

Martin County, Florida

Retail Planning Assessment

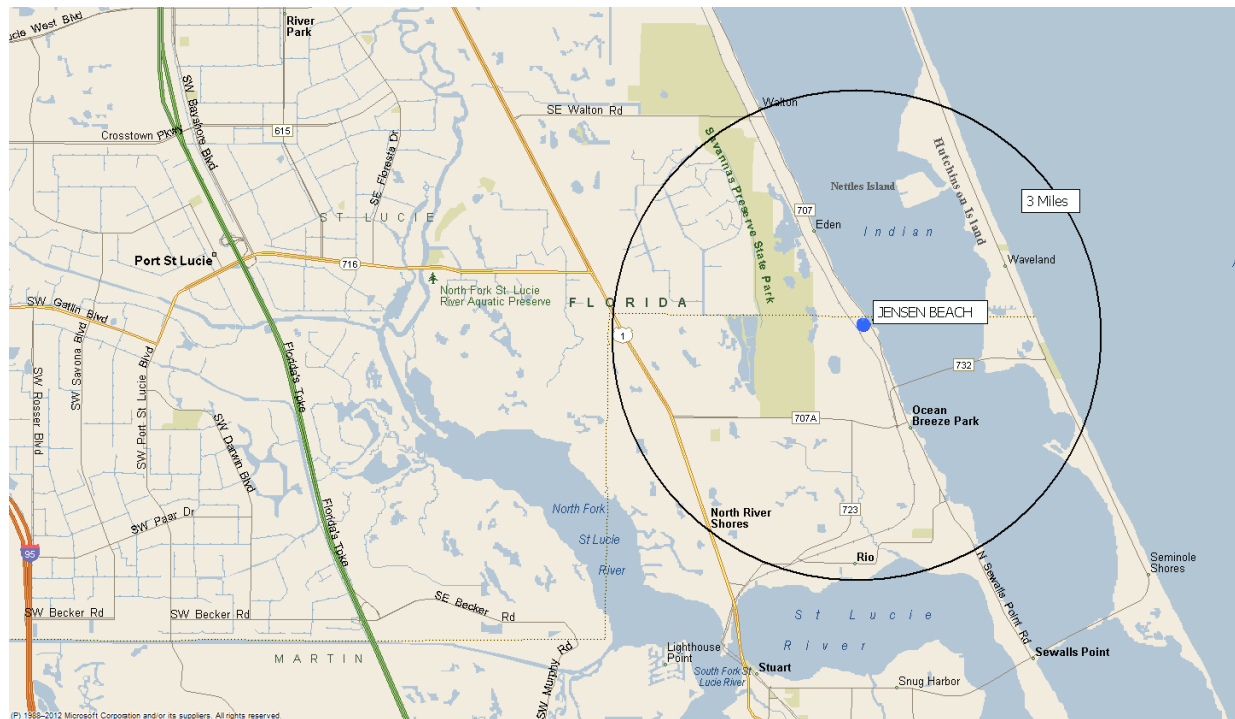
Gibbs Planning Group, Inc.

04 April 2019

Overview

Gibbs Planning Group, Inc. (GPG) has been retained by Martin County to review proposed enhancements or repurposing of properties and commercial districts in Jensen Beach, Hobe Sound, Palm City and Rio. As a part of this review, GPG has completed preliminary retail market analysis reports for each of the study areas. Please find below GPG's general observations and recommendations for these areas.

Jensen Beach



Jensen Beach Observations

1. The mixed-use Renar property is a desirable location at the intersection of two busy roadways and the entry to the Jensen Beach Causeway.
2. The former restaurant site likely has a market potential for a new restaurant, office or retail shops.
3. Parking for the property is located on an adjacent north un-improved parking area across Jensen Beach Boulevard, requiring customers to cross a busy roadway.
4. A proposed mixed-use building is proposed for this parking area, potentially impacting the available parking for the former restaurant.
5. The site has limited adjacent on-street parking, limiting convenient customer access.
6. The building's windows are darkened, eliminating views of the business interiors.
7. Many of the building's windows and primary entry are located under a narrow arcade and difficult to see from the surround streets.
8. The Jensen Beach area has an existing demand for up to 34,000 square feet (sf) of additional restaurants and retailers, potentially producing \$11 million in annual sales (see below).

Jensen Beach Recommendations

1. Secure replacement business and off-site parking sufficient for any proposed commercial use.
2. Add on-street parking along adjacent streets where practical.
3. Replace darkened windows, sign-band and storefront façade with design to reinforce new commercial use and brand.



Views of former Tony Roma restaurant building- January 2019

Jensen Beach Area Retail Market Demand

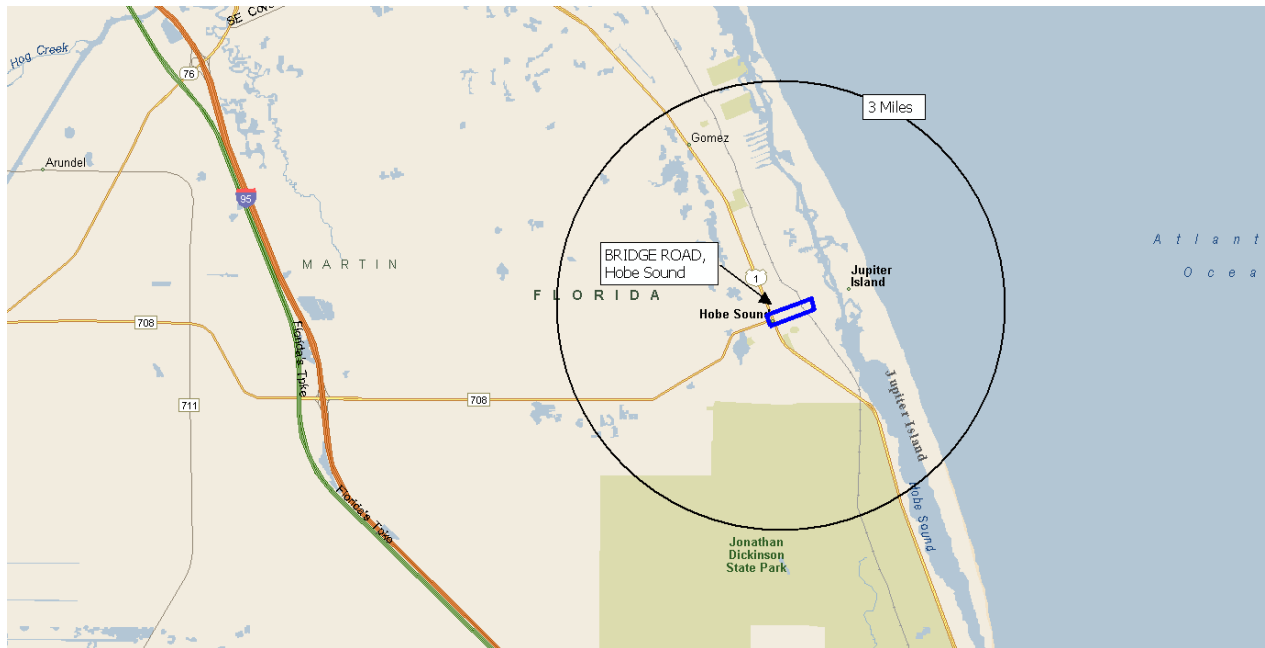
This study finds that Jensen Beach's three-mile radius area has an existing statistical market demand for up to 34,300 square feet (sf) of new retail and restaurant development which could produce as much as \$10.4 million in sales. By 2024, this demand could generate up to \$11.0 million in gross sales.

Retail Category	Estimated Supportable SF	2018 Sales/SF	2018 Estimated Retail Sales	2023 Sales/SF	2023 Estimated Retail Sales
Retailers					
Apparel Stores	3,800	\$290	\$1,102,000	\$305	\$1,159,000
Auto Parts Stores	1,700	\$245	\$416,500	\$255	\$433,500
Beer, Wine & Liquor Stores	1,200	\$315	\$378,000	\$330	\$396,000
Department Store Merchandise	8,400	\$320	\$2,688,000	\$335	\$2,814,000
Home Furnishings Stores	2,900	\$275	\$797,500	\$290	\$841,000
Miscellaneous Store Retailers	2,100	\$265	\$556,500	\$280	\$588,000
Office Supplies & Gift Stores	1,400	\$270	\$378,000	\$285	\$399,000
Shoe Stores	900	\$285	\$256,500	\$300	\$270,000
Specialty Food Stores	1,000	\$295	\$295,000	\$310	\$310,000
Retailer Totals	23,400	\$284	\$6,868,000	\$299	\$7,210,500
Restaurants					
Bars, Breweries & Pubs	3,900	\$330	\$1,287,000	\$345	\$1,345,500
Full-Service Restaurants	1,400	\$350	\$490,000	\$370	\$518,000
Limited-Service Eating Places	1,300	\$340	\$442,000	\$355	\$461,500
Special Food Services	4,300	\$315	\$1,354,500	\$330	\$1,419,000
Restaurant Totals	10,900	\$334	\$3,573,500	\$350	\$3,744,000
Retailer & Restaurant Totals	34,300	\$300	\$10,441,500	\$315	\$10,954,500

Table 1: Jensen Beach area 2019 demand for additional retail and restaurants

This study further finds that the Jensen Beach three-mile radius area has a population of 26,400 people, increasing under current trends to 28,000 people by 2024. Median household income in the primary trade area is \$50,400, which is lower than the county and state averages. Housing favors owner-occupied units, which comprise 49.4 percent of all housing, compared to 16.8 percent renter-occupied households; the vacancy rate is 33.8 percent. The primary trade area has a labor base of 8,700 employees.

Hobe Sound-Bridge Street



Hobe Sound Observations

1. Bridge Road's planned improvements include: Additional on-street parking, widened sidewalks, pedestrian lighting and landscaping.
2. The nearly half-mile long Bridge Road includes Winn Dixie supermarket, restaurants, professional offices and numerous small businesses.
3. Bridge Road is convenient to the greater Martin County area via Federal Highway (US 1) and Dixie Highway (A1A).
4. The Bridge Road commercial district has considerable market potential to support 50,000 sf of new retailers and restaurants (see below).

Hobe Sound Recommendations

1. Maintain a locally based small office, retailers and restaurants focused on serving the surrounding residential neighborhoods, workers and visitors.
2. Consider new apparel, café, gift, home and specialty stores to meet market demand of local community.
3. Scale any new commercial to the capacity of parking, walkways and street infrastructure.

Hobe Sound-Bridge Road Retail Market Demand

The Hobe Sound - Bridge Road commercial area has an existing three-mile radius statistical market demand for up to 50,000 square feet (sf) of new retail and restaurant development which could produce as much as \$15.4 million in sales.



Hobe Sound-Bridge Road Retail Market Demand (Cont.)

By 2023, this demand could generate up to \$16.2 million in gross sales. If constructed as a new single-site center, the development would be classified as a neighborhood center by industry standards. This study further finds that Hobe Sound's primary trade area has a population of 12,300 people, increasing under current trends to 12,800 people by 2024.

Median household income in the primary trade area is \$52,000, which is lower than county and state averages. Housing greatly favors owner-occupied units, which comprise 63.8 percent of all housing, compared to 20.8 percent renter-occupied households; the vacancy rate is 15.3 percent. The primary trade area also has an existing work force base of 3,700 employees.

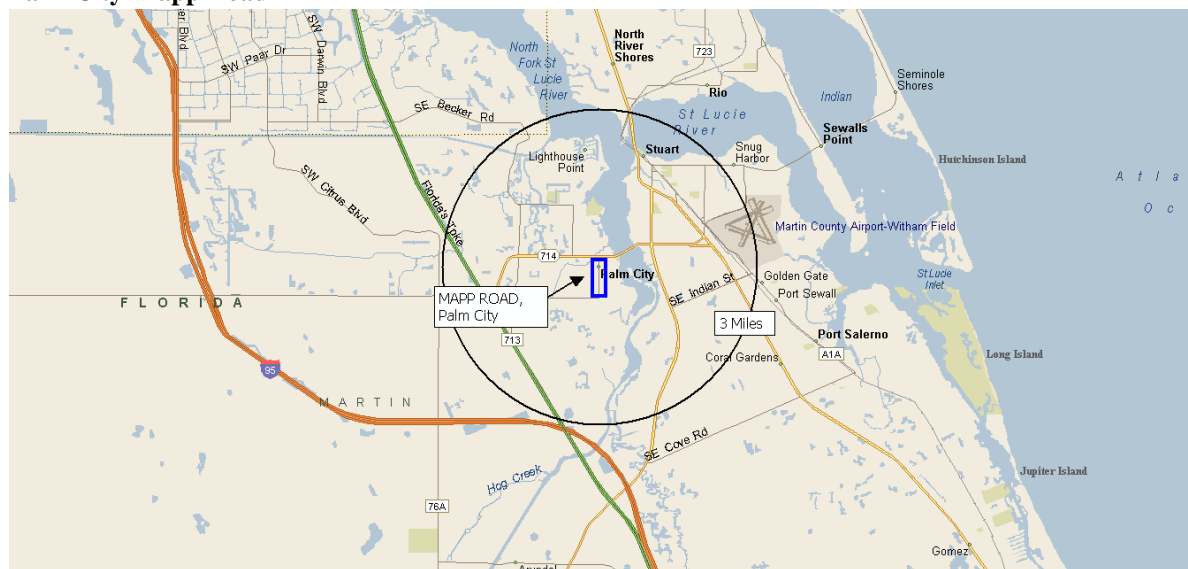


Views of Bridge Street January 2019

Retail Category	Estimated Supportable SF	2018 Sales/SF	2018 Estimated Retail Sales	2023 Sales/SF	2023 Estimated Retail Sales
Retailers					
Apparel Stores	2,300	\$290	\$667,000	\$305	\$701,500
Department Store Merchandise	8,800	\$320	\$2,816,000	\$335	\$2,948,000
Electronics & Appliance Stores	2,900	\$340	\$986,000	\$355	\$1,029,500
Furniture Stores	1,700	\$265	\$450,500	\$280	\$476,000
General Merchandise Stores	3,000	\$315	\$945,000	\$330	\$990,000
Hardware	3,600	\$250	\$900,000	\$265	\$954,000
Home Furnishings Stores	1,800	\$275	\$495,000	\$290	\$522,000
Miscellaneous Store Retailers	1,800	\$265	\$477,000	\$280	\$504,000
Office Supplies & Gift Stores	1,500	\$270	\$405,000	\$285	\$427,500
Pharmacy	6,800	\$305	\$2,074,000	\$320	\$2,176,000
Shoe Stores	800	\$285	\$228,000	\$300	\$240,000
Specialty Food Stores	1,000	\$295	\$295,000	\$310	\$310,000
Retailer Totals	36,000	\$290	\$10,738,500	\$305	\$11,278,500
Restaurants					
Bars, Breweries & Pubs	4,200	\$330	\$1,386,000	\$345	\$1,449,000
Full-Service Restaurants	3,300	\$350	\$1,155,000	\$370	\$1,221,000
Limited-Service Eating Places	2,800	\$340	\$952,000	\$355	\$994,000
Special Food Services	3,700	\$315	\$1,165,500	\$330	\$1,221,000
Restaurant Totals	14,000	\$334	\$4,658,500	\$350	\$4,885,000
Retailer & Restaurant Totals	50,000	\$301	\$15,397,000	\$316	\$16,163,500

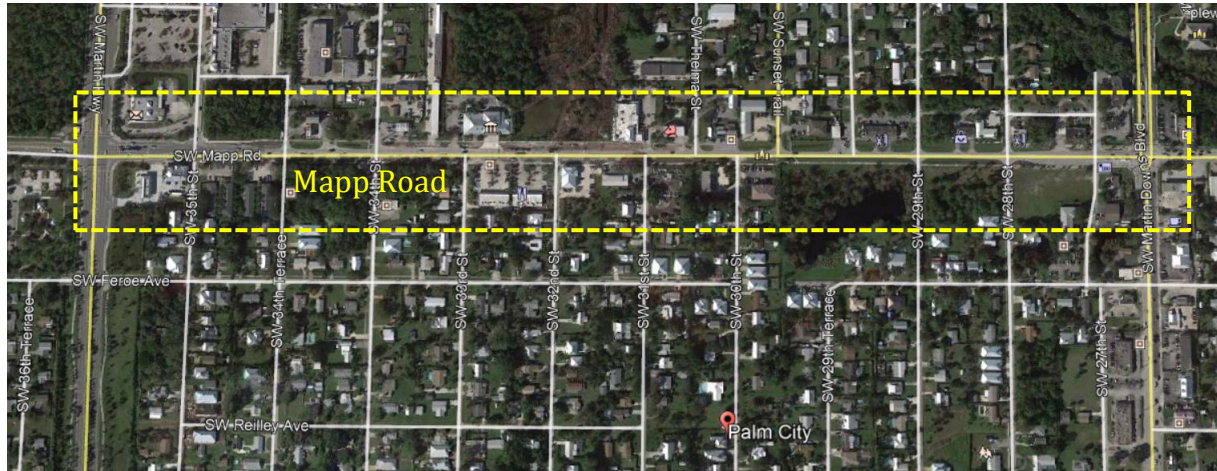
Table 2: Hope Sound – Bridge Street area 2019 demand for additional retail and restaurants

Palm City-Mapp Road



Palm City Observations

1. The Mapp Road commercial area has a potential significant pent-up market demand for nearly 100,000 sf of additional retail and restaurant businesses.
2. New commercial and residential development are apparently being suppressed due to limited utility and storm-water infrastructure capacity.
3. When implemented, proposed landuse, zoning, streetscape and on-street parking improvements may contribute considerable real estate and commercial investment along Mapp Road.



Palm City Recommendations

1. Implement proposed traffic calming, on-street parking and streetscape improvements per CRA Community Redevelopment plan.
2. Engineer and build needed utility and storm water retention storage areas to accommodate existing and proposed landuses.
3. Encourage three new commercial clusters of local-serving office, residential and retail businesses grouped into walkable neighborhoods along Mapp Road between Martin Downs and Martin Highway.
4. Group the 4,000' long Mapp Road corridor into specialized commercial clusters of retail and restaurants.

Palm City-Mapp Road Retail Market Demand

The Palm City's Mapp Road commercial area has an existing three-mile radius statistical market demand for up to 92,400 sf of new retail and restaurant development which could produce as much as \$29.6 million in sales. By 2024, this demand could generate up to \$31.0 million in gross sales.

This study further finds that Palm City’s primary trade area has a population of 45,700 people, increasing under current trends to 48,600 people by 2024. Median household income in the primary trade area is \$60,800, which is higher than county and state averages. Housing favors owner-occupied units, which comprise 62.2 percent of all housing, compared to 23.8 percent renter-occupied households; the vacancy rate is 14.0 percent. The primary trade area has a labor base of 36,000 employees.

Retail Category	Estimated Supportable SF	2018 Sales/SF	2018 Estimated Retail Sales	2023 Sales/SF	2023 Estimated Retail Sales
Retailers					
Apparel Stores	3,700	\$290	\$1,073,000	\$305	\$1,128,500
Beer, Wine & Liquor Stores	1,900	\$315	\$598,500	\$330	\$627,000
Book & Music Stores	2,000	\$240	\$480,000	\$250	\$500,000
Department Store Merchandise	11,800	\$320	\$3,776,000	\$335	\$3,953,000
Electronics & Appliance Stores	8,500	\$340	\$2,890,000	\$355	\$3,017,500
Florists	900	\$225	\$202,500	\$235	\$211,500
General Merchandise Stores	13,900	\$315	\$4,378,500	\$330	\$4,587,000
Grocery Stores	4,500	\$510	\$2,295,000	\$535	\$2,407,500
Miscellaneous Store Retailers	4,100	\$265	\$1,086,500	\$280	\$1,148,000
Office Supplies & Gift Stores	4,100	\$270	\$1,107,000	\$285	\$1,168,500
Pharmacy	4,400	\$305	\$1,342,000	\$320	\$1,408,000
Shoe Stores	1,700	\$285	\$484,500	\$300	\$510,000
Specialty Food Stores	1,400	\$295	\$413,000	\$310	\$434,000
Sporting Goods & Hobby Stores	3,000	\$270	\$810,000	\$285	\$855,000
Retailer Totals	65,900	\$303	\$20,936,500	\$318	\$21,955,500
Restaurants					
Bars, Breweries & Pubs	14,200	\$330	\$4,686,000	\$345	\$4,899,000
Full-Service Restaurants	1,400	\$350	\$490,000	\$370	\$518,000
Limited-Service Eating Places	2,400	\$340	\$816,000	\$355	\$852,000
Special Food Services	8,500	\$315	\$2,677,500	\$330	\$2,805,000
Restaurant Totals	26,500	\$334	\$8,669,500	\$350	\$9,074,000
Retailer & Restaurant Totals	92,400	\$310	\$29,606,000	\$325	\$31,029,500

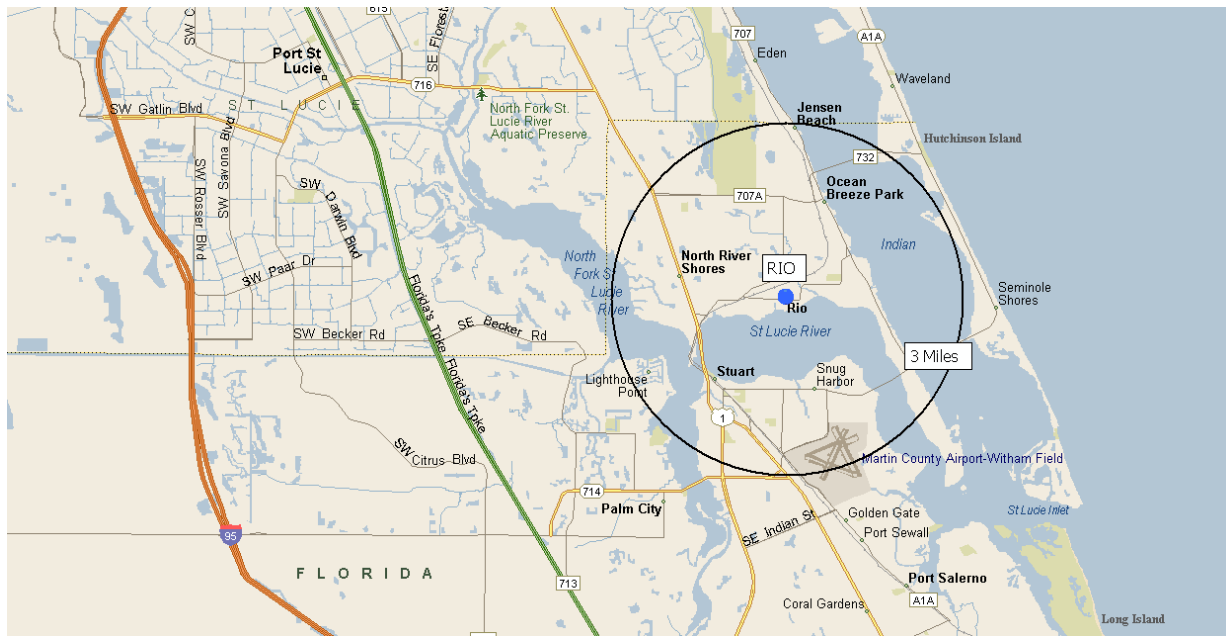
Table 3: Palm City – Mapp Road area 2019 demand for additional retail and restaurants (above).



View of Mapp Road January 2019

Martin County Retail Analysis
Gibbs Planning Group, Inc.
04 April 2019

Rio – Proposed Town Center



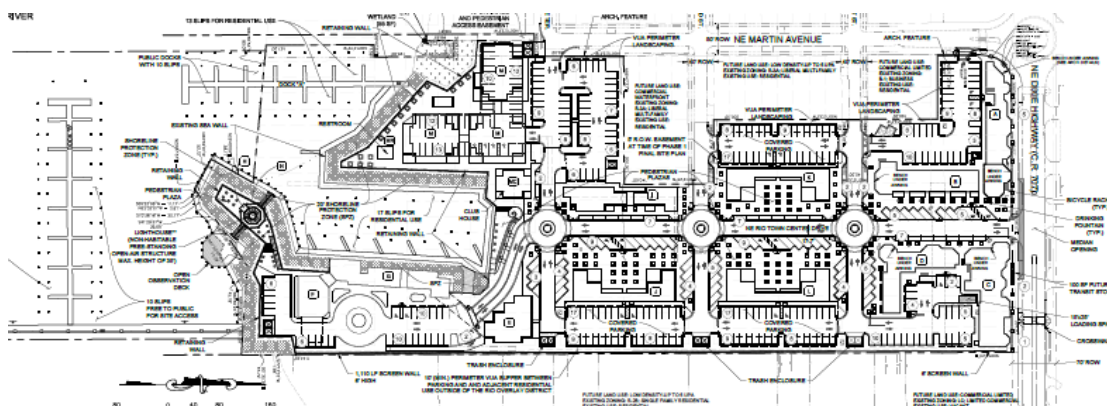
Rio Observations

1. Rio is a small historic enclave located one-mile north of Stuart, across the St. Lucie River.
2. Dixie Highway has recently been improved into a walkable main street with wide sidewalks, parallel on-street parking, street trees, pedestrian lighting and furnishings.
3. Dixie Highway is a secondary roadway and has minimal daily vehicular traffic.
4. The proposed six-acre town center site fronts both Dixie Highway and the St. Lucie River.
5. Historically, the town center site included a popular restaurant fronting the river.
6. The town center will include multi-family residential and retail development clustered along a north-south street lined with parallel-parking.
7. The town center will include a small boat marina with seasonal and daily transient slips.
8. The Rio area has minimal existing market demand for additional retail and restaurant development.



Rio Recommendations

1. Locate all of the town center's commercial development along the Dixie Highway frontage.
2. Limit total town center retail size to 5,000 sf maximum.
3. Any town center retailers should provide goods and services orientated for the surrounding residents and visitors including: Bakeries, cafes, cleaners, food market, personal services and local-servicing offices.
4. A specialty riverfront restaurant offering quality food, excellent service and a unique venue may be able to attract market share beyond the Rio market and the St. Lucie River.



Proposed Rio Town Center site plan (above)

Rio Retail Market Demand

Rio's three-mile radius has an existing statistical market demand for up to 8,700 sf of new retail and restaurant development which could produce as much as \$2.9 million in sales in 2024. This study further finds that Rio's three-mile trade area has a population of 35,000 people, increasing under current trends to 36,700 people by 2024. Median household income in the trade area is \$49,700, which is lower than county and state averages. Housing favors owner-occupied units, which comprise 55.0 percent of all housing, compared to 24.2 percent renter-occupied households; the vacancy rate is 20.8 percent. The three-mile area has a labor base of 32,500 employees.

Retail Category	Estimated Supportable SF	2018 Sales/SF	2018 Estimated Retail Sales	2023 Sales/SF	2023 Estimated Retail Sales
Retailers					
Department Store Merchandise	1,000	\$320	\$320,000	\$335	\$335,000
Retailer Totals	1,000	\$320	\$320,000	\$335	\$335,000
Restaurants					
Bars, Breweries & Pubs	3,500	\$330	\$1,155,000	\$345	\$1,207,500
Special Food Services	4,200	\$315	\$1,323,000	\$330	\$1,386,000
Restaurant Totals	7,700	\$323	\$2,478,000	\$338	\$2,593,500
Retailer & Restaurant Totals	8,700	\$322	\$2,798,000	\$337	\$2,928,500

Table 4: Rio area 2019 demand for additional retail and restaurants

Study Assumptions and Limits

This study is based on GPG's market research and two-day January 2019 site visit to four Martin County study CRA areas: Rio, Jensen Beach, Hobe Sound and Palm City. Its estimates, assumptions and other information were developed by GPG as an independent third-party research effort with general knowledge of the retail industry, and consultations with Martin County staff and its representatives. This report is based on information that was current as of March 14, 2019 and GPG has not undertaken any update of its research effort since such date. Interviews and discussions made during the site visit have not been independently verified by GPG.

The above retail market research demand estimates are based on three-mile radius demographic profiles and GPG's brief site visits. Actual businesses and commercial district trade areas are typically a complex polygon based on drive-times, commercial clusters and other market factors. It is likely that retail and restaurants may achieve sales significantly different than indicated by the above three-mile areas. The above supportable retail demand sales estimates could be absorbed by new businesses or with existing businesses through expanded size and operations.

This report may contain prospective financial information, estimates, or opinions that represent GPG's view of reasonable expectations at a particular time. Such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our market analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by GPG that any of the projected values or results contained in this study will be achieved.

This study ***should not*** be the sole basis for designing, financing, planning, and programming any business, real estate development, or public planning policy. This study is intended only for the use of the client and is void for other site locations, developers, or organizations.

End of Report

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