



**Soy Aquaculture Alliance (SAA)
FY2024 Research Program
Social license in Offshore Aquaculture**

Contract Number: Contract_44211_Aquaculture Social License_FY2024_Final

Amount of Award: \$99,988.00

Project Title: Phase II Community Advisory Panel (CAP) Engagement for Offshore Aquaculture Opportunities for South Florida

Recipient: Gulfstream Aquaculture, LLC

Award Period: 01/01/2024 thru 12/31/2024

Period Covered by this Report: 07/13/2024 through 09/13/24

Summary of Progress and Expenditures to Date:

Reporting Period Work Accomplishments:

The summary of work accomplishments that follow, were derived from the 09/11/24 CFI Report 4 to, and supplemented by, Gulfstream Aquaculture (Dennis Peters).

The August 15th CAP meeting featured SME, Kimberly (Kim) L. Morgan, Ph.D., Associate Professor, Extension Economist with the SW Florida Research and Education Center, University of Florida. The focus of Kim's presentation was to address one of the CAP top five topics of interest/concern: Labor/Housing/Salaries. Her approach shared some context surrounding the Risks, Resources, and Realities of business development in south Florida. Attendance at the August CAP meeting included 11 of the 13 participants. The topic stimulated significant discussion among the group as participants know this subject personally through life experiences living in south Florida.

South Florida offers a dynamic environment for business development, particularly for non-tourism-based ventures. While the region provides numerous opportunities, including access to a growing population, proximity to international markets, and favorable tax conditions, it also presents unique challenges.

Key highlights that Kim Morgan shared with the group were summarized as follows:

Risks - One of the most pressing risks in south Florida is the rising cost of affordable housing.

- The influx of residents and out-of-state investors has driven up real estate prices, making it harder for employees to live near their workplace, particularly in urban areas.
- In turn, this impacts the labor supply, as workers may struggle to find affordable living accommodations within reasonable commuting distance.
- Furthermore, there are concerns about the region's vulnerability to weather patterns, specifically hurricanes, which could disrupt operations and increase insurance costs for business, homeowners as well as those who rent.

Resources - South Florida benefits from several key resources that make it attractive for businesses.

- The infrastructure is well-developed, with major airports, seaports, and highways connecting businesses to national and international markets.
- The region's diverse and multilingual population provides access to a bilingual workforce, which is essential for industries that rely on international trade and commerce.
- Additionally, South Florida has a growing technology and financial sector, supported by venture capital and a favorable tax environment, which encourages startups and entrepreneurial activity.
- Mass transit opportunities are expanding to enhance transportation to and from work and some communities are establishing “car-free zones” and encouraging bicycles as an alternative means of transportation.
- Additionally, private and public partnerships are collaborating to address housing needs.

Realities - As businesses explore opportunities in South Florida, the realities on the ground necessitate careful planning.

- Labor shortages are a real concern, as competition for skilled workers is fierce, and the housing crisis exacerbates this issue. As companies grow, they must contend with a potentially limited pool of qualified workers, which could slow expansion or require investments in training programs.
- The CAP discussed how the university could be a resource for labor development to this new aquaculture business.
- The group also suggested that given the cost of living, many individuals work multiple positions and reminded the prospective business not to overlook existing residents with established housing as a source of labor for the business.
- While not a component of Dr. Morgan’s presentation, other realities of this prospective business include local, state, and federal regulations and the arduous process of complex zoning laws, environmental regulations, and compliance requirements.

Additional Information on Housing and Labor:

Labor and affordable housing are issues impacting the entire state of Florida. JP Morgan provided the [following context online](#) August 24, 2024 about the housing crisis in the state.

They reported: *“The [affordable housing](#) statistics in Florida are staggering. The Sunshine State has only 25 affordable and available rental homes for every 100 extremely low-income renters, according to [The Gap report from the National Low Income Housing Coalition](#). Most extremely low-income Florida renters—82%, the second highest in the country—are severely cost-burdened.*

Some of the major challenges to solving Florida’s affordable housing crisis include:

- **Increased migration and rising home costs:**
 - *Florida boasts a warm climate, job opportunities, and no state income tax, making it a popular moving destination. In 2022, Florida gained a net population of 249,064 people, according to [U.S. Census data](#)—the highest net migration increase among all 50 states.*

- *The business-friendly state is also a popular location for major corporations, such as Blackstone, Lockheed Martin, and Paysafe. According to [U.S. Securities and Exchange Commission data](#), 39 corporations moved their headquarters to Florida in 2022 and 2023, the highest net gain of any state.*
- *The demand has helped drive up home prices across the state. As of May 2024, home prices in Florida were up 3.1% year over year, according to [Redfin](#).*
- *The climbing costs of purchasing a house are pricing out many would-be homebuyers, increasing demand for multifamily properties. The increased demand has also led to higher rent prices that make it increasingly difficult for low-income and extremely low-income renters to find affordable, attainable housing.*
- **Natural disasters and property insurance challenges:**
 - *Florida is no stranger to hurricanes and other costly natural disasters. In 2022, Hurricane Ian alone caused over \$112 billion in damages. In response to the growing costs, many insurers no longer operate in the Sunshine State and other areas prone to natural disasters, and those that remain offer policies at much higher costs.*
 - *Luxury and market-rate housing providers can offset increased insurance costs with rent increases, but affordable housing operators can't because of their properties' rent regulations."*

Read the full article about these challenges and how Florida affordable housing developers are tackling them. [Florida's Affordable Housing Crisis | JPMorgan Chase](#)

In conclusion, business development in South Florida holds significant promise, but the region's challenges—particularly in affordable housing and labor availability—need to be managed strategically. Companies that adapt to these realities by leveraging the region's resources while mitigating risks can position themselves for long-term success.

Next Reporting Period Work Objectives:

The next CAP meeting is scheduled for October 10th, 2024, and the featured speaker will be Chris Nelson, President, Bon Secour Fisheries, Inc., Bon Secour, Alabama. He will provide his perspective and experience on “Seafood Product Marketing, Distribution, and Sales” as it relates to wild caught and farm raised seafood products.

Reporting Period Expenditures:

The expenditures across the proposal subcategories are provided in a subsequent Gulfstream Aquaculture invoice to SAA.

No issues are currently anticipated. As such, Gulfstream Aquaculture will continue to coordinate closely with CFI staff to ensure overall project schedule milestones and objectives are on track with the originally proposed activities and expenditures for the successful completion of the project.

Prepared By: 
Signature of Principal Investigator

09/12/2024
Date