

Invest:

An in-depth review of the key issues facing metro Jacksonville's economy, featuring the exclusive insights of prominent business and regional leaders

Jacksonville | **2022-2023**





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THE TRUE ENCAPSULATION OF THE BUSINESS COMMUNITY'S COLLECTIVE VOICE

Invest:Insights showcases the unique perspectives of industry leaders, leading executives, prominent community figures and entrepreneurs. Each episode features in-depth conversations that reveal deeper insight into the various sectors that make up the local economy, while also highlighting the opportunities for the business community therein.

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Economy:

The growth of Jacksonville, also known as the River City or the First Coast and part of Duval County, continues unabated. A swelling population, a diversified mix of established in-demand industries and newly relocated businesses combined with a strategic location continue to pay dividends for Florida's largest city.



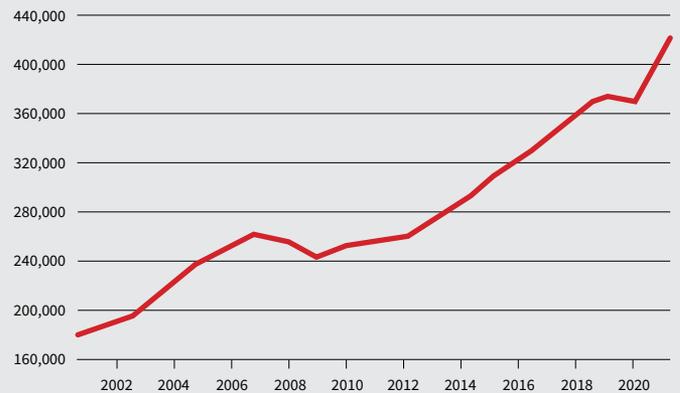
River City gains ground:

Jacksonville helping bolster Northeast Florida's rise

Florida remains on the ascendency in 2023 and Jacksonville is part of the reason why. The largest city by landmass in the contiguous United States, Jacksonville's 840 square miles host dozens of neighborhoods and anchors the Northeast Florida region with its population of 1,024,146 residents, several key military installations, including the third-largest fleet concentration in the United States at Naval Station Mayport, and the region's key industries of transportation and logistics, healthcare, financial services, a growing technology industry, real estate and tourism. Altogether, the Jacksonville area's GDP in 2021 rose to \$101 billion, a \$10 billion increase from the previous year's \$91 billion.

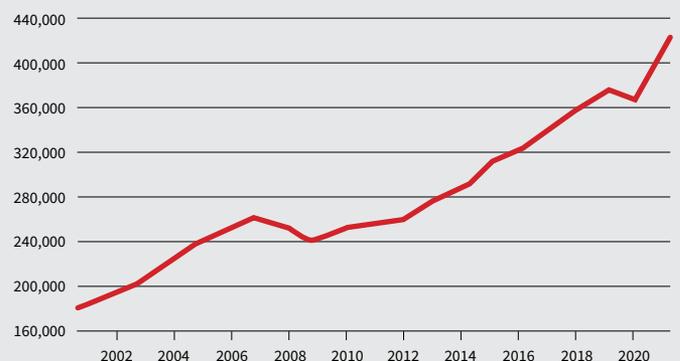


Total Gross Domestic Product for Jacksonville, FL (MSA):



Source: U.S. Bureau of Economic Analysis

Total Gross Domestic Product for Miami-Fort Lauderdale-West Palm Beach, FL (MSA):



Source: U.S. Bureau of Economic Analysis

■ Landscape

While the state continues to grow, Jacksonville presents a more affordable alternative to more expensive cities further south, such as Tampa or Miami, while still maintaining an economically competitive edge. The area's household median income stands at \$58,263, while regional unemployment stands at a low 2.5%. Median sale prices for a single-family home in Duval topped out at just over \$315,000 in February 2023, according to the Northeast Florida Association of Realtors (NEFAR). Housing prices increase to a median \$361,000 when looking across the six counties that make up the Northeast Florida region: Baker, Clay, Duval, Nassau, Putnam and St. Johns counties.

Finally, the sheer size of Jacksonville and the wider Northeast Florida region itself means that new residents have the flexibility to live as they please, whether that be in more rural areas toward the outskirts of Duval County around Jacksonville Farms, seaside towns and historic cities, such as Jacksonville Beach or St. Augustine further south in neighboring St. Johns County, or in Jacksonville's redeveloping Downtown, which provides options for those looking for a more urban lifestyle. Nearby suburban neighborhoods, such as Brooklyn and San Marco, provide close access to the city's urban core, and the criss-cross of the city's wide avenues and famous bridges, from the commanding Matthews Bridge connecting the city to the Arlington area to the iconic Main Street "Blue Bridge" that links Downtown to Southbank, provide quick mobility across the city's expanse while giving the city its other moniker – the City of Bridges.

It's the city's ease of connectability, high-quality, affordable living that makes it attractive to a number of companies both new and established. Class I railway CSX and Crowley Maritime make frequent use of the region's infrastructure, while Jacksonville's history as the destination of choice for the wealthy and well-connected during the winter – before Orlando, Miami, or the Keys – made it a natural market for the banking and financial services industry. The Federal Reserve of Atlanta opened its regional branch in Jacksonville in 1918 and today the city hosts a number of banks, credit unions, financial services and fintech firms, including Ameris Bank, Bank of America, CIT, Citi, Black Knight, Deutsche Bank, SS&C Technologies, SoFi and Dun & Bradstreet, VyStar Credit Union and a number of others, while the city's second-tallest skyscraper has gone by the name Wells Fargo Center since 2011. Overall, the banking and financial services industry employs some 75,100 people and generates billions of dollars in revenues and deposits across the region. (...)

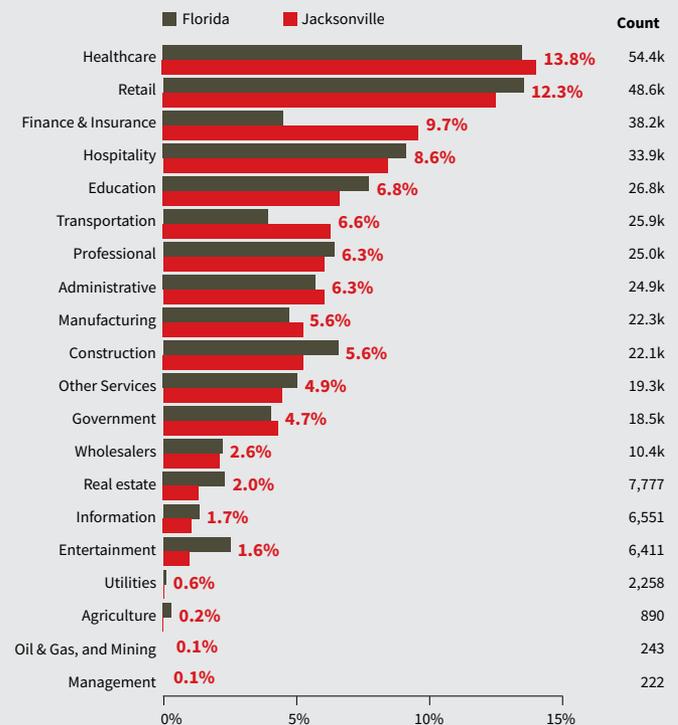


Jacksonville continues to see an influx of new residents due to its affordable living.

Industry:

Percentage of the civilian employed population aged 16 and older.

Scope: population of Florida and Jacksonville



Source: Statistical Atlas



Managing growth

Ability to work together, room to expand are advantages

Scott Maynard

Economic Development Director – St. Johns County Chamber of Commerce

What is the local business sentiment regarding the government's approach to growth?

We are the 10th-fastest growing county in the country. Fortunately, our county is rural. We still have room to expand, which means we can still manage our growth and be proactive in that. The county has had a series of growth management workshops and they're addressing those issues. We have a 1% sales tax on the ballot for November that will generate \$500 million toward infrastructure improvements. The Commissioners are working hard to address growth issues and are prioritizing projects. There is great interest in the county from outside groups. From a workforce perspective, we have the No. 1 school district in the state and we were just voted as the healthiest county in the state. We have 77.6% of our residents who have access to high-speed internet and are working to increase that number. The variety of lifestyle choices is attractive to a wide demographic. The best thing about this county is that you have everyone working together. We are on the same page and doing an effective job of promoting the county and selling our assets.

We are actively engaging with industry partners to assess their needs and address any workforce issues. The county is doing a great job of engaging industry leaders seeking to move or expand in St. Johns County. We have over 1.25 million square feet of flex and light industrial space under construction and additional space going through planning. Workforce housing is an issue across the country. Both the city and county have allocated resources to help alleviate and invest in that issue and within the Chamber, we have a workforce housing task force looking for ways to address it. They're looking at

land trusts and establishing a housing authority to see what we can do to offset some of the costs of housing.

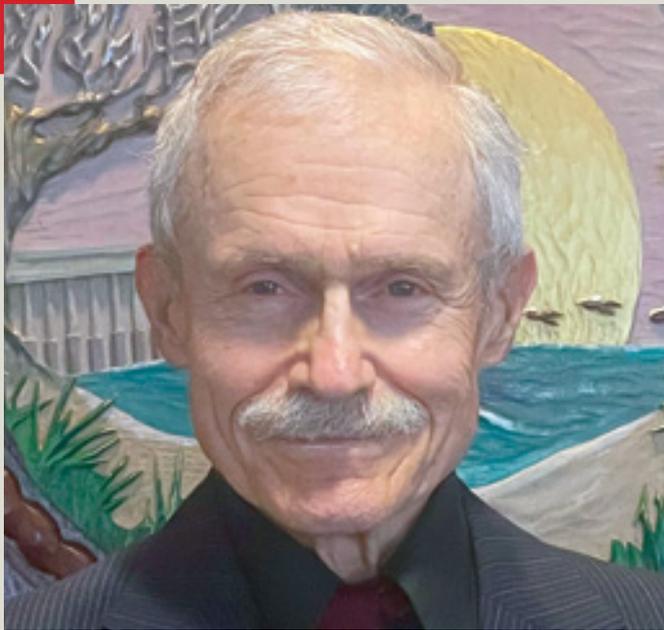
What does a modern chamber of commerce look like?

My role is to serve as a liaison, bringing new industries in as well as supporting local businesses. We also have a public policy division that works to represent all businesses in St. Johns County and identify issues they are experiencing. They advocate for business at the state and local level to facilitate change and create a positive business environment. Those are a couple of ways we distinguish ourselves from other chambers. We also do a lot for our startups and have a program called the Pitch Factory whose cohort has doubled this year. Entrepreneurship is a key area of focus.

What do priorities look like going forward?

A lot of our priorities from the economic development side are focusing on our existing businesses, retaining talent, and bringing in new industries to meet the needs of our county as it continues to grow. Down the line, the new First Coast Expressway will open a new transportation corridor across the middle of the county. The Jacksonville Transportation Authority is in discussions about a light rail from Jacksonville to St. Augustine to help alleviate some of the traffic congestion.

The availability and cost of buildings and sites is also top of mind as well as quality of education and lifestyle. A lot of employees have obligations now that they may not have had pre-COVID, so there are a lot of components to look at in addressing the issue of recruiting and retaining talent. ■



Residential feel

Desire to maintain city's character a key focus

Max Royle

City Manager – St. Augustine Beach

What unique business opportunities exist in St. Augustine Beach?

This city has not spent one dime on economic development. Why? We have had two things going for us: a lot of vacant land and the beach. We haven't really needed to promote ourselves for business opportunities. For example, we have an Embassy Suites hotel. It's probably one of the largest hotels in St. Johns County. The developers came from Spain. They saw a motel and decided to buy it. The Embassy Suites is a magnet.

Today, we no longer have vacant land. It's all subdivisions now. But what people find attractive about this city is that we're not intensely commercially developed. I don't mean that as a downer and business is welcomed; however, people want to keep the character of the community as residential.

What are some issues that the city has been experiencing?

During the pandemic, businesses drastically revised their schedules. If people didn't want to be inside, we allowed them to expand their seating outside. Unfortunately, we found that with some businesses, especially in the hospitality industry, there wasn't much we could do to help them because we were limited in our financial resources.

What opportunities are you noticing with the relocation of new people into the area?

People relocate here from the Northeast and Midwest. The land in this community has become extremely valuable as a result. We're not a low-income community. People who come down here tend to buy second homes here. Since there isn't vacant land present, people are tearing down old homes and building new ones. Also, people are finding vacant lots and building homes there.

In terms of businesses, what I find interesting is that we have old businesses that are ripe for development. We have liberal regulations in terms of property. We're receiving inquiries from businesses that want to put in medical marijuana dispensaries, in which there seems to be a growing interest.

What are some of your focuses infrastructurally to accommodate new residents coming in?

We're doing refinements to our basic infrastructure regarding drainage and streets. In terms of drainage, we are fortunate to receive outright state appropriations for drainage improvements. Recently, we received \$1.2 million for a drainage project. We are trying to make the city more mobility and pedestrian friendly.

What are some relevant topics that come to mind concerning diversity, equity and inclusion?

We're not going to have low-income housing because the land is too costly. You would have to charge an enormous amount of rent to make it affordable. On diversity, they just passed a fair housing ordinance that prohibits discrimination against certain classes of people but I haven't heard of any person who has felt any type of housing discrimination.

What is the role of St. Augustine Beach in Greater St. Johns County?

My city probably has the greatest number of hotel and motel rooms in the county. There are golf courses on the northside of St. Augustine that appeal to some. St. Augustine Beach's business is dominated by hospitality and tourism, which are driven by the appeal of our beach. ■



'A great year'

St. Johns County looks to carry momentum from 2022 throughout 2023

Hunter Conrad

County Administrator – St. Johns County

What are some key highlights for the county and where do you see those priorities lining up in the near term?

2022 was a great year for St. Johns County and we are looking forward to a similar trajectory this year. Infrastructure improvement was one of our top priorities last year and will remain so moving forward. We expanded a number of roads and completed several drainage improvement projects after experiencing significant residential flooding. We have considerable opportunities this year as we look to improve the major corridors on our transportation network.

Two major projects breaking ground include County Road 210 widening from Greenbrier to Cimarrone, and construction of CR 2209 from SR 16 to IGP. We also redesigned and improved our public golf course, clubhouse, and cart barn in 2022.

How are environmental concerns weaving their way into conversations about expansion?

Rapid expansion in our area has afforded us the opportunity to protect our natural resources and expand green space within our county. Over 1,109 acres of conservation land were acquired through development review applications last year alone. Additionally, our board implemented a Land Acquisition and Management Program (LAMP) a couple of years ago. LAMP sets aside funding each year to acquire land for conservation and to provide passive recreational opportunities.

How is St. Johns looking to manage growth responsibly while ensuring residents' quality of life?

We are fortunate to be one of the fastest-growing communities in the country and in the state of Florida,

however, this comes with many challenges. Our county and city governments are specifically looking to ensure there is smart growth. We are reprioritizing some of our infrastructure and transportation projects to meet the needs of rapid expansion in our community.

We are also expanding the outdoor amenities available to our residents, including boat ramps and parks. For example, the County purchased property on the Intracoastal near S.R. 312 this past year to provide our residents with additional waterway access in the future.

Are there particular industries or sectors you are looking to develop further?

St. Johns County targets industries that provide high-wage jobs for our residents and those that align with our existing industries and businesses. Such target industries include corporate headquarters, advanced manufacturing, and aerospace/aviation.

Healthcare is an industry that is rapidly expanding in our county. This is common among growing communities, especially those with an aging population. In addition to several rehabilitation facilities, we've recently had a new hospital come online and have plans for other healthcare facilities in the near future.

We also want to ensure we are providing opportunities for new and emerging industries, such as the agricultural, industrial, and manufacturing sectors. We are in the process of developing a countywide strategic master plan for economic development that will help us in these efforts. We've brought a consultant on board who will study local trends and advise us on what we should be preparing for in the future based on our demographics and industry composition. ■



'Incredible demand'

With in-person events back on the board, desire to network ramps up

Daniel Davis

President & CEO – JAX Chamber

What have been some of the key highlights for the JAX Chamber over the last year?

It has been pretty incredible this year. The last couple of years have been record-setting for our Chamber, both in job growth and membership growth. Retention has been higher than it has ever been. Over the next five years, we expect to see continued growth in Northeast Florida.

What has changed in regard to what your members are asking of the Chamber?

It took us a while to get everything cranked back up again after COVID. Since we have started back with the in-person events, the demand from our business leaders in our small businesses community to get together and network has been pretty incredible. We have seen a ton of success over the last two and a half years. I think that the Chamber is going to continue to see that there is high demand for membership. Our membership department is seeing incredible retention numbers. Obviously, we are providing membership value to the folks that want to come in and they want to see our community thrive. There are companies that are looking to move here, are looking for a place to grow their business, to have less taxes and more opportunity. We have a great story to tell.

What key challenges in the market are resonating among either established members or new players?

Talent attraction and workforce development is the number one issue in economic development. We anticipate we will continue to see that. Not only do we have incredible higher education opportunities in Jacksonville to develop highly-skilled talent, we also have about 100,000 military active-duty personnel in Northeast Florida. We are able to

use that as a calling card for folks that are looking to bring businesses here to know that about 3,000 of these military personnel finish their duty to our country every year. We are able to keep about 85% of them here in Jacksonville. People that are willing to show up on time do a great job and we are able to create a crop of those folks every year. Between the higher ed institutions, the tech training that we have and the military personnel that want to stay in Jacksonville, our talent pool is deep and what companies need to be successful.

How have you seen the city and the wider region change, grow and evolve into the powerhouse it is today?

We're growing and we're one of the hottest real estate markets in the country. Real estate prices are escalating. We have to create a workforce housing opportunity so that when we are growing these jobs, we are ensuring that the nurses, police officers, firefighters and the teachers have a place to live. That is incredibly important for us. The city of Jacksonville should make that an infrastructure issue just like any other bridge or roadway that we are funding. We should make sure workforce housing is capable and attainable for everybody. It is a good challenge to have, and I think we are going to succeed.

What are your priorities for the next two to three years?

Creating quality of life for our citizens is incredibly important. Making sure everyone in our community has the opportunity to succeed. Public safety is also among our top priorities. All that goes hand-in-hand with creating business opportunities, creating an environment that people want to serve. That is something that we are going to do and we have been successful at. ■



Lori Boyer

CEO
Downtown Investment Authority



I would say we will see a different character. Our goal was to have a real mixed-use blend of not only offices, but also retail and residence spaces Downtown. From 2012 to 2014, there were only 2,000 to 3,000 residents Downtown. Since then, we have been able to add 450 to 600 units each year, nearly doubling the number of residents in the past five years. With roughly 806 units under construction and another 4,027 approved or in review, Downtown's 7,500 residents will grow to more than 16,000 people calling Downtown home. There is definitely momentum that increases retail demand. It is changing the character and face of Downtown. From a planning perspective, we had to look at it from a mobility and park standpoint. We had to set aside the space to accommodate the future growth. ■



David Garfunkel

President
LIFT JAX



Our work is focused entirely on ensuring the Eastside neighborhood is one of inclusive prosperity: where families and people of all generations choose to live because they know that neighborhood sets them and their families up for success. To us, that encompasses everything in the Purpose Built Communities model: housing, schools, quality amenities, and access to resources that improve quality of life. There are several other neighborhoods that surround the urban core where we want to see that same thing happen.

More broadly, our vision for Jacksonville is that families have access to the same quality amenities and valuable opportunities no matter what part of the city they live in. In our view, place matters. The zip code and neighborhood you are in matters. Because we know the place you live impacts the outcomes in your life. ■



Jake Gordon

CEO
Downtown Vision Inc.



We have a very supportive environment in Northeast Florida. While it feels like a very small community, we have over 1.7 million people now living in this metro area. That said, we always need more support for the small business side of the city. That is why our COVID dollars that came through were heavily invested in supporting that community. I think that Florida itself has an incredible proposition in terms of recruiting businesses as we have the perfect mix of regulation and also a supportive business environment.

Our Downtown Investment Authority has numerous small business incentives to recruit new business and to help existing businesses improve their space and storefronts. And recently we were able to lower seating requirements so restaurateurs can take advantage of smaller available storefronts. ■



Susan King
President & CEO
Feeding Northeast Florida



We are working to be very inventive, intentional and focused on what the food supply can look like for us in the future. I don't think the retail situation is going to change. We have to look at how we can meet needs with what we have. To be more resourceful and creative, that's a goal for us because we know that the need is not going away.

We partner with all of the federally qualified health centers, the Free and Charitable clinic system and some of our health systems to connect people who suffer from low income and nutrition related disease with healthy, recurring food sourcing and education. Our efforts around diversity and equity, addressing underserved communities and acknowledging the challenges there, are really important to our work and our focus going forward. ■



Jessica Osiadacz
Chief Girl Experience Officer
Girl Scouts of Gateway Council



One thing that we do prioritize specifically across North Florida is that Girl Scouts is for every girl, regardless of socioeconomic status or zip code. We make a point of ensuring we are bringing these programs to communities that might otherwise not have access to them. We have grant funded troops specifically in Title 1 schools, HUD housing and community centers. Their Girl Scout experience looks exactly the same as their peers. We bring in those subject matter experts as well. That is another piece of those partnerships that is essential. They are willing to come with us, to travel, to go into schools, to go into these housing developments and community centers to make sure girls have access to these programs. ■



Elizabeth Payne
CEO
Northeast Florida Regional Council



Over the last year and moving forward, the NEFRC has put a lot of effort into quality-of-life issues. In partnership with many organizations, we've worked extensively on affordable housing and the opioid epidemic. These are issues faced by each of our seven local governments. Regional work on challenges like these supports and bolsters local efforts. In terms of the opioid crisis, there is funding available now through litigation and settlements, and we are learning how to better use those dollars to protect citizens and provide treatment, prevention and recovery. Overall, it's a great time to be in regional government and to collaborate on the challenges and opportunities that growth brings. Jacksonville and the surrounding region has seen tremendous growth over the past 15 years and it feels like it's just the beginning. It's a great time to be involved and a part of those efforts. ■

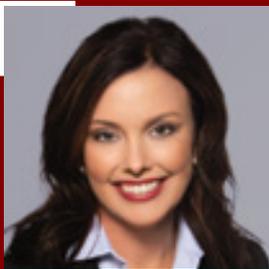
(...) While the financial sector hums along, the region's healthcare industry is hard at work driving industry innovation and generating a \$43 billion in economic impact in 2021. Mayo Clinic has anchored the region's healthcare landscape since arriving in 1986 and serves as the organization's Southeastern hub and one of only three campuses in the nation. Baptist Health is another leading healthcare provider in the region, operating several hospitals and medical centers across the Jacksonville Area. Other major providers include UF Health Jacksonville, Ascension St. Vincent's, and Nemours Children's Hospital, with the institutions supported by a number of colleges and universities with dedicated healthcare and life sciences programs to meet the growing demand for skilled professionals in the field. The workforce in the region surpasses 99,000 individuals and 1 in 8 jobs in Jacksonville are found in the healthcare and life sciences space.

Finally, tourism provides the third leg of Jacksonville's

economic stool. A rich history, pristine beaches, and local attractions, such as the Jacksonville Jazz Festival or the Jaguars National Football League team provide strong draws for visitors to the region. The city's park system encompasses more than 400 parks, gardens, and nature preserves, covering over 80,000 acres of land. Timucuan Ecological and Historic Preserve, a 46,000-acre national park that includes wetlands, forests, and historic sites, such as the Fort Caroline National Memorial and the Kingsley Plantation, is only a 30-minute drive from Downtown Jacksonville. The industry itself brings billions of dollars worth of revenue to local businesses through hotels, short-term rentals, conventions, cruises, and restaurants, and in 2022, visitors to Duval County alone hit over 24 million for the second time in a row, up 4 million from 2019.

One of Jacksonville's greatest advantages, and one of the reasons behind its continued success, is its

**1 in 8 jobs
in Jacksonville
are in the
healthcare and
life sciences
sectors**



Q&A

Christine Hoffman

Mayor
City of Jacksonville Beach

What have been some of the major highlights for the city over the last 12 months?

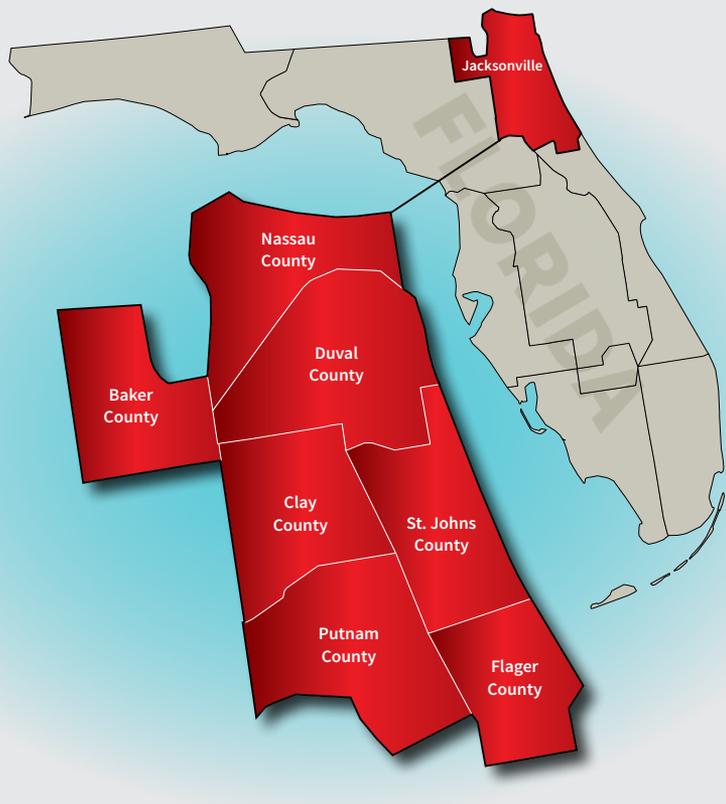
As a city, we are working on our downtown area to best leverage our public assets for private investment. We plan to do this through partnerships so that we can have some influence and impact on what those developments will look like to ensure that the needs and desires of our residents and visitors are met. This could include requirements for walkability, outdoor dining, green spaces or rooftop dining. As a beautiful coastal city, it is our responsibility to draft policies that are conducive to creating such an environment. For example, in the past, we had an extremely restricted outdoor dining policy, so we have expanded that. We are also working on a bill in the Florida legislature that will reduce the number of seats needed to have in a restaurant to grant a full liquor license because a lot of the downtown restaurants struggle with this.

Lastly, like all of our neighbors across Florida, we are seeing

an incredible boom in housing demand and housing prices. While we do not have a lot of office space, our occupancy is high, especially in our Downtown area where we will have a new hotel, a complex and two restaurants opening this year, in addition to several other applications coming up for development.

What unique programs does Jacksonville offer for businesses and residents alike?

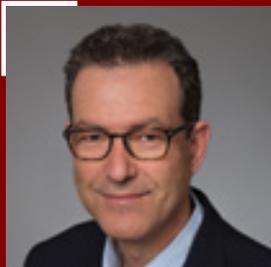
Urban Trails is one of the projects that has been developed. Through this initiative, we are undertaking a comprehensive look at all our key arteries and destinations such as the beach, schools and parks. This is going to be a long-term program that will help residents and visitors to get from point A to point B without a car. We really want to make it easier and safer for people. We have hired consultants to, for example, figure out if we want to make the street one way and have the other side dedicated to only bikes and pedestrians. Such development is going to be a real game changer for our community and a benefit to business and visitors. At the same time, this will not impede your ability to drive through the community because we have spent a lot of time and effort in making this space car-friendly. This is going to be an ongoing project that informs all of our actions for the foreseeable future. ■

Northeast Florida Region:

consolidated government. The combined county and city government provides both efficient services and effective governance, while ensuring a streamlined process for economic development. As Aundra Wallace, president of JAXUSA, the region's economic development partnership explained: "What separates us is the speed and certainty of local government." If time is money, as the old adage suggests, then Jacksonville saves on both, with Wallace adding, "you can bank on the speed and certainty of Jacksonville to make a decision quickly."

Looking ahead

Jacksonville, and Northeast Florida, will continue to grow. Effective governance, a growing and diverse population, alongside key industries from the logistics and transportation, healthcare and financial services sectors to tourism, real estate and others beyond are all important drivers of the city's economy, providing jobs and generating billions of dollars in economic activity each year. The city's strategic location, business-friendly environment and diverse population are all factors that will continue to contribute to continued economic growth and make it an attractive site for continued business interest, expansion and investment. ■



Q&A

David McGowan

President & CEO
WJCT Public Media

How important is the \$1 million in grants WJCT received to focus on the local digital news operation?

Local journalism was an area where we really needed to step up our game. We've seen the erosion of the business model that supports local newspapers and other forms of local news as well. We identified that a few years back as an area where we felt we could make a difference. We know that local journalism is really important to communities and helps them operate efficiently and with an engaged electorate. The effects are far reaching. We spent a couple of years raising money for that and we've been successful. We've raised about \$2 million so far to support our work and Local Journalism Initiative. That has resulted in additional investment into our news operation called WJCT News 89.9. We've developed a new digital first local news service called Jacksonville Today. The first product that we brought to market under that banner has been a daily email newsletter we launched in

October 2021. We're now approaching 10,000 subscribers and that number continues to grow rapidly. We're in the process of launching the full web version of Jacksonville Today as our digital-first local news brand. It's an area that we've spent a great deal of time working on and developing. It's going well so far but we still have a long way to go.

Where do you see the shift in demand for the services WJCT Public Media provides?

We're witnessing a shift in demand from more traditional forms of media. For example, broadcast television and radio into more digital forms. We've really seen that trend accelerate. The challenge is we need to provide all of these services. These services include on demand television and video services or streaming audio and online resources. We must also continue providing the old services because there are still sizable audiences there. That's one topic that often gets overlooked when discussing this media transformation. Even as linear television audiences have declined across the board for the networks, ad revenue and rates continue to go up with premium on certain events. That makes those ways of operating continue to be valuable. We still continue to need to operate and invest in our linear broadcasting service. It has a declining audience but it's still a very important one. We exploit all of the assets that we have available to us. ■



Fintech hub

New Paysafe HQ to solidify region's standing as the Southeast's preeminent fintech center

Aundra Wallace

President – JAXUSA Partnership

What have been some highlights for JAXUSA over the last 12 months?

We just returned from our second mission to the UK this year. This past summer, we attended London Fintech Week as well as the Farnborough Airshow. We will continue to focus on financial services, specifically on the financial technology side, as well as advanced manufacturing centered on aviation maintenance operations. We are seeing increased activity in refrigerated cold storage and have opened a new facility, with another on the way. That is going to be very good for us from a logistics standpoint in terms of transporting products. We are going to see a heavy increase in transportation logistics, advanced manufacturing and financial services.

The biggest economic development news of 2022 in Northeast Florida was that London-based Paysafe, a specialized payments platform, announced plans to open their North American headquarters in Jacksonville. The company will create 600 high-wage jobs over the next three years as a result. This news solidifies Jacksonville's standing as the preeminent fintech hub in the Southeast as we are already home to Black Knight, FIS, Dun & Bradstreet and others.

What is the significance of the Open Innovation Center to the region?

We opened it on Oct. 21, and what it will do for us is bring the innovation ecosystem center here within Downtown Jacksonville to really work on early-stage opportunities for companies holistically. Whether it is transportation technology, logistics technology, or financial technology, we will be able to look at it from the perspective of life sciences and medical device innovation. That will give us

a great opportunity to utilize the Innovation Center for those calls to action in those various sectors.

We are also talking about not only working with them but also deploying capital to keep those companies here in Jacksonville and bring awareness of the company to the venture capital world. It will also allow us to be more sophisticated in terms of what VCs are looking for rather than pitching to everyone.

How are changes in the market influencing the conversations you are having with businesses?

We are taking it by quarters. In the first quarter, we were seeing eight to nine inquiries about projects a week, and I was considering getting new staff to keep up with the inventory. We hit a summer wall and slowed down, which was great for us as we had our UK trips and came back as soon as things started to pick up again. We have been busy in our expected categories and I see that trend continuing in 2023.

What are the key challenges facing the region now and into the future?

The challenge everyone is grappling with is talent. When you have more talent, you win more battles in economic development. Many of the projects we are able to win are directly related to our talent pool, which is why developing a talent pipeline is so important right now. Getting in early and introducing the economic development ecosystem to children in elementary school is important to prepare them for the paths available to them.

In addition to that, it is about retooling and upskilling those that are underemployed presently and letting those that are unemployed know what positions are out there. ■



Professional Services:

With its legacy as a financial hub and numerous business relocations from a variety of different industries that have propelled its economy to new heights, Jacksonville's professional services industry has remained consistently active.

Navigating growth:

Professional services helping executives navigate opportunities, challenges

Fuelled by its long-established industries and a number of different business relocations to the Jacksonville area, the region's professional services – accountants, attorneys, IT providers and consultants – all have aided in steering regional executives through how best to manage the ongoing economic and population growth while mitigating the worst of the nation's macroeconomic challenges.

■ Landscape

With the region's growing population and new-to-market entrants still arriving, Jacksonville's professional services sector plays a key role in the regional economy. The sectors' total employment has steadily grown throughout the last decade and only saw a minor interruption in growth at the onset of the pandemic in 2020. Professional services, however, quickly rebounded as new residents and companies leveraged Florida's pro-business policies to relocate and expand into Northeast Florida. Today, the industry's total employment stands at 131,800 attorneys, accountants, financial advisers and wealth managers – second only to the region's trade, transportation, and logistics industry. The President – JAXUSA notes the largest of the sector's employers are GuideWell, Allegis Group, Adecco Group NA, EY and NGA Human Resources, which employ a combined 3,800 individuals across the region.

Top 10 professional services firms:

| Company | No. of Employees |
|------------------------------------|------------------|
| 1. GuideWell | 1,300 |
| 2. Allegis Group | 845 |
| 3. Adecco Group NA | 650 |
| 4. EY | 550 |
| 5. NGA Human Resources | 450 |
| 6. Haskell | 430 |
| 7. City Facilities Management | 425 |
| 8. Acosta | 400 |
| 9. Perry-McCall Construction, Inc. | 150 |
| 10. Rogers Towers | 135 |

Source: JAXUSA Partnership

While demand for services with regard to mergers and acquisitions and the “SPAC craze” of 2021 have mostly tapered off, overall demand for professional services has not abated but, rather, shifted to reflect the new macroeconomic reality of higher interest rates and inflation – audit services, changing legislative priorities and tax policies, corporate litigation, and local industry growth, particularly healthcare and real estate, mean that local firms have remained busy and competitive. Additionally, the city of Jacksonville’s Office of Economic Development targeting of specific industries – advanced manufacturing, aviation and aerospace, finance and insurance, information technology, life sciences, logistics and distribution – for growth, as well as securing the region’s hub status for corporate headquarters, alongside Jacksonville’s four Fortune500 companies, transportation heavyweight CSX Corp, fintech provider Financial National Information Services, title insurance and settlement service provider Fidelity National Financial and transportation company Landstar System means that opportunities will present themselves to professional service firms that cater to those and adjacent industries. According to the 2023 State of Accounting Marketing Report from CPASiteSolutions, the yearly outlook for (...)



Jacksonville's Top 10 professional services firms employ more than 5,000 workers.



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Michael Freed

Shareholder
Gunster



The practice of law tends to be slow to change. Some of that is good because in the legal profession, ethics and responsibility are important. Our firm does a good job of balancing the parts that are traditional and necessary with those that are ripe for change. Technology is certainly at the forefront and we have invested heavily in "e-discovery" practice. In the old days, we used to get a lot of papercuts. Now, there is more data available digitally and the firms that are capable of digesting and using it effectively in legal proceedings are the ones that will be successful. We have evolved well on that front; we now work with national law firms, where we collaborate as e-discovery specialists. Technology is a big part of our competitive advantage and we embrace it in order to be flexible and progressive. ■



Kevin Hyde

Office Managing Partner
Foley & Lardner LLP



Demand for legal services remains strong. Coming out of the pandemic and into the "new normal" of the work environment, we are dealing with many issues related to how the workforce has changed and how that might translate to legal issues. That could be on the wage-hour side, remote work opportunities or a talent shortage. We represent employers, so we see all of this from that side. Employers are looking at the current legal structure and how that fits, or doesn't fit, with what is occurring in the new workforce. There is a lot of counseling going on around these topics. During the pandemic, it was all about vaccines and requirements but we are moving past that and now people are re-adjusting to how they work. ■



Ken Jacobs

Managing Shareholder
GrayRobinson PA



We have the look and feel of a small town with a very close-knit legal community. It's a legal community where attorneys respect each other. Nine times out of 10, if an attorney says something, they're going to abide by it. There isn't a lot of the mistrust that you might have in other areas around the state or the country and the judges here expect a very high degree of professionalism. Because of that, the attorneys act accordingly. It's a much more pleasant place to practice here in North Florida. ■



Richard Ramsey

Managing Partner

Wicker, Smith, O'Hara, McCoy & Ford, PA



I went to a Florida Chamber of Commerce meeting a couple of months ago and one thing that stood out in my mind was that there were roughly 500,000 open jobs in the state, and only about 300,000 people looking for jobs.

I think that applies equally in the legal sector with the same ratio. For every five jobs that we have open including lawyers and staff, there are probably three applicants. I know that's happening across the state, and in our line of work this is not unusual. This makes it a challenging time.

The legal sector in Jacksonville is going to mirror what's happening with the construction sector, both in terms of housing and the construction of commercial buildings. If you go around Jacksonville, you cannot hit any part of this city where you do not see tremendous growth. I see that continuing for the legal sector. The legal sector in Jacksonville is always growing, always expanding and I think that it's going to continue to rise for the next several years. It's going to be very strong. ■



Christopher Walker

Partner in Charge, Jacksonville

Lippes Mathias LLP



That practice has skyrocketed. It accounted for less than 20% of our work five years ago. Today, it accounts for around 80% of our work. No matter how you slice it, it has to be a public-private partnership in order to achieve successful affordable housing. In order to do that, you need a lawyer that understands how true affordable housing works. We are not making the slightest dent in the need for affordable housing; I believe the most strategic investment opportunity right now in Jacksonville is affordable housing. There are a few groups already doing it, but we could use around 15 more working on our affordable housing structure.

I would place it at a seven and a half out of 10 overall. Industrial is middle of the road at five or six out of ten because it lacks cohesiveness on industrial and business park locations, connected to the balance of the community infrastructure. Investors want to know where affordable housing, public transit and other resources for their talent pool will be in relation to these parks, and right now that doesn't really exist. Fintech investments continue to trend upward, and more high-paying jobs are coming in. ■



Providing a legal hand

Work with federal government, other entities helps shape economic growth

Marty Fiorentino

President – The Fiorentino Group

What is TFG's role in Northeast Florida's growth?

I see Northeast Florida as a late bloomer in relation to the rest of Florida but it's definitely blooming. I can see cranes, construction and green space from my office window all across Downtown Jacksonville. There is a lot happening in our region. A few projects come to mind, one being the NFL stadium, which will need to be upgraded. The Jaguars are developing an entertainment and sports complex around the stadium. Professional sports franchises are becoming economic development catalysts for local communities. The Hart Bridge overpass blocking the vista to the river was an impediment to this progress and our firm was able to work with the federal government to get a grant to take down the overpass. This will create a beautiful view for a Four Seasons Hotel and other commercial and office spaces, which are being developed adjacent to the stadium. We were also able to work with the Jacksonville Transportation Authority on another federal grant for a project called U2C, which is an autonomous vehicle project along the river from the entertainment district to the JTA transportation hub.

How are you addressing talent acquisition?

It's an issue for everyone across the board. There is a job for everyone who wants one in Northeast Florida, but we have a gap in training that needs to be addressed. Jacksonville is focused on job training and workforce development. The Duval County School System, along with our colleges and universities and Worksource, are focused on job training and workforce development.

What legislation are you watching?

Given our recent election, Florida's legislature will

present a strong, Republican majority in the House. That means we should closely watch what the Governor does, which will include issues like workforce and affordable housing, ESG and continuing to open up school choice opportunities for Florida families. Infrastructure will be a big item where he will use our state budget surplus to supercharge transportation projects and reinvest in our roads, bridges, airports and seaports.

How have client expectations evolved?

Clients are customers and they demand results. They pay for performance and that's how it should be. Our clients want transparency and to know what the process is and what the political climate will be. We like to work collaboratively with our clients. Today, clients are looking for ethical and transparent lobbying and advocacy work. There is no room for error here. Clients want their advocates of any kind to ensure there is a high level of integrity in every step of the process. Our motto is "Influence with Integrity," which is why we have been so successful in our growth and client partnerships for over 20 years.

What do your priorities look like for the upcoming year?

There are a lot of opportunities at the local level because of the amount of federal funds being sent to the cities and states. Those funds can backfill where businesses have been hurt by the pandemic. Public safety is another focus for local and state governments and we're exploring ways to address those needs. Our firm has done a lot in the transportation space and we expect that work will continue and grow as governments at all levels reinvest in their infrastructure. ■



Healthcare opportunity

Expansions, particularly for specialty care, creating 'incredible growth'

Jim White

Tax Office Managing Partner – Jacksonville – BDO

What opportunities are available for BDO in today's landscape?

We still see incredible growth in healthcare, not just in Jacksonville, but also regionally. This is primarily driven by expansion of many healthcare providers and institutions across the First Coast, particularly for specialty care. Healthcare has always been a major focus for BDO in Jacksonville, and we're continuing to expand our capabilities in the sector even further to match demand.

Jacksonville also continues to see real estate developers and construction companies growing locally, mirroring the growth we're seeing as a result of the fintech and logistics industries expanding in Jacksonville.

What differentiates BDO from its competitors in the region?

BDO has continued to invest in Jacksonville, and throughout the state, which has helped us grow to be one of the largest accounting firms in Florida.

We excel at helping entrepreneurial, middle-market businesses achieve their goals. For example, we frequently guide these clients through mergers and acquisitions involving PE groups, sales to larger businesses, and other transactions. Our team's diverse capabilities also allow us to offer clients full-service outsourced accounting to Jacksonville businesses of all sizes.

How is BDO continuing to leverage technology to better service its clientele?

We have long placed an emphasis on technology-driven services. By leveraging the targeted data analytics our tools provide us, we're able to better understand our client's needs and provide them with more meaningful

insight. For example, we're using both optical recognition scanners and data analytics software that analyzes clients data to look for outliers in their financial statements. This technology enables our professionals to continue focusing on consulting, leading, and advising their clients.

Additionally, BDO has partnered with Microsoft, enabling us to give clients more of a complete picture, or what we refer to as a Total Tax Liability. Our clients truly appreciate our commitment to providing a comprehensive understanding of matters. Total Tax Liability means considering how things like property taxes, sales taxes and import duties are just as relevant to their business as income taxes. Our Tax Automation & Innovation team collaborates with clients to analyze their Total Tax Liability and produce practical solutions that optimize processes, extract, transform and load source data, automate tax calculations, and implement or enhance the use of technology to streamline tax reporting.

What are the major concerns among your clients?

Inflation, as well as expensive and competitive workforce housing pose significant challenges to all businesses in 2023. Additionally, we are continuing to see other market issues, such as supply chain shortages. BDO is constantly working with our clients to overcome these challenges. We employ a holistic lens to assess their business and work with them to implement strategies that can help them succeed, even in difficult times. For example, while not always a leading factor in a business's decisions, every business decision has a tax implication, so tax strategy should always be a part of the equation for any challenge a business may face. ■



Peter Bower

President & CEO
Riverplace Capital Management



There is a great opportunity in Jacksonville to have a robust investment sector. A lot of hedge funds and other institutions have been moving down from the Northeast, including from Connecticut, New York and New Jersey, for the purpose of lower taxes. Most of these have been going to South Florida, but Jacksonville can also play a role. It has gotten very crowded and expensive to operate in Southeast Florida. We are less expensive, have more room and are growing. South Florida will grow but is landlocked. I think growth is migrating north. We have a lot to offer culturally. We have other amenities, such as golf courses and beaches. Our industry can certainly be larger and more robust in our community. ■



Don Davey

Owner & Chief Wealth Engineer
Disciplined Equity Management



I used to think that my only job was to deliver exceptional returns for my clients. But as I've matured in my career, I have come to realize that helping clients decide what to do with those exceptional returns matters much more than the returns themselves. I call myself a Wealth Engineer, but I am gradually evolving into a Happiness Engineer. Every day, I challenge myself to consider the question: "How can I help my clients use their assets to improve the quality of their lives?"

We all have a finite amount of resources, so the name of the game is finding ways to maximize the utility of those resources to maximize happiness. That means different things to different people – investing in health, frequent travel, helping children, continuing education, donating to charity, starting a business, going back to school, etc. – whatever may be most important to you. My job is to customize a Lifetime Financial Plan that uses resources in a way that makes my clients' lives as good as they can possibly be. ■



Roger Dominey

Executive Vice President - North Region
Coastal Wealth



We want to be one of the most innovative, collaborative, and trusted financial solutions firms in the nation, which means we have to be expanding. My job is to look at the market segments, and Northeast and Central Florida remain hubs of business and migration. More people are moving to north Florida because of the lower cost of living there than in the south. I believe that more businesses will relocate here because we are a labor and regulatory friendly state. Our profit in North Florida has grown 65% since last year, so that is happening as a result of some of those things I just mentioned. ■



Chris Draughon
Director of Financial Planning
First Coast Wealth Advisors



There are a couple of trends we are monitoring. From an investor's point of view, 2022 will be remembered as the year during which the Federal Reserve raised interest rates at an unprecedented pace. Questions remain as to how long they will continue raising rates and keep them elevated. Although the effect of rising interest rates has not been pleasant (investors have seen the value of their portfolios decline), there may be a silver lining. Higher interest rates might lead to higher average annual portfolio returns. Investors may see better average annual returns over the next decade than they experienced over the last one.

From an industry point of view, we continue to be impressed with the number of technological innovations that enable us to serve clients better. One notable advance is the use of AI to improve productivity. ■



Michael Ellis
President & Owner
Madden Advisory Services, Inc.



Many people still have the thought that financial professionals have the perfect answers all the time. Nobody has the silver bullet, and everything is a trade-off. More people are realizing that, and we've seen an uptick in individual investing; however, there is still a large gap in understanding of how investing and trading are different, and how to connect investing to various goals outside of just earning a return. That is where the demand for financial advice will focus in the future. Not only will advisors continue to fill the need for using mathematics, statistics, probabilities, and data to build and manage a portfolio, but also will be called on, increasingly, to answer more complex questions. How do I properly manage my tax exposure, minimize estate taxes, and combine other complex scenarios all while keeping my risk and return within a comfortable target range? Successful advisors are able to provide the connection between what a client is doing in a portfolio and their goals and needs, and help explain and connect those dots. ■



Glenn Ullmann
President
Ullmann Wealth Partners



There is great talent in Jacksonville and if you enjoy helping people problem solve and grow their wealth, this is a parabolic growth industry. An enormous transfer of wealth from the World War II generation to the baby boom generation is well underway. From that generation there is going to be a further transfer to young people who are possibly unprepared. For great wealth management firms who are in the advice business, this is a great place to be. I think the next three to twenty years will be extraordinary.

And I would add this: Our country continues to be the place to create and implement new ideas and grow businesses and wealth. Millions of immigrants want to come to the United States. They are not trying to emigrate to China, they want to come here. And that also means there is not a better time to be in wealth management. ■

Jacksonville's advantage



Russell Baker

CEO – Wingard

“ The quality of life here is unmatched in terms of what you can do with your time. It’s an incredible place with a tremendous number of opportunities to live a very fulfilling life. The cost of living here is also very competitive, compared to other large cities across our country and within the state of Florida. More people are moving here to work remotely because their dollars can go much further here than in cities like New York, Los Angeles, and even Atlanta. Opportunity is a big factor here as well. Jacksonville is now on the precipice of transformational growth that we’ve seen in other markets. ”



Jâlie Cohen

Group SVP & Head of Global Talent – The Adecco Group

“ The Adecco Group is focused on helping employers and employees embrace the new way of working, including the hybrid work model. Part of this is creating a collaborative workspace that supports in-person tasks and discussions. The Jacksonville market is a fantastic community to be a part of. Despite its massive size, it feels like a close-knit community, which is completely aligned with our organizational culture. Additionally, we have built and fostered great partnerships within our local talent market. For example, we have a large military population, which is a great market for our workforce. In fact, we were recently named in a Top 3 Military Friendly® Employer. ”



Kevin Driscoll

President & CEO – The Driscoll Group, Inc.

“ There are certainly more and more people moving here, especially from the Northeast. Generally, people come to see us looking for someone to help them with their resources. Often real estate is more affordable here, so when they arrive, they can buy their homes with cash and may have money left over to invest. The people who come to us are generally 50 years old and up. They are at that point in life where the kids are out of school and they realize that they don’t want to be working for much longer. It motivates them to come to us. We want our advice to be objective in nature and not centered on specific products. ”



Robin Wahby

Owner & CEO – Wahby Financial Group

“ It’s people. Jacksonville people are very generous. Jacksonville has a firm foundation of philanthropy – I mean just look at the Mayo Clinic, Baptist Health Systems and Wolfson Children Hospital. Continued philanthropy will play a key role in the current and future capital expansions in our city. We say tax planning is a six-figure mistake or a six-figure opportunity to help your loved ones or community. I love that our firm talks about this and helps clients give at any level. Donor advised funds are a great tool to start a conversation due to the immediate tax deduction our clients receive. ”



Jacksonville leaders continue to monitor in-office versus remote work productivity.

(...) firms reflected continuing revenue growth and increased competition that would lead to increased spend as firms look to distinguish themselves across markets.

Finally, the professional service industry itself is continuing its evolution as younger talent, particularly Millennials and Gen Z, become increasingly influential. Contrary to some expectations that employers would win the “return-to-office wars,” employees have seemingly successfully leveraged the Great Resignation – which was primarily driven by Baby Boomer retirements, and the forced adoption of technology brought on by COVID-19, to their benefit, leading to what truly is a new normal for firms as office footprints are reduced, flexibility is prioritized, and workplace culture becomes a conscious exercise as opposed to a natural byproduct.

■ Accounting and auditing

In the accounting space, tax changes and higher interest rates have placed greater scrutiny across industry balance sheets. Those in the accounting and auditing departments have been front and center in assessing where dollars can be saved across business operations and efficiencies, particularly in navigating supply chain-related costs. Legislative impacts from the Inflation Reduction Act and

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JIM WHITE, Tax Office Managing Partner
jrwhite@bdo.com

Accountants and Advisors
www.bdo.com

CHIPs legislation have also added to the workload, with accountants having to parse through the number of new regulations, incentives, tax policies and available credits that are available.

While increased demand provides greater job security, it has led to increased rates of burnout. Firms have increased pay and offered work-from-home benefits to attract and retain talent, but nevertheless challenges remain. At the end of last year, the Wall Street Journal reported that over 300,000 accountants had left the profession, marketing a 1.7% decline across the industry. Long hours and increased focus on work-life balance were key drivers for those leaving the industry, which has seen labor pressures as a result of students' increasing aversion to 70- and 80-hour workweeks, particularly during tax season. "Typically, tax legislation happens every 15 to 20 years. Now, we're seeing a rapid change in tax law every couple of years when we have a change in political party. It has become extremely difficult for companies to keep track of all the changes," explained

Lack of income, capital gains and inheritance are key tax attractions

PwC's Jacksonville Office Managing Partner Nader Farhat in an interview with *Invest*:

■ **Financial advisory, wealth management,**

Financial advisers and wealth managers have similarly seen increased demand for their services as deep-pocketed new residents decamp from high- tax states across the Northeast and California and settle across Northeast Florida. In 2020 alone, Florida saw over \$25 billion in net income flow into the state – the highest in the country, followed by Texas at \$6 billion. These inflows are in part motivated by the state's lack of income, capital gains, and inheritance tax, which make it attractive for high-net-worth individuals looking to safeguard their assets as well as protect them when transferring them

to their children.

That said, the market is changing in multiple ways, adding new dynamics that financial advisers and wealth managers must navigate. Stock market volatility has (...)



Q&A

Jerry Delgado
Managing Partner
KPMG

What have been the major highlights for KPMG this year?

This year, KPMG U.S. organized a nationwide community impact day to celebrate our 125th anniversary. Every KPMG office around the country collaborated with local nonprofits, and employees had the opportunity to spend the day volunteering. In Jacksonville, we have a long-standing commitment to our community and also participated in a number of local community events.

As a professional services provider, our biggest success has been serving our clients front and center in what has become a fluid economic environment. We're one of the largest professional firms in the region, so we have a number of clients with needs for services and transactions. The pandemic didn't stop business here and it has been challenging and exciting servicing existing clients while creating new opportunities with new clients in the area. The State of Florida has benefited from the migration of people and businesses, and Jacksonville is

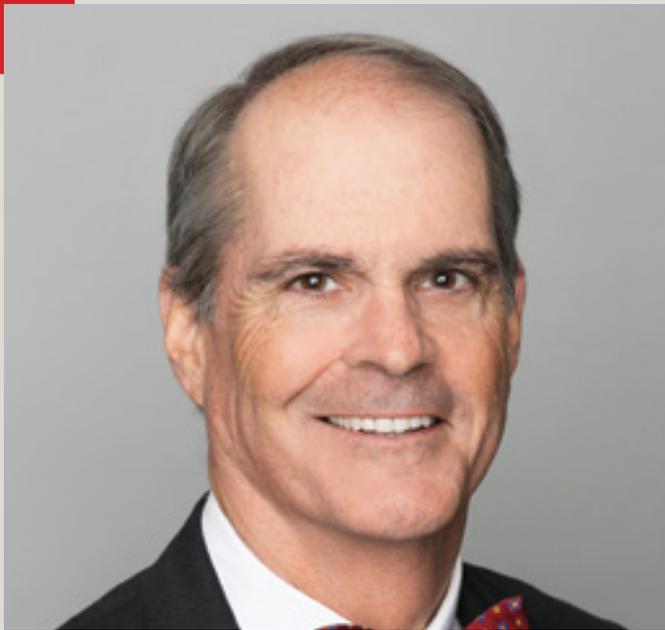
no different. The needs of people and businesses have grown significantly over the past few years.

What are some of the technological trends you're seeing in professional services right now?

There's a tremendous opportunity to serve our clients' needs. In professional services today, a background in technology and IT is vital. In our Audit practice, we call our people "next-gen auditors" because of their proficiency in technology. Our Tax and Advisory professionals also have skill sets in technology. Many companies are making significant investments into modernizing their IT infrastructure as well as evaluating supply chain which are all significant value-add investments. Cyberattacks are front and center for the vast majority of our clients. We're also experiencing more demand for ESG (economic, social, and governance) guidance as regulation evolves.

What is your outlook for KPMG over the next five years?

KPMG has over 35,000 employees across the United States who have every skill set needed for an organization from an audit, tax and advisory perspective. My biggest priority is to continue serving clients in an ever-changing environment, whether it's trends in industries, our profession or regulations. ■



World HQ for everything

Smaller size no obstacle to performance

Fred Kent

President & Shareholder – Marks Gray, P.A.

What are some of the ways that the firm has maintained an evergreen approach to its practice?

We have maintained a good culture and many of our people stay around for a long time. Despite our relatively small size, we tell our potential clients that we are world headquarters for everything. If we think that we can confidently and effectively handle a matter, even if it is new, we will try to do it. We are flexible and react quickly to what the client wants.

If there is a downturn or slowdown, what kinds of services would be at the forefront for the firm?

The last time this happened in 2007 and 2008, the insurance defense-type work really picked up. Accidents and personal injury matters usually stay the same. Real estate and banking slows down. Bankruptcy and creditor's rights issues begin increasing in a down economy. I hope we are not headed down that road. Things seem to be easing despite the situation. Mortgage rates and gas prices seem to have gone down a bit. I am not sure if that is a trend or a little blip. We will wait and see.

What are some things that you are doing differently?

The work from home flexibility is definitely different. I think it's now important to establish some work from home programs and rules for the long term. We want to make sure that people are working effectively from home and that the rules treat everyone fairly.

What might the legal sector look like in the next five to 10 years?

I think it is going to get better. Most attorneys are good at efficiently embracing technology. It is important

that cybersecurity is maintained. We are worried about privacy issues and hacking. The security aspect to the technology needs to be developed.

Overall, the legal sector is really healthy. Florida has the kind of attractive characteristics that Atlanta and Charlotte had years ago. A lot of manufacturing is coming in. I believe Jacksonville is going to have a big role in the next three to five years in some new important industries such as the space program. Jacksonville is such a great place to live. People are going to naturally come here. I think it's an exciting time to live and work in Jacksonville.

What plans does the firm have to expand its service offerings?

We have expanded our offerings over the past seven to 10 years by adding immigration, intellectual property, aviation and surrogacy. And we want to continue to expand our areas of practice. We want to keep the firm growing and keep our clients happy. I think a lot of firms like ours are going to go into firm retreat mode soon with all the new things happening. We believe it's time to reset and then look ahead and start getting our house in order.

What is your overall outlook for the firm?

I am positive about where things are going. We have to continue to plan and look ahead and we will keep doing that. To some extent the bigger worries that seem to be at the forefront these days are things like the unstable economy and even the larger geopolitical environment. But those matters are not within our control. You can't really plan for that as a law firm. We will continue to focus on what we can control and looking at the state of things now in Jacksonville and Florida on a larger scale. ■



Focused on growth

Jacksonville at a turning point after 'flying under the radar for years'

Nader Farhat

Office Managing Partner – PwC

What has been keeping your firm busy over the past year?

Our firm has been busy focusing on the massive growth in Jacksonville. Being a native of this city, Jacksonville has flown under the radar for years. Jacksonville is at a turning point, as we see significant investment coming into the city. It's also becoming a hub for healthcare, logistics and fintech. As Jacksonville grows, so will our firm. Over the past couple of years, we have grown our office from 140 professionals to nearly 200. While our firm has always focused on tax and assurance, we have also become leaders in our consulting practice by investing heavily in technology, cloud / digital, and system advisory.

With the large amount of growth, PwC has really focused on our people. The past couple of years have had a dramatic effect on people. People are really seeking opportunities that allow them to work on a flex basis to help work-life balance. PwC has launched M+ which is centered around choice and flexibility, and tailor-made to help further support development, well-being, purpose, and personal ambition. PwC is investing \$2.4 billion in bringing this experience to life for our team, so that they can build their careers, choose the assignments they want to work on, the hours they work, where they work, and the benefits they need.

What do you believe Jacksonville needs to be successful in this next chapter?

Jacksonville needs to be open-minded as we tend to fear change. We seem to be headed in the right direction, as we see major development downtown. The amount of construction projects on the North and South Bank is the most I've seen in 40 years. We need to embrace that Jacksonville has become a hot market and one that people

are flocking to because of the affordability, the people, the ease to do business, and the amazing surroundings that this city has to offer.

I believe in the next 10 years; Jacksonville will be a totally different city with an extremely vibrant Downtown.

What are you monitoring in regard to the regulatory and legislative environment?

Typically, tax legislation happens every 15 to 20 years. Now, we're seeing a rapid change in tax law every couple of years when we have a change in political party. It has become extremely difficult for companies to keep track of all the changes. Companies rely on PwC to guide them in the right direction. I anticipate seeing much more change in the tax laws especially on the international side.

What priorities lay ahead for the firm going into 2023?

The priority for our office is to grow, and we're hiring a lot of colleagues to keep up with demand. We will likely continue to hire even as we see other companies slow down. Historically, we continued to hire during the economic slowdown during 2007 and 2008. We've had limited turnover as PwC has been dedicated to salary increases, as well as creating a better work-life balance for its employees.

One of our major priorities is increasing awareness of the accounting major and visiting schools to encourage students to major in accounting. We have seen a decrease in students majoring in accounting and earning their CPA credential. Part of the issue is the additional college credits (equivalent of a fifth year) needed to take the CPA exam. I can honestly say a major in accounting has given me the opportunity to do some amazing things at PwC. ■



Population growth has led to a boom in wealth management services.

(...) led to reconsiderations around investment strategies, while investors themselves are younger today than ever before, as millennials and Gen Z are investing earlier, demanding more tailored advice and investing in more environmentally and socially conscious ways – opening the door to ESG strategies that advisers should stay keenly aware of as this cohort becomes increasingly influential. Family advisers must demonstrate a clear value-add to inheritors, with EY noting that up to 70% of advisers are fired once client’s children are in charge of family assets. With the market changing, it presents both opportunities and challenges for portfolio managers and financial advisers.

■ Legal services

On the legal front, Florida Bar President Gary Lesser noted in *Invest: Palm Beach 2022* that the changes reflected Florida’s new residents, “It’s changed due to the massive population growth, especially in South Florida and other major cities like Tampa and Jacksonville. The number of businesses, wealthy people, the large amount of growth that continues exponentially – as Florida has changed, so has the legal profession. There’s become a great need for people who can work in those areas, and it wasn’t like this twenty, ten or even five years ago,” he said.

The influx of new businesses and residents has made litigation more complex and while other industries have seen declining M&A activity, healthcare – one of

Jacksonville’s key economic pillars – has remained robust. Real estate also continues to move forward, albeit at a slower pace given the impact from rising interest rates.

While the increased opportunity means business has been brisk, it heralds two key changes for attorneys. The first, and similar to those in the accounting space, is increased pushback against the “always on” culture of traditional law firms, which has required legal firms to be more accommodating. The second dynamic unfolding across Florida is the new-to-market entrants looking to get in on the action, with New York-founded Rivkin Radler’s April expansion to Jacksonville providing the latest example. “What’s interesting is that many out of state law firms are trying to set up Florida locations to get in the business opportunities, so they’re recruiting lawyers from other firms in Florida, and it’s caused a certain amount of competition at that level,” explained Lesser.

■ Looking ahead

With a number of changes, including general market volatility, the increasing impact and technologization of the professions within the sector itself, the increased demand for a greater balance between work and life outside the office (whether it is the home office or in Downtown) and Northeast Florida’s swelling population mean that despite national uncertainty, the sector in Jacksonville will continue to outperform. ■



Tech trends

Machine learning, data analysis among adaptations

Sara Holladay

Office Managing Partner – Jacksonville – McGuireWoods

How has the landscape evolved for the firm this year and what are some highlights?

We have been focused on helping our clients successfully navigate this post-pandemic world. While interest rates have impacted some real estate developments on the residential side, we continue to see a market for commercial projects, albeit moving at a slower pace. We also continue to see a fair bit of consumer-related litigation, especially in the warranty and financial services industries. We anticipate that this trend will continue into the next year. However, unlike the mortgage crisis we saw in 2009 and 2010, we have not seen a significant uptick in mortgage-related litigation. It will be interesting to see how the next 24 months affect borrowing and default rates.

An interesting highlight is that McGuireWoods has been named in several big publications for corporate and litigation, which we're very happy about, including Chambers USA, Legal 500 U.S. and The Best Lawyers in America.

What are some of the trends in the legal industry?

It depends on the practice area. One of the main trends in the legal industry right now is incorporating machine learning into first drafts of basic legal documents or using it to increase speed and efficiency of document reviews. We're seeing tremendous results in the discovery field. It's drastically cutting down the amount of time and cost spent on reviewing the thousands of emails that are generated in the course of business.

Another area is data analytics. Financial Times has repeatedly ranked McGuireWoods among the most innovative firms in North America, in part because of our novel digital and data analytics initiatives. For

example, McGuireWoods was honored for Innovation in Digital Legal Practice for designing a one-of-a-kind software platform to automate responses to audit request letters. The firm also made FT's shortlist for Innovation in Data Analytics for developing a dashboard to manage large, complex litigation portfolios under fixed-fee arrangements. Both initiatives were products of effective collaboration between lawyers and the firm's in-house technology professionals.

What are some of the biggest challenges the industry is facing?

In the legal profession generally, recruitment continues to be challenging in the current environment because there are so many firms competing for the same talent. Firms are trying to keep up and be competitive. We distinguish ourselves in recruitment through our focus on culture. We want to be a good place to work. We want to be a place where people want to come in and where they're going to learn and grow in their professional careers.

What does the next chapter of the legal industry in Jacksonville look like?

From a legal perspective, there's going to be more focus on data privacy and security in both the consumer and employment space. We anticipate increased need for risk avoidance and risk management advice. This is especially true as more fintech and other digital services companies establish hubs in the Jacksonville area.

From a business continuity perspective, companies need to know how to best insulate themselves from data security issues if their workforce is a hybrid workforce. This is the case more so than it ever has been before. ■



Residential Real Estate & Construction:

Jacksonville's residential real estate sector has leveled off after a banner few years, particularly as higher interest rates begin to pinch. Yet, the picture is no less bright for the segment as, unlike other Florida markets, Jacksonville has land to spare.

Cooler, but still hot

Market remains attractive but affordability concerns persist

The two years post-2020 were hot for Florida's residential real estate. Headlines howled over the record prices and ever-increasing demand that began in mid-2020 and seemed to have no end in 2021 before finally topping out in 2022. Now in 2023, the markets have shifted – but not that much. High interest rates present a challenge to buyers but for the many people flocking in from high-tax, high cost of living areas of the country, such as the Northeast, Illinois and the West Coast, particularly California, even Jacksonville's record prices are relatively affordable compared to those other locales.

While construction starts have slowed and developers ensure projects pencil out, with financing secure and construction materials ordered well in advance of groundbreaking, residential subdivisions continue to pop up across the six counties that make up the Northeast Florida region, albeit at a slower pace. Prices, while perhaps not seeing the 2021-22 highs from just 18-24 months ago, remain elevated, having cooled only slightly toward the end of 2022. The key challenge in the current landscape is affordability. Price escalation has benefited current homeowners and sellers but has made affordable housing increasingly difficult to come by, pushing development further out of the city center and leading more to rent, particularly millennials and Gen Z.

Despite these potential headwinds, prices are lower in Jacksonville, and the geographic size of Duval County and the wider Northeast Florida market means the market has something for everyone, whether it be new college graduates beginning their career, young families buying their first home, or empty-nesters and retiring baby boomers settling into the warmer climate and easy living that Jacksonville provides.

■ Landscape

The median home price in the Jacksonville area in March was \$363,000, down just over 2% from the same time last year, according to the Northeast Florida Association of REALTORS. Over the course of the 12 months, prices have slowly leveled off as higher interest rates have given buyers reasons to slow down the rate of their purchases. While inflation and interest rates rising have led to conversations over a pending recession, the possibility



Median Sales Price:

Change From March 2022

-2.2% ↓

Median Sales Price
\$363,990

Change From February 2023

0.7% ↑



Source: Northeast Florida Association of REALTORS

of a large-scale housing correction in the style of the 2008 housing crisis seems unlikely. Unlike the prior downturn, today’s fundamentals remain solid, both in the wider residential market and in Jacksonville more specifically. Inventory remains tight, mortgage delinquencies remain low and demand is still strong.

While the market remains stable, one of the clearest signs of a slowdown has been housing construction starts, which have declined significantly, 53%, since 2022, but nevertheless remain 5% above the same time 2019 – the “last normal year,” according to the Northeast Florida Builders Association. With construction starts down, inventory remains tight, keeping prices from declining dramatically. The market’s strength, driven in large part by the influx of new residents, has raised affordable housing concerns over the last few years; however, Jacksonville remains the affordable alternative to other Florida markets and recently passed legislation in the form of the Live Local Act. While still too early to see how it will pan out long term, the act provides a number of tools for developers in the multifamily and rental markets to increase housing supply.

Homebuilders may have slowed down but they have not stopped and many are still preoccupied with projects across the wider six-county region, delivering projects for both rental and sale. “We’re seeing the demand in every neighborhood. The population growth and investor interest in Florida has really impacted housing. St. Johns County and Nassau County are booming. Duval County is growing astronomically. We’re having a supply and demand issue everywhere. Jacksonville is the most affordable,” said Shannon Nazworth, president and CEO (...)



Housing construction starts have declined 53% since 2022 in the region.



Sherry Davidson

President
Davidson Realty



The interest rates have been an issue, but I think a bigger issue has been the stock market adjustment because people feel like they have lost so much of their wealth. The national media has also scared people to death. Every article you read is about a housing crash, recession and prices dropping. We had a period of about six weeks where we saw almost no buyer activity as they waited to see what would happen with prices and then we had eight contracts come in the following week. We are seeing homes stay on the market longer and prices beginning to adjust, but homes are selling again. ■



Jennifer Hendry

Broker & Owner
CrossView Realty



The pendulum is swinging away from being such a strong seller's market. Prices have leveled off, so we're seeing a vast majority of homes staying on the market longer. We've never had more than 2,100 homes on the market in our area at any given time last year. We're at 5,400 today. In less than two months, we've more than doubled the highest number of homes we've had on the market. The investor pool has significantly dropped in our area because they see home prices aren't increasing to the extent that they were. We're starting to see first-time buyers able to move forward on some properties but they're still paying top dollar. The problem is payments are higher and people are starting to sell now because homes are starting to be overvalued. ■



Rob Kearney

Owner & Broker
Kearney Real Estate Services



It is about the availability of land. Because developers can't get any more land or any more acreage to build properties, their numbers are going to go down. It's a little more of a reflection of the lack of land inventory than it is of a lack of demand. The demand is still there but the fact that they can't get enough land has led to the slowdown in real estate. There has been a slowdown in real estate but not from lack of demand. ■



Ann King

President

Berkshire Hathaway HomeServices Florida Network Realty



Understanding the market and interest rates. Multiple offers moving so quickly overwhelmed buyers over the past few years. To help people understand it's still a good market to buy and it's not a quick two-year turnaround. Most people are in their homes for five to 10 years before they sell.

The challenge is two years of craziness in our market. The past few years made people hesitant in prospecting. Agents need to get back into development and sustaining their businesses. They're revising plans and refocusing on their vision.

It's crucial to be a good negotiator with mortgage rates. Agents must understand the process to be able to advise their clients. A price reduction on a house that isn't selling, might not be the best option, they may be better if they purchased a point down for the buyers. The buyer gets that benefit throughout the life of the mortgage. We're still well below the 55-year interest rate average, even though we have a perception of the rate being high. They're not expecting us to go above that. It's a matter of sharing knowledge and getting people to understand that the market and mortgage rates are still very good. ■



Alex Sifakis

President

JWB Real Estate Companies



The past two years have been incredibly strong when it comes to land. The real estate market is beginning to level off, which is a great thing because we cannot continue with 20% appreciation and rent growth. For us, we haven't seen scarcity in land deals because we're great on the acquisitions side. We bought almost 1,000 properties last year and are on pace for another 700 this year. We're still able to find deals because of our connections and those skills. It's definitely made things a little more difficult but we've still been successful. Jacksonville is the largest city in the country when it comes to the amount of land it has and we have a renewed focus on infill sites – specifically Downtown. Our core business is around single-family development but in the past two years, we have been in a huge push for Downtown. We own about 20 city blocks and are about to embark on a significant amount of urban, mixed-use development with multifamily aspects. ■



Rate impact

Focus on finishes and spaces,
less square footage

Tom McCall

COO & CFO – ICI Homes

What is the impact of higher interest rates on demands?

Everybody is impacted by the higher mortgage rates. We have been a lot less impacted because of our higher price point. Fifty percent of our customers are retirees and the other 50 have previously bought houses, so they have equity in their homes and are often cash buyers. We've found that our customers are prioritizing location. They are willing to have less square footage but they still want the finishes and spaces. If they're going to sacrifice, they're not going to sacrifice location or quality, they're going to sacrifice the size of the home to make it more affordable based on the interest rate.

How have the needs of your customers changed since the pandemic?

The customer profile has changed, people value their house now very differently than they did pre-pandemic. They are staying home more often, they want to work, play, live and enjoy their home. The view used to be that your house is a place you'd come home to, grab something to eat, watch a little TV and go to bed. Today, people are planning not only to have gatherings and outdoor living spaces, but they're also working from home. Our focus as a higher end builder is the second home and retirees who are moving up, so our average sales price is very high. What we've found is that spacing of the houses is very critical. For example, more people are working from home, sometimes both husband and wife, and you can't make phone calls if both of you are in the office. That's something that we've added to a lot of our plans. We were able to adapt a lot quicker to new demands than other builders because we customize so we were able to adjust the house, move walls and make that work. We've taken

a lot of that education and adapted our standard plans. People also want to live outdoors, they want to gather with firepits and TVs for great outdoor living. Instead of a communal clubhouse, they want to have little areas to gather with friends and family so we've integrated that into our existing and new communities. We're hyper-focused on the latest and greatest design and spacing. To meet this demand, we've opened three new communities in the last month. Silver Leaf and Middlebourne are located in St. Johns county, and Seven Pines in Duval county, which is our largest community.

How do you confront issues of land scarcity?

Not only is land becoming increasingly scarce but it's also more expensive. It's harder today to get entitlements and it takes longer to develop the land. At ICI Homes, we're blessed for a couple of reasons. We've been here for 43 years and our customer base has a vision of buying for the long term. We have several large communities and we have a very good pipeline. For example, Seven Pines is over 1,500 lots that we share with our development partner. We're also a private company so we don't have some of the pressures that a public company might have.

How do you see the market growing in the near term?

For years and years, people are going to want to come to Florida, particularly coastal Florida. It has to do with lifestyle and the ability to work from home. If you can work from home and live near a beach, why not? I see the Florida markets as the strongest in the country. A lot of the South Florida markets like Naples and Miami have lots of traffic and extremely high prices. Everybody used to go that direction to retire but I think we're seeing a shift now. ■



Addressing lack of housing

New projects will provide homes for area workers

Shannon Nazworth

President & CEO – Ability Housing

What is the significance of your two Jacksonville-based projects?

We're doing one project in partnership with Duval County Public Schools. They're having huge problems recruiting staff due to our area's lack of housing. We're purchasing a closed school from the school district and we're going to build a new apartment community there. We're going to set aside 25% of the units for district personnel. They're competing with Amazon for bus drivers, so anything they can provide as an added benefit will be helpful. We expect to start construction early 2023 and have it ready by mid-2024.

The other is a brand-new project that was selected by Florida Housing Finance Corporation and it's on the West side. It's new construction and very close to a Walmart Supercenter, libraries, schools and buses.

What areas of the city have seen the highest growth in demand for affordable housing?

We're seeing the demand in every neighborhood. The population growth and investor interest in Florida has really impacted housing. St. Johns County and Nassau County are booming. Duval County is growing astronomically. We're having a supply and demand issue everywhere. Jacksonville is the most affordable. It all comes down to relativity. The net rent may be less here compared to other large Florida cities, but the increases are astronomical. We have outside investors coming in from around the globe buying existing properties and renting them. This includes both single and multifamily homes. It's hard to absorb those increases overnight. People are really struggling as to how they're going to make this work and none of us know how this is going to

play out. Single-family rentals are growing tremendously, so there's fewer homes for ownership.

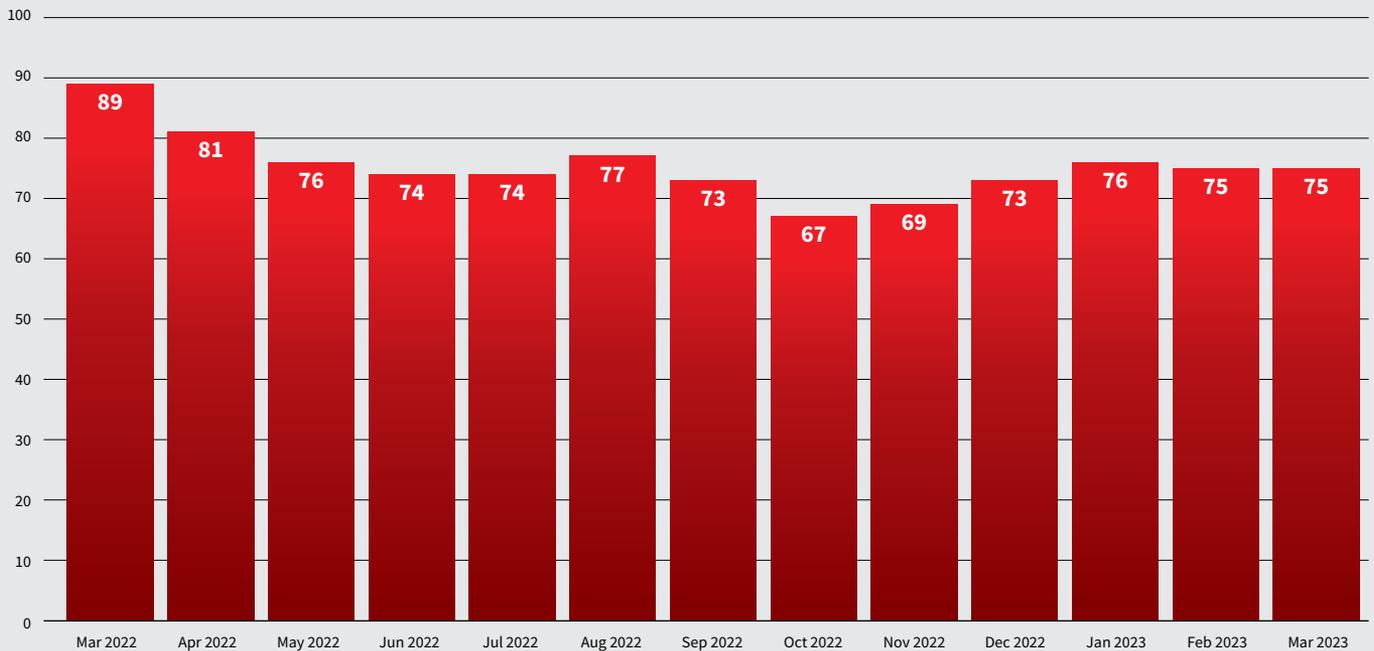
What impact have you seen since the development of tiny homes communities?

It's one aspect about Jacksonville that's great. The nonprofits here really want to work together to make each other better and stronger. Habitat for Humanity had a wonderful opportunity and they were intentional about reaching out to other nonprofit service organizations with clients who need affordable places to live. We strive to help all of our residents become homeowners eventually. Having rental properties allows people to work on their credit, so home ownership is a more viable option. Habitat partnered with us to bring in our experience. We have a property a few doors down and we're managing them both together as one property. They don't have a community center on their property, so all of the residents can use our clubhouse anytime. It's had a tremendous impact on the residents living there.

Tiny homes are smaller, stand-alone single-family homes. It all comes down to implementation and the right model.

What is your definition of a city of the future?

A city of the future has equity and inclusion. The cities that will be the strongest 100 years from now will have those aspects. They're bringing their whole community along with the growth and Jacksonville has the opportunity to embrace that vision. Historically, we've been two Jacksonvilles, but public leaders like Mayor Curry have talked about being one Jacksonville where all of us are successful. ■

Home Affordability Index:Change From March 2022
-15.7% ↓Median Sales Price
75Change From February 2023
0.0% ✓

Source: Northeast Florida Association of REALTORS

**Q&A****Steve Moore**

President

The Vestcor Companies

What would the region be missing if Vestcor Companies were not around?

Experience is valuable in anything you do in life. We have done a lot of things over the last 40 years. Some have worked and some have not worked but those experiences give us a perspective that others may not have. With that perspective, and a desire to always improve, we have become more efficient developers and owners, which leads the residents to have a better experience. That is what is important. The real estate industry would be missing this crucial experience, which allows us to build quality housing, if Vestcor was not around.

What are your clients looking for when they come to Vestcor?

Our client is the resident in our apartment communities. We never use the word project because it is a community. We try not to use the word tenant because we prefer resident.

In the end, these words matter. You want people to belong to a community.

How has Vestcor utilized technology to reach out to clients and to provide the best service possible?

We were one of the first owners to start tracking ratings online. We hold monthly reviews with our management company because it is important to see all the positive and negative feedback. We are tracking that as owners every month. I focus on the negatives because we are never going to be perfect but I want to know how residents feel and where we can improve. Technology has been very helpful in providing this information and transparency.

What challenges have emerged with the region's growth?

There has been a large influx of people and companies to the state of Florida and Jacksonville specifically. Due to supply and demand, home prices and rates have increased significantly and that is a challenge for many people who want to live in your area. We need to focus on providing quality housing for a rental rate that allows working people to have a nice place to live. That is a huge challenge for everyone in Florida. We have seen long wait lists here, which in the past did not exist. The goal is to work with the state and municipalities to help produce more workforce housing so Jacksonville can thrive. ■

First Coast Housing Indicators

(March 2023 vs March 2022)

Price per sq. ft.:

\$198 (+6.7%)

Pending sales:

2,205 (-3.7%)

New listings:

3,202 (+22.4%)

Active Inventory:

4,725 (+166.0%)

Monthly supply of inventory:

2.2 (+224.3%)*Source: Northeast Florida Association of REALTORS*

(...) of Ability Homes, in an interview with *Invest*. “We have outside investors coming in from around the globe buying existing properties and renting them. This includes both single and multifamily homes. It’s hard to absorb those increases overnight... Single-family rentals are growing tremendously, so there are fewer homes for ownership.”

With regard to affordability, Jacksonville has pursued a few different avenues. Toward the end of 2022, the city council approved the construction of Accessory Dwelling Units across much of the city. Certain restrictions, such as preventing rentals for periods shorter than seven days, are aimed at preventing new units from being immediately rented out as short-term rentals, such as Airbnb. Meanwhile, the Jacksonville Housing Authority has been working to acquire hundreds of rental units to provide relief for low-income families across the region. Its plan also entails the acquisition and construction of 500 units a year moving forward, with an emphasis on mixed-income projects to help further offset costs for low-income housing. Downtown is also on the cusp of seeing thousands of rental units come on line as younger residents arrive in the city, generating demand for more urban, dense living.

Finally, the Live Local Act, passed at the end of March, clears certain zoning restrictions in commercial and

**Q&A****Ben Hakimian**

CEO, President & Founder
Hakimian Holdings

How has the influx of new businesses and residents changed the appetite for real estate in the region?

We have had average growth of north 15% over the past three years, so it has been a fantastic time for us. With the business-friendly and environmental benefits of Florida paired with the density and population coming in, we are looking at a stable economy that is looking up. The only difficulty as it stands is finding inventory to buy, especially as we're running out of spaces to lease.

We realize economic cycles can be good and bad and we are always prepared for both. The Jacksonville economy, in particular, has been very stable, regardless.

The other factor is that the nature of our business is not affected by short-term fluctuations because our method is to acquire and hold. We don't buy and sell rapidly or do ground-up development, so we are really looking ahead at least 10 to 20 years with our investments.

What is your assessment of the real estate market for buyers and sellers?

2021 and 2022 were definitely seller's markets but that is starting to shift to the buyer's favor, if slowly. This is particularly true with office space as more businesses are eager to bring people back in from remote working. It'll still be a turbulent market over the next couple of years in general but the cycle will stabilize. It's the nature of interest rates too because as they go up, valuations go down and vice versa. We tend to thrive in down markets because there is such a good opportunity to buy real estate at good prices. In a buyer's market, you might get 5% or 10% margins but in a down market there are property discounts of up to 60%. It makes it a great time for any business to invest.

How has technology impacted the real estate sector?

As much as I'm a fanatic for technology, I have to admit that real estate is an old-fashioned business. At the end of the day, it's about finding space and how it is utilized. Unlike industries like hospitality where apps like Airbnb pose new challenges to traditional hotels, real estate is too relationship- and trust-based to rely on such technology. There is nothing for a client like seeing a space in person and being able to negotiate it. We want our clients to understand and be engaged, so we consider technology as just a piece of that puzzle. ■



The Live Local Act will provide \$711 million in funding to help finance affordable housing projects.

industrial areas across the entirety of the state and provides \$711 million in funding for the Florida Housing Finance Coalition to provide low-interest loans for developers to finance affordable housing projects, providing welcome relief for both new and long-time residents.

■ Looking ahead

Jacksonville is growing. The region will continue to be bolstered by an increasing population that feeds into its industries. Students, the newly employed and retirees, alongside relocating families, are all looking to see what part of Jacksonville's residential real estate they can claim for themselves. Interest rates will remain a key factor moving forward but with demand remaining fairly consistent, buyers have learned to operate around the increased costs and sellers, while not seeing the record highs that were common a year or two ago, are nevertheless poised to see continued, if slower, price appreciation.

As inventory expands, many will be able to finally settle in Jacksonville, further bolstering its deep bench of talent, fueling local industries and driving continued prosperity across Northeast Florida. While it may not be a boom per se, it may certainly be the next best thing: a stable economy and steady growth. ■



Q&A

Spencer Calver

President

The Pineapple Corp.

What is your overview for the current market opportunities in Jacksonville?

The message that is being pushed with residential real estate right now is uncertainty after years of record price growth. Inflation, interest rates, inventory and more are reshaping the Florida housing market. Our price point is considerably higher than anything near the median price point. While interest rates don't directly impact those buying decisions as much, the overall tone is negative when it comes to making a large home purchase decision. I believe we are going to have some challenges nationally in residential real estate over the next two to three years. However, the demand throughout the state of Florida and in Northeast Florida will remain strong.

What are some new projects that you are excited about?

Our primary focus is a project that we have in Nocatee, a

master-planned community to the south of Jacksonville. Nocatee is ranked top five in the nation and has been top in terms of sales activity for years. We have a high-end gated community in Nocatee called The Vista at Twenty Mile and the level of interest we have seen in that community has been unbelievable. We have seen an influx of relocation buyers from markets significantly more expensive than ours. They appreciate the value available in Nocatee as compared to northern and other overvalued housing markets.

What are some of the pressing infrastructure needs that you are seeing?

From the Duval County perspective, we've tried to promote the Downtown area for years. Jacksonville has a phenomenal Downtown but it needs attention. That said, it does seem like Downtown Jacksonville is starting to get the attention it needs. We're starting to drive the concept of affordable housing being closer to the core and utilizing to a higher degree the existing infrastructure within the core.

St. Johns County has been a bedroom community to Jacksonville for many years. We need to bring the leadership up-to-date in that the current infrastructure is not able to meet the required needs. My hope is that they embrace being part of the Jacksonville metro area to the benefit of taxpayers and voters who would otherwise be impacted. ■



Commercial Real Estate & Construction:

Commercial real estate is likely the individual industry seeing some of the greatest changes today. Despite challenges posed by higher interest rates, Florida remains a lucrative market and Jacksonville all the more, providing a more affordable point of entry for developers while its deep bench of industries anchors demand.

Lucrative market:

Office continues to struggle but multifamily, warehouse space shine



Jacksonville's commercial real estate sector has done well for the most part. Interest rates will continue to pose a macroeconomic challenge for all markets but thanks to Jacksonville's diversified range of industries and numerous relocations over the past two years, certain commercial segments remain somewhat insulated from the worst aspects of today's ongoing correction. The strongest performers, industrial real estate and mixed-use multifamily, are indicative of economic growth – e-commerce demands more and more warehousing space, as noted by Colliers' Jacksonville Industrial Market Report for 1Q23, while the influx of population to the region requires somewhere to live, causing a dramatic change in Downtown Jacksonville as billions of dollars worth of riverfront property is redeveloped.

■ Landscape:

As with all real estate, there are key factors that influence the respective performance of each individual segment. Interest rates, land availability and pricing, alongside general demand have been the key points that developers, investors, owners, tenants and lenders have preoccupied themselves with. For Jacksonville, and similar to the rest of Florida, relocating industries and a growing population have kept the market from experiencing any severe downturns. "The Jacksonville market experienced very strong activity in all aspects of commercial real estate in 2022," Carrie Smith, senior vice president of Franklin Street Capital, told *Invest*.

While 2023 saw the inertia from the prior year carry forward, the collapse of Silicon Valley Bank crystallized to many in both the banking and real estate sectors that the bite from interest rates was real and that a smart strategy would be needed to ensure returns on investment, as highlighted by *The Economist*. For many regional banks, commercial real estate, particularly the office submarket, poses a risk. Business leaders have pushed somewhat unsuccessfully to have workers return to in-person work and building owners, lenders and tenants are increasingly reassessing both their leases and the amount of office space they need. Colliers' 1Q23 assessment does not provide any hope for a quick turnaround. "As has been the case for some time now, the office market generally remains stuck in the mud," the report begins and while office rents have



Rents on average in Jacksonville are nearly \$1,000 cheaper per month compared to Miami.

risen over the last year, currently standing at \$24.09 per square foot, vacancies remain stubborn at 9%. Colliers' Christian Oldenburg told Invest: that while vacancy rates historically seemed in-line or even positive, the number of workers heading into the office, as opposed to companies merely holding on to the lease, would likely suggest a much higher rate. For the foreseeable future, while certain office projects will get built, it will be specialized and on a case-by-case basis; in today's landscape capital markets are all but closed off to office development and the demand is lackluster at best.

The performance of the office sector will be cause for concern for sometime but there remains opportunity in other markets. "However, capital is available for the right deals, such as high-quality multifamily, industrial and grocery-anchored retail," explained Tripp Gulliford, CBRE's executive managing director for Florida in his interview with Invest:. Inflation may curtail some spending but not all, and after two years of the pandemic, Americans are looking to spend, creating opportunities for those in the retail space. Leasing activity is strong, landlords continue to ask for more per square foot – and tenants continue to pay. Vacancy sits at a healthy 4.4%, according to the latest data from Colliers, and while construction costs and permitting delays can cause some issues, second-generation restaurants and stores are seeing surging demand as tenants and owners look to avoid construction

headaches, "We're more active in looking for development opportunities and opportunities to redevelop existing shopping centers," Lisa Palmer, CEO of Regency Centers Corporation, told Invest:. "The Whole Foods in Jacksonville Beach is a great example of redeveloping an existing shopping center," she added.

Brick and mortar stores handle consumer demand in-person but it is industrial space, which has seen momentous demand brought about by e-commerce, that continues to outperform. Land cost and availability have started to become a concern. "One consequence of our growth is we do have less entitled land than we once did. But there is still no shortage of land that can be used or reused for development subject to rezoning efforts," Oldenburg said.

While a lack of capital means developers will be unable to deliver as much product as they'd prefer, there remains a sizable development pipeline that may provide some rental relief, even while demand does not appear to be diminishing anytime soon. Jacksonville's growing transportation and logistics industry will keep demand high for the foreseeable future, according to CBRE's Gulliford.

Finally, the multifamily market has, alongside industrial, been one of the strongest performing sectors across Northeast Florida. As 2022 ended, the region brought in a record \$2.1 billion in sales volume. Rents on average remain cheaper than both the rest of Florida and the country, coming in at \$1,480 per month, according to Matthews Real Estate Investment Services, and just shy of a thousand dollars cheaper than Miami's \$2,396. As Franklin Street's Smith explained, graduating students and young professionals are fueling this segment, leading to increased density and demand in Jacksonville's urban core and transforming the area. Local officials expect the city to look completely different by 2025, with over 100 projects, many of them mixed-use multifamily driving the change. Builders have been staying busy as a result, "Downtown Jacksonville is changing a lot and there is a lot more room for growth that could lead to waterfront properties for restaurants, housing, hotels and more." said Marc Padgett, president of Summit Contracting Group, Inc. "We are working on many of the multifamily projects Downtown," he told Invest:.

■ Looking ahead

Overall, there is much to look forward to when it comes to Jacksonville's commercial real estate sector. Northeast Florida has considerable tailwinds and while certain macroeconomic factors may provide their fair share of challenges, particularly in the office segment, the overall economic impact provided by the rest of the region's commercial real estate sector bodes well. ■



Christian Oldenburg

*Executive Managing Director & Market Leader
North Florida
Colliers*



The growth on the industrial side has been exponential, with 10 million square feet absorbed in the last two years and 30 million since the Global Financial Crisis (GFC). We are a market of 150 million square feet, so you have basically added 20% of the stock since 2010. Multifamily is right behind that with a consistent amount of 4,000 units absorbed per year. Retail has also seen growth, with a shift away from soft goods to services, which has been going on for years. The retail market is now seeing record-low vacancy and record rent growth. The most challenging space has been the office sector due to the uncertainty surrounding the work from home trend. Currently, we have 9 to 10% headline vacancy, which is good historically, but if you look at who's actually in the office, it's closer to 50 to 70% vacancy depending on the building. Landlords and occupiers alike are trying to figure out what happens to the corporate office long term. Construction cost and capital cost increases are having a compounding negative effect. ■



Marc Padgett

*President
Summit Contracting Group, Inc.*



There is a continued high demand for housing in Northeast Florida and throughout the U.S. We are in need of all levels of housing from affordable housing to Class 'A' luxury to fill housing needs of our existing population as well as to continue population growth. Right now, we are in a recession. The economy isn't doing great, which actually drives multifamily fairly well. Slowing economies means it's harder to buy a home, causing more people to rent. In the next few years, I predict this will continue. ■



Lisa Palmer

*President & CEO
Regency Centers Corporation*



Grocery-anchored will continue to thrive with those that have the best merchandising, placemaking and connection to the communities. One thing we all realized during COVID is that human beings need social interaction. We have many tailwinds and out-migration of people moving from cities to suburbs and into the Sun Belt. Hybrid and remote work come with that migration and people are spending more time at home, so they want to get out. We're going to continue to see healthy housing growth, healthy population growth and healthy shopping center growth. The market-share leader for grocery stores here is Publix. They'll continue to add grocery stores here, along with Whole Foods. ■



Carrie Smith

Senior Vice President of Retail
Franklin Street



The demand for multifamily is strong throughout the whole region. For example, our biggest business district is Downtown, and you can see that there are more multifamily projects being built there now than in the past 15 years. There is a desire from the generation coming out of college to live and work close to their friends, offices and communities. It's astounding to see how many new multifamily projects are underway in the market, not just in the Jacksonville region but across the state. There is no end in sight, as these projects are being leased up almost as quickly as they're developed.

We are really excited to continue building out our full-service team over the next few years. Establishing a strong land team has been a major target of our office, so bringing on Shaun Mayberry to lead and grow that team in 2022 was a huge win for us. Our land team impacts all aspects of commercial real estate and their knowledge of zoning regulations serves as a great asset to our clients. With development becoming more difficult and complex as time goes on, it's tremendously valuable to have a team of experts dedicated to understanding and navigating land use issues. ■



Buckley Williams

EVP & Shareholder
England-Thims & Miller, Inc.



The highest demand has been in the infrastructure sector, as our clients are addressing the rapid population growth and how the market is responding to it. A lot of people are coming to Central or Northern Florida, so our clients are looking for speed to market as well as quality. Whether they're developing single-family communities, multifamily projects or commercial buildings, they want to make sure they can meet the needs of the market. They want a firm that can bring the horsepower to navigate the process and understand the local decision makers, as well as being able to expedite projects with high quality. We listen to our clients and have excellent execution. We are definitely known for that. When people walk through our door, they know that their projects will be a success

We have clients wanting to use land for more than one purpose. We know that we have to look at the resources we put into our infrastructure and make sure they are able to be maintained. We always start with the end in mind, and sustainability is a big part of that. ■



Solid foundation

Implementing strategies that benefit employees is one key to retention

Nate Marty

CEO – Auld & White Constructors LLC

To what do you credit the culture of retention that Auld & White Constructors is known for?

We have a solid foundation, having been in business for over 35 years. Our focus has consistently remained on Northeast Florida, which has enabled us to ensure the safety of all of our team members each day. Additionally, we have made a concerted effort to implement strategies that benefit our employees, such as revising PTO policies, adjusting compensation and organizing events like BBQs and casino nights to foster camaraderie and encourage team building.

We believe in fostering a sense of community among our team members by providing opportunities for them to interact and get to know each other outside of the office. This approach has contributed to the high retention rate among our staff. We prioritize fostering a family atmosphere, which is one of the reasons for the success of our company. Additionally, we value the input of our employees and take their feedback seriously. We evaluate their suggestions and have implemented recommendations from our employees in the past. We strive to create an environment where all team members can thrive.

How has your company adapted to the use of technology?

We have a proactive approach to embracing technology. During the pandemic, we quickly adapted by moving all our information to the cloud, enabling our team to work remotely. We also use technology for MEP trade coordination and clash detection on our larger and more complex projects, especially those that include a prefabrication component, such as mechanical ductwork, fire protection and electrical rooms. We are undertaking two significant renovations Downtown and we were able

to use building scans to create more accurate documents and increase efficiency during construction, ultimately saving our clients' money. We also utilize drone footage and cameras to create "as-built" images, which we are using for our projects with Baptist Health and other local healthcare partners. Our IT manager also serves as a consultant for projects that have IT solution needs. We understand that not all of our clients have dedicated staff for this, so we offer this service as a value-add.

What are some of the strengths and challenges for the construction market in Northeast Florida?

The past five years have been positive for Northeast Florida, with an influx of new residents driving demand for both residential and commercial projects. We had one of our strongest years in 2022 and have a strong backlog for 2023. The region is expected to be somewhat insulated from inflationary corrections thanks to the continued growth in population. However, there may be some adjustments in the later part of 2023 and into 2024 but we do not anticipate a significant impact.

We anticipate some improvements in the supply chain, such as a decrease in lumber prices. However, obtaining financing at reasonable interest rates for private sector clients may continue to be a challenge, putting pressure on the proformas of new projects.

Attracting and retaining talented team members will continue to be a challenge but we believe we have a competitive advantage as we offer employees the opportunity to work close to home and maintain a good work-life balance. Our retention rate has been strong over the last three years and we are optimistic about our ability to continue growing our team with exceptional individuals. ■



Record revenue

Demand from national brands remains strong

Tripp Gulliford

Executive Managing Director – CBRE

What are some key highlights for the CBRE over the past year?

CBRE's Jacksonville office produced record revenue in 2021 and 2022. Locally, we are representing some new national brands in the market and the demand from them remains strong.

After the Fed started to raise rates, we saw a slowdown on the capital markets side. CBRE expects a moderate recession with a recovery beginning midyear. However, capital is available for the right deals, such as high-quality multifamily, industrial, and grocery-anchored retail, or with established, creditworthy borrowers. CBRE expects lenders will become more active as the macroeconomic environment improves and interest rates stabilize. Our CBRE professionals act as advisors for clients by sharing information across all asset classes, especially in times of market uncertainty, but the long-term trends in Jacksonville are all very positive.

How has the demand for industrial and office space in Jacksonville evolved?

We are bullish on the industrial sector with a team of six CBRE professionals dedicated to Industrial & Logistics Advisory & Transactional Services, who are completing twice the number of leases we were executing five years ago. The Jacksonville industrial market ended 2022 with strong fundamentals. Despite economic uncertainty, industrial occupier demand remains strong due to e-commerce growth, inventory protection and supply chain resiliency. Currently, Jacksonville has approximately 7.8 million square feet of industrial speculative projects under development and we expect to continue to experience high demand in the market.

Jacksonville is uniquely positioned to take advantage of the port, which is a differentiator for our city. As global supply chains remain in flux, imports are flowing through more U.S. ports, stimulating demand for nearby industrial space. While West Coast ports remain crowded, markets like Jacksonville will benefit.

In terms of office, we see global trends toward intentional flexibility for workers. Hybrid is here to stay, and companies are acutely aware of that. Office space needs are expected to fluctuate over the next few years. Many users will likely reduce their footprint but upgrade the quality of their space to better support new ways of working. Tenants and landlords will more closely collaborate to create workplace experiences that attract workers to the office. During 2022, the Jacksonville office market experienced increased leasing activity, the lowest negative annual absorption figure of the last five years, and increased asking rents since the beginning of the Covid pandemic.

What is unique about operating in Northeast Florida?

Jacksonville has a few differentiators from the rest of Florida, including the port and a significant number of fintech and medical tenants driving market growth. While we have always had a strong talent base in financial services, the COVID pandemic accelerated migration patterns to Florida, resulting in more talent moving into the market, allowing for companies to operate with a larger presence in Jacksonville. Overall, Jacksonville is unique because it is a growing market that still operates as a small town in a lot of ways. It is relatively easy to navigate, the business community is collegial, and we work together to make the overall market successful. ■

Cornerstones:

Downtown transformation

The transformation of Downtown Jacksonville is well under way. Over 100 projects are in development and expected to dramatically change the face of the city.

A big part of the area's reinvention is The Shipyards development. The project to revive the once bustling shipbuilding site that has been vacant for years will include a Four Seasons Hotel, a six-story office building and a marina. The plan also calls for the restoration of Met Park. Later, an orthopedic center and residential units will be added.

Spearheading the development is Iguana Investments Florida, the investment company belonging to Florida Jaguars owner Shad Khan. Overall, the cost of the development is expected to total almost \$400 million, with the city of Jacksonville having approved nearly \$130 million in incentives.

Another key pillar of the Downtown revitalization is the Riverfront Plaza, located on the former Jacksonville Landing site and surrounding area. The Plaza is a public waterfront space designed by Perkins+Will. The proposal

by the architecture and design firm "boasts a central lawn, a destination play space, a river terrace, a park pavilion building, a hotel and sky garden, which includes outdoor dining options, a bike and pedestrian connection to the Main Street bridge, and an iconic sculpture situated atop civic stairs that is undeniably unique and authentic to Jacksonville," according to a news release announcing the winning bid.

"This is an exciting project that will change the Downtown experience for years to come, said Daryl Joseph, director of Parks, Recreation, and Community Services, in the same release.

At a February event to discuss plans for the various Downtown developments on the ground and in the pipeline, Laura Phillips, the Director of Development for Build Up Downtown, said the projects would transform the look of the city. "Let's just say you go away for a year or two and you come back in 2025, you will literally be awestruck by all the change on our riverfront and downtown in general," Phillips said, as quoted by news4Jax. ■



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Headquartered in Jacksonville for over 35 years, **Auld & White Constructors** has built long-standing relationships with clients throughout Northeast Florida. By providing open communication, innovative ideas, and diverse solutions in the commercial, healthcare, and public sectors, AWC has become a trusted construction partner helping our clients bridge the gap between dream and reality.

www.auld-white.com



Infrastructure, Transportation & Utilities:

With multimodal connectivity that ranges from interstate highways, its own home-grown Class I railway and the northern terminus of the FECR as well as the deepwater JAXPORT, Jacksonville is the gateway to Florida, making its transportation and utilities industries – and the infrastructure that supports both – an essential part of the region’s growth.

Strategic advantage:

Robust infrastructure network bodes well for economic health

Jacksonville has long been a hub of the transportation and logistics industries as well as the utilities sector, owing to its strategic location in Northeastern Florida, its access to the St. Johns River and its robust infrastructure network that connects it to I-10 and I-95. Transportation behemoth and Class I railroad CSX Corp and the regional Class II Florida East Coast Railway both call Jacksonville home in a testament to the city's long-standing railroad heritage, while JAXPORT is the only East Coast port in the United States to offer on- and near-dock liquefied natural gas (LNG) fueling capabilities, making it a critical stop on naval shipping lanes and a valuable partner for energy providers with a presence in the region. Finally, the region's aviation infrastructure, with Jacksonville International Airport, several surrounding regional airports and the locally-based military, aerospace and defense firms in the region, provide it with a unique edge in terms of both qualified talent and industry expertise that is well-suited to tomorrow's economic trends.

Jacksonville is well positioned to leverage its infrastructure – road, rail and air – to come out ahead in today's volatile environment. The initial disruptions from the 2020 pandemic, particularly the China-based supply chains and manufacturing sector, and more recently the Russian invasion of Ukraine, have given way to a new macroeconomic paradigm where critical industries – manufacturing, energy, and agriculture – will be increasingly near- and on-shored. Those industries will be heavily reliant on local infrastructure for both capacity and production. JAXUSA Partnership President Aundra Wallace noted in an article on the Jax Daily Record website that the region has already seen over a dozen logistics expansions and announcements, 3,000 new jobs created and more than \$619 million in investments over the last few years as the global economy continues to reorganize itself. Jacksonville is poised for further growth and with numerous offerings within its economic toolkit to attract investors and welcome companies looking for friendly, stable and strategic markets from which to operate.

■ Landscape

A deep dive into Jacksonville's infrastructure assets, as is the case with much of the region's economic growth, demonstrates increased demand as travel and trade have





Jacksonville's infrastructure assets have helped drive economic growth.

both returned to pre-pandemic levels of activity. Naturally, the logistical support required for the successful conduct of business has seen increased demand as a result. By the end of FY2021, JAXPORT had seen a 5% increase in container volumes from 2019, or a record 1.4 million 20-foot equivalent units (TEUs) and while 2021-2022 saw a slight decline in overall volume, the port still processed 1.3 million TEUs. In his “What’s Next,” speech, CEO Eric Green said the port could be seeing a 14,000 TEU ship later this year. In response, tenants at the port are making preparations or are already expanding their capacity. SSA Marine, which operates the Blount Island Terminal, is doubling its land-side capacity to handle 500,000 TEUs annually by 2024, while Southeast Toyota located at the Talleyrand Marine Terminal, is in the design stage of building a larger processing facility. Finally, JAXPORT itself completed the deepening both at the port and in the waterway leading to it, which will fuel the region’s growth for decades to come. “It was a beautifully completed project,” CFO Beth McCague told Invest:.. “But the real value is what it will do for North Florida and the state over the next 30, 40, 50 years A deeper harbor provides tremendous long-term value for the citizens in this part of the state and throughout the Southeastern region of the country.”

Naturally, what flows in through JAXPORT is then distributed by road and rail across Florida and the rest of the Southeastern United States. Those in the trucking industry will carefully scrutinize consumer demand as

**JAXPORT
processed
1.3 million TEUs
in 2021-22**

labor woes persist and show little signs of alleviating, according to Supply & Demand Chain Executive. If a recession does begin, the demand for drivers will lessen as consumers adjust their buying habits. If trends persist as is, the American Trucking Association expects the shortage to reach 160,000 drivers by 2031. That said, the driver shortage provides opportunities for those in rail companies, particularly intermodals such as CSX. While a potential national rail strike was averted in July 2022, some analysts like those at Avison Young hold a bearish view on the industry, citing the possibility of a recession sometime later in 2023 or 2024 – the same landscape that would decrease the demand for truck drivers.

Despite potential macroeconomic headwinds though, and in a testament to the steady and growing demand for transportation and logistics solutions, both of Jacksonville’s Fortune 500 companies that operate within the sector – trucking and supply chains solutions Ryder and Class I rail company CSX – have seen strong revenues and have generally outperformed the market, while CSX CEO Joe Hinrichs told the Jax Daily Record he believed the company would outperform the economy in 2023.

Finally, Jacksonville International Airport has remained busy, seeing its second-busiest year in 2022 with 6.5 million passengers heading to and from its terminals. While not quite the 7 million high of 2019, the steady recovery, and the addition of five new routes to New York-Islip, Cincinnati, Louisville, and Los Angeles, means that (...)



Scaling up

Tremendous logistics community provides 'great' talent

Rob Hooper

CEO – Atlantic Logistics

What have been Atlantic Logistics' key accomplishments in the past few years?

The past few years have been challenging as we faced the pandemic, but the logistics industry fared well. For us, it was a matter of taking advantage of opportunities, ensuring employee safety and serving our customers. We saw significant growth and are working to install updated processes and procedures that will help us scale from \$50 million to \$100 million and then \$200 million. In the midst of this, we're working to ensure what we're doing is sustainable. The Great Resignation did not have a huge impact on us but we do need more people brought on to accommodate our growth. Jacksonville has a tremendous logistics community and we've been able to bring great people in. It has been a tiring time but we consider ourselves blessed to be in logistics.

How has the deepening of JAXPORT's harbor brought more business in?

We serve nationally, but Jacksonville is our home base, and we have great relationships with JAXPORT and other logistics companies. The deepening of the harbor has us excited to increase throughput as freight activity shifts from the West Coast to the East Coast. We've benefited from that. We do a lot of drayage business, which has grown in the past few years, even through the headwinds of port congestions. We need to step up support on the warehousing side with the inland distribution competing markets have. We're working to get into the warehouse business and vacancy rates here are very low. We're trying to offer pieces of the supply chain. We're in the planning phase, looking at different pieces of property and are in the process of trying to get the anchor of the business down before leasing.

What is your role in mitigating supply chain headaches?

For us, communication is key, both for our customers and carrier partnerships. We don't want them to have any surprises. Particularly with our drayage and steamship carriers. If the ship is delayed, we are proactive in communicating that. In the same vein, price inflation for trucking – due to fuel prices and capacity shortages – is also communicated clearly. Prices have begun to balance out, which is good for consumers and the wider economy, but hurts our top line revenue and margins. We rode the wave up with our customers and are riding it back down, trying to get ahead by communicating with customers and revising our rates. We need to pass savings onto our customers, because if we don't, competitors will try. We refuse to get greedy in this business. If you're not upfront and honest, you lose good customers.

What role do you see technology playing in logistics in the next five to 10 years?

The third-party logistics (3PL) industry has transformed since I started 20 years ago. Digital freight matching is a necessity where freight loads are digitally matched with a carrier. Big players and competitors in the industry, such as Uber and Amazon, are leveraging technology and changing the way we do business. Cell phone app, or ELD (Electronic Logging Device) tracking is the norm now. Our customers want to know where their \$500,000 load of lobster is and have visibility on it, so technology is key in our industry.

In five to 10 years, technology will continue to evolve and the logistics industry will be radically different and even more efficient. We need to automate as many links in the supply chain as possible. ■



Michael Brannigan

President & CEO

The Suddath Companies



We used to use a decentralized recruiting model, but now we are more centralized and competitive with how and where we reach candidates. We've introduced new technologies to help with this, and we have also expanded the number of places where we are looking and reaching candidates with different messages. Wider candidate pools also help us achieve our DE&I goals faster. We understand that we must think about employees as customers and foster a rewarding workforce experience that not only brings them personal satisfaction and connection to their work, but shows them a clear pathway to success. Programs in high schools and universities really help to sell careers in the logistics and transportation industries. We have invested in several academic initiatives and partnerships that help students in North Florida foster the critical skills needed for success, and continue to make investments in professional development and upskilling for our workforce overall. Government programs can help as well. If we can tap into them, then we can achieve broader social objectives. We are seeing a significant mindset shift across all industries to build more dynamic ways to promote the workforce experience and foster greater levels of engagement. A philosophical change is broadening the way we seek and treat candidates and retain employees. ■



David Yencarelli

COO

American Electrical Contracting



Material procurement has taken a big hit with the supply constraints that are still getting worse. Just as an example, a few months ago generators had a 52 week lead time, but that is now approaching 70 weeks. Even utility companies are experiencing these delays. Hurricane season in particular keeps me up at night when these inventory concerns grow. When falling trees knock out transformers and water intrusion damages meter centers, that struggle is heavily compounded when there aren't immediately available replacements. It's one thing to build and keep up with construction, but the infrastructure behind it has to be prioritized for the long term. To put it plainly, a massive hurricane hitting while these supply chain problems are happening would be a literal perfect storm and an absolute crisis for the state.

We've been focused on building up our inventory because we are fortunate to be in a high liquidity situation right now. We've invested over \$1 million in excess stock for our warehouse, including hundreds of generators and a large stockpile of meter stacks and meter centers. We are managing what is within our control. ■



Ready for use

High level of service, efficiency bolster landlord port

Beth McCague

CFO & Chief of Staff – JAXPORT

What are some ways JAXPORT has become more efficient?

We've worked very hard over the past couple of years to maintain our excellent customer service. As a landlord port, we do everything we can to ensure our equipment is operating correctly and ready for tenant use 24/7. When we think about efficiencies, we have been a leader here by remaining congestion-free. Shippers love that they can access our berths without delay, load and unload and get back out to their next port of call. We're pleased to remain at that high level of service and continue to offer such efficiency to shippers from around the world.

On Blount Island, three of our cranes are electric, which is more eco-friendly than traditional diesel-powered cranes. When the cranes were ordered, we worked with another independent agency, an electric authority, to build a substation to power up to 10 cranes. We have three cranes now, and three more are coming in the spring of 2023. When they arrive, we will have six post-Panamax electric cranes at that terminal, with the ability to simultaneously accommodate two post-Panamax container ships. We are quite excited because the cranes are supremely efficient, in addition to being environmentally friendlier. With the substation in place, we have the capacity to add four additional eco-friendly cranes in the future, giving us a total of ten.

What does it take to ensure the port does not become congested as some others have?

There are several factors, including a strong labor force, available trucking and modern infrastructure – all of which Jacksonville has in spades. We have an outstanding workforce, excellent relationships with our labor unions, and a trucking industry that has never missed a beat.

We're able to transfer cargo and move it out of the port to its destination seamlessly. Because of this, once the ship gets to the berth, it's easier and more efficient to get the cargo to where it needs to go. Our most significant improvement in efficiency is the deepening of our harbor to 47 feet to keep us competitive with other East Coast ports. We're so delighted that on May 23, we cut the ribbon and completed deepening through Blount Island two years ahead of schedule and significantly under budget, due in large part to our unique funding model and the efficiencies of the vendors who provided the dredging service for us. For the last two years, the carriers have been asking when the harbor deepening would be finished. Now that it is complete, shippers want to come to Jacksonville and take advantage of our efficiency. In the past 18 months, we've added three new container services, expanding Jacksonville's reach to Asia, Mexico and Canada, as well as major trade hubs in the Dominican Republic and The Bahamas.

What impact will the harbor deepening have?

The deepening of the harbor makes us more competitive with ports on the East Coast. It is such an amazing success story because of our ability to get it done in a short period of time and without incident from any standpoint. It never negatively affected commerce, trade or the environment. It was a beautifully completed project. But the real value is what it will do for North Florida and the state over the next 30, 40, 50 years. Growing the port and providing jobs is such a rewarding experience and makes everyone here feel so productive as a part of this community. Completing it was a momentous occasion and I can't say enough about the opportunity just to have been involved in it. ■



Record growth

Planned and market-based organic growth lead to 'fantastic year'

Ike Sherlock

COO & Executive Vice President – AGX Freight

How is AGX Freight in Jacksonville changing for the better?

It's been a fantastic year. We have record revenue growth, some of it was planned and some of it was market-based organic growth. We're growing in agents, trucks and client acquisition. We've been really excited and humbled that we have many clients trusting us with freight. We were recently honored to be recognized as a safe small fleet in Florida at the Florida Trucking Association's Annual Conference that was recently held in Cape Coral.

What is your role in mitigating the disruptions in supply chains over the past year?

We've primarily seen growth through our logistics broker division. We've been able to do that through an expansive network of asset-based carriers and with the cooperation of drivers across the country. We strive to be the preferred logistics company that truckers want to work with, can trust, will treat them fairly, and with respect. When truckers work with us, we assist their operating cash flows by offering freight transport work that keeps them moving and we pay fast. Mutual communication is paramount. These essential workers have enough stress in their lives. We focus on treating all truckers with the respect they deserve. Treating people well is how we do business and how we deliver a superior service.

What are AGX Freight's plans for expansion this year?

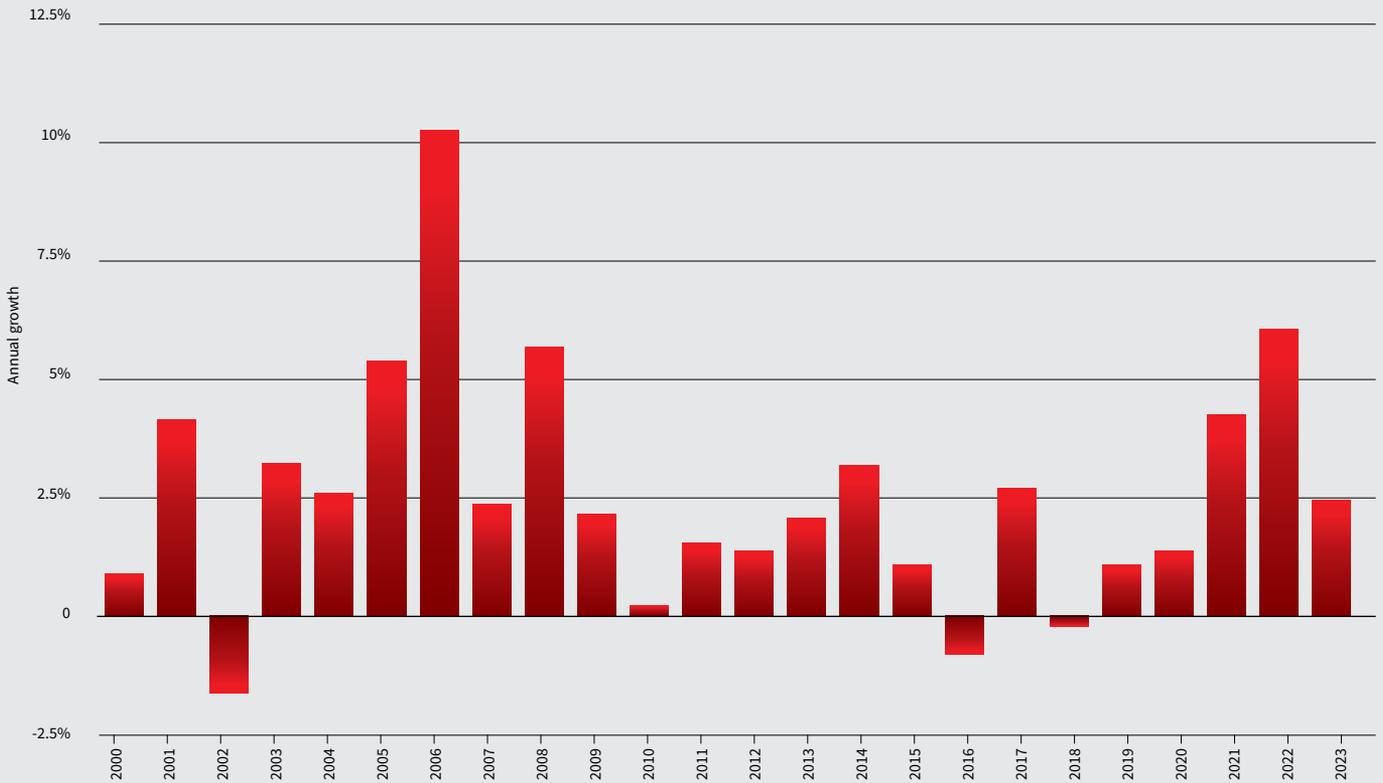
We're going to be adding warehouse services in Jacksonville. The warehouse business is booming and there's no available capacity. We have clients that could really utilize warehouse services in Jacksonville and they're having a hard time finding that. We can couple

transportation, especially from the port or rail, and put that warehouse in the middle. It's a service that our clients need and benefit from. The warehousing is going to be a huge new service offer for AGX and a big change for us. We have people here who come from a warehouse background. Additionally, we're growing our truck fleet in Jacksonville. We're focused on having new space ready by the fourth quarter of 2022. Jacksonville is growing as a significant player in the warehouse and logistics services markets. JAXPORT going to 47 feet deep and adding a turning basin gives us all sorts of flexibility for more product coming into Jacksonville. JAXPORT is becoming a world-class port due to a great deal of planning and foresight.

How important is the human component in logistics despite technological advances?

We think it is critical that our clients and truckers hear a real person answer when they call on us. In our experience, clients don't feel comfortable trusting their supply chain to a portal. They want to talk to a person. They want somebody to assure them that we understand how important their product is to them. We understand that if freight doesn't arrive on time, the client's supply chain may be negatively impacted. For example, we understand that if the food products don't arrive on time and in fresh condition, consumers can't find the products they need to feed their families. That human component will always be there between the truck drivers and intermediaries. We have 24/7 operations coverage while many brokers do not. We think the automation will continue to evolve, but I don't think I'll ever be comfortable with a driverless, 80,000-pound piece of equipment going down the road. ■

Year-on-year growth in residential electricity prices in the United States from 2000 to 2021, with a forecast until 2023:



Source: Statista



JAXPORT tenants are looking to expand their capacity.

(...) Jacksonville will continue to provide visitors and residents alike easy access to the rest of the country, while also providing a valuable stop for airport mainstays FedEx and UPS as a cargo destination and operations base for the Northeast Florida region, with four buildings of 200,000 square feet each dedicated to cargo operations.

Looking ahead

Jacksonville sits at a crossroads – literally. With a strong network of road, rail and aviation infrastructure from which goods and supplies can be easily transported across Northeast Florida and the rest of the country, the city and the surrounding localities are well positioned to take advantage of the sea-change underway in the global economy. As supply chains reposition, energy becomes increasingly critical and the industries involved in both become increasingly strategic to national interests, Jacksonville will be at the forefront of what’s to come, long term.

For the immediate future, while there are some concerns over a recession and its impact on consumer demand as a result of today’s interest-rate and inflation environment, the following decades will see Jacksonville thrive when it comes to its transportation, utilities and logistics operations. ■



Banking & Finance:

The tycoons and industrialists who escaped the Northeast's bitter cold for Jacksonville's more welcoming climes also needed access to banks and financial institutions. As a result, Jacksonville became Florida's first banking hub. Today, that legacy continues with a number of homegrown and new banks that have found a warm welcome and attractive market.

The first hub:

**Finance and
banking
leverage a
long tradition**

Banks and financial service firms find themselves in a favorable position when it comes to Jacksonville as a market, even as the wider industry experiences a sense of whiplash. For the last decade, interest rates have been kept at historic lows, bottoming out to essentially zero at the onset of the pandemic. Now, rates have been raised to the highest level since the 1980s, with banks, insurers and private lenders of all stripes suddenly on the backfoot adjusting balance sheets and tightening their lending. Already, 2023 saw the second- and third-largest bank failures in U.S. history within days of each other: Silicon Valley Bank and Signature Bank. This is a testament to what some view as the potentially vulnerable nature of some banks in the wake of the sudden change in rates and other macroeconomic factors, notably the impacts of remote work on commercial-office real estate and the inversion of the 3-month and 10-year Treasury yields.

Greater Jacksonville, however, provides a steady stream of income for banks – available land and housing means avenues for mortgages (including the newly approved 40-year mortgage), a growing population providing steady demand for financial services and the diversity of local businesses and ongoing development, both in Downtown and across Northeast Florida mean banks, credit unions and other financial service providers are somewhat insulated from the worst of potential corrections in commercial and residential real estate.

Despite the favorable market conditions, however, changes are underway. Consolidation and the growing technologization of the banking industry means consumers have fewer local banks and credit unions to choose from, and while banks and credit unions can breathe a little easier with the last decade's worth of margin compression and the low-rate environment now in the rearview mirror, the steep and rapid increase in rates means local and regional institutions will require smart, well-hedged balance sheets, strong credit quality and well-maintained deposits to successfully navigate today's economic climate, even as larger players may look to acquire distressed or underperforming entities or poach customers to increase market share. Regardless, for many in the banking and financial services space, Jacksonville provides a strong market from which to weather potential turmoil.



Local consolidation continues to be a theme industrywide and in Jacksonville.

■ Landscape

Greater Jacksonville is host to over 62,000 financial services jobs and 20 major banks, insurance and investment firms, including Bank of America, Wells Fargo, and JPMorgan Chase, according to JAXUSA. Additionally, there are several smaller firms that serve the needs of the local community, such as VyStar Credit Union and Ameris Bank. Other firms across the spectrum include Deutsche Bank, home-grown TIAA bank, fintech Black Knight, national insurer Allstate and title-insurer Fidelity National Financial.

Despite the healthy mix of large, regional, and small or community banks and credit unions in the Jacksonville region, consolidation, while drastically slowed in 2023, remains a trend industrywide and in Jacksonville. Overall, 2022 saw 167 deals amounting to \$22.62 billion, the lowest value since 2014's \$19 billion, according to S&P Global Market Intelligence. While a strong 2021 carried M&A activity into 2022, increased uncertainty and unrealized losses provided the greatest resistance to further transactions. This did not stop local activity, however, with the announcement in April of the merger of VyStar Credit Union and 121 Credit Union providing the most recent example of local consolidation. The deal is the latest for VyStar, which had just completed in January its acquisition of First Coast Credit Union. Similarly, the end of 2022 saw the sale of TIAA Bank, which was sold to a group of investment funds. The bank will have a new name by the end of 2023, according to the Jax Daily Record. Prior to that, Pittsburgh-based PNC arrived in Jacksonville through its acquisition of Spanish BBVA's U.S. holdings, demonstrating M&A as a tool for expansion and access to increasingly competitive markets.

Greater Jacksonville is home to over 62,000 financial services jobs, 20 major banks

While consolidation provides the clearest example of the banking industry's changing footprint on the macro-level, for end-users and clients, fintech provides another clear window into the changing dynamics taking place. Bank branches are being shuttered and consolidated and in their place, mobile apps have emerged in their place, offering a full selection of financial services at the touch of a button. The increasing digitization of banks, credit unions and other financial services does not come cheap however – by 2019, an Accenture report noted commercial banks had spent a collective \$1 trillion in digitization efforts and many institutions pounced on the opportunity to acquire startup fintechs in 2022 as valuations plunged to bolster their own tech-adoption. Fintech presents its own set of costs and regulations but the ease and practicality of a smart platform provide clear advantages. "We have seen a 20% increase in people who use an online channel and we have all had to step up our digital game. It is easier to build a business using these digital channels and it has improved the consumer experience," said John Hirabayashi, president and CEO of Community First Credit Union of Florida.

■ Looking ahead

The banking and financial services space is changing. Interest rates, technology and consolidation are poised to reshape the industry. What emerges will likely be more customer-focused, more efficient and with no signs of a pivot from the Federal Reserve, more profitable as well, with expanded margins, a number of different touch-points from which to reach customers and reduced overhead costs. Greater Jacksonville, in its role as an industry hub, has seen new firms enter the market and some join forces. Some may continue to reduce their physical footprints in favor of a deep bench of tech-enabled banking options, while other local or community banks, such as VyStar, will leverage their physical sites to ensure their continued role as regional and community-first banks. Either way, Jacksonville will see first-hand the changes that are to come. ■



Abel Harding

Executive Vice President & North Florida Market President
First Horizon Bank



Consolidation has been the trend throughout my entire career in banking and it will continue. We have seen a lot of new players in Northeast Florida, which is natural given the fact that the state's population has tripled in my lifetime. It is very natural that the banking sector would want to follow that growth. We will see consolidation continue. For our part, we feel that we have a very unique story to tell. That said, we feel that there is room for everyone in this space.

We will continue to see consolidation. Community banks are coming into Jacksonville and into the larger region. We all serve vital roles in the banking ecosystem. It is a healthy sector overall in this market. The fintech sector is also close to the banking sector. Jacksonville has seen tremendous growth in that space. Most recently, PaySafe announced that they want to make Jacksonville their North American headquarters. I think the continued growth in that space fits very well within the banking space in Jacksonville. ■



Quinton Harris

Vice President - Northeast Florida
Bank of England Mortgage



Jacksonville is in the Top 5 of the baby chaser index. Baby chasers are the grandparents of millennials' children. We are in a very millennial-centric city. We are Top 10 in the nation for metropolitan areas. In the beginning of 2021, homes were slightly more affordable than today. Relocation prices went up and some millennials were priced out of the market. In late 2021, we saw a limited amount of affordable living in Jacksonville. When we look at the new-build market, we see quick move-in ready products are not available. Whether it is a supply, labor or product constraint, there seems to be a different challenge every month. They cannot get affordable homes up quick enough before the profit margin disappears. This puts a lot of price pressure on homeowners and makes affordable housing limited for some of these millennials. It is a nationwide issue. In Jacksonville, it is killing our inventory. Buyers depend on the resale market, which is the beneficiary of not having a new product. ■



John Hirabayashi

President & CEO

Community First Credit Union of Florida



There is a lot of scrutiny over fees in the banking industry, which is a possible challenge for credit unions. We are a consumer financial institution, so our business is consumer driven. There are some pressures to look at these fees that are being charged to depositors and account holders, such as overdraft or return deposit fees. We try to offer many conveniences, while keeping our fees reasonable. Consumer banking can be very costly compared to corporate banking. For the balances and number of accounts, there are a lot of expenses and overhead to provide a high level of convenience and protection. We need to figure out how to pay for that while being fair and equitable, so people don't pay too much. There is some discussion in Congress to reduce the amount of interchange income received on credit card transactions. It might not move this year, but it could pick up next year, and it would reduce the margins that we charge on credit card transactions. Those margins pay to protect consumers from fraud and other things, so we aren't sure how that will turn out. These are some of the headwinds in regulation and banking that we have our eyes on. ■



Brent Lister

President & CEO

First Florida Credit Union



We had record-setting months for lending through June 2022. We saw a refinance boom with mortgages at record low rates. People were moving here and buying newer or more expensive homes because of the increased affordability. Recently, we've seen a slowdown in the automotive landscape. When consumers can't find a car they like, they don't buy cars. That said, there's strong pent-up demand and plenty of pre-approvals for car loans.

Rising interest rates are now impacting the affordability of homes. Our recent analysis of 30-year fixed mortgage loans shows the average house price in Jacksonville is \$480,000. The principal and interest with 20% down on a \$480,000 house price, with 200 basis points of increased interest, significantly changes payment amounts. The same principal and interest payment that allowed consumers to purchase a \$480,000 home last year will now only allow that same consumer to buy a house priced around \$390,000. That means consumers who don't want to adjust house prices may take on larger mortgage payments. ■



Small-business support

Addressing the needs of diverse, smaller enterprises are a key focus

Damien Haitsuka

Regional Bank President – Wells Fargo

How does your team identify opportunities to help underserved business communities?

We proudly serve over 3 million small-business customers enterprise-wide. Our goal is to help as many small businesses as we can, with a strong emphasis on supporting the needs faced by diverse small-business owners.

We created a program focused on helping diverse small businesses hardest hit by COVID, called the Open for Business Fund. Through our \$420 million small-business recovery effort, we helped businesses not only sustain but rebuild. We've helped 152,000 small businesses stay open and saved 255,000 jobs nationwide.

I am very proud to work for Wells Fargo. I am blown away with how seriously Wells Fargo has taken our role in the communities we serve. We have always been very intentional in our local communities.

Here in the Northeast, we invested over \$1 million dollars in 2021, with more than \$8.6 million across the state and \$615 million company-wide to support causes and programs related to small-business growth among others.

We are committed to being a bank of doing, not only with our pockets but also with our time. On Martin Luther King Day we had 50 local team members at a middle school doing beautification projects.

Given the current economic climate, what does brick and mortar banking look like moving forward?

Making sure the distribution network is relevant to the changing customer behavior is vital. Bank branches are still very important to our customers even though their behavior is shifting to digital - you can't have one

without the other. When a customer has a complex need or a big life decision, they need to be greeted by someone that can help them with advice and guidance. They will require someone who can assist them with financial goals or overcoming hurdles. We will continue to make investments in technology.

Although we redesigned our app at the end of 2021, it never took away from the importance of what we do in our branches. We have another digital advance happening right now called FARGO, an interactive feature on our mobile app. FARGO will provide a more personalized, convenient, and simple banking experience for customers to navigate through the banking app and allow them to ask it questions.

Do you believe the Jacksonville region is more resilient than other markets in the event of an economic downturn?

We are the second fastest growing region behind Tampa Bay and have great employment opportunities here. We are home to many target industries such as finance, advanced manufacturing, aviation, life sciences, logistics, and a very healthy medical community. Jacksonville is an attractive place for people to consider when thinking about their healthcare needs because of the high doctor per capita ratio. Our unemployment rate is very low, and it's an affordable place to live. I think that the momentum will continue, and fortunately the market has been cooperating with interest rates. People are still building and buying which is a great thing for Wells Fargo. On the other side, inflation is causing people to spend more money on everyday goods so our bankers are having more budgeting conversations to help our customers plan ahead. ■



Good opportunity to give back

Credit unions well positioned to help underserved areas

Jim Edwards

CFO – VyStar Credit Union

What are your concerns regarding inflation?

Many people benefited when rates were at historic lows. And there was an abundance of stimulus funds that benefited consumers. The economy changed rather quickly as the cost of products and services have increased dramatically. We have experienced the highest price hike in food costs since the 1970s.

Our members need to draw on their savings to deal with inflation and the costs of everyday living. That said, it is a good time to save, because people can earn more interest on savings. On the lending side, we were able to keep our rates lower for longer while increasing rates on our savings products to benefit our members. Hopefully, we will see inflation moderated but it is difficult to predict.

How did the past year unfold for VyStar?

It was an unprecedented year for the economy but VyStar is well positioned to scale so we can do more good in more places. We earned our status as a Community Development Financial Institution, or CDFI. It is quite an honor to be in this group, which allows us to be eligible for grants to continue our work in expanding economic growth to underserved areas. We applied for the New Market Tax Credits Programs, which provides us with annual federal support as part of our CDFI status and long-term commitment to supporting the development and revitalization of underserved communities. Not everyone can utilize these programs but we are in a good position to take advantage of these credits.

In the Jacksonville area, there is good opportunity for credit unions to give back and to help underserved areas. Our home loan programs are a good example –

in addition to our Military Heroes Mortgage Program, which continues to reach individuals and families from the military community by providing them with unique tools and resources throughout the homebuying process.

We also have programs like our Everyday Heroes Mortgage Program, which provide mortgages for educators, fire, police and public servants.

On the business and real estate side, we are funding projects in these underserved communities. We can access funds through our CDFI status, so we can work in distressed areas to help those that could use some extra help. I think our employees enjoy the fact that they are empowered to seek opportunities to give back in the communities we serve.

How would you assess the talent pool in Jacksonville for the financial services industry?

Our greatest resource is our employees. We offer great benefits and compensation, so our employees have the opportunity to grow.

In 2022, we were named a Best Place to Work by the Jacksonville Business Journal and were recently recognized as a Military Friendly Employer and a Military Friendly Company by VIQTORY. We have more than 2,000 employees now and want them to be out in the communities they serve. They are empowered by us to do great work in the community. Many employees volunteer or engage in various boards for charitable organizations. It is a top priority that we build a sense of belonging, and our Culture and Belonging team is implementing new initiatives to make this even stronger.

We believe bright days are ahead for Jacksonville and VyStar. ■



Upside potential

With room to grow, Northeast Florida is catching up to other well-known areas

David Davis

Market President – Seaside Bank

What is special about operating in Northeast Florida?

This is an exciting time to be in North Florida. Until recently, this market has not been as well known as Central and South Florida. North Florida has more land to develop, and we are framed by three beautiful bodies of water: the Atlantic Ocean, the St. Johns River and the Intercoastal Waterway. Many find that the people of North Florida to be friendlier. The result of all this is that North Florida is now experiencing the tremendous growth that Central and South Florida have already experienced. There is more upside potential here because we have more room to grow.

How has the modern client experience shifted?

Fewer people come into banks now than before. But when people do come in, they comment on how pleasant it is at Seaside Bank & Trust. They say it reminds them of how banking used to be because they are warmly greeted, called by name and carefully listened to.

Many people want to do their banking electronically. Because I came from a large bank to a smaller one, I initially had concerns about whether Seaside had the technology and digital banking platform to compete with larger banks. I was pleased to discover that Seaside is more than competitive in these areas. For example, I recently shared our digital banking services with the CEO of one of the most well-known companies in Jacksonville. He told me that the Seaside services were actually better than what he was currently using and made the decision to leave their current bank, one of the giant banks, and move everything to Seaside. They found that our technology was better, more user friendly and easier to operate. So, our digital banking is on par and in some cases superior to what you'd find in a larger bank.

What do you see as the next chapter of the economy?

It's getting harder for business owners to find financing because banks are pulling back as the economy struggles. Although we are being careful and prudent, we are still eager to lend money. Our bank is very well-capitalized and our deposit balances are well above our loan balances.

What challenges are you addressing?

Our biggest challenge is name recognition; not many people know of our bank. We are working to overcome this. We've doubled the number of calling officers. I've hand-picked people who are thrilled with the culture at Seaside. The fact that we've more than doubled our loan production in a short period of time shows that our plan is working.

How important is community involvement for Seaside Bank & Trust?

We believe we have a responsibility to be involved in the community. Strong SBA lending helps the community, including PPP loans during the Covid outbreak, and disaster relief loans in response to Hurricane Ian. We are a strong supporter of local non-profit organizations. At a corporate level, we have a foundation that gives to many organizations in our footprint. Locally, we also empower our employees to decide how they want to invest funds for charitable contributions. In recognition of the strong military presence in Jacksonville, our local employees have chosen to support K9s For Warriors, the Wounded Warrior Project, and other organizations that support those who have given so much to our country. We also help The Taylor Foundation, an organization that helps seniors with limited income to find permanent housing. ■



Healthcare:

Home to one of some of the most advanced medical centers in the country and world-renowned healthcare providers, the healthcare and life sciences industry has long been a critical pillar of the Jacksonville regional economy. Moving forward, the region will continue to see growth as competition ramps up and talent remains top of mind.

Florida's healthcare hub:

Innovation is creating change at all levels of healthcare

The healthcare industry is beset by changes. A changing labor market has driven innovation in certain segments and forced it in others. Telehealth provides expanded access to a variety of populations, including the historically underserved but places a new emphasis on broadband connectivity and provides a useful tool to stretch an already tight labor market. Similarly, artificial intelligence (AI) and other innovations across the tech space are helping create more advanced cures and therapies while an increased emphasis on local partnerships trains tomorrow's workforce. While talent has been scarce in the healthcare sector even before the pandemic-induced labor shortage, Jacksonville's lower cost of living means that dollars go farther than in other Florida markets, a key draw both for those beginning their careers and those who already have a few years under their belts.

Finally, a sea-change has for years been fomenting across the industry, as the volume-to-value shift continues to become increasingly common. A focus on keeping people healthy rather than treating – and billing them – when they get sick, is helping reduce workloads, provide stronger healthcare outcomes and leading to more satisfied, healthier patients.

■ Landscape

Jacksonville's healthcare sector employs over 70,000 individuals across the region, according to the U.S. Bureau of Labor Statistics. Key players in the region include Baptist Health, which is the largest healthcare provider in Northeast Florida and operates Baptist Medical Center Jacksonville, Baptist Medical Center Beaches and Wolfson Children's Hospital. The Mayo Clinic opened its second of only three campuses in the city in 1986 and ever since has been a critical source of innovation and high-quality care. More recently the University of Florida, through its local healthcare arm UF Health Jacksonville, has been busy over the course of the last year completing its UF Health North campus, an over \$300 million state-of-the-art campus near Jacksonville International Airport that will be fully online come 2024, according to Jacksonville.com. Other critical organizations in the region include Ascension-St. Vincent Health and HCA North Florida Hospital, while the remainder of the local healthcare



ecosystem is rounded out by retirement communities, medtech and life sciences companies, and health-related support organizations and nonprofits.

While the market may be dominated by a few big-name organizations, their size belies how competitive the region truly is. The changing nature of healthcare in addition to financial pressures have forced organizations of all sizes to think strategically over how best to pursue growth, leading to a flurry of M&A activity over the last few years. Leaders are considering where interests align and how potential partners or acquisitions complement or add services while also expanding geographically. Healthcare consultant KaufmanHall notes examples of these transactions include partnerships between Academic Medical Centers, which provide a strong focus on advanced care and research, and Community Hospital Networks that have deep ties to their local communities. In this vein, UF Health and St. Augustine-based Flagler Health+ announced their intent to merge in February, with the aim of reaching a deal by the end of the year. Similarly, M&A provides another avenue to grow in a market that continues to see a flurry of activity. “If we were to look at Northeast Florida’s healthcare community capital investment currently in flight, it is close to \$2 billion, which is significant for a community the size of Jacksonville,” said Bradley Talbert, then-president and CEO of HCA Florida Memorial Hospital, which is pursuing its own expansion in Nassau County. Speaking

to *Invest*, he added: “Each institution here is embarking on some sort of expansion through new hospitals, outpatient space, surgery centers or ERs. There is a lot of growth in specialty hospitals as well, in particular with in-patient rehab facilities. We’ve seen around four to five open in the area. Most hospitals are expanding their campuses or adding new locations for in-patient treatment also.”

Finally, while industry players strategize over the best drive growth, preventative care and technology have become the tools of choice to keep costs down. Telehealth, far from being a flash-in-the-pan brought on by the pandemic, has become a staple, helping cut down on wait times, provide more flexibility for patients and doctors alike, and allow more rural patients that may otherwise forego care entirely to receive the attention they need at the push of a button, or even on-demand care. Darnell Smith, market president for Florida Blue in the region, noted in his conversation with *Invest*: a 40% increase in telehealth demand, which, while useful, had its own limitations. “In North Florida, a good number of the 36 counties are rural and don’t have access to the number of physicians like you do here in Jacksonville. Virtual works really great in that situation but then you have to consider internet access, which requires working with leaders to resolve that issue as well so that people can do what they are comfortable with,” Smith explained.

While technology-enabled healthcare provides additional touchpoints for practitioners to check-in on (...)



Kevin Field

President
ClearSense



Federally, there is a lot happening in regulation. We have seen a push towards value-based care, which will be big for both the healthcare industry and individuals. Healthcare organizations are being incentivized toward elevated outcomes to get higher reimbursements. That will be a positive yet difficult shift for healthcare. It sounds easy but better outcomes are hard to measure and require a lot of data to do so and impacts the financial health of health organizations. The inability of tech organizations to block data will be big, as well; historically, there have been several vendors attempting to block the data they're capturing and data-sharing. There are now many regulations that state we should be sharing data ethically and securely with the permission of individuals. If we share data in the right way, we need to ensure we put it together and evolve the way we look at data to support research, AI development, population health, and more. This will be slow to move; just because you're sharing data doesn't mean it's meaningful or easy to work with. There will be a drive for healthcare organizations to have a health-focused data platform, which will allow them to provide governance and curate its functionality to solve organizational and patient-forward challenges. ■



Ty Morgan

Executive Director
Cypress Village Retirement Community



In the future we will continue to expand our existing partnerships with local hospitals, home health companies, universities such as UNF and political agencies such as LeadingAge Florida and local elected officials. We are working through various political avenues to improve the abilities for operators in senior living. Together, we will be stronger and that means better outcomes for the populations we serve. We have the demand, but we need to continue to provide the high standard of services our residents expect and deserve by onboarding, training and retaining a dedicated and compassionate workforce. We plan to be part of and contribute to a strong network of healthcare partners and providers in Jacksonville and beyond. Our philosophy is that strong collaboration in this industry will yield success and sustainability. Accordingly, we are working to break down any barriers to effective communication with all partnerships whether they are hospitals or lawmakers. ■



Amanda Napolitano

Executive Director
The DONNA Foundation



It's always going to be important for us to grow. We have three signature events: DONNA Marathon Weekend is set for the first weekend in February each year. We have the Black Knight DONNA Mother's Day 5k, that's Mother's Day weekend. And then there is our 5k in partnership with THE PLAYERS Championship every October. So we are looking to invite more organizations to partner with us to put on those events and more participants to lace up and put one foot in front of the other, expanding on our health and wellness goals. We are also looking to see how we can reach more patients as there's been a lot of newer research that tells us that not only is exercise important to prevent disease, and then on the backside of your treatment to get well again, but to encourage patients to continue to exercise through treatment. ■



Lisa Valentine

President & CEO
HCA Florida Orange Park Hospital



Our partnerships are central and we have strong relationships with local academic institutions, elected officials and other healthcare partners in the community. Mental health services are always an important part of the healthcare continuum, especially in the past few years, and it's important to expand those services for our community. Another important piece is trauma; we have a Level 2 program to ensure care can be provided efficiently. It's about looking at what our community needs and delivering it, between continuing to offer telemedicine, looking at outreach in secondary markets, expanding our neurosurgery and neonatal ICU and more. With significant population growth comes the biggest opportunity to create healthcare access points that best serve those growing areas. We are looking to the future to see where the population is and will be moving. ■



Fresh look

New brand emphasizes involvement in state's largest healthcare system

Bradley Talbert

Former President & CEO – HCA Florida Memorial Hospital

When you reflect on the past year, what sticks out as the hospital's proudest accomplishments?

Last year was transformational for every organization. We celebrated many things but most importantly we transitioned our branding as a company in the state of Florida. We've been part of HCA since 1995 here in Jacksonville but we are now named HCA Florida Memorial Hospital. As of March, we adopted a new brand that emphasizes that we are part of the largest healthcare system in the state, with 49 hospitals.

Last year, HCA Florida cared for 7.4 million people, which is six times the size of Jacksonville. Here at HCA Florida Memorial Hospital, we care for approximately 454 patients per day. We were recently named an A-rated Leapfrog hospital for the sixth consecutive release and third year in a row. We were recently awarded advanced certified by the Joint Commission for hip and knee and are one of seven hospitals in the state, and the only hospital in the Northeast, with that designation.

We established a regional ECMO center, which is a specialized high-acuity intervention that saves many lives related to heart and respiratory conditions. It has been a game changer in the fight against COVID. Our ability to treat COVID has significantly improved. Our hospitalization rates are down, and we don't have the same amount of cases in our hospital as we did in 2020 or 2021, so that is great. ECMO has been a part of that.

What strategies can be used to bring quality labor back into the healthcare industry?

The healthcare industry has seen an exit of qualified and experienced healthcare professionals. We are seeing shortages in specialty care areas like ICU, ERs

and ORs, where additional qualifications are preferred. COVID created a different dynamic in many industries; in healthcare I have read that between 15 to 20% of the workers moved out of the industry through accelerated or early retirement or are moving away from direct patient care roles at the bedside to more back office roles.

We work with all of the higher education institutions in Jacksonville and, recently, we announced a \$4 million investment with the University of North Florida to develop a simulation center for students to train in real-life environments. Fortunately, our staff will also be able to use the facility and keep up with the latest trends in clinical treatments.

How would you define the modern patient experience?

The average patient is much more aware of health topics than ever before. They research online, watch YouTube videos and have access to all kinds of information. We support our patients through educational videos where our physicians are featured. You can go to our website and find information on just about every procedure that we specialize in.

There are several things that we do. We recently started a 'Consult a Nurse' program, where anyone can call and get information about a health condition, receive feedback and even get sent to a doctor's office, urgent care center or even a hospital. Telemedicine appointments are becoming more mainstream and will continue to stay that way. People want that option, and we've invested in technology that allows our physicians to meet directly with patients on an out-patient basis. It is even used to help some smaller rural hospitals, where our physicians interact with their patients. ■



Significant value proposition

Understanding where people are and what their needs are is key

Darnell Smith

Market President, North Florida – Florida Blue

What is your vision for how the healthcare system at large can support healthcare professionals?

One of the things we do with a number of organizations is not lose sight of the amount of stress healthcare workers are dealing with by making programs available to them. We are seeing a lot of situations where people are leaving the industry, putting pressure on those who remain. It takes years to train someone and more for them to get the experience needed to be great at what they do, so we are working diligently to help with those kinds of scenarios as well.

In partnership with another organization, we are going to help bring needed clinical skills and physicians into the Tallahassee area via a clinic that is going to allow more individuals to be able to service patients with specific needs.

How would you define the modern patient experience?

What we bring is one significant value proposition and that is to provide access to incredible physicians, hospitals and other facilities. We find ourselves able to get incredible access to meet their needs. The question that needs to be answered is how to understand where people are and understand what they need. During the pandemic, many people decided they didn't want to go into facilities and were looking for different ways to access care. That brought about telehealth, where we saw a significant increase to as much as 40% of care being done virtually. As we learn to live with this pandemic, we are seeing virtual healthcare become an excellent model on which we can ensure people get care.

Other models we are seeing include people providing healthcare in their homes so that people can make sure

the environment they are going into is conducive to them getting well.

I believe care will eventually be mostly delivered where the person is. There are all these new ways to meet people's needs but what I think we need to do is find a way to make certain we are doing our best to eliminate the waste associated with them as well.

What legislation are you are keeping an eye on?

Something that could potentially be impactful is the American Rescue Plan. Sen. Joe Manchin has agreed to support that for another three years and I believe that will be big. If we don't work to ensure the subsidies are there for millions of members, we are going to have a difficult situation not only here but across the nation. Without it, individuals simply can't afford healthcare.

What role is Florida Blue playing when it comes to defining the future of healthcare?

I believe our providers want to do great work but we have to approach things differently to bring about solutions that will address the issues that are most important to people. Those issues are affordability, quality and access and that is always the case. I believe we have the quality but access and affordability are issues that we have to work diligently to address, specifically affordability. We have the opportunity today to collaborate to find solutions that will prove beneficial far into the future. We believe that a value-based approach is the way to go about it. We must be able to look at the total care of the individual and ensure that they are able to receive the best care possible and address concerns early on regarding healthcare costs to allow everyone to win. ■

Health Resources Availability:

| Indicator | Baker | Clay | Duval | Nassau | St. Johns | State of Florida |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | Rate Per 100,000 |
| Total Licensed Florida Physicians | 31.5 | 181.9 | 412.9 | 152.2 | 423.1 | 314.0 |
| Total Licensed Florida Pediatricians | 0.0 | 15.0 | 27.6 | 9.2 | 24.8 | 21.9 |
| Total Licensed Florida OB/GYN | 0.0 | 5.0 | 12.0 | 4.6 | 7.5 | 9.2 |
| Total Licensed Florida Internists | 3.5 | 22.3 | 62.0 | 17.2 | 58.2 | 47.3 |
| Total Licensed Florida Family Practice Physicians | 3.5 | 19.1 | 24.7 | 22.9 | 35.7 | 19.2 |

Source: Florida Charts



Telehealth has become more prevalent and serves as a complement to total care.

(...) patients, preventative and value-based models have become increasingly the norm throughout the industry. Healthcare providers are taking more proactive steps to identify patient backgrounds and the impact of social determinants of health, looking at factors such as economic stability, education access, the built environment, and social context that influence choices around diet quality, physical activity, and additional support that family, friends and community provide. A whole-of-person approach to healthcare will become increasingly common, as Smith explained when asked about the future of healthcare. “We must be able to look at the total care of the individual and ensure that they are able to receive the best care possible and address concerns early on regarding healthcare costs to allow everyone to win.”

Looking ahead

The healthcare sector in Jacksonville will continue to play a key role in the region's economic development. While the delivery of healthcare is evolving as it sees increased disruption from the tech and life sciences spheres, giving doctors access to new resources and patients more effective treatments, the industry itself is changing alongside its treatments, with preventative and value-based care models that leverage the available data surrounding a patient, their community and personal habits, to create more effective care plans and ensure the greatest possible outcomes while keeping costs affordable. Jacksonville, with its robust healthcare industry that includes major players such as Mayo Clinic, UF Health, Ascension-St. Vincent and HCA Health, means that it is well prepared to both adapt to the trends shaping the industry while providing a model for greater collaboration between healthcare partners in higher education and local government that works in the interest of the whole region. ■

A young girl with glasses and a blue shirt is smiling and holding up her hands, which are covered in green and yellow paint. She is in a classroom setting with colorful supplies in the background.

Education:

The background of the page is a grayscale image of a classical building facade, featuring a prominent dome and ornate architectural details. The image is split into four quadrants: top-left is red, top-right is gray, bottom-left is red, and bottom-right is gray.

Jacksonville's industries require qualified and skilled labor. Northeast Florida schools stand ready to deliver that talent to them, with a number of local institutions providing businesses with strong talent pipelines and students a variety of career opportunities.

Smart schools, smart growth:

**Vibrant
educational
mix bodes
well for
economy**

Florida's higher-education ecosystem stands as a bright spot across the nation. The vibrant mix of private, public, vocational tech (vo-tech) and community colleges available to young, upskilling and midcareer students provides a strong value-add to the state's economic ecosystem. Northeast Florida alone is home to flagship universities, including the University of North Florida, and private liberal arts schools, such as Flagler College at St. Augustine and Aspen-award winning community colleges like Florida State College at Jacksonville

National trends, most notable enrollment rates and tuition costs, are somewhat blunted in Florida thanks to its growing population and cost-savings tools, such as Florida Prepaid, which allows parents to lock in tuition prices and begin paying early, a welcome relief when national headlines are dominated by inflation, tuition costs and student loan concerns. Nevertheless, when it comes to enrollment decline, even a growing state like Florida is not immune, with schools not expected to reach pre-pandemic levels of enrollment for the better part of the next decade, according to Florida Trend. The trend has lent itself to a growing focus on continuing education on the part of schools, while businesses look to encourage employee education for specific programs by providing tuition assistance and loan repayment options.

Finally, the schools themselves are a key pillar to Jacksonville's future, providing a well-educated and qualified workforce for the variety of industries that call the region home. Entrepreneurship programs at UNF and local partnerships, such as that of Jacksonville University with the Mayo Clinic or FSCJ's Amazon Career Choice program, mean companies have a stable base from which to hire.

■ Landscape

Higher education plays a significant role in driving economic growth and development in metropolitan areas, and Jacksonville is no exception. The city is home to several colleges and universities, including the University of North Florida, Jacksonville University, Florida State College at Jacksonville and Edward Waters College. Further south, St. Augustine hosts Flagler College, which claims the second top spot in the U.S. News and World report rankings in its Southeast region.

Overall, Northeast Florida schools educate over 70,000 students and employ more than 3,000 faculty. In other parts of the country, schools of all stripes are struggling with declining enrollment rates. High-school graduating classes have become smaller, and of those graduates, fewer are choosing to pursue a college degree for fear of debt and the value of a degree, despite the fact that degree-earners consistently make more than their peers. Nevertheless, Jacksonville's population growth means most local schools have not seen serious enrollment declines. Here, Florida's weather once again is a key draw. While the population growth itself helps fuel new student enrollment, graduating high schoolers from more northern areas across the United States are still drawn to Florida's, and Jacksonville's, warm climate, proximity to the ocean and relatively low cost of living, as outlined in a report by Florida Tech.

For the business community, the Jacksonville region's higher-education ecosystem provides a steady stream of qualified talent. Thirty percent of Jacksonville residents have a college degree, and just over 90% of residents have completed high school, according to the latest U.S. Census data. That latter figure is in line with the state average and above the national average of about 87%, as reported by the Public School Review. The diversity of industries that make Jacksonville's economy as robust as it is means local schools must be able to appeal to a broad



Northeast Florida schools educate over 70,000 students.

base of economic interests and provide students with multiple pathways into the workforce. Those pipelines include Jacksonville University and the Mayo Clinic's January-announced partnership offering an accelerated nursing program, similar to its 2021 program with Baptist Health. Regarding changing student demographics and expanding programs for adult learners, UNF's Department of Continuing Education announced in 2021 a partnership with San Francisco-based Springboard to offer two accelerated career track programs in data science and data analytics, with Edythe Abdullah, dean of UNF's Division of Continuing Education saying in a statement at the time that the region's status as a fintech and healthcare hotbed would provide many opportunities for the program's graduates.

In a similar vein, UNF is also leveraging Jacksonville's military and veteran population with its Vets to Teachers program. Announced in 2022, it provides graduate-level teaching certificates to help address the state's teacher shortage. Representative of industrywide partnerships being forged, the school is also in exploratory talks with the city itself over establishing a new campus centered on artificial intelligence and healthcare. "Just as an example, we're significantly strengthening our healthcare offerings, with a continued focus on nursing but also health administration and other related industries. UNF continues to forge relationships in the logistics, supply chain and transportation industries and is also strengthening, updating and revamping our curriculum in fintech, IT, cybersecurity and analytics. We have also developed new education offerings to help address the teacher shortage," said Moez Limayem, president of UNF, in an interview with *Invest*.

■ Looking ahead

Jacksonville's schools are part of a \$26.6 billion statewide ecosystem that sees \$2.90 returned for every dollar spent, according to the Florida department of education. With the diversity of industries that Jacksonville provides graduates and students, it stands to reason that the region will continue to grow as businesses and schools work together to establish strong partnerships and the necessary talent pipelines that fuel industry growth. Equipped with both public and private institutions offering a variety of two- and four-year degrees, as well as certifications and accelerated programs for all types of students, the region stands poised to weather potential challenges brought about by ongoing macroeconomic trends, whether that be demographic shifts spurring strategic changes in enrollment plans or concerns over costs. Jacksonville provides students with strong career opportunities and numerous paths with which to achieve success while fuelling business growth. ■



John Avendano

President
Florida State College at Jacksonville



Our main challenge is continuing to be all things to all people and understanding what delivery system is the most effective for making sure that students have the competencies they need to be effective in the workforce. We want to make sure that the modalities that they're choosing are the best for them. This includes face to face, live online, traditional online or hybrid, which is a combination of the two. We want to make sure our students receive the type of experience they want to have and that they are prepared to join the workforce. It's making sure all those things align in the best way.

Florida is experiencing tremendous growth, which is a good sign for our region of the state. We have strong partnerships with our sister institutions in the state. We really don't compete and we complement each other well in terms of meeting all degree and certificate opportunities. We're all willing to work together and look toward ideas where we can share resources to present a united front. This is advantageous from an economic development standpoint. ■



Alishia Bauman

Executive Director & Senior Vice President
City Year Jacksonville



The teacher shortage is a huge challenge and is plaguing our districts. We are woven into the fabric of school life, and any challenge to the school district impacts the work we do. At this moment, there are not enough adults working in schools to support the students. AmeriCorps members are working to support substitute teachers and full-time educators alike in a multitude of ways.

In addition to academic support and mentorship, we are also serving administrators in monitoring attendance. So many families have been impacted by COVID-19 and the structure of homelife has changed in ways that have disrupted children's routines and their emotional well-being. We are not out of the woods with the pandemic. There are lasting impacts that we're still working through. The attendance piece is really foundational. Students can't excel in academics if they are not there, and so attendance and getting young people into the schoolhouse is vital, but many schools don't have the staff available to monitor attendance. It is a critical situation, and we are there in schools providing this new level of support. ■



Todd Orlando

Principal
Bishop Kenny High School



One gap we are seeing in teacher recruitment is the certification process in Florida. We are working with teacher preparation programs at colleges and universities to streamline the certification process for college graduates that want to pursue a career in education. Throughout the U.S. there seems to be a barrier between degreed professionals and educator certification. As a school, we hope to support our applicants for teaching positions in understanding this process and making it attainable for them.

We have a strategic plan for the next five years that will include finishing classroom renovations, so the entire campus is going to be updated. Also, we're planning on constructing an entire new athletic center, which we're excited about. There is going to be a brand new weight room, locker rooms, etc. The facility will continue down to the football field and our riverfront area of campus and help us ensure the needs of all of our sports are being addressed. I believe this will enhance the experience of our students, while keeping BK current and future facing. ■



Art Vanden Houten

Vice President of Academic Affairs & Dean of The Faculty
Flagler College



For the K-12 groups, it will put pressure on the school system, and responding to that is going to be a challenge. For us, the boom is in many respects welcomed. We have a great deal of faith in Northeastern Florida and Saint Augustine as people come and discover all the great things here. It's nice, but it does put pressure on our infrastructure. It also puts upward pressure on rents and housing prices. That is a challenge, particularly for young faculty and staff as they're trying to find a place to live.

In our strategic plan, which we developed in 2018 and 2019, we put questions of diversity, equity, and inclusion throughout the plan in a couple of important ways. One is that we identified our four core values. One of those core values is that we offer a respectful and inclusive community. The other three values are transformative learning, citizenship with integrity and thoughtful stewardship. Secondly, we hired an officer in diversity, equity and inclusion, and that person sits in the President's cabinet. On the curriculum side, our FlagSHIP program specifically engages questions of diversity. This is also an important part of our core curriculum. ■



Enrollment grows

Highest enrollment since early 2000s also brings challenges

Tyler Hodges

President & Head of School – The Bolles School

How is The Bolles School positioned for the next few years?

We, along with most independent schools, have seen a lot of growth and interest in the school. We will open this year at our largest enrollment since the early 2000s, prior to the Great Recession. This has brought on some challenges. We dream of having waitlists but then it is hard to navigate. Strategically, we have many capital projects going on right now. The big one is the Center for Innovation, which is a three-story, 47,000-square-foot science, math, robotics and technology building on the river. It will take about 16 months or so to complete. College placement continues to be amazing, which is exciting because the college market is getting more competitive. We are finding that our placement rates are great and every student ends up where they need to be with many different options. This is a testament to our process here as well as our counseling team. We have also reconnected with many of our alumni outside of Jacksonville. It is easy to get distracted but it is also fun when you see that you have transformative people all over the country.

What preparations have you made to accommodate the heightened enrollment?

We haven't had to add a tremendous number of positions because our goal isn't to grow Bolles outside of its sweet spot, as we see it. When you reach a certain size, you become more transactional rather than relational. We don't want this to be the case. We have done a lot of enhancement in our boarding program, which is a defining aspect of Bolles in our area.

We want to make it a family atmosphere because a boarding school can feel like a grind for some people – like you are in a hotel away from home. We don't want that

here. We want our faculty to be like second parents to these students. They can come here to train for a sport or have an arts experience or just be better prepared academically. We want greater student autonomy and choice, so we have expanded our electives for them to find areas where they thrive. We want to give them multiple avenues for success. We started a global learning certificate program, so they can go through certain travel and foreign language requirements to get a special accommodation on their diploma. This is getting kids out into the community and abroad.

What is your role in pursuing education for underserved students?

We have tremendous financial aid services, which is important, as it gets more competitive to get into Bolles. People are worried they will get priced out of our market but we want to make sure that doesn't happen. We are an anchor institution in Jacksonville and we want to serve the community. It is better for us if we are not just a group of the exact same people doing the exact same things. We put a real priority on emotional intelligence and social skills and that is at the root of everything we do.

How have you been dealing with the teacher shortage?

Public schools are struggling with this but we are blessed because we have a good reputation and we are a desirable place to work. My human resources team and financial team have worked hard to push salaries as benefits to make them competitive. We have worked hard to offer tuition assistance and health benefits that keep great people at our school. We do national searches at Bolles but we are still getting many applications for each position. ■



Creating a winner

Rethinking what is done and key contributors to success

Moez Limayem

President – University of North Florida

What is the educational value proposition of UNF?

We are experiencing very interesting times, not just in higher education but in the country and the world in general. As the pandemic starts to wane, as it is now, there will be winners and losers and that is true for every single industry. When people ask me what separates the winners from the losers, I always say that the losers will be offering the same product and services to the same customers, using the same delivery format. The winners, on the other hand, will have learned and rethought what they do and how they do it. The same is true for higher education and I'm really happy to see that UNF is among the winners as the university continually looks to amend and update our curriculum offerings based on what we learn by listening to the business community and supplying the skilled talent based on their needs.

Just as an example, we're significantly strengthening our healthcare offerings, with a continued focus on nursing but also health administration and other related industries. UNF continues to forge relationships in the logistics, supply chain and transportation industries and is also strengthening, updating and revamping our curriculum in fintech, IT, cybersecurity and analytics.

How would you say the traditional student experience is changing?

Like any other industry, education is changing dramatically, along with the student experience and their expectations and the expectations of their parents. I think they look for proper accountability. We are accountable to these students, to their parents and to the taxpayers to make sure that we're giving these students an outstanding education at a very reasonable cost, but also preparing them for the

next stage of their lives through a job career, graduate school or in starting up a business.

Transparency and accountability are also the rules of the game. There is now a website, fbog.edu/myfloridafuture, where every student can go, look up a major and see what the salaries are for each graduate from each state university in Florida. The other element that has become critical is flexibility. Students want flexibility so we need to offer classes in a variety of modalities: face to face, hybrid and online. As a result, it is important for us to also have the right infrastructure to provide for that.

The last thing I would mention, and which I'm very happy to see changing, is that there is a need and an obligation for universities to be more inclusive and more diverse because of the population we attract and to make sure that our faculty and staff are good representations of the people we serve. I'm really happy to mention that we're making progress, probably more than many other universities in the country, in terms of being inclusive.

What is your assessment of education affordability and access?

No one in their right mind wants education to be out of reach. That being said, we also have to make sure that we understand that for higher-education institutions, the costs are increasing. The cost of tuition in Florida has not changed for 11 years or so. This is the least expensive state in the country to go to school. But unfortunately, everything else has gotten expensive due to inflation, including salaries, the buildings and the supplies we use. Eventually, we're going to have to revisit the business model because revenues overall are flat at best, but costs are increasing significantly. ■



Lifting every student

Resources, support and grant money used to support underperforming students

Tim Forson

Superintendent – St. Johns County School District

How have programming priorities evolved over the past year in response to the growing number of students?

In the last two years, we have had about 5,000 new students. Many of them are from different regions of the country. Whether it is academic acceleration, trying to catch them up, get them on pace or even just the mental health and the social sides of it, it takes an extra bit of hand-holding from teachers and professionals in the schools.

We have eight comprehensive high schools. Each of them has at least three career academies. When Toco Creek opened last year, we had a construction management-type academy as a part of it. We have also pursued a logistics and supply chain management academy that is in Beachside High School, as well as a biomedical veterinary services academy. It will be interesting to see the day when we start to bring live animals into our high schools and watch students learn and experience what that is all about. In other aspects, we are no different than anybody else. We have a pool of students who are not finding success. A lot of our time and energy as we move forward will be directed at lifting every student. Our additional resources, our support, our grant money often go to those underperforming students, trying to provide for their needs, whether that is resources in the classroom or people to help and drive down some of those numbers.

Why do you think St. Johns County School District was named the best school district in the state?

We have a great community. We have families that value education a great deal, high performance teachers, school leaders and support staff. All of that plays a major role in it. In the end, it is the collaborative work and support of

everyone together that creates the performance that our kids are showcasing. It is also reflected in the performance of the district as a whole. As we moved through the last few years and out of the pandemic environment, we are now faced with the same challenges as anyone else. We have worked hard to support students and children for the last two years and are now helping them move forward. The assessment results from last spring were very uplifting to our teachers and our school leaders, because they had a number of new students, a number of new teachers, and the ability to keep continuity to sustain that kind of performance was very rewarding for the community.

In 2021, we opened two new schools: Toco Creek High School and Pine Island Academy. It is a part of who we are at St Johns. Rarely does a year go by now that we are not opening a school. In 2022, we opened Beachside High School. In all three of those projects, we experienced the difficulty of supply chain challenges and of lack of human labor. Each of those schools, they open, they serve children well, but not all aspects of the construction side of the projects were done on day one, we are still working through that. I feel blessed that we have great facilities and operations staff that make sure everything is in place.

What are your top priorities looking ahead?

Growth is always a priority because families come, the children are here and we have to provide the service. It is not like you can wait to widen a road and add another lane. You have to add the resources now. That is always a part of it and a steady goal of ours. Our leadership team across the system wants to do better for children who have historically struggled to find success. ■



Tourism, Arts & Culture:

Florida's First Coast maintains hundreds of miles of natural beauty across the six-county region and provides travelers with the flexibility to choose from historic cities, picturesque beaches, a growing Downtown and all the perks that Greater Jacksonville has to offer.

Natural attraction:

Leisure is
back, business
is back...
all signs are
looking up



Florida is famous for its tourism economy. With the pandemic in the rear-view mirror, travelers are back, both for leisure and business, and Jacksonville, alongside the rest of the Northeast Florida region, has a great deal to offer. With idyllic parks and beaches alongside historic cities, such as St. Augustine, the signs are looking up, although challenges related to labor and the continued lack of international travelers remain clouds on the horizon.

■ Landscape

Tourism has long been a staple of the Jacksonville economy. The region boasts one of the largest park systems in the country, over 20 miles of white sand beaches, a bustling cruise port, sports teams and altogether presents a multibillion-dollar economic engine for the region. Duval County hotels saw a record \$46.3 million in room revenue in February 2023, a 15% increase from the last year, with occupancy rates topping off at 77.1%, an almost 4% rise from last year. Both the Jacksonville International Airport (JIA) and JAXPORT have seen steady increases in passenger traffic. JIA saw over half a million travelers arrive and leave through its gates, while the port saw 120,500 passengers set sail by the end of 2022.

While concerns of a potential recession have slowed other industries, tourism has mostly stabilized and demand overall remains strong, driven in part by the state's growing population and potential new residents touring the region. Some obstacles remain across the wider industry – labor concerns and reduced international travel have yet to be ameliorated but much of the recovery has been fueled by leisure travel and, importantly, the return of business and group tourism. “Last year, the leisure market was going gangbusters and it still is doing quite well. That combined with the return of group and business travel has helped us continue to exceed expectations on the tourism side,” said Michael Corrigan, president and CEO of Visit Jacksonville in his interview with *Invest*.

■ Key draws

With 840 miles across Jacksonville and six counties across Northeast Florida, Jacksonville is an outdoors destination if ever there was one. Trails, parks, beaches, local waterways and other natural attractions and activities



One of Jacksonville's monikers is the "City of Bridges."

come together to provide a host of options for everyone, whether it's the intrepid adventurer looking to hike the trails that cross the Timucuan Ecological and Historical Preserve, sports enthusiasts who may be looking to improve their handicap at the PGA TOUR Global Home at Ponte Vedra Beach, catch a game with the Jacksonville Jaguars, or families looking for a luxurious beach-side getaway at the Ritz Carlton at Amelia Island.

Northeast Florida's urban areas also provide a dynamic mix of attractions – Downtown Jacksonville hosts the Prime F. Osborn III Convention Center, with its 275,000 square feet of flexible indoor and outdoor meeting space and 2,300 hotel rooms within a mile of the site. Jacksonville itself is experiencing a hotel boom – a testament to the tourism industry's strength in the market; thousands of hotel rooms are in planning or development, or having already come online over the course of the last two years, according to the Jacksonville Business Journal. The hotel development speaks to a larger trend happening across Downtown Jacksonville proper, with large-scale redevelopment totaling billions of dollars taking place across the banks of the St. Johns River and promising to bring restaurants,

The Jacksonville Convention Center hosts 275,000 square feet of flexible indoor/outdoor meeting space

shops and housing across Downtown. "What has occupied us most is the Northbank riverfront. ...West along the waterfront are two other park locations, the old courthouse site, a new marina, and Riverfront Plaza, which will break ground this summer. Continuing west, you'll see what we call One Riverside Ave that was the former Times Union publishing site. One Riverside Ave is a residential development currently under construction with phase one retail, including a Whole Foods and a riverfront restaurant. All these projects are along the waterfront so that's been a big activity area," explained Lori Boyer, CEO of the Downtown Investment Authority, in her interview with Invest:.

But for those looking for something that harkens back to Florida's yesteryears while still enjoying today's modern amenities, St. Augustine – the oldest city in America and St. Johns County seat – provides visitors with a chance to visit the coquina brick walls of Castillo de San Marcos, the oldest masonry fort in the continental United States, or Fort Matanzas, which stands guard over the intracoastal waterway further south of the city. Closer to Jacksonville proper, Jacksonville Beach, an independently (...)



Andrea Barnwell Brownlee

Director & CEO
Cummer Museum of Art & Gardens



Jacksonville has this incredible, entrepreneurial, collaborative spirit, which is quite magical. The city is embracing the idea that we're all in this together. When we think about what the arts and culture sector means for the region, it represents a huge economic impact. More than 1,000 people are employed by this industry. We're back in a major way, and it's a very exciting time in the city. Of course, I'm not going to say that all my colleagues have enjoyed pre-pandemic levels because I don't want to be disingenuous about that, but I do want to say that there's still very much a focus on us all being in this together and coming back in full force. It's an exciting time to be part of the arts and culture sector in Jacksonville. ■



Caitlin Doherty

Executive Director
Museum of Contemporary Art



Even though we are back in person, digital is still important. We have kept the digital resources and continuously build on them. Our young participants in particular have benefited from these initiatives, even now in a post-COVID environment. Schools are often stretched for financing, so they can't necessarily finance field trips to the museum or other extra-curricular cultural engagements. Accessing virtual tours allows them to experience the museum, breaking down that barrier. But of course, bringing children into the museum, face to face with artwork, making and creating, there's something very special about that. It's a transformative experience a child learns from. We have a number of programs that not only inspire children but are also aligned with statewide metrics for academic progress. ■



Jeff Ettling

President & CEO
Jacksonville Zoo



It's the location and the multitude of attractions that are here in the state of Florida. If you're coming from anywhere in the U.S., you're likely going to pass through Jacksonville. We have an opportunity to capture those audiences on their route to other parts of the state. That's something that we're really looking at: how can we increase our capture rate of domestic and international travelers who are passing right by our door?

The biggest challenge for any nonprofit is financial sustainability. We need to generate enough revenue to provide the best care for plants and animals now and into the future, increasing our conservation presence and continuing to be the innovators of exhibits and animal wellbeing. Also, how do we retain employees in the long term? With the challenges that all of us are facing with retention, we want to attract talented individuals to our team and keep them here. ■



Mike Kenny

General Manager
ASM Global



We want to keep bringing great content and events that can enhance Jacksonville's quality of life. A big part of that is paying wise attention to what consumer demands are and how they change and not just pigeonholing ourselves in one genre like country or classic rock. Family shows, hip hop and R&B, and alternative rock are all big platforms that we want to facilitate and grow for the community. Partnerships have been critical for us. We work closely with the City of Jacksonville, Downtown Investment Authority, and the Jaguars on a number of projects tied to the downtown area, and it's leading the way to some great energy and improvements.

High tides raise all ships. I hope we keep growing because there's room for everyone. In sports and entertainment, we have to keep up with the Joneses and the construction and renovation of stadiums will go a long way to ensure our success in the future. It's a bit ironic, but even since the time of the Gladiators at the Coliseum, there has always been a need for event coordination, getting people in and in their seats, and that is something that will never change. But many things do change. The stadium or arena from 30 years ago isn't feasible anymore. Fans want more engagement, more self-service, and state of the art facilities. Technology will be key. I see facial recognition ticketing and entry to be the norm in under ten years. ■



Numa Saisselin

President
Florida Theatre



We are blessed with a terrific cultural community here. There are several theater organizations, dance companies, a full-time symphony orchestra, a robust Broadway touring series and three first-class museums. Our role is as a presenting organization. We buy touring artists for a night. We are the managers of a historic property and also concert and show promoters. We make deals with artists and their managers to get their artists to come here.

In Jacksonville and in Florida we have a competitive reapplication process for grants, which is great because it is a meritocracy but to answer your question, it's having more money. There are lots of competing priorities and we feel that we receive our fair share but we could always use more. City funding for arts and culture has more than doubled in the past seven years. It's trendy to trash the government but I feel that during COVID they all did their job and made sure we received a decent share of relief money. The Florida Theatre is here because people did their job. ■



Exceeding forecasts

Rise in group and business travel leads to better-than-expected figures

Michael Corrigan

President & CEO – Visit Jacksonville

What have been the top priorities for Visit Jacksonville over the last year?

A lot of things; the main one is the total return of the tourism market to Northeast Florida, primarily Jacksonville. Last year, the leisure market was going gangbusters and it still is doing quite well, but that combined with the return of group and business travel has helped us continue to exceed expectations on the tourism side. We estimate the numbers will be 15% higher than what was originally expected. We anticipate a leveling off of the increase, but we do not anticipate a reduction by any means.

We're seeing where the spending in our destination continues to increase on a per person basis, which is encouraging. Our average room nights are steadily increasing, which is key to the economic vitality of the tourism industry.

What does the modern traveler's experience look like?

The modern traveler is looking for value for their dollar, especially considering the current state of the economy. They are still traveling. Fuel prices have not reduced travel, but they are much more conscious of their "return on fun" investment. They're willing to spend money to have a fun experience but there's more pressure on the industry to deliver an experience where the traveler feels they got a value for their dollar. That's one of the things Jacksonville has always been known for. I call us an affordable destination; there's an option for everybody depending on what you want out of your experience.

We're getting ready to break ground on a Four Seasons Hotel next to TIAA Bank Field, it's an extremely high-end property we're looking forward to having in our portfolio.

At the same time, we're building several select service properties that will be more budget-friendly for families.

What do priorities for Visit Jacksonville look like moving forward?

Visit Jacksonville just received a new 10-year contract with the City of Jacksonville's Tourism & Development Council to continue our work. Instead of being reactionary and fulfilling a contract need, it allows us to be more strategic in our approach. We're beginning that strategic planning this fall. We're working with event and meeting planners to maximize our group tourism for conventions.

While we're doing that, we will continue to market visiting Jacksonville to individuals. Whether you're an individual, family, business or group, we want to ensure you have an incredible experience in Jacksonville.

What will Jacksonville's tourism industry look like in the next five years?

It will be drastically different. We will see a dramatic increase in downtown investment, and in the next five to 10 years the community will be committed to building a new or expanded convention facility. That will come up pretty soon. The Jacksonville Jaguars have a lease expiring in 2030, which historically means either building a new stadium or renovating an existing one. There are already talks to renovate. A renovation in the hospitality industry presents a huge opportunity. The development around the Downtown sports complex will be incredible, and I haven't even mentioned the other 840 square miles of Jacksonville. The beach, the Town Center, the fairs, etcetera, will be huge for Jacksonville's hospitality industry going forward. ■



Less is more

Clearer focus on certain things allows better quality

Greg McGarity

President & CEO – Gator Bowl Sports

What is the Gator Bowl's cultural significance to the community?

It's the 78th year for us. For 78 years, it has been the thing to do. The Bowl structure has changed significantly from a time where the Bowls could simply pick who they wanted to play in a game. Now, we are pretty much assigned who will play in our game. It's probably not as prominent as it has been in the past; there were a lot of ancillary events – beauty pageants, parades, basketball games – that have been greatly pared down. It still allows us to focus with our small staff on certain things and do them well as opposed to doing too many things at a lower quality. The city has a very strong presence in the sports and entertainment sector; ASM operates the stadium here, the Jaguars are heavily involved in the concert area and there are a lot of players in town who certainly do great things in so many ways. We all have our areas of focus and our system is very well coordinated in a way that we don't duplicate services. It's all about following through on the initiatives we've started.

What trends exist for the modern fan experience and partnerships?

You need a multidimensional approach for everyone, making space for anyone who wants to come and enjoy the game. Family zones, party zones, high-end suite-style zones are all important to have and do well. Every fan comes for different reasons and to have different experiences. We have our end zone areas, which we are trying to activate into environments mirroring The PLAYERS championship, with large entertainment areas that encourage fans to wander around. It's usually a beautiful time of year in Jacksonville and our relationships are those that attempt

to facilitate certain corporate sponsors affiliated with our game.

How are you working to include the younger generation in the event?

We're really trying to target those in high school through a ticket program for local youth in North Florida and South Georgia to attract that demographic. We're also working with middle-school children through Send a Child to the Game efforts so corporate sponsors and others can provide free tickets to the game for busloads of children. They're treated to a nice lunch and experience a game, some for the first time ever. We're trying to reach out to those groups there, all the way from young Pop Warner players to college students attending one of those institutions.

What is your outlook for the Gator Bowl going forward?

We will grow. We feel that if we continue to grow at this corporate and community level, we need to facilitate those new members. We will be very careful that we don't add numbers just to add numbers but that we are able to add and facilitate to ensure that we deliver a first-class experience.

College football is in a state of flux at this time and by the time the college football playoff system decides on whether or not it will change things up, it will affect all Bowls in some manner. We will be ready to pivot but it's difficult to pivot without knowing what the future will hold. Our ear is close to the ground and we're in constant communication with our conference partners and other college football stakeholders as well as the Bowl season to ensure we're as knowledgeable as we can be in a very uncertain world. ■



Diana Donovan

Executive Director
Cultural Council of Greater Jacksonville



We have had monumental, historic increases for the City of Jacksonville and from the State of Florida. One of the things we know very well about the creative economy is that everything thrives and is successful when it's connected and meaningful and you are pouring into the community's heart as an economic driver. The Cultural Council has been a thought leader in trying to reframe Jacksonville from not only celebrating our arts and culture community, but having it be seen as essential to quality of life. We have 810 new residential units as of June 2022 coming to Downtown Jacksonville – those are people coming from across the country who will need things to do and want to feel connected to this community. They will do that through arts and culture by walking through a park, reading a book, going to museums and shows, etc. We are enhancing the quality of life of all ages and broadening the scope of what the City has to offer residents. There is a significant ROI on creative culture in economic growth. ■



Todd Hickey

General Manager
Sawgrass Marriott Golf Resort & Spa



It is the fact that we are back to business coming out of the pandemic. We rebounded pretty quickly but 2020 was devastating for us at the hotel and as an industry in general. We are in the business of hosting people; that is our core business. We were only closed for a short time in early 2020. Our Cabana Beach Club closed for a short time and then we opened back up slowly. We are really proud of the work we've done this year because we are ahead on many measurements, and we got a lot of people back to work. We support 300 employees with good benefits and we are able to build a great future for many people. It is great to see that people are energized to gather in groups and that they are back to meeting in person. It's rewarding having so many people able to return to work and seeing the hotel full. That is also good for our ownership and for Marriott in general. ■



Joe Hindsley
General Manager
Hyatt Regency Jacksonville Riverfront



From a Hotel level, we have a large in-house marketing budget and a large group sales force. Our success comes from direct sales efforts and boots on the ground with strong relationship building. The Sales and Marketing team is back to pre-pandemic levels. From a brand perspective, Hyatt has a large National Sales presence that does targeted marketing campaigns for various types of travelers. Due to our size and success early on in the pandemic, our Hotel was featured in a lot of Hyatt Corporate advertising about COVID safety and our Global Bio-risk Advisory Council (GBAC) Accreditation, giving us a very visible presence in 2020 and 2021. As the largest Hotel in the city of Jacksonville, we collaborate on multiple marketing campaigns with VisitJax to generate demand and win clients over from other markets. Leveraging Meetings and Travel Technology via Together by Hyatt and World of Hyatt is huge for us now. We are working toward becoming less reliant on online travel agencies, so we can move customer engagement to the Hyatt platform. The World of Hyatt signups and memberships are off the charts. That is important for the growth in WOH and provides us an opportunity to listen to our guests feedback on what they are looking for in travel technology & marketing as we continue to build the brand. ■



Liz McCoy
Executive Director
Friends of James Weldon Johnson Park



Creating our strategic plan has been one of the biggest projects that I have done in my capacity here. It was a six-month process and we worked with a committee of 12 people, plus two consultants that helped us through the process of dissecting where we have been and where we want to go. The organization was formed in 2014 and its first goal was to make the park clean and safe. Back then, the park suffered from nefarious acts, it was a scary thing to walk just from one building to the other across the park.

We felt we reached our goal pretty well, despite some interesting things that happened along the way. As we are now hopefully arriving at the new normal, we needed to regroup. Things are happening downtown that are different from what was happening pre-pandemic. The development downtown is becoming more about housing and less about commercial, so we knew that we needed to make a shift in relationship to that. We started looking at ways in which we could become the amenity that we wanted to be for the downtown development. A lot of the apartments that are going to be developed within downtown are ascribed to highly urban environments. They are going to need an outdoor amenity space. That is what we want to become for the downtown residents that are coming within the next year and a half. ■



Vibrant scene

New five-year program to breathe new life into artistic landscape

Steven Libman

President & CEO – Jacksonville Symphony

What is your assessment of the arts and cultural sector now in Jacksonville?

It's vibrant. The Jacksonville community loves the arts and actively shows their support for our beautiful museums, performing arts venues, art installations throughout the city, and of course, the Jacksonville Symphony. To help excite the community and keep them engaged, the Symphony has created a five-year program to commission at least five original works by some of today's brightest composers. These commissions breathe new life into Jacksonville's artistic scene and serve as a way to launch the next era of orchestral music in Jacoby Symphony Hall.

What do you do to keep the younger generations engaged with the institution?

We are very proud of the Jacksonville Symphony Youth Orchestras (JSYO) program. JSYO helps create a lifelong interest in music for young people, whether they go on to a career in the performing arts or not. What we impart to them is not only a love of music but life skills, such as collaboration, cooperation, self-esteem and discipline. Some JSYO students go on to pursue careers in music, and it's extraordinary that we get to be part of their journey. But most importantly, we know that at the end of the day we're offering them a top-quality musical education.

What marketing strategies were implemented last year to attract interest and elevate the Jacksonville Symphony brand?

Many traditional channels such as direct mail, broadcast television, etc. are still where many of our patrons like to be engaged. We also implemented a robust social media

plan that includes both organic and paid tactics to reach the most relevant audiences possible. The other avenue to effectively reach our patrons is through our website. Most of our ticket sales are done through the website, but it also serves as a helpful resource to our patrons to learn more about upcoming concerts and the Symphony itself. We base a lot of our marketing decisions on multi-layered research that tells us what our patrons are interested in and the best ways to reach them.

What is your outlook and what are your priorities for your organization in the near term?

My outlook is very positive. I am blessed to work with an incredibly talented staff and the finest Board of Directors I have ever worked with. This community continues to show how much they love the diversity of what we present. I feel very optimistic that the Jacksonville Symphony will continue to grow and flourish in this market as music is important to us all on so many levels. I'm also confident that our original commissions will spark new interest and promote changes throughout the orchestral world.

We also recognize the challenges that the performing arts community continues to face. During COVID, we all became comfortable sitting on our couches, watching Netflix and other platforms that spent a lot of money to hire the world's best actors and cinematographers to create amazing content that we still watch. The challenge is to bring all those people back to live performances. Our patrons have been slow to return to their pre-concert attendance habits. However, we continue to put our best, most creative programs forward to welcome our patrons back to Jacoby Symphony Hall to once again experience the joy of live music. ■



Duval County is a popular destination for national athletics tournaments.

(...) incorporated city in Duval County, provides a waterfront downtown and idyllic outdoor dining, retail and beachside experiences that evoke the old Florida feeling, and why it is that Northeast Florida is the First Coast, as Mayor Christine Hoffman told Invest:.. “I would say that people are coming from all over the place. For a long time, we were seeing people come from the day-drive market, Southern Georgia and elsewhere in Florida, but really, we are seeing people from all over the country now.”

■ Looking ahead

Northeast Florida’s tourism economy has for years been central to the growth of Jacksonville and the surrounding Northeast Florida region. With natural attractions, urban amenities and a rich history that provides something for everyone. Corrigan was asked about the sector’s continued growth, the changes underway and the billions of investment across the region. “It will be drastically different. We will see a dramatic increase in Downtown investment and in the next five to 10 years, the community will be committed to building a new or expanded convention facility. That will come up pretty soon ... the beach, the Town Center, the fairs, etcetera, will be huge for Jacksonville’s hospitality industry going forward.” ■



O&A

Jared Rice

*Executive Director/Senior Vice
President of Tournament Revenue and
Championship Management
THE PLAYERS Championship/PGA Tour
Headquarters*

How are you looking to expand?

The 16th, 17th and 18th holes at the stadium course are some of the most exciting finishes in the world of golf. To have the strongest field in professional golf at a golf course that doesn’t favor any one style of play, with the best players in golf competing in front of deep crowds produces an amazing energy here. We look at how we can start to provide more hospitality options and fan amenities that not only concentrate those holes but also lead fans to other pockets of holes to give them a more holistic experience at THE PLAYERS Championship. Hospitality is a huge piece of our operations.

How has the fan experience at THE PLAYERS Championship evolved?

What we’re seeing with THE PLAYERS Championship is a much more diverse audience. We have built an experience to ensure that, so it’s great to see those efforts are paying dividends. We

have a responsibility to grow the game and bring more fans into our community. That was on full display at THE PLAYERS Championship. Technology has always been a leading indicator, whether it’s with commerce and how our fans get to the tournament, enter our grounds or enjoy their time here through contactless methods. From a live event perspective, coming out of COVID, the level of appreciation fans have of being together, seeing top competition and supporting the community through professional golf has been a great experience this year.

What is the economic impact of the PGA Tour?

A recent study we did showed that THE PLAYERS Championship delivered about \$212 million in economic impact to Northeast Florida. In 2022, THE PLAYERS Championship had over 200 hours of live coverage on cable and network television and we are broadcasted to over 212 countries in 27 languages. That is an unbelievable show of our community, our players and what it really means to be here and attend this great event. When we get that type of engagement, we’re in a position to be able to give back, which is central to who we are. We have delivered more than \$100 million in charitable impact since our inception. We have the best players, playing the best courses, in the best communities. It’s our responsibility to leave those communities better than we found them. ■



Green light for new museum

\$100 million project expected to open in 2027

Bruce Fafard

CEO – MOSH

What have been the major highlights for MOSH over the past year?

We received approval from the Downtown Investment Authority for site plans on a new museum in December 2022. We worked collaboratively with them for over a year to get the green light. The next step is to finalize the legal documents, which will go to legislation to be filed with City Council and ultimately sent to the mayor's desk for a signature.

Our goal is to raise a minimum of \$40 million before we put a shovel in the ground. We've raised almost \$14 million in private capital as of the end of 2022. It'll be a \$100 million construction project when it's all completed. That includes the building, exhibits and everything else that goes into creating a new museum. We're hoping to have the lion's share of the money raised by the end of 2023, with a groundbreaking in 2024. That would set up a trajectory to fully occupy the building by early 2027.

To attain that goal, we've added capacity to our development department. We've added two new employees, including a new Chief Development Officer, Maureen Mercho. We're excited about the plans she and her team are putting together. We've also released the conceptual building and exhibit design renderings. That's another major milestone, and why we took a step back from fundraising in summer and winter 2022. We wanted to get that work completed so we could move aggressively into our fundraising mode.

What are some of the innovations with the new museum?

We've been working closely with an exhibit design team based in New York called Local Projects. Our focus is how to engage visitors through technology by studying how

people become engaged with interactives. A majority of people are connected to their phones, so to bridge that, we need to understand the technology and anthropology about how people interact, move and flow through a museum.

The site for the new museum is right on the St. Johns River, which is important to the character of Jacksonville. The main exhibit hall will be made up of three different themed content areas, which we call islands, that emphasize the culture, innovation and natural resources of Jacksonville. The navigation through the museum will be guided by a "river path" that is a simulation of the St. Johns. When you walk through, there will be tributaries that you can explore, and along the way there will be placemaking spots so you can interact and understand why the river is important, its characteristics and its impact on commerce, culture and innovation. That's not some poster on a wall; it's an interactive component so people can go as deep (figuratively speaking) as they want on their visit. It will be like having a dynamic Wikipedia throughout the entire museum, constantly updating and changing, depending on how visitors interact with the exhibits.

How are visitor numbers doing at MOSH's current location since the pandemic?

Pre-pandemic, we hosted about 180,000 visitors annually. In 2021, it was 160,000, and we eclipsed 180,000 in 2022. We continue to have a lot of young visitors come through, with our school outreach and parents with young children, and we are hoping to grow the young professional (20-30 years old) demographic. One of our outreach efforts is called "Science on Tap," which is hosted at local breweries with a lecture on a scientific topic. ■

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