

**Business Climate Work Group Minutes**  
**Thursday, December 07, 2006**  
**Sarasota Herald Tribune Community Room**

Welcome and introductions by Anne Merrill. Anne reviewed the agenda for the meeting and introduced Joan McGill of the EDC staff. Joan has recently joined the staff as Vice President of Business Development. Joan was filling in for Diane Andrews at this meeting, as Diane was attending a workshop out of town. Joan talked about recent staff changes at the EDC office including her move back to the staff. Joan introduced Kathy Grandt who has joined the staff as an executive assistant who will be supporting Joan and the Business Development team. Joan spoke about the new position of Film Commissioner. She stated that the date for receipt of resumes had passed, enabling Kathy Baylis to begin screening the candidates. Joan also talked about Brian Cartland phasing out of his position on the EDC staff and the pending hiring of a new senior project manager to replace him. Joan told the group about the improvements to the EDC website and encouraged everyone to view it and to forward any comments or suggestions about further improvements to anyone on the EDC staff.

Anne Merrill introduced John Swart as the primary speaker for today's work group meeting.

John Swart, president Lakewood Ranch Realty and past chair of the EDC Board of Directors, gave an interesting presentation on the increasing rate of impact fees in our area. While all fees are increasing, the impact on medical office space has risen dramatically. In Sarasota County, the rate increased from \$9.75 to \$29.18 per square foot. For a 2,500 square foot home, the road impact fee is now \$2,874 and is proposed to be \$8,060 in 2007. Impact fees on general office space will go from the current of \$4.07 to \$8.86 per square foot in 2007. The cost of insurance for commercial buildings has risen tremendously from roughly \$18,500 in 2005 to \$225,000 in 2007 for the same building.

John also discussed increased government spending while millage rates remain flat. Home sales are down; there will be continued layoffs in that field. There appears to be about a three-year supply of condominiums on the market in Lakewood Ranch. John anticipates that no new condo projects will be started there for a while. While condo conversions are a risk, they may provide a viable source of affordable housing in the area. The rising cost of commercial construction was discussed. In 1995, the cost was roughly \$100 per square foot to build and it is now close to \$200 per square foot. Steel and concrete shortages are partially to blame, but so is the increased pressure on illegals who fill a number of construction jobs often for lower wages. John talked about the housing bubble in our area and in Florida. He also discussed the increase in taxes for industrial property by giving an example of a 25,000 square foot building in Lakewood Ranch where taxes were \$0.89 a square foot in 2001 and now are \$2.46 a square foot. John wondered if the tax assessor will adjust rates

and revalue properties as values go down. There was lively discussion about this point with intense group involvement. There was extensive discussion about where revenue would come from going forward. John answered questions from the body and closed his presentation.

Anne reminded everyone about the upcoming **Strategic Planning meeting to be held on January 30, 2007, 8:30 a.m. to 10:00 a.m. at Twin Lakes.** Anne asked for subcommittee reports. As the Diversity group was not represented, that report will be given at a later time. James Brown gave an update on the Workforce Housing subcommittee's task. The committee realizes that not everyone will, can or should buy a home. He gave details about those factors. The committee is looking to rental housing and rental incentives. They are going forward with their research in these areas. James stated that their final report will not be completed in time for the strategic planning meeting, as the bulk of the research will be conducted after the holidays. James informed the body that the next county commission meeting will be held at the Venice City Hall and encouraged people to attend the meeting. James talked about workforce housing and where some of that housing will come from. There was discussion about employer assistance to better enable employees to purchase homes. LandMark Bank has such a program.

Anne introduced Henry Rodriguez who is working on the incoming governor's transition team in the area of economic development. Henry spoke briefly about what he has been charged with and asked for feedback from the group.

The meeting adjourned at 9:50 a.m. The next meeting will be the **Strategic Planning meeting, January 30, 2007, 8:30 a.m. to 10:00 p.m. at Twin Lakes.**