

**MARKET DEMAND ANALYSIS
CITY OF FORT LAUDERDALE
COMMUNITY REDEVELOPMENT
AGENCY
NORTHWEST/PROGRESSO/FLAGLER
HEIGHTS AREA**

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**MARKET DEMAND ANALYSIS
CITY OF FORT LAUDERDALE
NORTHWEST/PROGRESSO/FLAGLER HEIGHTS AREA
COMMUNITY REDEVELOPMENT AGENCY**

EXECUTIVE SUMMARY

The Community Redevelopment Agency (CRA) has embarked on a program to develop an “Implementation Plan” to proactively encourage redevelopment opportunities in the Northwest/Progresso/Flagler Heights District. This process is designed to be more than a planning effort, but rather a true “blueprint” for the redevelopment of the area. This Market Demand Analysis is one part of the overall process. This analysis will provide the projection of the demand for the area based on expected and underserved market conditions.

Demand has been measured for residential, retail, office and hotel uses within the District. The estimates determined the number of units, sizing and price points. The underserved segment of the market analysis includes response to traditional demand data that uses specific tactical approaches to attract market opportunities to the area.

The research was conducted as a community-based process with input from all segments of the community including residents, business owners, developers and civic organizations. The input truly included a cross-section of the community and all points of view have been considered. The input came from Focus Groups, stakeholder interviews and Public Input meetings.

FINDINGS:

- The analysis considered two Market Areas as follows:
 - The boundaries of the Primary Market Area are defined as follows:
 - South – Broward Boulevard
 - East – Federal Highway/Railroad Tracks north of Sunrise
 - North – NW 19th Street/River
 - West – 27th Avenue
 - For the Secondary Market Area, the boundaries are defined as:
 - South – New River/ Davie Boulevard
 - East – NE 15th Avenue
 - North – Oakland Park Boulevard
 - West – State Road 7
- Demographic information includes:
 - Over 1/3 of the population is under 18 years of age
 - Nearly 11% of the population is 5 years old or younger
 - The median age is 27.65
 - Nearly ½ of the population did not finish High School
 - Not all households have a car
 - The housing stock is aging (nearly 40 years old)
 - Most employment is in service industries
 - Nearly 2/3 of housing units are multi-family
 - 83% of housing units are renter occupied

- Households below the Poverty Level equal over 41%
- After interviewing developers, property owners and agency staff, 43 projects have been considered for development in the area. These projects include over 7,000 residential units and 336,000 square feet of commercial development
- The “Underground Economy”, which is defined as all **commerce** on which applicable **taxes** are being **evaded**, is estimated at between 20% and 25% of the reported region’s activity. This may represent unrecognized purchasing power and trade area potential to support entrepreneurial activity by up to 25% greater than the recorded household income.
- Strengths of the area
 - CRA
 - Vacant/Available Land for Development
 - Proximity to Downtown
 - Centrally Located
 - New Residential Developments Planned
 - Proximity to Transportation Services
 - Parks and Community Centers
 - Enterprise Zone Area
 - New River Access
 - Sense of Community
 - History
 - Churches
 - Civic Organizations
 - HUB Zone
- Weaknesses of the area
 - Street Layout
 - Property Use and Maintenance
 - Condition of Existing Housing Stock
 - Vacant, Undeveloped Lots
 - Affordability of Housing and Land
 - Existing Workforce—lack of of-age workers, lack of skilled and educated laborers
 - Infrastructure Problems
 - Negative Perception of the Area
 - Lack of Comprehensive Design Controls
 - Socio-Economic Issues
 - Lack of Retail Mass
 - Lack of Marketed Image—Branding/Themes
 - Lack of “Destination” Uses
 - Incompatible Developments—industrial sites
- Housing Market Data
 - Housing Demand projections anticipated that 500 to 600 new, for-sale and rental units will be developed annually for the next ten years. This includes the development of lofts, townhomes, and condominium units.

- Price Points may range from \$360 per square foot in Flagler Heights to \$260 per square foot in the remainder of the District. Units are likely to average 1,200 square feet.
- The Rental Housing Market is very strong
 - Vacancy rate of 4.4%
 - Overall weighted Base Rental Rates is \$1,430 per month
 - Prices are expected to increase by 3% per year
- Commercial Market Data
 - Commercial Demand exceeds 475,000 square feet
 - Retail uses most in demand
 - Neighborhood Grocery Store
 - Drug Store (Walgreens, CVS, Eckerd)
 - Clothing Stores
 - General Merchandise Stores (Dollar General, Family Dollar, Big Lots)
 - Family Restaurants
 - Retail uses that are in oversupply
 - Convenience Stores
 - Liquor Stores
 - Gas Stations
- Other Demand Projections:
 - Office space could include up to 200,000 square feet, however, depending on the type of office tenants attracted to the area, this available space may compete with the Class A and B properties in the Central Business District
 - A Limited Service Business Class Hotel may be a good development opportunity based on the area's proximity to the employment, commercial and entertainment facilities in the Central Business District

SECTION 1 INTRODUCTION

PURPOSE

This analysis will focus on the market factors that impact the Northwest/Progresso/Flagler Heights CRA area of the City of Fort Lauderdale. This focus will measure the amount of residential and commercial activity that could be supported by the community. The “market driven” approach to community planning couples the needs of the residents with the ability to contribute to the financial success of the existing and proposed enterprises. This market analysis should form the basis for the overall Plan for the community.

METHODOLOGY

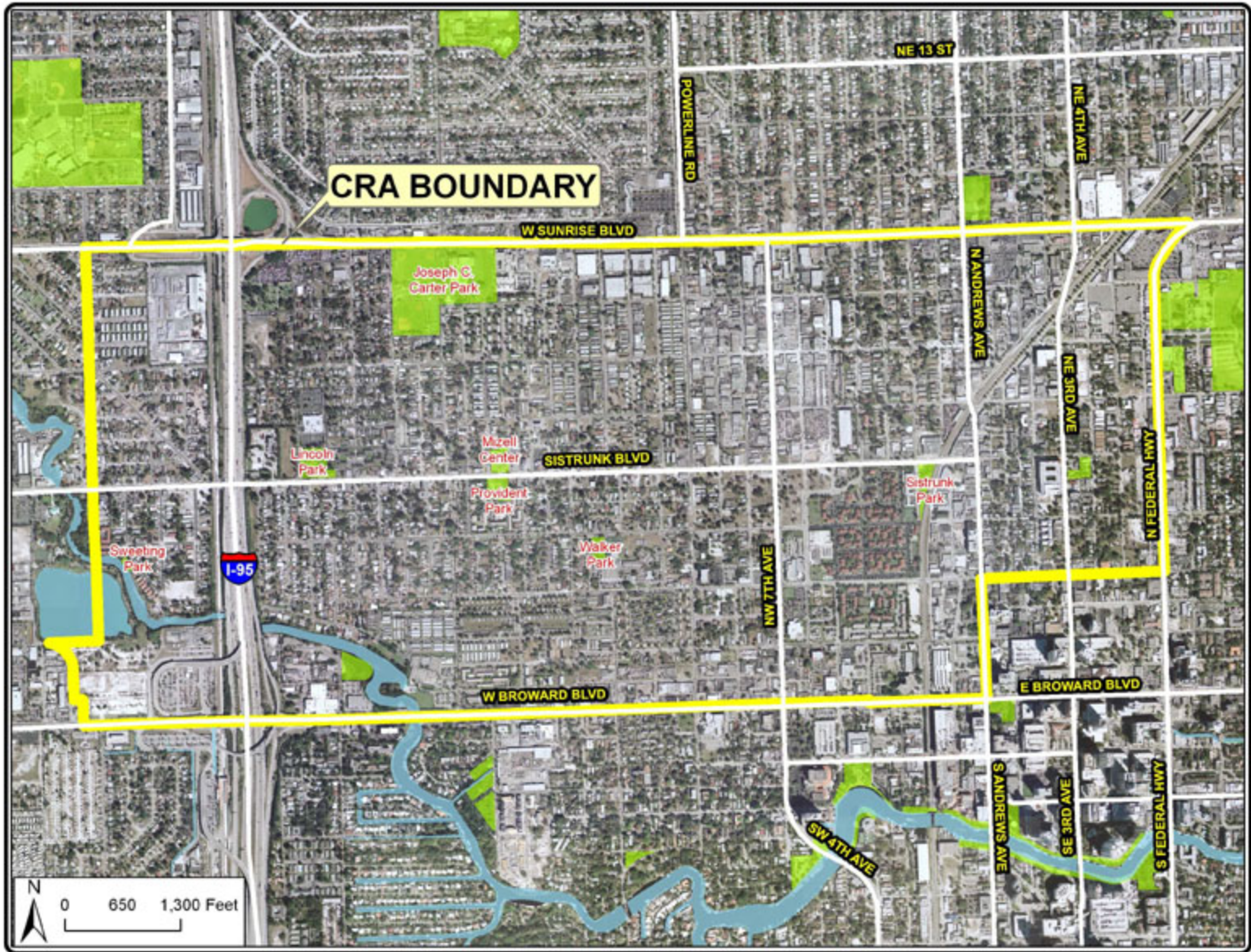
The research was concluded as a “asset based” market approach with input from the community including all stakeholders in the area. Focus groups were conducted with all facets of the community including:

- Mayor and City Commissioners
- Civic Groups
- Business Owners
- Faith based organizations
- City Staff
- County, FDOT, DDA and other governmental agencies
- Developers
- General Public

The purpose of the focus groups and stakeholder interviews was to identify the most significant issues that confront the community and determine the acceptable mechanisms for future development. These meetings also assisted in defining the market influences in the community.

The Demand Analysis for the study included the determination of the demand for residential and commercial uses in the area. Demand is established as a function of the ability of the community to buy or lease the proposed development components. Traditional market analysis techniques were used in this estimate of demand along with the impacts of a changing dynamic in the community due to an overall Redevelopment Strategy. Non-Traditional analysis includes assumptions based on a market and “hidden income” approach. As initiatives for development progress, the market interest in the community expands, creating demand. The proximity to the downtown area and its significant employment center also adds to the market potential.

The final output in the Market Demand Analysis is the determination of the amount of absorption that can be expected for the various products. This absorption will also discuss the timing of the demand and the potential price points for the new product.



COMMUNITY AND STAKEHOLDER INPUT

A series of Focus Groups and Public Meetings were held by the Project Team to solicit input from stakeholders in the area.

Throughout the day, various input meetings and stakeholder conversations were held with participants regarding this project. Those participants included; business owners, associations, neighborhood associations, Developers, the housing Authority, City and County Staff, church leaders and other interested and involved citizens.

Stakeholders were in agreement on many basic points, whether they represented themselves as developers, Church leaders or staff from the city and other agencies. Some of those strengths include:

- That the location of the Project Study Area is unique in many ways. It has strength from its location, to the historic background of the area, to the new development that is coming on-line.
- The importance of community and the people who live in that community.
- There are opportunities to capture the spending in the area, by building on the strength of the churches and their roots to the area.
- People of all ages live in the CRA Study Area.
- Development is already happening and will continue.
- History of the area and the role it played in the development of the City.
- Community is family-oriented

The challenges that are presented to the area are many. A few include:

- Many historical events are not acknowledged.
- Area has sub-standard housing and public amenities
- No programming in local parks
- The loitering of “day workers” gives area a negative image.
- Industrial uses next to residential uses are not attractive, have numerous violations and are not kept up
- Need to do something about crime.
- Monies not spent on needed improvements.
- Lack of neighborhood services

The vision for the future of the Area had many similar points made by all stakeholders.

- The area will become multi-cultural with a renewed sense of community.
- There will be less crime.
- More retail shopping on the Area.
- Creation of “parking nodes” along Sistrunk.
- More ownership of the residences.
- Investment in the needed infrastructure will take place.
- That the churches will continue as a large influence in the community.

- Community leadership will emerge.
- Use of Transit Oriented Development (TOD) design principles and concepts
- Use of community policing including; mounted patrols or use of bikes for daily contact with the neighborhood.

A community-wide public meeting was also held to gain input from a wider range of the population.

While a multitude of areas and subjects were discussed the main areas for detailed discussion were:

- Strengths of the area
- Weaknesses of the area
- Vision of the area in five or ten years

Strengths:

- The history of the area(s) of Progresso, Sistrunk, and African American Cultural Library
- The new families and homes being built in the area
- Location of the CRA area is great for accessibility to transportation
- Location to Downtown is opportune
- There is a sense of community. There are long time residents and area is multi-generational
- Flagler Village is a plus.
- River is a plus.
- There are three schools.
- Can walk to the Downtown core.

Weaknesses:

- Crime
- Low income housing is prevalent
- Need for better policing re: loitering
- Over supply of certain stores; liquor, convenience stores
- Mix of industrial and residential uses
- Social Service type providers are prevalent
- Bad image of area, Sistrunk and northwest neighborhoods
- Parking issues
- Lack of services that are needed in the neighborhood like pharmacies, restaurants.
- Not enough street lighting.
- Certain Hotels and their attitudes towards rental of rooms make the area appear to have low standards.
- Homeless people.

Vision in next 5 to 10 years:

- Area will become multi-cultural and be a mixed income area

- Sistrunk will once again become a place where you can shop and walk and take pride in.
- Better retail; Neighborhood retail
- Preserve historic heritage
- More home ownership and not renters.
- Improvement of the stock of affordable housing stock.
- There will be restaurants which will help drive the retail in the area.
- City sponsored parking facilities will be started.
- Should have a nice coffee shop
- Infrastructure will be completed
- Improvement of traffic flow.
- Architectural Guidelines will be in place.
- City owned lots will be “fenced-in” and dealt with.

SECTION 2 DATA COLLECTION

MARKET AREA

Market Data has not only been obtained for market forces within the CRA boundaries but for what are considered the primary and secondary market areas of the study area. It is safe to assume that the real Market Area for the community reaches beyond the legally defined CRA boundary. To better measure the economic impacts affecting the CRA Area, two Market Areas were defined. The Primary Market Area reflects those persons who provide the primary customers of the businesses that are located within the CRA boundaries. A Secondary Market Area has also been defined and represents those persons who also provide significant commerce to the businesses located within the CRA Area. The market study group also consists of those persons who traverse the area, either destined to another location, or for a specific purpose within the Study Area (to a restaurant or shop).

The Market Areas for this analysis were developed using a combination of techniques including “drive time” and existing competition. Drive time is defined as the amount of time required to drive to the selected location from any point in the prospective market. The concept is that people will typically drive for a defined time frame, unless there is a specific attractor that generates additional interest. Drive time extremes will usually be from 20 to 30 minutes, depending on the area.

The existing competition is important in that most people will not drive past a particular store to shop at one of similar quality. If a strong competitive retail area exists near the Study Area, this competition will truncate the drive time market area.

Due to the conditions in the vicinity of the Study Area, a polygon was selected that offered a 10 to 15 minute drive time that was adjusted to allow for the strong competition to the south and east of the Study Area. The results of this adjustment are found in the definition of the market areas found below.

Primary Market Area

The boundaries of the Primary Market Area are defined as follows: (see Exhibit 1)

South – Broward Boulevard
East – Federal Highway/Railroad Tracks north of Sunrise
North – NW 19th Street/River
West – 27th Avenue

The rationale for the boundaries of the Primary Market Area is to include those persons who would normally patronize businesses in the Study Area. The communities located to the north and west of the CRA Area are tied culturally and economically to the Sistrunk area and other locations. South of Broward Boulevard includes the downtown area with its own influences, businesses and markets. Although there would be some patronage of the CRA businesses from downtown, this number will not be significant on a daily basis. The neighborhoods east of

Federal Highway also have established commercial areas that are closer than those in the CRA Area.

Secondary Market Area

The Secondary Market Area, the boundaries are defined as: (see Exhibit 2)

South – New River/ Davie Boulevard

East – NE 15th Avenue

North – Oakland Park Boulevard

West – State Road 7

The boundaries were extended for the Secondary Market Area to reflect persons who would patronize the business in the Study Area, although on a less than regular basis. The boundaries were not extended south of the River due to the existing markets in the area and the impediment of the natural boundary. Any locations beyond the boundaries noted here were considered to be too far from the Study Area.

CURRENT CONDITIONS WITHIN CRA BOUNDARIES

DEMOGRAPHICS

The current demographics of the Study Area reveal that the population has some distinct characteristics that must be considered when discussing development.

Factors include:

- Over 1/3 of the population is under 18 years of age
- Nearly 11% of the population is 5 years old or younger
- The median age is 27.65
- Nearly ½ of the population did not finish High School
- Not all households have a car
- The housing stock is aging (nearly 40 years old)
- Most employment is in service industries
- Nearly 2/3 of housing units are multi-family
- 83% of housing units are renter occupied
- Households below the Poverty Level equal over 41%

The following are some of the demographics for the CRA area.

**TABLE 2-1
POPULATION CHARACTERISTICS OF THE CRA AREA - 2006**

Category	Number	Percent
Total Population	18,272	100.0
Male	9,067	49.6
Female	9,205	50.4
Population 65 and over	1,199	6.5
Population 18 years and over	11,783	64.5
Population 5 years and under	1,950	10.7
Median Age	27.65	--

Source: Claritas; PMG Associates, Inc.

**TABLE 2-2
RACIAL CHARACTERISTICS OF THE CRA AREA - 2006**

Category	Number	Percent
Two or more races	1,070	5.9
White	1,359	7.4
Black or African American	15,538	85.0
American Indian and Alaska Native	47	0.3
Asian	65	0.3
Hawaiian or other Pacific Islander	12	0.1
Some other race	181	1.0

Source: Claritas; PMG Associates, Inc.

**TABLE 2-3
EDUCATIONAL CHARACTERISTICS OF THE CRA AREA – 2006**

Category	Number	Percent
Less than 9 th grade	1,540	15.7
Some high School-No Diploma	3,229	32.9
High School/GED	3,008	30.6
Some college, no degree	1,353	13.8
Associate degree	243	2.5
Bachelor's degree	321	3.3
Graduate or professional degree	122	1.2

Source: Claritas; PMG Associates, Inc.

**TABLE 2-4
EMPLOYMENT CHARACTERISTICS OF THE CRA AREA – 2006**

Category	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	9	0.8
Construction	57	5.1
Manufacturing	74	6.7
Wholesale trade	65	5.9
Retail trade	247	22.3
Transportation and warehousing, and utilities	42	3.8
Finance, insurance, real estate, and rental and leasing	68	6.2
Educational, health and social services	88	7.9
Entertainment, recreation, accommodation and food services	419	37.8
Other Services (except public administration)	11	1.0
Public Administration	28	2.5
Average commute time	31.09 minutes	

Source: Claritas; PMG Associates, Inc.

**TABLE 2-5
HOUSING UNIT CHARACTERISTICS OF THE CRA AREA - 2006**

Type	Number of units	Percent
1 Unit Attached	313	4.3
1 Unit Detached	1,546	21.2
2 Units	783	10.7
3-19 units	3,949	54.2
20 to 49 units	302	4.1
50 or more units	385	5.3
Mobile home or Trailer	1	0.1
Boat, RV, Van, etc.	11	0.1
Total	7,289	100.0

Source: Claritas; PMG Associates, Inc.

**TABLE 2-6
HOUSEHOLD OCCUPANCY CHARACTERISTICS OF THE CRA AREA - 2006**

Category	Number	Percent
Total households	6,386	
Growth of households from 2000-2006		14.2
Owner occupied housing units	1,084	17.0
Average Household Size	2.77	NA
Average length of residence	8 years	NA
Median price of owner occupied housing	\$125,178	NA
Median Year Structure built	1969	NA
Average Vehicles per Household	0.86	NA

Source: Claritas; PMG Associates, Inc.

**TABLE 2-7
SELECTED POPULATION CHARACTERISTICS
ENTIRE STUDY AREA - 2006**

Category	CRA Area	Primary Area	Secondary Area
Population			
2011 Projection	49,333	49,791	115,239
2006 Estimate	46,507	46,940	111,622
Growth 2006-2011	6.08%	6.07%	3.24%
Growth 2000-2006	7.52%	7.52%	3.49%
Growth 1990-2000	-1.78%	-1.72%	1.84%
Households			
2011 Projection	16,385	16,555	41,641
2006 Estimate	15,382	15,545	40,230
2000 Census	14,330	14,486	39,017
1990 Census	14,798	14,953	38,584
Growth 2006-2011	6.52%	6.50%	3.51%
Growth 2000-2006	7.34%	7.31%	3.11%
Growth 1990-2000	-3.16%	-3.12%	1.12%
Average Family Household Income	\$36,862	\$36,825	\$46,727
All Owner Occupied Housing Units	5,787	5,814	19,249
Median Housing Value	\$135,639	\$135,808	\$159,858
Population below Poverty Status	41.8%	33.0%	24.5%

Source: Claritas; PMG Associates, Inc.

SPENDING BY THE POPULATION

When examining the research for CRA Study Area only, some interesting consumer spending patterns emerged. The following annual expenditures stand out as they are above the national Market Index average of 100.

Category	Spending 2006 (in \$000's)	Spending 2011 (in \$000's)	Market Index (to USA)
Girl's Apparel	2,052	2,436	106
Boy's Apparel	1,849	2,179	114
Infant's Apparel	780	911	109
Fish & Seafood	840	1,174	100
Meats	8,084	9,353	104
Eggs	529	656	113
Towing Charges	39	56	101

Data available for analysis of the market conditions by Claritas include a "Gap Analysis" which identifies the spending by the residents of the area that is lost to other locations. Using this tool, it is possible to identify those commercial classes that offer the most likely opportunity for businesses in the area.

The current analysis reveals that four categories are significantly underrepresented in the Study area. The classes include:

- Grocery
- Drug Store
- Clothing Stores
- General Merchandise Stores

The amount of sales lost to businesses outside of the Study Area total \$37.5 million. This spending amount generates demand for 107,000 square feet of retail space.

The Study area also has an oversupply in the following classes:

- Convenience stores
- Liquor stores
- Gas Stations

The Retail Sales generated by these businesses over the amount supported by the neighborhood is \$18.2 million, which supports 51,900 square feet.

BUSINESS ACTIVITY BY 2 DIGIT SIC:

Business activities in the area can be divided into and investigated by types of groupings called SIC codes. This system allows the government to classify industries and businesses into like groupings. The following outlines the types of businesses that can be found in the area. In the boundaries of the CRA there are a total of 1,108 businesses, in all industries.

Categories	Number of Establishments	Total Employees
Agricultural and Mining	9	20
Building Construction Trades	57	563
Manufacturing	74	941
Retailing	247	2,326
Transportation, Communications	42	408
Wholesale	65	402
Financial, Real Estate	68	416
Services	266	1,410
Professional Services	244	2,668
Public Administration	28	1,236

Source: Claritas 5/2007

As can be seen by these current numbers (2006) the largest number of businesses are ones that deliver Services, such as Business, Repair, Amusement, Automobile services. This category is closely followed by Retail (Food, Apparel, Eating and Drinking Places) and Professional Services (Legal, Educational, and Accounting).

NEW PROJECTS IN THE CRA AREA

At present, there are 43 projects that are either underway, in the planning process or being considered in the Primary Market Area. If these projects were built, they would represent 7,016 new dwelling units and 336,000 square feet of commercial space. The time frame for these projects extends through the year 2016, with phasing based on the market demand.

The bulk of these units are planned for the Flagler Heights area with 6,244 in total, which are primarily multi-family. Flagler Heights is also anticipated to generate 128,500 square feet of commercial activity.



Avenue Lofts



Sole Condos

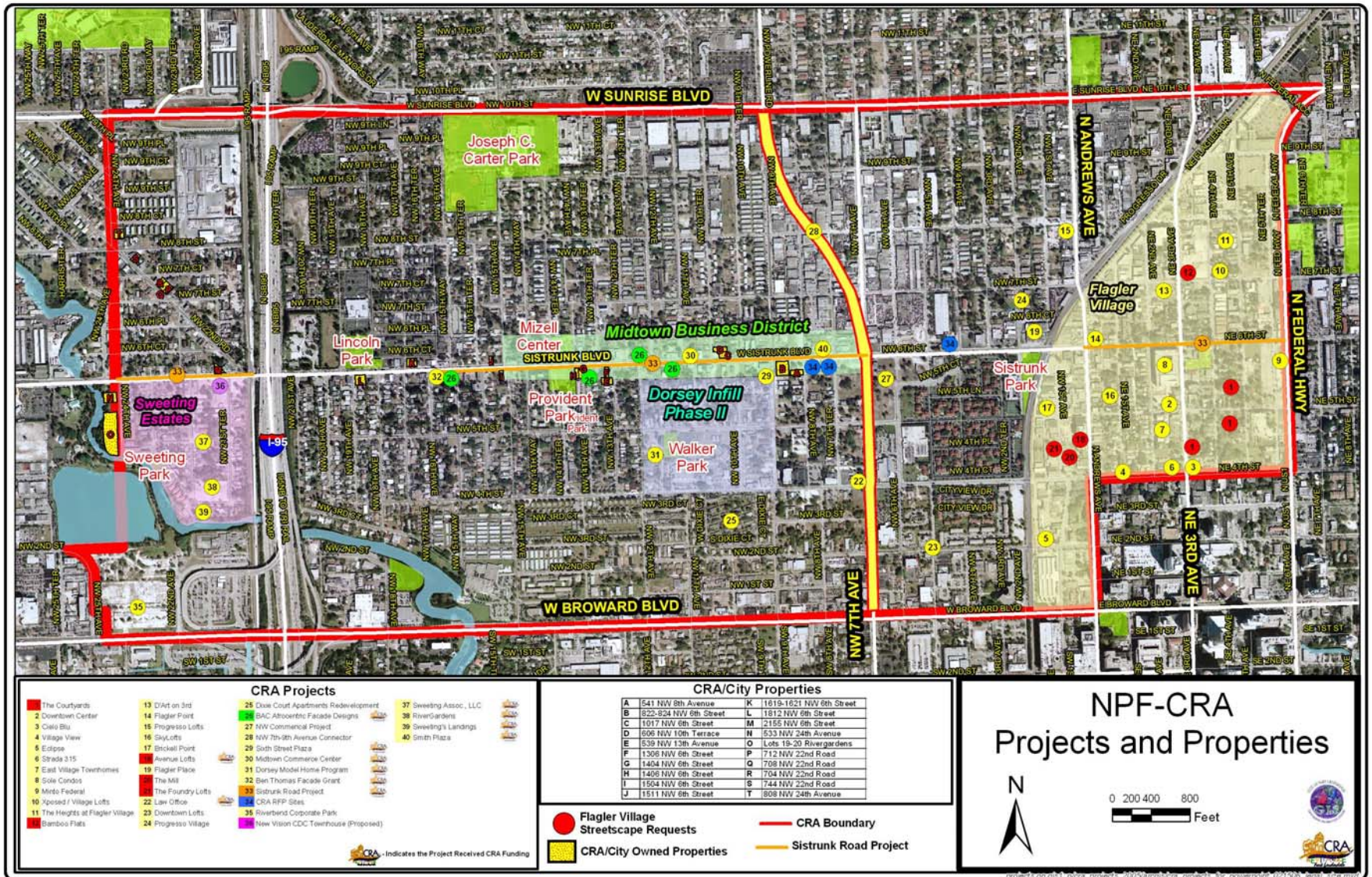
In the western areas of the CRA, 772 units are planned. The Sweeting Estates and Dorsey areas are primarily single family and account for 199 of the units. The remaining 573 multi-family units are east of 7th Avenue.



Examples of housing Dorsey Area



Examples of housing Sweeting Area



TRAFFIC VOLUMES

Research of the recorded traffic volumes was undertaken to determine the traffic activity in the general vicinity of the CRA. Many of the traffic counters were located at intersections within the CRA itself. A sample of the traffic volumes follows:

Street Address	Cross Street Address	Two Way ADV*
NE 3 Avenue	NE 2 Street	43,273
NE 3 Avenue	NE 6 Street	15,100
NE 3 Avenue	NE 6 Street	13,863
NE 6 Street	NE 1 Avenue	7,163
West Sistrunk Blvd.	NW 6 Avenue	13,328
West Sistrunk Blvd.	NW 4 Avenue	14,200
NW 9 Avenue	NW 6 Street	9,902
NW 6 Street	NW 10 Avenue	19,568
NW 4 Avenue	NW 5 Lane	17,000
NW 7 Avenue	NW 4 Street	18,789
NW 7 Avenue	West Sunrise Blvd.	16,581

* Two Way Average Daily Volume

Source: Claritas 5/2007

Average Daily Volumes (ADV) of traffic is one of the deciding factors for location of a business in a particular area. This data is in addition to factors such as age, income, gender, population density and spending patterns. A number of firms establish a minimum value of ADV required prior to going into an area. These listed volumes indicate that the traffic in the Study Area is sufficient to meet the demands of the retailers.

UNDERGROUND ECONOMY

There are many terms for the economic factors that go unreported in the natural course of business in the United States. Terms such as Underground Economy, Secret Economy and New Economy have been used at various times based on the intent of the user. The same basic definition does exist regardless of the terminology. These economic factors are those that are not reported when establishing the economic activity of a community. The wages, throughput and end product of the activity is not recorded for Income Tax or Economic Base purposes.

Research on the Topic:

Most of the research regarding the Underground Economy in the United States is based on loss of Tax Revenue. Macroeconomists have estimated the loss of Income Taxes based on this non-reporting and a general estimate is 9% of all activity is not captured by traditional measurement techniques. Some local studies have identified the range of unreported economic activity to extend from 3% to over 40%. It is clearly identified that the rate of Underground Economy in traditional minority communities is at the higher end of the range.

The extent of the local research of the Underground Economy is based on the types of business activity that is typically not reported. In the higher income communities, the unreported activity exists in items such as Expenses Accounts and gratuities. In lower income communities, activities that are not typically reported include day labor, babysitting and some service occupations. Results of crime are not reported in all neighborhoods. Those neighborhoods with significant drug and prostitution activity have larger amounts of unreported income.

Economic Development Issues:

Based on the nature of the current population in the Study Area, the amount of the Underground Economy is estimated to be in the 20% to 25% range. The estimate of the Underground Economy's impact on the Study Area is based on the ethnic make-up of the community particularly after redevelopment. The highest rate of unreported income is in poorer neighborhoods. As the household incomes increase, the percentage drops. As the area develops further, this ratio should drop to the 15% to 20% level. The result of this analysis is that the spending power of the community will be at least 15% higher than otherwise measured.

The CRA offers programs that would encourage employment of residents from the Study Area. The Enterprise Zone designation is one example of a program that provides incentives to hire employees from the area. Most of the population will require training to be able to secure and hold these jobs. The development of a job skills program that is directed toward providing the necessary skills to the population could supply this linkage.

Most of the new businesses in the area will be retail or service industries that do not require highly skilled employees. However, the office uses could generate employment for higher paying jobs. The area is not suited for expansion of industrial or manufacturing employment. Although, technical jobs could be developed due to the proximity to the financial district of the county.

SECTION 3 MARKET BASED AND NON-MARKET BASED FORCES AFFECTING THE AREA

Factors that have influenced the development of the CRA Study Area vary from financial to cultural. In addition, regulatory measures that were developed for newer neighborhoods are not practical for the conditions that exist in the Study Area. An understanding of these influences is necessary to appropriately address the redevelopment initiatives that are directed toward a full revitalization of the area.

The analysis of the factors that influence the area will be identified in terms of strengths and weaknesses that derive from the current conditions and impact future development.

STRENGTHS

Strengths are those factors that bolster the economic potential of the area or provide mechanisms to enhance the area and its economy. The factors listed here are those that should be expanded and used to tout the benefits of redeveloping the area. Strengths of a market need protection from forces that weaken them and expose vulnerabilities.

Vacant Land – A significant stock of vacant land exists in the Study Area. The vacant lot opportunities throughout the CRA range in size from single lots to larger parcels. Much of the vacant land is either in the ownership of the CRA, the City or private developers preparing to initiate projects. However, other vacant properties still exist. The designation of this condition as a Strength is due to the potential for development on these sites. The land is ready for construction and implementation of an overall program.

Proximity to Downtown – All areas designated for development, or redevelopment, need an attractor to speed up the process. The advantage for the CRA area is the proximity to the Downtown segment of Fort Lauderdale with its large employment base and opportunities. The Flagler Heights Village area of the CRA, in particular, could be viewed as a “bedroom” community for Downtown. The employment base from Downtown, especially the young professionals, will find the housing opportunities appealing to their lifestyle and economic situation.

Other factors that make a Downtown-CRA area connection important are the services available for the residents of the Study Area. The Government Offices, professional offices and other services are a short distance away for those that may require these entities.

New Residential Developments Planned – Several developers are currently contemplating new developments in and around the CRA area. The large number of new residents and visitors would bring significant disposable income with them that would be beneficial to existing businesses as well as provide for new business opportunities within the Study Area. It is critical that the Plan address these new residents and be prepared for the business opportunities so they are not lost to competing areas.

The synergy of the new developments is another advantage for the area since the existing new projects spur other efforts.

Proximity to Transportation Services – Many transportation services are readily available to residents of the Study Area and those who wish to visit the community. The location near to I-95 and two significant interchanges add to the ability to travel to and from the area. Federal Highway and Sistrunk Boulevard also offer significant access. The potential construction of the 9th Avenue/7th Avenue Connector will provide important flow through the Study Area.

Mass Transit is available from the Central Bus Station for Broward County Transit (BCT) located on the edge of the District and Tri-Rail access nearby. Additionally the Community Bus Service serves the Study Area particularly the Northwest Circulator. Future plans include the potential for a Light-Rail shuttle service from Tri-Rail into Downtown and the DDA transit corridor project (Streetcar and/or light rail). This service will provide additional access for residents of the Study Area.

Parks and Community Centers – The Study Area includes several park facilities that provide recreation opportunities for the residents. Of particular importance is Carter Park which is a central focal point of the community; while other park facilities dot the area. Several important Community Centers include the Mizell Center located on Sistrunk Boulevard. This historic facility is the former hospital for the community where the original residents received health care. After the redevelopment these will serve as a number of the many area's selling points to the potential residents. (If there is an economic benefit –please state it or remove this section)

Grant Possibilities – Several programs have been employed in the Study Area including Front Porch Florida and other standard programs such as CDBG funds. The area should also be appropriate for other economic and housing programs such as SHIP or Hope VI., such as (please elaborate – I would list any and all economic development funding sources to which you are familiar)

CRA – The Community Redevelopment Agency (CRA) is in itself a significant benefit to the community and the future growth in the area on the first stages of the redevelopment process. The Agency is the source of funding using Tax Increment Financing (TIF) funds and the leveraging of other State and Federal dollars. The preparation of a consistent Implementation Plan that directs the future of the Study Area is another advantage of this agency.

New River – Several projects have already begun interaction with the New River as an amenity for the community. Sweeting Estates and Dorsey Riverbend are two projects that have added single family housing that has taken advantage of the vistas along the waterway. Other properties that can also use the River as the attraction for new residents are the city-owned parcels along NW 24th Avenue, the existing park in the Sweeting Estates neighborhood and the city-owned land behind the Salvation Army facilities on the north side of Broward Boulevard at NW 18th Avenue.

Sense of Community – A sense of community grows from a population that likes to live, work and play together. This sense of community exists in the Study Area due to the length of residency of many of the population. In addition, the new developments have also been built on

the concept of a real community that progresses together. The historic and current development patterns have led to individual housing projects. However, the sense of community has prevailed over that time.

History - The Sistrunk Boulevard area has a long and storied history based on the growth of the African-American community in Fort Lauderdale. The social as well as economic vitality of the area was a significant factor on the development of the City as a whole. Other segments of the CRA District include Progresso and Flagler Heights. Although without the extensive history of Sistrunk; these areas also are important to the “story” of how Fort Lauderdale became the economic and cultural center of Broward County.

Churches – Faith based organizations have always been a major component of the community in the Northwest area of Fort Lauderdale. The churches in the Study Area have been a focal point for the community from both a social and spiritual sense. Today, the churches have been the foundation of community-based initiatives that address poverty, health issues and other aspects of everyday life. The churches in the area have been one of the most important segments of the community.

Civic Organizations – The CRA Area has several important Civic groups that offer organization and resources for future development. Some of the organizations are community spirited, others address business issues. These groups can mobilize residents and property owners to help effectuate change and address community needs. Further, these organizations should continue to serve as resources for disseminating information and supporting development initiatives that may look into recruiting jobs and commerce to the area.

WEAKNESSES

Weaknesses are those items that inhibit the area’s growth, livability and economy and are a disincentive to investment as they can create uncertainty or additional cost to overcome. Weaknesses can be turned into opportunities that can become the greatest source of increased benefits to the community.

Street layout – Many of the streets in the Study Area do not offer traffic flow through the area. Streets only exist for a few blocks and no real pattern exists. This configuration makes assembly of land and the resultant parcels less than ideal for development.

Property Use and Property Maintenance – The enforcement of codes regarding the use and maintenance of the property is not as strong as desired by many of the residents and those interested in developing the area.

Vacant lots – The amount of vacant land is listed as both a strength and a weakness for the community. The vacant land gives an undesirable image of the community and is an attractor for trash.

Affordability – Land costs have escalated significantly over the past few years. The real estate boom that affected South Florida has been felt in the community as well. The land was seen as valuable due to its location and potential for redevelopment. The high land costs, coupled with

increasing construction costs, have made the issue of affordability a significant concern for the area. With many of the current residents concerned about the affordability of housing, the ability to produce new housing at a price that can be met by these residents is difficult.

Existing Workforce – The new residential development is attracting a population that can find employment in the nearby areas of Downtown. However, the current population does not have the education level and experience to compete for these same jobs. Anyone looking to relocate businesses in the area must consider the skills of the workforce.

Infrastructure Problems – Roadway improvements have been identified in the area ranging from the 9th Avenue/7th Avenue Connector, to the Sistrunk Boulevard Corridor to other roadway resurfacing and widening. Water and wastewater improvements are necessary with much of the area without sewer connections. These improvements, however, are already in process.

Negative Perception of the Area – Most residents of the Broward County are not familiar with the Study Area and its potential. Reported incidents or outsider perceptions of crime and poverty overshadow the opportunity for and new developments in the area. Any redevelopment efforts should attempt to deal with the need to change this perception.

Lack of Design Controls – Appearances in portions of the Study Area are not positive for the community. To provide a consistent plan for the community, design control standards should be implemented. These controls must be geared toward the interests of the community.

Social Issues – Significant social issues exist in this Study Area. Sub-standard housing, unemployment (more specifically non-participation in the labor force) and low income households exist in above average numbers. These social issues can be a detriment to the community however, many of these issues can be addressed through additional employment opportunities. It is important that part of future planning include workforce training, creation of affordable housing and housing conservation efforts to prevent social issues from becoming a detriment to economic prosperity.

Lack of Retail Mass - While there is a fair amount of retail establishments in the Study Area, the area lacks the retail/entertainment “critical mass” that will attract shoppers from outside the District. This “critical mass” would include attracting compatible uses such as more specialty shops along with a more varied mix of dining options (upscale, family, ethnic, differing pricing scales, etc.). The addition of these new businesses would encourage shoppers to patronize more than one business during each visit and to extend their time spent in shopping. Such a situation would also encourage more visitors to come to the area to shop and spend. This importation of visitor dollars will only further stabilize the economy and provide additional resources.

Lack of Branding/Themes - One of the items becoming more and more important to cities and communities across the Country is their “branding”. Essentially, branding is the method by which the locality conveys their message of who they are. The Study Area does not have a coordinated branding effort. Additionally, a marketing effort should be undertaken which brings the theme and other items together into the message the community wishes to convey to the outside world. Use of the “Midtown” designation as well as “Historic Sistrunk” could be the basis for such a program.

Since this area has several different communities within the District, the branding concept must be conducted with care. The entire district cannot be reasonably labeled with one brand. However, consistency in the program can exist.

Lack of “Destination” Uses – Currently there is no specific reason to shop or visit in the Study Area other than convenience. Retail areas are often anchored by large retailers, restaurants, entertainment venues (i.e. movie theaters or playhouses) that attract shoppers. A central shopping or entertainment district must be developed in any future plan. Recent changes such as the relocation of the Post Office and the City’s One-Stop-Shop have begun this process.

Compatible Development – The industrial areas of the District are not an attractive use and do not fit with an enhanced residential component. In addition, other segments of the community do not provide a compatible use of property. In particular, some of the multi-family residential is of poor quality and experiences a high crime rate.

Approval Process – Significant comments were made during the stakeholder interview process regarding the approval process for new development in the City. Most of the complaints centered around the time required to obtain approvals and the inconsistency of some of the regulations. This lengthy process has discouraged some developers from building in the area.

SECTION 4 MARKET DEMAND

The demand for residential and commercial property in the CRA area is based on the desire of people to live and work in that immediate area. Demand is a function of this desirability and the competition that exists from other locations. This analysis addresses the demand for housing units and commercial space. This factor must not be confused with the appropriateness of locating this much activity in the Study Area.

COMPETITION

In a previous section of this report, the market area for the analysis was defined as the Primary Market Area and a Secondary Market Area. These regions were selected to determine the potential competition to the development in the CRA Area. Development has been significant in the Las Olas area of Fort Lauderdale with many new residential and commercial projects. However, this area was not included in the Market Area since the type of buyer would be different than those expected in the CRA District. The higher price points of the units are not direct comparisons.

Expected growth in both the Primary Market Area and the Secondary Market Area, based on natural expansion is not significant. The areas to the north and west of the CRA area are generally built-out with little potential unless the areas redevelop and change the current Land Use pattern.

Redevelopment is exactly what is occurring in the CRA area, with older parcels being rebuilt with residential and commercial activity. The general Fort Lauderdale area was examined for a location that does provide a real competition for the CRA area. The only location where such competition exists is in the Oakland Park/Wilton Manors area which is between 3 and 4 miles from Sistrunk Boulevard/NW 7th Avenue intersection.

The Oakland Park/Wilton Manors market is currently expanding rapidly with substantial growth in the region. Projections of growth in the region indicate that the area will likely grow by 500 to 600 units per year for the next five to ten year period. In terms of pricing, the Oakland Park/Wilton Manors market is also competitive with sales costs in the \$240 to \$260 per square foot range.

The real competition for the CRA area is within itself with a significant number of projects either under construction or contemplated for the area.

Recent sales volumes for the projects in the CRA area also reveal a strong long-term market. During the past several years, sales of new units have reached approximately 400 units annually. This condition also existed in a poor real estate market. Projected growth by Claritas was also examined for the area. This growth did not include the new projects in the Flagler Heights area. Absorption of another 280 units per year in the Market Area is estimated using this source. Based on these figures, the Study Area could absorb between 500 and 600 units annually in the current market. As market conditions improve, this figure would grow.

The rental market has fluctuated significantly over the past several years. As the real estate market boomed in South Florida, many developers saw an opportunity and converted many rental properties into condominiums. The ability to “cash out” on their properties and the high sales prices made such a venture too attractive for many. The result was a deficit in rental units in Broward County and in Fort Lauderdale.

As the real estate boom softened and then burst, the rental properties again became attractive for investors. Several projects in the area including one in the Flagler Heights area have opted to change their product mix from condominium to rental apartments. Vacancy rates for rental units in the Fort Lauderdale/Broward County region have hovered between 3% and 5% for the past several years. For many investors, these rates are considered well above full occupancy as reaching 100% occupancy is nearly impossible due to transience of the population.

PRICING

For Sale Units:

The current price points for new residential units vary within the District. In the Flagler Heights area, the new Lofts, Townhouse and Condominium units are selling for an average of \$360 per square foot. Most units are in the 1,300 to 1,600 square foot range.

In the western portions of the District, sales prices reflect a price point of \$260 per square foot for the Townhouses and Single Family product

Resale Units

An exploration of the housing units for resale in the area was also conducted to determine the potential market. Data for two Zip Codes (33301 and 33311) were obtained to determine the extent of the market in the area. The results of this review are found below.

**TABLE 4-1
PRICING OF RESALE HOUSING UNITS – SINGLE FAMILY HOMES - 2007**

Price Range	33311	33301
0-\$200,000	101	0
\$200,000-\$300,000	268	1
\$300,000-\$400,000	82	0
\$400,000-\$500,000	29	1
\$500,000-\$750,000	18	44
\$750,000-\$1 million	1	16
\$1 million +	1	148

Source: www.rebateflorida.com

**TABLE 4-2
PRICING OF RESALE HOUSING UNITS – CONDOS AND TOWNHOUSES - 2007**

Price Range	33311	33301
0-\$200,000	146	14
\$200,000-\$300,000	52	80
\$300,000-\$400,000	11	204
\$400,000-\$500,000	0	133
\$500,000-\$750,000	1	154
\$750,000-\$1 million	1	69
\$1 million +	0	165

Source: www.rebateflorida.com

Rental Units:

Rental housing unit statistics for the Fort Lauderdale/Broward County region are:

- Overall weighted base average is \$1,430
- 4.4% vacancy in 2/2007
- Lease rents will increase 3% annually for next three years

A review of rental units available in the area was conducted with the following listing in the two Zip Codes in the area.

**TABLE 4-3
PRICING OF RENTAL UNITS – 2007**

Price Range	33311	33301
0-\$1,000	41	9
\$1,000-\$2,000	114	128
\$2,000-\$5,000	17	158
Other	7	12

Source: www.rebateflorida.com

COMMERCIAL ACTIVITY

The demand for commercial activity in the Study Area is a function of the new units that will be completed in the area and the ability to draw new customers to the businesses located in the District.

The new dwelling units will generate the demand for a significant amount of commercial space. As was noted earlier in this section, between 500 and 600 dwelling units could be absorbed in the Market Area. Over the next ten years, the estimate of new units will be estimated at 5,500 units based on the average growth in the area. The demand for commercial space is as follows:

**TABLE - 4-4
GENERATION OF COMMERCIAL SPACE DEMAND**

Category	Retail Sales	Square Footage
New Units	\$270,726,000	773,500
Existing Demand	\$ 13,196,000	37,700
TOTAL	\$283,922,000	811,200

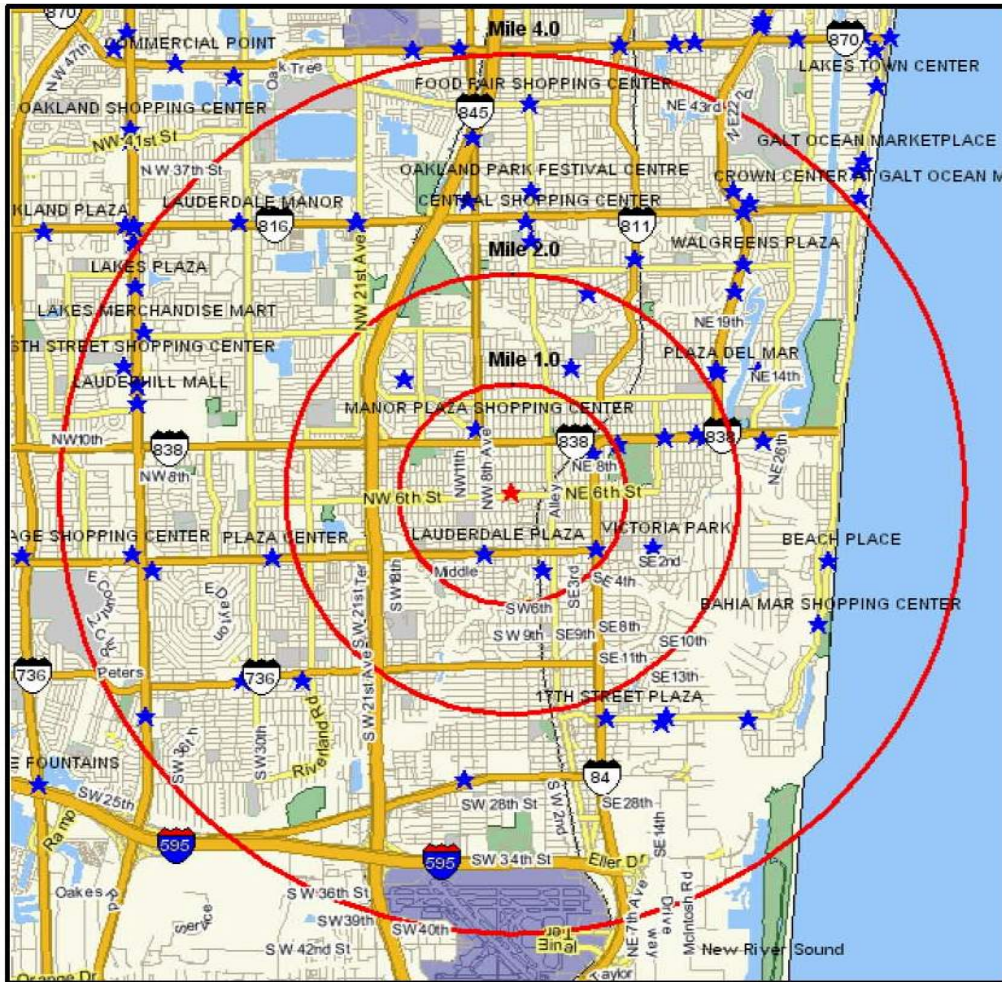
This demand is based on the amount of Retail sales for the housing units in the area and the elimination of “Hard Goods” and other items that are not available, or desired, for the businesses in the Study Area. The Retail sales were divided by \$350 per square foot to reach the demand for area.

The 811,200 square feet must be reduced by the amount planned in the new projects in the Study Area. Subtracting the 336,000 square feet of planned commercial results in the ability to support 475,200 square feet.

Commercial Competition

The competition for commercial activity exists with the shopping areas that currently serve the Study Area. A total of 69 shopping centers have been identified in a five mile radius from the corner of Sistrunk and NW 7th Avenue. These facilities have been illustrated and listed in the following map and tables to identify the existing retail centers in the area.

EXHIBIT 4 SHOPPING CENTER MAP



Prepared On: Thurs May 03, 2007

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Claritas Tech Support: 1 800 866 6511

Project Code:

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Prepared For:

Prepared By:



**TABLE 4-5
SHOPPING CENTER LIST
From 0 to 1 Mile**

Las Olas Riverfront	Manor Plaza Shopping Center
Lauderdale Plaza	Hub Plaza

**TABLE 4-6
SHOPPING CENTER LIST
From 1 to 3 Miles**

The Galleria	Plaza Del Mar
Plaza Center	Gateway Shopping Center
Victoria Park	Buglewood Plaza
Oakland Lakes Square	Union Planters Plaza
Heron Bay Plaza	Riverland Shopping Center
Southport Shopping Center	Wilton Plaza
Harbor Shops	Central Shopping Center
Shoppes of Wilton Manors	Fort Lauderdale Strip Shopping Center
Sunrise Bat Center	Old Towne Village Shopping Center
Twin Oak Center	Rainbow Village
Oakland Park Festival Centre	Beach Place
Five Corners Plaza	17 th Street Plaza
Southland Shopping Center	Walgreens Plaza
Gateway Shoppes	Harbor Beach Plaza
Sears Town	Southport Center #192

**TABLE 4-7
SHOPPING CENTER LIST
From 3 to 5 Miles**

Westgate Shopping Center	Powerline Shopping Center
Shoppes at 18 th & Commercial	Lakes Town Center
Plantation Village Shopping Center	Lakes Plaza
The Shops at Oriole Estates	Lakes Merchandise Mart
West Broward Shopping Center	Marivest Shopping Center
Lauderdale Market Place	Coral Ridge Shopping Center
Reef Plaza	1509 Building
Galt Ocean Marketplace	HTD Center
Bahia Mar Shopping Center	Federal Plaza
Lauderdale Plaza	North Ridge Shopping Center
Coral Ridge Mall	Times Square
Lauderdale Plaza	Lakes Mall
Oakland Shopping Center	Oakland Plaza
Lauderhill Mall	Lauderdale Lakes Mall

16 th Street Shopping Center	Unnamed Shopping Center
Boulevard Shopping Center	Crown Center at Galt Ocean Mile
Food Fair Shopping Center	Galt Ocean Center
Lauderdale Manor	Baton II
Coast Plaza	

Office Space:

The demand for office space is less objective than for residential and retail uses. Businesses seek office space in areas where they have a business connection, or close to the home of the owners. The analysis of demand for office space for the CRA area is then a function of the space available in the Downtown area of Fort Lauderdale. Data is available for the Downtown area of Fort Lauderdale. For Broward County in its entirety, the vacancy rate is 8.2%, showing strong demand for offices.

Office Space in the CBD:

Because of low vacancy rates in the CBD, there is 268,000 square feet under construction as of year end 2006 (Colliers International Report). In late 2007, Crocker Development and ING Clarion have plans to start to construct a 450,000 square foot building (35 stories). It is projected to have “state of the art amenities” and may have an asking rental price of \$35 per square foot, gross when opened for rental.

Statistics at the end of the year 2006, for the Central Business District (CBD) of Fort Lauderdale showed the following:

Class A Buildings:

Of 21 surveyed, there was a direct vacancy rate of 13.0% which was down from mid-year rate of 15.3%. The average full asking rent was down thirteen cents per square foot to \$30.27. Available space is 565,200 square feet.

Class B Buildings:

Of 48 surveyed, there was a direct vacancy rate of 4.4% which was up from the previous mid year percentage of 3.6%. The average asking rent was \$25.74. Available space is 109,000 square feet.

Class C Buildings:

Of 47 surveyed, there was a direct vacancy rate of 1.2% which was down from the previous mid-year percentage of 2.2%. The average asking rent was \$22.32. Available space is 13,300 square feet.

Low vacancy rates prevail in the area, particularly in Class B and Class C buildings. A portion of this condition is due to the lower rents for Buildings of this designation. Based on the vacancy rates, the new development in the CRA area could include office space of up to approximately 200,000 square feet that targets the tenants that use the Class B and C structures. In addition, the rents need to be in the \$25 range to absorb the market. The higher vacancy rates for Class A Buildings underscore the competition and the pricing schedule. The reduction in vacancy in the CBD over the last quarter was due in part to a reduction in the lease rates.

Hotel:

Due to the history of the Sistrunk area as a business center, the consideration of a hotel to be included in future development has also been included. Demand for hotels is a function of the vacancy rates in the existing hotel properties in the area. Statistics from the Greater Fort Lauderdale Convention and Visitors Bureau reveal a strong occupancy rate for the area hotels. For the year 2006, the annual occupancy rate was 73.5%, which is a slight reduction from the previous year. However, occupancy over the past three years has been at the highest levels recorded for more than a decade.

Based on this demand, 12 new hotel projects are under construction or in the planning stages, at this time. Most of these properties are near the Ocean and will cater to a higher end market. The addition of Business Class Hotel units has not been included in the new plans. Inclusion of a Business Class Hotel in the CRA area does have some potential.

SECTION 5 ACTION PLAN

The purpose of the analysis of the Northwest/Progresso/Flagler Heights District is to establish a plan to implement a redevelopment program for the area. This Implementation Plan should provide the framework for specific actions that should be undertaken by the CRA and the City. This Action Plan for the marketing efforts identifies these tasks that will assist in the redevelopment efforts.

IMMEDIATE TERM TASKS

1. Prepare and implement Comprehensive Design Guidelines for the CRA area that includes among other things residential to commercial buffering, development heights, permitted versus obnoxious uses, building design/aesthetics and site planning.
2. Make modifications to the zoning code that addresses the timeliness of the development approval process and modifies parking requirements.
3. Develop a comprehensive marketing strategy based on the diverse and unique areas that make up the NW CRA.
4. Explore using the existing facade program improvements to both residential and commercial properties
5. Provide incentives, both financial and non-financial, in order to develop the area in accordance with the urban form program proposed in the development initiative section of the Implementation Plan.
6. Continue to assemble land and seek development partners whose visions are consistent with the NW CRA Plan.
7. Invest in infrastructure and other capital improvement expenditures that will encourage private investment.