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the 2016 Governor's Cups

Why Amazon Loves Florida



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Hidden away off the backroads of rural Central Florida is a sprawling warehouse that represents the future of the retail industry.

The 1-million-sq.-ft. (92,900-sq.-m.) Amazon e-commerce fulfillment center on County Line Road in Lakeland in western Polk County is one of two giant warehouses the Seattle-based online retailer operates in the Tampa Bay region. The other rises out of the tomato fields of Ruskin in southern Hillsborough County near Interstate 75 south of Tampa.

Both are just minutes from the most important transportation junction in Florida: the intersection of Interstates 75 and 4 between Tampa and Orlando. Amazon also operates a sortation center in Davenport, employing 100 people in 260,000 sq. ft. (24,154 sq. m.) just north of I-4 near Walt Disney World.

Finding out why Amazon picked Lakeland is a study not just in Central Florida real estate development, but also in the future of shopping.

To understand why Amazon loves Florida so much, you have to go back to the beginning, when the \$136-billion retailer first began scouting the green pastures of Central Florida for land as part of a deal known as Project Garden.

“Our first meeting with Johnson Development was in the fourth quarter of 2012,” says Claudia Tritton, vice president of business development for the Lakeland Economic Development Council. “Johnson closed on the Lakeland site on May 13, 2013, and started construction on September 20, 2013. They completed construction on July 31, 2014.”

The result is an Amazon fulfillment center that employs 800 full-time workers at an average annual wage of \$41,470. The total capital investment came to \$102 million.

Johnson had a history of building facilities for Amazon and knew exactly what the company needed. The company looked at multiple sites in Central Florida, including potential locations in Winter Haven, Plant

Cape Coral: A Market on the Rise

Ranked as the top location in the U.S. for job gains, this city has much to offer.

According to recent census data, Cape Coral, Florida's population jumped by 14%, to more than 175,000 year-round residents. With an average of 266 days of sunshine a year, it's no wonder Cape Coral continues to grow with rapid speed.

Forbes Magazine reports the Cape Coral MSA ranks No. 1 in the nation for recent job growth, noting that the arts, entertainment, recreation and construction industries are more than double the national average (July 2016). As the largest city in Southwest Florida, Moody's Analytics consistently ranks the Cape Coral MSA in the top 10 U.S. areas for future job growth.

CEO's from across the country point to Florida as the No. 2 best state in the nation for doing business, thanks in large part, to fewer restrictions and no state income tax (*Chief Executive Magazine*, 2016). The sunshine state is known for its pro-business tax policies, competitive cost of doing business and streamlined regulatory environment.

A Few Things to Know About Cape Coral:

- This community is home to nearly 400 miles of navigable canals –

more than anywhere else in the world – making it ideal for marine services, ecotourism, and more

- As the 10th largest city in Florida, Cape Coral is home to a large, talented workforce backed by stellar workforce training programs
- Home to state-of-the-art water and utilities infrastructure



Cape Coral is also home to the largest population of burrowing owls in Florida, a big draw for birders and photographers from around the world.

- Projected to grow to more than 400,000; only 47% built out today with room to grow
- Ideally suited for medical, light manufacturing, corporate headquarters and back office operations
- New high-end conference center being built at the waterfront Westin Resort will be another draw for business leaders from around the world

Today's market conditions are ripe for investing in and relocating your business to Cape Coral. Let our Economic Development Team help you get started in finding the ideal site today.

To learn more call Cape Coral Economic Development at (239) 574-0444 or (866) 573-3089 or email us at ecodev@capecoral.net. You can also visit us at www.bizcapecoral.com.

Take Your Business to the Next Level in Waterfront Cape Coral

As the largest city in Southwest Florida, it's easy to see why over 9,200 businesses call Cape Coral home. Our city is growing at an incredible rate:

- Residential building permits are up by 43%
- Commercial building permits are up by 29%
- Our commercial tax base increased by 50% over the past few years

Forbes projects Cape Coral to be one of the fastest-growing cities in the U.S. over the next decade. In making a strong business decision, these are the kinds of numbers that truly count.

Contact us to get started today.



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“Amazon is going to analyze where they have a majority of their sales. Like any business, they are going to look for profitability — a place where they can maximize their sales. Florida as a retail market has a lot of interest and a positive growth rate.”

— Lacy Beasley, President and Chief Operating Officer, Retail Strategies, Birmingham, Alabama



Tampa Bay leaps to top 10 spot in industrial markets nationwide

Surprised? It's time to take another look at Florida's hottest destination for distribution and light industrial space.

With warehouse construction increasing by 4.6 million square feet and vacancies dropping to 6.3%, it's no wonder Colliers International ranked Tampa among the 10 Emerging Industrial Markets to Watch in 2017. The region boasts Florida's largest seaport, a nearby CSX terminal that can process 300,000 containers per year, one of the nation's best airports, and more than 33 million consumers within an eight hour drive. Find out for yourself why Tampa Bay is Florida's best business destination. Call Steve Morey at 813.518.2630 to discuss your project today.



TAMPA HILLSBOROUGH
ECONOMIC DEVELOPMENT CORPORATION
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*Colliers International

City and Tampa, before choosing Lakeland.

Flagler Development sold the 117-acre site to the developer for \$4.6 million. The tract includes about 60 net usable acres (24 hectares) for development.

Incentives sealed the deal. Qualified Target Industry tax refund incentives for Amazon included \$595,200 from the State of Florida, \$74,400 from the City of Lakeland, and \$74,400 from Polk County. Amazon received \$372,000 for Quick Response Training from the state and an Economic Development Transportation Fund grant of \$1,409,228 for signalization and turn lanes. Polk County granted Amazon a 10-year property tax abatement of \$4,487,230. The city also granted an economic development impact fee mitigation of \$1,484,240.

"The most critical site factor was access to people," Tritton says. "Within a 100-mile (161-km.) radius of that site are 9 million people. Transportation and

workforce were also critical factors."

Lacy Beasley, president and COO of consulting firm Retail Strategies, says that Amazon is going to locations that maximize its supply chain operations and profitability.

"Amazon is going to analyze where they have a majority of their sales," Beasley says. "Like any business, they are going to look for profitability — a place where they can maximize their sales. Florida as a retail market has a lot of interest and a positive growth rate."

Indeed, Tampa was named one of the top 10 industrial real estate markets in the US by Colliers International, climbing from No. 28 to No. 10. According to the Colliers report on Feb. 6, a main logistics driver for the region is CSX railroad, which opened its Central Florida Intermodal Logistics Center in Winter Haven in 2014. The CFILC terminal can process 300,000 containers a year and can potentially be developed into 7.9 million sq. ft. (733,910 sq.

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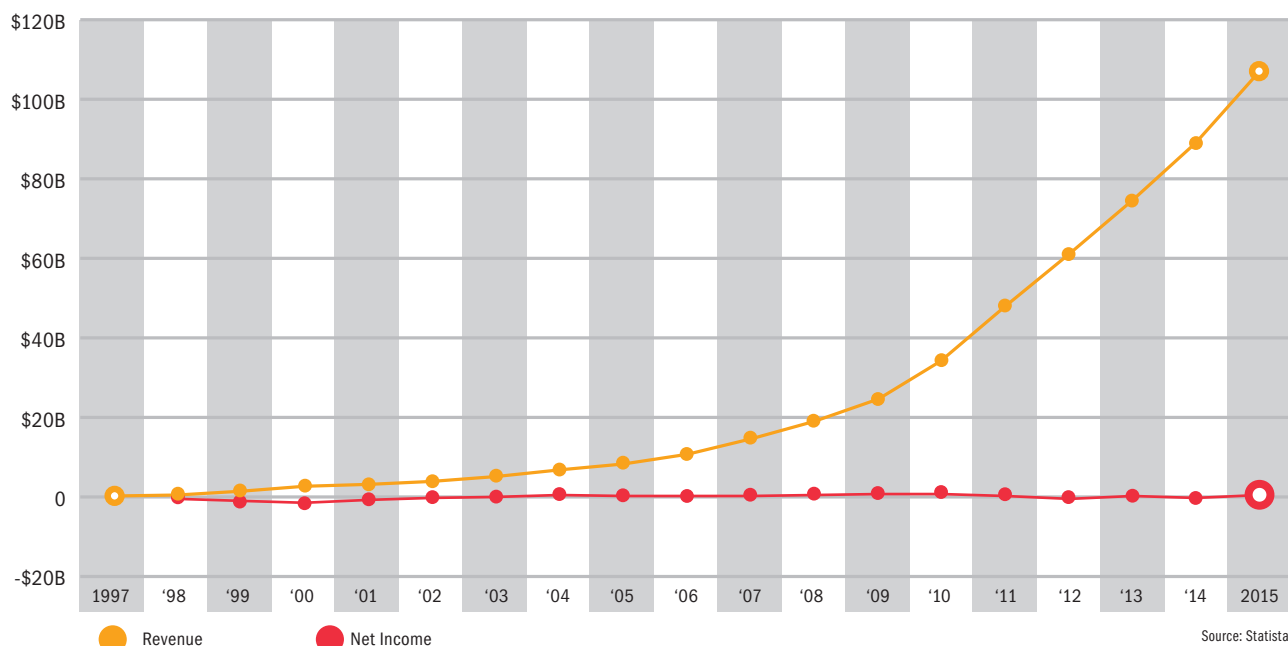


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Amazon's Relentless Focus on Long-Term Growth

Amazon's revenue and net income from 1997 through 2015 (US\$ Billions)



m.) of distribution and light industrial facilities.

Florida also boasts four of America's 30 fastest-growing cities, according to WalletHub. The list includes No. 14 Fort Myers, No. 16 Brandon, No. 17 Miramar and No. 28 Palm Coast.

"We are seeing a lot of retail activity in Florida," Beasley says. "People are moving there and it is easier to develop because of the weather. And Florida is incentivizing new development."

Central Florida isn't the only market winning over Amazon. In Jacksonville in North Florida, Amazon confirmed on January 4 that it will open a second major fulfillment center in the area. The facility will add more than 1,000 full-time jobs and bring total full-time employment in Florida to more than 5,000 workers.

The announcement came just six months after Amazon announced plans to bring 1,500 jobs to a new distribution center in Jacksonville's Northside market. On July 27, 2016, the company said it would build an 800,000-sq.-ft. (74,320-sq.-m.) warehouse on 170 acres (69 hectares) after seven years of site selection and negotiations with the city and state. At that time, the deal known as Project Rex was the largest single jobs announcement in Jacksonville history.

It pales in comparison to what Amazon is doing now. On January 12 of this year, the company announced that it planned to grow its full-time US-based workforce from 180,000 in early 2017 to more than 280,000 by the middle of 2018. A huge chunk of these jobs is expected to be created in the states where Amazon is growing the fastest: California, Texas and Florida.

Amazon has created more than 4,000 full-time jobs in Florida since 2013. The two new fulfillment centers in Jacksonville will increase the company's presence in the state to nine locations, including fulfillment and sortation centers and Prime Now Hubs. Upon completion of the new facilities, Amazon employment in Florida will exceed 6,500.

"Amazon's decision to continue investing and creating jobs in our state is great news," Florida Gov. Rick Scott said.

"We're excited to further expand our presence in the state with this new fulfillment center in Jacksonville," said Akash Chauhan, Amazon's vice president of North American operations. "Florida has been an ideal location to help enable superfast shipping speeds to customers and a source of exceptional talent for Amazon." ▼