

WEEKEND WAVE

3-27-15



Friday Economic Roundup

New walkways planned along U.S. 41

By Dale White Sarasota Herald-Tribune

NORTH PORT - Designs for two pedestrian bridges over Myakkahatchee Creek are to be completed for the public's review this summer.

The Florida Department of Transportation says the bridges will improve pedestrian and bicyclist safety on U.S. 41. Existing sidewalks on the U.S. 41 bridges used by vehicle traffic are to be removed.

The FDOT budgeted \$450,000 for the bridges' design and \$1.4 million for construction, which could begin in the summer of 2016.

"The construction duration has not been determined," FDOT project manager Kati Sherrard said Monday.

A 10-foot-wide walkway is to be built about 31 to 33 feet away from U.S. 41 on the north and south side of the highway.

"We heard about it a couple of months ago," said Doug Minich - president of the 470-plus member Coastal Cruisers, a bike club that organizes group rides throughout Sarasota and Charlotte counties, including North Port. "The club is very much in favor of anything that will

increase ridership in Sarasota County."

Minich said he is especially pleased the FDOT is installing the bridges for safety reasons. "That makes sense to me."

On Monday, Sherrard updated the board of the Sarasota-Manatee Metropolitan Planning Organization about the project. The 17-member board is mostly comprised of elected officials from the two counties and the municipalities, such as county commissioners and mayors. It prioritizes state and federally funded transportation projects in the bi-county area.

MPO officials said the agency is seeing increasing demand for projects other than roads, such as sidewalks, multi-use trails and bicycle lanes.

During its meeting, the board also received a report about the "rate of return" both counties get on gas taxes and other taxes they contribute to the state's transportation budget.

An analysis of funding dating back to 1995 showed Sarasota County averaging an 82 percent return and Manatee averaging 67 percent.

Rural counties fared better. Hendry County, for example, averaged a 162 percent return on the taxes its residents and businesses pay into the state transportation budget.

Wages crucial to US economic growth

WASHINGTON (Bloomberg) - When it comes to U.S. economic growth, wages may never have been this important.

The link between earnings and consumer spending has been tighter in this expansion than in any other since records began in the 1960s, according to calculations by Tom Porcelli, chief U.S. economist at RBC Capital Markets in New York.

Wages have become even more critical as households, still shaken after being caught with too much debt when the recession hit, remain unwilling or unable to tap home equity or let credit-card balances balloon to buy that new television or dishwasher. By not overextending themselves again, Americans are only spending as much as their incomes will allow, meaning that 70 percent of the economy is riding on how fast pay rises.

"In an environment where credit is not being used in a material way, the fate of wages matters," Porcelli said. "They're doing all of the driving from a consumption perspective."

The correlation between growth in wages and consumer spending adjusted for inflation stands at 0.93 since June 2009, when the recovery began, according to Porcelli. A reading of 1 means they move in the same direction all the time, zero means there is little relationship and minus 1 means they continually diverge.

Porcelli tracked wages through the index of aggregate weekly payrolls for private production workers, which takes into account hourly earnings, the length of the workweek and changes in employment for about 80 percent of the labor force. Records go back to 1964, longer than the measure for all employees that includes supervisors, which dates back only to 2006.

The outlook for earnings is among the things that will help policymakers decide when to raise interest rates, Federal Reserve Chairwoman Janet Yellen said Wednesday. The labor market has improved enough for central bank officials to prepare to exit the most aggressive easing in the central bank's 100-year history, though too-low inflation and weak pay gains are reasons for caution.

"We will be looking at wage growth," Yellen said during a press conference following the central bank's announcement that it was leaving its benchmark rate near zero. While faster increases in income aren't a precondition for raising rates, "that would be at least a symptom that inflation would likely move up over time," she said.

Fed policymakers reduced their forecasts for how quickly they will raise interest rates this year and next and also lowered the projected rate of economic growth.

One reason why officials will be slow to increase borrowing costs is "the residual effects of the financial crisis, which are likely to continue to constrain spending and credit availability for some time," Yellen said in their press conference.

Local home sales remain steady

By BRENDA BARBOSA STAFF WRITER

Home sales and prices continued to hold steady across the region in February, according to the latest local housing reports.

In Charlotte County, the Punta Gorda-Port Charlotte-North Port Association of Realtors reported that closed sales for single-family homes increased by 16.7 percent in February over the previous month, while condo sales jumped by a whopping 80 percent in the same time period.

Closed sales in February totaled 349 versus 299 in January. February's transactions were an 18.7 percent increase over February 2014, which totaled 294. In the condo category, the association reported 81 closed sales in February, up from 45 the previous month. Total condo sales in February 2014 were 72.

The median sale price for a single-family home, however, took a downward turn in February closing out the month at \$136,000 compared to \$157,500 in January. Still, February's median single-family home price was up slightly from February 2014's median price of \$132,900, according to the Realtor association. (The median is the midpoint; half the homes sold for more, half for less.)

The median price of a condo also took a downward turn from \$134,000 in January to \$115,000 in February, the association reported. But the median price for a condo was up markedly from last February, when it stood at \$97,500.

Meanwhile, the month's supply of inventory for a single-family home in Charlotte remained flat in February at just over four-and-a-half months; in the condo category, month's supply dropped in February from about four-and-a-half months to just under four.

"Months-supply" of inventory is an estimate of the number of months it will take to deplete the current inventory given recent sales.

In a balanced market, real estate experts note, the supply of inventory hovers around five to six months. The months of supply is an estimate of the number of months it will take to deplete the current inventory, given the recent sales rate. "These numbers support the fact that units priced competitively are moving quickly and netting the sellers more money," recently noted Jim Quinn, president of the Realtors association.

Sarasota County's Realtor association reported 585 closed home sales in February in the single-family category, up from 514 in January. A year ago, the number of closed sales totaled 532. The median sales price for a single-family home in February was \$196,000, up from \$190,000 in January. In February 2014, the median price stood at \$185,000.

In the condo category, the total number of closed sales in February were 252, up from 229 in January. In February 2014, the total number of closed condo sales were 255.

The median home price for a condo was \$187,500 in February, compared to \$185,000 the previous month, the Sarasota Association of Realtors reported. In February 2014, the median sale price for a condo was \$170,000.

"Once the holidays have passed, home shoppers jumped off the fence and started signing contracts," said Association President Stafford Starcher. "We are now above the record pace of sales experienced in 2014, and the pending transactions would indicate the current pace isn't going to slow in the foreseeable future."

Meanwhile, inventory levels in Sarasota County also remain low.

The month's supply of inventory in the single-family home category hovers at about four-and-a-half months; in the condo category month's supply stands at about five months.

"Properties ... are selling at a high pace, and prices are on the rise, which tells us we are experiencing a healthy, vibrant market," Starcher said. "The inventory totals have leveled off, which means we could see even higher prices going forward, based on the laws of supply and demand."

Florida's housing market also reported more closed sales, higher median prices, increased pending sales and more new listings in February, according to the latest housing data released by Florida Realtors.

Closed sales of singlefamily homes statewide totaled 18,701 last month, up 19 percent over February 2014. And median prices for single-family existing homes last month was \$179,995, up 9.1 percent from the previous year, according to data from Florida Realtors Industry Data and Analysis department.

Condo sales totaled 8,260 last month, up 7.4 percent compared to February 2014. The statewide median price for condo properties in February was \$143,000, up 8.3 percent over the year-ago figure.

"Florida's housing market continues to show positive momentum," said Florida Realtors President Andrew Barbar.

Nationwide, existing-home sales increased modestly in February, but constrained inventory levels pushed price growth to its fastest pace in a year, according to the National Association of Realtors.

Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, rose 1.2 percent to a seasonally adjusted annual rate of 4.88 million in February from 4.82 million in January.

OUR VIEW - Commission recommits to Parkside improvements

The Charlotte County Commission today will formalize its decision to move ahead with a second multi use path in the Parkside Community Redevelopment Area. The nearly 10-foot-

wide path will run for two-thirds of a mile from U.S. 41 along West Tarpon Boulevard to Ambrose Lane and then to Elkcam Boulevard, where it will link up with the path currently under construction.

The two paths - complemented by landscaping enhancements and decorative lighting - are the first of more than a dozen walkways envisioned in the Parkside conceptual multi use path and greenway trail system traversing the district. That conceptual plan also calls for pocket parks to be situated along the trailways, which eventually would include bridges across canals/waterways and allow golf carts and other electric vehicles.

The board approved the project at its March 3 meeting when it sat as the CRA board. The commission action is required to add the \$974,000 cost to this year's capital improvements project budget. The Tarpon/Ambrose path will be paid for out of the general fund and repaid with tax-increment money generated within the district. At the same March 3 meeting, the board freed up some of the \$9 million it pledged in TIF-backed loans to the district by shifting the responsibility for the cost of the Sunrise Lake/Sunshine Waterway cleanup away from the CRA. We applaud that decision.

We also were encouraged by both the additional project and the board's growing impatience with the pace of progress in Parkside. Commissioner Tricia Duffy was especially concerned about the long timelines from commission approval of projects to their completion. We hope staff heard the message we did and that the board will continue to press for the swift completion of Parkside improvements.

Warm Mineral Springs medical tourism site moves forward

NORTH PORT - After years of government infighting, a plan to enhance one of Sarasota County's iconic attractions took a major step forward Monday night.

North Port City Commissioners approved on first reading rezoning and other steps that will allow New York City Dr. Grigory Pogrebinsky's plan to build a medical tourism site on 16 acres adjacent to Warm Mineral Springs.

Pogrebinsky's plan calls for medical and professional offices, retail shops, restaurants and residences on about 16 acres he owns near the city-owned springs.

Specifics include:

- * 145,000 square feet of commercial, retail and hotel space;
- * 124,000 square feet of medical and office space; and
- * 72 residences.

Pogrebinsky, a pain management physician, has touted the healing powers of the springs and envisions a site where patients can get knee surgery and other procedures and rehabilitate in the springs.

The City Commission's action Monday was a major step forward after years of inaction surrounding the springs when it was jointly owned by North Port and Sarasota County. North Port took over sole ownership of the springs last year.

Punta Gorda farm and garden store sells for \$1.05 million

By Michael Braga , Herald-Tribune

Crossties Alliance LLC, a Punta Gorda company managed by William and Kerry Bowers, sold a 2,280-square-foot Farm & Garden store at 4371 Duncan Road in Punta Gorda to Christopher and Joy Lynn Lowe for \$1.05 million.

The Bowers paid \$1.165 million for the store in May 2006.

Tourism numbers continue to climb

By CLINTON BURTON SARASOTA COUNTY EDITOR

As winter storms dumped feet of snow up north, another kind of tempest was brewing in Southwest Florida.

"I call it GES," Charlotte County Tourism Director Lorah Steiner said Thursday. "Gas, economy, snow. Low gas prices, an improving economy and snow up north created a perfect travel storm. It's been a season like no other."

Both Charlotte and Sarasota County are reporting record-breaking tourism numbers. More than 77,000 people visited Sarasota County in February, 7.5 percent over last year, which was also a record-breaking year, according to Visit Sarasota County president Virginia Haley.

They key to the increase in visitor numbers, she said, is reaching new markets with a strong message.

"It's like in Chicago last year, before we never had the kind of funding to go in there with television and newspapers and wraps inside of train(s) that look like Sarasota County," she said. "We were really able to do more."

Haley is confident Sarasota will have the resources to keep the momentum going. "We are in a very good position right now. We are doing the early budget planning for 2016 and we are in a good place," she said.

Promoting places like Sarasota and Charlotte counties to potential visitors relies on past and present visitors. Funding comes, in part, from the tourism development tax. Sometimes called a bed tax, it's a surcharge added to the cost of hotel rooms, seasonal rentals and other short-term lodging. The money generated goes back into county coffers to keep selling the area as a desirable destination.

But some things sell themselves.

Joanna Gabet, her husband and their five children left their Indiana home, where it was 22 degrees with three inches of snow, to come to Englewood to play at Stump Pass Beach for 10 days.

"When we got off the plane, it was 70 degrees and hot," Gabet said Thursday. "We are all here for 10 days."

The Gabet family are ideal visitors. They eat at local restaurants. They charter a boat and rent Jet Skis.

"We are going to the drum circle (on Englewood Beach) on Sunday," said Gabet, whose children range in age from 3 to 11. "I love that Englewood isn't crazy. It's quiet. There aren't hundreds of young spring breakers here."

Gabet's parents, Dale and JoAnne, joined the family at Stump Pass but aren't the only ones who find the slower pace attractive.

"There are seven couples who we are here with from St. Louis, Mo.," said Ron Kinnison. "We are here for six weeks. We used to come by RV but now we rent a place on the water at Stump Pass."

He said he likes this area better than Fort Myers, where he originally wintered.

"There's too much traffic there," he said.

A tale of two seasons

No matter how cold the winter is up north, summer in Southwest Florida can be a tough sell. But off-season marketing of attractions like Nathan Benderson Park in Sarasota, which hosts international rowing competitions and other events, can keep local business out of the summer doldrums.

"Waterfest in Englewood is a huge way to showcase Englewood on both sides of the county line," Haley said of the planned offshore races and four-day festival planned for November off Manasota Key.

Elaine Miller is the co-chair of the Waterfest committee and past president of the Englewood Florida Chamber of Commerce.

"From the revenue point of view, Waterfest can bring folks, not just in the area, but from all around the state and elsewhere. That is great for restaurants and lodging establishments," she said.

Off-season marketing is so important that the Charlotte County Tourism Development Council spent 99 percent of last year's budget to attract visitors in the summer and fall.

"We have a small budget, we have to target certain markets," Steiner said. "It works." During season, Steiner said, Charlotte relies a lot on being "more affordable than some areas to the north and south."

Bill Gunnin, executive director of the North Port Area Chamber of Commerce, says his city depends on its central location and access to nature.

"We're 20 minutes from the beach, we've got bike trails, boating, a state forest and lots of waterways to boat," he said. He added Cocoplum Village Shops' stores and restaurants also attract visitors.

"And obviously there's Warm Mineral Springs, which is a big international draw," he said. But no matter how attractive a destination is or how well it's marketed, a strong season is no guarantee.

"Travel is a very different industry from any other. The product is always the same, but the demand changes depending on a number of variables," Steiner said. "GES is out of our control. If gas goes up and the economy goes down and we don't have a winter like this one in 2016, it could impact us adversely."

Accepting Applications for RESTORE Funding

The Charlotte County RESTORE (Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies) Act Advisory Board is accepting applications for project funding requests. RESTORE funds apply to programs, projects, and activities that

restore and protect the environment and economy of the Gulf Coast. Applications are available online - visit www.CharlotteCountyFL.gov and click "[RESTORE Act Funding Application](#)" in the Hot Topics list. Paper copies are available in Administration at 18500 Murdock Circle, Port Charlotte. Application deadline: 5:00 p.m. Friday, April 17, 2015. For more information, call 941.743.1944.

FLORIDA ECONOMIC NEWS

- Surveys rank Florida for tax burden and retiree quality of life ([Sarasota Herald-Tribune](#))
- Florida's economy growing more diverse ([South Florida Sun-Sentinel](#))
- Florida boasts nation's fastest growing metro areas ([CBS News](#))
- Florida outpaces U.S. in income growth ([Orlando Sentinel](#))
- Florida's jobless rate drops slightly ([Tampa Bay Times](#))
- Florida may be first to achieve pay equality -- in two decades ([South Florida Sun-Sentinel](#))
- Consumer confidence in Florida reaches 10 year high ([Gainesville Sun](#))

ENTREPRENEUR NEWS

- Artificial intelligence is almost ready for business ([Harvard Business Review](#))
- Small businesses expect higher profits and hiring ([Orlando Sentinel](#))

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