



Hallandale Beach CRA Strategic Planning Retreat

February 9, 2015

Retreat Objectives

1. Not Critique Of The CRA's Performance, Budget Or Projects
2. Provide Educated And Informed Decision Making Process
3. Provide External Perspective On New Trends, Opportunities, And Issues
4. Develop Prioritized Set Of Policy Goals: Reaffirming, Refining Or Adding To The CRA's Strategic Goals
5. Prioritized Set Of Action Items — Specific Projects And Programs
6. Prioritized Operational Procedures — Specific Actions To Implement Action Agenda

Retreat Rules

1. Looking Forward, Not Through The Rear View Mirror
2. No Idea Is A Bad Idea
3. Focus On Improving CRA Performance And Effectiveness

Current CRA Strategic Priorities

1. Livable community.
2. Ensuring excellence in government.
3. Enhancing the quality of life through Environmental Sustainability.
4. Economic Development to support business owners, improving property values and provide a healthy balance of residential, commercial and light industry with a mix of local opportunities.
5. Undertake tangible capital improvements that create cohesive visual appeal within all areas of the CRA.
6. Promote projects with large-scale impacts.

PROGRAMS
Village of Gulfstream Park TIF
Downpayment Assistance
Sherwin Williams Paint program
Neighborhood Improvement Program
Hurricane Shutter program
Commercial Loan program (façade grant and incentive loans)
Shuttle service
Traffic Box Art Program
Landscaping services
Police MOU- Community Involvement Unit
Police MOU - Community Action Team
Police MOU- Neighborhood Enhancement Team
Dev Services - Planning and Zoning
Code Compliance MOU
Hallandale Opportunity Project (N.E.E.D in FY13)
Community Partnership Grants
PROGRAMS TOTAL
CAPITAL PROJECTS
Land Acquisition and acquisition services
Wayfinding signage
Computer hardware/software
Land Development Regualtions (COMP PLAN Amendment)
Development of Vacant (Commercially zoned) lots
In-fill Housing Phase II
Foster Park Plaza and supplemental parking
Ansin Blvd sidewalk
BF James Park
Fashion Row Phase II (design and construction)
OB Johnson Park design
Complete Street design
DPW MOU - Capital Project Management
CAPITAL PROJECTS TOTAL
ADMINISTRATIVE CHARGES/TRANSFERS
DEBT SERVICE
CRA EXPENDITURES TOTAL

Trends

Regional Population Growth

- Slightly Slower Than 2000 — 2010
- The Regional Population Churn
- Driven By International In-migration

	Total Population Change	Natural Increase			Migration			International Migration as % of Total Pop. Change
		Net	Births	Deaths	Net	International	Domestic	
Annual Estimates of the Components of Population Change								
July 1, 2001 to July 1, 2009								
Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	539,059	211,429	649,535	438,106	234,874	522,009	(287,135)	97%
Miami-Dade County	246,839	133,201	303,660	170,459	23,116	328,740	(305,624)	133%
Broward County	143,460	66,174	209,107	142,933	75,947	128,311	(52,364)	89%
Palm Beach County	148,760	12,054	136,768	124,714	135,811	64,958	70,853	44%
April 1, 2010 to July 1, 2013								
Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	263,534	63,683	216,183	152,500	196,312	163,622	32,690	62%
Miami-Dade County	120,719	40,263	101,550	61,287	78,178	99,848	(21,670)	83%
Broward County	90,778	21,691	69,339	47,648	68,608	42,215	26,393	47%
Palm Beach County	52,037	1,729	45,294	43,565	49,526	21,559	27,967	41%
July 1, 2012 to July 1, 2013								
Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	64,909	18,411	66,902	48,491	42,484	52,706	(10,222)	81%
Miami-Dade County	24,466	11,406	31,209	19,803	11,040	32,104	(21,064)	131%
Broward County	24,031	6,666	21,558	14,892	16,582	13,633	2,949	57%
Palm Beach County	16,412	339	14,135	13,796	14,862	6,969	7,893	42%

Trends

Land Availability

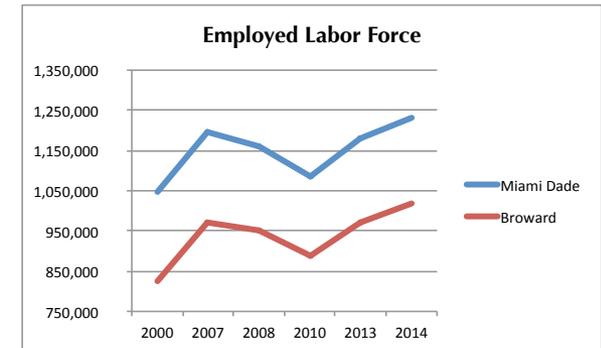
- Miami-Dade, Broward & Palm Beach Approaching Build-out
- Miami Dade: Only 2,083 Acres Inside Urban Infill Area Privately Owned Vacant Land
- Broward: Virtually Out Of Land Suitable For Residential – One Of Most Land Constricted Counties In US (Metrostudy)
- Parcels Larger Than 4-5 Acres Are At A Premium
- Shifting To: Infill Development, Higher Densities, Smaller Building Footprints

Trends

Regional Employment Trends

Employment

- MD & Broward: 7 Years For Employed Labor Force To Recover
- Broward Median HH Income = \$51,694; 3% Below US Median
- Miami Dade Median HH Income = \$43,605 – 16% Below US
- Metro: Below Average Wages And Incomes



Slowing Wage Growth

- Wages Lower Than Their National Averages.
- Broward Wage Growth: +3% 2000-2007; Under 2% Since 2009
- At Or Less Than Current Annual Rate Of Inflation Since 2010
- Evidence Of High Wage Job Shedding During Recession

Trends

Regional Employment Forecasts

Industries Gaining The Most Jobs

Title	Employment		2014 - 2022 Change	
	2014	2022	Total	Percent
Broward County				
Local Government	87,616	96,929	9,313	10.6
Professional, Scientific, and Technical Services	52,524	61,624	9,100	17.3
Ambulatory Health Care Services	43,743	52,558	8,815	20.2
Administrative and Support Services	70,112	78,819	8,707	12.4
Specialty Trade Contractors	23,445	31,880	8,435	36.0
Food Services and Drinking Places	64,870	70,660	5,790	8.9
Educational Services	21,256	25,622	4,366	20.5
Construction of Buildings	6,930	9,859	2,929	42.3
Miami Dade County				
Ambulatory Health Care Services	58,310	73,608	15,298	26.2
Professional, Scientific, and Technical Services	70,573	81,584	11,011	15.6
Local Government	101,796	111,997	10,201	10.0
Administrative and Support Services	68,214	76,149	7,935	11.6
Educational Services	29,630	34,781	5,151	17.4
Food Services and Drinking Places	88,552	93,700	5,148	5.8
Specialty Trade Contractors	20,531	25,489	4,958	24.1

Trends

Small Is Beautiful, Part 1

- Small Firms Most Important Component Of New Job Creation
- Firms Less Than 20 Employees = 53% Of All Jobs Created Since 1992
- Firms Less Than 50 Employees = 62% Of All Jobs Created Since 1992
- Firms Less Than 50 Employees = 43% Of All New US Jobs Annually

Trends

Small Is Beautiful, Part 2

A Region Especially Reliant On Small Businesses

- US: 86% Of Establishments Less Than 20 Employees
- Miami Metro: 91% Of All Establishments Less Than 20 Employees
- Miami Metro: 96% Less Than 50 Employees
- Including Non-employer Establishments: 99% Of All Business Establishments Less than 50 Employees
- US: 9.4% Of Labor Force Self-employed
- Miami Metro: Self-employed 13.9% Of Employed Labor Force
- US: Self-employed Grew 11% Since 2000
- Miami Metro: Self-employment Grew 50% Since 2000
- High-tech Occupations: Highest Rates Of Self-employment

Small Is Beautiful, Part 3

Dynamic Regional Business Formation Rate

- Miami Metro: Top 3 Metros Since 2004 For New Business Creation
- US: 300 New Firms Per 100,000 Persons Per Month Since 1996
- Miami Metro: 2012 Highest Entrepreneurial Index — 560 New Firms Per 100,000 Persons Per Month
- Miami Metro: 2013 — 430 New Businesses Created Per 100,000 Per Month
- Miami Metro: 2013 Index 1.5 Times The National Average

Small Is Beautiful: Part 4

The Recovery Has Been Led By Small Businesses

- Establishments Employing Less Than 20 Accounted For 94% Of All New Establishments Created Since The Bottom Of 2009
- Broward:
 - 1,219 Establishments Under 20 Employees Since 2009
 - 3 Establishments Larger Than 100 Employees Since 2009
- Miami Dade:
 - 4,010 Establishments Under 20 Employees Since 2009
 - Added 84 Establishments Larger Than 100 Employees Since 2009

Trends

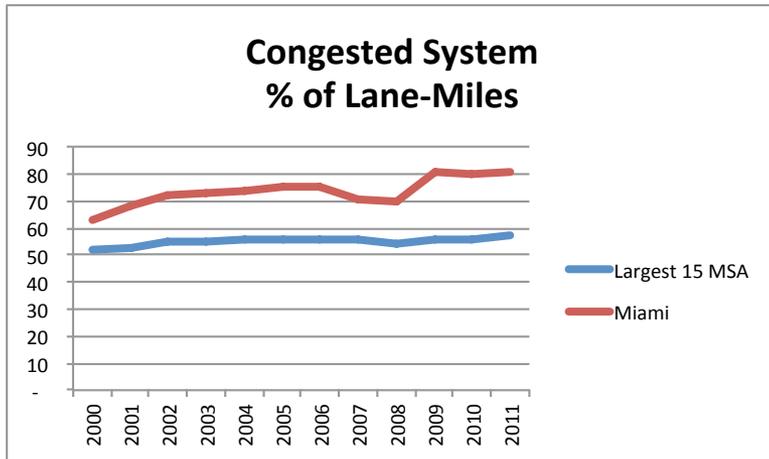
Roadway Congestion

Regional Competitiveness at Stake

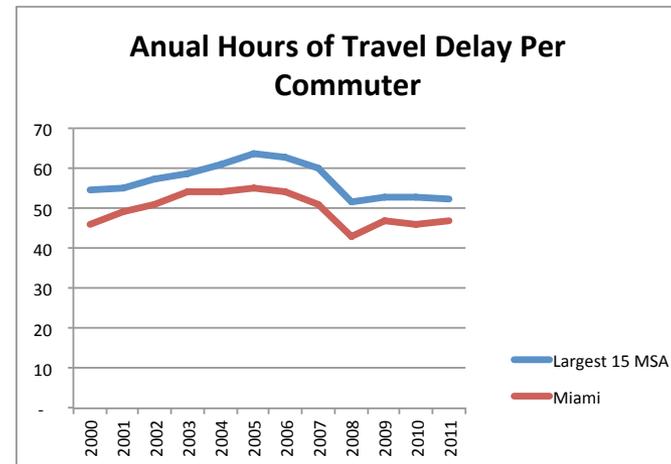
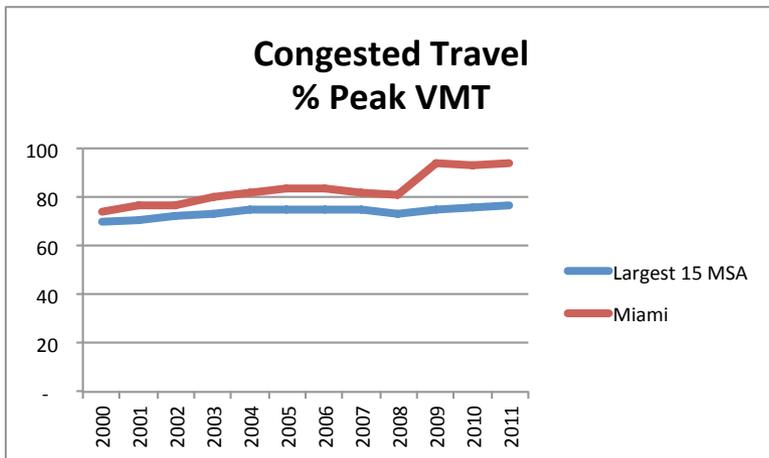
Miami Metro:

- 14th Most Traffic Congested City In North America, 11th In US
- Average Travel Times Above National Average
- 5th Highest Cost Of Congestion Delay — \$3.7 Billion/YR
- Much Of Road Network Operating At LOS D And F
- Agencies Will Spend \$58B Thru 2035
 - MPO Forecasts Lower Level Of Service, 20% Slower Rush Hour Speeds, Increasing Congestion
- No Space For New Asphalt — Solutions Will Be Thru Land Use, Transit, Workplace And Workshift Strategies

Trends



*Roadway Congestion
Miami – Broward Metro:
Moving in the Wrong Direction?*



Trends

Regional Retail Market

- Deliveries In 2011 - 2013 < 500,000 SF/YR
- Construction Increased In 2014 — 2 M New SF
- 1.9 Million Square Feet Scheduled For Completion Through 2015
- Strongest Growth In Rents, Sale Prices And Cap Rate: High-end And Luxury Brand Retail

Source: Marcus & Milchap

Trends

Retail Market Shifts

- E-commerce: Dramatic Impacts
- E-commerce Sales: 40% Growth Since 2007
- Conventional Retail: 5% Growth Since 2007
- E-commerce Retail Sales (\$157 B) = 350 M - 500 M SF Of Leased Retail Space (1/3 All Vacant Retail In US Shopping Centers And Retail Districts)
- Store Elimination — Chains: Abercrombie & Fitch, The Gap, Best Buy — Bookstores Almost Dead
- Smaller Stores: Best Buy (40,000 SF) – Walmart Express (15,000 SF) - Citytarget (60,000 SF) - Office Depot (15,000 SF) – Staples (10,000 SF)
- Multi-brand Stores: “Store-within-a-store”

Trends

Regional Office Market

- Hardest Hit
- Oversupply: 2M SF Per Year New Thru 2010; Less Than 200,000 SF 2013-2014
- Broward: 600,000 New SF (450,000 For One User)
- Broward Vacancy Rates: 19% County-wide
- Miami Dade: 14% County-wide – 20% Downtown - 37.7% Biscayne Corridor
- Annual Absorption Rates Still Below 2005

Source: Marcus & Milchap

Trends

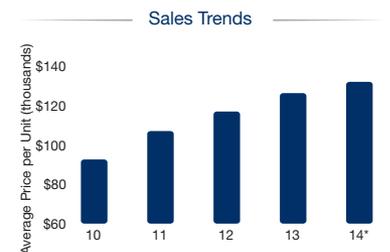
Office Market Shifts

- More Created In Occupations That Do Not Require Office Space
- Outsourcing Non-core Functions - IT, Accounting, Human Resources
- Aggressively Shrinking SF Per Employee:
 - 225 SF/Employee (2010) - 176 SF (2012) - 151 SF (2017)
- Corporations Placing Talent Closer To Customers – Away From Central Office
- Telecommuting Rapidly Rising:
 - **46% Of Corporate Leaders Rank Telecommuting As Second Only To Compensation As The Best Way To Attract Talent**
- Using Informal Office Space
- Moving Satellite Offices Into Neighborhoods
- Shared Office Space / Co-working Space
- Price Waterhouse Coopers, CBRE: Unassigned Desks – Used By Reservation
- Dell Computer: 50% Of Employees Will Telecommute By 2020

Trends

Regional Housing Market

- Recovery: Rising Median Prices – Shorter Days On Market – High Sales Volume
- Cash Sales High of 60% Currently 53%
- Distressed Property Transactions Decline
- Absorption: 5.7 Month Single Family Homes - 8.4 Month Supply Of Condominiums
- Homeownership And Rental Increasingly Unaffordable
- Wages Have Not Kept Pace With Price And Rent Increases
- Large Move To Rental: Percent Of Population Renting - 38% To 44% Of From 2000 To 2013



Sources: Marcus & Milchap, CoStar Group, Real Capital Analytics, Miami Association of Realtors

Trends

Impacting Younger Wage Earners

Table 3.7: Owner Affordability Levels for Household Income Categories

Income Range % of Median HH Income	Annual Household Income	Monthly Household Income	Affordable Single Family/ Condo Home Price	Median Selling SF Price	SF Affordability Gap/Surplus	Median Selling Condo Price	Condo Affordability Gap/Surplus
Very Low Income: <50%	\$25,802	\$2,150	\$64,505		(\$216,995)		(\$62,495)
Low Income: <80%	\$41,282	\$3,440	\$103,205		(\$178,295)		(\$23,795)
Moderate Income: <100%	\$51,603	\$4,300	\$129,008	\$281,500	(\$152,493)	\$127,000	\$2,008
Workforce Income: <120%	\$61,924	\$5,160	\$154,810		(\$126,690)		\$27,810
Middle Income: <150%	\$77,405	\$6,450	\$193,513		(\$87,988)		\$66,513

Source: Greater Fort Lauderdale Realtors, Q3 2014; US Census, 2012 ACS.

Trends

Large Shift In Housing Preference – Both Millenials And 55+ Age Groups:

- Moving From Ownership To Rental
- Downsizing
- Location: Less Drive Time To Work, Shopping, Conveniences, Recreation & Entertainment
- Millenials First Generation Ever To Drive Less Miles Than Their Parents
- Housing Less Than 1/2 Mile To Mass Transit, Mix Of Alternative Transportation Modes
- Outdoor Amenities: Garden Plots, Walking/Jogging Trails, Parks, Outdoor Pools

Trends

Infrastructure:

Bandwidth is as Important as Lane Width

- High Speed Internet New Competitive Infrastructure
- Google, Private Parties Rushing Into Market

Best Practices

CRA's: Best Redevelopment Vehicle In The US

- Steady, Predictable Funding
- Funds Dedicated To Small Area
- Great Flexibility – To Adapt To Market And Local Conditions
- Can Be Extremely Effective

Best Practices

CRA's Work Best When They Are:

- Tightly Focused On Economic & Community Development
- Have Focused And Narrow Band Of Programs & Projects
- Have Flexibility To Manage And Implement The Action Plan
- Have Strong Accountability, Reporting And Oversight

Best Practices

CRA's Work Worst When They Are:

- Try To Provide Too Many Extraneous Services – Not Staffed
- Try To Replace City Government Functions
- Unfocused Action Agenda
- Have Little Managerial Room To Operate

Best Practices

Leverage Funding

- Fed, State Local
- Tax Credits – Underutilized In Florida
- Fha, Fhwa, Fdot
- Public-private Partnerships – Underutilized In Florida

Best Practices

Infrastructure Investments: Build It And They Come?

- Infrastructure Alone Rarely Jumpstarts Investment
- Works When Paired With Other RE Investment
- Requires Complete Investment Packages

Best Practices

Small Is Beautiful: Part 5

- The Hunt For The Great White Buffalo – Even More Challenging
- Singles & Doubles Drive Private Investment
- Large Projects Invite Large Risks

Best Practices

Targeted, Strategic, And Comprehensive Investments

- Geographic Targeting – Avoid Shotgun Approach
- Stick To A Disciplined Minimum Investment Size
- Use Developers As A Guide

Best Practices

Allow Flexibility Of Uses With Subsidy Funds

- Let Users/Awardees Determine The Best Use Of Funds
- Leverage Other Grants
- Leverage Debt
- Loan Guarantee
- Equity
- Interest-rate Write-down

Best Practices

Small Business Development Strategies

- Creating New Employment & Business Formation Opportunities
Most Important Element Of CRA Structural Change
- Most Often Missing Component Of CRA Action Agenda
- Mentorship - Physical & Virtual Accelerators And Incubators
Increasing
- Emphasis on Growing Local Business
 - Attraction & Relocation Only Works Over Short Distances

Best Practices

Partner For Success

- Business Mentoring
- Accelerators & Incubators
- Local Banks: Preferred Loans – Community Reinvestment Act Points
- SBA
- Area Universities: Key Economic Development Building Block – Engine Of High Wage, High Skill Job Growth

Best Practices

Communication & Contact

- Constituent Contact — Knowledge Of Programs, Projects, Services
- Investor Information
- Why Invest Here? Clear Statement Of Strengths & Opportunities

Opportunity Assessment

The Market is Moving in Hallandale's Favor

- Smaller Scale Projects are the New Normal

Local Market Size

- \$10 B In Gross HH Income Within 15 Minute Radius

The Crossroads Of New Demand

- Proximity To City Centers
- Proximity To Major Regional Assets
- Capturing Demand From North And South
- Overheating of Miami RE Markets: Wynwood, Design District

Opportunity Assessment

Transportation – Regional Problem or, Hallandale’s Opportunity?

With Rising Road Congestion:

- Increasing Premium on Convenience
- Travel Time an Increasing Cost and Competitive Issue
- Cross Border Location Becomes Highly Valuable
- An Ideal Mixed Use And TOD Location
- Future Passenger Rail Train Station – High Value

Opportunity Assessment

An Ideal Small Business Development Location?

- Hallandale is Amenity Rich
- *Workshifting* Means Businesses Are Seeking Interesting, Convenient Communities for their Workplace Locations

Hallandales's Small Business Dynamic

- 1,247 Total Establishments
- 1,221 Employ Less Than 50 (97%)
- 2,422 Self Employed (15% Employed Labor Force)
- Harnessing Local Entrepreneurial Dynamic
- Blended Strategy: Growth From Within, As Well As Business Attraction

Opportunity Assessment

Take The Long View: Hallandale's CRA Funding

- May Be Largest Per Capita In The State
- One Of Largest On Gross Basis In The State

Over The Next 12 Years (Using Current Budget Allocation):

- No ROI = \$149M Total Investment
- Low Performance:
 - 50% Match of Capital Funds
 - 1X Private Investment Multiplier
 - = \$252M In Total Investment
- Reasonable Performance:
 - 3X Match of Capital Funds
 - 4X Private Investment Multiplier
 - = \$552M In Total Investment