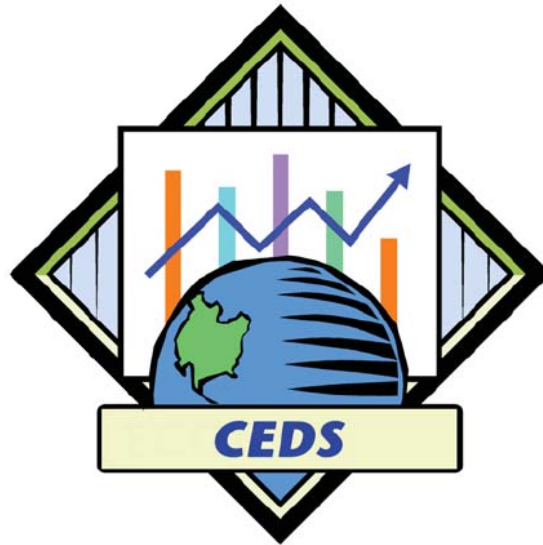


# Comprehensive Economic Development Strategy



March 27, 2009 Committee Meeting  
REGIONAL DATA



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## DEMOGRAPHICS

By 2060 the population of the seven-county region will increase significantly with projected to exceed 3 million people. Four out of the seven counties in the region will more than double their population by 2060. The table below depicts population from the year 1940 to 2000 for each of the seven counties, and aggregated for the region. In this 60 year time period, the region has grown by approximately 486 percent. Clay and Flagler counties have experienced the largest percentage of growth over this time frame.

Regional Population Growth								
Year	County							Total
	Baker	Clay	Duval	Flagler	Nassau	Putnam	St. Johns	Region
<b>1930</b>	<del>6,273</del>	<del>6,859</del>	<del>155,503</del>	<del>2,466</del>	<del>9,375</del>	<del>18,096</del>	<del>18,676</del>	<del>217,248</del>
<b>1940</b>	6,510	6,468	210,143	3,008	10,826	18,698	20,012	<b>275,653</b>
<b>1950</b>	6,313	14,323	307,402	3,367	12,811	23,615	24,998	<b>389,456</b>
<b>1960</b>	7,363	19,535	455,411	4,566	17,189	32,212	30,034	<b>566,310</b>
<b>1970</b>	9,242	32,059	528,865	4,454	520,626	36,290	307,273	<b>662,705</b>
<b>1980</b>	15,289	67,052	571,003	10,913	32,894	50,549	51,303	<b>799,003</b>
<b>1990</b>	18,486	105,986	672,971	28,701	43,941	65,070	83,829	<b>1,018,534</b>
<b>2000</b>	22,259	140,814	778,879	49,832	57,663	70,423	123,135	<b>1,243,005</b>
Percentage of Change (1940-2000)								
	341%	2,177%	371%	1,657%	533%	377%	615%	<b>486%</b>

Source: U.S. Census Bureau (as sourced by the 2008 Florida Statistical Abstract, BEBR)

## **Projected Growth**

The following table reflects the regional projected population from 2006 to 2060 in the region.

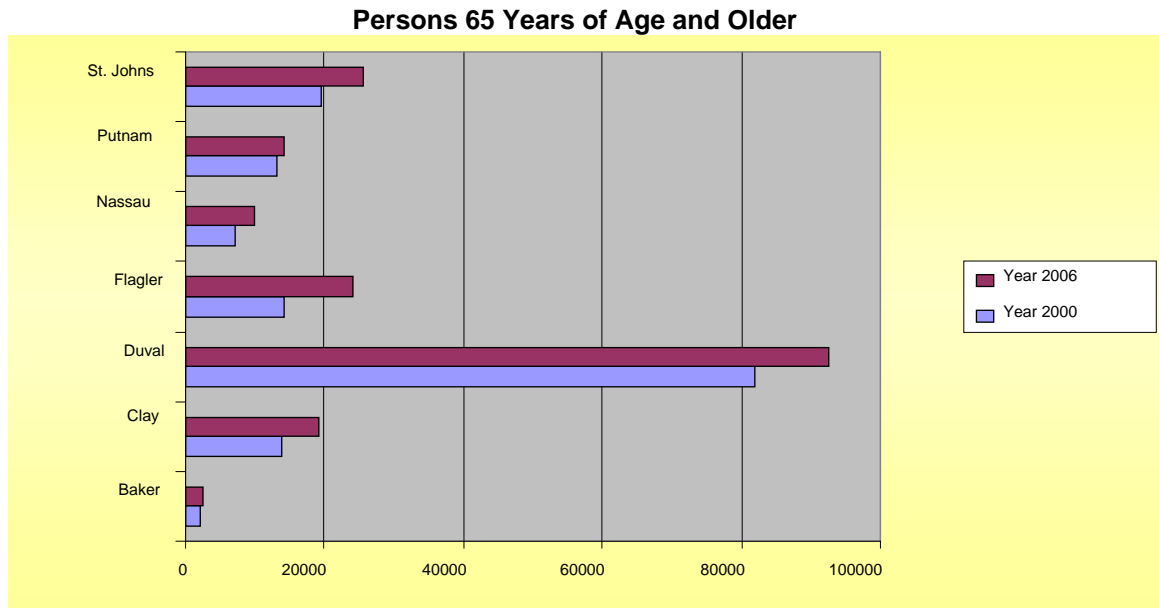
<b>Regional Projected Population</b>					
<b>County</b>	<b>2006</b>	<b>2010</b>	<b>2020</b>	<b>2030</b>	<b>2060**</b>
<b>Baker</b>	25,000	26,900	30,900	34,100	40,620
<b>Clay</b>	176,900	201,100	255,600	300,900	417,090
<b>Duval</b>	879,200	944,500	1,084,400	1,199,900	1,587,860
<b>Flagler</b>	89,100	113,100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

*Source: 2006-2030 are BEBR projections*

*\*\* Calculation using 1000 Friends of Florida projection methodology*

## Population by Age

According to the 2000 US Census, in Northeast Florida 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

- 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

<b>Poverty Thresholds Average Poverty Thresholds for a Family of Four In the United States</b>			
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)

<b>2005 Income and Poverty Estimates: Median Household Income Persons Living In Poverty in the State and Counties of Florida</b>				
	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

### 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

*Source: Florida Department of Education, 1989-1999 thru 2005-2006*



## INFRASTRUCTURE / UTILITIES

### Water and Wastewater Systems

The Region’s 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.

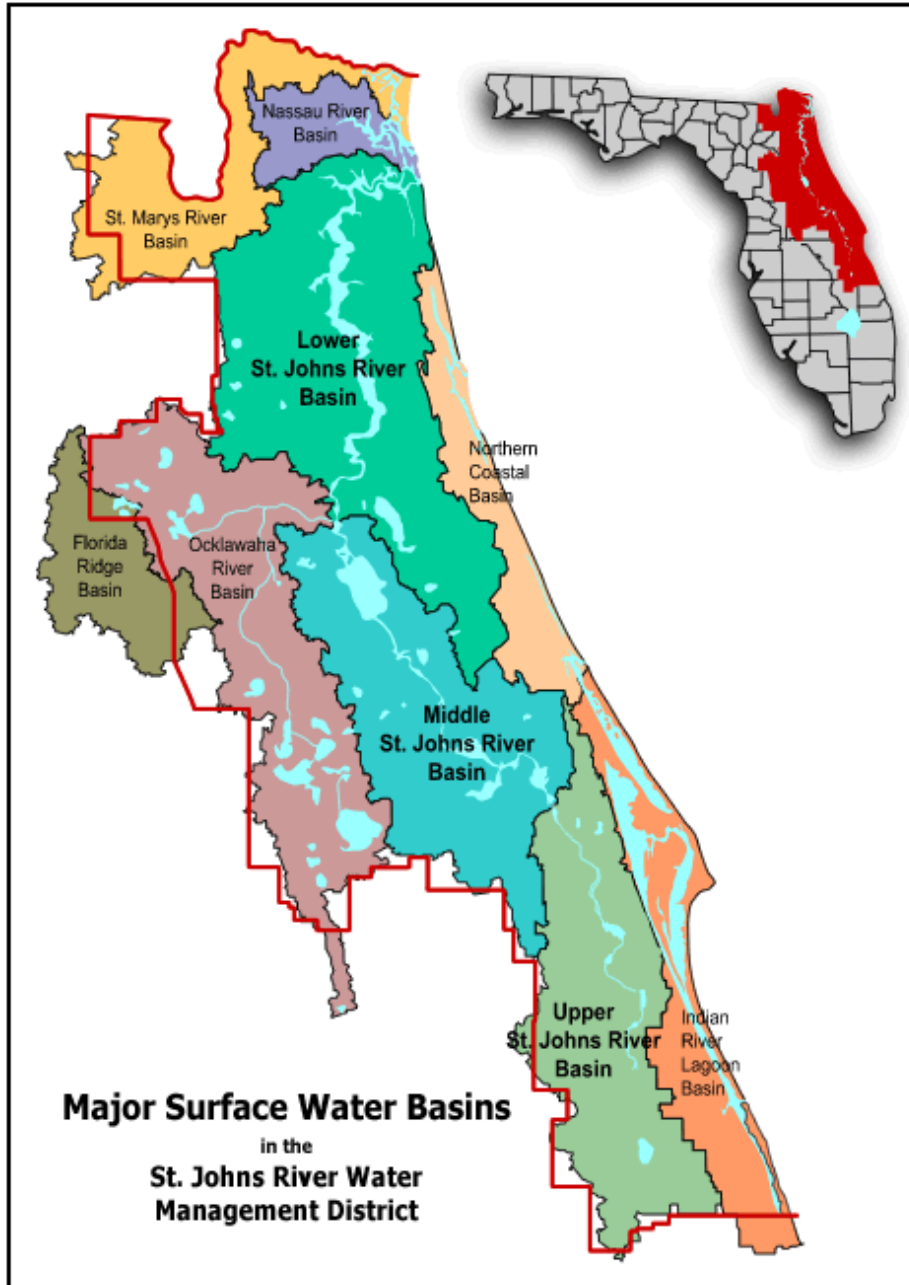
The Northeast Florida region lies within the St. Johns River Water Management District. Within this district potable groundwater is withdrawn from the Floridian aquifer. Of the five major groundwater basins, three cover the seven county regions that comprise Northeast Florida including St. Mary’s Groundwater 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 of gallons per day.

Water Usage - 2007		
	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
<b>Total</b>		<b>419.13</b>

Source: SJRWMD

<b>Water Use by Category - 2007</b>				
<b>Category</b>	<b>Freshwater (mgd)</b>	<b>Saline (mgd)</b>	<b>Reuse* (mgd)</b>	<b>All Water Use (mgd)</b>
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
<b>Total</b>	<b>1,265.81</b>	<b>6.71</b>		<b>1,272.52</b>

Source: SJRWMD  
\*data not available



St. Johns River Water Management District issues consumptive use permit (CUP) to ensure regulatory compliance. All entities 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 compliance 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 of 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 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.).

Information and data was obtained for water and wastewater from the Florida Department of Environmental Protection and St. Johns River Water Management District.

### **Electricity Consumption**

Consumption as determined by capital stock is reflected in the table below.

<b>Gas and Electric Stock</b>									
<b>Variable</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
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 United States (according to 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 this 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**

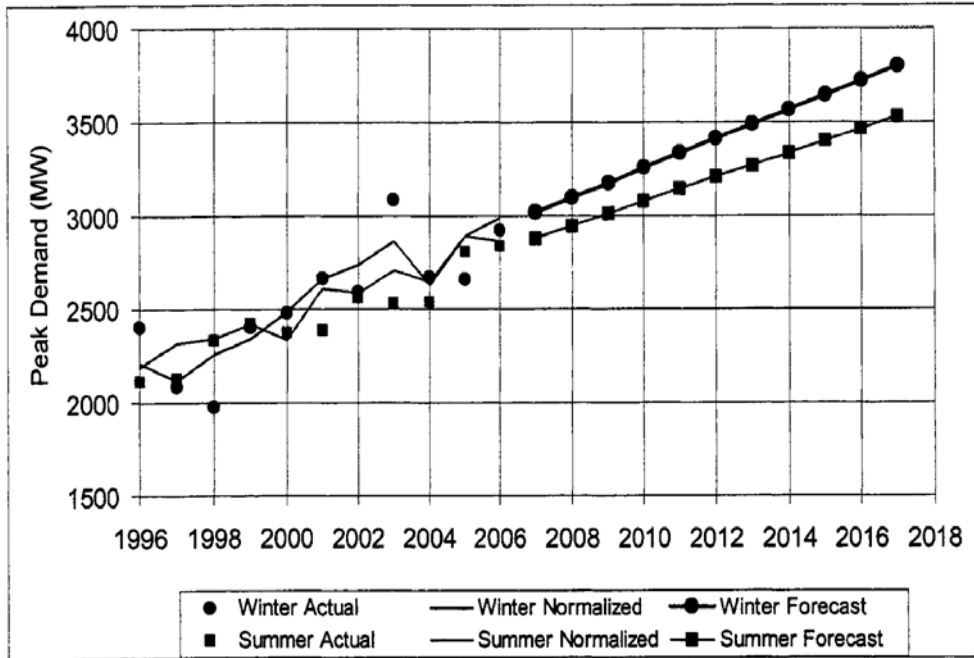
- Gas/Oil 53%
- Solid Fuel 47%

**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 for JEA.

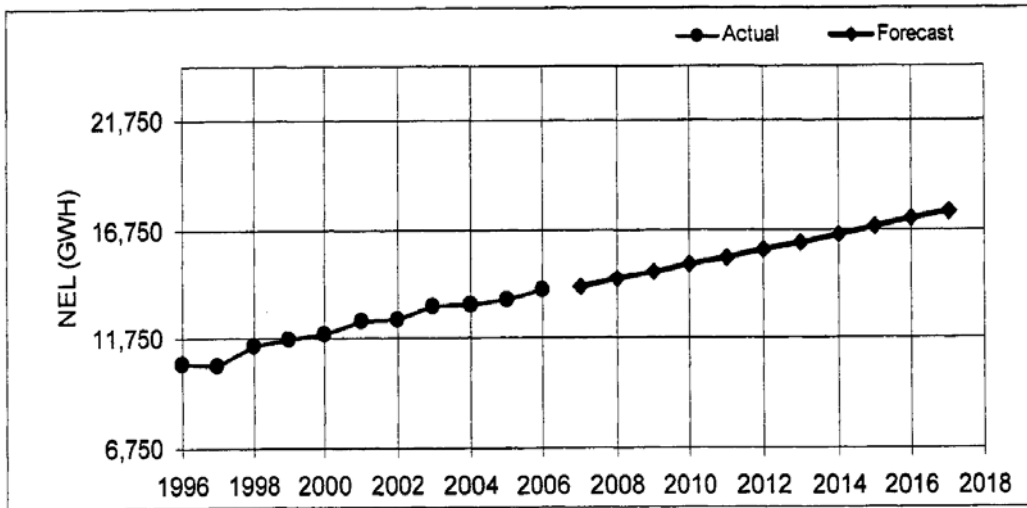
### Historical and Forecast Summer and Winter Peaks



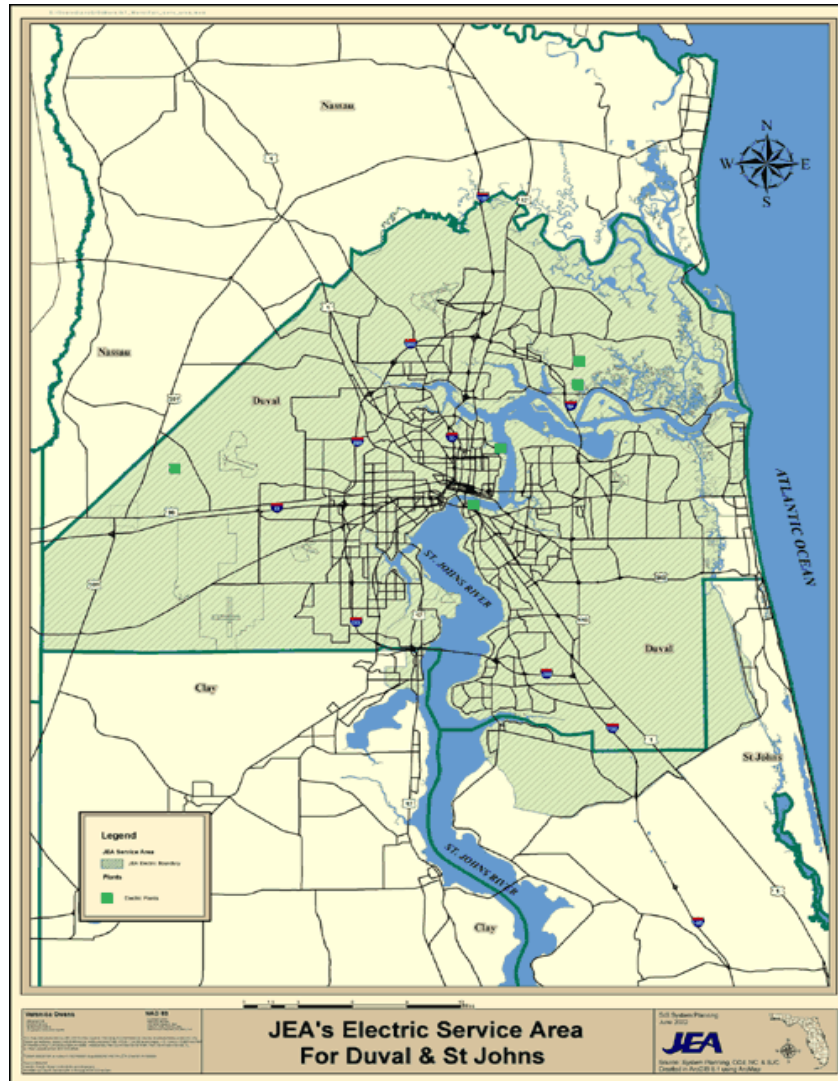
Source: JEA Ten Year Site Plan: 2007

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, is home to three 170 megawatt combustion turbine units. These units are capable of operating on both natural gas and diesel fuel. Units 1 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.

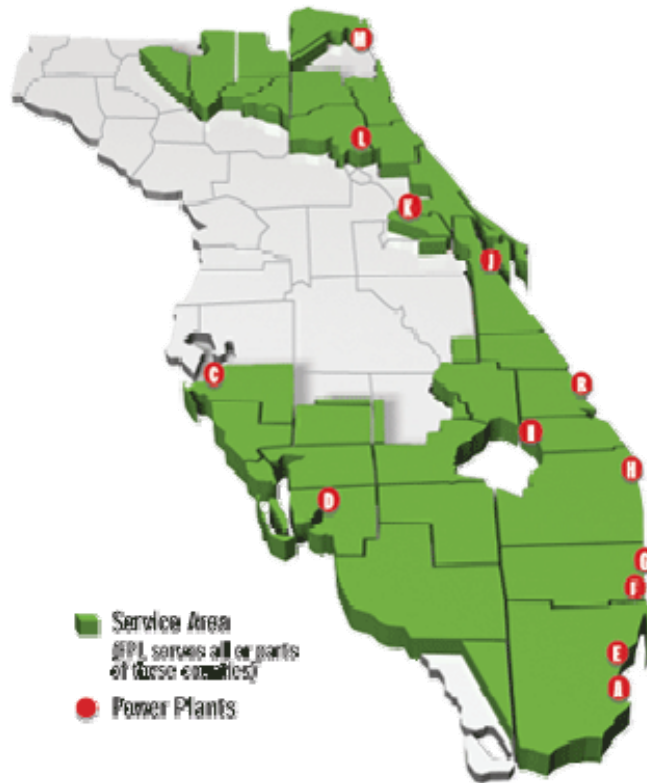
### Florida Power & Light Company

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.



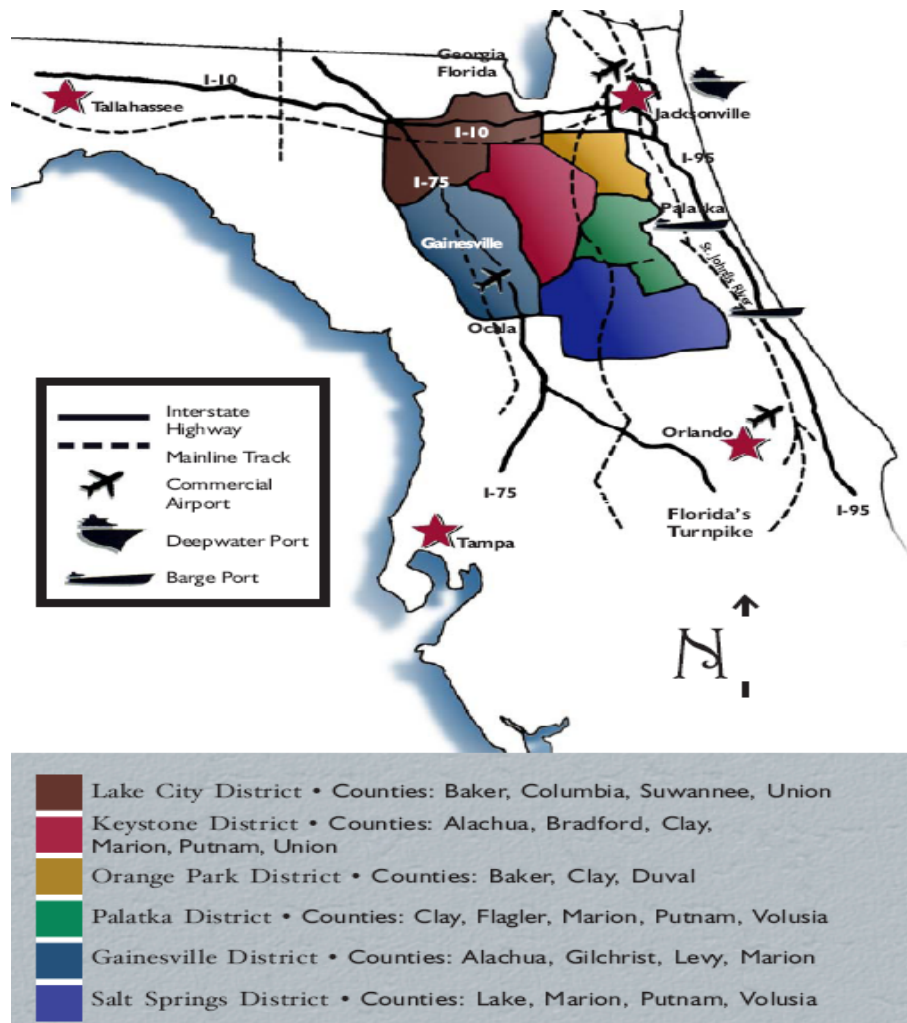
Source: FP&L

FP&L Power generation as of Dec 31, 2006				Net Cap.
		Units	Fuel	Megawatts
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
			<b>FPL Generation (subtotal)</b>	<b>22,135</b>
			Purchased Power	2,965
			<b>System Total</b>	<b>25,100</b>
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
			<b>Subtotal Additions (projected)</b>	<b>3,657</b>
			System and Purchase Adjustments	-741
			<b>System Total Summer 2010 (projected)</b>	<b>28,016</b>

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 graphic illustrates the coverage areas.



Source: Progress Energy Florida, Inc.

### 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 their customers, except for propane gas, are regulated by the Florida Public Service Commission. This utility company serves portions of Nassau County and has a headquarter in Fernandina Beach.

<b>Corporate Headquarters: West Palm Beach, Florida</b>	
Divisions:	Northeast Florida -- Fernandina Beach Northwest Florida -- Marianna Central Florida -- DeBary West Florida -- Inglis South Florida -- West Palm Beach
<b>Number of Customers Served: Approximately 94,000</b>	
<b>Regulated Services:</b>	
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)
<b>Non-Regulated Products/Services:</b>	
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
<b>Hearth &amp; Patio:</b>	
	Retail store featuring propane appliances and hearth/patio accessories located in Fernandina Beach, Florida.
<b>Florida Public Utilities is Publicly Held:</b>	
	Common Stock is traded under the symbol FPU on the American Stock Exchange

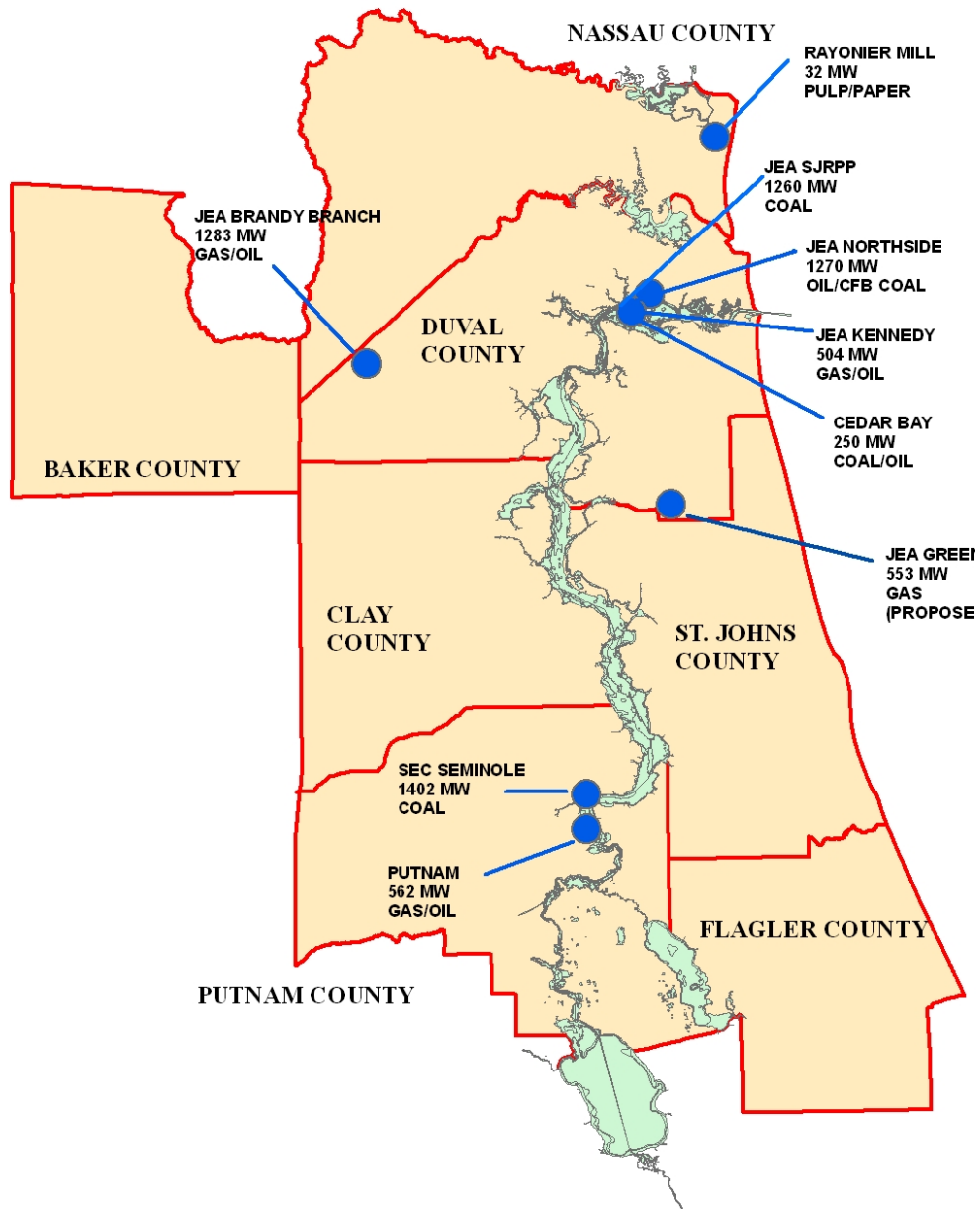
### **Green Cove Springs**

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.

The following map is derived from the Florida Department of Environmental Protection, Division of Air Resource Management's October 2008 *Florida's Power Generating Facilities*. Listed are the electricity producing facilities, their output capabilities, and their fuel types.



Florida Department of Environmental Protection, Division of Air Resource Management's October 2008 *Florida's Power Generating Facilities*.

## Water Usage

Water usage in Northeast Florida is based on the number of gallons used per day in the various sectors. It is recorded in millions of gallons per day (MGD). Below is a summary of water use. Classification of water use based on one of the following six categories—public supply, domestic self-supply, agricultural irrigation self-supply, commercial/industrial/institutional self-supply, recreational self-supply, or thermoelectric power generation self-supply.

<b>St. Johns River Water Management District</b>				
<b>2007 Total Water Use by County in Million Gallons per Day (mgd)</b>				
<u>County</u>	<u>Freshwater (mgd)</u>	<u>Saline Water(mgd)</u>	<u>Reuse* (mgd)</u>	<u>All Water Use(mgd)</u>
<u>Baker</u>	<u>5.85</u>	<u>0.00</u>	<u>—</u>	<u>5.85</u>
<u>Clay</u>	<u>28.23</u>	<u>0.00</u>	<u>—</u>	<u>28.23</u>
<u>Duval</u>	<u>178.99</u>	<u>0.00</u>	<u>—</u>	<u>178.99</u>
<u>Flagler</u>	<u>35.96</u>	<u>5.42</u>	<u>—</u>	<u>41.38</u>
<u>Nassau</u>	<u>51.72</u>	<u>1.29</u>	<u>—</u>	<u>53.01</u>
<u>Putnam</u>	<u>50.86</u>	<u>0.00</u>	<u>—</u>	<u>50.86</u>
<u>St. Johns</u>	<u>60.81</u>	<u>0.00</u>	<u>—</u>	<u>60.81</u>
<b><u>Total</u></b>	<b><u>1,265.81</u></b>	<b><u>6.71</u></b>	<b><u>—</u></b>	<b><u>1,272.52</u></b>

Source: <http://sjr.state.fl.us/technicalreports/pdfs/FS/SJ2008-FS1.pdf>

### Public Supply

Water withdrawn, treated, and delivered to service areas within SJRWMD by privately and publicly owned water supply utilities—includes both residential and nonresidential uses by utilities that withdraw more than 0.1 mgd from groundwater or surface water sources

### Self-supply

Water withdrawn from privately owned residential wells.

### Commercial/ industrial/ institutional self-supply

Water used for commercial, industrial, or institutional purposes not provided by public supply utilities—includes businesses, government facilities, military installations, schools, prisons, hospitals, and industrial uses such as mining, processing, and manufacturing. (Note: Surface water use by mining operations in the commercial/industrial/institutional self-supply category reported in this document represents 5% of the surface water use to account for loss of water in the mining products. The remaining surface water is assumed to be re-circulated in the mining process and, therefore, is considered non-consumptive.



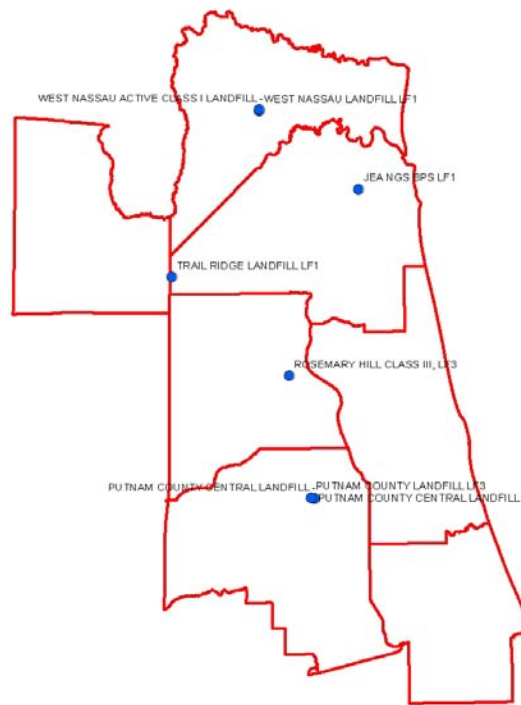
Thermoelectric power generation self-supply  
Water withdrawn from groundwater and surface water sources and used by power plants not supplied by public supply systems. (Note: This does not include water used for once-through cooling, which is considered non-consumptive.)

Sources:

<http://sjr.state.fl.us/technicalreports/pdfs/FS/SJ2008-FS1.pdf>  
[http://sjr.state.fl.us/WaterSupplyFS\\_north.pdf](http://sjr.state.fl.us/WaterSupplyFS_north.pdf)

## **Solid Waste**

The map below identifies Class I, II and III landfills throughout our region. The map only shows those sites that are currently active. The information in both the map and its accompanying table are from the Florida Department of Environmental Protection, Division of Waste Management.



Source: Florida Department of Environmental Protection, Division of Waste Management

The following page contains site specific information on the landfill identified above.

**Solid Waste Facility Information**

**CLASS I LANDFILLS**

	County	Class Type	City
TRAIL RIDGE LANDFILL	DUVAL	CLASS I LANDFILL	BALDWIN
JEA NGS BPS LANDFILL	DUVAL	CLASS I LANDFILL	JACKSONVILLE
WEST NASSAU LANDFILL	NASSAU	CLASS I LANDFILL	CALLAHAN
WEST NASSAU ACTIVE CLASS I LANDFILL	NASSAU	CLASS I LANDFILL	CALLAHAN
PUTNAM COUNTY CENTRAL LANDFILL	PUTNAM	CLASS I LANDFILL	PALATKA

**CLASS II LANDFILLS**

*None identified as being active.*

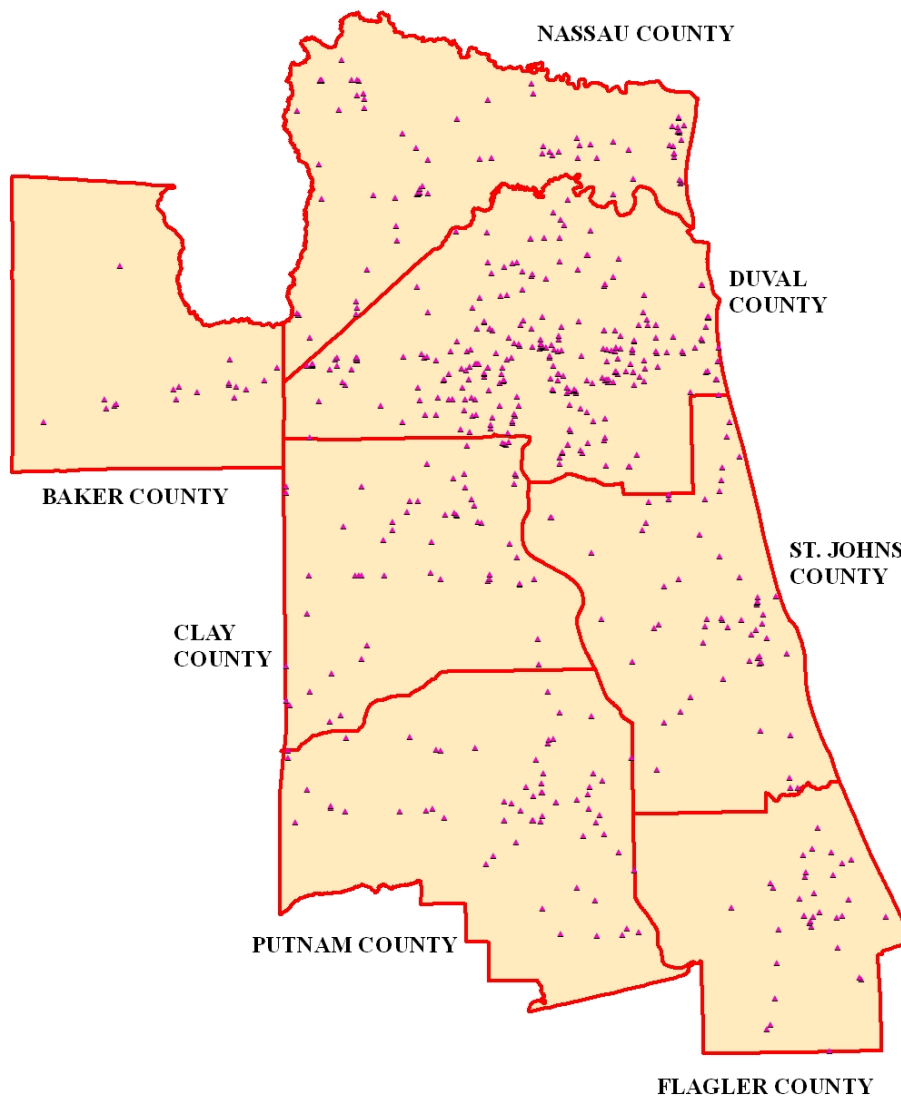
**CLASS III LANDFILLS**

Facility Name	County	Class	City
ROSEMARY HILL LANDFILL	CLAY	CLASS III LANDFILL	GREEN COVE SPRINGS
PUTNAM COUNTY CENTRAL LANDFILL	PUTNAM	CLASS III LANDFILL	PALATKA
PUTNAM COUNTY LANDFILL	PUTNAM	CLASS III LANDFILL	PALATKA

[Source: Florida Department of Environmental Protection, Division of Waste Management](#)

## Wireless Communications

The following map shows where wireless communications towers are located throughout the region. Each tower may, and most likely does, house multiple wireless technologies providers. According to the Federal Communications Commission *antenna structure registration* Geographical Information Systems based data, there are approximately 600 wireless communications structures within the Northeast Florida region.

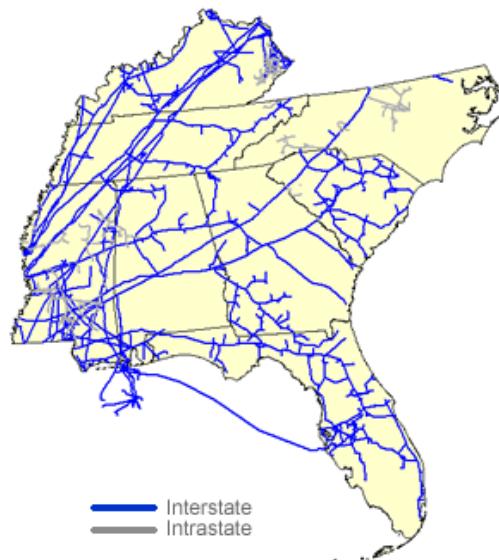


Source: Federal Communications Commission, FCC Wireless Telecommunications Bureau, *Antenna Structure Registration*

## Natural Gas

TECO Peoples Gas provides natural gas to residential, commercial and industrial customers in Northeast Florida. Natural gas provides clean energy for a wide range of uses, including home heating, vehicles, and electric generation. Natural gas is the cleanest-burning fossil fuel.

Florida is part of the Southeast Region interstate pipeline network which include: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee. Twenty-three interstate, and at least eight intrastate, natural gas pipeline companies operate within the Southeast Region. Fifteen of the twenty-one interstate natural gas pipelines originate in the Southwest Region and receive most of their supplies from the Gulf of Mexico or from the States of Texas and/or Louisiana.



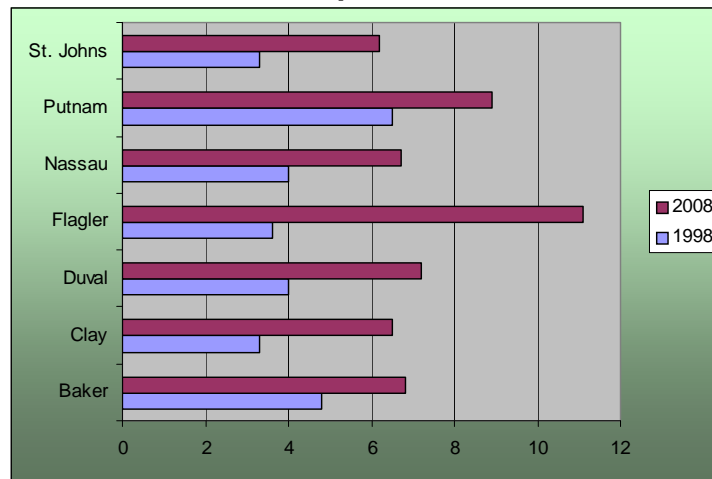
## **EMPLOYMENT**

In August 2008, TECO Energy formed a new subsidiary, SeaCoast Gas Transmission, LLC, to develop and own a high-volume Florida intrastate natural gas transmission pipeline. The project will connect Florida Gas Transmission and Southern Natural gas transmission pipelines to JEA's planned Greenland Energy Center.

## Unemployment

The Northeast Florida region has experienced substantial increases in their unemployment rates between January 1998 and November 2008.

### Unemployment Rates January 1998 and November 2008 Comparisons



Source: 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**

<b>Earned Income by Employment Sector</b>			
<b>Sector</b>	<b>Earned Income 2006</b>	<b>Sector</b>	<b>Earned Income 2006</b>
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.

<b>County</b>	<b>Median Household Income</b>
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 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 of the Region as Percent of Nation									
Variable	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Total Emp (Thousands)</b>	869.10	878.08	887.07	895.58	903.43	910.55	917.42	922.92	927.19
<b>Total Emp As % of Nation</b>	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
<b>Private Non-Farm Emp (Thousands)</b>	753.02	760.15	767.31	774.00	780.11	785.49	790.66	795.45	799.14
<b>Private Non-Farm Emp As % of Nation</b>	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49	0.49
<b>Total GRP (Billions Fixed 2000\$)</b>	59.97	62.05	64.19	66.37	68.52	70.71	72.90	74.91	76.87
<b>Personal Income (Billions)</b>	56.24	59.37	62.63	65.97	69.36	72.80	76.29	79.67	83.13
<b>Personal Income As % of Nation</b>	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

<u>Per Capita Income, 2002 and 2006</u>		
	<u>2002</u>	<u>2006</u>
<a href="#">Baker County</a>	<a href="#">\$20,226</a>	<a href="#">\$24,619</a>
<a href="#">Clay County</a>	<a href="#">\$26,846</a>	<a href="#">\$31,983</a>
<a href="#">Duval County</a>	<a href="#">\$29,452</a>	<a href="#">\$36,616</a>
<a href="#">Flagler County</a>	<a href="#">\$24,227</a>	<a href="#">\$29,001</a>
<a href="#">Nassau County</a>	<a href="#">\$31,264</a>	<a href="#">\$41,227</a>
<a href="#">Putnam County</a>	<a href="#">\$19,407</a>	<a href="#">\$23,806</a>
<a href="#">St. Johns County</a>	<a href="#">\$37,296</a>	<a href="#">\$48,283</a>
<b><u>Region</u></b>	<b><u>\$26,959</u></b>	<b><u>\$33,647</u></b>

Source: BEBR

[As illustrated by the table above, per capita income has risen approximately 25% between 2002 and 2006.](#)

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

[The table below shows total personal income for the region as a percentage of the state in 2006.](#)

<a href="#">Florida Total Personal Income (in millions \$)</a>	<a href="#">Region Total Personal Income (in millions \$)</a>	<a href="#">Region As A Percent of State</a>
<a href="#">\$633,077</a>	<a href="#">\$52,058</a>	<a href="#">8.2%</a>

Source: [BEBR, 2008 Florida Statistical Abstract](#)

### **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.

Industry	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
Transportation and 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
Professional and Technical	49,164	53,817	582	1.18

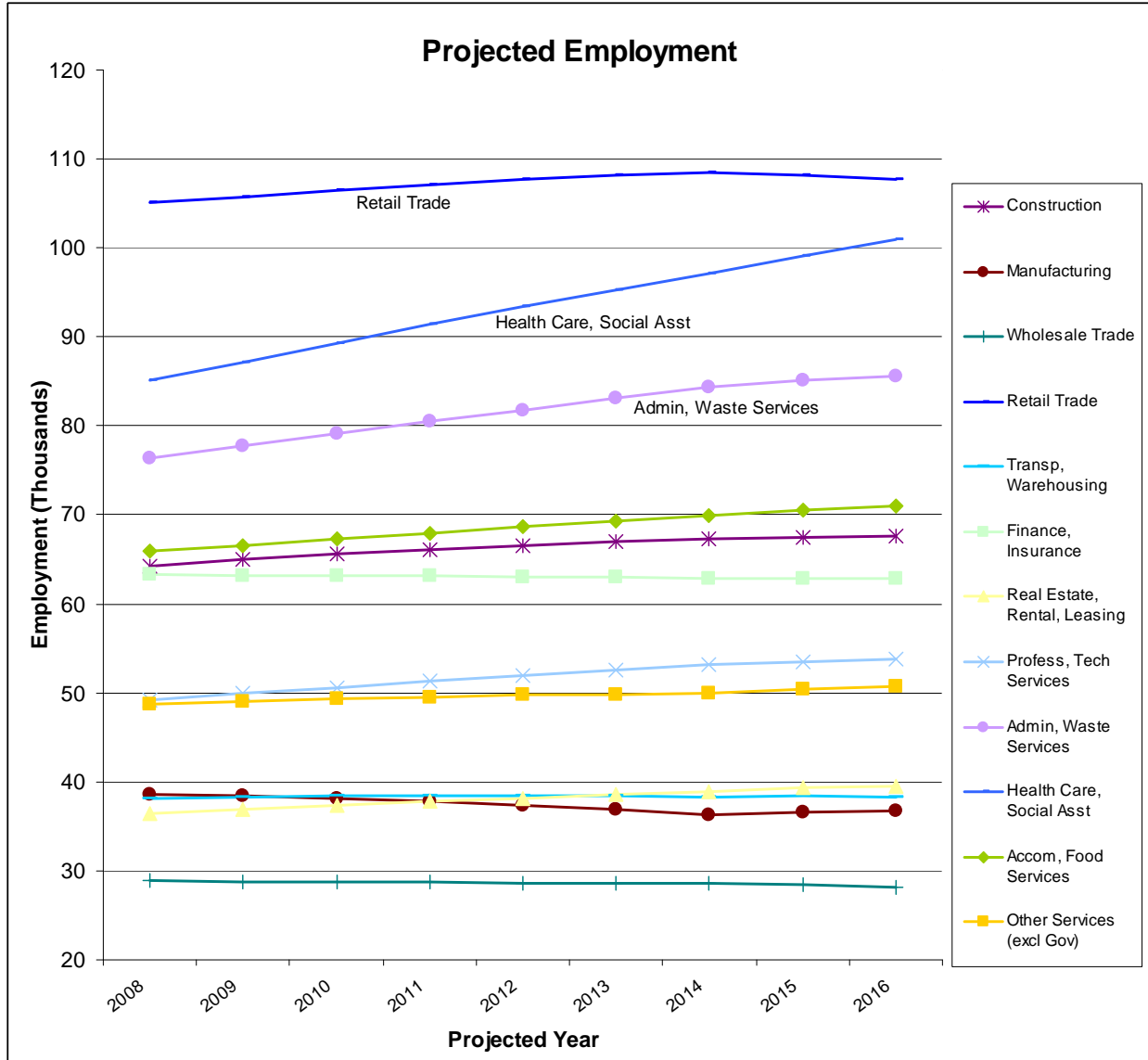


<b>Services</b>				
<b>Management of Companies and Enterprises</b>	7,324	7,052	-34	-0.46
<b>Administrative and Support and Waste Services</b>	76,420	85,609	1149	1.50
<b>Educational Services</b>	11,108	13,245	267	2.40
<b>Health Care, Social Asst</b>	85,081	101,024	1993	2.34
<b>Arts, Entertainment and Recreation</b>	15,142	16,445	163	1.08
<b>Accommodation and Food Services</b>	65,926	71,034	639	0.97
<b>Other Services (excluding Gov)</b>	48,755	50,737	248	0.51
<b>TOTAL Non- Farm Private Sectors</b>	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 six** 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 Health 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.

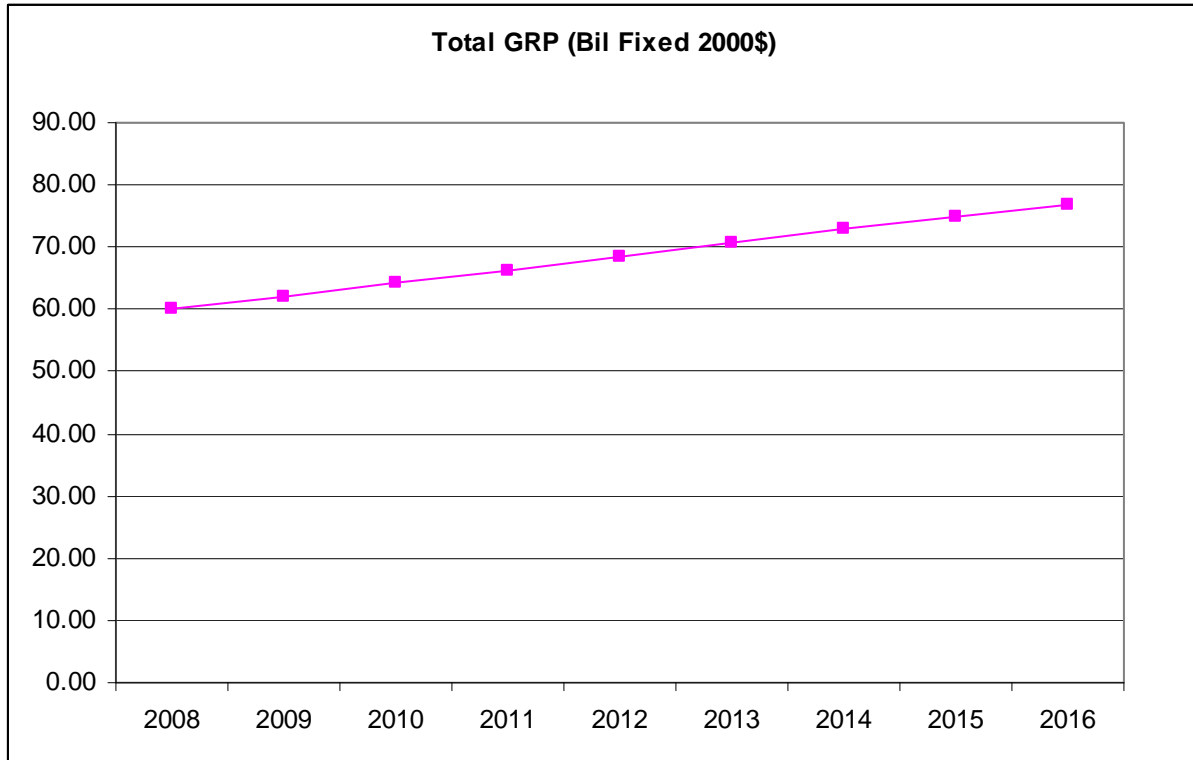
<b>Projected employment growth by sector</b>		
<b>Sector</b>	<b>2008 Emp.</b>	<b>Projected Growth 2008-</b>
Forestry, Fishing, Other	3,277	0%
Mining	885	-4%
Utilities	1,589	-3%
Construction	64,221	5%
Manufacturing	38,658	-6%
Wholesale Trade	28,916	-1%
Retail Trade	105,034	3%
Transportation and Warehousing	38,120	1%
Information	13,682	-1%
Finance, Insurance	63,266	-1%
Real Estate, Rental, Leasing	36,445	7%
Professional Tech Services	49,164	8%
Management of Companies and Enterprises	7,324	-2%
Admin, Waste Services	76,420	10%
Educational Services	11,108	14%
Health Care, Social Asst	85,081	14%
Arts, Entertainment and Recreation	15,142	7%
Accommodation and Food Services	65,926	6%
Other Services (excluding 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 Regional 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

## Employment Compensation

Compensation is defined as the total of all wages and salary disbursements and supplements. The table on the following page contains total compensation by the major industry sectors. These variables are in billions of dollars (see table on following page).

## Employment Compensation

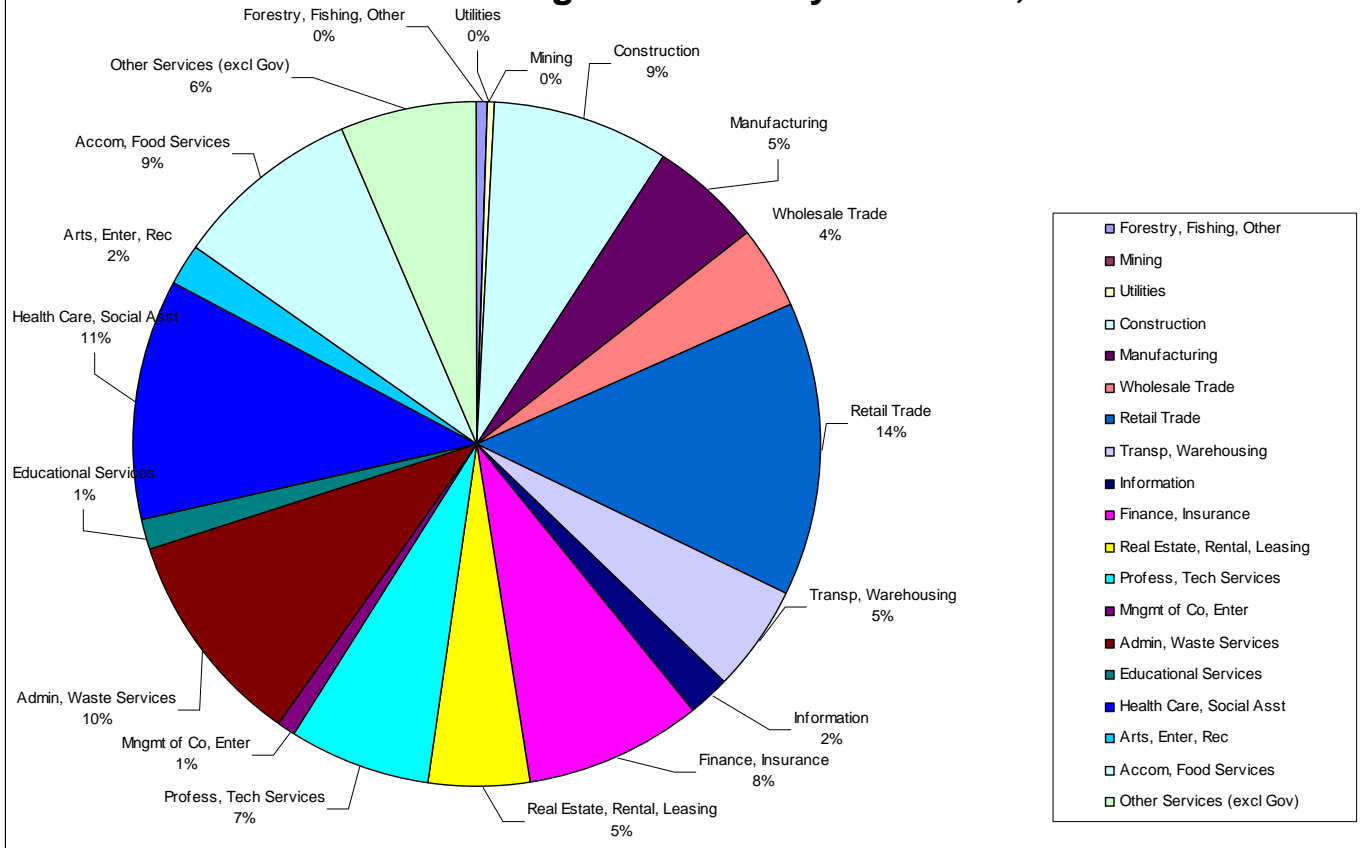
<b>Sector (Billions \$)</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Forestry, Fishing, Other	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.09	0.09
Mining	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
Utilities	0.13	0.14	0.14	0.15	0.15	0.16	0.16	0.17	0.17
Construction	2.72	2.86	2.99	3.13	3.26	3.40	3.54	3.67	3.79
Manufacturing	2.65	2.74	2.82	2.90	2.98	3.05	3.11	3.24	3.36
Wholesale Trade	2.07	2.15	2.22	2.31	2.39	2.48	2.57	2.64	2.71
Retail Trade	3.07	3.21	3.36	3.51	3.65	3.80	3.95	4.07	4.19
Transportation, Warehousing	2.03	2.12	2.21	2.29	2.38	2.46	2.54	2.63	2.71
Information	0.85	0.88	0.91	0.95	0.98	1.01	1.05	1.07	1.10
Finance, Insurance	4.14	4.30	4.47	4.64	4.81	4.98	5.15	5.33	5.52
Real Estate, Rental, Leasing	0.75	0.79	0.82	0.86	0.90	0.94	0.99	1.02	1.06
Profess, Tech Services	2.57	2.71	2.85	3.00	3.15	3.31	3.46	3.60	3.74
Management of Co, Enter	0.64	0.66	0.69	0.71	0.74	0.76	0.79	0.81	0.83
Admin, Waste Services	2.18	2.31	2.44	2.58	2.72	2.87	3.02	3.15	3.28
Educational Services	0.30	0.32	0.34	0.36	0.38	0.40	0.43	0.45	0.48
Health Care, Social Asst	4.11	4.38	4.66	4.95	5.24	5.55	5.86	6.18	6.51
Arts, Enter, Recreation	0.40	0.42	0.45	0.47	0.49	0.51	0.54	0.56	0.58
Accommodations, Food									
Services	1.32	1.39	1.45	1.52	1.59	1.67	1.74	1.81	1.89
Other Services (excl Gov)	1.20	1.26	1.31	1.37	1.43	1.49	1.54	1.61	1.67

[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 and Support and Waste Service. Together with Construction, Accommodations and Food Service and Finance and Insurance, they account for 61 percent of regional employment. The chart on the following page is the industry structure allocated in percent by private sector categories.

## Northeast Florida Region's Industry Structure, 2008



Source: REMI Policy Insight 9.0 Data.

The following table shows the economic impacts of five of the largest non-agriculture, non-real estate industry sectors in Northeast Florida.

	Value Added of Goods / Services (2002)							
	Baker	Clay	Duval	Flagler	Nassau	Putnam	St. Johns	Region
<b>Manufacturing</b>	W	W	\$7.01B	\$378.83M	\$552.74M	\$714.73M	\$341.32M	<b>\$8.97B</b>
<b>Wholesale Trade</b>	W	\$28.37M	\$826.31M	\$4.1M	W	\$2.85M	\$63.65M	<b>\$925.28M</b>
<b>Retail Trade</b>	\$129.76M	\$1.535B	\$10.18B	\$342.36M	\$422.95M	\$498.26M	\$1.34B	<b>\$14.448B</b>
<b>Professional Services</b>	W	W	\$2.45B	\$47.3M	\$47.31M	\$49.63M	\$209.74M	<b>\$2.8B</b>
<b>Healthcare</b>	\$85.16M	\$421.31M	\$4.24B	\$94.12M	\$96.5M	\$96.51M	\$353.85M	<b>\$5.29B</b>
<b>Accommodations / Food</b>	\$14.06M	\$149.73M	\$1.18B	\$65.59M	\$180.12M	\$37.43M	\$330.65M	<b>\$1.96B</b>

Source: US Census, 2002 Economic Census; W = information withheld by source or not available; M = millions; B = billions

## **Location Quotients**

The location quotients for all sectors in the region are below national averages.

<b>Employment as of national level</b>									
<u>Variable</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Forestry, Fishing, Other</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>
<u>Mining</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
<u>Utilities</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>
<u>Construction</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
<u>Manufacturing</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>
<u>Wholesale Trade</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
<u>Retail Trade</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<u>Transportation, Warehousing</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
<u>Information</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
<u>Finance, Insurance</u>	<u>0.8</u>	<u>0.8</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
<u>Real Estate, Rental, Leasing</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<u>Profess, Tech Services</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
<u>Mngmt of Co, Enter</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
<u>Admin, Waste Services</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>	<u>0.6</u>	<u>0.6</u>	<u>0.6</u>
<u>Educational Services</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>	<u>0.3</u>
<u>Health Care, Social Asst</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<u>Arts, Enter, Recreation</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>	<u>0.4</u>
<u>Accommodation, Food Services</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>
<u>Other Services (excl Gov)</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

Source: REMI Policy Insight 9.0 Data

<b>Employment by Industry Location Quotients</b>									
<b>Industry</b>	<b>Duval County, Florida</b>	<b>Baker County, Florida</b>	<b>Clay County, Florida</b>	<b>Flagler County, Florida</b>	<b>Nassau County, Florida</b>	<b>Putnam County, Florida</b>	<b>St. Johns County, Florida</b>	<b>Region</b>	<b>Florida—Statewide</b>
<b>NAICS 11 Agriculture, forestry, fishing and hunting</b>	0.08	1.94	ND	ND	2.76	ND	ND	1.59	1.3
<b>NAICS 21 Mining, quarrying, and oil and gas extraction</b>	0.04	NG	ND	ND	NG	ND	ND	0.04	0.12
<b>NAICS 22 Utilities</b>	0.22	ND	ND	ND	1.07	5.93	0.58	1.95	0.72
<b>NAICS 23 Construction</b>	1.3	2.05	1.82	1.78	1.24	1.46	1.35	1.57	1.3
<b>NAICS 31-33 Manufacturing</b>	0.54	0.46	0.38	0.56	0.67	1.22	0.5	0.64	0.47



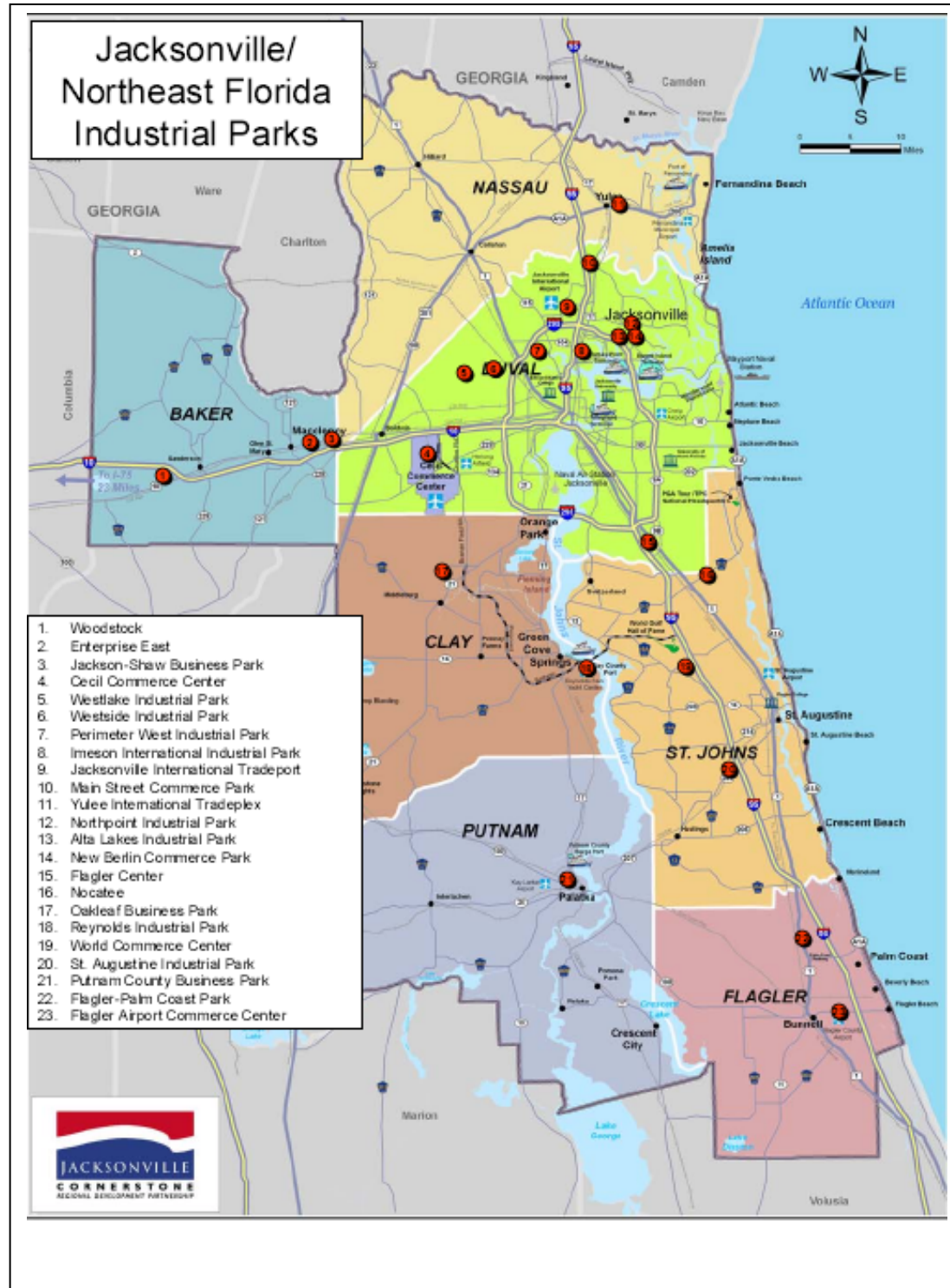
<b>Employment by Industry Location Quotients</b>									
<b>Industry</b>	<b>Duval County, Florida</b>	<b>Baker County, Florida</b>	<b>Clay County, Florida</b>	<b>Flagler County, Florida</b>	<b>Nassau County, Florida</b>	<b>Putnam County, Florida</b>	<b>St. Johns County, Florida</b>	<b>Region</b>	<b>Florida—Statewide</b>
<b>NAICS 42 Wholesale trade</b>	1.11	ND	0.43	0.33	0.51	0.42	0.88	0.61	0.99
<b>NAICS 44-45 Retail trade</b>	0.96	1.44	1.8	1.48	1.48	1.4	1.27	1.40	1.08
<b>NAICS 48-49 Transportation and warehousing</b>	1.57	5.08	ND	ND	0.6	0.26	0.35	1.57	0.83
<b>NAICS 51 Information</b>	0.79	0.86	0.59	2.62	0.28	0.23	0.35	0.82	0.89
<b>NAICS 52 Finance and insurance</b>	2.06	0.57	0.47	0.7	0.5	0.76	0.62	0.81	1.01
<b>NAICS 53 Real estate and rental and leasing</b>	1.03	0.36	1.38	1.59	0.93	0.59	1.04	0.99	1.34

<b>Employment by Industry Location Quotients</b>									
<b>Industry</b>	<b>Duval County, Florida</b>	<b>Baker County, Florida</b>	<b>Clay County, Florida</b>	<b>Flagler County, Florida</b>	<b>Nassau County, Florida</b>	<b>Putnam County, Florida</b>	<b>St. Johns County, Florida</b>	<b>Region</b>	<b>Florida--Statewide</b>
<b>NAICS 54 Professional and technical services</b>	0.96	ND	0.76	0.62	0.48	ND	0.75	0.74	0.99
<b>NAICS 55 Management of companies and enterprises</b>	0.98	ND	0.48	0.03	0.14	ND	0.09	0.344	0.74
<b>NAICS 56 Administrative and waste services</b>	1.3	0.69	0.43	1.09	0.74	1.03	0.67	0.85	1.56
<b>NAICS 61 Educational services</b>	0.6	ND	0.88	0.18	0.33	0.17	1.18	0.56	0.77
<b>NAICS 62 Health care and social assistance</b>	0.99	ND	1.19	0.76	0.54	1.16	0.9	0.92	0.95

<b>Employment by Industry Location Quotients</b>									
<b>Industry</b>	<b>Duval County, Florida</b>	<b>Baker County, Florida</b>	<b>Clay County, Florida</b>	<b>Flagler County, Florida</b>	<b>Nassau County, Florida</b>	<b>Putnam County, Florida</b>	<b>St. Johns County, Florida</b>	<b>Region</b>	<b>Florida--Statewide</b>
<b>NAICS 71 Arts, entertainment, and recreation</b>	0.71	0.08	0.72	1.53	1.43	0.2	2.22	0.98	1.54
<b>NAICS 72 Accommodation and food services</b>	0.9	0.9	1.37	1.29	2.66	0.9	1.97	1.43	1.09
<b>NAICS 81 Other services, except public administration</b>	0.8	0.63	1.14	1.06	1.27	1.32	1.53	1.11	0.94
<b>NAICS 99 Unclassified</b>	0.33	0.22	0.68	0.64	0.6	0.5	0.78	0.53	0.49
<b>Footnotes:</b>				-	-	-	-	-	-
<b>(ND) Not Disclosable</b>				-	-	-	-	-	-
<b>(NC) Not Calculable, the data does not exist or it is zero</b>				-	-	-	-	-	-
<p><b>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.</b></p>									

**Industrial Parks**

The figure below represents the larger industrial parks within Northeast Florida (this 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

- 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

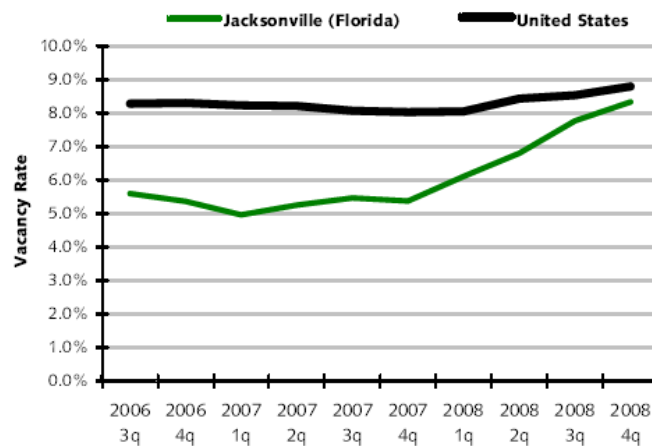
VACANCY RATES BY BUILDING TYPE 1999-2008



Source: 2009 CoStar Industrial Report

## U.S. VACANCY COMPARISON

Past 10 Quarters



Source: 2009 CoStar 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

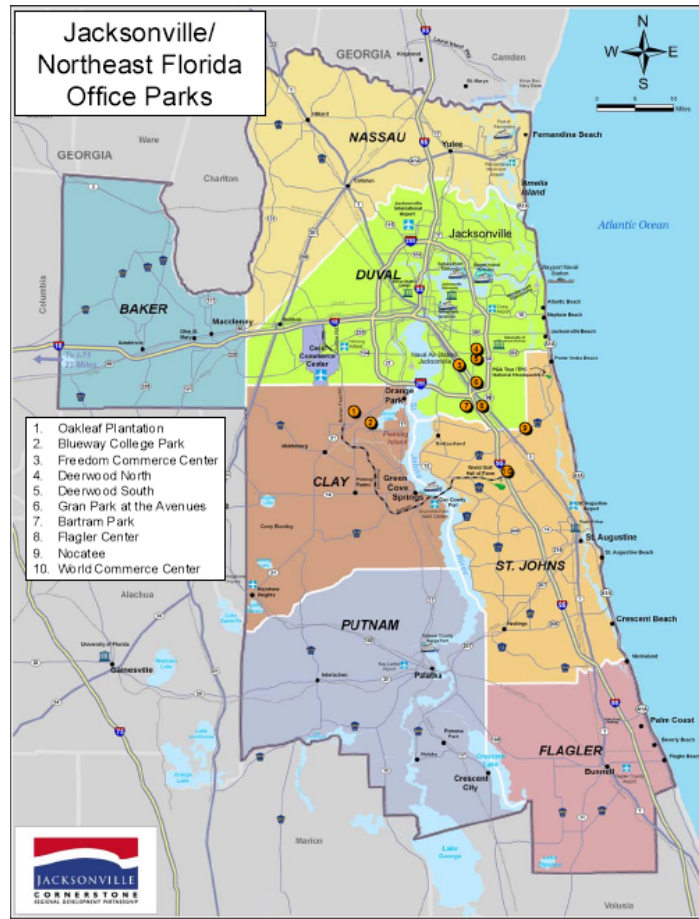
Cost of production is essentially the total cost of the regional production for each of the major sectors of industry. This variable includes changes in cost of structures, equipments, land, capital, fuels and delivery pricing.

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

## Office Parks / Space

The map below, although not exhaustive, identifies large office parks within Northeast Florida.



A search of Cornerstone's development sites search tool ([www.northeastfloridacommercialrealestate.com](http://www.northeastfloridacommercialrealestate.com)) for commercial / office sites yielded over 200 results, totaling greater than 3,000 acres of developable lands. A refined search of developable commercial / office properties of greater than 10 acres yielded 87 results, comprised of over 16,600 acres. (Note: entitlements of individual sites could not be verified).

Total office inventory in the Jacksonville market area amounted to 54,930,522 square feet at the end of the fourth quarter 2008. Office space consisted of 17,031,433 square feet of Class-A space; 23,922,542 square feet of Class-B; and 13,976,547 square feet of Class-C. Generally, between the third and fourth quarters of 2008 office space sales declined.

## Regional Exports (in billions; fixed year 2000 dollar)

Below are the exports to the rest of the nation.

Variable	2008	2009	2010	2011	2012	2013	2014	2015	2016
Forestry, Fishing, Other	0.128	0.127	0.127	0.126	0.125	0.124	0.123	0.126	0.128
Mining	0.073	0.075	0.076	0.077	0.077	0.077	0.077	0.079	0.081
Utilities	0.155	0.156	0.158	0.159	0.160	0.161	0.162	0.166	0.169
Construction	0.635	0.649	0.664	0.678	0.693	0.708	0.723	0.736	0.748
Manufacturing	5.608	5.695	5.776	5.851	5.913	5.970	6.018	6.214	6.401
Wholesale Trade	1.640	1.748	1.862	1.983	2.109	2.243	2.384	2.478	2.569
Retail Trade	0.876	0.914	0.954	0.995	1.037	1.080	1.124	1.161	1.198
Transp, Warehousing	2.865	2.960	3.055	3.149	3.238	3.326	3.411	3.514	3.614
Information	1.163	1.207	1.252	1.299	1.346	1.394	1.443	1.485	1.527
Finance, Insurance	4.700	4.824	4.950	5.080	5.206	5.336	5.466	5.614	5.759
Real Estate, Rental, Leasing	4.581	4.673	4.768	4.865	4.962	5.064	5.171	5.266	5.359
Profess, Tech Services	0.258	0.271	0.284	0.298	0.311	0.325	0.340	0.352	0.364
Mngmt of Co, Entertainment	0.160	0.168	0.176	0.185	0.194	0.203	0.213	0.221	0.228
Admin, Waste Services	1.207	1.262	1.319	1.378	1.438	1.501	1.567	1.615	1.663
Educational Services	0.093	0.096	0.099	0.101	0.104	0.106	0.109	0.112	0.115
Health Care, Social Asst	0.986	1.023	1.061	1.101	1.140	1.180	1.222	1.260	1.299
Arts, Enter, Recreation	0.228	0.237	0.245	0.254	0.263	0.272	0.282	0.290	0.298
Accommodation, Food Services	0.684	0.700	0.717	0.735	0.753	0.772	0.791	0.809	0.826
Other Services (excl Gov)	0.386	0.395	0.405	0.415	0.425	0.435	0.445	0.457	0.469

Source: REMI Insight 9.0 Data



Below are the regional international exports.

<u>Variable</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<u>Forestry, Fishing, Other</u>	<u>0.031</u>	<u>0.034</u>	<u>0.036</u>	<u>0.039</u>	<u>0.042</u>	<u>0.044</u>	<u>0.047</u>	<u>0.049</u>	<u>0.050</u>
<u>Mining</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>	<u>0.008</u>
<u>Utilities</u>	<u>0.003</u>	<u>0.003</u>	<u>0.003</u>	<u>0.004</u>	<u>0.004</u>	<u>0.004</u>	<u>0.005</u>	<u>0.005</u>	<u>0.005</u>
<u>Construction</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>
<u>Manufacturing</u>	<u>1.446</u>	<u>1.551</u>	<u>1.660</u>	<u>1.772</u>	<u>1.882</u>	<u>1.995</u>	<u>2.109</u>	<u>2.186</u>	<u>2.260</u>
<u>Wholesale Trade</u>	<u>0.559</u>	<u>0.591</u>	<u>0.623</u>	<u>0.655</u>	<u>0.684</u>	<u>0.713</u>	<u>0.741</u>	<u>0.767</u>	<u>0.792</u>
<u>Retail Trade</u>	<u>0.007</u>	<u>0.008</u>	<u>0.008</u>	<u>0.009</u>	<u>0.010</u>	<u>0.010</u>	<u>0.011</u>	<u>0.011</u>	<u>0.012</u>
<u>Transportation Warehousing</u>	<u>0.725</u>	<u>0.764</u>	<u>0.802</u>	<u>0.839</u>	<u>0.873</u>	<u>0.905</u>	<u>0.936</u>	<u>0.968</u>	<u>1.000</u>
<u>Information</u>	<u>0.074</u>	<u>0.081</u>	<u>0.089</u>	<u>0.098</u>	<u>0.106</u>	<u>0.116</u>	<u>0.125</u>	<u>0.130</u>	<u>0.134</u>
<u>Finance, Insurance</u>	<u>0.283</u>	<u>0.309</u>	<u>0.337</u>	<u>0.366</u>	<u>0.396</u>	<u>0.427</u>	<u>0.459</u>	<u>0.474</u>	<u>0.489</u>
<u>Real Estate, Rental, Leasing</u>	<u>0.417</u>	<u>0.459</u>	<u>0.503</u>	<u>0.550</u>	<u>0.598</u>	<u>0.650</u>	<u>0.703</u>	<u>0.727</u>	<u>0.751</u>
<u>Profess, Tech Services</u>	<u>0.111</u>	<u>0.123</u>	<u>0.136</u>	<u>0.149</u>	<u>0.163</u>	<u>0.177</u>	<u>0.193</u>	<u>0.200</u>	<u>0.206</u>
<u>Mngmt of Co, Enter</u>	<u>0.193</u>	<u>0.213</u>	<u>0.234</u>	<u>0.257</u>	<u>0.280</u>	<u>0.304</u>	<u>0.330</u>	<u>0.342</u>	<u>0.353</u>
<u>Admin, Waste Services</u>	<u>0.021</u>	<u>0.023</u>	<u>0.025</u>	<u>0.028</u>	<u>0.030</u>	<u>0.033</u>	<u>0.036</u>	<u>0.037</u>	<u>0.038</u>
<u>Educational Services</u>	<u>0.001</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>
<u>Health Care, Social Asst</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>
<u>Arts, Enter, Recreation</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.003</u>	<u>0.003</u>	<u>0.003</u>	<u>0.003</u>	<u>0.003</u>
<u>Accommodations, Food Services</u>	<u>0.003</u>	<u>0.004</u>	<u>0.004</u>	<u>0.004</u>	<u>0.005</u>	<u>0.005</u>	<u>0.006</u>	<u>0.006</u>	<u>0.006</u>
<u>Other Services (excl Gov)</u>	<u>0.001</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.002</u>	<u>0.003</u>

Source: REMI 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

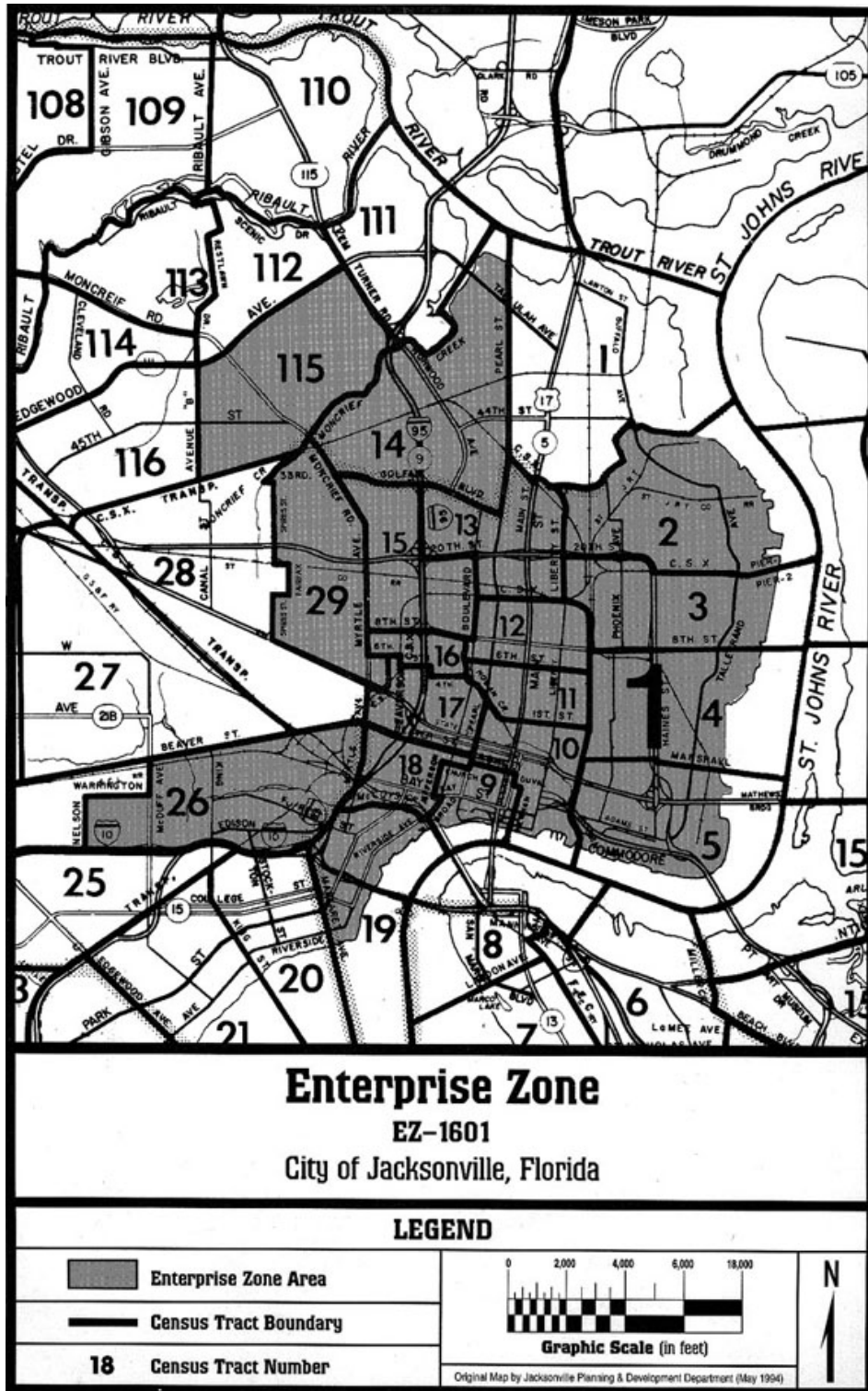
The City of Jacksonville applied for and received an urban Enterprise Zone designation, effective July 1, 1995. Jacksonville's Enterprise Zone is approximately 16.3 square miles with a population of 59,653. (see attached map)

### Putnam County

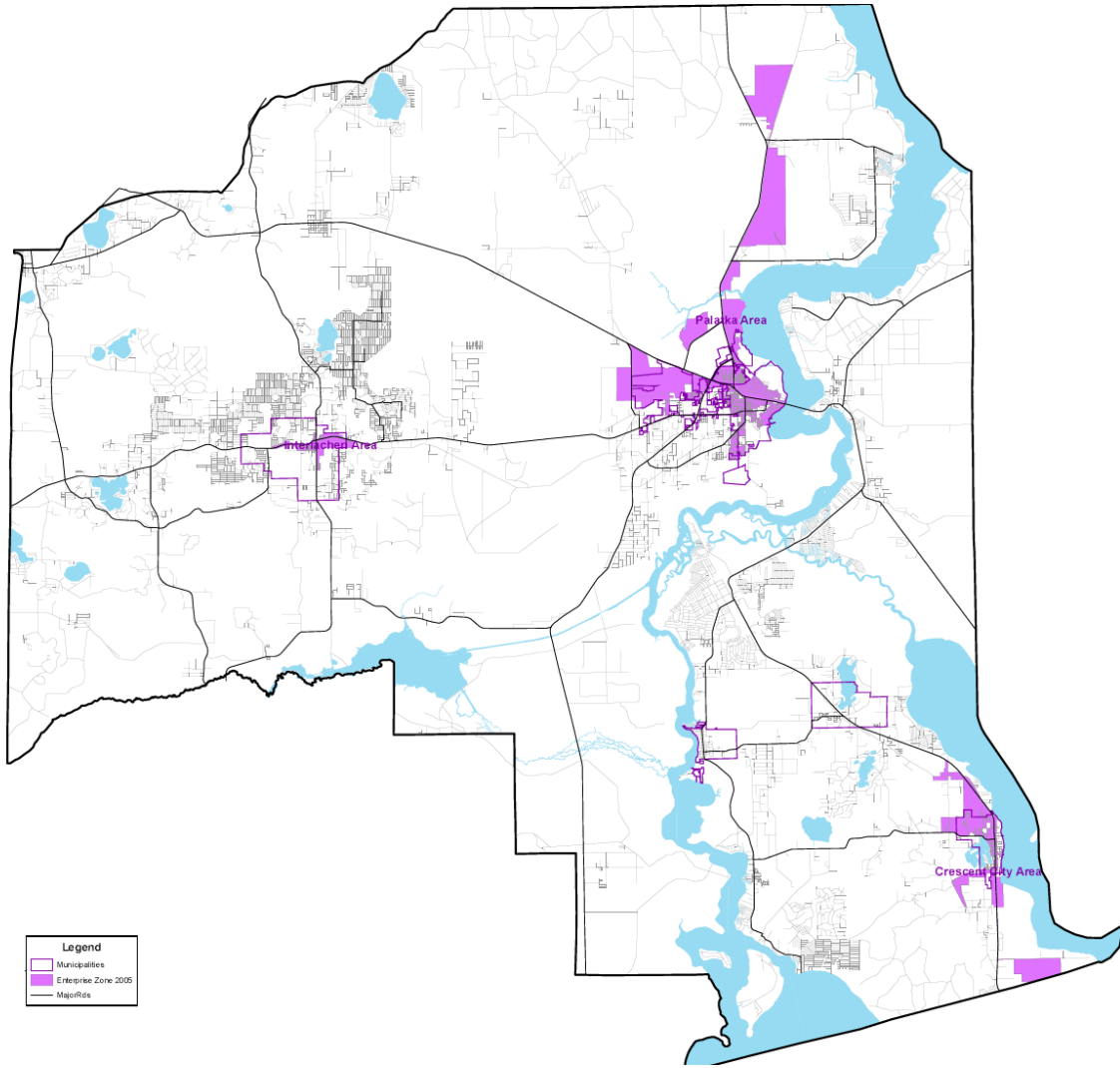
There are several areas within Putnam County that have been designated as rural Enterprise Zones. (see attached map)



Source: Enterprise Florida



Source: City of Jacksonville



**Putnam County Enterprise Zones**

## **Foreign Trade Zones**

Foreign Trade Zones are advantageous to companies engaged in foreign trade. Items processed in Foreign Trade Zones and then re-exported are afforded duty-free treatment.

There ~~is are only one~~ two Foreign Trade Zones in Northeast Florida: JaxPort, in Duval County, and the Volusia County Foreign Trade zone, which has hubs in Palm Coast (Pine Lakes/Palm Coast Industrial Park) and Bunnell (Flagler County Airport).

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](http://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 through 2013.

## **Champion Communities**

In 1993, the United States Department of Agriculture (USDA) created “Champion Communities.” In order to be chosen as a Champion Community, an area must have in place a strategic plan and provide USDA with annual updates on their benchmarks.

Much like for areas designated as Empowerment Zones or as Enterprise Zones, there are benefits to Champion Communities designed to make them competitive for economic growth. These benefits include:

- Priority points for USDA Rural Development Programs.
- Special benefits in law (e.g., eligibility for direct receipt of excess Federal Property.
- Special Conferences for Champions (national, regional and/or state)
- Web Site for Champion Communities.
- On-line benchmark management and reporting system for Champion Communities.
- Special Technical Assistance from USDA Rural Development field offices for the purposes of enhancing capacity-building within community organizations and for implementation of the strategic plan.
- National Office of Community Development letters of support for Champion Community grant applications to other programs.

In Northeast Florida, the City of Palatka (and portions of unincorporated Putnam County contiguous to Palatka) is designated as Champion Communities. The Putnam County Chamber of Commerce is the designated leader of this Champion Community. The strategic plan for this Champion Community includes increasing funds to both expand existing business and to attract new businesses; revitalize downtown Palatka; and improve the education system by instituting character education and interpersonal communication and citizen skills.

## Military Installations

Northeast Florida has three primary active military installations: Naval Air Station at Jacksonville (NAS Jacksonville), Naval Station at Mayport (NS Mayport), and Camp Blanding. According to Enterprise Florida, military and defense operations in Florida contribute over \$52 billion to the economy. Regionally, the total regional economic impact to Northeast Florida is estimated at \$14.1 billion (Source: Enterprise Florida, *Florida Defense Factbook*). Additionally, the military and defense economic impacts have risen approximately 10% each year for the past six years.

According to the Florida Defense Factbook, a program of Enterprise Florida, procurement, salaries, and pensions / transfers accounted for \$4.1 billion in defense spending within Northeast Florida. Directly and indirectly, the military is responsible for 188,900 jobs in Northeast Florida. The average wage earning per military job in Northeast Florida is \$40,000 per year.

### Camp Blanding Joint Training Center

Camp Blanding, the primary training facility for the Florida Army National Guard, serves the training needs for active Army and Reserve units as well as Army and Air National Guard units. It is capable of billeting 3,000 soldiers and has over 50 live-fire ranges that can accommodate light weapons and crew served weapons, including mortars, and artillery.

### Naval Station Mayport

Since its commissioning in December 1942, Naval Station Mayport has grown to become the third largest fleet concentration area in the United States. Mayport's operational composition is unique, with a busy harbor capable of accommodating 34 ships and an 8,000-foot runway capable of handling any aircraft in the Department of Defense inventory.

In November of 2008, the Navy chose Mayport as home to a nuclear carrier. The nuclear carrier will bring to Northeast Florida 3,200 new, permanent jobs. The number of jobs will increase to up to 5,000 with the addition of the accompanying air squadrons. (Source: Jacksonville Business Journal, *Mayport To Get Nuclear Carrier*, November 17, 2008.)

### Naval Air Station (NAS) Jacksonville

NAS Jacksonville employs over 24,000 civilian and active duty personnel (14,920 active duty, and 10,325 civilian personnel). NAS Jacksonville is home to the Navy's largest aviation squadron, Patrol Squadron Thirty (VP-30), and is an aviation maintenance training facility. The economic impact of NAS Jacksonville is calculated at \$2.7 billion annually. In salaries alone, NAS Jacksonville is directly responsible for over \$1.1 billion per year. (Source: Enterprise Florida, *Florida Defense Factbook*).

## Tourism

Northeast Florida is abundant in tourist attractions. Temperatures range from an average of 58 degrees F in the winter to 85 degrees in the summer. The abundance of natural resources and water related activities provides a plethora of activities in this region. Four of the seven counties that comprise Northeast Florida have coastlines. The St. Johns River bifurcates the region, providing for boating, fishing, and other activities within its waters, adjacent water bodies, and tributaries.

In the very northeast quadrant of Florida in Amelia Island with Fernandina Beach, an old Army fort at Fort Clinch State Park, the Talbot Islands State Parks and the Kingsley Plantation on Fort George Island. The port city of Jacksonville is just inland from this area and cruises, sports events and tourism attractions.

At the World Golf Village, which contains both permanent residences and hotel accommodations, is the World Gold Hall of Fame. Within the World Golf Complex there are two championship golf courses, an Imax theatre, restaurants, and a spa.

The TPC (The Players Championship) Sawgrass is home to the Players Stadium Course, which is a Pete Dye-designed course and home to the Players Championship, a major stop on the PGA tour with a \$9.5 million dollar purse.

Northeast Florida is also home to St. Augustine, the county's oldest occupied city. St. Augustine was founded in 1560, and is home to the Castillo de san Marcos, a Spanish fort on the estuary known as the Matanzas River.

The following is a list of natural resources that are within our region, or within proximity to our region, that are of state-wide and national significance:

- Big Shoals: pre-Columbian site, turpentine camp, homesites.
- Big Talbot Island State Park: Grand Site pre-Columbian shell ring. National Register of Historic Places.
- Dudley Farm State Historic Site: historic farmstead.
- Fernandina Plaza State Historic Site: historic Plaza San Carlos.
- Fort Clinch State Park: historic Third System masonry fort (1840s -1899), CCC structures. National Register of Historic Places.
- Fort George Island State Cultural Site: historic Ribault Clubhouse, pre-Columbian mounds and archaeological sites, pre-Columbian shell ring.
- Ichetucknee Springs State Park: pre-Columbian archaeological sites, historic phosphate mines.
- Marjorie Kinnan Rawlings State Historic Site: historic Pulitzer Prize winning author's house, outbuildings. National Register of Historic Places.
- Mike Roess Gold Head Branch State Park: CCC structures, mill site.
- Olustee Battlefield State Historic Site: 1864 Civil War battle site, monument. National Register of Historic Places.



- [Paynes Prairie State Preserve: pre-Columbian archaeological sites, pioneer ranching remains.](#)
- [San Felasco Hammock State Preserve: pre-Columbian archaeological sites, historic tung oil and cotton farming/transportation site.](#)
- [Stephen Foster State Folk Culture Center: historic White Sulphur Springs spring house, visitor center, exhibits, restored carillon.](#)
- [Suwannee River State Park: historic town of Columbus cemetery, stage coach road, Confederate \(Civil War\) fortifications.](#)
- [Yellow Bluff Fort State Historic Site: Civil War \(Union\) fortification. National Register of Historic Places.](#)
- [Yulee Sugar Mill Ruins: remains of 1830s sugar mill owned by Florida's first U.S. Senator. National Register of Historic Places](#)

## AGRICULTURE

The table below lists the market value of agricultural products in 2007 on a state and county breakdown. For three of our seven counties, Baker, Clay and Duval, information was not available within the 2007 Agricultural Census produced by the United States Department of Agriculture, National Agricultural Statistics Service.

Note: for Baker, Clay and Duval counties, their respective agricultural product market values were not shown. Rather, the document states that their information was “withheld to avoid disclosing data for individual farms.” Consequently, regional data could not be calculated either.

<u>Total Market Value of Agricultural Products</u>	
-	<b><u>\$7,785,228,000</u></b>
<b><u>Florida</u></b>	
<u>Baker County</u>	<u>Census data withheld</u>
<u>Clay County</u>	<u>Census data withheld</u>
<u>Duval County</u>	<u>Census data withheld</u>
<u>Flagler County</u>	<u>\$35,140,000</u>
<u>Nassau County</u>	<u>\$8,344,000</u>
<u>Putnam County</u>	<u>\$37,544,000</u>
<u>St. Johns County</u>	<u>\$53,476,000</u>
<b><u>Region</u></b>	<b><u>Cannot be determined</u></b>

Source: USDA 2007 Census of Agriculture

As shown in the table above, in 2007 the total market value for agricultural products in the state was \$7,785,228,000. In that same year, the net cash income to farmers (referred to in the agricultural census as “farm operators”) was over 268 million dollars, up over 600 thousand dollars from 2002. However, as shown below, the region was down 29 million dollars during this same time period.

<u>Net Cash Income (of farm operators)</u>		<u>Net Cash Income Difference</u>	
-	<u>2002</u>	<u>2007</u>	
-	<u>Between 2007 and 2002</u>		
<b><u>Florida</u></b>	<b><u>\$1,652,232,000</u></b>	<b><u>\$2,268,275,000</u></b>	<b><u>\$616,043,000</u></b>
<u>Baker County</u>	<u>\$4,943,000</u>	<u>-\$1,361,000</u>	<u>-\$6,304,000</u>
<u>Clay County</u>	<u>\$13,879,000</u>	<u>-\$3,091,000</u>	<u>-\$16,970,000</u>
<u>Duval County</u>	<u>-\$3,650,000</u>	<u>-\$3,136,000</u>	<u>\$514,000</u>
<u>Flagler County</u>	<u>\$7,044,000</u>	<u>\$11,289,000</u>	<u>\$4,245,000</u>
<u>Nassau County</u>	<u>\$2,385,000</u>	<u>-\$1,410,000</u>	<u>-\$3,795,000</u>
<u>Putnam County</u>	<u>\$19,663,000</u>	<u>\$13,328,000</u>	<u>-\$6,335,000</u>
<u>St. Johns County</u>	<u>\$17,636,000</u>	<u>\$17,269,000</u>	<u>-\$367,000</u>
<b><u>Region</u></b>	<b><u>\$61,900,000.00</u></b>	<b><u>\$32,888,000.00</u></b>	<b><u>-\$29,012,000</u></b>

Source: USDA 2007 Census of Agriculture

The following table shows the number of farms, total land in farms, average farm size, and estimated market value of those farms (based on land and buildings). As illustrated below, regionally Northeast Florida farms, on average, have an estimated market value greater than the state's average. However, this is due to Flagler County average farm values far exceeding both the state's average and the other six counties' respective averages.

	<u>Farms (number)</u>	<u>Land (in farms - acreage)</u>	<u>Average Size</u>	<u>Estimated Market Value (land and buildings) - Average Farm value</u>
<b>Florida</b>	<b>47,463</b>	<b>9,231,570</b>	<b>195</b>	<b>\$1,096,718</b>
Baker County	344	26,723	78	\$496,345
Clay County	374	41,537	111	\$36,344
Duval County	371	26,774	72	\$639,475
Flagler County	82	58,396	712	\$2,833,332
Nassau County	449	31,277	70	\$441,968
Putnam County	469	74,482	159	\$845,062
St. Johns County	194	33,546	173	\$1,520,754
<b>Region</b>	<b>2,283</b>	<b>292,735</b>	<b>196</b>	<b>\$1,130,000</b>

Source: USDA 2007 Census of Agriculture

In 2007, there were 379 farms within our region that reported as having employees. Total payroll in 2007 for farm workers exceeded 27 million dollars, as shown by the table below:

	<u>Farms (that reported)</u>	<u>Number of Workers</u>	<u>Payroll Totals</u>
<b>Florida</b>	<b>10,081</b>	<b>115,306</b>	<b>\$1,208,631,000</b>
Baker County	36	139	\$2,547,000
Clay County	56	Farms	\$3,497,000
Duval County	60	264	\$3,799,000
Flagler County	22	361	\$2,989,000
Nassau County	28	96	\$577,000
Putnam County	93	832	\$6,471,000
St. Johns County	84	806	\$7,373,000
<b>Region</b>	<b>379</b>	<b>2,498</b>	<b>\$27,253,000</b>

## TRANSPORTATION

Much like the rest of the nation, transportation in Northeast Florida faces many challenges. The traditional solution to road problems is to make the road wider, straighter and faster. The Northeast Florida region indicates more persons are dependent on vehicles than before, with commute times over 25 minutes and an average of 32 miles to 55 miles of vehicle miles traveled. Walking, biking or using transit is a combined 4 percent of the mode commuters' use to get to work while 81 percent drive alone and 13 percent car pool. Low density, sprawling development patterns has resulted in a declining transit ridership. This is contrary as to what is typically expected for a large metropolitan area. Jacksonville is the largest city in Florida and the fourth largest metropolitan area in the United States.

With fiscal constraints, congested roadways, longer commute times, lack of accessibility and growing environmental pressures, resolving transportation issues are complicated and challenging. The continued expansion of existing congested roads and the building of new roads to accommodate low density, large scale development have not solved the transportation issues faced in the region. Local governments, engineers, planners, community activists and agencies are beginning to coordinate local land use planning in an effort to reduce the number of trips on the congested roadways, address fiscally constrained facilities and to react to new environmental legislation.

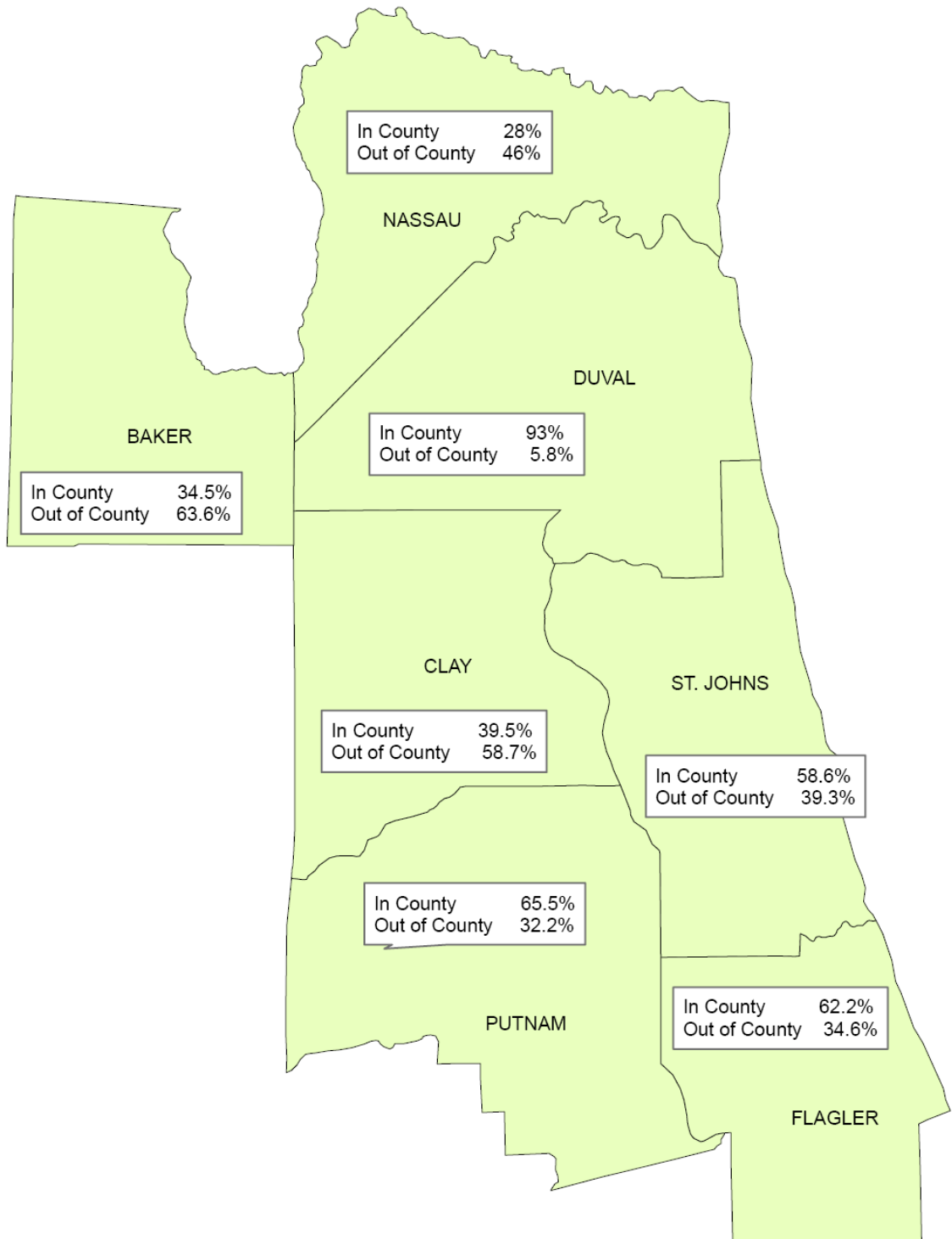
The figure on the following page compares the percentage of workers commuting within the county they reside to the or to another county in the region. Duval County has the highest percentage of workers commuting within the county.

[From 1992 to 2006 the region has seen an increase in commuters driving alone. Commuters in the last fourteen years appear to carpool less and work at home less. Public transportation has seen a slight increase but not significant.](#)

<u><a href="#">Commute to Work 1992-2006</a></u>		
	<u><a href="#">1992</a></u>	<u><a href="#">2006</a></u>
<u><a href="#">Drive Alone</a></u>	<u><a href="#">77%</a></u>	<u><a href="#">81%</a></u>
<u><a href="#">Carpool</a></u>	<u><a href="#">15%</a></u>	<u><a href="#">13%</a></u>
<u><a href="#">Public Transportation</a></u>	<u><a href="#">&lt;1%</a></u>	<u><a href="#">1%</a></u>
<u><a href="#">Walked</a></u>	<u><a href="#">0</a></u>	<u><a href="#">2%</a></u>
<u><a href="#">Bicycle</a></u>	<u><a href="#">0</a></u>	<u><a href="#">&lt;1%</a></u>
<u><a href="#">Worked at Home</a></u>	<u><a href="#">4.3%</a></u>	<u><a href="#">1%</a></u>

[Source: BEBR, 2007 Florida Statistical Abstract](#)

# Percent Worker Commute



Prepared by the Northeast Florida Regional Planning Agency:- Source 2006 American Community Survey

Between 2000 to 2006, there was not a significant increase in average commute times. However, nor has there been any significant reduction in commute time, which are still over 25 minutes. Twenty percent of the commuters have a 30 plus minute commute time.

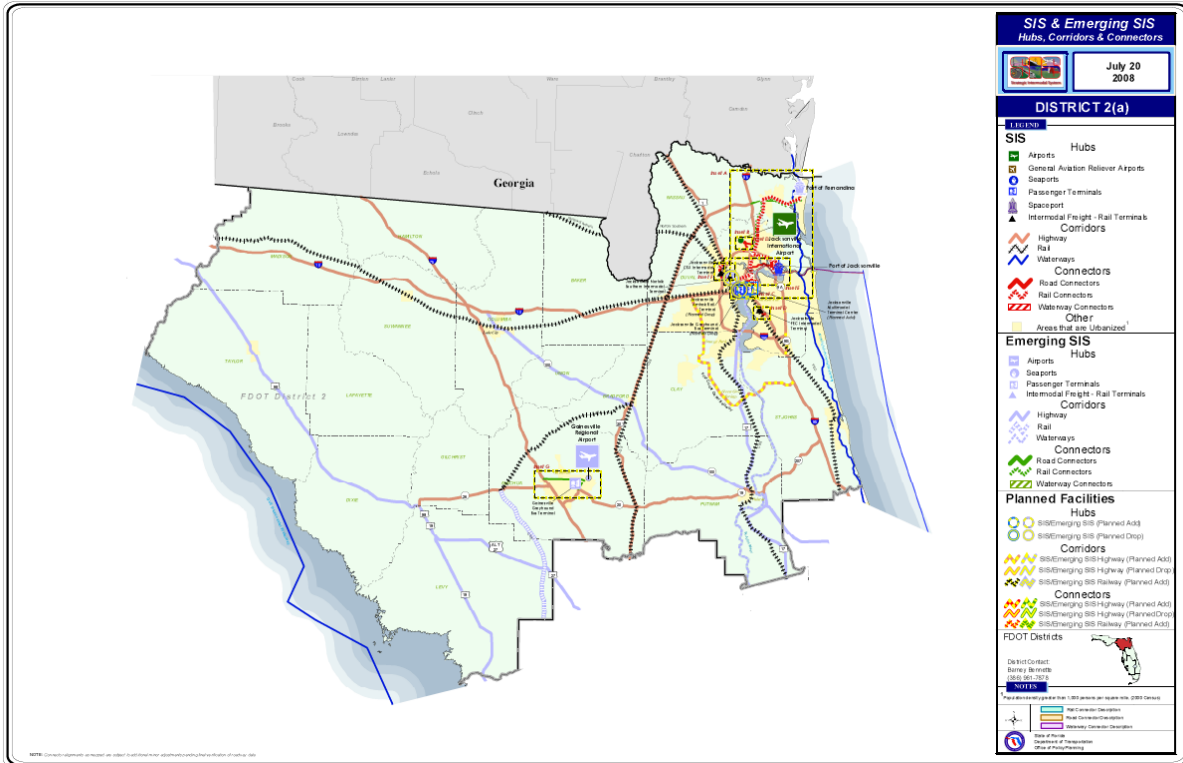
<b>Mean Travel Time to Work of Workers 16 Years and Over, 2000 and 2006</b>			
<b>County</b>	<b>Average Minutes 1992</b>	<b>Average Minutes 2000</b>	<b>Average Minutes 2006</b>
<u>Baker</u>	<u>25.3</u>	<u>32.7</u>	<u>unavailable</u>
<u>Clay</u>	<u>27.7</u>	<u>33.5</u>	<u>33.4</u>
<u>Duval</u>	<u>21.1</u>	<u>25.2</u>	<u>23.1</u>
<u>Flagler</u>	<u>19.6</u>	<u>25.9</u>	<u>22.9</u>
<u>Nassau</u>	<u>24.4</u>	<u>28.2</u>	<u>28.2</u>
<u>Putnam</u>	<u>22.3</u>	<u>29.3</u>	<u>30.6</u>
<u>St. Johns</u>	<u>20.8</u>	<u>26.3</u>	<u>25.0</u>
<b><u>Northeast Florida Total</u></b>	<b><u>23.02</u></b>	<b><u>28.7</u></b>	<b><u>27.2</u></b>

*Source: US Census Bureau (2006 data not available for Baker County)*

### **Strategic Intermodal System (SIS) (FDOT District 2)**

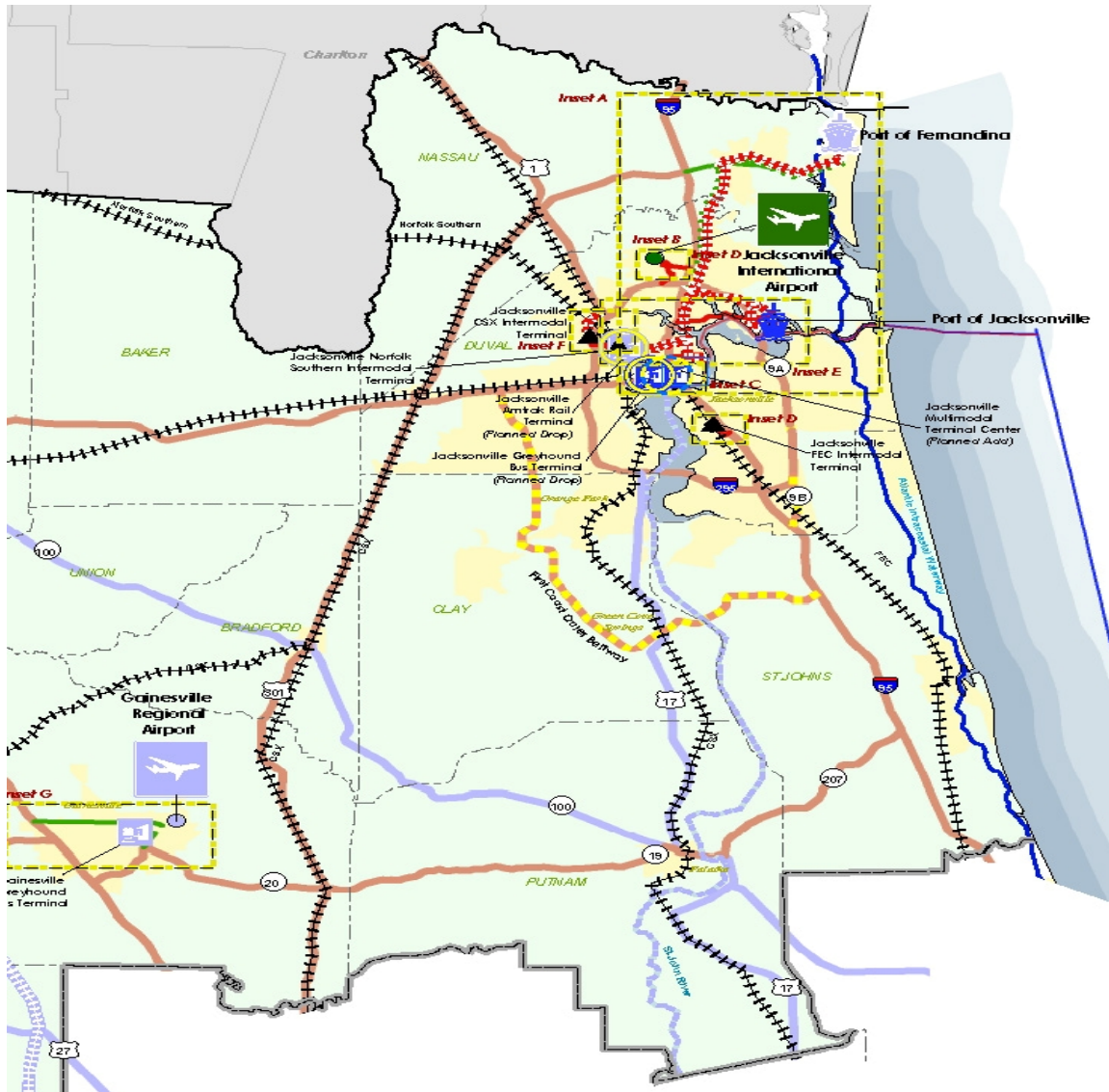
Florida's Strategic Intermodal System (SIS) is a transportation system that consists of a strategic statewide and regionally significant facilities and services that moves both people and goods by various forms of transportation. This includes linkages that provide for smooth and efficient transfers between modes and major facilities and Integrates individual facilities, services, forms of transportation modes and linkages into a single, integrated transportation network.

The SIS is a statewide network of high-priority transportation facilities, including the state's largest and most significant commercial service airports, spaceport, deepwater seaports, freight rail terminals, passenger rail and intercity bus terminals, rail corridors, waterways and highways. These facilities are the workhorses of Florida's transportation system, carrying more than 99 percent of all commercial air passengers, virtually all waterborne freight tonnage, almost all rail freight, and more than 68 percent of all truck traffic and 54 percent of total traffic on the State Highway System.



Source: Florida Department of Transportation

[The following map on the following page is a more detailed view of the SIS facilities within Northeast Florida.](#)



Source: FDOT

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

Jacksonville Transportation Authority (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.

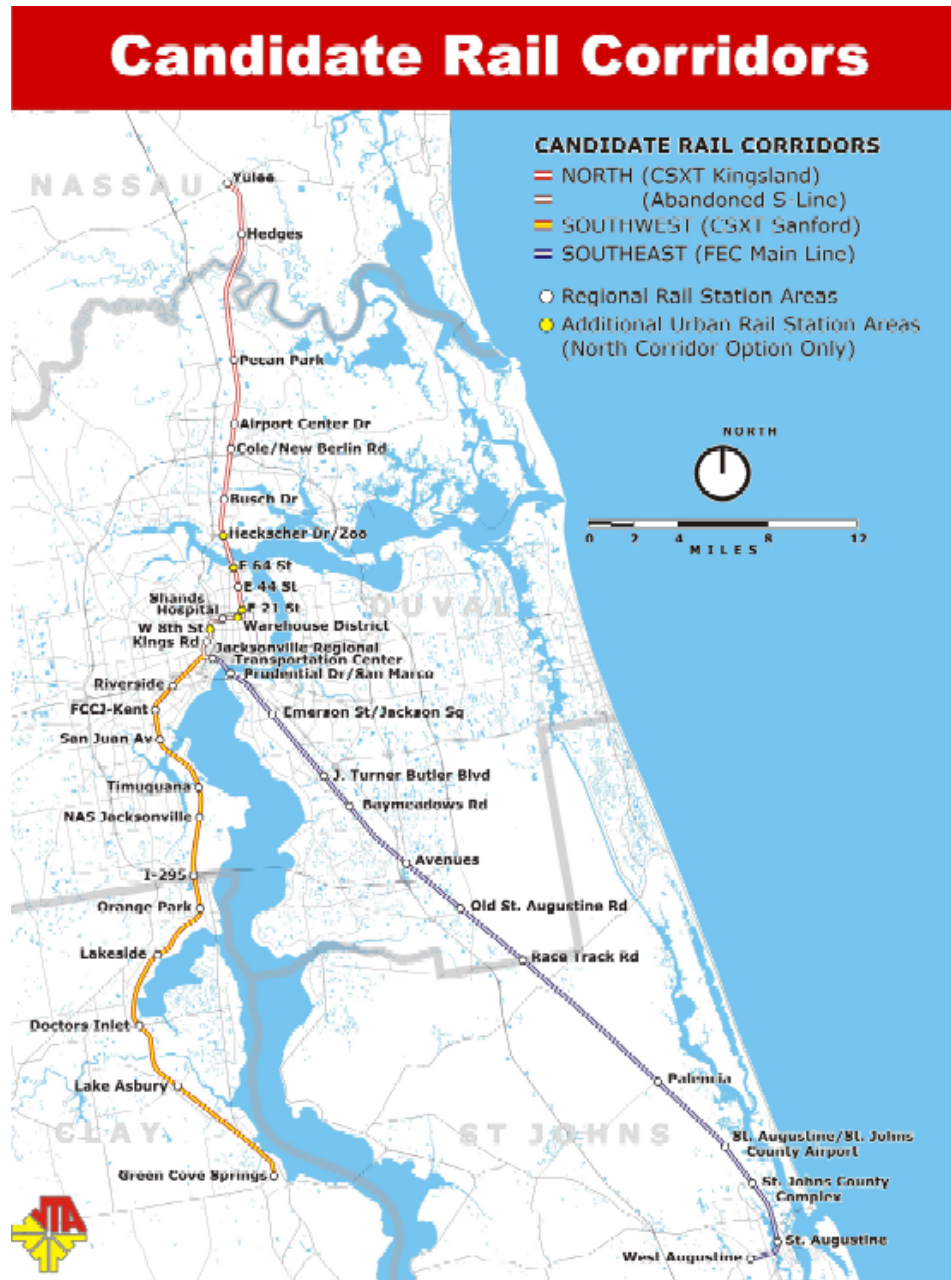
The Florida Department of Transportation, the North Florida TPO and the JTA all have policies to build bicycle lanes in conjunction with road widening and new construction, so the convenience and safety of that mode may increase, and ultimately may increase the share of trips to work using that mode.

Transit ridership has steadily increased within the region. Fluctuations in ridership levels have been attributed to route enhancements and route restructuring. As JTA enhances the existing system and expands the routes with adequate funding sources, the ridership levels will continue to increase at a steady rate per year.

<b>Transit Ridership 1996-2007</b>		
<b>Fiscal Year</b>	<b>Ridership</b>	<b>% of Change from Previous Year</b>
1996	8,366,290	-5.42%
1997	8,482,710	1.39%
1998	8,491,986	0.11%
1999	8,429,728	-0.73%
2000	8,193,522	-2.80%
2001	8,011,384	-2.22%
2002	8,024,989	0.17%
2003	8,484,871	5.73%
2004	8,934,824	5.30%
2005	9,765,754	9.30%
2006	10,489,396	7.41%
2007	10,171,217	-3.03%

Source: JTA

The following map depicts candidate rail corridors as determined by JTA:



### Transit Oriented Development (TOD)

The trend toward developing Transit Oriented Developments to create more livable and sustainable communities is gaining momentum as local communities strive to meet the challenges of a changing environment. Transit-oriented development is often defined as higher-density mixed-use development within walking distance – or a half mile – of transit stations. We use a performance-based definition, and believe that projects should also:

- [Increase “location efficiency” so people can walk and bike and take transit](#)
- [Boost transit ridership and minimize traffic](#)
- [Provide a rich mix of housing, shopping and transportation choices](#)
- [Generate revenue for the public and private sectors and provide value for both new and existing residents](#)
- [Create a sense of place](#)

[The existing development pattern in Northeast Florida is auto-dependent and is characterized by sprawling suburban and exurban communities radiating out from the City of Jacksonville to the outlying counties that define this region. In addition, the region has limited transit options and does not yet have a well-defined plan for multi-modal transit options. Jacksonville Transit Authority \(JTA\) is in the process of developing a multi-modal strategy for the region although there is no existing network. However, there is potential to modify existing right-of-way and share right-of-way with existing rail lines to establish future multi-modal corridors with Northeast Florida. Currently, the region does not have any transit oriented developments. There have been some developer driven initiatives to create mixed-use transit oriented communities, but none have been built.](#)

[Source:](#)

[Reconnecting America](#)

<http://www.reconnectingamerica.org/public/tod>

[Jacksonville Transportation Authority](#)

### **Transportation Disadvantaged**

The Transportation Disadvantaged program is a statewide program whose mission is to insure the availability of efficient, cost-effective, and quality transportation services for transportation disadvantaged persons.

"Transportation Disadvantaged" means those persons who because of physical or mental disability, income status, or age are unable to transport themselves or to purchase transportation and are, therefore, dependent upon others to obtain access to health care, employment, education, shopping, social activities, or other life-sustaining activities, or children who are handicapped or high-risk or at-risk as defined in s. [411.202](#), F.S.

County programs serving the transportation disadvantaged within our region served between approximately 2% and 19% passengers in 2007. The actual percentage of the transportation disadvantaged population served in 2007, by county, is contained in the table on the following page:

Population of Transportation Disadvantaged Serviced in 2007						
Baker	Clay	Duval	Flagler	Nassau	Putnam	St. Johns
5.85%	4.92%	2.26%	15.48%	10.15%	19.29%	9.46%

The 2007 Annual Performance Report of the Florida Commission for the Transportation Disadvantaged noted that statewide, costs are going up and it is the ingenuity of local governments and service providers that is responsible for the success of the program.

## 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 the commercial, business and recreational aviation needs of the region.

Jacksonville International Airport (JIA) 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.

<b>JIA Statistics - 2008</b>	
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

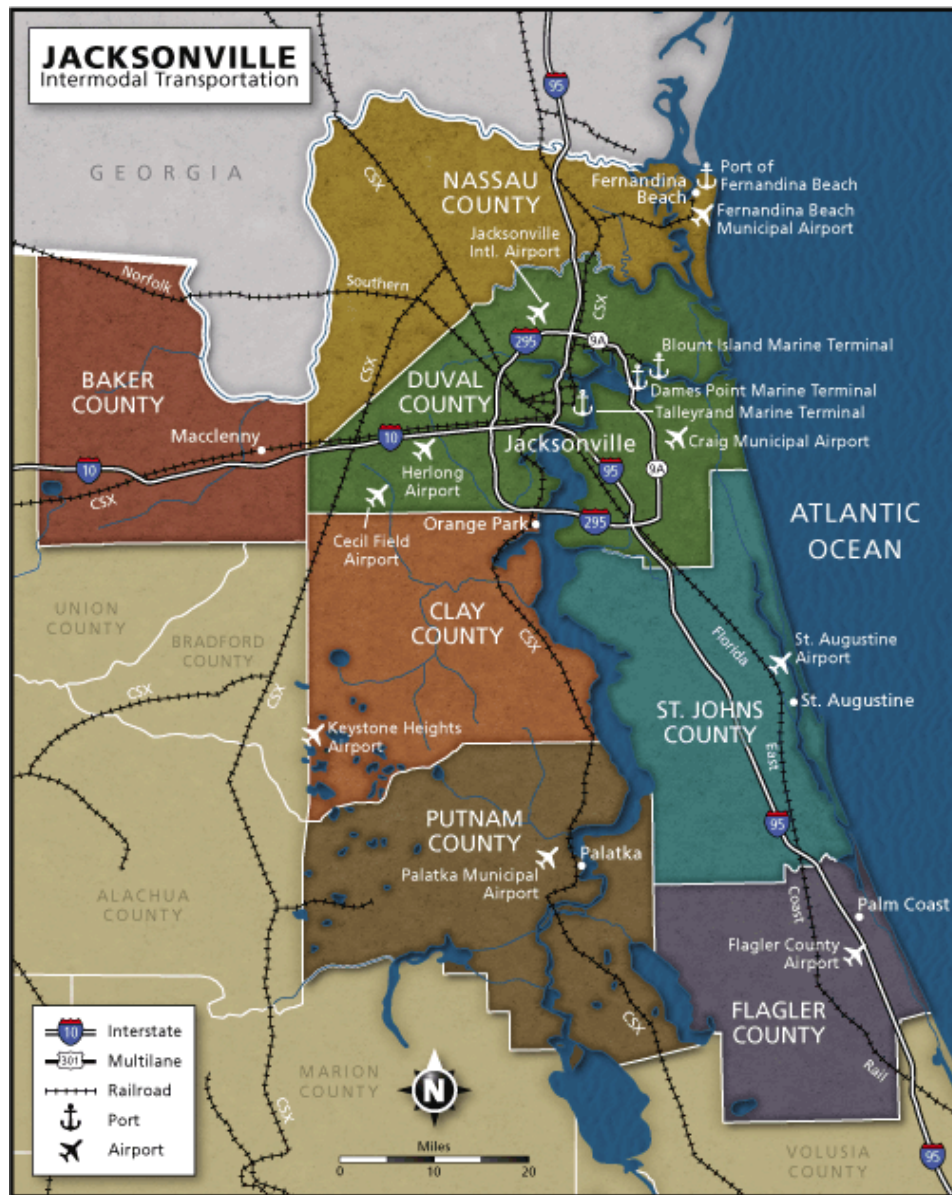
Source: [http://www.jia.aero/Ai\\_Aviation.aspx](http://www.jia.aero/Ai_Aviation.aspx)

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

In 1982, Jacksonville International Airport was serving approximately two million passengers a year. Additional airline service in the late 1980's and early 1990's created a need to expand the airport complex. The airport served over five million passengers annually by 1999, and an airport expansion plan was approved in 2000. The first phase, which included rebuilding the landside terminal, the central square and main concessions area, as well as consolidating the security checkpoints to a single location, and adding more parking capacity, was completed in 2004-2005. In 2007, 6,319,016 passengers were served by JIA.

[The second phase of the expansion program began in mid-2006 and was projected to cost about \\$170 million over a three year period. This program included demolishing concourses A and C of the airside terminal \(which for the most part are built to late-1960's standards\), to be completely replaced with more spacious, modern facilities which will also accommodate more gates. These two new concourses are slated to open by the spring of 2009. Concourse B will be rebuilt at a later date. Also included in the program is a further expansion of the parking system and a new automated baggage screening system.](#)

## **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 [Twenty-Foot Equivalent Units \(TEUs\)](#)<sup>1</sup> 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 is also 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 cargo, 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

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<sup>1</sup> [Twenty-foot Equivalent Units = the volume of cargo that can be contained in a conventional 20-foot long shipping container. One TEU = 1,360 cubic feet of cargo.](#)

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 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.

[The following tables show JaxPort cargo statistics \(2008\) and TEU data for the 14 deep water ports of Florida.](#)

<b>JaxPort Cargo Statistics - 2008</b>	
Vessel Calls	1,827
Tonnage	
Containerized	3,600,716
Break bulk	952,553
Bulk	2,475,868
Automobiles	1,366,373
<b>Total</b>	<b>8,395,510</b>
Cruise Vessel Calls	50

Source: JaxPort



**Twenty-foot Equivalent Units  
(2006)**

	<b><u>TEU</u></b>	<b><u>Percent of United States</u></b>
<u>Canaveral</u>	<u>1,047</u>	<u>Less than 1/100 of 1%</u>
<u>Everglades</u>	<u>864,030</u>	<u>1.95%</u>
<u>Fernandina</u>	<u>37,906</u>	<u>0.9%</u>
<u>Fort Pierce</u>	<u>11,600</u>	<u>0.3%</u>
<u>Jacksonville</u>	<u>768,239</u>	<u>1.73%</u>
<u>Key West</u>	<u>0</u>	<u>0%</u>
<u>Manatee</u>	<u>5,576</u>	<u>0.01%</u>
<u>Miami</u>	<u>976,514</u>	<u>2.20%</u>
<u>Palm Beach</u>	<u>344,000</u>	<u>0.55%</u>
<u>Panama City</u>	<u>58,000</u>	<u>0.13%</u>
<u>Pensacola</u>	<u>300</u>	<u>0.00</u>
<u>St. Joe</u>	<u>0</u>	<u>0.00</u>
<u>St. Petersburg</u>	<u>0</u>	<u>0.00</u>
<u>Tampa</u>	<u>24,253</u>	<u>0.05%</u>

Source: Florida Department of Transportation, SIS Data and Designation Update Report (2008)

Jacksonville and Port of Fernandina Beach both contain a natural deepwater seaports located in Nassau County. It is They are full-service ports and provides terminal handling and stevedoring services. It They can handle container and conventional vessels with warehousing and crane services.

	<b><u>Tonnage</u></b>	<b><u>Percent of United States</u></b>	<b><u>SIS Facility</u></b>
<u>Canaveral</u>	<u>4,553,756</u>	<u>0.18%</u>	<u>Emerging</u>
<u>Everglades</u>	<u>26,585,683</u>	<u>1.03%</u>	<u>SIS</u>
<u>Fernandina</u>	<u>533,422</u>	<u>0.02%</u>	
<u>Fort Pierce</u>	<u>316,000</u>	<u>0.01%</u>	
<u>Jacksonville</u>	<u>23,649,730</u>	<u>0.91%</u>	<u>SIS</u>
<u>Key West</u>	<u>0</u>	<u>0.00%</u>	
<u>Manatee</u>	<u>9,416,809</u>	<u>0.36%</u>	<u>SIS</u>
<u>Miami</u>	<u>8,654,371</u>	<u>0.33%</u>	<u>SIS</u>
<u>Palm Beach</u>	<u>4,300,000</u>	<u>0.17%</u>	<u>Emerging SIS</u>
<u>Panama City</u>	<u>1,788,000</u>	<u>0.07%</u>	<u>Emerging SIS</u>
<u>Pensacola</u>	<u>854,810</u>	<u>0.03%</u>	
<u>St. Joe</u>	<u>0</u>	<u>0.00%</u>	
<u>St. Petersburg</u>	<u>0</u>	<u>0.00%</u>	
<u>Tampa</u>	<u>48,841,161</u>	<u>4.98%</u>	<u>SIS</u>

## Port Expansion

To better serve existing and future port users, JAXPORT is continuing to improve its three marine terminals and Jacksonville's harbor.

At the Dames Point Marine Terminal, JAXPORT and Mitsui O.S.K. Lines, Ltd., (MOL), a Tokyo-based logistics and ocean transportation company, have constructed a 158-acre container-handling facility. The TraPac Container Terminal includes two 1,200-foot berths, six Post-Panamax container cranes, and other infrastructure necessary to accommodate MOL's operations.

In December 2008, JAXPORT and 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

At the new TraPac Container Terminal, two 1,200-foot berths line a 158-acre facility used by Mitsui O.S.K. Lines (MOL) and its terminal operating partner, TraPac, to load and unload container ships sailing to and from ports in Asia.

Currently, JAXPORT and the Florida Department of Transportation (FDOT) are funding road improvements at State Road 9-A/Heckscher Drive and Hecksher Drive/New Berlin Road, which are needed to accommodate projected increases in vehicle traffic in the area.

This facility will eventually create more than 1,600 new direct jobs in Jacksonville and thousands of additional jobs throughout Northeast Florida.

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 the Dames Point Marine Terminal in north Jacksonville. The lease contains an option for further expansion. The \$300 million Hanjin Container Terminal at Dames Point is expected to open for business in late 2011 and will be a key hub operation for Hanjin's east coast port activity.

The new agreement is expected to create more than 5,600 new private sector jobs in Jacksonville and support operations in trucking, distribution and related services. The terminal will generate nearly \$1 billion in annual economic impact.

As South Korea's largest container carrier, Hanjin moves more than 100 million tons of cargo annually and operates in more than 50 countries, which also makes the company the sixth largest container carriers in the world. In the U.S., Hanjin subsidiary Total Terminal International presently runs dedicated terminal operations in Seattle, Long Beach and Oakland. The Hanjin Container Terminal will be the company's first dedicated U.S. operation outside the west coast, a strategic move meant to capitalize on the expansion of the Panama Canal and the anticipated increase in container traffic along the east coast.

Here are a few key facts about the new terminal:

- As part of the CKYH Alliance, Hanjin is allied with China-based China Ocean Shipping Co. (COSCO), Japan-based Kawasaki Kisen Kaisha Ltd. ("K" Line) and Taiwan-based Yang Ming Line.
- The Hanjin fleet includes some 200 containerships and bulk and liquefied natural gas carriers.
- Hanjin's lease with JAXPORT spans 30 years, with an option for a 10-year extension.
- JAXPORT will design, permit and finance the Hanjin terminal project and perform and complete the construction.
- The terminal will include two 2,500-foot berths able to accommodate post-Panamax vessels.
- Terminal capacity is designed for annual handling of more than 800,000 twenty-foot-equivalent container units, or TEUs.
- A dual operating system will utilize rubber-tired gantries and rail-mounted gantry cranes.
- A computerized operating system will facilitate free flow of information between the terminal, customers and government agencies.

## APPENDIX A

### NAICS Glossary of Terms

Forestry, Fishing, Other  
Mining  
Utilities  
Construction  
Manufacturing  
Wholesale Trade  
Retail Trade  
Transportation / Warehousing  
Information  
Finance, Insurance  
Real Estate, Rental, Leasing  
Profess, Tech Services  
Management of Co, Enter  
Admin, Waste Services  
Educational Services  
Health Care, Social Asst  
Arts, Enter, Recreation  
Accommodations, Food Services  
Other Services (excl Gov)

### Agriculture, Forestry, Fishing and Hunting

Establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats.

The establishments in this sector are often described as farms, ranches, dairies, greenhouses, nurseries, orchards, or hatcheries. A farm may consist of a single tract of land or a number of separate tracts which may be held under different tenures. For example, one tract may be owned by the farm operator and another rented. It may be operated by the operator alone or with the assistance of members of the household or hired employees, or it may be operated by a partnership, corporation, or other type of organization. When a landowner has one or more tenants, renters, croppers, or managers, the land operated by each is considered a farm.

The sector distinguishes two basic activities: agricultural production and agricultural support activities. Agricultural production includes establishments performing the complete farm or ranch operation, such as farm owner-operators, tenant farm operators, and sharecroppers. Agricultural support activities include establishments that perform one or more activities associated with farm operation, such as soil preparation, planting, harvesting, and management, on a contract or fee basis.

Excluded from the Agriculture, Forestry, Hunting and Fishing sector are establishments

primarily engaged in agricultural research and establishments primarily engaged in administering programs for regulating and conserving land, mineral, wildlife, and forest use. These establishments are classified in Industry 54171, Research and Development in the Physical, Engineering, and Life Sciences; and Industry 92412, Administration of Conservation Programs, respectively.

## **MINING**

The Mining sector comprises establishments that extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The term mining is used in the broad sense to include quarrying, well operations, beneficiating (e.g., crushing, screening, washing, and flotation), and other preparation customarily performed at the mine site, or as a part of mining activity.

The Mining sector distinguishes two basic activities: mine operation and mining support activities. Mine operation includes establishments operating mines, quarries, or oil and gas wells on their own account or for others on a contract or fee basis. Mining support activities include establishments that perform exploration (except geophysical surveying) and/or other mining services on a contract or fee basis (except mine site preparation and construction of oil/gas pipelines).

Establishments in the Mining sector are grouped and classified according to the natural resource mined or to be mined. Industries include establishments that develop the mine site, extract the natural resources, and/or those that beneficiate (i.e., prepare) the mineral mined. Beneficiation is the process whereby the extracted material is reduced to particles that can be separated into mineral and waste, the former suitable for further processing or direct use. The operations that take place in beneficiation are primarily mechanical, such as grinding, washing, magnetic separation, and centrifugal separation. In contrast, manufacturing operations primarily use chemical and electrochemical processes, such as electrolysis and distillation. However, some treatments, such as heat treatments, take place in both the beneficiation and the manufacturing (i.e., smelting/refining) stages. The range of preparation activities varies by mineral and the purity of any given ore deposit. While some minerals, such as petroleum and natural gas, require little or no preparation, others are washed and screened, while yet others, such as gold and silver, can be transformed into bullion before leaving the mine site.

Mining, beneficiating, and manufacturing activities often occur in a single location. Separate receipts will be collected for these activities whenever possible. When receipts cannot be broken out between mining and manufacturing, establishments that mine or quarry nonmetallic minerals, beneficiate the nonmetallic minerals into more finished manufactured products are classified based on the primary activity of the establishment. A mine that manufactures a small amount of finished products will be classified in Sector 21, Mining. An establishment that mines whose primary output is a more finished manufactured product will be classified in Sector 31-33, Manufacturing.

## UTILITIES

The Utilities sector comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal. Within this sector, the specific activities associated with the utility services provided vary by utility: electric power includes generation, transmission, and distribution; natural gas includes distribution; steam supply includes provision and/or distribution; water supply includes treatment and distribution; and sewage removal includes collection, treatment, and disposal of waste through sewer systems and sewage treatment facilities.

Excluded from this sector are establishments primarily engaged in waste management services classified in Subsector 562, Waste Management and Remediation Services. These establishments also collect, treat, and dispose of waste materials; however, they do not use sewer systems or sewage treatment facilities.

## CONSTRUCTION

The construction sector comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). Establishments primarily engaged in the preparation of sites for new construction and establishments primarily engaged in subdividing land for sale as building sites also are included in this sector.

Construction work done may include new work, additions, alterations, or maintenance and repairs. Activities of these establishments generally are managed at a fixed place of business, but they usually perform construction activities at multiple project sites. Production responsibilities for establishments in this sector are usually specified in (1) contracts with the owners of construction projects (prime contracts) or (2) contracts with other construction establishments (subcontracts).

Establishments primarily engaged in contracts that include responsibility for all aspects of individual construction projects are commonly known as general contractors, but also may be known as design-builders, construction managers, turnkey contractors, or (in cases where two or more establishments jointly secure a general contract) joint-venture contractors. Construction managers that provide oversight and scheduling only (i.e., agency) as well as construction managers that are responsible for the entire project (i.e., at risk) are included as general contractor type establishments. Establishments of the general contractor type frequently arrange construction of separate parts of their projects through subcontracts with other construction establishments.

Establishments primarily engaged in activities to produce a specific component (e.g., masonry, painting, and electrical work) of a construction project are commonly known as specialty trade contractors. Activities of specialty trade contractors are usually subcontracted from other construction establishments but, especially in remodeling and repair construction, the work may be done directly for the owner of the property.

Establishments primarily engaged in activities to construct buildings to be sold on sites that they own are known as operative builders, but also may be known as speculative builders or merchant builders. Operative builders produce buildings in a manner similar to general contractors, but their production processes also include site acquisition and securing of financial backing. Operative builders are most often associated with the construction of residential buildings. Like general contractors, they may subcontract all or part of the actual construction work on their buildings.

There are substantial differences in the types of equipment, work force skills, and other inputs required by establishments in this sector. To highlight these differences and variations in the underlying production functions, this sector is divided into three subsectors.

Subsector 236, Construction of Buildings, comprises establishments of the general contractor type and operative builders involved in the construction of buildings. Subsector 237, Heavy and Civil Engineering Construction, comprises establishments involved in the construction of engineering projects. Subsector 238, Specialty Trade Contractors, comprises establishments engaged in specialty trade activities generally needed in the construction of all types of buildings.

Force account construction is construction work performed by an enterprise primarily engaged in some business other than construction for its own account and use, using employees of the enterprise. This activity is not included in the construction sector unless the construction work performed is the primary activity of a separate establishment of the enterprise. The installation and the ongoing repair and maintenance of telecommunications and utility networks is excluded from construction when the establishments performing the work are not independent contractors. Although a growing proportion of this work is subcontracted to independent contractors in the Construction Sector, the operating units of telecommunications and utility companies performing this work are included with the telecommunications or utility activities.

## **MANUFACTURING**

The Manufacturing sector comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products. The assembling of component parts of manufactured products is considered manufacturing, except in cases where the activity is appropriately classified in Sector 23, Construction.

Establishments in the Manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand or in the worker's home and those engaged in selling to the general public products made on the same premises from which they are sold, such as

bakeries, candy stores, and custom tailors, may also be included in this sector. Manufacturing establishments may process materials or may contract with other establishments to process their materials for them. Both types of establishments are included in manufacturing.

The materials, substances, or components transformed by manufacturing establishments are raw materials that are products of agriculture, forestry, fishing, mining, or quarrying as well as products of other manufacturing establishments. The materials used may be purchased directly from producers, obtained through customary trade channels, or secured without recourse to the market by transferring the product from one establishment to another, under the same ownership.

The new product of a manufacturing establishment may be finished in the sense that it is ready for utilization or consumption, or it may be semi-finished to become an input for an establishment engaged in further manufacturing. For example, the product of the alumina refinery is the input used in the primary production of aluminum; primary aluminum is the input to an aluminum wire drawing plant; and aluminum wire is the input for a fabricated wire product manufacturing establishment.

The subsectors in the Manufacturing sector generally reflect distinct production processes related to material inputs, production equipment, and employee skills. In the machinery area, where assembling is a key activity, parts and accessories for manufactured products are classified in the industry of the finished manufactured item when they are made for separate sale. For example, a replacement refrigerator door would be classified with refrigerators and an attachment for a piece of metal working machinery would be classified with metal working machinery. However, components, input from other manufacturing establishments, are classified based on the production function of the component manufacturer. For example, electronic components are classified in Subsector 334, Computer and Electronic Product Manufacturing and stampings are classified in Subsector 332, Fabricated Metal Product Manufacturing.

Manufacturing establishments often perform one or more activities that are classified outside the Manufacturing sector of NAICS. For instance, almost all manufacturing has some captive research and development or administrative operations, such as accounting, payroll, or management. These captive services are treated the same as captive manufacturing activities. When the services are provided by separate establishments, they are classified to the NAICS sector where such services are primary, not in manufacturing.

The boundaries of manufacturing and the other sectors of the classification system can be somewhat blurry. The establishments in the manufacturing sector are engaged in the transformation of materials into new products. Their output is a new product. However, the definition of what constitutes a new product can be somewhat subjective.

As clarification, the following activities are considered manufacturing in NAICS:



- Milk bottling and pasteurizing;
- Grinding of lenses to prescription;
- Water bottling and processing;
- Wood preserving;  
Fresh fish packaging (oyster shucking, Electroplating, plating, metal heat fish filleting);
- treating, and polishing for the trade;  
Apparel jobbing (assigning of materials Lapidary work for the trade;  
to contract factories or shops for Fabricating signs and advertising displays;  
fabrication or other contract operations) Rebuilding or remanufacturing  
as well as contracting on materials owned by others; machinery (i.e., automotive parts)
- Printing and related activities;
- Ship repair and renovation;  
Ready-mixed concrete production; Machine shops;  
Leather converting; and
- Tire retreading.

## **WHOLESALE TRADE**

The Wholesale Trade sector comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.

The wholesaling process is an intermediate step in the distribution of merchandise. Wholesalers are organized to sell or arrange the purchase or sale of (a) goods for resale (i.e., goods sold to other wholesalers or retailers), (b) capital or durable non-consumer goods, and (c) raw and intermediate materials and supplies used in production.

Wholesalers sell merchandise to other businesses and normally operate from a warehouse or office. These warehouses and offices are characterized by having little or no display of merchandise. In addition, neither the design nor the location of the premises is intended to solicit walk-in traffic. Wholesalers do not normally use advertising directed to the general public. Customers are generally reached initially via telephone, in-person marketing, or by specialized advertising that may include Internet and other electronic means. Follow-up orders are either vendor-initiated or client-initiated, generally based on previous sales, and typically exhibit strong ties between sellers and buyers. In fact, transactions are often conducted between wholesalers and clients that have long-standing business relationships.

This sector comprises two main types of wholesalers: merchant wholesalers that sell goods on their own account and business to business electronic markets, agents, and

brokers that arrange sales and purchases for others generally for a commission or fee.

(1) Establishments that sell goods on their own account are known as wholesale merchants, distributors, jobbers, drop shippers, and import/export merchants. Also included as wholesale merchants are sales offices and sales branches (but not retail stores) maintained by manufacturing, refining, or mining enterprises apart from their plants or mines for the purpose of marketing their products. Merchant wholesale establishments typically maintain their own warehouse, where they receive and handle goods for their customers. Goods are generally sold without transformation, but may include integral functions, such as sorting, packaging, labeling, and other marketing services.

(2) Establishments arranging for the purchase or sale of goods owned by others or purchasing goods, generally on a commission basis are known as business to business electronic markets, agents and brokers, commission merchants, import/export agents and brokers, auction companies, and manufacturers' representatives. These establishments operate from offices and generally do not own or handle the goods they sell.

Some wholesale establishments may be connected with a single manufacturer and promote and sell the particular manufacturers' products to a wide range of other wholesalers or retailers. Other wholesalers may be connected to a retail chain, or limited number of retail chains, and only provide a variety of products needed by that particular retail operation(s). These wholesalers may obtain the products from a wide range of manufacturers. Still other wholesalers may not take title to the goods, but act as agents and brokers for a commission.

Although, in general, wholesaling normally denotes sales in large volumes, durable non-consumer goods may be sold in single units. Sales of capital or durable non-consumer goods used in the production of goods and services, such as farm machinery, medium and heavy duty trucks, and industrial machinery, are always included in wholesale trade.

## **RETAIL TRADE**

The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers.

1. Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. In general, retail stores have extensive displays of

merchandise and use mass-media advertising to attract customers. They typically sell merchandise to the general public for personal or household consumption, but some also serve business and institutional clients. These include establishments, such as office supply stores, computer and software stores, building materials dealers, plumbing supply stores, and electrical supply stores. Catalog showrooms, gasoline services stations, automotive dealers, and mobile home dealers are treated as store retailers.

In addition to retailing merchandise, some types of store retailers are also engaged in the provision of after-sales services, such as repair and installation. For example, new automobile dealers, electronic and appliance stores, and musical instrument and supply stores often provide repair services. As a general rule, establishments engaged in retailing merchandise and providing after-sales services are classified in this sector.

The first eleven subsectors of retail trade are store retailers. The establishments are grouped into industries and industry groups typically based on one or more of the following criteria:

(a) The merchandise line or lines carried by the store; for example, specialty stores are distinguished from general-line stores.

(b) The usual trade designation of the establishments. This criterion applies in cases where a store type is well recognized by the industry and the public, but difficult to define strictly in terms of commodity lines carried; for example, pharmacies, hardware stores, and department stores.

(c) Capital requirements in terms of display equipment; for example, food stores have equipment requirements not found in other retail industries.

(d) Human resource requirements in terms of expertise; for example, the staff of an automobile dealer requires knowledge in financing, registering, and licensing issues that are not necessary in other retail industries.

2. Non-store retailers, like store retailers, are organized to serve the general public, but their retailing methods differ. The establishments of this subsector reach customers and market merchandise with methods, such as the broadcasting of "infomercials," the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls (street vendors, except food), and distribution through vending machines. Establishments engaged in the direct sale (non-store) of products, such as home heating oil dealers and home delivery newspaper routes are included here.

The buying of goods for resale is a characteristic of retail trade establishments that particularly distinguishes them from establishments in the agriculture, manufacturing, and construction industries. For example, farms that sell their products at or from the point of production are not classified in retail, but rather in agriculture. Similarly, establishments that both manufacture and sell their products to the general public are

not classified in retail, but rather in manufacturing. However, establishments that engage in processing activities incidental to retailing are classified in retail. This includes establishments, such as optical goods stores that do in-store grinding of lenses, and meat and seafood markets.

Wholesalers also engage in the buying of goods for resale, but they are not usually organized to serve the general public. They typically operate from a warehouse or office and neither the design nor the location of these premises is intended to solicit a high volume of walk-in traffic. Wholesalers supply institutional, industrial, wholesale, and retail clients; their operations are, therefore, generally organized to purchase, sell, and deliver merchandise in larger quantities. However, dealers of durable nonconsumer goods, such as farm machinery and heavy duty trucks, are included in wholesale trade even if they often sell these products in single units.

## **TRANSPORTATION AND WAREHOUSING**

The Transportation and Warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline.

The Transportation and Warehousing sector distinguishes three basic types of activities: subsectors for each mode of transportation, a subsector for warehousing and storage, and a subsector for establishments providing support activities for transportation. In addition, there are subsectors for establishments that provide passenger transportation for scenic and sightseeing purposes, postal services, and courier services.

A separate subsector for support activities is established in the sector because, first, support activities for transportation are inherently multimodal, such as freight transportation arrangement, or have multimodal aspects. Secondly, there are production process similarities among the support activity industries.

One of the support activities identified in the support activity subsector is the routine repair and maintenance of transportation equipment (e.g., aircraft at an airport, railroad rolling stock at a railroad terminal, or ships at a harbor or port facility). Such establishments do not perform complete overhauling or rebuilding of transportation equipment (i.e., periodic restoration of transportation equipment to original design specifications) or transportation equipment conversion (i.e., major modification to systems). An establishment that primarily performs factory (or shipyard) overhauls, rebuilding, or conversions of aircraft, railroad rolling stock, or a ship is classified in Subsector 336, Transportation Equipment Manufacturing according to the type of equipment.

Many of the establishments in this sector often operate on networks, with physical

facilities, labor forces, and equipment spread over an extensive geographic area.

Warehousing establishments in this sector are distinguished from merchant wholesaling in that the warehouse establishments do not sell the goods.

Excluded from this sector are establishments primarily engaged in providing travel agent services that support transportation and other establishments, such as hotels, businesses, and government agencies. These establishments are classified in Sector 56, Administrative and Support and Waste Management and Remediation Services. Also, establishments primarily engaged in providing rental and leasing of transportation equipment without operator are classified in Subsector 532, Rental and Leasing Services.

## **INFORMATION**

The Information sector comprises establishments engaged in the following processes: (a) producing and distributing information and cultural products, (b) providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

The main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the Internet; the motion picture and sound recording industries; the broadcasting industries, including traditional broadcasting and those broadcasting exclusively over the Internet; the telecommunications industries; the industries known as Internet service providers and web search portals, data processing industries, and the information services industries.

The expressions "information age" and "global information economy" are used with considerable frequency today. The general idea of an "information economy" includes both the notion of industries primarily producing, processing, and distributing information, as well as the idea that every industry is using available information and information technology to reorganize and make themselves more productive.

For the purpose of developing NAICS, it is the transformation of information into a commodity that is produced and distributed by a number of growing industries that is at issue. The Information sector groups three types of establishments: (1) those engaged in producing and distributing information and cultural products; (2) those that provide the means to transmit or distribute these products as well as data or communications; and (3) those that process data. Cultural products are those that directly express attitudes, opinions, ideas, values, and artistic creativity; provide entertainment; or offer information and analysis concerning the past and present. Included in this definition are popular, mass-produced, products as well as cultural products that normally have a more limited audience, such as poetry books, literary magazines, or classical records.

The unique characteristics of information and cultural products, and of the processes involved in their production and distribution, distinguish the Information sector from the

goods-producing and service-producing sectors. Some of these characteristics are:

1. Unlike traditional goods, an "information or cultural product," such as a newspaper on-line or television program, does not necessarily have tangible qualities, nor is it necessarily associated with a particular form. A movie can be shown at a movie theater, on a television broadcast, through video-on-demand or rented at a local video store. A sound recording can be aired on radio, embedded in multimedia products, or sold at a record store.

2. Unlike traditional services, the delivery of these products does not require direct contact between the supplier and the consumer.

3. The value of these products to the consumer lies in their informational, educational, cultural, or entertainment content, not in the format in which they are distributed. Most of these products are protected from unlawful reproduction by copyright laws.

4. The intangible property aspect of information and cultural products makes the processes involved in their production and distribution very different from goods and services. Only those possessing the rights to these works are authorized to reproduce, alter, improve, and distribute them. Acquiring and using these rights often involves significant costs. In addition, technology is revolutionizing the distribution of these products. It is possible to distribute them in a physical form, via broadcast, or on-line.

5. Distributors of information and cultural products can easily add value to the products they distribute. For instance, broadcasters add advertising not contained in the original product. This capacity means that unlike traditional distributors, they derive revenue not from sale of the distributed product to the final consumer, but from those who pay for the privilege of adding information to the original product. Similarly, a directory and mailing list publisher can acquire the rights to thousands of previously published newspaper and periodical articles and add new value by providing search and software and organizing the information in a way that facilitates research and retrieval. These products often command a much higher price than the original information.

The distribution modes for information commodities may either eliminate the necessity for traditional manufacture, or reverse the conventional order of manufacture-distribute: A newspaper distributed on-line, for example, can be printed locally or by the final consumer. Similarly, it is anticipated that packaged software, which today is mainly bought through the traditional retail channels, will soon be available mainly on-line. The NAICS Information sector is designed to make such economic changes transparent as they occur, or to facilitate designing surveys that will monitor the new phenomena and provide data to analyze the changes.

Many of the industries in the NAICS Information sector are engaged in producing products protected by copyright law, or in distributing them (other than distribution by traditional wholesale and retail methods). Examples are traditional publishing industries,

software and directory and mailing list publishing industries, and film and sound industries. Broadcasting and telecommunications industries and information providers and processors are also included in the Information sector, because their technologies are so closely linked to other industries in the Information sector.

## **Finance and Insurance**

The Finance and Insurance sector comprises establishments primarily engaged in financial transactions (transactions involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions. Three principal types of activities are identified:

1. Raising funds by taking deposits and/or issuing securities and, in the process, incurring liabilities. Establishments engaged in this activity use raised funds to acquire financial assets by making loans and/or purchasing securities. Putting themselves at risk, they channel funds from lenders to borrowers and transform or repackage the funds with respect to maturity, scale, and risk. This activity is known as financial intermediation.

2. Pooling of risk by underwriting insurance and annuities. Establishments engaged in this activity collect fees, insurance premiums, or annuity considerations; build up reserves; invest those reserves; and make contractual payments. Fees are based on the expected incidence of the insured risk and the expected return on investment.

3. Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs.

In addition, monetary authorities charged with monetary control are included in this sector.

The subsectors, industry groups, and industries within the NAICS Finance and Insurance sector are defined on the basis of their unique production processes. As with all industries, the production processes are distinguished by their use of specialized human resources and specialized physical capital. In addition, the way in which these establishments acquire and allocate financial capital, their source of funds, and the use of those funds provides a third basis for distinguishing characteristics of the production process. For instance, the production process in raising funds through deposit-taking is different from the process of raising funds in bond or money markets. The process of making loans to individuals also requires different production processes than does the creation of investment pools or the underwriting of securities.

Most of the Finance and Insurance subsectors contain one or more industry groups of (1) intermediaries with similar patterns of raising and using funds and (2) establishments engaged in activities that facilitate, or are otherwise related to, that type of financial or insurance intermediation. Industries within this sector are defined in terms of activities

for which a production process can be specified, and many of these activities are not exclusive to a particular type of financial institution. To deal with the varied activities taking place within existing financial institutions, the approach is to split these institutions into components performing specialized services. This requires defining the units engaged in providing those services and developing procedures that allow for their delineation. These units are the equivalents for finance and insurance of the establishments defined for other industries.

The output of many financial services, as well as the inputs and the processes by which they are combined, cannot be observed at a single location and can only be defined at a higher level of the organizational structure of the enterprise. Additionally, a number of independent activities that represent separate and distinct production processes may take place at a single location belonging to a multilocation financial firm. Activities are more likely to be homogeneous with respect to production characteristics than are locations, at least in financial services. The classification defines activities broadly enough that it can be used both by those classifying by location and by those employing a more top-down approach to the delineation of the establishment.

Establishments engaged in activities that facilitate, or are otherwise related to, the various types of intermediation have been included in individual subsectors, rather than in a separate subsector dedicated to services alone because these services are performed by intermediaries, as well as by specialist establishments, the extent to which the activity of the intermediaries can be separately identified is not clear.

The Finance and Insurance sector has been defined to encompass establishments primarily engaged in financial transactions; that is, transactions involving the creation, liquidation, change in ownership of financial assets; or in facilitating financial transactions. Financial industries are extensive users of electronic means for facilitating the verification of financial balances, authorizing transactions, transferring funds to and from transactors' accounts, notifying banks (or credit card issuers) of the individual transactions, and providing daily summaries. Since these transaction processing activities are integral to the production of finance and insurance services, establishments that principally provide a financial transaction processing service are classified to this sector, rather than to the data processing industry in the Information sector.

Legal entities that hold portfolios of assets on behalf of others are significant and data on them are required for a variety of purposes. Thus for NAICS, these funds, trusts, and other financial vehicles are the fifth subsector of the Finance and Insurance sector. These entities earn interest, dividends, and other property income, but have little or no employment and no revenue from the sale of services. Separate establishments and employees devoted to the management of funds are classified in Industry Group 5239, Other Financial Investment Activities.

## **Real Estate and Rental and Leasing**



The Real Estate and Rental and Leasing sector comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services. The major portion of this sector comprises establishments that rent, lease, or otherwise allow the use of their own assets by others. The assets may be tangible, as is the case of real estate and equipment, or intangible, as is the case with patents and trademarks.

This sector also includes establishments primarily engaged in managing real estate for others, selling, renting and/or buying real estate for others, and appraising real estate. These activities are closely related to this sector's main activity, and it was felt that from a production basis they would best be included here. In addition, a substantial proportion of property management is self-performed by lessors.

The main components of this sector are the real estate lessors industries; equipment lessors industries (including motor vehicles, computers, and consumer goods); and lessors of nonfinancial intangible assets (except copyrighted works).

Excluded from this sector are real estate investment trusts (REITS) and establishments primarily engaged in renting or leasing equipment with operators. REITS are classified in Subsector 525, Funds, Trusts, and Other Financial Vehicles, because they are considered investment vehicles. Establishments renting or leasing equipment with operators are classified in various subsectors of NAICS depending on the nature of the services provided (e.g., transportation, construction, agriculture). These activities are excluded from this sector because the client is paying for the expertise and knowledge of the equipment operator, in addition to the rental of the equipment. In many cases, such as the rental of heavy construction equipment, the operator is essential to operate the equipment.

### **Professional, Scientific, and Technical Services**

The Professional, Scientific, and Technical Services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. The establishments in this sector specialize according to expertise and provide these services to clients in a variety of industries and, in some cases, to households. Activities performed include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services.

This sector excludes establishments primarily engaged in providing a range of day-to-day office administrative services, such as financial planning, billing and recordkeeping, personnel, and physical distribution and logistics. These establishments are classified in

Sector 56, Administrative and Support and Waste Management and Remediation Services.

### **Management of Companies and Enterprises**

The Management of Companies and Enterprises sector comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision making role of the company or enterprise. Establishments that administer, oversee, and manage may hold the securities of the company or enterprise.

Establishments in this sector perform essential activities that are often undertaken, in-house, by establishments in many sectors of the economy. By consolidating the performance of these activities of the enterprise at one establishment, economies of scale are achieved.

Government establishments primarily engaged in administering, overseeing, and managing governmental programs are classified in Sector 92, Public Administration. Establishments primarily engaged in providing a range of day-to-day office administrative services, such as financial planning, billing and recordkeeping, personnel, and physical distribution and logistics are classified in Industry 56111, Office Administrative Services.

### **Administrative and Support and Waste Management and Remediation Services**

The Administrative and Support and Waste Management and Remediation Services sector comprises establishments performing routine support activities for the day-to-day operations of other organizations. These essential activities are often undertaken in-house by establishments in many sectors of the economy. The establishments in this sector specialize in one or more of these support activities and provide these services to clients in a variety of industries and, in some cases, to households. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

The administrative and management activities performed by establishments in this sector are typically on a contract or fee basis. These activities may also be performed by establishments that are part of the company or enterprise. However, establishments involved in administering, overseeing, and managing other establishments of the company or enterprise, are classified in Sector 55, Management of Companies and Enterprises. These establishments normally undertake the strategic and organizational planning and decision making role of the company or enterprise. Government establishments engaged in administering, overseeing, and managing governmental

programs are classified in Sector 92, Public Administration.

### **Educational Services**

The Educational Services sector comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and accommodation services to their students.

Educational services are usually delivered by teachers or instructors that explain, tell, demonstrate, supervise, and direct learning. Instruction is imparted in diverse settings, such as educational institutions, the workplace, or the home through correspondence, television, or other means. It can be adapted to the particular needs of the students, for example sign language can replace verbal language for teaching students with hearing impairments. All industries in the sector share this commonality of process, namely, labor inputs of instructors with the requisite subject matter expertise and teaching ability.

### **Health Care and Social Assistance**

The Health Care and Social Assistance sector comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance. The services provided by establishments in this sector are delivered by trained professionals. All industries in the sector share this commonality of process, namely, labor inputs of health practitioners or social workers with the requisite expertise. Many of the industries in the sector are defined based on the educational degree held by the practitioners included in the industry.

Excluded from this sector are aerobic classes in Subsector 713, Amusement, Gambling and Recreation Industries and nonmedical diet and weight reducing centers in Subsector 812, Personal and Laundry Services. Although these can be viewed as health services, these services are not typically delivered by health practitioners.

### **Arts, Entertainment, and Recreation**

The Arts, Entertainment, and Recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and

recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Some establishments that provide cultural, entertainment, or recreational facilities and services are classified in other sectors. Excluded from this sector are: (1) establishments that provide both accommodations and recreational facilities, such as hunting and fishing camps and resort and casino hotels are classified in Subsector 721, Accommodation; (2) restaurants and night clubs that provide live entertainment in addition to the sale of food and beverages are classified in Subsector 722, Food Services and Drinking Places; (3) motion picture theaters, libraries and archives, and publishers of newspapers, magazines, books, periodicals, and computer software are classified in Sector 51, Information; and (4) establishments using transportation equipment to provide recreational and entertainment services, such as those operating sightseeing buses, dinner cruises, or helicopter rides are classified in Subsector 487, Scenic and Sightseeing Transportation.

### **Accommodation and Food Services**

The Accommodation and Food Services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

Excluded from this sector are civic and social organizations; amusement and recreation parks; theaters; and other recreation or entertainment facilities providing food and beverage services.

### **Other Services (except Public Administration)**

The Other Services (except Public Administration) sector comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.

Private households that engage in employing workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector.

Excluded from this sector are establishments primarily engaged in retailing new equipment and also performing repairs and general maintenance on equipment. These establishments are classified in Sector 44-45, Retail Trade.

## **Public Administration**

The Public Administration sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases, provide for public safety and for national defense. In general, government establishments in the Public Administration sector oversee governmental programs and activities that are not performed by private establishments. Establishments in this sector typically are engaged in the organization and financing of the production of public goods and services, most of which are provided for free or at prices that are not economically significant.

Government establishments also engage in a wide range of productive activities covering not only public goods and services but also individual goods and services similar to those produced in sectors typically identified with private-sector establishments. In general, ownership is not a criterion for classification in NAICS. Therefore, government establishments engaged in the production of private-sector-like goods and services should be classified in the same industry as private-sector establishments engaged in similar activities.

As a practical matter, it is difficult to identify separate establishment detail for many government agencies. To the extent that separate establishment records are available, the administration of governmental programs is classified in Sector 92, Public Administration, while the operation of that same governmental program is classified elsewhere in NAICS based on the activities performed. For example, the governmental administrative authority for an airport is classified in Industry 92612, Regulation and Administration of Transportation Programs, while operating the airport is classified in Industry 48811, Airport Operations. When separate records are not available to distinguish between the administration of a governmental program and the operation of it, the establishment is classified in Sector 92, Public Administration.

Examples of government-provided goods and services that are classified in sectors other than Public Administration include: schools, classified in Sector 61, Educational Services; hospitals, classified in Subsector 622, Hospitals; establishments operating transportation facilities, classified in Sector 48-49, Transportation and Warehousing; the operation of utilities, classified in Sector 22, Utilities; and the Government Printing Office, classified in Subsector 323, Printing and Related Support Activities.