

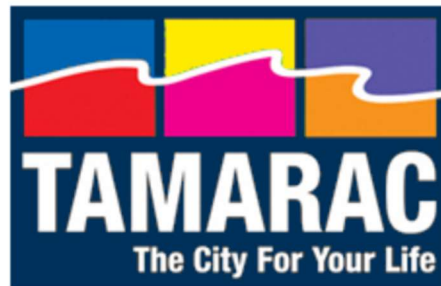


**Urban Land  
Institute**

**Southeast Florida/  
Caribbean**

## 2019 Leadership Institute Project

### City of Tamarac



May 16, 2019

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## 1. Overview

### ULI Project Overview

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### Description:

Covering 12 square miles, Tamarac is a city of changing demographics in western Broward County with 63,000 residents and approx. 2,000 businesses. The City has a long-standing issue with underutilized shopping plazas, which has gotten progressively worse in the past ten years. Some plazas, including new construction, have vacancy rates as high as 100%. The newly adopted City Comprehensive Plan's Economic Development element specifically targets five (5) key obsolete and/or blighted retail centers with vacancy rates as high as 85% in at least one dominant location. However, the plan falls short of providing possible solutions on how to address the issue, collectively or at each individual site. Covering 12 square miles, The City of Tamarac is a place of changing demographics.

### Project Questions:

What strategies should the City employ to attract capital to these sites to create / ensure thriving uses and meet local demand, retail or otherwise?

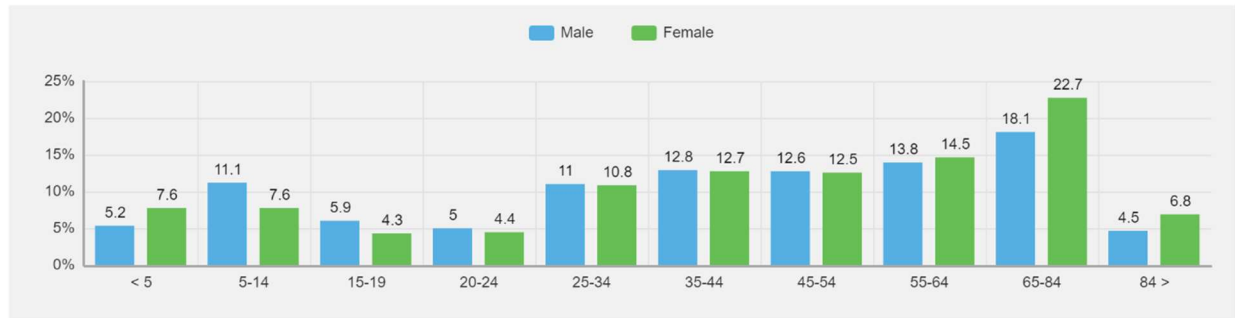
1. What additional uses might be more appropriate for the sites? What mix of sustainable retail might fit best for Tamarac, in these changing times of market conditions and evolving local demographics?
2. The Tamarac land development code has recently been updated and revised. What additional changes to the code might be needed to spur investment?
3. What proven strategies and incentives could be offered by the City to encourage investment?



## **Background**

Founded in 1963 by Kenneth Behring, the City of Tamarac was designed specifically to catering to retirees living in West Broward. Throughout the years there has been steady increase in population. Looking towards the future, Tamarac is currently focused on catering to the changing demographics within their residents. In doing so, Tamarac is accommodating the shift away from a maturing retirement community towards a vibrant community filled with culture, charm, and a strong workforce that attracts more businesses. Ultimately, the city wants to be a destination where their residents can work, live and play.

## **Tamarac Age Breakdown**



With an unemployment rate of 3.4% and a crime rate that decreased by 17.8% from last year, Tamarac is proactively working to develop the necessary framework that will carry the city into the next century.

Tamarac's Economic Development Strategic Plan (EDSP) has outlined the cities goals, strategies, and guidelines for transforming the cities current conditions into the next phase of its transformation. Several steps have already been taken from city leaders the city to achieve these goals.

## **Steps already taken**

With a commitment to enhance the appeal of Tamarac to the younger demographic as well as the larger business community, the city has already taken some necessary steps to help cultivate and enhance their economy towards the future.

Table 1: City of Tamarac Retail Revitalization Focus Areas, FY2018-FY2022

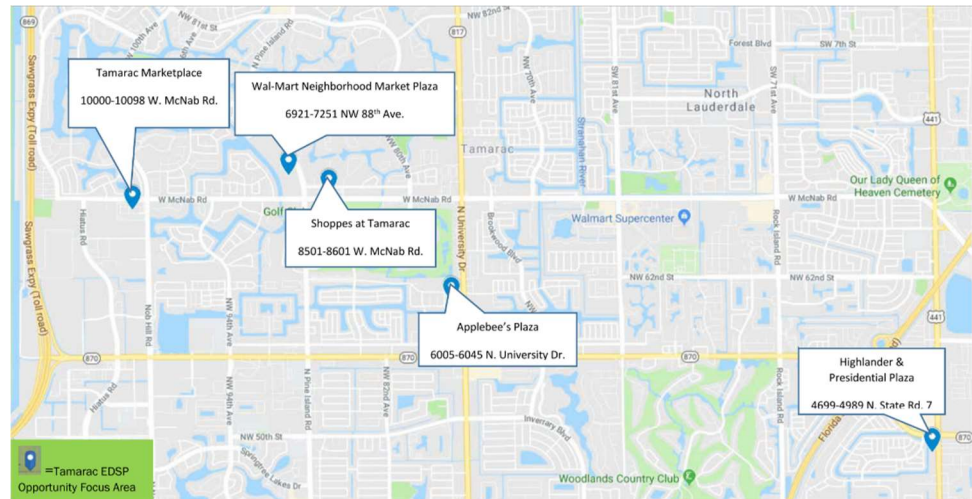
Focus Area #	Property Name	Address	Parcel Size (Acres)	Condition	Vacancy <sup>1</sup>
1	Wal-Mart Neighborhood Market Plaza	6921-7251 NW 88th Avenue	15.59	FAIR	50%
2	Shoppes at Tamarac	8501-8601 W McNab Road	3.5	POOR	95%
3	Highlander & Presidential Plaza	4699-4989 N. State Road 7	3.37	POOR	50%
4	Tamarac Marketplace	10000-10098 W McNab Road	14.9	FAIR	30%
5	Applebee's Plaza	6005-6045 N University Drive	1.5	GOOD	85%

<sup>1</sup>Willdan estimate based on primary site visit data, March 2018.

Source: City of Tamarac; Willdan, 2018

The EDSP has identified several underperforming retail centers throughout the city. These retail centers are suitable targets for repositioning or redevelopment in order to assist the city in creating a higher quality living and working environment for its residents.

Tamarac's EDSP, has already started to create more development friendly policies for developers and investor. These policies have created several development opportunities with the city limits.



Tamarac Village, a mix-use development located in Down Town Tamarac that will include 401 rental apartments, dining, parks, and shops. Other Tamarac developments projects in include Manor Park & Hidden Trails. Manor Park includes 900 new SFH's while Woodmont Site has 152 new homes.

These development projects are helping to rebrand Tamarac images into a more modern community.

## 2. Broad Strategies

**Conduct an economic development study for the City of Tamarac** – The general information presented on the City of Tamarac's website is basic information indicating a foundation for a broader economic development study of the entire City. The City should consider investing in a study illustrating two types of analysis

- Comparative analysis to other Cities in and out of Florida
- Sector Analysis on industries that cluster in Tamarac to help target end users

These two analyses will provide a report of critical data. In addition, the City of Tamarac can match these studies with the guidance of an advisory group made up of local business leaders. This can include:



- Tamarac North Lauderdale Chamber of Commerce
- Greater Fort Lauderdale Alliance Broward County
- Broward County Office of Economic and Small Business Development
- City of Tamarac Economic Development Manager

This advisory group would combine the data report of Tamarac with interviews conducted with a series of business owners and managers to gather a full perspective of what the City of Tamarac needs to grow and retain jobs. There are bright spots in the economic data of the City including affordable housing for workers (about \$50,000 lower than the national average) and lower poverty rate than the national average at 11.1%. Lastly, over 7,000+ business are located in the City of Tamarac. Top industries include Health Care, Retail Trade and Wholesale Trade industries.

This information will also provide long term guidance to Tamarac Site 1 and 2. Understanding the economic needs surrounding topics like talent attraction, business climate & marketing, infrastructure, quality of life and innovation / entrepreneurship will allow the City of Tamarac to identify the right strategies for Site 1, Site 2, and the City overall.

### **Majority of Job Growth comes from existing industries**

The International Economic Development Council has concluded that approximately 70% of all business comes from repeat clients in the community. The economic development dollars spent on existing businesses have a better rate of return.

A robust business retention and expansion program will fit well in the City of Tamarac. Working with existing businesses to develop ways to grow inside the City will help with redevelopment efforts. Several employers exist in the City that may be able to provide continued job growth with assistance and support from the City of Tamarac. These employers include:

- Blue Aerospace LLC
- MSK Precision Products
- Larson Cando Inc
- Iq Formulations
- Unipharma
- 3d Cart
- Integral Logistics
- Interplex



These businesses are clustered in the business park located in the southwest corner of the City and adjacent to Site #1. A detailed understanding of this business park cluster will help guide the planning of the Site #1 potentially adding to the business park cluster and possibly allowing existing industries in the business park to grow.

### **Create better connectivity and livability for residents – Consider a public space analysis that can help identify ways the City can improve public realm**

Quality of Life is becoming more important for employers needing to add and retain talented employees. At a recent site selectors meeting in Palm Beach County, site selectors stated that the CEO's they work for indicate that quality of life is a 50% factor in the decision to locate or grow in a community.

The City of Tamarac is designed as a suburban community dominated by single occupant vehicle trips. Roads are wide, creating barriers between residential areas, employment centers and basic daily needs. However, the City has quality parks and opportunities for a better connected City.

Site #1 and Site #2 have the potential to add to the quality of life of the City of Tamarac. The City of Tamarac should explore how they can make the City a place built for people. This can be done through a public space analysis that explores the design and public use of parks, roads and open spaces that residents use on a daily basis.

Having the analysis of the open spaces can illustrate needed improvements that help residents and visitors linger or spend time near and around local businesses. A public space analysis will also identify opportunities for better connections between places and residential area in ways that do not require a single occupant vehicle.

Adding small public amenities over time will add to the City of Tamarac's quality of life adding to the livability of a community that is in high demand from residents, employers and retailers. These include things such as:

- Bike Paths and Bike Share
- Improvement of Bus Service along McNab Rd
- Complete Streets Designs
- Additional Shade Trees
- Safe, comfortable connections to favorite places
- Enhanced connectivity to the Everglades Wildlife Management Area
- Trolley Routes to desired locations

### **Initiate the State's authorization of Tax Exemption for Economic Development purposes**

The State of Florida has enabling legislation allows for local jurisdictions to exempt property taxes for the purposes of creating 10 or more jobs. However, in order for the City Council to exempt taxes for the purposes of economic development, the enabling legislation requires the voters of Tamarac to authorize the City Council to do so.

State Statute 196.1995 allows for a municipality to call a referendum within its jurisdiction to ask voters if they may grant economic development ad valorem tax exemption. This can be up to 100% of the property tax bill and for up to 10 years.

Once approved by the voters the City can then market the program to both expand local businesses and attract new employers. Both Site #1 and Site #2 are candidate locations where the property tax exemption can help reinvent the properties while growing jobs.



The City of Tamarac should consider calling a referendum at its next regularly scheduled election. The referendum can be called by a decision of the City Council. The state enabling legislation requires the use of the following language for the referendum:

- *Shall the board of county commissioners of this county (or the governing authority of this municipality, or both) be authorized to grant, pursuant to s. 3, Art. VII of the State Constitution, property tax exemptions to new businesses and expansions of existing businesses that are expected to create new, full-time jobs in the county (or municipality, or both)?*
  - *Yes—For authority to grant exemptions.*
  - *No—Against authority to grant exemptions.*

**Partner with local universities, potentially creating a satellite location to bring talent to the industrial area. An R&D facility could be installed that includes connection and inclusion with Everglades partnership with local Universities.**

The City of Tamarac has the strength of affordable housing in the region. Matched with great employers the ability to grow local talent is an opportunity for the City. Local universities and colleges are an excellent source of creativity and innovation. The possibility of a university or college branch, satellite or partnership can add tremendous value to a location and business community.

With the presence of engineering and pharmaceutical companies in the City, an educational institution that specializes in engineering and chemistry should be explored. Partnered with the local businesses these universities and colleges will begin to generate the talent needed to grow and expand businesses.

Site #1 provides the best opportunity for a potential location being on the edge of the clustered business park. In addition, Site #1 is also the closest redevelopment site to the Everglades. The City can explore turning this site into a research and development site that specializes in environmental science. The Everglades Wildlife Management Area is a protected marshland that can be used as a natural laboratory.

**Opportunity Zones**

In 2017 the Tax Cuts and Jobs act was passed by congress creating capital gains based tax incentives through Qualified Opportunity Zones and Opportunity Funds. Investing in opportunity zones allows investors to reduce their capital gains and tax burden. Capital gains can even be eliminated entirely through this program.

Over 8,000 opportunity zones were created around the United States. The locations of the opportunity zones range from rural to dense urban environments. Depending on the desire of investors this provides a broad range of choices for people looking to invest in their capital gains. Opportunity funds are investment vehicles that intend to invest at least 90% of their holdings into partnership interests, businesses, or property within a qualified opportunity zone.

**Opportunity Zone Requirements**

**Eligibility for Deferral and Reduction:** At the outset, for a taxpayer to be eligible for any OZ Program tax benefits, the following requirements must be met:

1. The taxpayer must be an individual or entity that typically recognizes capital gain for federal income tax purposes

2. The taxpayer must have sold or exchanged taxpayer property in a transaction that would cause the taxpayer to recognize a capital gain before 2027 (the “Sale/Exchange”)
3. The Sale/Exchange must be with an unrelated person
4. The taxpayer must be allowed to and actually elect OZ Program treatment of the Sale/Exchange
5. The gains from the Sale/Exchange (the “Sale/Exchange Gains”) must be reinvested within 180 days of the Sale/Exchange; and
6. The Sale/Exchange Gains must be invested in a “qualified opportunity fund” (“QOF”).

#### Opportunity Zone Details

If the investment is held for at least 5 years they can reduce their deferred capital gains by 10% through a step up in basis. If this investment is held for an additional 2 years this will reduce the deferred capital gain by another 5%. This allows for an investment that is held for 7 years to reduce its tax liability on deferred capital gains by a total of 15%. If an investment is held for a total of 10 years owners can pay no capital gains.

On December 19, 2018, Florida’s Department of Economic Opportunity held a conference on Opportunity Zones. Topics included locations, information resources, types of investors, financial mechanics of the zones, tax benefits and local initiatives.

For the purposes of this report, local initiatives should be the focus of the City of Tamarac. However, if the direction from City Council is to take full advantage of the Opportunity Zone designation at Site #2, City Staff will need to take an in depth analysis of the opportunity zone workings and may want to consider hiring a consultant for assistance.

#### Local Initiatives for Opportunity Zones

- Prioritize local leadership
  - Make the opportunity zone a development priority for the City by dedicating staff time, resources and development strategy above other areas.
- Identify private sector partners
  - Utilizing opportunity zones will take several people to be successful. The City can assist by identifying key players and acting as a catalyst for development by getting private sector participants involved.
  - Consider organizing an investment conference
- Make the Zone as developer friendly as possible
  - This includes actions such as a streamlined of separate development process
  - Loosen regulatory requirements for the area
- Evaluate underutilized parcels that may benefit from Opportunity Zone funding
  - The City of Tamarac needs a ranking for opportunity zone parcels that clearly defines why a project will benefit from funding
  - City staff should be able to provide advice and technical analysis for parcels in the opportunity zones
- Awareness
  - Marketing about the larger area and focusing down to the local parcels will bring the private sectors attention to the area
  - Share what the regional assets and opportunities are for the parcel
  - Outline the benefits of the parcel or project while also being clear about the challenges for redevelopment
- Additional considerations
  - Have existing plans and information ready

- Most attractive sites have shovel ready projects
- Combine other tools or efforts to increase investment attraction
  - Tax increment financing
  - Cash incentives
  - Additional regulatory relief

#### Additional Opportunity Zone Resources:

- Florida Department of Economic Opportunity: <http://www.floridajobs.org/business-growth-and-partnerships/for-businesses-and-entrepreneurs/business-resource/opportunity-zones>
- Economic Innovation Group: <https://eig.org/opportunityzones>
- National Development Council: <https://ndconline.org/2018/01/24/unpacking-the-investment-in-opportunity-act-with-special-guest-shay-hawkins-tax-staffer-senator-tim-scott/>
- Opportunity Zone Eligibility Tool: <https://www.enterprisecommunity.org/opportunity360/opportunity-zone-eligibility-tool>
- Department of Treasury Opportunity Zone Resources: <https://www.cdfifund.gov/Pages/Opportunity-Zones.aspx>

#### **B. Ten Principles for Rebuilding Neighborhood Retail**

To achieve long-term sustainability, plans for rebuilding neighborhood shopping streets must recognize these changes and embrace solutions that are realistically market based. It is not enough to base them solely on enlightened public policy goals or the community's wish list, no matter how well intentioned. Attempts to recreate past glories rarely succeed because neighborhoods change dramatically over time.

1. Great streets need great Champions! In most cases the champion is one person or a group of people. This group has to be willing to overcome obstacles to achieve their goal and have to be committed long term to the project. Champions are essential because normally these projects are fighting for allocation of a limited pool of resources. The champion should pull together a core group of involved stakeholders to form a public/private partnership to guide the rebuilding effort. Champions must be able to withstand election cycles. The redevelopment of retail will take multiple election cycles and often will outlast political careers. If politicians are involved in the project they should be a champion for the long haul, not just when they are in office.
2. It takes a vision! Make sure to provide goods and services specifically tailored to the needs of each neighborhood in an environment that is convenient, service-oriented, pedestrian-scaled, and connected to the neighborhood's residents. The vision must be rooted in market realities!!! Too often communities follow the loudest voices and pursue plans that cannot be sustained economically which leads to disappointment and failure. To avoid this tough questions must be asked upfront. Realistic short, medium, and long range goals also need to be made. Strive to be what you really can be! Most streets cannot successfully become a suburban mall! Each street needs to be tailored to reflect the community, people, lifestyle, and aspirations of the neighborhood. The first task in a public/private partnership is to buy in to a shared vision. Owners, residents, churches, colleges, and hospitals must share the vision because they have the most at stake. Do not allow one group to hijack the rebuilding process!!! Get each stakeholder an assigned roll and hopefully get them monetarily involved to create sustained buy in. Eliminate or

neutralize potential negative influences. Give the area an identity! Adapt the retail to the surrounding neighborhood! Nearby competition dramatically effects the market for your retail. Hire someone to coordinate management and recruitment of retail tenants from day one. Retail tenants will vote with their feet and help show if the idea is feasible or not.

3. Think Residential! Where residential growth and revitalization occurs retail follows. Retail will not be attracted to a neighborhood until they see the strength of the residential first. The typical pattern is home-grown, startup business, and creative enterprises moving first, the mass-market national stores, then specialized higher-end retailers come in later. Retail continues to evolve as the neighborhood evolves on this scale. Increased ownership stabilizes neighborhood. Encourage mixed use development to create demand 24/7, office demand during the day and residential demand at night. Do not fixate on national retailers to be successful. Successful streets often have a blend of baked goods, foods, coffee, wine, pharmacies, art shops, antique stores, hardware stores, and service providers. Encourage mixed income housing to provide a workforce for retailers.
4. Neighborhood retail that has blank sidewalk facing walls, disruptive parking lots, throw away architectural quality, lack of pedestrian amenities, and inappropriate design and scale makes centers unfriendly to shoppers. Shoppers choose pedestrian friendly environments when given the choice. Pedestrian friendly amenities need to be added for successful shopping streets. Wide streets do not aid in the success of retail. Improve the pedestrian experience by adding landscaped medians to tie together pedestrian walkways and streets. One way streets should be made two way at all opportunities. On street parking protects pedestrians from speeding traffic. It also allows pedestrians to park in front of shops creating a stronger connection. Concentrate pedestrian amenities in areas where the greatest retail density occurs. Blocks that are too long are not conducive to a good retail experience. Pedestrians do not like to walk more than 3 or 4 blocks for retail. Sidewalks should be wide enough to accommodate outdoor dining and provide enough room for an unimpeded pedestrian flow. Tables should be permitted at the curb line to allow shoppers to stroll next to store front. Tree canopies should be provided to provide shade from day one. Flowers and shrubs should also be added along with tree boxes, light standards, and parking lots. Buildings should look as though they belong in the neighborhood! They should be in the same scale!! Retail is most successful on the single story. Standard retail bays are 30 feet wide and 60 to 90 feet deep in the US. Sidewalks should be 10 to 12 ft deep to comfortably accommodate outdoor dining and pedestrian flow. Signage that is mounted flush is desirable since it doesn't intrude into the pedestrian zone. Landscaping shouldn't block retail sightlines. Lighting should be bright enough to ensure security, but not create the sodium vapor effect.
5. Parking is power. Parking is arguably the most important requirement for successful retail due to customers expectations to find parking as is found in suburban retail locations. The strain of parking requirements is lessened in environments with shuttle, bicycle, or transit areas. Parking requirements can increase or decrease with time depending on the growth or decline of the neighborhood. On street parking is critical for coffee shops, dry cleaners, and specialty food stores. Metered parking should be designed to encourage people to use it. Do not be unreasonable with these expectations. Parking should not dominate the landscape, be further than a block from storefronts, or disjoint retail into sections. Parking should have clear signage, lighting to ensure safety, and provide comfort at night. Parking must be seen as non threatening, visible, and easily accessible. Shared parking should be utilized to eliminate unused parking. Don't forget parking for bikes!

6. **Merchandise and Lease Proactively!** It is very difficult to create an ideal tenant mix with multiple landowners. How do you incentivize land owners to lease to concepts that fit within the context of the street? This requires a comprehensive and coordinated merchandising plan. Establish a quasi-public retail leasing and management agency to plan and coordinate the street's leasing strategy, actively recruit tenants, and direct them to appropriate landlords. The tighter the control of this agency the quicker you can create your environment. Hire a leasing and management professional to manage this process. You need someone who can dynamically sell the vision, understand the leasing, and the shopping center management, and the potential for public/private partnerships. Develop a comprehensive leasing plan to build on strengths and competitive advantages. Tailor the strategy to the community and its regional retail hierarchy. Understand the characteristics of your market and location. Know customer and competition. Know surrounding streets and tenants to guide tenant recruitment. Market space realistically. Some cookie cutter retail is necessary to attract more unique concepts. Initiate program in a small area with greatest potential. Financial assistance may be desirable for façade improvement. This includes building improvements to achieve code compliance, new signage, and the like. Streetscapes should also be managed by this manager if there is no business improvement district.
7. **Make it Happen!** Use tax increment financing and business improvement districts to help improve business and physical environments. It takes an aggressive commitment from the public and private sectors to make these changes happen. "Demolition by neglect" this can be added to zoning and land development codes to deter landowners from letting their properties deteriorate. Don't be afraid to use eminent domain on abandoned or neglected properties. Give property owner ability to correct problem before taking these measures. Try "friendly eminent domain" for cooperating property owners. They may be willing to get deteriorated properties off of their hands. This can be effective to assemble the right number of properties necessary for a large scale development. Make targeted requests for proposals or requests for qualifications to solicit interest in redeveloping key properties.
8. **Be Clean, Safe, and Friendly.** All three characteristics are necessary to implement change. This needs to be managed by a BID, a group of business leaders, retailers, or city government representatives. The government can also stringently enforce building, health, and safety codes to maintain the street's quality. Don't stymie legitimate undercapitalized efforts. Keep a connection with retailers to make sure you understand problems before they happen. Enact extra levies and assessments on property owners who neglect their property. Provide security along the street. Added police patrols or benign security can help with this. Security devices should be eliminated or altered so that they are see through when attached to storefronts.
9. **Extend Day into Night.** The density and mix of uses creates the urban feel of a street. Use office functions as a demand anchor for retail during the day. Doctors and Lawyers are very desirable tenants due to the steady stream of customers that they bring. Civic, cultural and entertainment anchors attract a high number of visitors and create the possibility for trip chaining and multiple purchases along the street. Civic uses are encouraged, they create a steady stream of customers. Educational facilities such as university satellite campuses should also be encouraged because they bring, teachers, students, and educational workers to a neighborhood and fill off peak parking.

10. Manage for Change. If you are not prepared to support the ever changing dynamic of retail and the neighborhood it exists in perpetuity this process should not be undertaken. One-shot projects will fail, a formula will fail, operating on autopilot will fail, locking a street into an unchanging reality will also fail. Keep close tabs on the markets that you serve, and lease proactively to match the changing demands of these markets. Streets need to be willing to cull “deadwood” retailers when their leases expire in order to cultivate change and keep current with trends. An ongoing central point of reference and clearinghouse for information should be operated to serve existing and potential customers, tenants, and investors. Representatives of the business community and citizen leaders should develop and nurture long term relationships with the public sector in order to get an appropriate share of funding. Public officials should likewise reach out to business and citizen leaders. Strong two way relationships will help achieve goals from both sides.

### 3. Market Overviews and Zoning Considerations:

When considering new developments in markets, an understanding of the current real estate environment and building trends will help to determine best uses for new projects and the market appetite for developments being proposed. We have studied multifamily and industrial trends for both the Fort Lauderdale/Broward County and Tamarac submarkets and have presented them below. We believe that the property types discussed below will be the first types of development that will occur within the City and are experiencing the largest supply increases within Broward County. Along with a general market update, we have considered current Tamarac zoning in comparison to building trends in the market to highlight any disconnects.

#### **Apartment Market Snapshot: Fort Lauderdale/Broward County – Overall Health**

##### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	38,771	8.8%	\$1,895	\$1,864	29	0	8,041
3 Star	39,455	5.3%	\$1,488	\$1,480	(2)	0	874
1 & 2 Star	37,985	4.5%	\$1,087	\$1,082	0	0	0
Market	116,211	6.2%	\$1,582	\$1,565	27	0	8,915

- Much of new additions to the market are located in the downtown core of Fort Lauderdale where rents are averaging ~\$2.50/SF for new product
- 29 projects were under construction as of 2Q2019 totaling 9,095 units; average project size of 314 units
- New units brought online in 2018 averaged about 23 move- ins per month during lease-up.
  - Some of the strongest demand has been within suburban submarkets that haven't seen as much construction as in the urban core.
  - An example of strong leasing is the Atlantico at Palm Aire that delivered in May 2018 in Pompano Beach and stabilized in four months
- Rent growth is in line with the historical average. Most of this growth has been fueled by assets rated 3 Star and below, while the 4 & 5 Star assets continue to see a slowdown due to elevated construction.
- Many suburbs including Plantation/Sunrise and Pompano Beach/Deerfield Beach have been active investment hot spots.

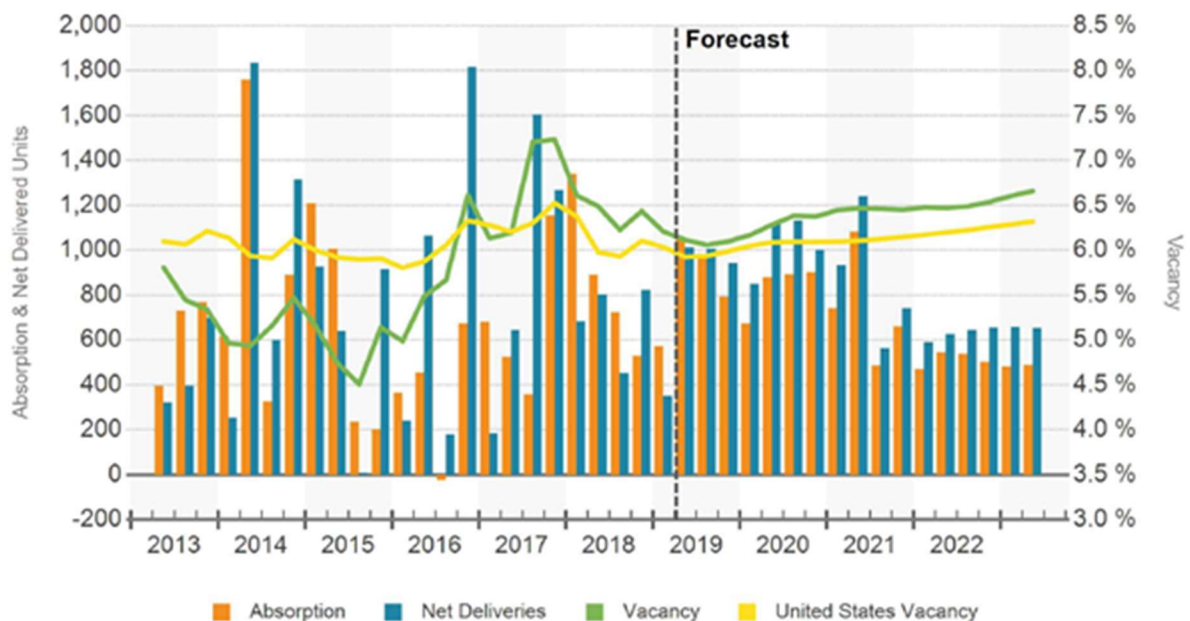
- In October 2018, the 404-unit Luzano Apartments sold for \$94.1 million, or about \$232,920/unit. This property was built in 2016 and traded at a 4.9% cap rate.
- In November 2018, the 250-unit Bell at Plantation sold for \$67.3 million, or about \$269,000/unit. This property was built in 2017 and had asking rents of \$1,900/month at the time of sale.

Peer Comparisons	Inventory				12 Month Deliveries				Under Construction			
Submarket	% of				% of				% of			
	Bldgs	Units	Market	Rank	Bldgs	Units	Deliveries	Rank	Bldgs	Units	Units	Rank
Central Fort Lauderdale	970	17,133	14.8%	2	3	1,117	47.6%	1	14	5,380	60.3%	1
<b>Coral Springs</b>	<b>220</b>	<b>19,919</b>	<b>17.2%</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>N/A</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>	<b>N/A</b>
Hollywood/Dania Beach	662	12,846	11.1%	6	2	534	22.8%	2	3	573	6.4%	5
Miramar/Hallandale Beach	255	4,427	3.8%	9	-1	0	0.0%	N/A	0	0	0.0%	N/A
Oakland Park/Lauderhill	631	13,696	11.8%	4	0	0	0.0%	N/A	0	0	0.0%	N/A
Pembroke Pines/West Miramar	28	10,621	9.2%	7	1	380	16.2%	3	1	397	4.5%	6
Plantation/Sunrise	161	16,935	14.6%	3	0	0	0.0%	N/A	3	1,188	13.3%	2
Pompano Beach/Deerfield	399	13,215	11.4%	5	2	315	13.4%	4	4	795	8.9%	3
Weston/Davie	78	7,195	6.2%	8	0	0	0.0%	N/A	3	582	6.5%	4

Peer Comparisons	Asking Rents				Vacancy			12 Month Absorption		
Submarket	% Yr				%			% of		
	Per Unit	Per SF	Rank	Growth	Units	Vacant	Rank	Units	Inventory	Rank
Central Fort Lauderdale	\$ 1,925	\$2.11	1	0.3%	1,998	11.7%	9	708	4.1%	1
<b>Coral Springs</b>	<b>\$ 1,577</b>	<b>\$1.49</b>	<b>7</b>	<b>3.1%</b>	<b>1,146</b>	<b>5.8%</b>	<b>6</b>	<b>-18</b>	<b>-0.1%</b>	<b>9</b>
Hollywood/Dania Beach	\$ 1,342	\$1.57	4	1.7%	662	5.2%	5	420	3.3%	3
Miramar/Hallandale Beach	\$ 1,370	\$1.55	5	2.5%	225	5.1%	4	214	4.8%	6
Oakland Park/Lauderhill	\$ 1,264	\$1.44	9	3.4%	550	4.0%	1	266	1.9%	5
Pembroke Pines/West Miramar	\$ 1,846	\$1.69	3	2.6%	696	6.6%	7	447	4.2%	2
Plantation/Sunrise	\$ 1,588	\$1.52	6	0.8%	855	5.0%	3	190	1.1%	7
Pompano Beach/Deerfield	\$ 1,377	\$1.45	8	3.2%	562	4.3%	2	369	2.8%	4
Weston/Davie	\$ 1,784	\$1.73	2	3.6%	486	6.8%	8	56	0.8%	8



## ABSORPTION, NET DELIVERIES & VACANCY



### Coral Springs Submarket:

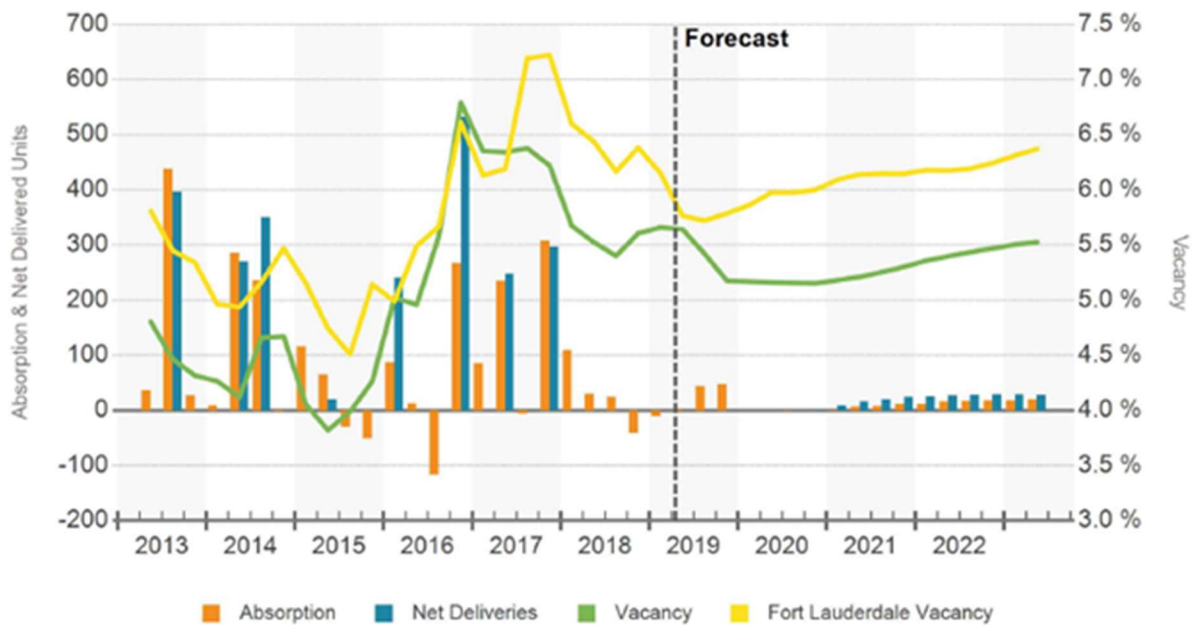
#### KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	6,282	6.6%	\$1,687	\$1,670	3	0	0
3 Star	11,296	5.5%	\$1,566	\$1,555	(1)	0	0
1 & 2 Star	2,341	4.8%	\$1,194	\$1,188	0	0	0
<b>Submarket</b>	<b>19,919</b>	<b>5.8%</b>	<b>\$1,577</b>	<b>\$1,565</b>	<b>2</b>	<b>0</b>	<b>0</b>

- The City of Tamarac falls under the Coral Springs submarket grouping per CoStar
- Coral Springs is the largest submarket by inventory but ranks in the bottom third of submarkets by asking rent. Vacancy of 5.8% is in line with the Broward Market.
  - There has been a notable lack of new product in the market, which could account for the lower rental rates as newer product commands higher rents than existing projects. The majority of apartment stock in the area is considered 3 Star (Class B).
- Demographic distributions have not changed much over the past few years, making it safe to assume that Coral Springs' traditionally family-dominated dynamic has stayed intact through the submarket's growth.
  - Compared with other western Broward suburbs, the population of Coral Springs is more budget conscious than the nearby Weston and Pembroke Pines submarkets.
  - Also, if residents are employed in the Sawgrass Corporate Parkway, they can live more affordably in Coral Springs or Tamarac and still commute to work in less than 25 minutes via the Sawgrass Expressway.
- The submarket has seen a slow-down in new development from prior years that has led the submarket's vacancy rate to drop to 5.8% as of 2Q2019
- Rent growth has tapered off but is still in line with the historical average

- Asking rents in the submarket are moderate compared to other submarkets due to the amount of inventory coupled with the high share of 3 star product.

#### ABSORPTION, NET DELIVERIES & VACANCY



Year	Units	Growth	% Growth	Absorption	Vacancy	Market Rent	PSF	% Growth	Effective Rent	PSF
YTD	2,235	0	0	5	4.10%	\$1,405	\$1.53	3.70%	\$1,390	\$1.51
2018	2,235	0	0	17	4.40%	\$1,355	\$1.47	3.50%	\$1,341	\$1.46
2017	2,235	0	0	-29	5.10%	\$1,310	\$1.42	2.70%	\$1,287	\$1.40
2016	2,235	0	0	-16	3.80%	\$1,276	\$1.38	5.60%	\$1,254	\$1.36
2015	2,235	0	0	71	3.10%	\$1,207	\$1.31	6.90%	\$1,206	\$1.31
2014	2,215	20	0.90%	-36	5.30%	\$1,130	\$1.23	4.40%	\$1,121	\$1.22
2013	2,215	0	0	9	3.70%	\$1,082	\$1.18	2.90%	\$1,076	\$1.17
2012	2,215	0	0	35	4.10%	\$1,052	\$1.15	2.80%	\$1,039	\$1.13
2011	2,215	0	0	0	5.70%	\$1,023	\$1.12	0.60%	\$1,017	\$1.11
2010	2,215	0	0	22	5.70%	\$1,017	\$1.11	1.30%	\$1,010	\$1.10

#### Tamarac Apartment Market

- We also looked at Tamarac specifically; Overall, very healthy market with 4.1% vacancy and has remained a tight market over the past 9-years
- There has been only 20 units of new construction since 2010
  - Opportunity for Tamarac to attract new development to improve offered quality in market to attract additional residents to market
  - In the past three years (2016-2018), Coral Springs submarket saw 1,316 new units delivered (none in Tamarac), Plantation/Sunrise submarket had 667 new units delivered, and Oakland Park/Lauderhill had 598 units delivered
  - The low vacancies indicate that there is strong demand in the market for rental properties

- Six projects in the market meets the typical institutional investor profile that looks for projects that have minimum unit counts of 200+ units
  - Hidden Harbour Apartments is considered the top-quality asset in the submarket post 2007 renovations. Below is the current unit mix and effective rental rates per unit.
  - Renovated projects tend to see a \$100-\$250/unit increase in base rents post-renovation depending on the amount of renovation required.
  - New product could expect to see even higher rental rate premiums depending on the quality of finish and amenities at the property.
  - When working with developers on new multifamily projects within the city, it is helpful for project approvers to understand how proposed rental rates will compare to existing product in market as well as the competitive set that may be located in neighboring markets.

Hidden Harbour Apartments					
Unit Type	Avg SF	Count	Avg. Effective		
			Rent	PSF	
1x1	692	96	\$ 1,249	\$1.80	
1x1	770	73	\$ 1,343	\$1.74	
1x1	904	93	\$ 1,465	\$1.62	
2x1	933	53	\$ 1,585	\$1.70	
2x2	1,129	53	\$ 1,685	\$1.49	
<b>Averages/Total</b>	<b>859</b>	<b>368</b>	<b>\$ 1,433</b>	<b>\$1.67</b>	
1x1	789	262	\$ 1,352	\$1.71	
2x1,2	1,031	106	\$ 1,635	\$1.59	

Team 1 believes that bringing additional housing stock to the market via multifamily development will be an attractive redevelopment strategy of some of the failing retail centers and underutilized land in the City. Increasing housing supply and subsequently population in Tamarac will bring more consumer demand to the area. This additional population can have spillover effects for the remaining retail centers in the area as tenant health and quality may improve. The zoning code has a high emphasis on mixed-use zoning that will require residential projects to be mixed with another use (typically retail). We have considered the different avenues mixed-use development can take and which type we believe will be most successful in Tamarac.

### **Mixed Use: what type of mixed-use development should the City seek out?**

When considering the type of mixed use projects allowable under the MU-N, MU-C and MU-G zoning codes it is important to understand the different approaches mixed-used development can take on: vertical mixed use, horizontal mixed use, mixed-use neighborhoods. The new zoning districts are very heavy on mixed-use zoning; therefore an understanding of the types of developments most likely to succeed in the City is important.

- Vertical Mixed Use: combines multiple uses within the same structure with the uses stacked on one another
  - Typically located in dense urban areas or areas near an abundance of public transportation options
- Horizontal mixed use: combines single-use buildings on distinct parcels in a range of land uses within one block.
  - In more urban areas, this approach avoids the financing and coding complexities of vertical layered uses while achieving the goal of place-making that is made possible by bringing together complementary uses in one place.

- In less urban areas, horizontal mixed-use offers the advantage of sharing utilities and amenities while providing an easier to build and entitle mix of uses within a walkable block circumscribed by thoroughfares
  - Tamarac Village on Commercial Boulevard is employing this type of development
- **Mixed-use neighborhoods:** combines vertical and horizontal use mixing in an area ideally within a 5 to 10 minute walking distance or quarter mile radius of a neighborhood center.

Horizontal mixed use will likely be the first phase of mixed use development that will occur in the area as developers could tear down vacant retail while keeping or expanding on retail positioned closer to the main thoroughfare. This type of redevelopment increases density that will lead to greater retail demand. We believe that focusing on this type of mixed-use will generate the most interest in the market as opposed to requiring two plus uses within the same structure.

- Additional projects to consider with horizontal mixed-use development:
  - Boynton Beach's Renaissance Commons – Retail and office uses have frontage on N Congress Ave with apartment projects located behind the retail/office provides a live-work-play neighborhood
  - Rilea Group's Vista Verde at Sunrise – Developer to demolish half of the Pine Plaza Shopping Center to build a 288-unit apartment development. Existing retail to remain will be the AMC Sunrise 8 Movie Theater and Pediatric Associates. Additional outparcels front the main thoroughfares near the project
  - Altman at Miramar Parkway and Red Road – Developer to build a two-phase apartment project that will total ~600 new units situated behind 50,000 SF of retail and commercial space.

Vertical mixed use is a more complicated development type and appeals to a narrower set of developers as most are pure-play developers focusing only on one project class. Further, ground-floor retail with residential/office above ground typically suffers from higher vacancies, even in denser areas, if established pedestrian foot traffic is not already in place or in the process of being built out via new office or residential development. Vertical mixed-use development should be limited to areas where sufficient density and is not reliant on a single-source demand driver.

- **Key Consideration 1:** Areas with MU-N zoning that seeks “street-level uses that generate pedestrian activity and upper-story residential and office uses” will face the most developer push-back. To incentivize developers to build this type of product, the City should consider offering tenant improvement grants for tenants willing to locate in such buildings. Sufficient parking on site will need to be available for patrons utilizing vehicles to ensure there are multiple avenues to drive demand for the tenant.
- **Key Consideration 2:** Additional consideration should be given to limiting the amount of MU-N designations within the city or expanding the definition of projects that meet the zoning classification. MU-N would be best suited if located next to MU-G or MU-C zoning areas as the increased density of those areas will improve demand for this type of development.

## Industrial Market Overview

### Fort Lauderdale Metro:

#### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	98,998,148	4.0%	\$12.01	7.6%	(35,787)	0	2,160,930
Specialized Industrial	14,085,256	2.6%	\$13.20	6.3%	198,723	0	0
Flex	19,201,079	3.7%	\$15.33	6.0%	56,028	0	0
<b>Market</b>	<b>132,284,483</b>	<b>3.8%</b>	<b>\$12.61</b>	<b>7.2%</b>	<b>218,964</b>	<b>0</b>	<b>2,160,930</b>

- Fort Lauderdale has benefited from strong household formation and population growth, which has boded well for the industrial market. Close to 2 million SF hit the market in 2018, making it the biggest year for development in 10 years. However, strong demand has kept vacancies well-below historical lows. Rent growth has picked up recently and is the strongest in South Florida.
- Fort Lauderdale continues to play an important role in regional logistics. The presence of Port Everglades and its proximity to the Fort Lauderdale–Hollywood International Airport as well as its convenient rail access makes Fort Lauderdale an attractive and flexible metro for logistics operations.
- The majority of large leases have been signed for assets in the Southwest Broward and Pompano Beach submarkets.
- Construction has started to pick up in Fort Lauderdale, with close to 2,200,000 SF currently underway. Given that about 65% of the space is still available for lease, vacancies could rise in the near-term.
- Southwest Broward is one of the most active submarkets, probably because developers priced out of Miami-Dade have started looking northward for better opportunities and more available space
- Coral Springs, one of the metro's smallest submarkets, is seeing a surge in development and saw inventory growth of over 5% in 2018 alone.
  - Close to 625,000 SF across three buildings delivered within Exeter Property Group's Coral Spring Commerce Center.
    - Unzer Tile moved into Building C, a 215,486-SF warehouse, at the time of delivery in 3Q18.
    - The other two buildings were available for lease at the beginning of 2019.

Peer Comparisons	Inventory				12 Month Deliveries				Under Construction			
	% of				% of				% of			
Submarket	Bldgs	SF (000)	Market	Rank	Bldgs	SF (000)	Deliveries	Rank	Bldgs	SF (000)	Units	Rank
Central Broward	1611	20,676	15.6%	3	2	276	14.4%	3	2	77	3.6%	4
Coral Springs	240	7,412	5.6%	7	3	432	22.5%	2	1	16	0.7%	7
Northeast Broward	519	13,211	10.0%	5	2	275	14.3%	4	1	24	1.1%	6
Outlying Broward	3	42	0.0%	8	0	0	0.0%		0	0	0.0%	
Pompano Beach	1370	31,031	23.5%	1	2	179	9.3%	5	8	849	39.3%	1
Southeast Broward	1912	30,740	23.2%	2	0	0	0.0%		5	606	28.1%	2
Southwest Broward	401	18,886	14.3%	4	6	745	38.8%	1	6	542	25.1%	3
<b>West Sunrise</b>	<b>226</b>	<b>10,286</b>	<b>7.8%</b>	<b>6</b>	<b>1</b>	<b>15</b>	<b>0.8%</b>	<b>6</b>	<b>1</b>	<b>46</b>	<b>2.1%</b>	<b>5</b>



Peer Comparisons	Asking Rents			Vacancy			12 Month Absorption		
Submarket	Per SF	Rank	% Yr Growth	SF (000)	% Vacant	Rank	SF (000)	% of Inventory	Rank
Central Broward	\$12.46	5	6.2%	562	2.7%	4	242	1.2%	2
Coral Springs	\$12.94	4	6.3%	656	8.9%	7	118	1.6%	5
Northeast Broward	\$11.98	7	6.2%	353	2.7%	3	151	1.1%	4
Outlying Broward	\$18.85	1	6.1%	8	19.0%	8	-8	-19.5%	7
Pompano Beach	\$11.67	8	6.2%	694	2.2%	1	109	0.4%	6
Southeast Broward	\$13.89	2	6.3%	1,057	3.4%	5	-532	-1.7%	8
Southwest Broward	\$12.34	6	5.5%	1,469	7.8%	6	957	5.1%	1
<b>West Sunrise</b>	<b>\$12.94</b>	<b>3</b>	<b>6.5%</b>	<b>272</b>	<b>2.6%</b>	<b>2</b>	<b>213</b>	<b>2.1%</b>	<b>3</b>

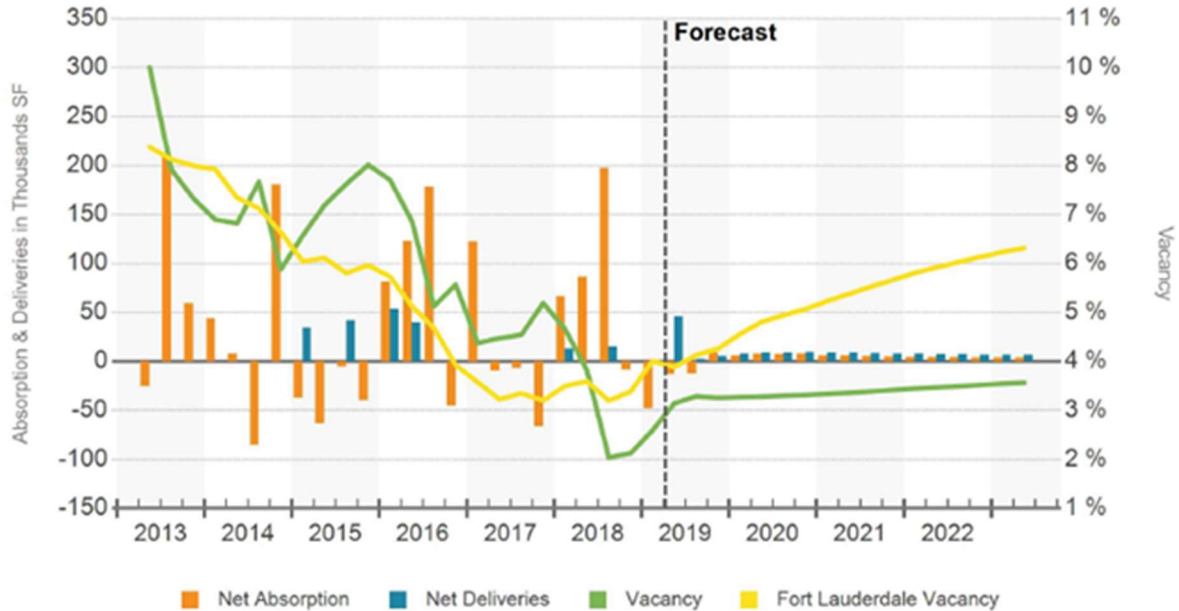
## West Sunrise Submarket

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	7,020,328	2.2%	\$12.00	6.2%	(5,662)	0	45,600
Specialized Industrial	423,063	3.5%	\$11.19	3.5%	0	0	0
Flex	2,842,467	3.5%	\$15.54	4.1%	600	0	0
<b>Submarket</b>	<b>10,285,858</b>	<b>2.6%</b>	<b>\$12.94</b>	<b>5.5%</b>	<b>(5,262)</b>	<b>0</b>	<b>45,600</b>

- Tamarac is located in the West Sunrise submarket per CoStar. The West Sunrise submarket is one of the smaller submarkets in the Fort Lauderdale metro, with about 10 million SF of inventory.
  - The main industrial hub in the submarket is located near the western edge, off of Commercial Boulevard. Inventory split between Sunrise and Tamarac
  - There is also a significant hub near the interchange of I-75 and I-595.
- Construction has been very limited over the past 5-years:
  - 1 project totaling 15,000 was delivered in past 4 quarters
  - 1 project is under construction totaling 45,600 SF (4850 NW 103<sup>rd</sup> Ave)
- Low vacancies and strong demand over the past 4-years has led to increased rental rates in the market. The low vacancy rate indicates that additional industrial development could be supported in the market

## NET ABSORPTION, NET DELIVERIES & VACANCY



## Tamarac Industrial Market

Year	Bldgs	SF	% Vacant	Net Absorption SF	Deliveries Bldgs	Deliveries SF	Under Constr. Bldgs	Under Constr. SF	NNN Rent
YTD	40	2,323,548	0.4%	(8,800)	0	0	0	0	\$8.30
2018	40	2,323,548	0.0%	12,109	0	0	0	0	\$10.31
2017	40	2,323,548	0.5%	132,466	0	0	0	0	\$9.42
2016	40	2,323,548	6.2%	59,690	1	103,515	0	0	\$8.51
2015	39	2,220,033	4.5%	(14,370)	1	41,580	1	103,515	\$7.59
2014	38	2,178,453	2.1%	108,317	0	0	1	103,515	\$6.70
2013	38	2,178,453	7.0%	137,935	0	0	0	0	\$6.43
2012	38	2,178,453	13.4%	(8,406)	0	0	0	0	\$5.95
2011	38	2,178,453	13.0%	(111,946)	0	0	0	0	\$6.56
2010	38	2,178,453	7.8%	27,795	0	0	0	0	\$7.32

- With 40 buildings and 2.3 million SF, Tamarac represents 22% of the overall Coral Springs submarket inventory and 1.7% of Broward's industrial supply.
- The industrial market within the Tamarac city limits is performing at almost complete occupancy at 0.4%
- This is below the West Sunrise submarket vacancy of 2.6% and overall Broward County vacancy of 3.8%.
- New product has been extremely limited with the larger project completing in 2016
- New inventory has been proposed by Butters Development, who is under review with the City for two new buildings on W. McNab road totaling approx. 176,292 SF and 174,420 SF, respectively



- Vacant land for additional industrial development will be hard to come by on a go-forward basis that will limit the ability for the industrial market to expand
- Majority of buildings in the submarket were developed between 1970-1980's with smaller footprints and lower clear heights (20' and below)

#### **Industrial Developments: what to consider:**

- Business Park between McNab Rd and Commercial Road: This area is a large industrial/business area within the community that could benefit from branding that would drive awareness of the park area within the City and larger county
  - The park benefits from quick access to the Sawgrass expressway via Hiatus Rd and Commercial Blvd. that appeals to warehouse distribution firms as well as easy access for employees commuting to the area for work
    - Industrial users look for product in areas with convenient access to the major North/South thoroughfares within the Tri-County region.
    - Further, businesses will consider locating in areas with affordable housing stock as that increases ability to attract and retain talent.
- Zoning under the Land Development code sets maximum clear heights at 50' for Business Park (BP) but 30' for Light Industrial and Industrial (I-1 and I-2). New institutional-quality distribution centers are currently being developed at 32' clear heights. Going forward, some developers are considering building 36' clear heights as fork-lift technology has improved so that pallet storage is increased
  - **Key Consideration:** Further revise the zoning criteria for development of industrial to allow for development of 36' clear heights for industrial uses. This will make development in the area more attractive and in-line with current development trends and zoning of other Broward County cities.

#### **4. Methods to Drive Awareness and Development**

##### **a. Engagement with Development Community**

- i. Hold event/outreach with developers in South Florida region in the area to teach about efforts Tamarac has made in their new City Comprehensive Plan's Economic Development, the fast tracking of developments, new online permits and simultaneous review process
  1. Case Study: City previously did a Bus Tour in Tamarac. On the bus tour, a property was pointed out to a developer that the City was wishing would be redeveloped. This led the developer to make contact with the current owner and in turn, property and adjacent property under contract to be sold and redeveloped with 212-apartment units.
  2. Future Effort - 1: partner with leading CRE organizations in South Florida (Bisnow/ULI/South Florida Business Journal) to highlight new developments in area once completed (JKM new 'Town Center', Edens apartment project, Butter's industrial buildings, key employers in market). Event could have both Mayor/City Officials/Developer(s) on panel to talk about the transformations occurring in Tamarac to bring additional awareness
  3. Future Effort - 2: Press release / Interview with real estate journalist to discuss changes made with in the City. Make public the desire to see redevelopment of struggling retail centers. Continue to raise the profile of the City with the broader market.
- ii. Connecting with current property owners can be challenging

1. Mailing of letters and calls from government can be seen as an omen of bad news. Foster a relationship with owners that is not solely based on code violations, tax assessment increases, etc.
2. Utilize relationships with other developers/owners/brokers in the City to make first introductions to property owners hard to reach.
3. Utilize SunBiz.Org (<https://dos.myflorida.com/sunbiz/>) for additional information on ownership structure that will often times provides additional contacts and addresses
4. Call leasing agents or property managers assigned to the site(s). They often have direct contact with decision makers at the property

**b. Approval Process Considerations**

- i. Lien forgiveness for existing shopping centers/buildings out of code that are going to be torn-down or reimaged to spur development
  1. IE: Shopping center owner out of code, can't attract tenants, would redevelop/sell but has \$30,000 in code violations that not sure how to handle.
  2. Other municipalities will forgive these fines.
- ii. Current design code is code should be reviewed and refined for each project type to streamline site plan approvals.
  1. Provides better guidance for developers and also leaves less interpretation for political offices/elected officials to nit-pick
- iii. Streamline approval process for new projects:
  1. Set timelines for review and comments that are maintained (30-45 day review periods)
  2. Purchase contracts for developments will typically have a 180-210 day due diligence period. City should be mindful of time constraints when reviewing projects
- iv. Limit the number of times comments can be made to site plans
- v. Make sure third party consultants remains in line with vision that City has for developments and limits personal opinions if within design code
- vi. Consider if certain structures should be subject to all design elements based on current design for similar projects in other municipalities.
- vii. Have open dialogue with developers on initial concerns/questions about projects prior to it being brought to the public. Control meetings with public to limit the amount of negative push-back for projects that the City supports
- viii. Additional education for staff to learn about development so that they can understand costs/ issues associated with certain requests (roadway improvements, fees for tree cutting, sewer pipe placement). These requests can often delay negotiations and/or break the deal if too expensive.
  1. Be upfront and clear about these requirements early in the process
  2. Review how permit fees compare to other municipalities
  3. Differentiate between 'must haves' and 'nice to haves' to make sure development is feasible and city infrastructure can be supported
  4. Off-site enhancements/improvements to City infrastructure by developers should be commensurate with development scale / traffic implications.

## 5. Site Analysis

### a. **Tamarac Site #1 - Tamarac Marketplace (10010-10098 W McNab Rd)**



#### **Overview:**

- Neighborhood Center
- Built 1980
- 104,870 SF on 15.95 acres
- 7.31/1000 Parking Ratio
- 9.3% Vacant; 37.8% available per CoStar
- Key Tenants:
  - CVS outparcel
  - Tamarac Cinema 5
  - Excelsior Charter School
  - American Eagle Academy
  - Everest Charter School

**Key Issues:** Dated appearance, lack of anchor driving demand, over-parked, high concentration of alternative retail uses (charter schools), tenants struggling due to lack of consumer demand

#### **SWOT Analysis**

##### **Strengths**

- Large rectangular site (15 acres) that can accommodate multiple uses across multifamily, retail and/or industrial
- Corner site on W. McNab and Nob Hill Road provides good visibility and multiple ingress/egress points



- Single owner drives decision making
- Current zoning as MU- C allows for current owner/future investor latitude to improve site with various uses
- Quick access to Sawgrass Expressway
- Location near existing business district

### **Weaknesses**

- Currently improved as retail center with contractual lease obligations to multiple tenants with different lease terms
- Rental rates attained at site does not justify large capital expenditures
- Tenants are struggling due to lack of foot traffic at center

### **Opportunities**

- Current ownership is open to partnerships to redevelop center
- Lease agreements allows ownership to move tenants within the center that can free up space to be upgraded or demolished for a new use
- Site well positioned to be redeveloped into new use
- New industrial and multifamily developments in the immediate vicinity will drive additional demand

### **Threats**

- Potential that this project's timeline outlasts the project champions
- Economic recovery has extended more than 10-years. Common belief is that a recession occurs approximately every 10-years. Current cycle may end reducing demand for new development

### **Tamarac Marketplace Enhancement Strategy**

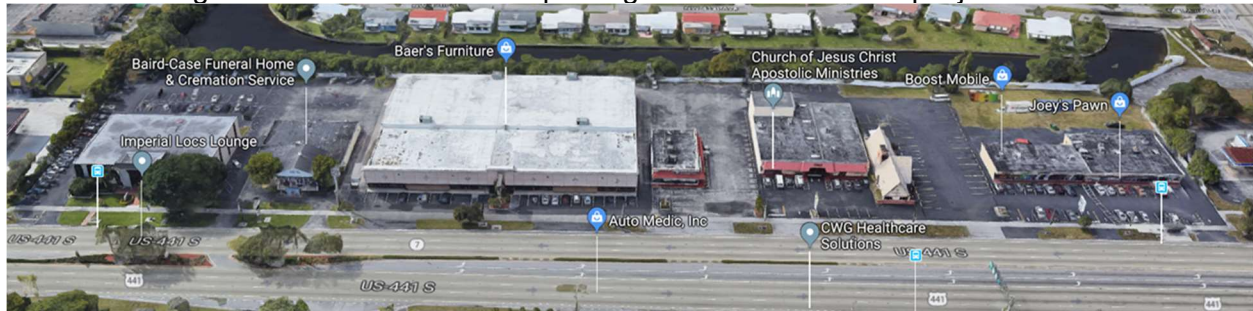
- Contact with current owner
  - ULI team introduced property owner to City of Tamarac. City has since had first meeting with property owner and outlined a future vision for the project as either light industrial or residential.
- Determine if a redevelopment could qualify for any economic incentives (impact fee deferral, employer tax benefits, etc)
- Should the property owner move forward with an industrial use, property could be utilized as the entrance to the commerce park that creates a placemaking effect and branding opportunity for the city to drive recognition for the area
- An industrial user can include existing businesses in the area looking to expand or as an additional recruitment site to attract additional industrial users that compliment the current cluster in Tamarac

## **b. Tamarac Site #2 - Tamarac Highlander and Presidential Plaza (4699-4989 N State Road 7 / US-441)**

### **Overview:**

- Built 1960-1970
- 147,095 SF on 3.37 acres
- 0% Vacant
- Various ownership and uses (owner-occupied and multi-tenant)

**Key Issues:** Underutilized land, aged appearance, on the edge of Tamarac city boundary so efforts to change the broader area will require agreement across multiple jurisdictions



## **SWOT Analysis Tamarac Highlander and Presidential Plaza**

### **Strengths**

- Site is laid out well for multifamily development.
- High traffic count on North State Road 7
- High concentration of attractive goods and services in close proximity to site.
- Located in opportunity zone.

### **Weaknesses**

- Multiple parcels without unified ownership:
  - Baers Furniture Co Inc Ft Laud 494113010041 (68,742 SqFt)
  - Emmanuel Apostolic Ministries Inc 494113010046 (24,997 SqFt)
  - In Touch Ministries Church of God Inc 494113010042 (24,997 SqFt)
  - Eglise Chretienne Des Ambassadeurs de Jesus Christ Inc 494113010047 (28,359 SqFt)
  - Carriage Florida Holdings Inc 494113010044 (31,064 SqFt)
  - Batmasian, James H 494113190010 (37,803 SqFt)
  - Domin, William C & Debra Domin, Mitchell E & Domin, Ronald 494113010043 (46,620 SqFt)
- Multiple owners with different investment strategies.
- Large number of tenants with different lease terms.
- Zoning NC (Neighborhood Commercial) does not support other uses besides additional retail development/

### **Opportunities**

- Potential for the city to landbank this site.
- Potential to offer a developer incentives in the form of delayed or eliminated real estate taxes during the process of assembling this property.
- Potential for future public private partnership for site development.



- Potential to purchase fragments of the site and develop without assembling the entire site.
- Opportunity to work with property owners to make property more attractive while a strategy is implemented.

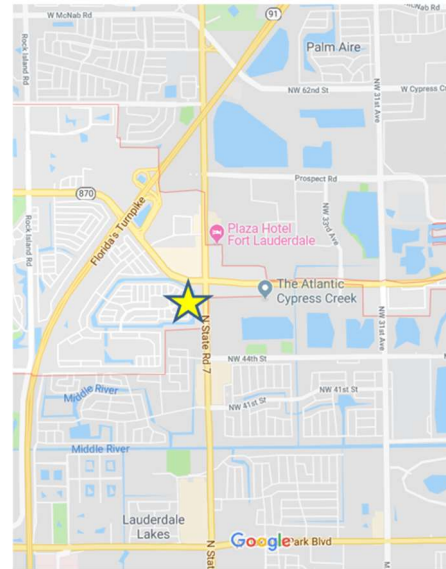
### Threats

- Potential site contamination due to sites proximity to Mobil Gas Station.
- Potential that this project's timeline outlasts the project champions.

### Recommendations

The city must reach out to each property owner's individually and hold an informal discussion with each owner to better understand their plans for their property. This conversation will serve to set a baseline scenario to better understand what can potentially be done with these properties. Once the city has a better understanding of the intent of each property owner it can better assess whether it is worth the city's time and resources to engage in further discussions to help assist in developing these properties.

In the case of Highlander and Presidential Plaza the most likely scenario will be that each property owner has a very different vision for what they would like to see done with their property. This is likely the case due to the fact that each property is operated by owners that typically take different approaches to investment and have different interests in their particular location. For instance It is unlikely that Baer's Furniture and Emmanuel Apostolic Ministries will share a similar view point in their expectations for the retail plaza that they are located in. The same could be said for Baer's Furniture and the property that is owned by the Domin family. The main point is national corporations, religious institutions, and private investors seldom view their investments with the same perspective.



In order for these different owners to come to the conclusion that it makes sense for them to sell their property there would have to be an incentive for this to happen. This property is currently zoned NC (neighborhood commercial). Given the current zoning this property is not well suited to support anything other than its current use. NC is defined below as described by the Consolidated Draft of Tamarac's Land Development Code.

“NC: Neighborhood Commercial -This district is intended to provide primarily small-scale retail and personal service and low intensity office and institutional uses to meet the neighborhood shopping and service needs of surrounding residential areas. Limited residential uses are permitted. “

One way to make this site more attractive for developers would be to zone this collection of properties MU-C (Mixed-Use Corridor). MU-C is defined below.

“MU-C: Mixed-Use Corridor - This district is intended to encourage the development of mixed-use activity centers along the City's primary transportation corridors and gateways. The district is distinguished from the MU-N district by its location, and should adjoin at least one arterial roadway. The district accommodates a mix of retail, office, and service, institutional,

cultural/public, and entertainment developments that meet local and regional needs and are sensitively designed to reflect a positive image of the City. The district also accommodates higher-density residential and live/work uses. District regulations encourage pedestrian-scale retail development and provide opportunities for residents to walk to meet some of their daily service, entertainment, and open space needs.”

This upgrade in zoning would make sense given the fact that this property fits the description of an MU-C zoned property based on the definition from the Consolidated Draft of Tamarac’s Land Development Code. This change in zoning is also supported by the fact that the Mobil gas station that is adjacent to this shopping center is already zoned MU-C. This upgrade would just be a continuation of a trend that has already been established on this corner by Mobil.

This property is well suited for multifamily development. It has the depth to build a geometrically efficient building and to provide enough room for surface parking. This will allow potential developers to build 3 to 4 story apartment buildings without having to incur the added cost of structured parking. This property also offers very strong curb appeal through its location on North State Road 7. Furthermore, it is surrounded by quality retail and service providers. This property is within walking distance of Wells Fargo, Bank of America, Marshalls, CVS, Publix, Krispy Kreme, Subway, Walgreens, Duncan Donuts, Shell, and Mobil. If a developer were able to assemble all of these properties, given current guidance from the Consolidated Draft of Tamarac’s Land Development Code, they would be able to develop approximately 210 units of garden style apartments given the upgrade in zoning to MU-C. To provide further incentive the city could also offer increased density in exchange for off site improvements in the area, for a commitment to public art, upgrading sidewalks, or committing to providing public spaces.

If this potential redevelopment is what the city would like to see replace the current mix of retail uses in the Highlander and Presidential Plaza the aforementioned strategy is a path toward creating a more attractive investment opportunity for potential developers. While interviewing property owners in this plaza it would be prudent to discuss the potential of upgrading the zoning of the plaza. A change in zoning may provide the motivation to inspire the various ownership groups in this plaza to sell their properties. Any help that the city can provide in helping to assemble these properties will go a long way with potential developers. Given the current fragmentation of ownership throughout the plaza it would be very difficult to attract serious investors to develop the plaza. As the property stands today it would take too much time and effort to assemble the properties and would not offer sufficient reward to compensate a developer for their efforts.

#### Highlander and Presidential Plaza Enhancement Strategy

- Upgrade zoning from NC to MU-C
- Allow increase in density in exchange for improvements that benefit the public.
- Begin discussions with property owners
- Cost benefit analysis of committing to a project of this magnitude
- Define what the city would like to see in this plaza
- Make changes necessary to accomplish this vision
- Improve connections with the neighboring residential areas if retail is a priority for the City



## **Conclusion**

The City of Tamarac has taken productive first steps in transforming its place. Additional initiatives that have broader impacts to the City should be prioritized while identifying key transformative project commitments. These commitments need to be made for the long term and benchmarking with data. Commitments can be made at either site 1, site 2 or both. Compared to each other site 1 appears to have more opportunity and ability to make an impact on the City of Tamarac.

The ULI project team believes that an adopting many of the recommendations in this report, while maintaining a dynamic approach to redevelopment will result in job growth, business development, improved quality of life and additional tax revenue to the City. The City is bound by different circumstances, however working with the City Council to build in flexibility and predictability with redevelopment projects, especially those at site 1 and 2, will make it easier for and more attractive to the private sector.

By approaching redevelopment of these site as partnerships with the private sector, the City of Tamarac will set a positive standard for business moving forward.

On behalf of the ULI Leadership Institute, the Project 1 Team sincerely thanks the City Council, City staff, residents and businesses of Tamarac for this opportunity to provide recommendations.