

WEEKEND WAVE

02-26-16



Friday Economic Roundup

OUR VIEW

Babcock Town a game-changer for Charlotte

OUR POSITION: This is the start of something big for the region.

Charlotte Sun

Out in the woods of Babcock Ranch, work quietly commenced last fall on a building project that should, within a short period of time, bring a national spotlight to our region. Kitson & Partners has begun construction of its long-awaited solar-powered, environmentally friendly town on 18,000 acres in the woods and pasture of southeast Charlotte County and Lee counties.

The actual groundwork has been going on for months, but it was only two weeks ago that Kitson & Partners saw fit to hold a press conference for local media to publicize the fact. As CEO Syd Kitson told our editorial board last week, he's wary of hyping the early stages. Like a smart politician before a primary vote, Kitson would rather tamp down expectations than overdeliver.

But make no mistake: Kitson's "Solar Town" likely will be transformative, and in a very positive sense. It is bound to bring kilowatts of attention to Charlotte County. Fair to say it could put us on the map.

Kitson first broke onto the scene 11 years ago when he bought the 91,000-acre Babcock Ranch, then sold 73,000 acres to the state for a wildlife preserve.

His plan was to use the remaining 18,000 acres for a town with 19,500 homes, enough for 50,000 residents, and 6 million square feet of commercial space, restaurants, shops and public facilities.

What would set this place apart was its environmental consciousness.

The town of Babcock Ranch would be powered, as much as possible, by the sun. It would have a smart grid, charging stations for vehicles (human-powered and autonomous-powered), 500 acres of lakes and an extensive network of walking trails.

"Nobody thought we could get the solar thing done, but it's been the most exciting thing I've ever done in my life," Kitson said.

Florida Power & Light has begun to install a 75-megawatt photovoltaic system with 350,000 solar panels that will cover 450 acres - think 408 football fields.

When the light is shining, electrons will be generated on-site (excess will be fed into the FPL grid); other times, juice will flow from FPL's gas-powered plants.

As far as can be determined, Kitson said, "There's no cleaner town in the U.S. - we think the world."

On top of that will be come an autonomous-vehicle system that will operate as in-town public transit - think Uber without drivers. A smart grid, Wi-Fi. A town square with a health and wellness facility, a "discovery center" (outdoors outfitters), a general store and restaurants.

Housing will be varied, with everything from multifamily rentals to large homes on large lots.

"Think of a multigenerational new town," Kitson said. All with an emphasis on clean power and an ethic that celebrates nature.

Of the 18,000 acres in the town itself, half will be preserved as open space, which means 90 percent of the original ranch will be preserved. And no gates - the town will be open to the public.

"From an environmental perspective, I think we've done everything we can possibly do to be responsible to the environment," Kitson said.

That should set it apart and attract widespread attention.

A press conference aimed at a national audience is scheduled for Earth Day, April 22.

Charlotte County, on the map and in the national eye at the center of the Sunshine State.

PGT fourth quarter profits rose 30 percent

Sarasota Herald-Tribune Staff report

PGT Inc. posted fourth-quarter profits that rose nearly 30 percent from a year ago and revenues that rose nearly 10 percent.

Profit at the Venice-based maker of hurricane-resistant windows and doors was \$3.77 million, or 7 cents per share, in the most recent quarter. During the same period in 2014, it earned \$2.92 million, or 6 cents per share.

Sales rose to \$93 million from \$84.7 million a year ago. That was a better performance than the \$92 million financial analysts expected.

For all of 2015, the company's profits rose about 44 percent to \$23.6 million, or 47 cents per share, compared with \$16.4 million, or 33 cents per share, in 2014.

Revenues last year totaled nearly \$390 million, a record and up 27 percent from 2014.

"The revenue achieved in fiscal 2015 is a company record, and a level we have not seen since 2006, the peak of the housing market before the downturn," said PGT chairman and CEO Rod Hershberger.

"The underlying drivers of population expansion, rational pricing, low interest rates and tight inventory (are) leading to a steady market recovery for both new construction and repair and remodeling activities. Entering 2016, we expect to continue the solid execution of our long-term strategy to drive organic growth and augment it with selective and accretive acquisitions."

For the current quarter ending in April, PGT said it expects revenue of about \$99 million. The company expects full-year revenue in the range of \$460 million to \$475 million. PGT shares have dropped slightly more than 5 percent since the beginning of the year. The stock has climbed 29 percent in the last 12 months.

The shares, traded on the Nasdaq, were selling for \$9.37 shortly before noon Thursday, down \$1.41, or 13.1 percent.

PGT's board has approved the purchase of \$20 million of the company's stock. The company said it has bought back about 239,000 shares for \$2.3 million.

This month, PGT closed its \$102 million acquisition of WinDoor Inc., saying that company will continue to operate and make impact-resistant windows and doors in Orlando and remain a separate and distinct brand.

It was the second recent acquisition for Venice-based PGT, which last year bought CGI Windows & Doors Holdings Inc., a Miami company that also makes storm-resistant products, for \$111 million.

PGT said it would leverage best practices and synergies of all three companies to "provide incremental value to employees, customers, business partners and stockholders."

WinDoor's customers include resorts, luxury high-rise condominiums, hotels and homes. The deal is expected to add to PGT's profits and "strengthen the company's ability to compete against national suppliers and other storm-protection systems," PGT said.



FLORIDA ECONOMIC NEWS

- Conference to lure young professionals to Manatee ([Sarasota Herald-Tribune](#))
- Aerospace company moving operations to Manatee, creating 84 jobs ([Sarasota Herald-Tribune](#))
- Escambia hopes to convert vacant land into jobs ([Florida Trend](#))
- Publix ranked as most-admired company in Florida ([South Florida Sun-Sentinel](#))
- Meeting the demand for nurses ([Sarasota Herald-Tribune](#))



US ECONOMIC NEWS

- U.S. home sales climbed in January despite weaker economy ([Reuters](#))
- U.S. economy didn't perform quite as poorly as feared at end of 2015 ([Money](#))



ENTREPRENEUR NEWS

- Student-run hackathon to inspire entrepreneurship, innovation ([Florida Trend](#))
- UWF Center for Entrepreneurship names director ([Pensacola News Journal](#))
- How to build a culture of originality ([Harvard Business Review](#))



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