03	0.14	ND	0.09	0.344	0.71
NAICS 56 Administrative and waste services	1.3	0.69	0.43	1.09	0.71	1.03	0.67	0.85	1.56
NAICS 61 Educational services	0.6	ND	0.88	0.18	0.33	0.17	1.18	0.56	0.77
NAICS 62 Health care and social assistance	0.99	ND	1.19	0.76	0.51	1.16	0.9	0.92	0.95

NAICS 71 Arts, entertainment, and recreation	0.71	0.08	0.72	1.53	1.43	0.2	2.22	0.98	1.54
NAICS 72 Accommodation and food services	0.9	0.9	1.37	1.29	2.66	0.9	1.97	1.43	1.09
NAICS 81 Other services, except public administration	0.8	0.63	1.14	1.06	1.27	1.32	1.53	1.11	0.94
NAICS 99 Unclassified	0.33	0.22	0.68	0.61	0.6	0.5	0.78	0.53	0.49

Footnotes:

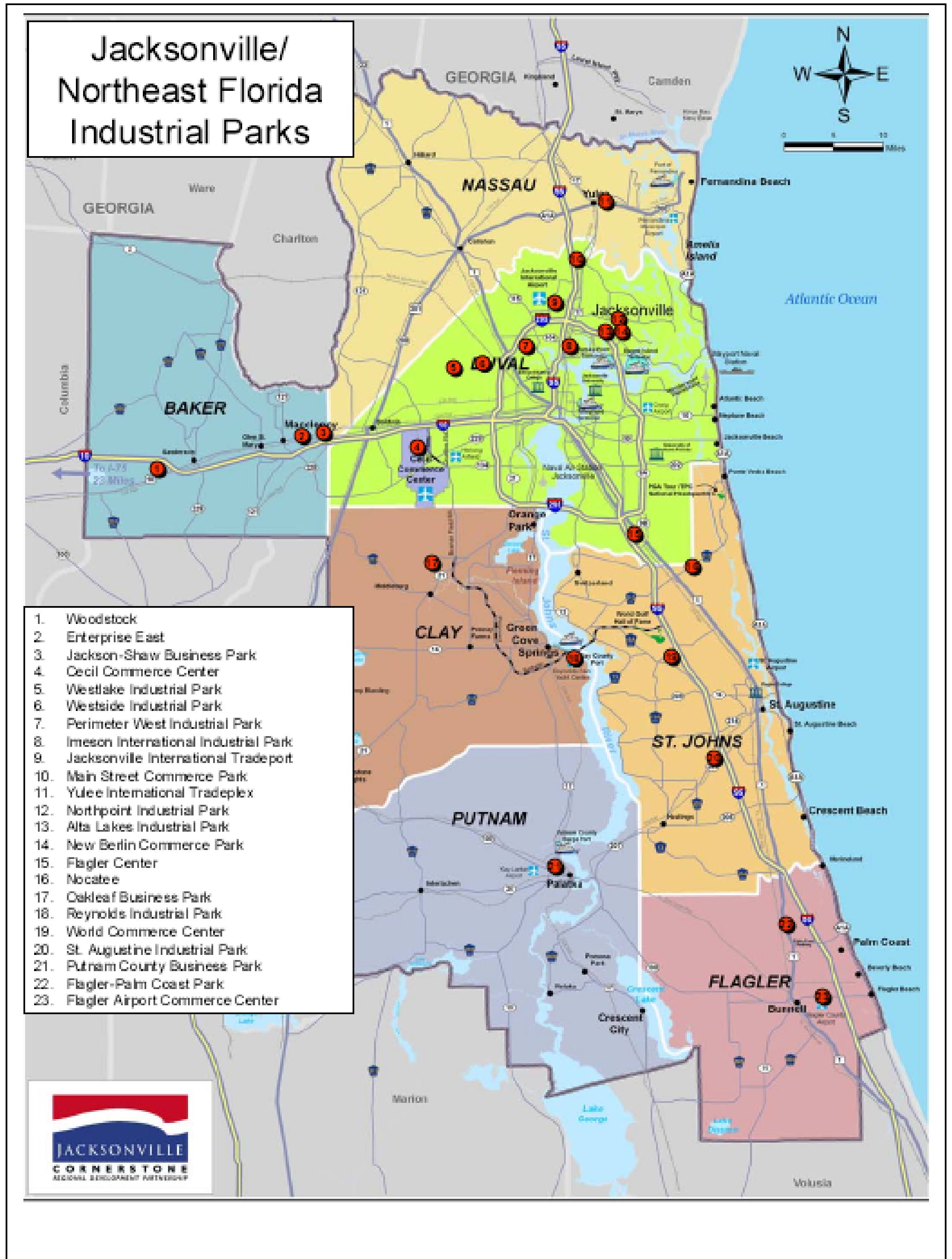
(ND) Not Disclosable

(NC) Not Calculable, the data does not exist or it is zero

Location Quotient: Ratio of analysis-industry employment in the analysis area to base-industry employment in the analysis area divided by the ratio of analysis-industry employment in the base area to base-industry employment in the base area.

Industrial Parks

Larger industrial parks within Northeast Florida. List not exhaustive.

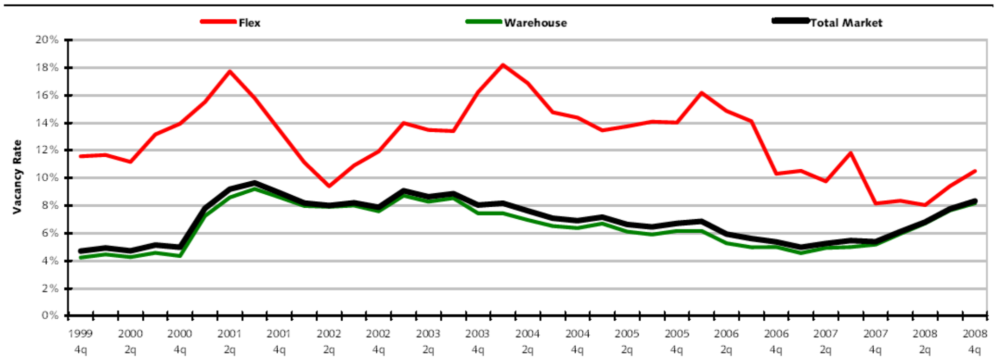


Industrial Parks	County	Total Acreage Available
Woodstock	Baker	1500
Enterprise East	Baker	125
Jackson-Shaw Business Park	Baker	1225
Cecil Commerce Center	Duval	3,694
Westlake Industrial Park	Duval	500
Westside Industrial Park	Duval	600
Perimeter West Industrial Park	Duval	54
Imeson International Industrial Park	Duval	863
Jacksonville International Tradeport	Duval	86
Main Street Commerce Park	Duval	92
Yulee International Tradeplex	Nassau	55
Northpoint Industrial Park	Duval	150
Alta Lakes Commerce Center	Duval	66
New Berlin Commerce Park	Duval	No information available
Flagler Center	Duval	223
Nocatee	St. Johns	667
Oakleaf Business Park	Clay	20
Reynolds Industrial Park	Clay	1500
World Commerce Center	St. Johns	966
St. Augustine Industrial Park	St. Johns	34
Putnam County Business Park	Putnam	140
Flagler-Palm Coast Park	Flagler	90
Flagler Airport Commerce Center	Flagler	67

Regional Industrial Development Data: (source: 2009 CoStar Industrial Report)

- 2008 Fourth Quarter Industrial Vacancy Rate: 8.3% (7.8% third quarter; 6.9% second quarter; and 6.1% third quarter)
- 2008 Fourth Quarter Net absorption +640,687 square feet

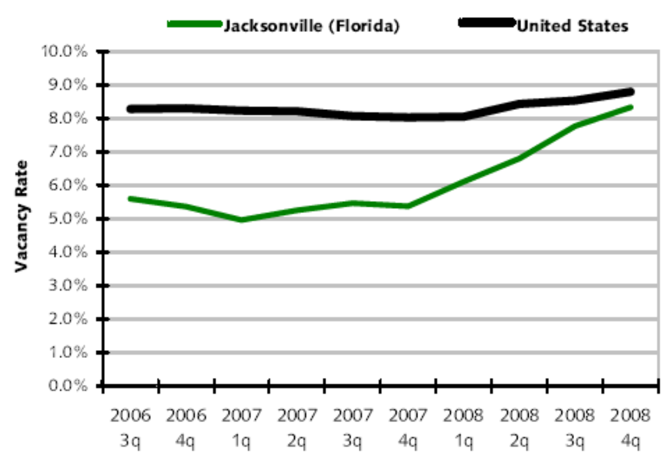
VACANCY RATES BY BUILDING TYPE 1999-2008



Source: 2009 CoSar Industrial Report

U.S. VACANCY COMPARISON

Past 10 Quarters



Source: 2009 CoSar Industrial Report

- In the first nine months of 2008, the market saw 25 industrial sales transactions with a total volume of $147,998,077.
- The price per square foot has averaged $50.56 in 2008.

Production costs

Cost of production is essentially the total cost of the regional production fro each of the major sectors of industry. This variable includes changes in cost of structures, equipments, land, capital, fuels and delivery pricing.

Variable	2008	2009	2010	2011	2012	2013	2014	2015	2016
Forestry, Fishing, Other	1.034	1.037	1.039	1.041	1.044	1.046	1.048	1.047	1.047
Mining	1.02	1.019	1.018	1.018	1.017	1.016	1.015	1.014	1.013
Utilities	0.961	0.962	0.962	0.961	0.961	0.961	0.961	0.961	0.96
Construction	0.973	0.972	0.971	0.969	0.968	0.967	0.966	0.966	0.965
Manufacturing	1.001	1	1	0.999	0.999	0.998	0.998	0.998	0.997
Wholesale Trade	0.981	0.98	0.98	0.98	0.979	0.979	0.979	0.978	0.978
Retail Trade	0.962	0.961	0.961	0.96	0.959	0.959	0.958	0.958	0.957
Transp, Warehousing	0.961	0.961	0.961	0.961	0.961	0.961	0.96	0.96	0.96
Information	0.907	0.907	0.906	0.905	0.905	0.904	0.903	0.903	0.903
Finance, Insurance	0.889	0.889	0.89	0.89	0.891	0.891	0.892	0.892	0.891
Real Estate, Rental, Leasing	0.889	0.891	0.892	0.893	0.894	0.895	0.895	0.896	0.896
Profess, Tech Services	0.93	0.93	0.93	0.929	0.929	0.928	0.928	0.927	0.927
Mngmt of Co, Enter	0.858	0.858	0.858	0.857	0.857	0.857	0.857	0.857	0.856
Admin, Waste Services	0.953	0.953	0.952	0.952	0.951	0.95	0.95	0.949	0.948
Educational Services	0.899	0.898	0.897	0.895	0.894	0.893	0.892	0.891	0.89
Health Care, Social Asst	0.993	0.992	0.992	0.991	0.99	0.989	0.988	0.987	0.986
Arts, Enter, Rec	0.974	0.974	0.973	0.973	0.972	0.972	0.971	0.971	0.97
Accom, Food Services	0.979	0.978	0.978	0.977	0.976	0.975	0.975	0.974	0.973
Other Services (excl Gov)	0.958	0.957	0.956	0.955	0.954	0.953	0.951	0.951	0.95

Source: REMI Policy Insight 9.0 Data

Enterprise Zones

An Enterprise Zone is a specific geographic area targeted for economic revitalizing. Enterprise Zones encourage economic growth and investment in distressed areas by offering tax advantages and incentives to businesses locating within the zone boundaries.

The Governor’s Office of Tourism, Trade, and Economic Development (OTTED) administers the Florida Enterprise Zone Program. OTTED is responsible for overseeing the activities of the local enterprise zones and providing them with technical assistance and information. OTTED has been authorized by the Florida Legislature to review and approve eligible enterprise zone application packages. OTTED receives progress reports from local enterprise zones as well as reports from the Florida Department of Revenue and prepares an Annual Report to the Governor and the Florida Legislature

Currently there are 56 state Enterprise Zones. Included within that total are:

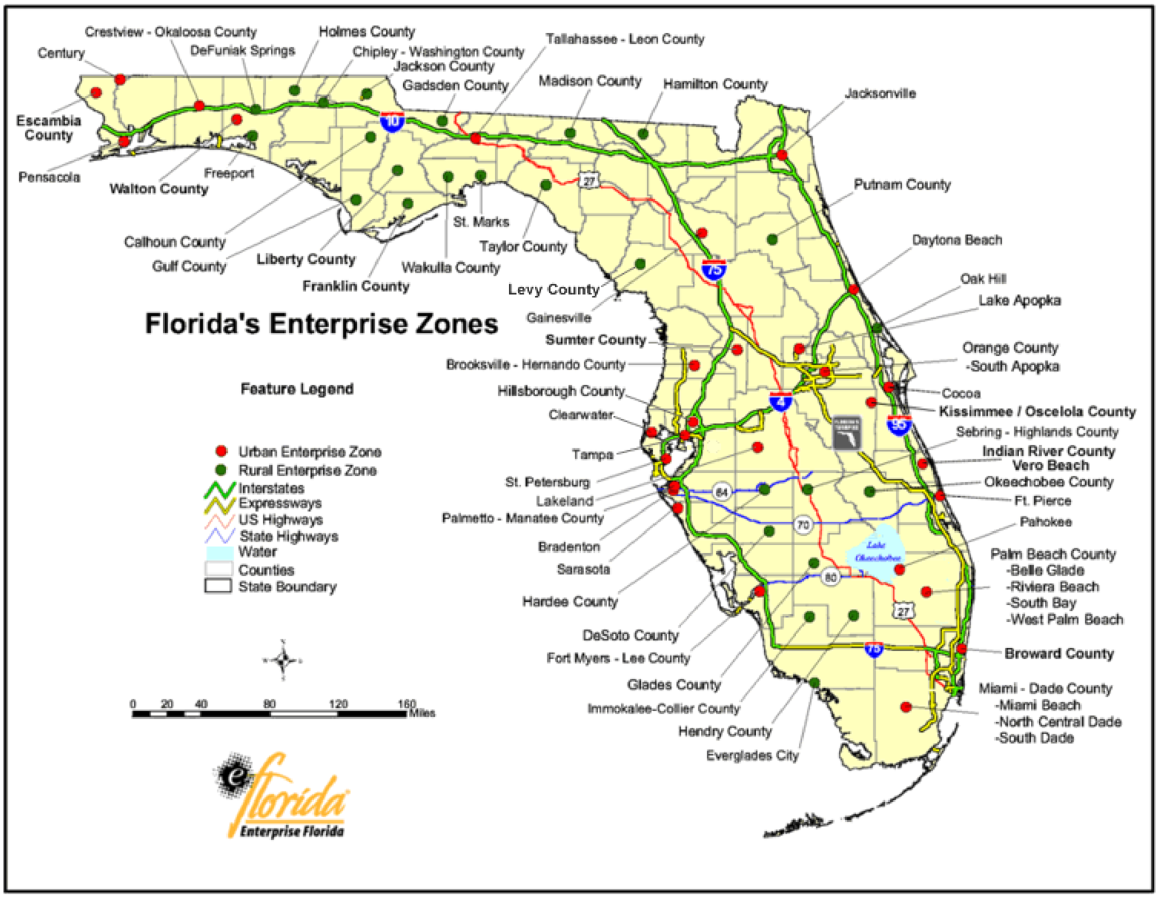
- 3 Federal Enterprise Communities
- 2 Federal Empowerment Zones
- 28 Rural Enterprise Zones
- 28 Urban Enterprise Zones

Jacksonville

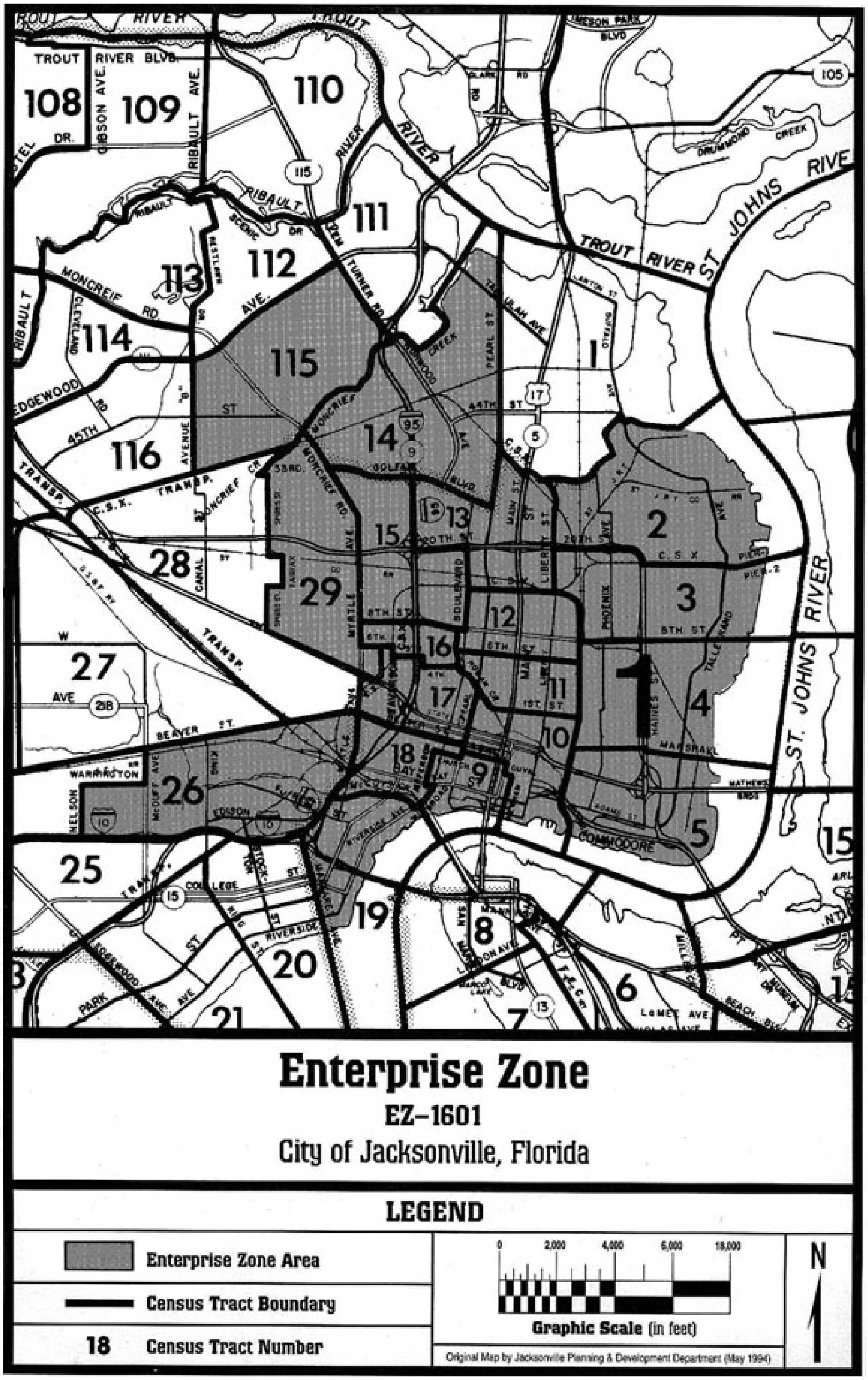
The City of Jacksonville applied for and received an uban Enterprise Zone designation, effective July 1, 1995. Jacksonville's Enterprise Zone is approximately 16.3 square miles with a population of 59,653. (see attached map)

Putnam County

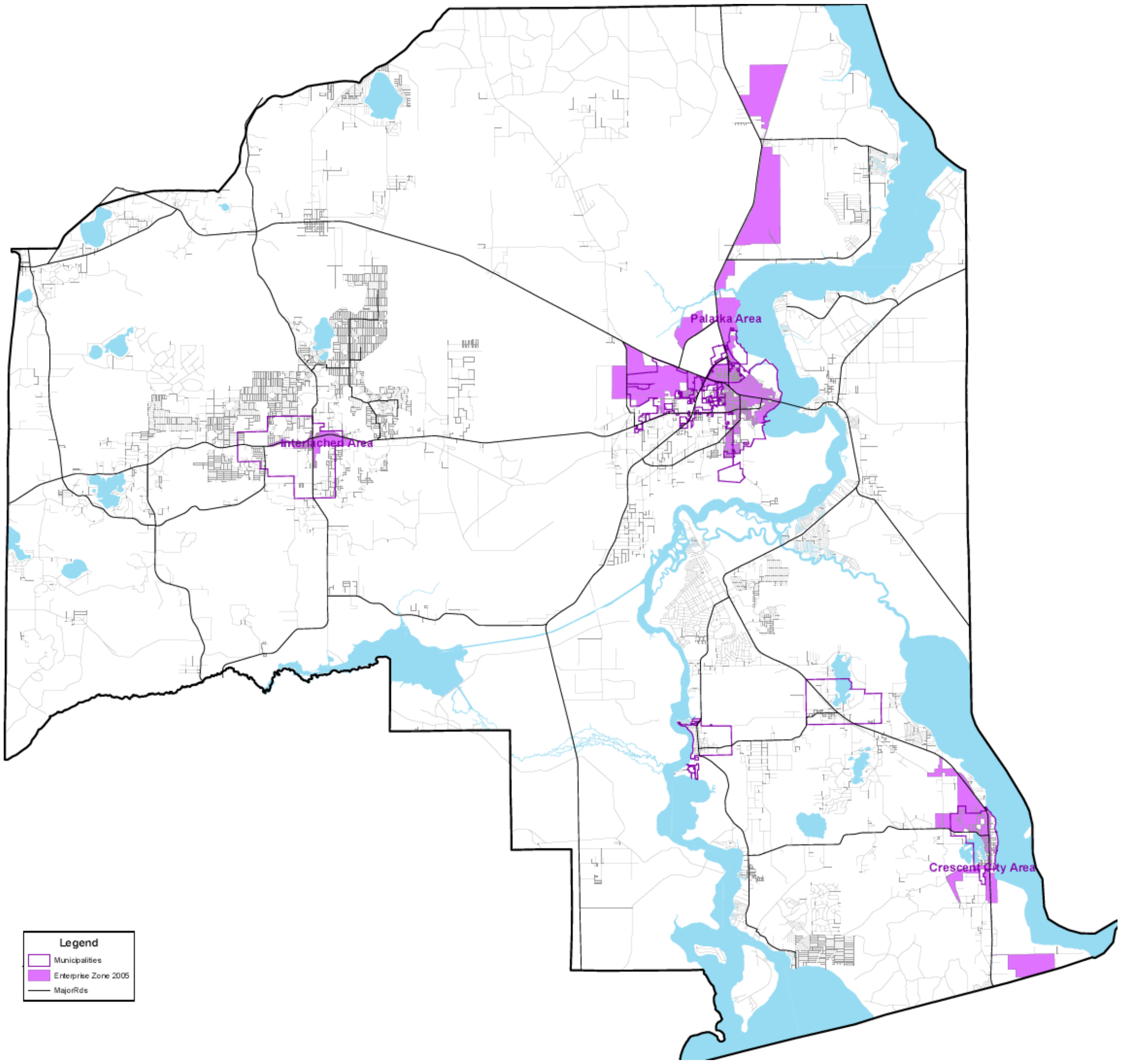
There are several areas within Putnam County that have been designated as rural Enterprise Zones. (see attached map)



Enterprise Zones in Florida



City of Jacksonville Enterprise Zone



Putnam County Enterprise Zones

Foreign Trade Zones

There is only one Foreign Trade Zone in Northeast Florida: Jaxport

JAXPORT's three marine terminals handled 8.3 million tons of cargo in Fiscal Year 2007, including more than 610,000 vehicles - making JAXPORT one of the largest vehicle handling ports in the country. (source: www.jaxport.com)

Rural Economic Development Initiative

The **Rural Economic Development Initiative**, known as **REDI**, recognizes those rural or economically distressed counties or communities designated pursuant to sections 288.0656 and 288.06561, Florida Statutes as REDI qualified. In Northeast Florida the following counties are REDI qualified: Baker, Flagler, and Putnam Counties.

The general purpose of REDI is to provide a more focused and coordinated state and regional effort on behalf of Florida's rural communities. REDI can facilitate access to state resources and coordinates the efforts of state and regional agencies. Specifically, REDI:

- Responds to specific community needs and requests for assistance.
- Provides direct access and referrals to state agencies as well as county and city associations.
- Reviews and evaluates the impact of statutes and rules on rural communities and works to minimize adverse impacts.
- Works with communities to improve their rural economies, finding ways to balance environmental and growth management issues with local needs.
- Assists communities in improving access to housing, health care, and educational opportunities.
- Recommends Rural Areas of Critical Economic Concern for Governor's approval.
- Recommends waivers of provisions of economic development programs on a project-by-project basis.
- Conducts the Rural Community of the Year award program.
- Undertakes advocacy, outreach, and capacity-building to improve conditions in rural communities

The REDI program is administered within the Office of Tourism, Trade and Economic Development. In 1999, the Florida Legislature passed into law legislation supporting economic development in rural communities

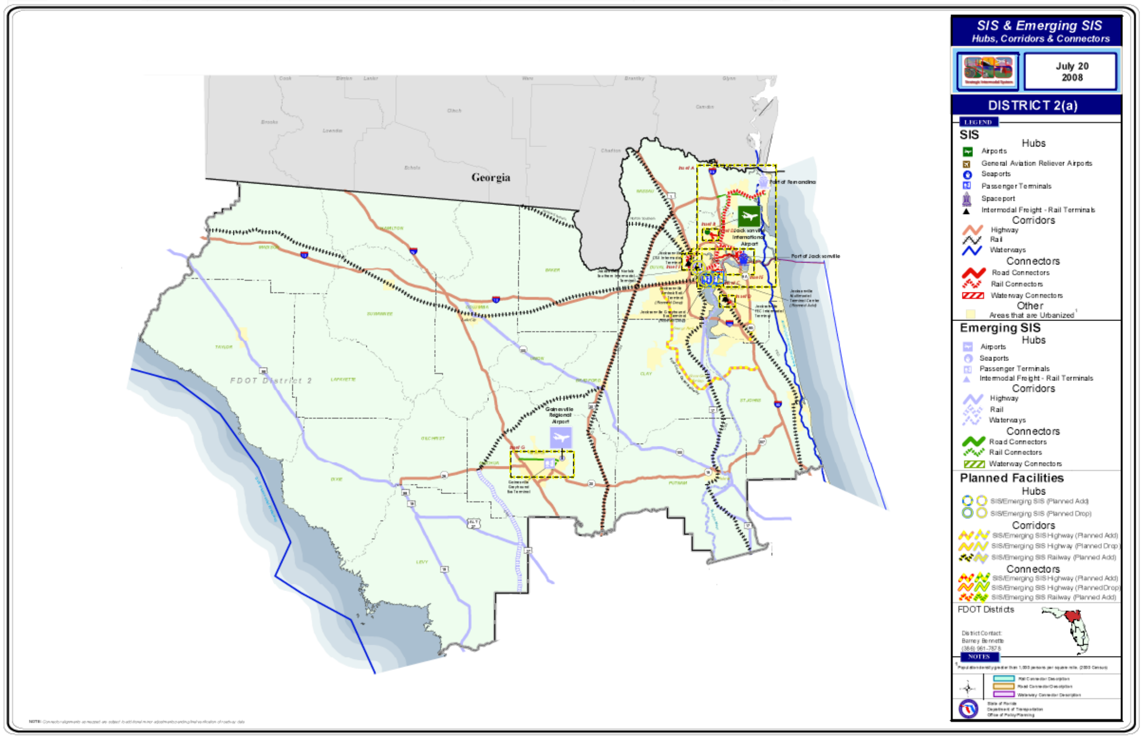
Rural Areas of Critical Economic Concern

Two counties in Northeast Florida (Baker County and Putnam County) are designated as Rural Areas of Critical Economic Concern. They were designated in 2003 along with other rural counties in Florida for a period of five years, with the designation expiring in 2008. However, by Executive Order 08-132 the period for designation was extended thru 2013.

TRANSPORTATION

Strategic Intermodal Systems (FDOT District 2)

SIS Map



With the exception of Flagler County, the remaining six counties that comprise the Northeast Florida region are within FDOT District 2. According to FDOT, in 2006 there were 2,549 state road centerline miles and 8,090 lane miles within FDOT District 2. In 2006, FDOT District 2 had 44,737 *daily vehicle miles travelled*.

Transit (source: JTA)

The Jacksonville Transportation Authority (JTA) reported a three percent decline in ridership from 2006 to 2007. However, from mid-2007 to mid-2008, during a period of high gas prices, there was an overall 3 percent increase in transit ridership. In October and November of 2008, transit ridership grew by double-digit increases from the previous year. JTA reports that ridership was over 1 million for the month of October of 2008. The last time JTA had similar ridership levels was over 10 years ago.

JTA is in the process of implementing the first phase of the Bus Rapid Transit (BRT) system in Downtown Jacksonville that will help remove buses from the core of downtown streets, consolidate routes while providing service that is more frequent to passengers. The BRT system will also include features such as enhanced shelters with next bus arrival information, traffic signal priority, limited stops, and premium transit service. Additional phases of the BRT project will extend the system along four corridors in the north, east, southeast, and southwest areas of Jacksonville.

AIRPORTS AND SEAPORTS

This region is served by eight airports and seven seaports.

Airports

The Jacksonville Aviation Authority owns and manages the Jacksonville Airport System consisting of Jacksonville International Airport (JAX), Craig Airport (CRG), Herlong Airport (HEG) and Cecil Field (VQQ). The Jacksonville Airport System serves is a commercial, business and recreational aviation needs of the region.

Jacksonville International Airport ranks 54 nationally out of 124 airports and currently garners 5% of the States enplanements. It is a commercial aviation facility and serves domestic travel, limited International service, and cargo and freight operations. The following summary indicates the level of 2008 activity for the facility.

JIA Statistics - 2008	
Aircraft Operation	106,774
Enplanements	2,998,472
Deplanements	3,004,226
Total Number of Passengers	6,002,698
Air Cargo and Airmail (thousands of pounds)	163,224

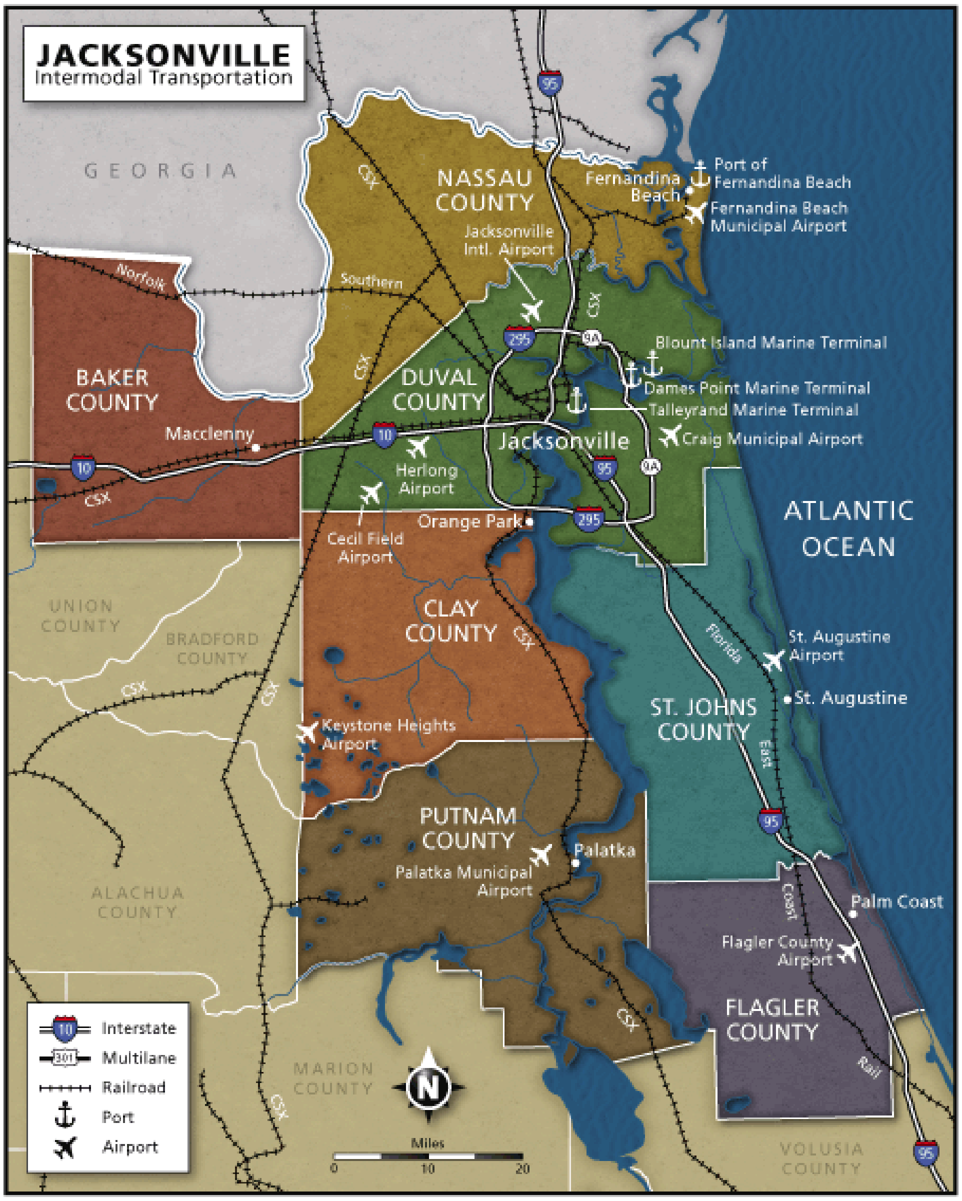
Source: http://www.jia.aero/Ai_Aviation.aspx

Aviation classifications serve as a framework for describing the function of each airport. Commercial Service airports provide scheduled air carrier and/or commuter service to domestic and, if designated, international destinations for surrounding communities. General aviation services include emergency medical services, corporate aviation, pilot training, personal transportation, recreational flying, and all other aviation services except those carried out by commercial air carriers and the military.

JIA is the only commercial facility in the region. All other aviation facilities in the region are classified as general aviation operations as follows.

- Craig Municipal Airport
- Cecil Field
- Fernandina Beach Municipal Airport
- Flagler County Airport
- Herlong Airport
- Kay Larkin Airport/ Palatka Municipal Airport
- Keystone Airpark (A portion is in Bradford County)
- St. Augustine Airport

The following figure depicts the location of all aviation and seaport activities in the region.



Source: Cornerstone Jacksonville

Seaports

The Jacksonville Port Authority (Jaxport) owns and operates three public marine terminals consisting of Blount Island Marine Terminal, Talleyrand Marine Terminal and Dames Point Marine Terminal. Jaxport also operates a temporary passenger cruise terminal.

Blount Island Marine Terminal has 5,280 feet of berthing space on 41 feet of deepwater. Blount Island has an additional 1,350 feet of berthing space on 38 feet of water. This is JaxPort's largest container facility which handles 80 percent of the nearly 800,000 TEUs moved annually through port facilities. The 754-acre terminal dedicates more than 150 acres to container storage, and 240,000 square feet of dockside transit shed to house commodities such as stainless steel, liner board, wood pulp and other cargoes in need of warehousing. Blount Island also is one of the largest vehicle import-export centers on the East Coast. The entire terminal is covered under JaxPort Foreign Trade Zone (FTZ) 64.

The Talleyrand Marine Terminal is a 173-acre terminal located 21 miles from the Atlantic Ocean on the St. Johns River. Talleyrand handles South American and Caribbean containerized cargoes, breakbulk commodities such as steel and paper, imported automobiles, frozen and chilled goods and liquid bulk commodities. Talleyrand Terminal Railroad, Inc. provides direct switching for Norfolk Southern and CSX, and Florida East Coast Railway's intermodal ramp is only minutes away. The entire terminal is within FTZ 64. The Talleyrand terminal is serviced by three Class 1 railroads, and is easily reached by I-95 and I-10 leading to U.S. 1 and Jacksonville's 20th Street Expressway.

The Dames Point Marine Terminal is newest marine facility in Jacksonville and it is located on more than 585 acres of land only 12 miles from the open sea. This facility is home to the 158-acre TraPac Container Terminal, where ships from Tokyo-based Mitsui O.S.K. Lines, Ltd. (MOL) and other carriers offer direct containership service between Jacksonville and ports throughout Asia. In December 2008, JaxPort executives and representatives of the Hanjin Shipping Company of Seoul, Korea signed a 30-year lease agreement calling for construction of a 90-acre container facility at Dames Point, to be located immediately northwest of the TraPac terminal.

A temporary 63,000-square foot cruise facility is located near the Northwest corner of its Dames Point port site in Northeast Jacksonville. Permanent locations are being explored.

In Northeast Florida, 50,000 jobs in are related to port activity-- 7,000 direct jobs and 43,000 ancillary or support jobs which attribute $2.7 billion annually in economic impact. The following summary indicates the level of 2008 activity for the facility.

JaxPort Cargo Statistics - 2008	
Vessel Calls	1,827
Tonnage	
Containerized	3,600,716
Break bulk	952,553
Bulk	2,475868
Automobiles	1,366,373
Total	8,395,510
Cruise Vessel Calls	50
Embarking Passengers	76,474

Port of Fernandina Beach a natural deepwater seaport located in Nassau County. It is a full-service port and provides terminal handling and stevedoring services. It can handle container and conventional vessels with warehousing and crane services,

Sources:

Airport-Data.com
Cornerstone Jacksonville
Jacksonville Aviation Authority
Jacksonville Port Authority
Florida Department of Transportation-- http://www.dot.state.fl.us/aviation/
Florida Aviation System Plan, Statewide Overview 2007, FDOT
http://www.florida-aviation-database.com/
http://www.florida-aviation-database.com/library/index.cfm?public=yes
http://www.ameliamaritime.com/pof.html