

East Milton Commons: A Feasibility Study

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Executive Summary

Santa Rosa County Industrial Park is an approximately 800 acre park located three miles east of Milton, Florida on U.S. Highway 90 and one mile north of Interstate 10. Presently, the area lacks substantial development, with the nearest commercial spaces providing food, dry cleaning, daycare and other desirable amenities being located in Milton or at the Interstate 10 exit. As the park continues to grow, the increased population density necessitates the addition of amenities and services, either on-site or in close proximity to the park, to ensure its continued success.

TEAM Santa Rosa (TEAM) worked with the Haas Center for Business Research and Economic Development (the Haas Center) to analyze the feasibility of construction of a retail strip building capable of housing amenities such as restaurants, a dry cleaner, a day care facility, and banking on a site in or adjacent to the industrial park. The Haas Center designed a survey questionnaire to collect data on desired amenities from current park employees, how often these amenities would be used, and pricing points for the amenities.

The majority of survey respondents have an hour for meal breaks. Respondents overwhelmingly eat out between 10:30 a.m. and 4:00 p.m. Most currently eat a meal out while at work. The top reasons cited for not eating meals out while at work were that there was no food close enough, respondents brought their own food to work, or they did not have enough time. Of respondents who both reported that they do not currently eat a meal out and indicated whether or not they would eat a meal out if more food choices were available nearby; 76 percent reported that they would eat a meal out. Twenty-four percent would not eat a meal out, even if more food choices were available. It should be noted that correctional officers responsible for guarding inmates at both the Santa Rosa County Sheriff's Office and the Santa Rosa Correctional Institution are required to stay at their posts during meals; they do not have the option of eating a meal out during their meal breaks.

The vast majority of survey respondents who indicated that they would spend money eating out expect to spend less than six dollars (84%) on breakfast, lunch (41%) and dinner (30%). Fifty-six percent would typically spend \$6 to \$10 for lunch and 53% percent would typically spend \$6 to \$10 eating a meal out during dinner time. The top five restaurant types desired by respondents who answered the question were: Fast Food (43%), Casual Dining (40%), Sub Sandwiches (37%), Barbeque (35%), and Buffet (35%).

		Annual household income				
		Under \$25,000	\$25,000 to \$34,999	\$35,000 to \$44,999	\$45,000 to \$54,999	\$55,000 and above
Restaurant Type	Buffet	Fast Food	*Barbeque (1)	Casual Dining	Casual Dining	
	Sub Sandwiches	Casual Dining	*Casual Dining (1)	Sub Sandwiches	Fast Food	
	Fast Food	*Buffet (3)	*Ethnic Cuisine (1)	Fast Food	Barbeque	
	Pizza Place	*Sub Sandwiches (3)	*Buffet (4)	Buffet	Pizza Place	
	Barbeque	Barbeque	*Seafood (4)	Barbeque	Ethnic Cuisine	

Note: * Denotes tie (tying position listed in parentheses)

Regarding other amenities besides food, over half of respondents indicated that they want an ATM added to the industrial park (56%). Forty-six percent of respondents want a workout facility added, 22% desired a dry cleaner and 20% want a daycare facility.

While the site hosts essentially a captive audience with little existing competition, comparing franchise restaurant site location requirements with existing tenant demographics, resident demographics and future growth potential indicates that the area presently cannot support any but the smallest of restaurant sandwich shops. Even with the projected growth in the area, there is not sufficient daytime or resident population to attract franchise type food service. Additionally, the site is potentially too remote from Interstate 10 to attract

pass-through traffic and would compete with the interchanges in Crestview and Pensacola. The site may be suitable, however, for a subsidized program similar to that provided by large corporations to their employees.

There is currently a significant shortage of childcare facilities in East Milton and other types of desired amenities rely less upon a resident population to operate successfully. Visibility and sufficient traffic counts are most important, making it essential that any building housing amenities be visible from Highway 90.

Introduction

Santa Rosa County Industrial Park is an approximately 800 acre park located three miles east of Milton, Florida on U.S. Highway 90 and one mile north of Interstate 10. Presently, the area lacks substantial development, with the nearest commercial spaces providing food, dry cleaning, daycare and other desirable amenities being located in Milton or at the Interstate 10 exit.

As the Santa Rosa County Industrial Park continues its growth, the increased population density necessitates the addition of amenities and services, either on-site or in close proximity to the park, to ensure its continued success.

TEAM Santa Rosa (TEAM) has partnered with the Haas Center for Business Research and Economic Development (the Haas Center) to analyze the feasibility of construction of a retail strip building capable of housing amenities such as restaurants, a dry cleaner, a day care facility, and banking on a site in or adjacent to the industrial park. The Haas Center designed a survey questionnaire to collect data on which amenities are desired by current employees, how often these amenities would be used, and pricing points for the amenities.

TEAM Santa Rosa commissioned the Haas Center for Business Research and Economic Development at the University of West Florida (the Haas Center) to develop and administer the survey, analyze the survey results and provide a report of findings.

The survey was administered from April 21st through May 12th using a printed instrument distributed by the Haas Center. Printed survey responses were subsequently entered into the online survey system by Haas Center staff. A total of 500 completed surveys were received. A copy of the survey is included in Appendix A. Comments provided by survey respondents are included in Appendix B.

Unfortunately, due to bureaucratic restrictions, the Florida Department of Corrections did not allow the approximately 600 employees at the Santa Rosa Correctional Institution, the largest employer at the park, to participate in the survey. Consequently, their opinions regarding the addition of amenities are not included in this report.

The total population of the Industrial park is approximately 2,000 employees. Seventeen private businesses, the Santa Rosa County Sheriff's Office, and the Santa Rosa Correctional Institution (state prison) are located within the park. Most private businesses operate during normal business hours, although several also have a second shift. Both the Sheriff's Office and the state prison operate twenty-four hours per day, seven days per week.

Currently, the state prison is constructing new inmate housing, which will require hiring additional prison guards. By the time building construction is complete and all dorms are fully functional, an additional 300 new prison jobs will have been added. Half of those new jobs have already come on-line.

In addition to expansion plans by current park tenants, a number of new businesses are in the process of joining the industrial park. Three businesses are expected to move to the park within the next twelve months, adding a total of approximately 135 employees to the park. In 12 – 18 months, seven more

businesses, employing a projected total of 208 additional employees, are also planning to locate within the park.

CitiFinancial has recently announced plans to close their call center at the park. The 239 lost jobs will be more than compensated for by the prison expansion and new businesses locating at the park within the next 12 months.

Study Results

Residential Demographics

The 2 ½-mile radius surrounding the park has a residential population of approximately 5,604 living in 1,547 households. The median age is 35.7 years and the median household income is \$37,867.

As a way of further describing the typical household in east Milton, market segmentation is used. ESRI, the world leader in GIS (geographic information system) software and technology, as well as a major provider of reliable demographic information has created a market segmentation system called Community™ Tapestry™. According to ESRI, Community™ Tapestry™ classifies U.S. neighborhoods into 65 segments, based on their socioeconomic and demographic composition. The Community™ Tapestry™ market segmentation system uses a methodology that has proven reliable over the past three decades. Neighborhoods with the most similar characteristics are grouped together, and neighborhoods showing divergent characteristics are separated.

Several Tapestry™ segment neighborhoods make up the 2 ½-mile radius surrounding the industrial park. The predominant market segment, with nearly 55 percent of the population, is called *Midland Crowd*. ESRI defines the *Midland Crowd* market segment as follows:

Approximately 10.8 million people represent *Midland Crowd*, Community Tapestry's largest market. The median age of 36.3 years matches the U.S. median. Most households are composed of married-couple families, half with children and half without. The median household income is \$48,200. Housing developments are generally in rural areas throughout the United States (more village or town than farm), mainly in the South. Homeownership is at 84 percent. Two-thirds of households are single-family structures; 28 percent are mobile homes. This is a somewhat conservative market politically. These do-it-yourselfers take pride in their homes, lawns, and vehicles. Hunting, fishing, and woodworking are favorite pursuits. Pet ownership, especially birds or dogs, is common. Many households have a satellite dish, and TV viewing includes various news programs as well as shows on CMT and Outdoor Life Network.

Source: ESRI.com

The second most predominant market segment, comprising over 25 percent of the households, is called *Crossroads*. ESRI defines the *Crossroads* market segment as follows:

Young families living in mobile homes typify *Crossroads* neighborhoods, found in small towns throughout the South, Midwest, and West. These growing communities are home to married-couple and single-parent families. The median age is 31.9 years. Homeownership is at 77 percent, and the median home value is \$60,300. More than half of the householders live in mobile homes; 36 percent live in single-family dwellings. Employment is chiefly in the manufacturing, construction, retail trade, and service industries. Many homes have dogs. Residents generally shop at discount stores but also frequent convenience stores. They prefer domestic cars and trucks, often buying and servicing used vehicles. Residents go fishing, attend auto races, participate in auto racing, and play the lottery. An annual family outing to SeaWorld is common. *Outer Limits* is a favorite weekly TV show.

The third most predominant Tapestry™ segment, representing almost 20 percent of the households in the 2 ½-mile radius surrounding the industrial park, is called *Rooted Rural*. ESRI describes the *Rooted Rural* segment as follows:

Rooted Rural neighborhoods are located in rural areas throughout the country; however, more than three-fifths of the households are located in the South. Households are dominated by married-couple families, approximately one-third of who already receive Social Security benefits. The median age is 41.0 years. Housing is predominantly single-family dwellings, with a strong presence of mobile homes and some seasonal housing. The median home value is \$89,900. Stable and settled, residents tend to move infrequently. They are do-it-yourselfers, constantly working on their homes, gardens, and vehicles. Many families have pets. Residents enjoy hunting, fishing, target shooting, boating, attending country music concerts, and listening to country music on the radio. Many households have a satellite dish; favorite stations include Outdoor Life Network and CMT.

Source: ESRI.com

Within ESRI's Community™ Tapestry™ segmentation system, segments with similar characteristics are grouped into larger LifeMode groups. The *American Quilt* LifeMode group is made up of market segments which are primarily found in small towns and rural areas. The *Midland Crowd*, *Crossroads*, and *Rooted Rural* segments are all part of the larger *American Quilt* LifeMode Group.

The following figures represent detailed demographic information for the 2 ½-mile radius surrounding the industrial park:

Figure 1 - Number of Households

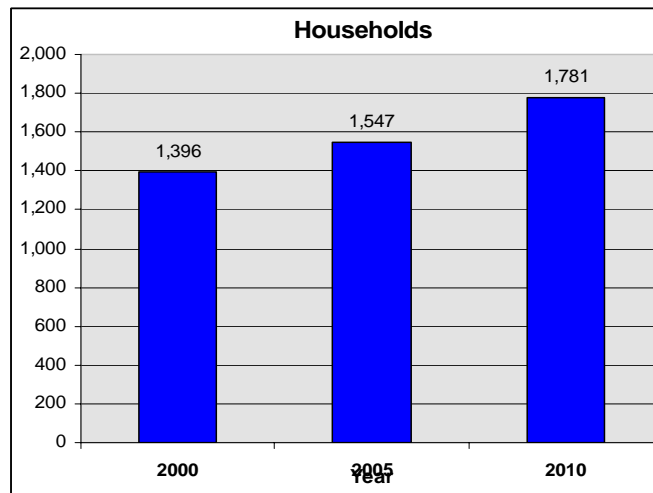


Figure 2 - Resident Household Income

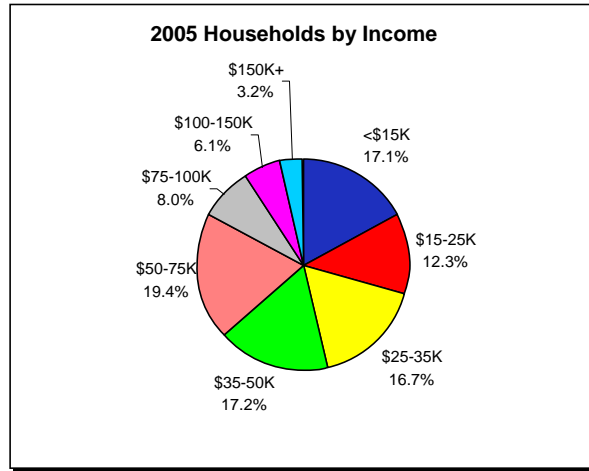


Figure 3 - Resident Population by Age

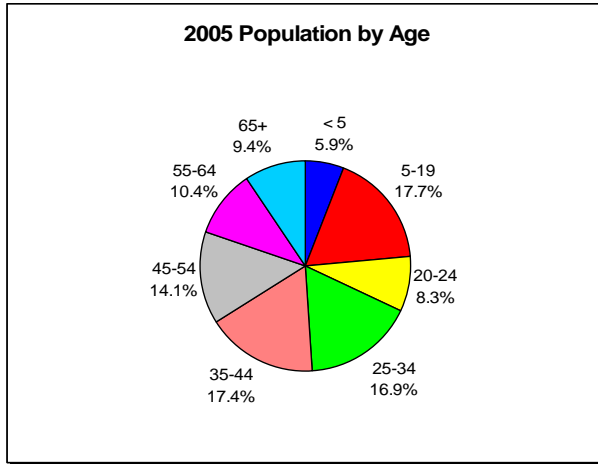


Figure 4 - Resident Employment by Occupation

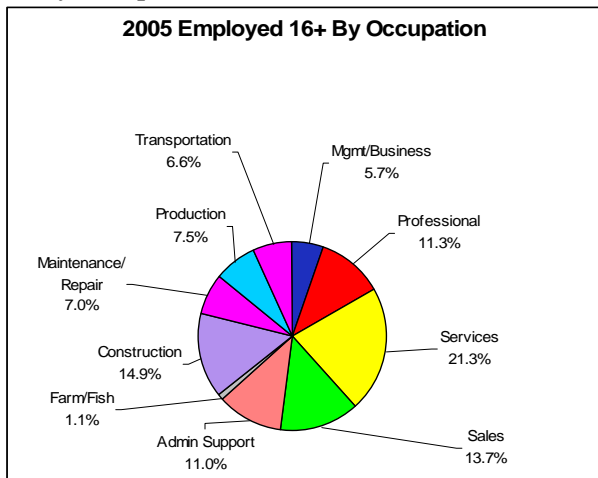
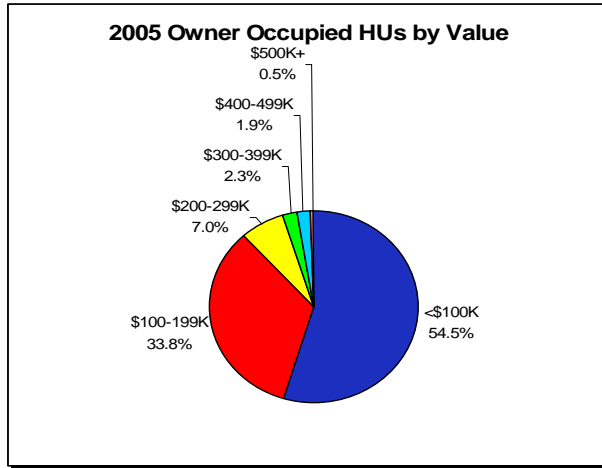


Figure 5 - Resident Owner-Occupied Housing Values



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2005 and 2010.

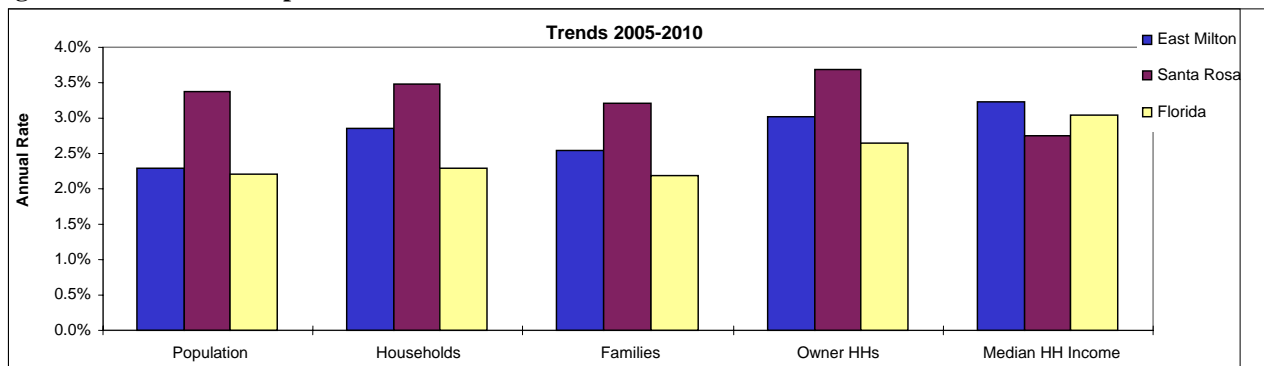
In addition to the communities surrounding the industrial park, there are also 65 FEMA trailers located within the park. Due to their temporary status within the park, the families living in this FEMA community are not being considered for the purposes of this survey. The trailers are expected to be removed by September, 2006.

Growth Expected

According to the Santa Rosa County Planning Office, new residential developments planned for East Milton will add an estimated 900 new 2000+ square foot, single-family homes over the next 3 years, all within approximately 2 miles of the industrial park. This will significantly increase both the residential population and the number of households. An additional 800 East Milton area homes are in the planning process, and are expected to be built out by 2010.

Between 2005 and 2010, the total population in East Milton is expected to increase at an annual rate of 2.30 percent and the total number of households is expected to grow at an annual rate of 2.86 percent. These growth rates lag behind Santa Rosa County's rates of 3.37 percent for population and 3.48 percent for households by 32 and 18 percent, respectively. Median household income is expected to rise at an annual rate of 3.23 percent to \$44,391 by 2010. Unlike population and household growth, however, median income is expected to rise at an annual rate of 117 percent of Santa Rosa County's expected annual growth rate of 2.75 percent. The following chart illustrates annual growth rate trends for East Milton as compared to Santa Rosa County, as well as the state of Florida.

Figure 6 -2005 to 2010 Expected Annual Growth Rates



Retail Analysis

Retail Gap Analysis Methodology

ESRI data has been used to determine the estimated demand for retail goods in East Milton. ESRI estimates consumer demand by using their consumer spending data from the Bureau of Labor Statistics (BLS), Consumer Expenditure (CEX) surveys, along with Census demographic information to estimate consumer spending for more than 700 products and services consumed by U.S. households.

Retail Gap Analysis

An analysis of retail patterns for east Milton indicates that there are gaps in supply and demand for retail goods. According to ESRI, overall retail potential, including food and drink, for the 2 ½-mile radius surrounding the industrial park is \$33,097,744, with overall supply estimated at \$22,821,801. The supply gap of \$10,275,943 includes \$3,711,855 in unmet demand for food and drink. This gap indicates that consumer dollars are leaking out of the community as residents look outside of the immediate area to meet their demand for retail goods. The retail profile detailed on the following pages are based on the estimated incomes and spending patterns of the residents of East Milton.



Retail MarketPlace Profile

4595 Industrial Blvd		Latitude:	30.6356
Milton, FL 32583		Longitude:	-86.9896
	Site Type:	Radius:	2.5 miles

Summary Demographics

2005 Population	5,604
2005 Households	1,547
2005 Median Disposable Income	\$32,053
2005 Per Capita Income	\$17,838

Industry Summary

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
Total Retail Trade and Food & Drink (NAICS 44-45, 722)	\$22,821,801	\$33,097,744	18.4	23
Total Retail Trade (NAICS 44-45)	\$21,936,405	\$28,500,493	13	19
Total Food & Drink (NAICS 722)	\$885,396	\$4,597,251	67.7	4

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
NAICS 441: Motor Vehicle & Parts Dealers	\$845,343	\$8,908,473	82.7	2

NAICS 4411: Automobile Dealers	\$7,444	\$7,425,541	99.8	0
NAICS 4412: Other Motor Vehicle Dealers	\$645,876	\$598,110	-3.8	1
NAICS 4413: Auto Parts, Accessories, and Tire Stores	\$192,023	\$884,822	64.3	1
NAICS 442: Furniture & Home Furnishings Stores	\$274,965	\$624,556	38.9	1
NAICS 4421: Furniture Stores	\$274,965	\$493,895	28.5	1
NAICS 4422: Home Furnishings Stores	\$0	\$130,661	100	0
NAICS 443/NAICS 4431: Electronics & Appliance Stores	\$131,922	\$432,224	53.2	1
NAICS 444: Bldg Materials, Garden Equip. & Supply Stores	\$1,346,390	\$1,488,611	5	2
NAICS 4441: Building Material and Supplies Dealers	\$1,345,358	\$1,301,983	-1.6	2
NAICS 4442: Lawn and Garden Equipment and Supplies Stores	\$1,032	\$186,628	98.9	0
NAICS 445: Food & Beverage Stores	\$3,496,413	\$4,397,463	11.4	4
NAICS 4451: Grocery Stores	\$3,496,413	\$4,308,343	10.4	4
NAICS 4452: Specialty Food Stores	\$0	\$89,120	100	0
NAICS 4453: Beer, Wine, and Liquor Stores	\$0	\$0	0	0
NAICS 446/NAICS 4461: Health & Personal Care Stores	\$5,282	\$1,064,277	99	0
NAICS 447/NAICS 4471: Gasoline Stations	\$3,674,510	\$3,540,021	-1.9	2
NAICS 448: Clothing and Clothing Accessories Stores	\$108,242	\$193,739	28.3	1
NAICS 4481: Clothing Stores	\$89,560	\$98,526	4.8	1
NAICS 4482: Shoe Stores	\$0	\$10,905	100	0
NAICS 4483: Jewelry, Luggage, and Leather Goods Stores	\$18,682	\$84,308	63.7	0
NAICS 451: Sporting Goods, Hobby, Book, and Music Stores	\$473,643	\$368,987	-12.4	3
NAICS 4511: Sporting Goods/Hobby/Musical Instrument Stores	\$473,643	\$218,746	-36.8	3
NAICS 4512: Book, Periodical, and Music Stores	\$0	\$150,241	100	0

Data Note: Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) represents the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. The Leakage/Surplus Factor is a measure of consumer demand relative to supply, ranging from 100 (total leakage) to -100 (total surplus). ESRI uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector.

Source: Business data provided by InfoUSA, Omaha NE Copyright 2005, all rights reserved. ESRI forecasts for 2005.



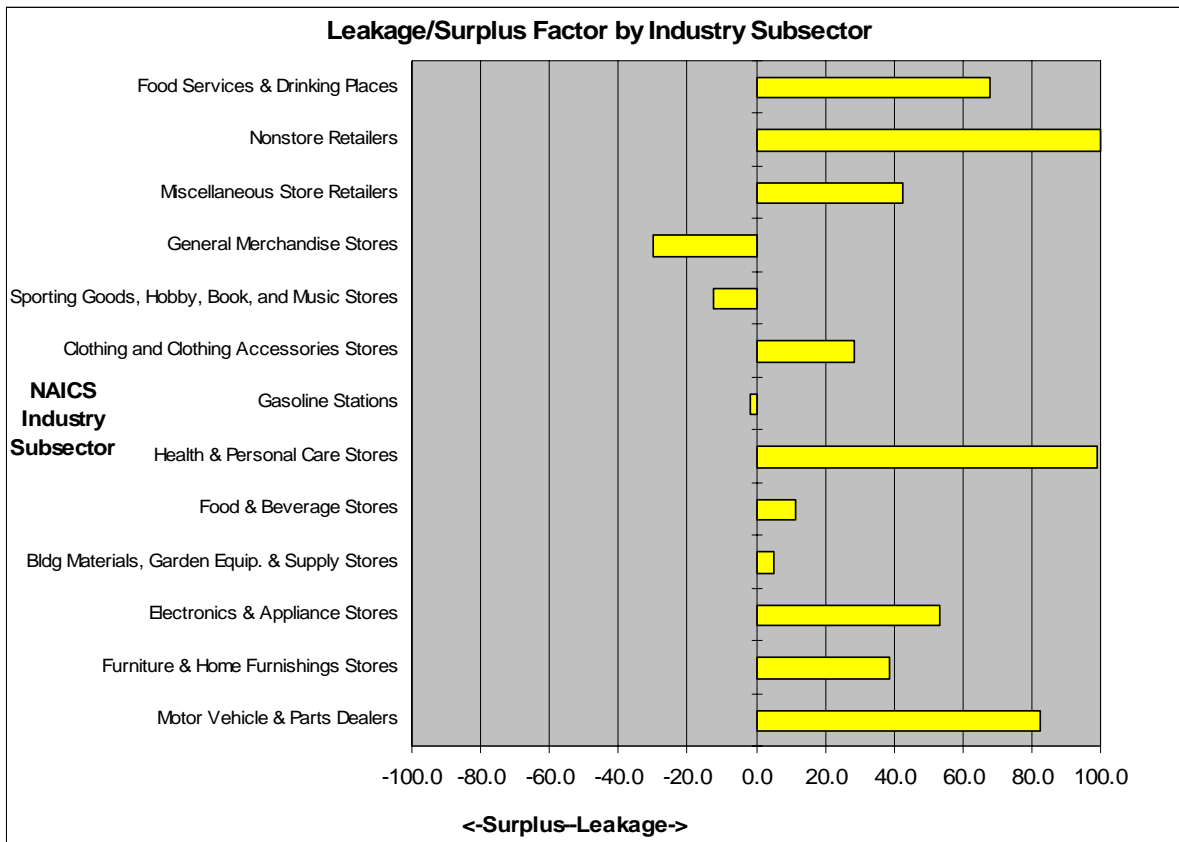
Retail MarketPlace Profile

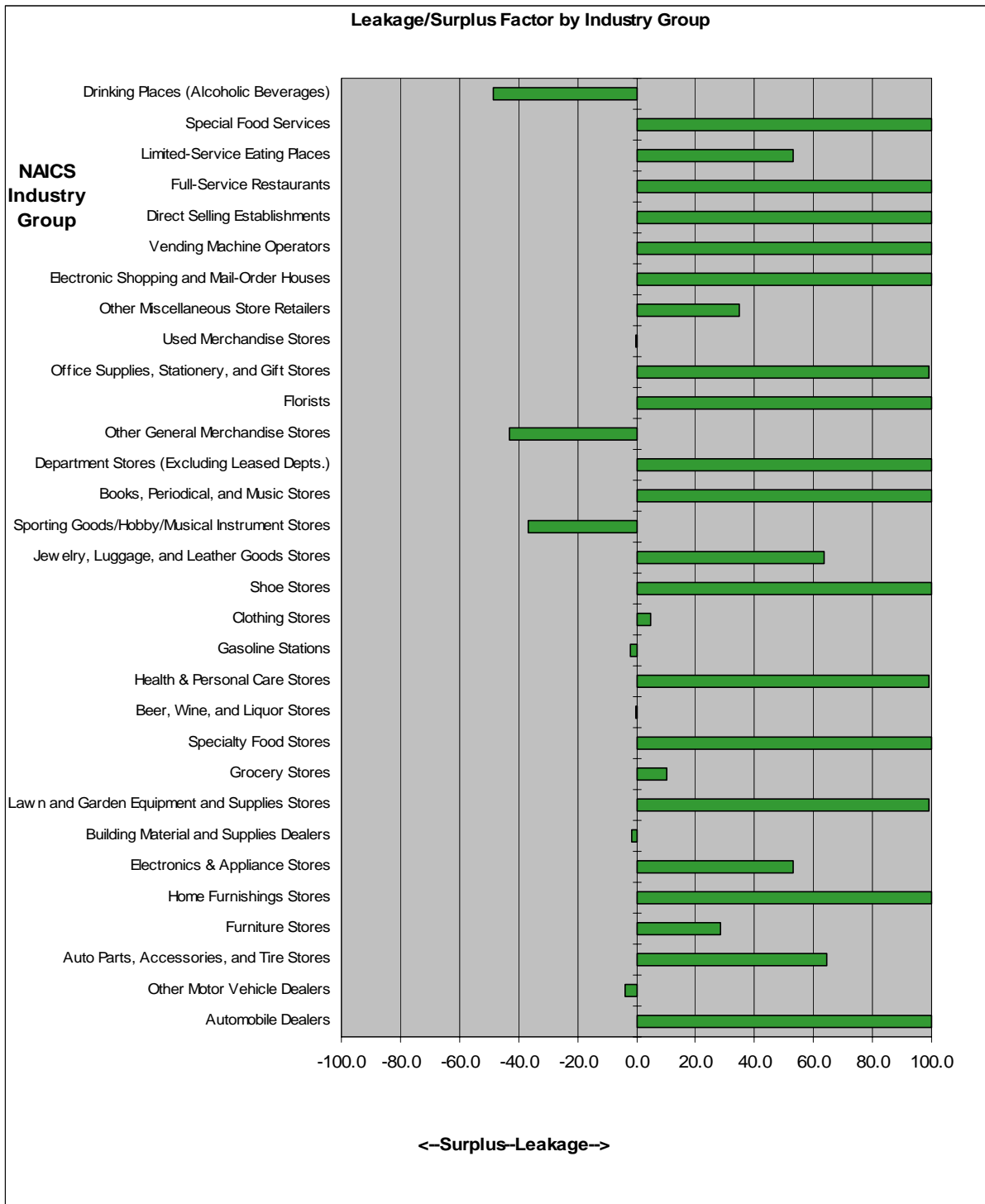
4595 Industrial Blvd
Milton, FL 32583

Latitude: 30.6356
Longitude: -86.9896

Site Type: Radius Radius: 2.5 miles

	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number of Businesses
NAICS 452: General Merchandise Stores	\$11,281,324	\$6,098,567	-29.8	2
NAICS 4521: Department Stores (Excluding Leased Depts.)	\$0	\$1,605,572	100	0
NAICS 4529: Other General Merchandise Stores	\$11,281,324	\$4,492,995	-43	2
NAICS 453: Miscellaneous Store Retailers	\$298,371	\$741,744	42.6	1
NAICS 4531: Florists	\$0	\$77,730	100	0
NAICS 4532: Office Supplies, Stationery, and Gift Stores	\$826	\$241,065	99.3	0
NAICS 4533: Used Merchandise Stores	\$179,441	\$179,396	0	1
NAICS 4539: Other Miscellaneous Store Retailers	\$118,104	\$243,553	34.7	0
NAICS 454: Nonstore Retailers	\$0	\$641,831	100	0
NAICS 4541: Electronic Shopping and Mail-Order Houses	\$0	\$270,280	100	0
NAICS 4542: Vending Machine Operators	\$0	\$170,575	100	0
NAICS 4543: Direct Selling Establishments	\$0	\$200,976	100	0
NAICS 722: Food Services & Drinking Places	\$885,396	\$4,597,251	67.7	4
NAICS 7221: Full-Service Restaurants	\$0	\$1,994,740	100	0
NAICS 7222: Limited-Service Eating Places	\$738,610	\$2,424,336	53.3	3
NAICS 7223: Special Food Services	\$0	\$127,154	100	0
NAICS 7224: Drinking Places (Alcoholic Beverages)	\$146,786	\$51,021	-48.4	1

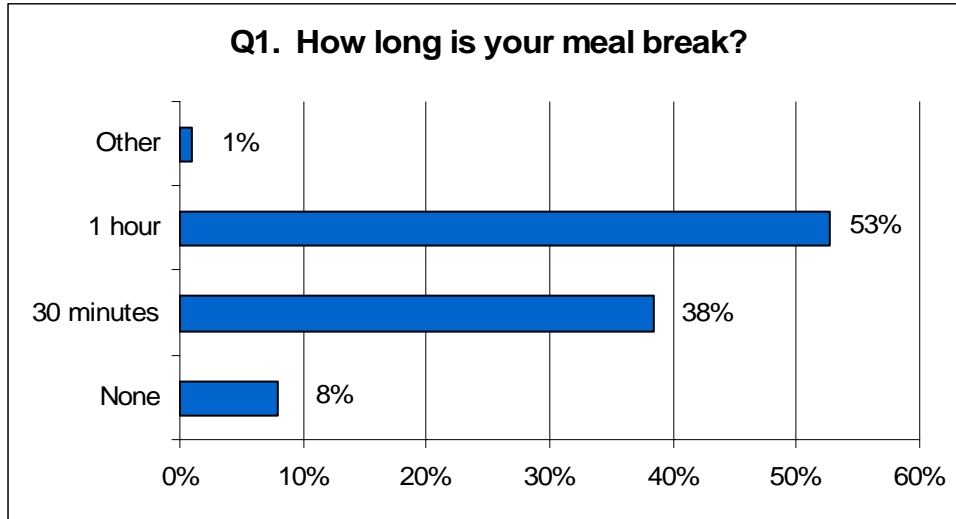




Survey Results

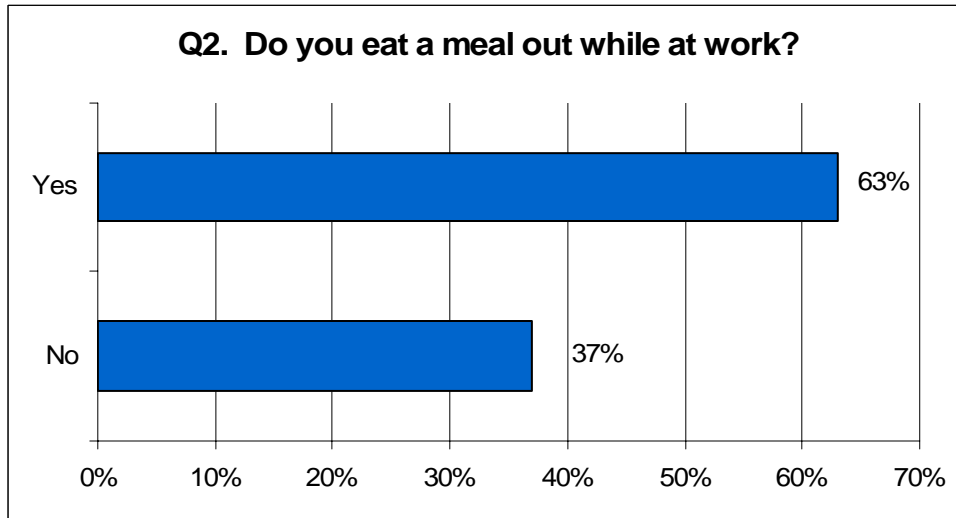
Fifty-three percent of survey respondents who answered Question 1 indicated that their meal breaks are one hour long. The majority of the remaining 47 percent have a thirty minute (38%) meal break. Although “None” was not listed as a response option on the survey, 8 percent of respondents indicated that they do not have a meal break and an additional one percent gave other answers.

Figure 7 - How long is your meal break?



Sixty-three percent of respondents who answered Question 2 currently eat a meal out while at work. Thirty-seven percent of respondents do not eat a meal out while at work.

Figure 8 - Do you eat a meal out while at work?



When presented with reasons for not eating a meal out while at work, most respondents indicated that they brought food from home (44%), there was not food close enough (44%), or that they did not have enough time (36%). Of the "Other" responses, the majority indicated that fuel cost (31%) or a job requirement to eat at the jail (23%) were reasons for not eating a meal out while at work.

Figure 9 - If No, why don't you?

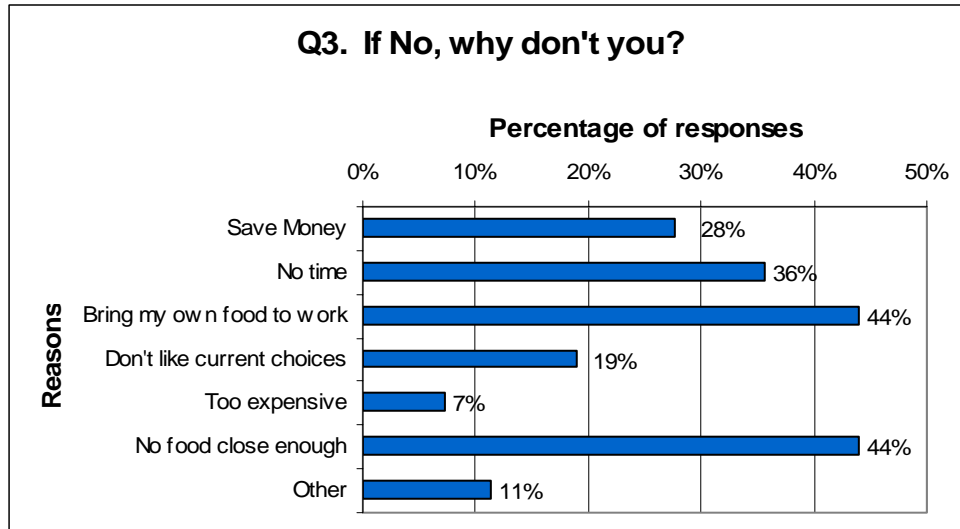
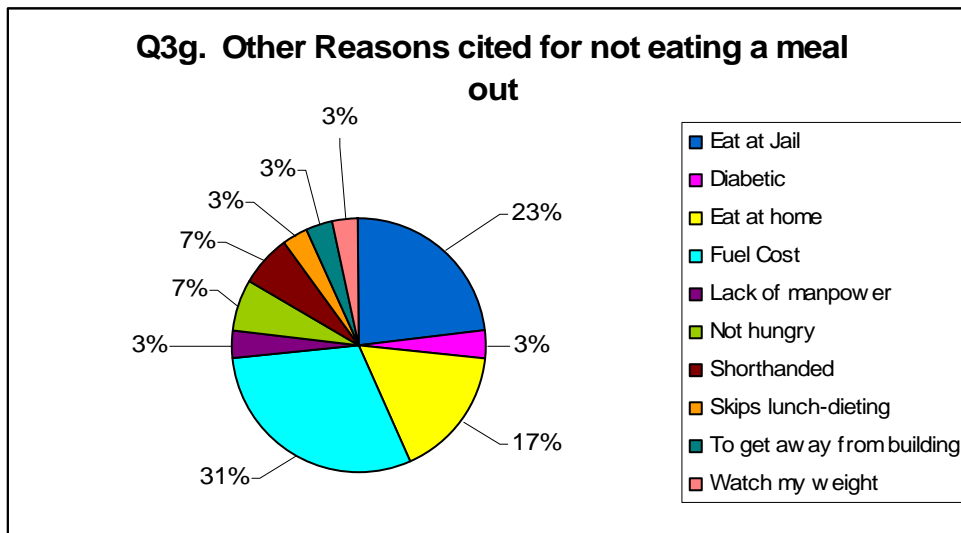


Figure 10 - Other reasons for not eating a meal out



Overall, 84 percent of survey respondents would eat a meal out at work, if more food choices were available nearby. Of the survey respondents who do not currently eat a meal out while at work, 76 percent of those answering Question 3h would eat a meal out, if more food choices were available nearby.

Figure 11 - If more food choices available

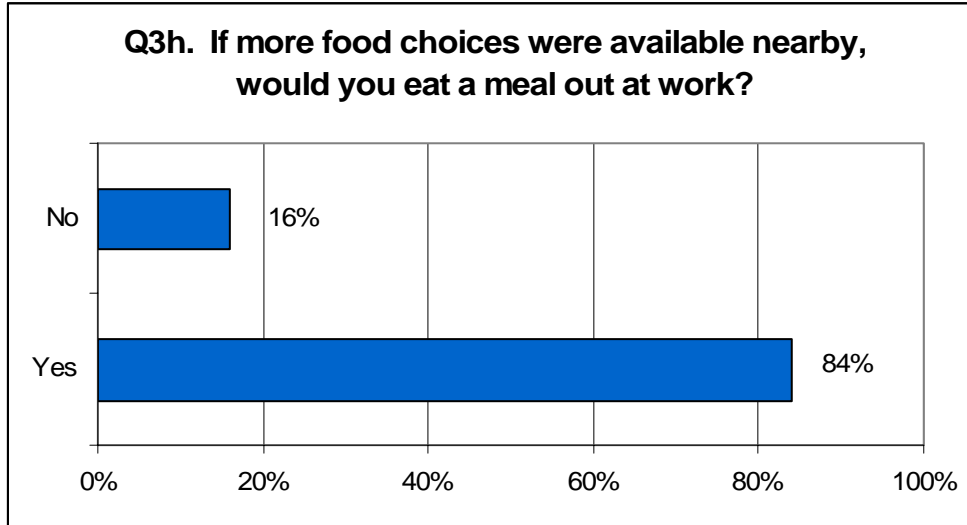
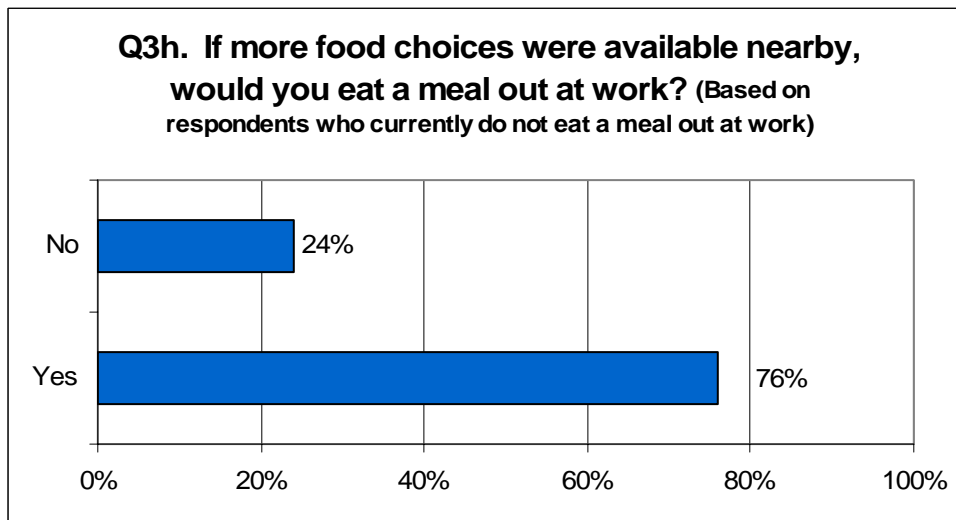
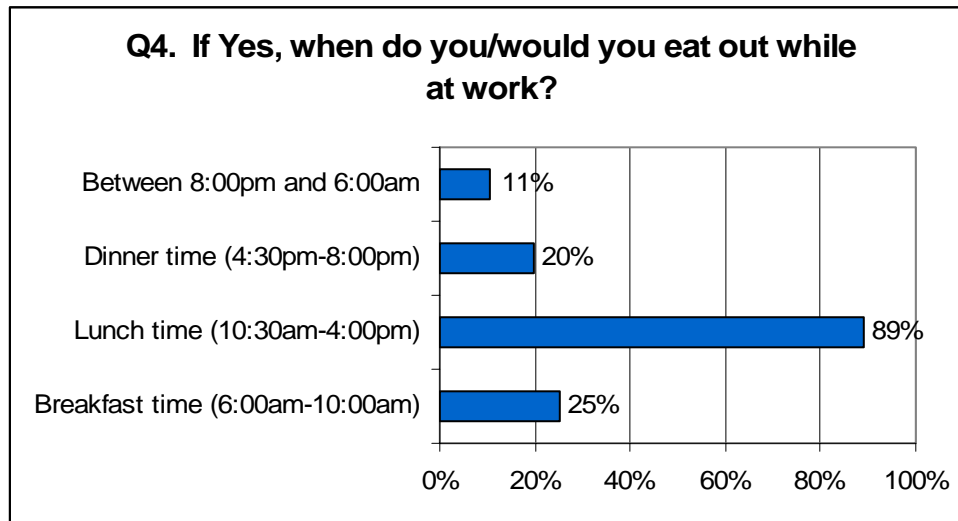


Figure 12 - Crosstab more food choices with those who do not dine out currently



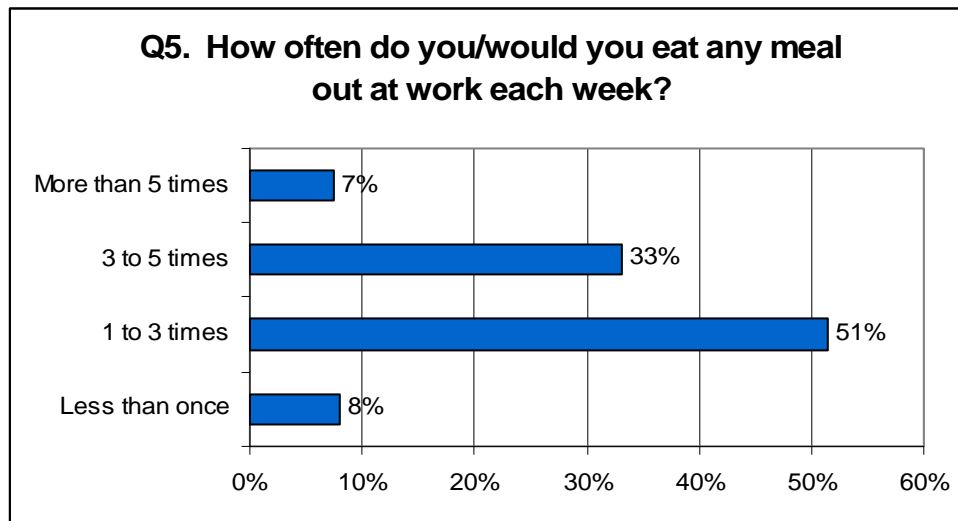
Nearly 9 in 10 of survey respondents who answered Question 4 indicated that they would eat a meal out at lunch time (89%) when eating a meal out.

Figure 13 - When do you/would you eat out while at work?



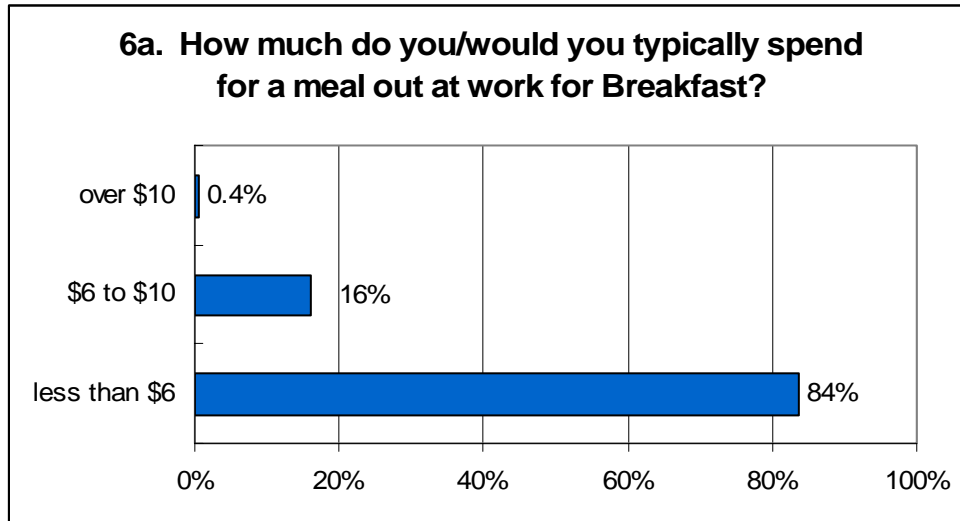
Slightly more than half of respondents to Question 5 eat or would eat a meal out one to three times per week (52%). One-third of respondents indicated that they would eat a meal out three to five times per week (33%). Only 8 percent of respondents indicated that they would eat a meal out less often than once per week.

Figure 14 - How often do you/would you eat any meal out at work each week?



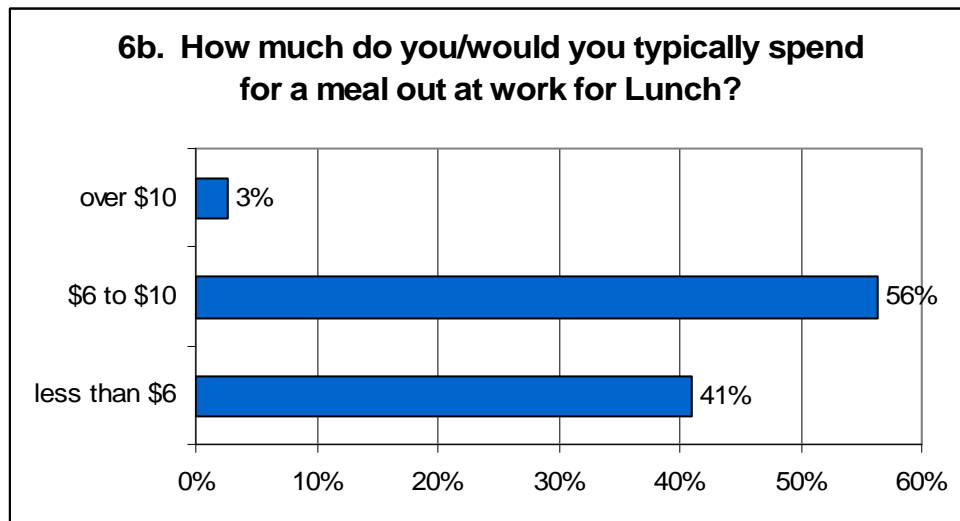
The vast majority of survey respondents who indicated that they would spend money eating out at breakfast expected to spend less than six dollars (84%) on their meals.

Figure 15 - Breakfast spending



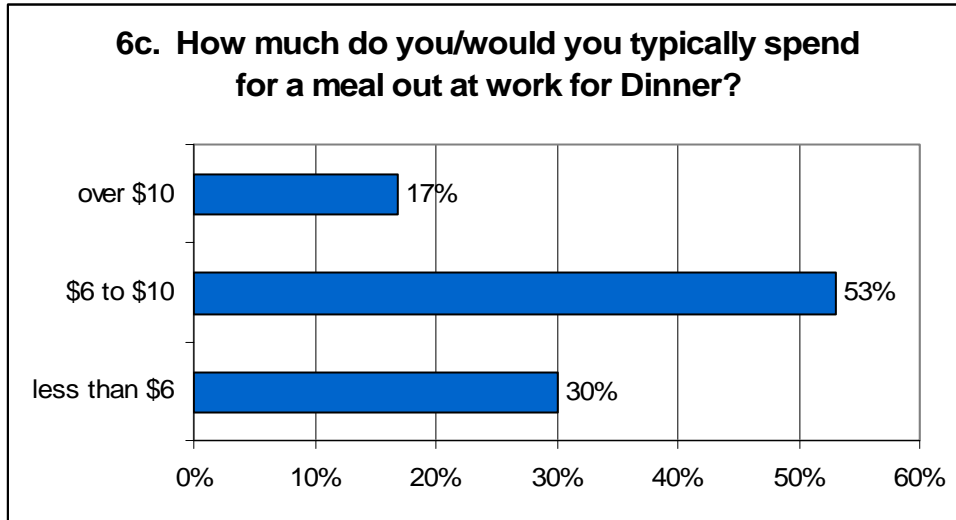
Survey respondents who indicated that they would eat out at lunch were willing to spend more money than those eating out at breakfast. Fifty-six percent would typically spend \$6 to \$10 eating a meal out during lunch time, while 41 percent were willing to spend less than \$6 eating a meal out during lunch time.

Figure 16 - Lunch spending



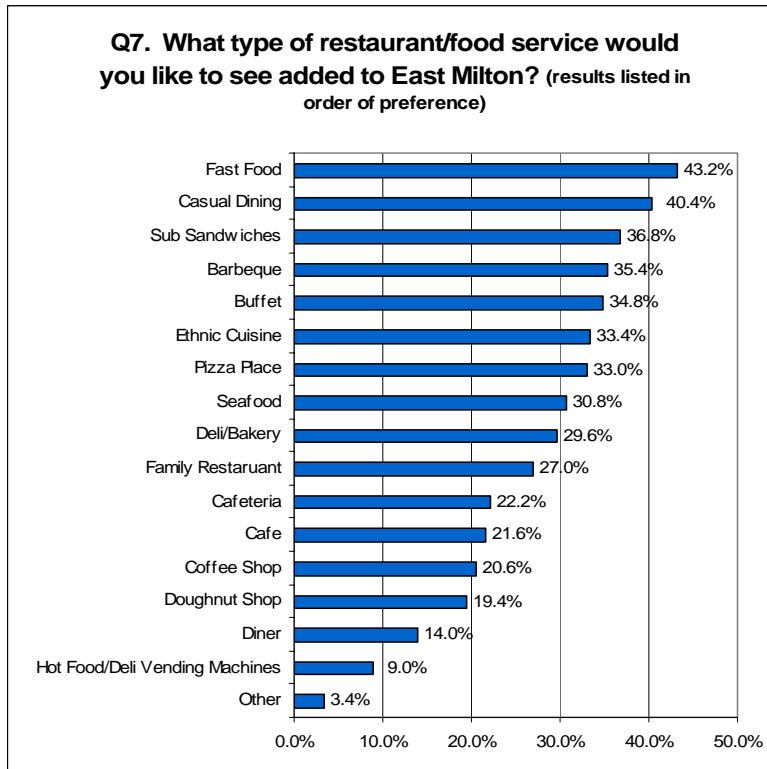
Survey respondents who indicated that they would eat out at dinner time were willing to spend more money than those eating out at either breakfast or lunch. Fifty-three percent would typically spend \$6 to \$10 eating a meal out during dinner time, while 30 percent were willing to spend less than \$6 eating a meal out during dinner time. Seventeen percent were willing to pay over \$10 to eat out at dinner time.

Figure 17 - Dinner spending



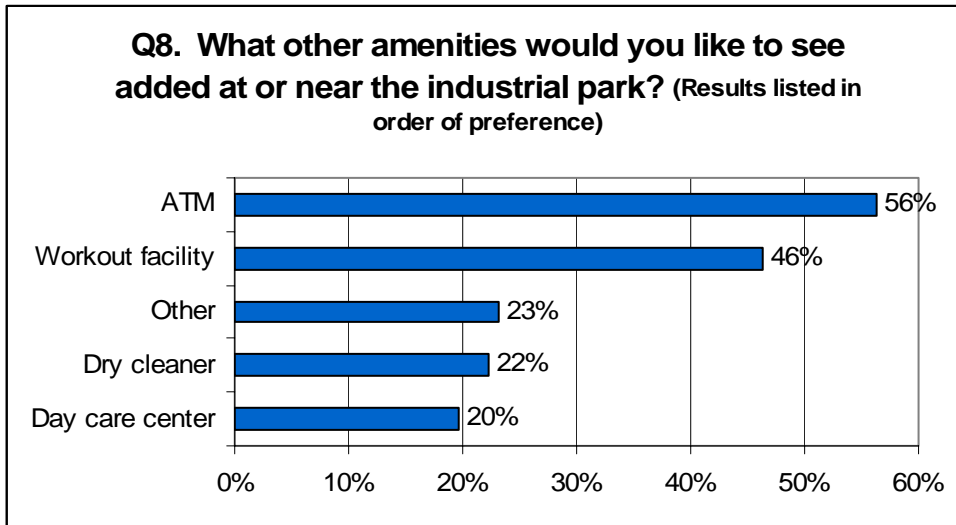
The top five restaurant types desired by respondents who answered Question 7 were: Fast Food (43%), Casual Dining (40%), Sub Sandwiches (37%), Barbeque (35%), and Buffet (35%).

Figure 18 - Type of restaurant



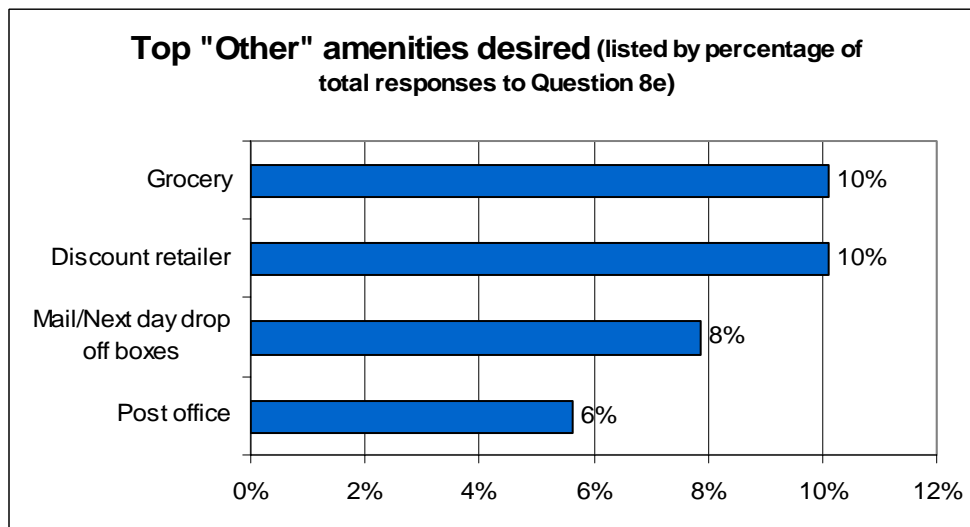
Over half of respondents to Question 8 indicated that they want an ATM added to the industrial park (56%). Forty-six percent of respondents want a workout facility added. Considering the heavy presence of law enforcement employees within the park, the desire for workout facilities is not surprising.

Figure 19 - Other amenities



“Other” responses to Question 8e were analyzed separately. There were 44 unique amenities listed. The addition of a discount retailer and a grocery store each captured 10 percent of the “Other” responses. Mail/overnight drop boxes were requested by 8 percent of “Other” respondents and 6 percent of “Other” respondents asked for a post office. The remaining 40 amenities were each specified by less than 5 percent of “Other” respondents.

Figure 20 - Other amenities desired

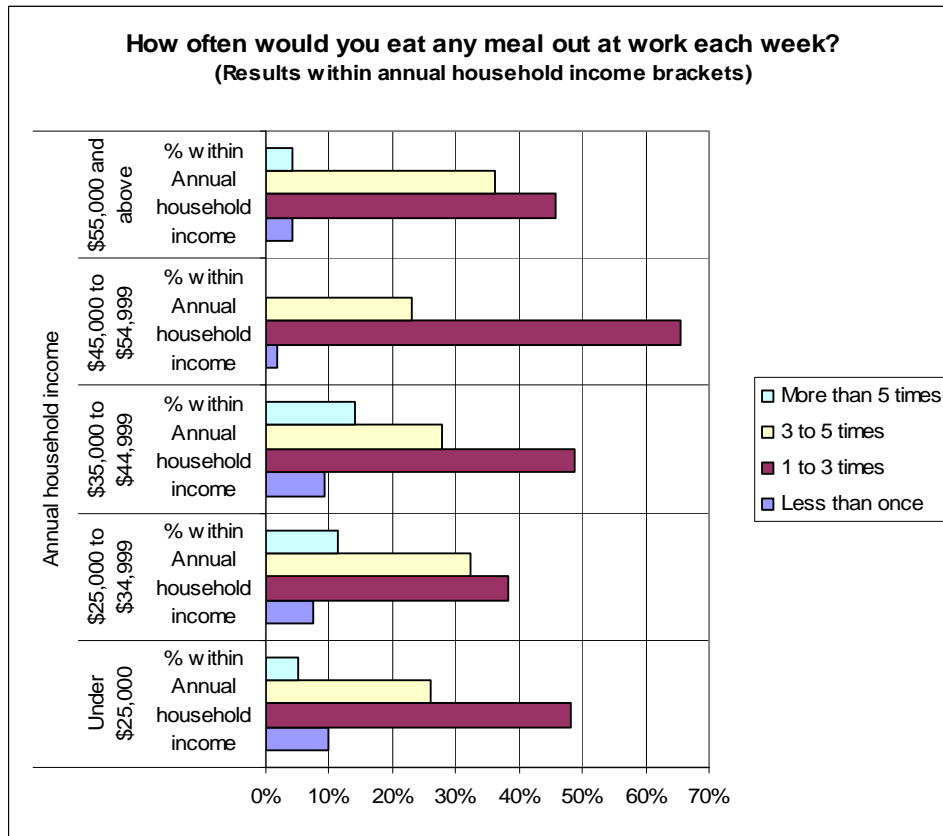


Cross Tabulations

Certain survey responses were cross tabulated with other responses to give a more detailed picture of the desires of certain segments within the population of the industrial park. The results of the survey cross tabulations are as follows.

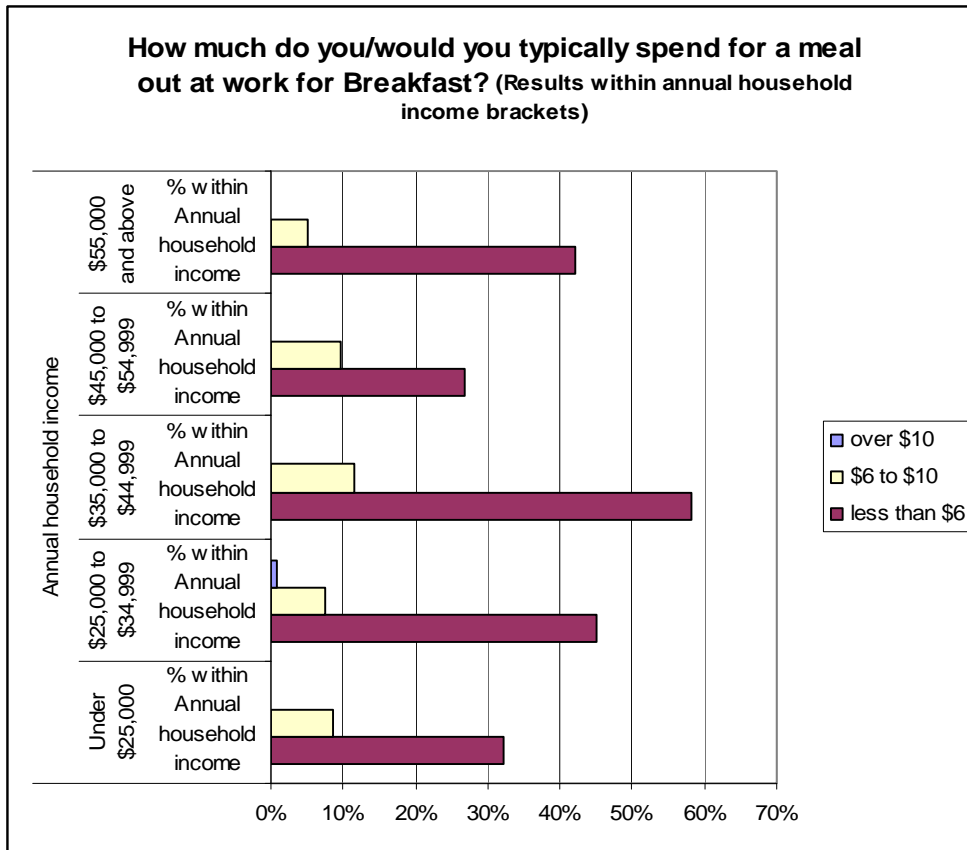
Over 90 percent of survey respondents in each income bracket were willing to eat a meal out at work at least once per week. At least 40 percent of respondents making from \$25,000 to \$34,999 (43%), \$35,000 to \$44,999 (41.9%), or over \$55,000 (40.5%) were willing to eat a meal out at work at least 3 times per week.

Figure 21 - Cross-tab food out at work with household income



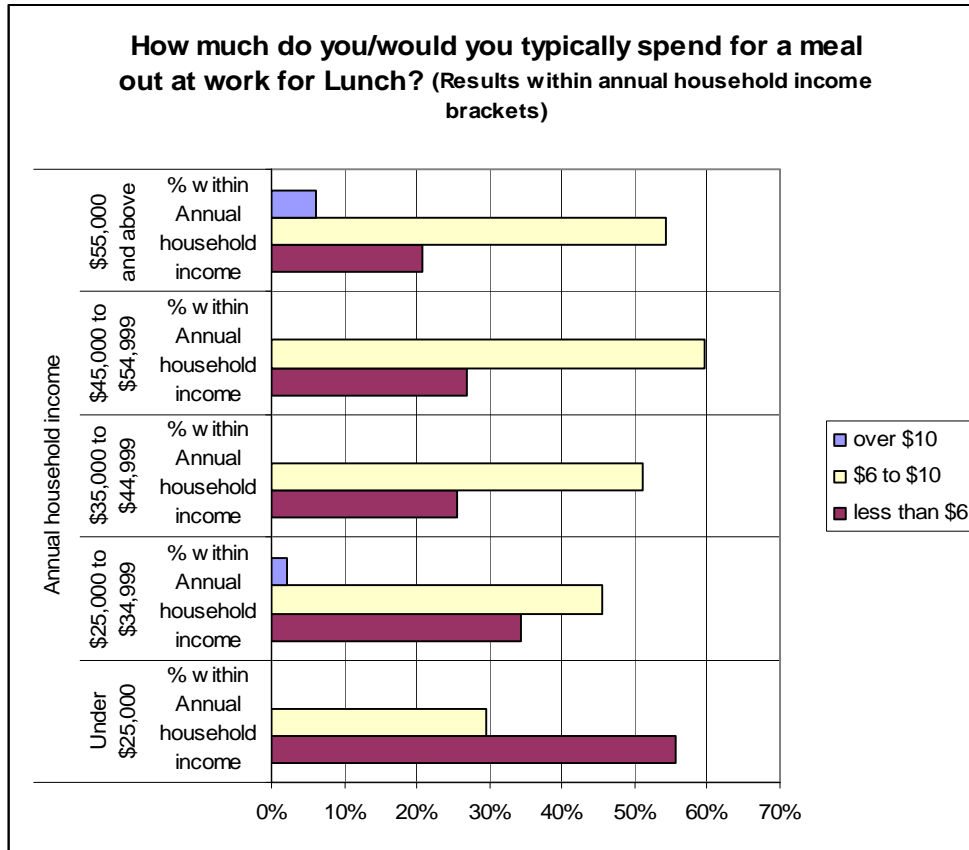
Across all income levels, respondents who indicated how much they would spend eating a meal out at breakfast were generally willing to spend less than \$6.

Figure 22 - Crosstab spending at breakfast with income



While the majority of respondents with annual household incomes of \$25,000 or more who indicated how much they would spend eating a meal out at lunch were generally willing to spend between \$6 and \$10. Understandably, those respondents with annual household incomes under \$25,000 were nearly 88 percent more likely to be willing to spend less than \$6 for lunch than they were to be willing to spend between \$6 and \$10 for lunch. Generally, only those with incomes of \$55,000 and above were willing to spend over \$10 for lunch.

Figure 23 - Crosstab spending at lunch with household income



While the majority of respondents with annual household incomes of \$25,000 or more who indicated how much they would spend eating a meal out at dinner were once again generally willing to spend between \$6 and \$10, the percentages of respondents willing to spend more than \$10 was higher for each income bracket than at either breakfast or lunch.

Respondents with annual household incomes under \$25,000 were again more likely to be willing to spend less than \$6 for dinner than any other amount. All annual household income brackets were willing to spend progressively more money overall from breakfast to dinner.

Figure 24 - Crosstab spending at dinner with household income

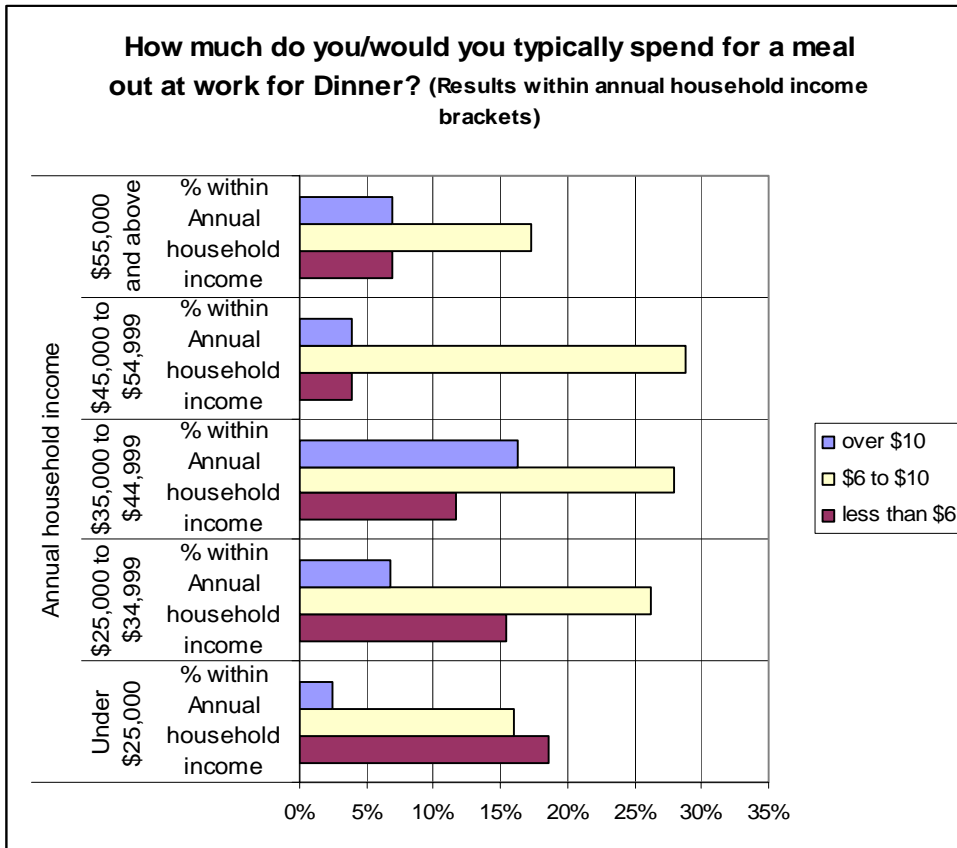


Table 1 shows the top 5 restaurant types desired within each annual household income bracket. Restaurants are listed in order of preference, starting with the most popular. Ties are listed alphabetically. "Barbeque" is the only type of restaurant that ended up in the top five choices for each income bracket.

Table 1 - Top 5 restaurant choices by household income

Restaurant Type	Annual household income				
	Under \$25,000	\$25,000 to \$34,999	\$35,000 to \$44,999	\$45,000 to \$54,999	\$55,000 and above
Buffet	Fast Food	*Barbeque (1)	Casual Dining	Casual Dining	
Sub Sandwiches	Casual Dining	*Casual Dining (1)	Sub Sandwiches	Fast Food	
Fast Food	*Buffet (3)	*Ethnic Cuisine (1)	Fast Food	Barbeque	
Pizza Place	*Sub Sandwiches (3)	*Buffet (4)	Buffet	Pizza Place	
Barbeque	Barbeque	*Seafood (4)	Barbeque	Ethnic Cuisine	

Note: * Denotes tie (tying position listed in parentheses)

Survey Results Analysis

The majority of survey respondents have an hour for meal breaks. Respondents overwhelmingly eat out between 10:30 a.m. and 4:00 p.m., thus leaving the dinner market for potential restaurants to the resident population and those drawn in from outside of the area. Most survey respondents currently eat a meal out while at work. Of respondents who both reported that they do not currently eat a meal out and indicated whether or not they would eat a meal out if more food choices were available nearby; 76 percent reported that they would eat a meal out. Thus there is a potential market for lunch items from workers at the industrial park. The market for dinner items is less certain and would have to focus on the resident population.

The vast majority of survey respondents who indicated that they would spend money eating out expect to spend less than six dollars (84%) on breakfast, lunch (41%) and dinner (30%). Fifty-six percent would typically spend \$6 to \$10 for lunch and 53% percent would typically spend \$6 to \$10 eating a meal out during dinner time. Thus to maximize chances of success, any food provider would have to offer entrees at no more than \$10.

The top five restaurant types desired by respondents who answered the question were: Fast Food (43%), Casual Dining (40%), Sub Sandwiches (37%), Barbeque (35%), and Buffet (35%). All of these restaurant types typically have menu items within the price ranges identified by survey respondents.

Support for Amenities Analysis

Site Location Factors

If the retail strip is located within the park, access to utilities is not a concern. Electricity is provided by Gulf Power Company. The city of Milton provides both natural gas and sewer services. A 12" high pressure gas line is available through Okaloosa Gas. BellSouth provides telecommunications services, including Internet access. Water is provided by the East Milton water system. Refuse collection is available through private companies.

According to the TEAM website, www.teamsantarosa.com, the environment of the industrial park is, "level to flat terrain, moderate woods, [and] undeveloped property with no environmental concerns." Available site sizes vary from 2 acres to over 100 acres. The park is located in a designated brownfield, so incentives are available to encourage development within the park. Despite the brownfield designation, no environmental contamination issues have been noted.

Restaurant Site Location Factors

When determining the ideal location to establish a new restaurant, a number of factors are considered. Factors include the size of available sites, availability of adequate parking, proximity to shopping centers and highways, median household income, average daily traffic counts, daytime population, and other demographic information. As noted previously, site size is not an issue for the park. Table 2 lists sample restaurant franchise minimum site demographic requirements.

Table 2 - Sample restaurant site location factors

Restaurant	Daytime Pop.	Pop. One Mile	Pop. 3 miles	Med HH income	Traffic (aadt)	Other Details
IHOP	10,000-3 mi.		25,000-50,000		28,000+	shopping centers and highways
Bear Rock Cafe	35,000-3 mi.		20,000- 2 miles	\$50K	25,000+	community or lifestyle shopping center
Buffalo Wild Wings	5,000-1 mi.		25,000	\$30K	25,000 in front, 10K adjacent	80% age 20 - 50, 20%+ college educated
Potbelly Sandwich Works		25,000	100,000	mid to upper inc.		target 18 - 39, white collar prof.
Hamburger Stand		10,000	50,000		20,000	Needs significant lunch hour count and/or pedestrian count
Papa Gino's	15,000-3 mi.		30,000	\$40k	20,000	
East Milton	2,485-3 mi.	576	8,295	\$37,867 (2.5-mi.)	17,160 in front	within 3 miles: 32.5% age 25-44, 16.1% Assoc. degree or higher, 41.4% white collar

Other East Milton details:

- Proximity to nearest Interstate: approximately 2 miles
- Proximity to nearest shopping center: 3 miles
- Median Age of residents: 35.7
- 2005 annual average daily traffic (aadt) counts as reported by the Santa Rosa County Planning Office:
 - US 90 between Airport Rd and SR 87S (includes the industrial park):17,160 aadt.
 - US 90, between Ward Basin Rd. and Airport Rd: 23,648 aadt.
- Lunch price point: less than \$10.00

Although East Milton's demographics do not appear, at first glance, to be able to successfully support a restaurant at the industrial park without being at least partially subsidized, any restaurant that establishes itself at the park will have little competition from other restaurants, allowing an opportunity to enjoy a much higher likelihood of success. As survey data indicate, over 90 percent of employees are willing to eat out at least one meal per week, with 40 percent willing to eat out 3 or more meals per week.

While the resident population is currently estimated to be 5,604 within 2 ½ miles of the industrial park, several large single-family housing communities are in development. As noted previously, new residential developments planned for East Milton will add an estimated 900 new 2000+ square foot, single-family homes over the next 3 years. This will significantly increase both the residential population and the number of households. Using the current average household size of 2.96 within a 2 ½ -mile radius of the industrial park, 900 new houses will potentially mean an additional 2,664 residents within the next 3 years. An

additional 800 homes are in the planning process to be built out by 2010. Unfortunately, even with the additional population, it will be difficult to successfully attract a private restaurant to the industrial park without some sort of financial incentive to help mitigate any perceived risk.

Additionally, the site is potentially too remote from Interstate 10 to attract pass-through traffic and would face competition from the interstate interchanges in Crestview and Pensacola for travelers. The site would also face competition from Milton restaurants for guests in the hotels located at the Highway 87 exit of I-10 during the dinner hours.

Subsidized Food Facilities

One model for subsidizing dining facilities for a small or captive population is the campus dining service model. In the standard campus model, the university provides space, access to university information and telephone networks, utilities, an initial inventory of expendable and non-expendable equipment and supplies (e.g., china, glassware, flatware, trays and kitchen utensils) that remain University property, capital equipment and major repairs. The contractor provides staff, food supplies, office supplies, janitorial services, and other day to day operational needs. Major providers of on campus food services include Aramark, Sodexo and Compass Group (Chartwells).

While each campus faces different circumstances and environments, research done at the University of Pennsylvania shows that there are a number of general conclusions that can be drawn:

- All campuses face a similar set of changing needs related to the provision of food services for their students.
- Those campuses that reacted too swiftly by completely scrapping traditional dining programs and changing to completely retail-based, a la carte programs were in the worst shape, with low consumer acceptance and financially troubling results.
- The overwhelming majority of universities have some form of mandatory board plan. The most successful of those have either judiciously made their programs more flexible but kept the core in place, or have undertaken a comprehensive program to reposition dining through effective investment in facilities and infusion of new leadership.
- There are successful and unsuccessful dining programs using management contractors. The key to success seemed to be that, regardless of whether the services are self-or contractor-operated, the University needs to make a significant ongoing investment in time, resources and plan development to be successful.

As noted above, one factor in the success and profitability of the model is mandatory food purchases by students. This makes the campus model less workable in the private sector environment. Many of the campus dining service companies also provide food services to corporations. For example, the Compass Group, in addition to Chartwells Campus Dining Services, also offers several food service and vending options for businesses. Thus while the campus dining service model may not suit, other subsidized models designed specifically for corporations may. These services may require contribution from park tenants or the county. It should be noted that such a relationship may require a long term commitment from the county until such time as sufficient daytime and resident population exists to support services without the need for a subsidy.

Childcare needs in East Milton

The lack of quality childcare has been a problem in East Milton for a long time. According to Becky Kirsch, President and CEO of Children's Services Center (CSC), a private, nonprofit organization whose stated mission is "to ensure that quality early education and child care -- including family services -- are accessible to residents" of Escambia and Santa Rosa counties, there are not enough licensed facilities to handle the child care demand within Santa Rosa County. There is an urgent need for quality child care services in East Milton, extending beyond the borders of the industrial park. Currently, an estimated 956 children live in the 2 ½-mile radius surrounding the industrial park. Of those, 330 are under the age of 5 years old. CSC indicates that there are only nine licensed child care centers in Santa Rosa County. Only one of the nine centers is located in East Milton, and it is an after-school program.

In addition to licensed child care centers in Santa Rosa County, there are also a number people offering both licensed in-home child care and registered in-home child care. While licensed in-home child care businesses must pass state inspections and meet licensing standards, registered homes only require background checks and minimal training.

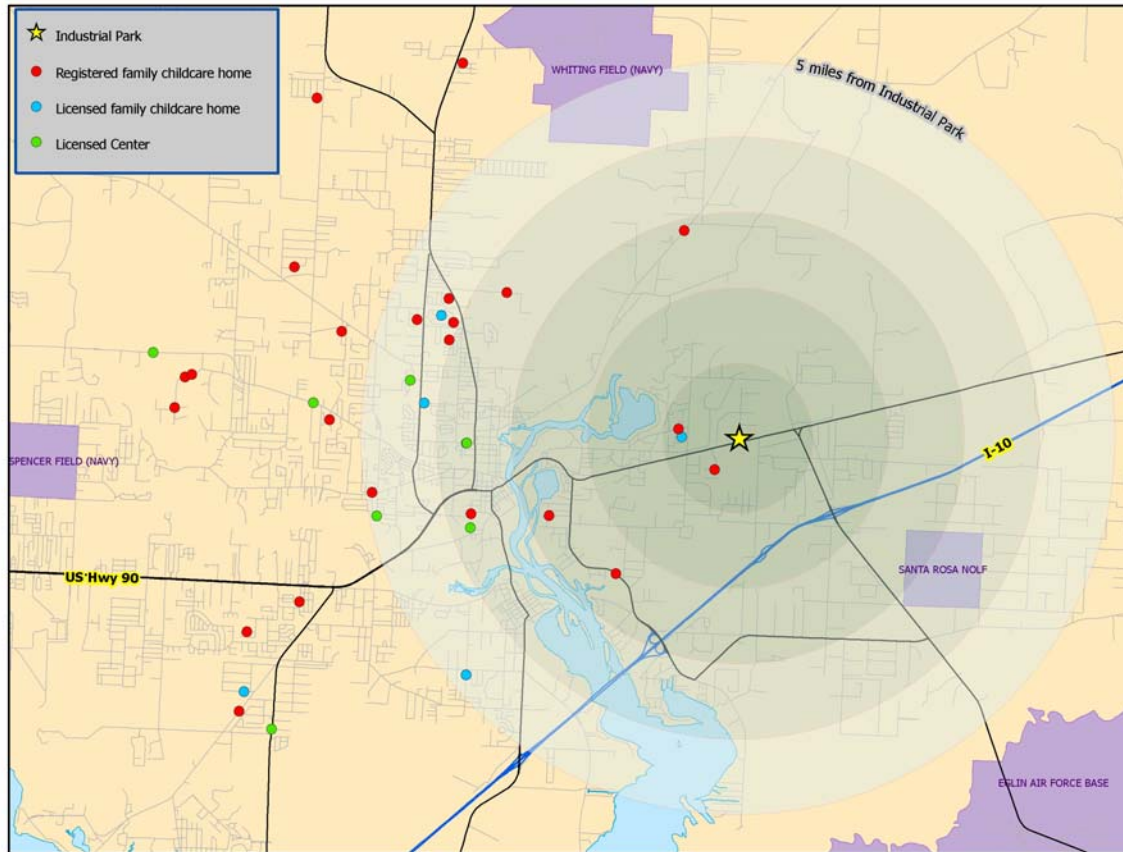
Child care options are so limited in East Milton that CSC has a waiting list of children eligible for subsidized child care. The waiting list is because of a shortage of suitable child care facilities with openings available, not due to insufficient funding for eligible families. CSC also reports having to issue waivers of licensing quota requirements to get children into facilities in East Milton, particularly in cases where finding child care is the difference between a child living at home and being placed in the state foster care system. CSC has expressed interest in running a child care center at the industrial park.

Unfortunately, there are still not enough childcare facilities available to meet demand even when registered, unlicensed facilities are included. It is particularly difficult to find licensed placement for infants and toddlers. There are a number of possible reasons for this problem. Some potential difficulties for licensed childcare facilities include:

- Difficulty for facilities to make profit
- Inconsistent demand
- Difficulty attracting and retaining skilled workers due to low wages

Figure 25 shows the locations of currently licensed or registered child care facilities in East Milton. Note how few are within a five-mile radius of the industrial park.

Figure 25 - Childcare facilities



As far as the industrial park is concerned, the need for child care facilities continues to increase as more people are hired within the park. Many industrial park employees are also single parents with few child care options available.

Of the 313 survey respondents who answered the question regarding additional amenities, 21.7 percent indicated that they wanted a day-care facility added to the industrial park. Several comments specifically addressed the need for a day care center.

Other Amenities

Other desired amenities at the industrial park include a dry cleaner, workout facility and an ATM. For these types of services, the most important consideration for choosing a site is convenience for customers. Service businesses that deal directly with customers, like nail salons, travel agencies and dry cleaners just need to be conveniently located on well-traveled roads and visible to their customers. For fitness centers, typical site location requirements include space of 1,800 to 2,400 square feet, 30 feet of road frontage, and a strong mixture of population density and traffic. Thus the most crucial aspect of any building housing these types of park amenities would be visibility from Hwy. 90.

Conclusions

- Given the type of businesses currently housed at the industrial park, there is a need to add amenities more typically found at a business park
- The market size for the area is approximately 2,500 during the day and about 8,500 at night. The park's location may be too distant from Interstate 10 to attract passing traffic and would have competition from other exit developments.
- Current tenants of the industrial park desire and would support amenities.
- While the area boasts little competition, there may not be sufficient population to support food service without the use of some type of subsidy
- Other amenities are less dependent upon daytime or resident populations within a 3-mile radius, however, other amenities require high visibility and traffic counts
- Any building provided by the county for the industrial park would need visibility and ease of access from Hwy. 90
- Any subsidization of amenities may require contribution from employers and/or a long term commitment from the county to support the services.
- There is an urgent need for quality child care services in East Milton, extending beyond the borders of the industrial park.

Appendix A – Survey Instrument

TEAM Santa Rosa Economic Development Council would like your opinion on what services you would like to see located at or near the Santa Rosa County Industrial Park. All individual responses to the survey will be kept **anonymous** and only tabulated results will be reported. Please complete **both sides** of the survey and return it to your company's survey administrator.

1. How long is your meal break? 30 min. ____ 1 hour ____
2. Do you eat a meal out while at work? Yes ____ No ____
3. If **No**, why don't you? (Please circle all that apply)
 - a. Save money
 - b. No time
 - c. Bring my own food to work
 - d. Don't like current choices
 - e. Too expensive
 - f. No food close enough
 - g. Other (please specify) _____

If more food choices were available nearby, would you eat a meal out at work?
Yes ____ No ____ (If **No**, skip to question 8)

4. If **Yes**, when do you/would you eat out while at work?
 - a. Breakfast time (6am – 10am) ____
 - b. Lunch time (10:30am to 4:00pm) ____
 - c. Dinner time (4:30pm to 8:00pm) ____
 - d. Between 8:00pm and 6:00am ____
5. How often do you/would you eat any meal out at work each week?
 - a. Less than once ____
 - b. 1 to 3 times ____
 - c. 3 to 5 times ____
 - d. More than 5 times ____
6. How much do you/would you typically spend for a meal out at work? (Complete all that apply to you.)

a. Breakfast	less than \$6 ____	\$6 to \$10 ____	over \$10 ____
b. Lunch	less than \$6 ____	\$6 to \$10 ____	over \$10 ____
c. Dinner	less than \$6 ____	\$6 to \$10 ____	over \$10 ____

7. What kind of restaurant/food service would you like to see added to East Milton? (Please circle all that apply.)

- | | |
|----------------------------------------|------------------------------------------|
| Barbeque | Casual dining (i.e. Applebee's, Chili's) |
| Ethnic cuisine (i.e. Chinese, Mexican) | Buffet (i.e. Barnhill's, Golden Corral) |
| Cafe | Coffee Shop |
| Pizza Place | Seafood |
| Deli/Bakery | Diner (i.e. Waffle House) |
| Family Restaurant (i.e. Denny's) | Cafeteria (i.e. Piccadilly) |
| Fast Food (i.e. Burger King, KFC) | Doughnut shop |
| Sub Sandwiches | Hot Food/Deli Vending Machines |
| Other (please specify): _____ | |

8. What other amenities would you like to see added at or near the industrial park? (Please circle all that apply.)

- a. Dry cleaner
- b. Day care center
- c. ATM
- d. Workout facility
- e. Other (please specify): _____

Demographic information

-- Your age: (Please check one.)

18-29 ___ 30-45 ___ 46-55 ___ over 55 ___

-- Annual household income: (Please check one.)

Under \$25,000 ___ \$25,000 to \$34,999 ___ \$35,000 to \$44,999 ___
 \$45,000 to \$54,999 ___ \$55,000 and above ___

-- Do you have children under the age of 12 living in your household? Yes ___ No ___

We welcome any additional comments:

Thank you for your time. Again, all individual responses to the survey questions will be kept **confidential**.

Appendix B – Comments

Survey respondents offered the following remarks in the comments section of the survey instrument:

Thanks for asking

A light at the entrance to Industrial Blvd would be nice

This is an awful location for a center this size

How we doing?!

Some better choices for ordering in for large groups

Better choices for having events catered in house

Also something like a Kmart/Wal-Mart that would be convenient to run errands on our lunch hours

Anything that would make it easier to get to and not have to go through downtown Milton.

Second set of railroad tracks needs to be fixed

Fix train by-pass and road at entrance to park/potholes

Fix train track by-pass

Fix train by pass

A traffic light will be nice an area to walk and exercise

Fix the problem with the trucks dropping nails in the industrial park. I have had 4 flats in 18 mos.

Please no Fast Food. We sit all day long and many of us don't get adequate exercise

Day care center would be amazing

Somewhere for exercise and relaxation

Postage stamp machine / mail drop box

Growth is exceeding our resources

Some type of Recreation Park or inside facility for the juveniles teenager – maybe even a movie theater, ice skating, roller skating rink or skateboard park – moto cross park

I live in East Milton as well as work. We need fast food, grocery store (Wal-Mart would be good) and a Lowe's. Thank you, I've been wanting to tell someone this for a long time!

The 30 minute lunch breaks are taken up by the drive to and from, no time to eat your lunch or stop for anything else.

Bring it on!

Any and everything – we are working and living in a remote area slowly building up

Meal Break 1 hr. usually takes 1.5 hrs if you go into Milton - traffic is terrible.

When we work night shift food is not provided. You eat out unless you bring something.

If I was to pay for a meal other than the dollar I pay at the jail I would like to be able to enjoy it by having a few minutes away from my work station.

If restaurants or food services were provided in East Milton they should be prepared to offer services to the different shift hours. Example: Before 0600 AM and after 11:00PM, including weekends.

Reasonable price and quality food is a must.

Refer to question 7. If tourists' first impression of exit 31 food choices is just burgers and an old truck stop no one will stop and shop. Cracker Barrel would be a welcome choice.

We need more restaurants that deliver more than just pizza and Chinese to the jail on nights and weekend. We need a few 24 hours restaurants

Not enough staffing to eat lunch during the day shifts. Lunch breaks are taken while staffing pads for detention.

In this area I feel we need more items to choose from!

Day Care center provided for Santa Rosa County Employees would be a great asset, open 24 hrs. Even better to government employees which would include state corrections, federal, and county.

Would help considerably when working different shifts.

Anything

A lunch truck in the area would be good for guys who don't want to drive somewhere but have to.

Make a store that sells cheap sandwiches, burgers, meats, salads, vegetables, and fruits. One business could make good money if willing to be flexible on prices and choices!!

As a professional truck driver I would like to see overnight truck parking, a "real" truck stop; such as the Oasis Truck Plaza in Alabama, parts, accessories, truck store, truck wash, etc. Along with less fast foods and more home style cafes.

This area has nothing and it needs a lot

Please fix our road, broken blacktop and dangerous pot holes! Drainage for the end of Armstrong Rd. seems to be a problem, we are left with a pond days after rain.

Fix the railroad track. Get cable services.

Get cable internet out here!! Bellsouth is no good!! Need to terribly fix the second set of railroad tracks. My car is falling apart because of it.

I marked 30 minutes for meal break but do not always get that chance. When you are here 12 hrs. a day you would like the opportunity to get outside and go get something to eat even if you have to bring it back to eat.

Reliable public transportation from Escambia to East Milton... i.e. pick up from University Mall and regular stops along 90 and have it run all day. *There are many choices near by but most places take to long to serve the meal, including fast food (Burger King)

Please offer more public transportation.

I think a major drug store would cover so many bases. A cafe/ coffee shop would be nice too.

It's time for this area to grow, and make a change!

If you start bringing this stuff in this area then East Milton Fire Department is going to need a ladder truck due to the 2 closest ones are at Whiting Field and in Pace.

What ever service is set-up should have a drive-thru or a call-in to expedite customer wait time being that meal times are so short and you have to take into account traffic and transition time from point to point.

Road work on the secondary railroad tracks coming into the Industrial park.

This would be so lovely that we wouldn't have to drive so far to get lunch and then rush back so that we are back on time.

Would like something closer.

Make sure to put – restaurants – tanning beds

Y'all need to step into the 21st Century.

\$ Help

More \$\$

Lengthen the merge lane westbound. Have DOT post a speed limit sign between Ward Basin and Hwy 87. The speed limit sign was blown down during Hurricane Ivan. It used to be 55 mph, now I'm just not sure.

I'm looking forward to expanding out here in the industrial park.

Fix other Railroad track! Tracks are bad for car tires!

The traffic is awful going anywhere so lunch is a joke. I hate working in a place where you are stuck in the middle of nowhere during lunch. I can't accomplish anything on my lunch due to traffic problems.

The traffic hold up in downtown Milton ruins the eating out experience because we have to rush to get stuck in traffic then hurry and eat to get back. Bad experience working in Milton!

No nails. We keep getting flats in the parking lot.

I really enjoy working in Milton and would love to see more casual restaurants, maybe an internet café and a gym out this way.

I also live in East Milton and would like to see more places out here.

I don't have any additional need or desire for more shops or businesses.

It would help out so much if I could drop my daughter off close to work.

We need more businesses in the area, restaurants would be nice.

McDonalds would be nice

I would like to be able to go to lunch without spending the entire time driving to get something to eat in town.

It would be nice not to go far for lunch.