

Miami Economic Associates, Inc.

June 29 2015

Mr. Jack Osterholt
Director
Department of Regulatory and Economic Resources
Miami-Dade County
Miami, Florida

**Re: Proposed CDMP Amendment No. 3
May 2015 Cycle**

Dear Mr. Osterholt:

Miami Economic Associates, Inc. (MEAI) has analyzed the above-captioned application to amend the Miami-Dade County Comprehensive Development Master Plan (CDMP), which was filed on behalf of Southeast Investments, Inc. as part of the May 2015 Cycle. The purpose of our analysis was to evaluate whether a need exists to re-designate approximately 8.45 net acres of property located on the southeast corner of the intersection of Miller Road (S.W. 56th Street) and S.W. 127th Avenue from "Agriculture" to "Business and Office". We understand that development of the subject property, if re-designated, would be restricted by a covenant that would require the approval of the Board of County Commissioners to modify to no more than 75,000 square feet of commercial uses. Further, the covenant would prohibit residential uses to be developed on the property.

In conducting our analysis, consideration has been given to the No.1 Goal of the Land Use Element of the CDMP as well as to specific objectives and policies as stated therein as follows:

- **Goal.** Provide the best possible distribution of land use and services to meet the physical, social, cultural and economic needs of the present and future populations in a timely and efficient manner that will maintain or improve the quality of the natural and man-made environment and amenities and preserve Miami-Dade County's unique agricultural lands.
- **LU-8.** Miami-Dade County shall maintain a process for periodic amendment to the Land Use Plan map consistent with the adopted Goals, Objectives and Policies of this Plan, which will provide that the Land Use Plan Map accommodates projected countywide growth.

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- **LU-8B.** Distribution of neighborhood- or community-serving retail sales uses and personal and professional offices throughout the urban area shall reflect the spatial distribution of the residential population, among other salient, social economic and physical considerations.
- **LU-8F.** ...The adequacy of non-residential land supplies shall be determined on the basis of land supplies in subareas of the County appropriate to the type of use, as well as the Countywide supply within the UDB. The adequacy of land supplies for neighborhood- and community-oriented business and office uses shall be determined on the basis of localized subarea geography such as Census Tracts, Minor Statistical Areas (MSAs) and combinations thereof. Tiers, Half-Tiers and combinations thereof shall be considered along with Countywide supply when evaluating the adequacy of land supplies for regional commercial and industrial activities.

The purpose of this letter report is to apprise you of the findings of our analysis.

Summary of Findings

The proposed amendment should be adopted based on the following findings of our analysis:

- The subject property is located in MSA 6.1 which extends westward from the Homestead Extension of Florida's Turnpike (HEFT) to Krome Avenue between Tamiami Trail (S.W. 8th Street) on the north and N. Kendall Drive (S.W. 88th Street) on the south. It is also located on the western edge of the two square mile area within MSA 6.1 that is known as "Horse Country". Horse Country is the only area inside Miami-Dade County's Urban Development Boundary (UDB) that is designated "Agriculture". That designation was applied in keeping with the Bird Kendall Ranch Study of 1975 and the West Dade – Ranch Area Study adopted by the Board of County Commissioners in 1981. However, the following points should be noted:
 - At the time the first of the studies referenced above was issued, the HEFT had been fully open for the entire distance between the Turnpike's mainline which terminates just south of the Miami-Dade County/Broward County boundary line and Florida City for only about one year. Further, substantial portions of the land now contained within MSA 6.1 inside the UDB was still in Agriculture use. Today the portion of MSA 6.1 that is within the UDB is substantially developed with urbanized uses and has approximately 180,000 residents, a figure at least twice the amount that lived there when the second study referenced was adopted. We would further note, as will be discussed in greater detail later in this report, that very few of the 542 acres within MSA 6.1 that are designated for commercial and industrial remain undeveloped and are available for the development of a project of the type proposed on the subject site.
 - Horse Country is a community which has historically contained horse farms and nurseries but none of the large-scale row crop, grove, tree-farm or ornamental

operations that are the economic mainstays of the Miami-Dade County's agricultural sector. MEAI also notes that the majority of the residential parcels are less than the five acres in size that the County now requires in areas designated Agriculture. In fact, the preponderance of residential parcels are less than two acres in size, which was is why they have not for the most part been economically meaningful. Further, less than 40 percent of them have received agricultural exemptions from the Property Appraiser for ad valorem tax purposes. While MEAI has been unable to confirm this, we believe that a considerably higher percentage would have qualified for agricultural exceptions when the two studies referenced above were prepared or even 10 years ago.

- Over the past 15 to 20 years, considerable amounts of land within Horse County has been taken out of agricultural use to become the sites of religious institutions and/or schools. We agree with the position taken by County planners in 2012 in a review of a prior application involving the subject property that those institutional uses are generally located on the periphery of the area and not on the interior. However, the proliferation of religious and educational uses has contributed to the decline of Horse County as an agricultural area by significantly reducing the amount of land being used for agricultural activities.

MEAI also acknowledges the point made by the County's planners in their recommendation regarding the prior application that the Business and Office designation allows the full range of sales and service activities including urban commercial uses such as body shops, department stores and private clubs. However, to the extent that there are uses that are deemed particularly incompatible with the residential and agriculture uses in Horse County they can be limited by covenant either during the land use process currently underway or during the zoning process and site plan review processes that would follow the adoption of the proposed amendment.

- As discussed, it is the No. 1 Goal of the Land Use element to "provide the best possible distribution of land use and services to meet the physical, social, cultural and economic needs of the present and future populations in a timely and efficient manner that will maintain or improve the quality of the natural and man-made environment and amenities and preserve Miami-Dade County's unique agricultural lands." Land Use Objective 8 recognizes that meeting that goal is an evolving process that needs to address conditions that change over time. In this instance, it will also involve resolving the conflict between the needs of the urbanized community that has grown significantly since the Horse County designation was applied to the area in which the subject property is located and the diminished level of agricultural activity that currently exists within Horse County. MEAI does not believe that conflict can be resolved by treating studies prepared more than 30 years ago when the conditions on the ground were substantially different as if they are "settled law". We also do not believe that repeatedly stating the an area is "unique" because of policy

decisions made more than 30 years ago means that it needs to remain so, particularly given the transformation that has already occurred in Horse Country as it has changed from an equestrian/agricultural community into a largely residential and institutional community with a few plant nurseries, which at their core are retail businesses.

- According to data compiled by the Planning Division of the Miami-Dade County Department of Regulatory and Economic Resources in February, 2015, MSA 6.1 contains a total of 530 acres designated for commercial use, which means that in 2020 it will have 2.9 acres of commercial property per 1,000 projected residents. At that level, it will have only 53 percent of the commercial land per 1,000 projected residents as the County as a whole does and will be one of the five most poorly served commercial areas among the County's 31 urbanized MSA's.
- The data compiled by the County which was referenced in the preceding paragraph also showed that there are 33.8 vacant commercially-designated acres in MSA 6.1 and projects that it would be depleted by 2022, which would be well within the County's 15-year planning horizon. On that basis alone, a plan deficiency exists. However, review of the data compiled by the County shows that there is in fact considerable less land on which to develop a project such as that being proposed on the subject property than the County's estimate of vacant acreage suggests and none within close proximity to Horse Country. In this regard, the following points are noted:
 - The 33.8 acres in the County's estimate vacant land supply is comprised of 11 parcels including two that are assemblages of the multiple tracts under common ownership. Included among these parcels are:
 - Six parcels that are less than 2 acres in size including: 1) one that cannot be presently developed due to inadequate sewer capacity in its area; 2) another that is zoned RU-5 that does not permit retail commercial uses; 3) a third that is zoned AU, which also does not permit commercial uses; 4) a fourth that is restricted by an approved site plan to the construction of a day care center; and 5) two that are expected to be used as the sites of branch banks.
 - Three parcels that are between 2 and 4 acres in size including one which is 1) located adjacent to the Columbia LeGrange Hospital complex on Bird Road; 2) zoned OPD; and 3) restricted by County Resolution No. Z-48-97 only to medical uses. The other two are expected to be developed with retail uses as well as a self-storage facility in one instance.
 - The remaining two parcels are both 8 to 9 acres in size, hence comparable in terms of size to the subject property. The owner of one of these, however, plans to develop a skilled nursing facility on his property. A shopping center is the proposed use of the other parcel,

which is actually the assemblage of three adjacent tracts; however, this parcel is located in the southwesternmost corner of MSA 6.1 on the northeast corner of the intersection of N. Kendall Drive (SW 88 Street) and SW 167 Avenue, over 5 miles from the subject property.

- In addition to the supply of commercially-designated land in MSA 6.1 being deficient, it is poorly distributed with the largest concentrations of it being located along Tamiami Trail, the MSA's northern boundary or N. Kendall Drive, its southern boundary. Particularly poorly served is the 4 square mile area in which the subject site is centrally located. This area, which extends from the HEFT west to S.W. 137th Avenue and from Bird Road south to Sunset Drive, contains a total of only 5 commercially-designated acres, which are already developed with retail, restaurant and automotive uses. Hence, the subject site already is located in a commercially-depleted area.

MEAI recognizes that the half of the delineated area which is located east of S.W. 127th Avenue contains "Horse County" where no commercial development has been historically permitted. However, the portion of the area not located in Horse County, i.e. between S.W. 127th and S.W. 137th Avenue, is occupied by urbanized residential uses with substantial portions of it designated for Low-Medium Residential. That designation allows up to 13 units per acre. Under the County's guidelines, the two urbanized sections of land west of S.W. 127th Avenue would be allowed a total of 80 acres of commercial uses rather than the 5 acres that actually exist. That quantity of acreage could accommodate in excess of 700,000 square feet of commercial space.

- As discussed above, the County's planners recommended against redesignating the subject property for commercial use in 2012. In their recommendation, they chose to use a one and a half mile radius as the basis of their supply and demand analysis. In that context they identified five shopping centers with a total of 491,248 square feet that serve the area. It is interesting to note that approximately 257,000 square feet, or more than 52 percent of that space, was located at the Miller Square shopping center, which is outside MSA 6.1 and at very the edge of the area defined by the one and a half mile radius and east of the turnpike. In fact, for the people living in the western portion of the four square mile area that MEAI defined as its market area, who represent the preponderance of the population in our market area, it is further than one and a half miles away. Reliance on it will cause more traffic to be generated overall and specifically in the both Horse County and in the area where Miller Square is located. It will also be inconsistent with Land Use Policy LU-8B.

In their prior recommendation, the County's planners also stated that there are 4.5 acres of vacant commercial land within one and a half mile radius of the subject property in 2012. The specific parcels included in that estimate were not identified; however, MEAI believes 3.38 acres, or approximately 75 percent, was comprised of the site discussed above which is adjacent to the Columbia La Grange Hospital complex and the development of which is restricted by County resolution to medical uses.

- A review of the adopted 2020 and 2030 Miami-Dade County Land Use Plan shows that the preponderance of the land in MSA 6.1 is designated for residential uses at varying densities. The remainder of the land is designated for one of the following uses: 1) Business and Office; 2) Open Space and Recreation in the case of a County park site and a golf course; 3) Institutional in the case of a substantial parcel of land in the northeast quadrant of the North Kendall Drive and S.W. 127th Avenue which is occupied by the County as water and sewer facilities; and 4) Agricultural in the case of Horse Country. There is no vacant land within MSA 6.1 designated for industrial use. Accordingly, if the deficiency of commercially-designated land discussed above is to be corrected, it will be necessary to either re-designate residential and/or agricultural land for that purpose. However, it is noted that there are no vacant residentially-designated parcels that are sized similar to the subject property nor is there any residentially-designated vacant land well-situated to serve the 4-section area bounded by Bird Road, the HEFT, Sunset Drive and S.W. 137th Avenue that MEAI defined as the market area for the subject property.
- In addition to helping to redress the deficiency in commercially-designated land that currently exists in MSA 6.1, the re-designation of the subject property for Business and Office, thereby allowing for the development of a retail facility of up to 75,000 square feet, will provide fiscal and economic benefits to Miami-Dade County and its residents. The bulleted paragraphs that follow describe the most significant of these benefits:
 - The term "fiscal benefits" refers to the positive impacts that a project such as the proposed retail facility would have on the finances of Miami-Dade County and the other taxing authorities in which it would be located. MEAI estimates that when the proposed retail facility is completed, it will generate ad valorem taxes for Miami-Dade County (inclusive of all its funds including the UMSA fund) on an annual recurring basis in the amount of \$167,511 and for the Miami-Dade County Public School District in the amount of \$137,631. In the current fiscal year, the County will collect ad valorem taxes on the subject property totaling less than \$150 for all its funds and the Public School District will collect approximately \$120. The estimated tax amounts assume that the subject property when developed will have a total taxable value of \$17.26 million including a land value, based on a review of comparable properties, of \$6.26 million and an improvements value consistent with the hard costs of construction of \$11.0 million. The property, when developed, will also generate occupational license fees and utility taxes and franchise fees on an annual recurring basis for Miami-Dade County; however, the amounts that will be generated cannot be estimated based on the information currently available.
 - The term "economic benefits" refers to the positive impact that a project such as the proposed retail facility would have on the overall economy of Miami-Dade County. Development of the proposed facility is projected to cost \$11.0 million and will provide a basis for approximately 215 worker-years of direct construction employment during the development period as well as an approximately equal number of indirect and induced jobs. It is anticipated that

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once the proposed retail facility is completed, the permanent workforce on-site would total 150 people on a full-time equivalent (FTE) basis, who will earn an average of between \$20,000 and \$30,000 annually depending on the mix of tenants that actually occupy the space. Finally, it is estimated that the operations of the proposed retail facility would provide support for an approximately equal indirect and induced jobs. In considering this estimate of permanent employment, it should be noted that the figure indicated reflects full-time equivalents. The actual number of individuals hired may be considerably greater since a substantial percentage of workers in the retail sector are part-time workers.

In its prior recommendation regarding the subject property in 2012, the County's planners estimated that the agricultural activity currently occurring in Horse Country employs approximately 615 people. As the Agriculture Retention Study performed for the County approximately a decade or so ago, showed, however, more than 50 percent of the people who consider themselves farmers work in Agriculture less than full-time. We also note that the estimate of agricultural workers in Horse Country in the 2012 recommendation differs significantly from information presented in a socio-economic profile of the "Horse Country Neighborhood" compiled by the County's planners in 2011. Specifically, the referenced document contains data obtained from the U.S. Census Bureau's American Community Survey 2005 – 2009 Five Year Estimates that estimates that the area had a total of 18 agricultural workers. The document also contained the results of a business survey conducted in the area that classified only 3 establishments as agricultural establishments. The area was reported to have 15 nurseries, which were apparently classified as retail establishments under the NAICS Code 444, which pertains to Building Equipment and Garden Equipment and Supplies Dealers, and estimated to have a total of 59 employees.

Finally, as discussed above, the subject property is located on the periphery of Horse Country rather than in the interior just like the religious and educational institutions discussed above. There is no evidence to indicate that its development with commercial uses will cause other commercial uses to be developed in the interior of Horse Country where they would lack the visibility they require for success. Accordingly, it is reasonable to believe that if the subject site is developed with commercial uses, it will cause 150 FTE jobs to be created while the agricultural jobs in the area presently, whatever their actual number, will be retained.

Closing

In summary, since the re-designation of the subject property for Business and Office would: 1) help redress the deficiency that currently exists in MSA 6.1 in terms of commercially-designated land without adversely impacting the housing supply inside the UDB; and 2) provide significant fiscal and economic benefits to Miami-Dade County and

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its residents, MEAI strongly believes that the subject application to amend the CDMP should be approved.

Sincerely,
Miami Economic Associates, Inc.



Andrew Dolkart
President