iwork. ishop. iplay

THE NW 7TH AVENUE

COMMUNITY REDEVELOPMENT AGENCY

# Economic Development Action Plan:

## *Economic Opportunity Assessment*

*April 2014*

IBI Group Florida, Inc.

www.UptownAvenue7.miamidade.gov
UptownAvenue7@gmail.com

# Table of Contents

# Overview

After a long history as a successful regional commercial hub, NW 7th Avenue has fallen into an extended period of decline. IBI Group Inc. has been engaged by the NW 7th Avenue CRA to complete, and then execute, an ***Economic Development Action Plan*** to stimulate new development and job creation within the CRA. As the first step in developing the Action Plan, IBI Group completed and extensive analysis of economic, physical, and regulatory conditions within the CRA and the regional economy.

The NW 7th Avenue CRA Economic Development Action Plan has been structured into two documents:

- The NW 7th Avenue CRA Economic Opportunity Assessment, and;
- The NW 7th Avenue CRA Economic Development Action Agenda.

The NW 7th Avenue CRA "competes" for business within Miami-Dade County and South Florida. This Economic Opportunity Assessment is focused on:

1. Detailing broader economic tends and dynamics that will affect the CRA over time,
2. Revealing CRA market strengths that can be leveraged to create new opportunities for investment and job creation, and;
3. Identifying and ranking the CRA's best opportunities, or ***Targeted Opportunities***, for immediate redevelopment, to jump start the redevelopment of the CRA and make best use of its limited financial resources.

The Economic Opportunity Analysis will then inform the development of the Economic Development Action Plan, which will provide a focused list of policies, programs, and projects to improve the CRA's competitive position within the region and stimulate new development within the CRA.

# Key Findings

## 1. The Regional Growth Context

### 1.1. Population Growth

Miami-Dade County's population grew 11% from 2000 to 2010, averaging 1.2% increase per year. Until 2010, the County's population growth was driven by natural population change (net births and deaths), accounting for 60% of all population growth. Since 2010, net *in-migration* now accounts for 67% of County population growth, with increases in both international and domestic in-migration.

Since 2010 Miami-Dade County gained an average of 35,400 new residents from international in-migration — 50% of all new residents. However, during the same period, the County loses 33,110 residents per year to outmigration. The result is that the overall rate of the County's population growth has been projected to slow over the next 10 years, with estimates ranging from .5% to 1.4% average annual growth (about 38,000 people per year total). However, population growth since April 1, 2010 has been 2% per year. Countywide, average household size has increased from a low of 2.78 persons per household in 2007 to 3.07 in 2011, driven largely by the recession.

### 1.2. Employment Growth

By most standards the Miami regional economy has enjoyed steady, though cyclical, economic growth over the last 3 decades. It's tourism industry is one of the world's most envied, has become a major finance and trade center, and is one of the worlds' most interesting international gateways for people, culture, and ideas.

Employment in Miami-Dade is relatively concentrated in four sectors — Tourism & Hospitality, Trade, Finance, & Housing construction. The growth of these leading sectors has propelled Miami's growth as a nationally competitive financial service center, a wide array of trade related services and exports, nationally leading real estate development companies and projects, and as a gateway for talent and investment from Latin America and the world.

Prior to the recession, County employment grew at an average rate of .5% from 2000 to 2007, just above the US national average of .6%. According to the US Bureau of Labor Statistics, total employment in the County reached its peak of just over 1.2 Million workers in November 2007, lost over 143,000 total jobs between 2007 and December 2009, and since that time has added back 120,000 jobs. The County's employment growth rate has flattened over 2012-2013.

According to the County Regulatory & Economic Resources Department, nearly 30% of the jobs lost in the recession paid annual wages of $50,000 or higher, and were in high-wage industries including professional and technical services, finance and insurance, information, transportation and wholesale trade. 60% of the new jobs created post-recession average annual salaries of $35,000 per year, and only 24% of the jobs added pay more than $50,00 per year.

Miami-Dade's economic structure has changed over the last 20 years as well. As of October 2013, the five largest super-sectors by employment are Trade, transportation, and utilities (26% of total non-farm employment), Education and health services (15%), Professional and business services (13%), Government (12.9%), and Leisure and hospitality (11.9%).

Historically, employment growth has been led (in order) by, Education and health services, Professional and business services, Leisure and hospitality, Other services, Government, and Trade, transportation and Utilities, with all other super-sectors showing net job losses since 1990. Over the last year (October 2012 to October 2013), according to the County Regulatory & Economic Resources Department, employment growth has been led by Retail Trade, Leisure and Hospitality, Financial Activities, Professional and Business Services, Information, Manufacturing, and Education and Health Services. Construction and Government employment continue significant job declines.

Employment has grown in Miami through small establishments, particularly establishments employing 20 or less people. According to the latest County Business Patterns Data (2011), 91% of all business establishments in Miami-Dade employ less than 20 people. From 2009 through 2011, Miami-Dade County added 1,925 establishments employing less than 20 employees, while establishments employing more than 20 employees lost a net 13 establishments over the same period.

The data regarding new business ***firm*** creation is not conclusive. Avalanche Consulting, in preparing the ***One County, One Goal Plan*** for the Beacon Council, noted that Miami-Dade has had a historically low rate of new firm creation — 2.7 new companies for every 1,000 existing jobs between 2005 and 2010. However, a more recent study by the Kaufmann Foundation — ***The Kaufmann Index of Entrepreneurial Activity*** — rates the County as the leading creator of new *entrepreneurs* among the top 15 largest cities in the US.

### 1.3. Employment Growth Forecasts

For the Beacon Council's ***One County, One Goal Plan***, Avalanche Consulting also examined the relative size and growth of 30 industry clusters (industries at the 4 digit, NAICS level). According to Avalanche and EMSI, the fastest growing industry clusters, and their rates of projected job growth in Miami-Dade from 2010 to 2020 are:

- Research (64.5%)

- Software / IT (26.0%)
- Agribusiness & Food (14.2%)
- Automotive (22.6%)
- Back Office (22.3%)
- Building & Construction (17.2%)
- Energy (15.3%)
- Healthcare (14.2%)
- Non-Profits (13.5%)
- Private Education (13.4%)
- Culture & Entertainment (11.3%)
- Financial & Real Estate (10.4%)
- Professional Services (10.2%)
- Electronics (10.0%)
- Biomedical Supplies & Labs (6.7% )
- Consumer Goods Manufacturing (6.2%)
- Transportation & Logistics (4.9%)

Avalanche has forecasted that the top 18 fastest growing clusters will add over 107,000 new jobs in Miami-Dade over the next ten years. In addition, since publication of the ***One Community, One Goal Plan***, International trade has continued to show continuing growth, with the value of total trade moving through the County's airports and seaport has grown each year since 2011. Of particular note, the dredging of the Port of Miami, scheduled for completion in 2014, combined with the widening of the Panama Canal, will dramatically increase shipping capacity and traffic through the Port. The employment impact is expected to create 33,000 jobs in the region in a range of occupations and industries, including warehousing, transport, and Trade Finance.

### *1.4. Ongoing Regional Economic Challenges*

During upward trending economic cycles Miami's concentrated industry structure has propelled the region's economic growth — net employment and GMP increases in Miami's leading sectors have been strong enough to provide net employment gains despite net losses in nearly every other sector except government employment over the last decade. However, the regional economy still faces significant challenges, including:

- Miami-Dade's employment growth prior to the recession barely outpaced US average employment growth. Since bottoming out in 2009, employment growth has been slow and inconsistent. The County's 2013 employment growth rate ranked it 237 out of 335 counties in the US. Also, falling unemployment rates may be overstated, as potential employees fall out of the labor market, rather than pick up new jobs.
- Miami has been called a Transactional economy — in that captures little value added of the significant volume of goods and capital moving through it;
- Salaries in almost every sector except Trade, Transportation, Health services and leisure and hospitality are lower than their national averages. According to 2012 data released by the Bureau of Economic Analysis (BEA), Miami-Dade County surpassed $100 billion in total personal income for the first time. Per capita personal income (PCPI) rose to $38,860. Although Miami is Florida's largest County economy, its PCPI is 19th among all Florida Counties, and its growth rate of PCPI is 52nd of 67 Florida counties.
- Miami is below the US Average in educational attainment, particularly advanced university degrees;
- Miami's economy is characterized by low productivity – it is in the bottom 25% of the largest 100 metro economies in terms of Gross Metropolitan Product (GMP) per capita, and has below average per capita personal income among ***all*** metro economies, and;
- Miami-Dade's economy ranks low on national innovation indices that measure both high performing economic inputs and outputs. In fact, Miami-Dade lags behind Brevard, Osceola, Palm Beach, and Broward counties, which all rank in the upper tier of the US's most innovative ready metros.

### *1.5. Key Real Estate Market Performance Factors*

The County's real estate markets have rebounded since 2009, following the region's employment growth. In each major real estate sector, County markets have returned to varying levels of expansion and increasing value. The key regional and national real estate market trends that will have the most impact on the redevelopment of the CRA are as follows.

#### *County-Wide Land Availability*

Across all sectors, the availability of land will drive pricing and location of new development. Miami-Dade County is largely built-out. 11,012 acres inside the Urban Development Boundary, and only 2,083 acres inside the County's Urban Infill Area are privately owned vacant land. Of the vacant acreage remaining in the County, parcels larger than 4-5 acres are at a premium.

The growing shortage of large undeveloped parcels is resulting in all real estate development sectors shifting to infill "urban" strategies with higher densities, designs, and smaller building footprints. County-wide, the development community is assessing and executing infill development strategies on smaller vacant properties, and those with underutilized or undervalued buildings. In particular, Miami-Dade County, as well as leaders in regional market intelligence, have noted that the County has a particular shortage of readily available land suitable for manufacturing, assembly, R&D, back office, and distribution uses.

***Residential Development***

The Department of Housing and Urban Development (HUD) projects that from 2012 to 2015, the County will have demand for 22,600 homes, including 13,050 homes already under construction. Much of the CRA is zoned for medium density residential and residential mixed-use development, and is an opportunity for future development. Six major trends in the residential market will have an impact on residential demand in the CRA:

- There has been a clear shift to rental apartment housing since 2010. Within the regional multi-family market, only 30 % of new units are condominiums, versus 85 % at the market peak in 2008.
- Demand for rental apartments is being driven by lower household incomes and significantly tighter mortgage lending standards.
- Household lifestyle preferences are also driving the rental apartment market. According to recent research by the National Association of Home Builders, both ***Millennials*** (age 21-34) and households aged 55-plus are moving to rental living for a number of reasons, including wanting smaller sized housing, locations requiring less drive time to work, shopping conveniences, recreation and entertainment, and are increasingly seeking neighborhoods in which daily activities are closer and nearby, and clear preference for housing in proximity (less than ½ mile) to mass transit, and access to a mix of alternative transportation modes, including bicycles and walking, and the trend in these two age groups is accelerating.
- In addition to the benefits listed above, renters are seeking more outdoor amenities, including garden plots, walking/jogging trails, parks, outdoor pools, and local drug/convenience stores.
- Home purchases have been supported by Federal Reserve Bank induced historically low interest rates. However, an expected increase in mortgage interest rates and already rising average home prices are pushing homeownership costs (as a percentage of total living costs) above affordability for many Miami homeowners, further increasing the demand for rental housing.
- The supply of affordable, or workforce housing remains an issue in Miami-Dade. However, developing workforce housing requires tax credit financing and equity to be economical. At the present time, receiving an allocation of low and moderate income housing tax credits in Florida is extremely competitive, and can take over two years to obtain, if at all.

***Office Market***

The office sector was the hardest hit commercial real estate sector by the recession, and has been the slowest to recover. Slow and now flat, overall employment growth has hampered office space recovery — even with the addition of new jobs to the regional economy, according to CBRE Econometric Advisors, ***office*** employment has declined for the last five years.

Average asking rents are still below 2008 levels, reaching $29.05 (NNN) for the County at the end of 2013. The overall County vacancy rate is estimated at between 12.2 (CoStar) and 17.4% (CBRE), but varies widely by submarket, as high as 27% on Biscayne Boulevard (CBRE), and 25 and 23% in Miami Lakes and North Miami (CBRE). Capitalization rates and asking sale prices for quality, occupied buildings has also moved upward over the last year.

Vacancy varies widely across office quality and price — Class A Office space across the County at 17.9%, Class B at 12.9%, and Class C at 6.1%. Almost all new office space under construction at the end of 2013 is in Doral, Aventura and Brickell (CBRE).

Low prices, low vacancy rates, and no new inventory of Class C space would seem to be a real opportunity for the CRA. However, four significant trends will continue to impact Office demand in the County and CRA. U.S. companies are restructuring, consolidating and re-engineering their business practices, finding ways to shrink and share office space, including:

- Outsourcing non-core functions, such as IT, accounting, human resources, marketing and legal to lower cost providers.
- Shrinking the amount of square footage per employee. According to the CoreNet Global Corporate Real Estate 2020 survey, square feet per employee in the office sector shrank from 225 square feet in 2010 to 176 in 2012, and is projected to reach 151 or less in 2017.
- Corporations are placing talent closer to their customers and away from the central office. Telecommuting is not only a way to save on office space, but is ranked by 46% of corporate leaders in a recent Deloitte survey as second only to compensation as the best way to attract talent, and has also been made easier by communication technologies such as Skype and GoToMeeting. Between 1997 – 2010, there was a 35% increase in the number of people working from home (13.4 million people now work at least one day per week from home).
- Leading corporations are using more informal office space, moving satellite offices into neighborhoods, and using shared office space in main offices. PricewaterhouseCoopers has a desk reservation system. CBRE is moving to an unassigned workplace environment called CBRE Workplace 360.

***Retail Market***

The Miami-Dade retail market has shown improvement and growing strength since 2010. The average vacancy rate for the County at the end of 2013 is 3.8%, average rent at $31.79, average asking sale prices have improved over the last year, cap rates average between 6 and 7%, and new inventory is growing again.

While chain stores have shown stronger investor interest over 2013, asking rents vary widely, from over $152 per square foot in Miami Beach, to $36.10 in Aventura, to $14.19 in North Miami. As a category, the strongest growth in rents, sale prices and cap rate performance was in high-end and luxury brand retail. Value brand retail moved more slowly, trailing middle-income employment and wage recovery.

An interesting trend in Miami has been the growing use of pop-up shops, or temporary stores including pop-up restaurants, pop-up lounges and pop-up hotels, attracting high-end, luxury consumers.

The most important trend in retailing shaping new opportunities in the County and the CRA is the continuing rapid growth of E-Commerce, and the deep impacts it is having on the physical development and business structure of the retail market. According to Deutsche Bank's RREEF Global Real Estate Research Group, although e-commerce accounts for a relatively small share of *total* retail sales, it is capturing a significant share of sales in commodity items. E-commerce sales are pervasive, and have grown 40% since 2007, in sharp contrast to less than 5% overall sales growth. Excluding auto-related purchases (which don't sell on-line) e-commerce grew 53.0% from 2007 to 2012, seven times the overall retail sales growth rate.

According to Deutsche Bank, the growing shift to online shopping has significant real estate implications. The amount of e-commerce retail sales in 2012 ($157 B), would equal between 350 million and 500 million square feet of leased retail space based on sales volumes, about a third of the vacant retail space in US shopping centers and retail districts.

E-Commerce is diverting a rapidly growing percentage of shoppers away from physical stores, and the industry away from bricks-and-mortar sales locations and development. The effects on the retail market include:

- Fewer and Smaller Stores, and a business focus on productivity (sales per square foot) over growth. Commodity retailers, especially big-boxes, will be especially vulnerable to online sales loss, and shopping centers not anchored by stores with items that can't be sold easily online (grocery stores, etc.) will also be hard hit with shrinking sales.
- Many chains are re-opening stores all have announced plans to close underperforming stores at the same time they are pushing more sales online and still selectively opening new stores. The Best Buy example is perhaps the most illustrative, if extreme. Best Buy is closing 50 full-line stores (generally 40,000 square feet+) at the same time they are testing new, smaller "connected" prototypes and opening 100 new 1,000- square-foot Best Buy Mobile stores that focus on smartphones and tablets. Their goal is a 20% reduction in floor space. Meanwhile, the Gap and Abercrombie have affirmed their goals to enhance store productivity over "growth at any cost," focusing on the best locations for their stores.
- Portfolio Rationalization through store elimination: chains are rapidly closing significant portions of their physical store locations, including Abercrombie & Fitch, the Gap, Best Buy, and Radio Shack. E-Commerce has all but killed the physical bookstore already.
- The Urban Strategy, or moving stores closer to urban consumers, with smaller footprints. Walmart is rolling out its Walmart Express format at just 15,000 square feet, compared to its normal prototype of close to 200,000 square feet. Similarly, Target developed a new CityTarget format, sized at 60,000 to 100,000 square feet, compared to over 130,000 for its typical suburban stores. Other brands are following suit — Office Depot is downsizing its warehouse stores to 15,000 – 18,000 sf, and is developing a smaller 5,000 sf prototype ideally for urban areas. The same for Officemax — from 23,000 down to 2,000 square feet, and Staples, from 18,000 down to 10,000 square feet.
- Flagship Stores in high-end and high rent locations, designed to market the brand, often at boutique scale size, and;
- Multi-Brand Stores, bringing multiple brands under one roof. The Gap and Toys R Us are both adopting prototypes in which their multiple flags (e.g., Banana Republic, Baby Gap and Old Navy for the Gap) in order to encourage cross shopping across their brands and reduce restocking costs and rent for the combined flags. Another strategy is the "store-within-a-store" format in which one retailer co-locates within others.

The Miami Market is seeing each of these trends play out, with chain retailers developing stores in highly urban locations, on smaller footprints, and in interesting vertical mixed-use configurations.

Lastly, new Walmart stores on the fringe of the CRA Market area will affect retail mix and potential competitiveness of new retail development of all kinds within the CRA. New Walmart stores of varying sizes are being developed in Midtown Miami, Hialeah Gardens, and at NW 79th Street and 32nd Ave.

***Industrial and Flex Space Market***

Marcus-Milchap ranked the Miami market as the fourth best performer of all large city industrial markets based on growing sales volume, rents, and strong demand (absorption). Vacancies fell to 6.3%, and rents grew to an average $8.25 per square foot (NNN). Only flex space saw a negative absorption rate within the County's industrial market in 2013.

Key trends affecting the size and location of new buildings and demand in the industrial sector include 1) increases in same day delivery service for E-Commerce sellers, 2) continuous growth of 24-hour fulfillment, shipping and delivery, and 3) continuous growth in Latin American and Brazilian consumer markets and trade.

As the major trade gateway to South America, growth in the industrial sector has been driven by rapidly expanding South American trade volume and increasing intermodal shipping activity. The widening of the Panama Canal and dredging of the Port of Miami will increase the demand for warehouse and shipping facilities in the County, but also increase demand for back office, and support space, but not necessarily at the Port, where land is at a premium.

***Access to Commercial Capital & Credit***

Access to equity and debt financing was one of the worst casualties of the recession, hurting all segments of the economy. In south Florida, easy access to credit fueled the real estate run-up and business expansion from 2000 to 2007.

Post-recession, financing business expansion, development and redevelopment has undergone significant change. Equity investment in projects has become more difficult to obtain, and debt finance providers require significantly higher equity to debt ratios (as much as 50%) stronger credit ratings, and higher levels of personal and corporate guarantees. The rebound of investment financing has been slow during the recovery, particularly for small businesses, and has been extremely dependent upon historically low, federally subsidized, interest rates.

***Direct Foreign Investment in Miami***

Direct foreign investment in Miami-Dade has been a bright spot throughout the recession, supporting the growth of trade, trade services, finance, and real estate during the worst portions of the recession, and continues to grow since 2011.

Although the total amounts have not been formally quantified, indicators of the increasing levels of direct foreign investment in Miami-Dade include 1) the high proportion of first, condominium sales, and more recently, single-family homes, to foreign buyers — 78% of all home sales in the Miami metro region are now in cash, 2) notable large-scale development projects, including the University of Miami Life Science & Technology Park, and 3) the large-scale entry of foreign institutional investors into the commercial real estate market, purchasing major office and commercial real estate portfolios across South Florida, and 4) foreign demand for residential properties, which has both consumed post-recession inventories and driven up home prices.

***Rapid Speculation in Nearby Neighborhoods***

In what may be a major opportunity for the CRA, speculative real estate acquisition and development has driven up prices in neighborhoods designated for "New" Economy business development, including Wynwood and the Design District. Rapidly rising real estate prices are forcing existing retail, assembly, design, product development, restaurants, arts businesses and artists out of these areas in favor of high-end retail and hospitality uses.

## 2. CRA Market Area Economic Conditions

### *2.1. The CRA 7th Avenue Corridor*

It is impossible to accurately measure changes in the composition of business establishments within the CRA due to different data sets and reporting conditions. Within the Boundaries of the CRA and the portion of 7th Avenue within the City of North Miami, there are 453 establishments employing 2,755 persons. 37% (166) are in retail sales and 37% in services. The remaining establishments are a diverse mix of businesses including 29 church and/or religious organizations with significant land holdings.

***The CRA Corridor is a community of small businesses***. Average establishment size is six employees. 357 businesses employ less than 5, and only 21 employ more than 20 employees. However, the 21 largest employers in the CRA (those with 20 employees or more) employ 1,153 persons, or 42% of total jobs in the CRA. The top five largest employers employ 600 employees.

| Industry | Establishments | % | Employees | % |
|---|---|---|---|---|
| Agriculture, Forestry & Fishing | - | - | - | - |
| Mining | - | - | - | - |
| Construction | 17 | 4% | 114 | 4% |
| Manufacturing | 15 | 3% | 100 | 4% |
| Transportation, Communications, Ele | 21 | 5% | 60 | 2% |
| Wholesale Trade | 16 | 4% | 71 | 3% |
| Retail Trade | 166 | 37% | 1,400 | 51% |
| Finance, Insurance & Real Estate | 25 | 6% | 90 | 3% |
| Services | 168 | 37% | 856 | 31% |
| Public Administration | 5 | 1% | 35 | 1% |
| Non Classified | 20 | 4% | 29 | 1% |
| | 453 | 100% | 2,755 | 100% |

***The CRA is a successful community of businesses.*** 119 of the 453 establishments within the CRA have more than $1M in annual revenue, and total revenue for the CRA in 2012 was $655,525,000. The top 20 largest establishments by revenue had 51% of the CRA's 2012 total sales ($336,695,000).

***Business establishments within the CRA are stable.*** The average age of all establishments is 10 years. 301 (66%) establishments have been operated on 7th Avenue for 5 years or more, 173

(38%) have been located on the Avenue 10 or more years, and 71 (16%) more than 20 years. 79 new establishments have opened in the last 2 years, of which 19 are in retail trade and 30 are in services.

### *2.2. The CRA Market Area Population Demographics*

Although the boundaries of the CRA are tightly bound to either side of 7th Avenue, the CRA functions in a much larger ***Trade Area*** and ***Market Area***. The immediate ***Trade Area*** for the CRA Corridor includes the area inside 1.5 miles on either side of 7th Avenue, approximately all of the area within an 8-minute drive of 7th Avenue. The population of just the CRA's immediate Trade Area, at 203,256, represents 8% of the County's total population. ***Were the Trade Area it's own city, it would be Florida's seventh largest, and the Nation's 107th largest city — almost as big as Richmond, and bigger than Fayetteville, Shreveport, Tacoma, Akron and Tallahassee***.

The CRA's ***Market Area*** is the area included within 3 miles in each direction of 7th Avenue, the physical area within a 12 to 14 minute drive, which includes both County Commission Districts 2 and 3. With a population of 366,253 persons, the CRA's Market Area represents nearly 15% of the County's total population. ***If the CRA Market Area was it's own City, it would be Florida's third, and the Nation's 51st largest city — bigger than New Orleans, Tampa, Anaheim, Honolulu, and St. Louis, Orlando, and more than twice the size of Fort Lauderdale.***

***Considered from this perspective, the CRA is the commercial heart of an extremely important economic sub-region.***

Key demographic trends within the CRA Market Area include:

- The population of the CRA's Market Area grew more slowly than the remainder of the region. From 2000 to 2010 total population increased by less than 1%, compared to 9% for the remainder of Miami-Dade County.
- Population Density in the Market Area is relatively high — at 7,527 persons per square mile, it ranks 24th out of 919 Florida Cities. Average population Density for the entire County is 1,026 persons per square mile. Population density for the City of Miami 11,135 persons per square mile.
- The Market Area average household size (2010), at 3.01 persons per household, slightly higher than the County (2.88), while the percentage of overcrowded housing units in the Market Area is 72% higher than that of the County (5.2% and 9%, respectively).
- Educational attainment in the Market Area has improved dramatically since 2000. A higher percentage of Market Area residents over the age of 25 have a High School Diploma (32%) or Associates Degree (7%) than the remainder of the County (27% and 8%), but lags behind the County for Bachelors and Graduate Degrees (9% and 5% attaining Bachelors and Graduate Degrees in the market rea versus 17% and 10% for the whole County.
- Unemployment within the Market area has been higher than in the rest of the region, and varies by location — unemployment rates west of 7$^{th}$ Avenue have dropped since their highs of 2011 (16% to 17.9%), but remain consistently higher than the eastern side of the Market area, which has dropped from a 2011 high of 12% to 14%.
- The CRA Market Area has significant household purchasing power, given its size and population density. Total annual household income at $4.1 Billion represents significant potential purchasing power. However, average household income, at $58,847 for the Trade Area, and $35,453 for the Market Area, are both well below the County mean household income of $65,799, and the number of households living below the poverty level, at 28%, is significantly higher than the County as a whole (18%).

### *2.3. Market Area Business Creation and Employment Dynamics*

The CRA Trade Area and Market Area both have a significant and resilient labor force and business community. The CRA Trade Area is home to 3,015 business establishments employing 34,322 workers, while the Market Area is home to just over 7,000 business establishments employing 75,426 persons, representing 6.5% of the County's total jobs base. 80,217 employed persons live in the CRA Trade Area, while 154,069 employed workers live within the Market Area, representing 13.2% of the County's *employed* workers.

Similar to the CRA corridor, the Trade Area is composed of mainly small businesses — 79% of establishments employ less than 10 employees. The recession impacted employers within the CRA Trade and Market Areas significantly, and recovery has been slow. From 2009 to 2011, the CRA Trade Area lost 1,599 jobs, representing a 5% employment *decline*, added only 3 net new business establishments, while the CRA Market area lost over 2,800 jobs, or 3.1% of its employment, and added 56 net new business establishments.

However, job losses in the Trade Area were concentrated in a small area at the north end of the CRA (Zip Code Statistical Area 33168), which lost 3,260 jobs. ***Excluding these losses, the remainder of the Trade Area gained 1,661 jobs — a 5% increase in the jobs base. Similarly, nearly all of the Market Area's job loses were confined to two small areas — the north end of the CRA Corridor, and in the southwest of the Market Area, below 79th street. Without the combined loss of over 5,300 jobs in these two small areas, the remainder of the Market Area experienced a 5.6% employment increase.***

Even more surprising, although the CRA Trade and Market Areas area lost jobs overall, total payroll paid to workers in the Trade Area increased from $1.04 B to $1.08 B, a gain of 3.8%.

***Average payroll per employee increased (unadjusted for inflation) increased from $30,440 to $33,130 per worker, or an 8.8% increase. Similarly, although businesses in the Market Area paid less total wages to their employees from 2009 to 2011, ($2.85B to $2.58 B in total annual employee payments), average pay and benefits to employees at establishments in the Market area increased 3% during the same period.*** Total payroll per worker for the entire County increased 5% over the same period.

The CRA Market Area has one of the highest employment densities of any communities within the County. The ratio of jobs versus employed persons located within the Market Area is close to 50%. This means that Market area residents have more nearby employment opportunities and enjoy shorter travel times to work. Employment density for all other areas of the County excluding Doral are less than Forty%.

Additionally, although not scientific, 54% of all workers living in the Market area have a travel time to work of 25 minutes or more, meaning that 46% of the employed persons living in the Market area work in the Market Area.

In addition to rising income per worker, the Trade Area is home to a significant percentage of establishments in the Miami's highest paying sectors. 27% of all business establishments in the Trade Area are in the Finance, Professional, Scientific and Technical Services, and Education and Health Care sectors, employing 38% of the workforce working within the Trade Area.

### *2.4. Property Ownership*

Property ownership within the CRA is stable, with absentee owners representing 55% of the property owners within the CRA. Only 257 (25%) of all properties within the CRA have changed ownership within the last 10 years, and of those, only 77 commercial properties have changed ownership over the last 10 years. Of the remaining properties that have stayed under the same ownership for 10 years or more, a high proportion have been held for more than 20 years by the same owner.

The property ownership picture for the CRA has both positive and negative aspects. On the one hand, the low rate of property transactions and long terms of property ownership shows the stability of owners and businesses along the corridor, but also belies a pattern of slow turnover and investment on 7th Avenue. It's the sign of a stable, but slow growing, or declining commercial strip.

### *2.5. CRA Property Prices – A Value Proposition*

Because of the relatively slow pace of property transactions within the CRA, property price comparable are generalized. Given the small size of the majority of properties within the CRA, most are assessed at under $1 Million. Except for large vacant properties, purchase prices and rents in the CRA represent a value proposition compared to the rest of the County:

- Residential properties in the CRA have a wide range of pricing and value, dependent on condition and size, with single-family residential distressed properties selling well below $100 per square foot, and better kept properties selling between $100 to $140 per square foot. Surprisingly, locations close to I-95, have sold for process comparable to all residential neighborhood locations west of the CRA, despite conflicting uses nearby. Residential sales have, however, been subject to long listing periods.
- Existing vacant buildings in the CRA have sold and are listed at or below the market for each land use. Office properties are listed from $57 to $150 per square foot, Flex/warehouse buildings listed from $116 to $144 per square foot, and retail/showroom space listed from $90 to $110 per square foot.
- Large vacant parcels (larger than one acre, with no structures) in the CRA are currently marketed at a premium. Asking prices for the largest vacant properties in the CRA range from $1.2 to $3 Million per acre.
- Investment properties — properties with existing tenants — are selling for capitalization rates from 6.25% to 8.5%, consistent with County averages, based on condition and rent rolls.
- Regardless of building age, asking prices for all building classes are on par with the CRA's neighboring communities — North Miami, Opa-Locka, Miami Gardens, Hialeah, Miami Shores and western North Miami Beach, but notably higher than Little Haiti. Capitalization rates for income properties are also on par with all surrounding communities ranging from 5.5% to 8.5%.
- Small properties (under one acre) with vacant, undercapitalized and underutilized buildings sell for discounts below County asking averages for comparable properties.

## 3. Strategic Location and Connectivity

### 3.1. Miami's Most Connected Corridor

The CRA and its Market Area are Miami-Dade County's major economic and transportation gateway from the North, and the region's entry point to downtown from the North. ***The CRA is one of the most significant and unique multi-modal transportation corridors in Florida, based on its location, traffic capacity, connectivity, and visibility.***

- The CRA is served by, or located within 15 minutes of every mode of transportation.
- Interstate 95 forms the major roadway spine of the CRA — ***the segment running through the CRA is the 6th most heavily traveled Interstate segment in the US, carrying 266,000 vehicles per day.***
- NW 7th Avenue, the twin north-South spine to I-95, is one of only seventeen urban arterials in the County with 3 lanes or more in both directions, and currently carries 33,500 vehicles per day. 7th Avenue is the Southern terminus of State Route 441, extending to southern Georgia, has nine interchanges with I-95, and is the major alternate route to I-95.
- Although classified as a minor arterial, 7th Avenue's 100 feet of right-of-way makes it one of Miami's largest commercial boulevards, wider than many of the region's primary arterials.
- The CRA intersects with major east-west regional urban cross streets and highway facilities, including State Route 826 (the Palmetto Expressway), the Florida Turnpike, the Gratigny Highway, and Opa-Locka Boulevard. In addition, the Miami-Dade Express Authority (MDX) is proposing an extension of the Gratigny Parkway to I-95 as an elevated highway over NW 119th Street, providing a direct connection to the western portion of Route 826. ***7th Avenue, I-95 and the major east-west cross streets intersecting 7th Avenue carry over 580,000 vehicles into, through, and along the CRA corridor every day.***
- The Golden Glades Interchange, at the north end of the CRA, is a Strategic Intermodal System (SIS) hub, one of the largest facilities in a statewide network of high-priority transportation facilities such as airports, seaports, rail corridors and highways. The golden Glades Interchange is the physical interchange and direct connecting point for I-95, SR 826, and Florida's Turnpike, as well as host to a Tri-Rail passenger Train Station, and direct road and rail connections to the Port of Miami and Port Everglades. ***The Golden Glades currently carries over 400,000 vehicles per day with direct impacts on regional travel within the tri-county area.*** Florida DOT is proposing to rationalize the flyover and ramp system to provide direct system-to-system connection from SR 826 (East Bound) to I-95 North bound, and improve the Turnpike to I-95 SB connection, improving traffic flow and delay times.
- 7th Avenue is also is a major transit corridor with significant Metrobus ridership. 7th Avenue has 72 bus stops along the length of the CRA, and twelve County Bus lines — 2 along 7th, and 10 intersecting connecting bus lines — serve 7th Avenue, carrying over 506,000 passengers along and to 7th Avenue each month.
- Tri-Rail, Florida's most heavily utilized passenger rail line, almost 4.4 Million passenger trips annually. Its park and ride station at the Golden Glades (inside the CRA) is one of its busiest stations. Additionally, the Florida East Coast Railway (FEC) transects the CRA Market Area, as well runs parallel to 7th Avenue one mile to the east. The FEC has been proposed to convert to passenger travel within the next five years, and if it does has proposed stations at NW 79th and 125th Street, just east of 7th Avenue.

### 3.2. Economic Assets Within the CRA Market Area

The CRA is strategically located — within minutes of the region's most important economic assets — drivers of regional employment growth including major employers, institutions, infrastructure, and culture. They include:

***Major Universities:***

- Miami Dade College North Campus
- Barry University
- Florida International University Biscayne Bay Campus (a 17 minute drive from 7th Avenue)
- St. Thomas University

***Medical Service and Research Institutions:***

- North Shore Medical Center
- Jackson Memorial Hospital
- Jackson North Medical Center
- Miami Jewish Health Systems
- St. Catherine's Rehabilitation Hospital
- Multiple Medical Research Centers
- The Miami Innovation & Discovery District (the "MIDD"), including the University of Miami Life Science & Technology Park

***Cultural and Civic Facilities:***

- Museum of Contemporary Art (MOCA)
- New County Library
- U.S. Citizenship and Immigration Services (USCIS)

- New County Police District Headquarters
- IGFA Fishing Hall Of Fame & Museum (16 minutes, Dania Beach)
- Perez Art Museum
- Adrian Arsht Performing Arts Center
- Miami Children's Museum
- American Airlines Arena

***Airports and Infrastructure***

- Miami International Airport and Free Trade Complex (20 minute drive)
- Fort Lauderdale-Hollywood International Airport (23 minute drive)
- Opa-Locka Executive Airport (14 minute dive)
- Port of Miami (15 minute drive)
- Port Everglades – (22 minute drive, Hollywood)

***Business Centers, Major Employers and New Neighborhoods***

- Design Center of the Americas (DCOTA) — the largest design and office center campus of its kind, showcasing 775,000 square feet of design products (16 minute drive, Dania Beach)
- The CRA is within 20 minutes drive of the Region's fastest growing new neighborhoods, including the Wynwood Arts District, the Miami Design District, and Miami Midtown
- Lincoln Road Pedestrian Mall (Miami Beach)

### *3.3. The CRA and Regional Transportation Competitiveness*

Roadway congestion is a critical issue facing the region. According to the Texas A&M Transportation Institute (TTI), Miami is the 14th most traffic congested City in North America, and 11th most congested in the US. Average travel times across the County are above the national average, and for workers living in the western and southern Commission Districts, travel times average 45 minutes each way, nearly *double* the national average.

Traffic congestion in Miami is a quality of life issue, environmental issue, and increasingly, one of its most pressing economic development issues. Employers seeking new locations are increasingly concerned with the lost productivity costs of congestion. According to the TTI, the total cost of congestion delays in the Miami area the 5th highest in the nation, at over $3.7 Billion dollars each year. And this cost is steadily increasing, hampering the region's competitive advantages for new job creation.

Between 2015 and 2035, Southeast Florida transportation agencies plan to spend approximately $58 billion on improving the region's roadways and transit. However, the Miami-Dade Metropolitan Planning Organization (MPO) forecasts that even with this spending, roadway level of service on nearly all major roads throughout Miami-Dade will continue to degrade over the next 15 years, rush-hour speeds will be 20% slower than they are today, and traffic congestion will continue to increase. Many read segments in the County are already at or above capacity.

The region's traffic congestion issues are a product of population growth, a lack of land to add new road lanes, and land-use patterns. The bulk of the City's businesses and jobs are concentrated in six zip code statistical areas — the corridor stretching from downtown through Miami International Airport to Doral, while most of the County's population lives in the arc outside of the City of Miami at mostly suburban residential densities.

Despite the high volume of traffic moving through the CRA, both 7th Avenue and I-95 operate efficiently and under capacity. All segments of 7th Avenue operate better than Level of Service (LOS) B at peak hours. Two intersections along the corridor operate at peak hours at LOS E, but the remaining intersections with the CRA operate rest better than LOS B. I-95 operates with speed slowdowns and delays (90% of capacity) at peak hours, and 7th Avenue also operates at 90% capacity at peak. The Miami-Dade MPO forecasts that facilities will continue to operate at 90% capacity through 2025, whereas most of the regional arterials will be over capacity within the next 5 years.

Interviews with business owners along 7th Avenue indicate that it operates for the most of each day as a high-speed arterial, that traffic moves *too* quickly, the street is difficult for pedestrians to cross, and high vehicular speeds do not necessarily benefit small businesses along the Avenue.

## *4. Land Use, Property Conditions and Streetscape*

### *4.1. Corridor Segments*

Although not formally subdivided, functionally, the CRA is divided into six segments, based on land uses and the physical character of the properties within it.

- **Segment 1**, From NW 79$^{th}$ Street to NW 97$^{th}$ Street, is the most commercial part of the Avenue, has the largest number of larger size parcels within the CRA, and is generally in the best condition of properties within the CRA.
- **Segment 2**, from NW Southern 98$^{th}$ Street to NW 119$^{th}$ Street has mostly small size properties on both sides of 7$^{th}$ Avenue, with a mix of commercial, retail, food service, and residential properties. The notable features of this segment are that the residential properties are primarily single family, with a number tucked between commercial properties facing 7$^{th}$ Avenue, and I-95.

- **Segment 3**, from NW 119th Street to NW 135th Street, is within the City of North Miami CRA, and not formally part of the CRA, but has the best property conditions, least number of vacancies, most attractive streetscape.
- **Segment 4**, from Opa-Locka Blvd to 139th Street, is mostly small-scale neighborhood commercial in varying conditions.
- **Segment 5**, from 139th Street to 154th Street is the most residential portion of the entire CRA, with single family, duplex, and high-density residential buildings as well as neighborhood retail, commercial, and services fronting 7th Avenue.
- **The Golden Glades Interchange** is the region's single largest multi-modal interchange point and hub, connecting five roadways, passenger rail and bus stations, and a large supply of surface parking. It is the Northern end of the CRA.

#### *4.2. Service Infrastructure*

The length of the CRA is served by water, sewer service, high-capacity power lines, and multiple high-speed internet and data carriers. Most of the water service throughout the CRA is delivered in 4-inch up to 36-inch mains, while sewer service is provided by 4-inch up to 8-inch gravity lines throughout the length of the corridor.

#### *4.3. Land Use*

The CRA is comprised of 369 separate parcels (including the Golden Glades Interchange), which are predominantly commercial, service businesses, and small-scale manufacturing. South of 139th street, uses are 66% commercial. Within the expansion area of the CRA above 139th Street, 7th Avenue changes into a more predominantly residential character.

Given the long commercial history of 7th Avenue, there are few major land use conflicts within the CRA. However, there are pockets of single-family residential lots in close proximity to commercial and manufacturing uses, and single-family residential lots directly against I-95. These residential properties are a mix of values and conditions, in some cases are higher value, well maintained residential properties. However, the mix of conflicting uses and the proximity of these residential pockets so close to I-95 hamper future redevelopment and the potential value of both residential and commercial uses. Two locations in particular contain this condition:

- The east side of 7th Avenue from 99th Street to 103rd Street includes 39 total lots — 21 commercial, office and industrial lots interspersed with 18 single family and duplex lots, and;
- The east side of 7th Avenue from 116th street to 117th street — 3 office, 2 industrial, and 3 commercial lots mixed with 3 single family and 1 duplex lots.

#### *4.4. Property Lot Sizes*

Lot sizes vary widely within the CRA, but are generally smaller north of 135th Street (except for the Northway Shopping Center). The majority of properties within the CRA are under 1 acre. Excluding the site of the new City Inn Hotel, only 5 properties are over 3 acres, and only 10.8 acres are vacant (without a structure). The largest vacant property is 3.22 acres. Only one other vacant property is over 2 acres (2.1 acres).

#### *4.5. Environmental Conditions*

Given the area's history of land uses, three portions of the CRA have been designated as a Miami-Dade County Brownfield Area. It includes:

- NW 79th Street to 119th Street;
- 135th Street to 143rd Street, and;
- The Golden Glades Interchange.

Specific incidences of environmental contamination are not known at this time. Brownfields are defined as real properties that may be contaminated or could merely have the *perception* of contamination. The environmental status of sites within a Brownfields Area can only be evaluated by environmental assessments.

#### *4.6. Property Condition and Streetscape*

The physical condition of buildings and properties throughout the CRA vary widely within each block. In general, larger properties tend to be in better condition, although a number of large vacant buildings are in visible states of disrepair. Small properties tend to be the most problematic, and represent the majority or properties in poor condition. Small and large properties with visible disrepair and code violations contribute to a general perception of poor condition on the Avenue.

The same can be said for the CRA streetscape and public realm, including sidewalks, bus stops, etc. Key problems with the streetscape are:

- 7th Avenue lacks a physical identity as a street and a place. It lacks consistent physical elements (signage, landscaping, lighting, etc.) that contribute to developing its identity as a unique location;
- Much of the street, given its long blocks, poorly delineated public areas, and narrow sidewalks, are generally hostile to pedestrians. The width of the street and high vehicle speeds on the street also make it a difficult place to navigate on foot;
- The poor condition of the streetscape, long blocks and inconsistent building conditions adds to real and perceived feelings of insecurity and lack of safety along 7th Avenue, and;

- The CRA lacks a sense of "place," or multiple places. The entire length of 7th Avenue, despite the variety of businesses along the corridor, is for the most part complete undifferentiated in look and feel. It lacks visible nodes or centers, which help define the identity of its different segments, and assist physical navigation and way finding by car or by foot.

#### 4.7. Parking Supply

Parking for commercial properties on the east side of 7th Avenue is generally sufficient, even ample, given demand. Most large properties in the CRA have sufficient surface parking on-site. However, on the east side of 7th Avenue in two segments of the CRA, from NW 97th Street to NW 102nd Street, and from Opa-Locka Blvd to 139th Street, properties tend to be smaller, with buildings taking up most or all of the property, built close to property lines and neighboring buildings, and closer to the street, leaving little or no room for on-site parking.

This condition along these two portion of the CRA inhibit long-term redevelopment potential of these sites, and contribute to poor physical perception, as employees, owners, and customers are forced to park on side yards and unmarked (sometimes unpaved) informal portions of the block and/or adjoin cross street.

## 5. Land Availability and Redevelopment Potential

The CRA is largely built-out — with construction of the new library and police headquarters, only 10.5 acres of vacant land (without a structure) remain within the CRA boundaries, on scattered sites. However, lot coverage is light, as any parcels do have vacant paved and un-paved portions used for storage or parking.

The building stock across the CRA is aging and in many cases inefficient by modern standards. The vast majority of commercial buildings were built in the 1950's, 1960's and 1970's, at low, single-story densities, and north of NW 95th Street, generally under 2,000 square feet in size.

However, the redevelopment and employment potential of the CRA is considerable. Because of the low price of vacant and underutilized property in the CRA, these properties must be considered reasonable and economically viable redevelopment opportunities. Based on a physical assessment of properties within the CRA, 70.7 acres of property, which includes 10.5 acres of vacant property and 915,000 square feet underutilized or vacant buildings represents the inventory for the CRA's most likely short-term redevelopment opportunities.

***Based on current minimum zoning densities in the CRA, and the minimum 1.0 Floor Area Ratio (FAR) allowed under current zoning for most of the Avenue, this inventory represents a minimum potential of just over 1.3 Million square feet new and redeveloped space. Based on current real estate operating trends, if redeveloped according to the distribution of uses currently within the CRA, this inventory could provide space for up to 3,200 jobs. Developing these properties at higher densities, or with a higher proportion of office uses provides even more new employment potential.***

## 6. Zoning

Zoning within the CRA is regulated under two different components of the County Zoning code. NW 79th Street to 119th Street is regulated under the North Central Urban Area District (NCUAD) guidelines (Article XXXIII(K), Chapter 33, of the code of Miami-Dade County), designated as part of the North Central Community Urban Center in 2005, one of 23 Urban Centers designated by the County. The original CRA area is designated as Mixed-Use Main Street (MM), or Mixed-Use Corridor (MC), with specific properties designated Mixed-Use Corridor Special (MCS). The purpose of the County's special zoning code provisions for its designated Urban Centers is to develop then over time into higher density multi-use districts characterized by high quality urban design.

The remainder of the CRA is regulated under the standard County Land Use Code, and is designated as Neighborhood Business District (BU-1), Limited Business District (BU-1A), or Liberal Business District (BU-3).

It should be noted that due to the slow pace of reinvestment, many of the properties and streetscape do not conform to the current zoning code standards, with many non-conforming uses still in operation. The Specific provisions of the zoning code impacting redevelopment in the CRA are as follows.

#### 6.1. Density, Height and Setback

The portion of the CRA regulated by the NCUAD has differing density and height allowances. The CRA area west of 7th Avenue from 79th to 95th, as well as the entire CRA area from 95th to 119th allows for a maximum of 36 housing units per acre, and a maximum building height of 6 stories, regardless of use. The CRA, from 79th to 95th street, east of 7th Avenue, to I-95, allows for 60 residential units per acre, and a minimum height of 3 stories, and maximum height of 12 stories, regardless of use. All new uses in the CRA are required to adhere to a minimum 1.0 Floor Area Ratio (FAR).

Additionally, height, density and setback requirements are strictly limited for properties abutting single-family residential properties. This could be severely limiting on redevelopment in those segments of the CRA with remaining single-family housing.

The NCUAD requires new construction to be built no farther than 10 feet from the property (street) line, and requires all outdoor uses be screened by permanent fencing.

### *6.2. Permitted Uses*

Both the NCUAD and County standard zoning code is flexible as to permitted uses. All uses allowed under the code are allowed in the CRA, except for ***industrial uses, automotive uses, single-family and duplex residential housing, and live-work housing***. The Mixed-Use Corridor Special (MCS) designation, south of 119th Street, allows for uses not allowed in the MC zoning, including automobile and truck services sales, service and repair, glass installation, tire sales, re-treading and tire service, and self-service mini-storage at selected locations.

### *6.3. Workforce Housing Requirement*

All ***residential or mixed-use*** developments that located within the CRA that have more than four residential units are required to provide a minimum of twelve and a half percent (12.5%) of their units as Work-force Housing Units.

### *6.4. Transportation Concurrency Exception*

The entire CRA is within the Mimi-Dade Transportation Concurrency Exception Area (the same as the Mimi-Dade Urban Infill Area), meaning that proposed development projects within the CRA are subject to a much lower transportation concurrency threshold than those outside the TCEA. Development projects are permitted a generally higher level of transportation impact before being required to invest in active mitigation or management of project transportation impacts.

### *6.5. Parking Requirements*

The number of required parking spaces required within the NCUAD is high — more than double across all uses — compared to best practices urban smart growth standards. However, the code makes reductions in required parking spaces available through 1) the provision of Workforce Housing (25% reduction), 2) Location within proximity to transit (up to 50% reduction, and 3) parcel size — reductions up to 40% for small parcels.

The code provides for a 50% reduction in parking space requirements if a property is within 500 feet of a bus transit stop. As bus stops are located along the entire length of 7th Avenue, spaced from 220 feet to 800 feet, the spacing of stops insures that entire length of 7th Avenue, from NW 8th Avenue on the west and I-95 on the east, are subject to the 50% parking requirement reduction. In fact, the parcel size reduction is additive, so small parcels can receive as much as 90% reduction in parking requirement. However, there is no capacity for counting shared, public, on-street or unencumbered parking toward a development site's total parking supply.

## *7. Safety & Security*

### *7.1. Crime Patterns in the CRA*

The IBI Group Development team plotted all crime incidents as reported to Miami-Dade Police for 2013 on 7th Avenue, and analyzed crime patterns by type, location, day of week and time of day. Its findings are as follows.

- The CRA Market Area — defined as the area enclosed within a 14-minute drive in any direction of 7th Avenue — is one of the County's high crime areas. However, overall crime within the CRA Market Area has been declining for the last two years.
- Crime in the surrounding neighborhoods is significantly higher than within the CRA. The number of crimes and density of crime locations on 7th Avenue is significantly lower than the surrounding neighborhoods across all types of crime. Violent crime is especially lower within the CRA boundaries than in the surrounding neighborhood.
- Crime on 7th Avenue is drastically lower than in the surrounding neighborhoods. For 2013, over 700 crime incidents reported along 7th Avenue, or roughly 2 incidents per day average. The Average daily crime rate in the original CRA is twice that of the Extension Area.
- **The Highest proportion of crimes are property thefts.** The types of crime committed on 7th Avenue also differs dramatically from the surrounding neighborhood. Crime on 7th Avenue has a significantly lower incidence of violent crime. Within the CRA Expansion, violent and bodily crimes – represent 27% of crimes, while property crimes represent 73% of crimes committed, and for the original CRA, 17% and 83%, respectively. **Overall, property crimes — Fraud, Vandalism, Burglary, Theft/Larceny, Vehicle Break-In/Theft, Motor Vehicle Theft, and Robbery — represent 80% of all crime on 7th Avenue.**
- Theft/Larceny, Vehicle Break-In/Theft, and Motor Vehicle Theft represent the highest proportion of crimes in the CRA — 60% of all crime incidents. Burglaries and robberies represent only just over 7% of all crime incidents.
- **Crime incidents do not cluster at small locations within the CRA.** All crimes, vehicle break-ins and property thefts in particular, were clustered along 7th Avenue between 103rd and 119th Street, and at 158th Street, with further concentration of these crimes reported at the cross streets with interchange access to I-95, as wells as through access under I-95 — 103rd Street, 119th Street, and 158th Street.
- **South of 119th Street, crime incidents do not cluster on any single day, or on the weekend**. In fact, the number of crimes of all types (by day of week) are lowest on Sunday, rise slowly and peak on Thursday, and drop again over Friday and Saturday.

Given that most crimes are property crimes, and theft crimes involving vehicles, crime patterns parallels the workweek and the population of workers on 7th Avenue.

- North of 135th Street, number of crimes by time of day shows a similar pattern, with no clear spike other than Friday.
- **The number of crimes by time of day both below 119th and above 143rd Streets follows the workday, with two peaks, and a lull at the lunch hour.** Crime reports drop to almost zero by 5:00 AM, rise slowly though the morning, peaking at 9:00 AM to 10:00 AM, drop significantly until 2:00 PM, then rise again to mid-morning levels by 4:00 PM to 6:00 PM.
- According to interviews with business owners, criminals have become much more sophisticated in their commission of crimes. Many vehicle crimes are committed quickly, and even with photographic evidence, making arrests can be difficult due to follow-up.
- Miami-Dade police resources are stretched extremely thin. The addition of the Police Precinct will provide additional Police presence on the Avenue, but alone will not suffice for crime deterrence.

### *7.2. Crime Pattern Conclusions*

- **Crime along the CRA is a work-week phenomenon.** Criminals are following the pattern of customers and workers arriving to businesses in the CRA, and not waiting for after-hours or for less people on the street. ***Security measures, to be effective, cannot be allocated on limited hours, but must be allocated Monday thru Friday, throughout the entire workday (8:00 – 5:00).***
- **The CRA's Security program must also consider the size of the spatial stretch of properties most heavily impacted.** The heaviest crime rate runs from 103rd Street to 119th Street, and includes 50 parking lots over 25 blocks. This is a large area to effectively patrol.
- Visibility and real-time presence are having the most effective deterrent value on 7th Avenue. Surveillance cameras without active monitoring have had mixed results at select locations. Some property owners have bolstered their on-site cameras with on-site security guards with better results.

### *7.3. Crime Pattern Conclusions*

1. **Crime along the CRA is a work-week phenomenon.** Criminals are following the pattern of customers and workers arriving to businesses in the CRA, and not waiting for after-hours or for less people on the street. ***Security measures, to be effective, cannot be allocated on limited hours, but must be allocated Monday thru Friday, throughout the entire workday (8:00 – 5:00).***
2. **The CRA's Security program must also consider the size of the spatial stretch of properties most heavily impacted.** The heaviest crime rate runs from 103rd Street to 119th Street, and includes 50 parking lots over 25 blocks. This is a large area to effectively patrol.
3. Visibility and real-time presence are having the most effective deterrent value on 7th Avenue. Surveillance cameras without active monitoring have had mixed results at select locations. Some property owners have bolstered their on-site cameras with on-site security guards with better results.

### *7.4. Alternatives Evaluation*

IBI Group considered the following alternatives for application within the CRA.

1. **Additional or dedicated Miami-Dade Police Patrols:** In interviews with Miami-Dade Police (MDP), MDP indicated that the CRA is part of regular police patrols f the precinct, but it would be impossible to allocate a dedicated patrol to just the CRA. Police resources are stretched too thin, crime rates in the surrounding neighborhood are too high, and may be against Department policy.
2. **Off-Duty MDP Police Officer:** MDP officers do provide security services off-duty. However, under union contract rules, officers must be paid time-and-a-half, and not base salary pay for off-duty work. Hourly rates for MDP officers for off-duty time therefore begin at $100 per hour.
3. **Private Security Officer(s):** Private security personnel are used by businesses within the CRA. Most are on-site, and dedicated to a single property. Hourly rates for a single dedicated private security officer are between $12 to $18 per hour. Rates for private security in vehicles is unknown at this time. Private officers cannot enter private property without prior permission, and cannot make arrests, only call in to police to report a crime.
4. **Unmonitored Cameras:** Numerous businesses in the CRA utilize private surveillance cameras, which are legal in Florida as long as sufficient notice is given to visitors on the property, and privacy rights are not violated. Anecdotal references from business owners indicate some deterrent value, and the ability to use stored video for enforcement. Cost for camera systems run from $350 to $1,000 per camera, installed. Many owners use their own computers to archive daily video.
5. **Monitored Camera Systems:** Monitored camera systems make use of installed cameras, monitored professionally at remote sites. As part of the contract, monitoring

personnel have a direct connection to the closets police precinct available. Monitoring personnel maintain live, real-time monitoring of camera feeds, and report crimes as they happen to local police. It is unknown how many properties make use of actively monitored. Installed hardware runs from $350 to $2,000 per camera. Monthly monitoring costs for a 100-space parking lot (for example) is $400 to $500 per month ($4,800 to $6,000 per year). Smaller lots, combined, cost less per month.

### *7.5. Security Alternatives Cost Comparison*

| | Properties Covered (Parking Lots) | Annual Operating Hours | Capital Cost | Monthly Rate | | Annual Cost | |
|---|---|---|---|---|---|---|---|
| | | | | Low | High | Low | High |
| 1. **Additional or dedicated Miami-Dade Police Patrols** | 50 | NA | NA | NA | NA | NA | NA |
| 2.**Off-Duty MDP Police Officer** | 50 | 2,000 | - | 20,000 | 26,000 | 240,000 | 312,000 |
| 3.**Private Security Officer(s) - 3 Officers** | 50 | 2,000 | - | 7,200 | 9,000 | 86,400 | 108,000 |
| 4.**Unmonitored Cameras** | 50 | 8,760 | 18,000-50,000 | | | - | |
| 5.**Monitored Camera Systems** | 50 | 8,760 | 20,000-75,000 | 10,000 | 20,000 | 120,000 | 240,000 |

### *7.6. Solutions Recommendation*

IBI Group is recommending a combination of 1) Monitored Video Cameras, and 2) Private Security Patrol Officer. Determining the precise cost of the entire system is impossible at this point without hard bids, however, a monitored video system, installed at selected properties, combined with a single private security officer patrolling in a vehicle, provides the highest level of security coverage, at the lowest cost. On a per-hour basis, it is far-and-away the most cost effective and lowest cost alternative. Utilizing a real person patrol to augment the video security system provides an additional level of deterrence, since the patrol can be assigned throughout the CRA as needed for additional on-site monitoring.

In addition, advertising the system extensively before and while it is installed is as important as the system itself in terms of deterrence.

It is recommended that the CRA release a bid covering equipment costs, monitoring services, and [patrol services, to be offered by the same, or different vendors. The bod specs can request a program to fit the CRA budget, and the CRA is then free to negotiate a final price. It is anticipated that given the size of the potential annual contract, significant room for negotiation is possible.

## *8. The CRA's Redevelopment Resources*

### *8.1. CRA Revenue Forecast*

The CRA's annual income, based mainly on annual Tax Increment Finance (TIF) income, is one of the smallest annual CRA revenue streams in the state. The CRA has built up a $2 Million cash reserve, but the relatively small size and highly commercial nature of the CRA, combined with declining property values, leaves it with an extremely small annual working income with which to support new investment in the corridor. The addition of the CRA expansion Area has yet to produce new net income to the CRA.

Assuming stabilization in property values and 3% annual TIF Income growth for the CRA results in only a $25,000 to $31,000 increase in annual TIF revenue, and annual income reaching a total of $1 Million per year by 2031. Even assuming a 5% annual increase in taxable property value, the CRA would not reach $1 Million in annual income until 2027.

The City Inn Hotel redevelopment project will boost annual CRA income by approximately $138,601 after its completion in late 2014. This increase is not shown in the forecast table below. A second phase of the project will add additional income. However, given the CRA's small working income, working on a tight budget is the norm now and for the next 5-6 years.

### *8.2. Existing Business Expansion and Development Incentives in the CRA*

Despite the CRA's small annual revenue income, properties, businesses, homes and proposed development projects are subject to an extensive number of local, state and Federal business and development incentives. Because of the overlap of so many incentive programs, the NW 7th CRA may be one of the most incentivized areas of the County. Brief descriptions of the incentive programs currently available within the CRA are as follows.

#### *State Enterprise Zone*

The CRA is within Miami-Dade's Designated Enterprise Zone. At the state level, The Governor's Office of Tourism, Trade, and Economic Development (OTTED) administers the Florida Enterprise Zone Program. At the Miami-Dade County level, Enterprise Zone No. 1301 is governed by an Enterprise Zone Development Agency. Benefits include:

- **Jobs Tax Credit** — Credit against either the Florida Corporate Income Tax or the Florida Sales & Use Tax on wages paid to new employees who have been employed by the business for at least 3 months and are residents of a Florida Enterprise Zone.
- **Property Tax Credit** — New or expanded businesses located in an enterprise zone are allowed a credit on Florida corporate income tax equal to 96% of ad valorem taxes paid on the new or improved property (the assessment rate varies by county).

- **Sales Tax Refund for Business Machinery and Equipment Used in an Enterprise Zone** — Refund on sales taxes paid on the purchase of certain business property.
- **Sales Tax Refund for Building Materials Used in an Enterprise Zone** — A refund for sales taxes paid on the purchase of building materials used to rehabilitate real property located in an Enterprise Zone.
- **Sales Tax Exemption For Electrical Energy —** for businesses in a newly occupied structure or renovated structure, a 50% exemption on municipal utility tax and at least a 50% exemption from the state sales tax on electrical energy. If 20% or more of the businesses' employees are Enterprise Zone residents, the business will receive a 100% exemption from the state sales tax; if less than 20% of the businesses' employees are Enterprise Zone residents, the business will receive a 50% exemption from the state sales tax.

***State of Florida Qualified Target Industry (QTI) Tax Refund***

The QTI is a tool available to Florida communities to encourage quality job growth in specific targeted high value-added businesses. If approved, the applicant may receive refunds on the taxes it pays. This includes corporate income, sales, ad valorem, intangible personal property, insurance premium, communications services, and certain other taxes. There is a cap of $5 million per single qualified applicant in all years, and no more than 25% of the total refund approved may be taken in any single fiscal year. Pre-approved applicants who create jobs in Florida receive tax refunds of $3,000 per net new full-time equivalent Florida job created; $6,000 in an Enterprise Zone or Rural Community (county). Additional awards include:

- $1,000 per job for businesses paying at least 150% of the prevailing average annual wage or $2,000 per job for businesses paying at least 200% of the prevailing average annual wage;
- $2,000 per job if the business falls within a designated high impact sector OR if the business increases exports of its goods through a seaport or airport in the state by at least 10% in value or tonnage in each year of receiving a QTI refund;
- $2,500 per job if project is located in a designated Brownfield area (Brownfield Bonus); and
- $1,000 per job if the local financial support is equal to the base QTI award.

***Qualified Defense and Space Contractor Tax Refund (QDSC)***

Florida is committed to preserving and growing its high technology employment base by giving Florida defense, homeland security, and space business contractors a competitive edge in consolidating contracts or subcontracts, acquiring new contracts, or converting contracts to commercial production. Pre-approved applicants creating or retaining jobs in Florida may receive tax refunds of $3,000 per net new Florida full-time equivalent job created or retained; $6,000 in an Enterprise Zone or rural county. For businesses paying 150% of the average annual wage, add $1,000 per job; for businesses paying 200% of the average annual salary, add $2,000 per job.

***Capital Investment Tax Credit (CITC)***

The Capital Investment Tax Credit is used to attract and grow capital-intensive industries in Florida. It is an annual credit, provided for up to twenty years, against the corporate income tax. Eligible projects are those in designated high-impact portions of the following sectors: clean energy, biomedical technology, financial services, information technology, silicon technology, transportation equipment manufacturing, or be a corporate headquarters facility. Projects must also create a minimum of 100 jobs and invest at least $25 million in eligible capital costs. Eligible capital costs include all expenses incurred in the acquisition, construction, installation, and equipping of a project from the beginning of construction to the commencement of operations. The level of investment and the project's Florida corporate income tax liability for the 20 years following commencement of operations determines the amount of the annual credit.

***High Impact Performance Incentive Grant (HIPI)***

The High Impact Performance Incentive is a negotiated grant used to attract and grow major high impact facilities in Florida. Grants are provided to pre-approved applicants in certain high-impact sectors designated by the Florida Department of Economic Opportunity (DEO). In order to participate in the program, the project must: operate within designated high- impact portions of the following sectors-- clean energy, corporate headquarters, financial services, life sciences, semiconductors, and transportation equipment manufacturing; create at least 50 new full-time equivalent jobs (if a R&D facility, create at least 25 new full-time equivalent jobs) in Florida in a three-year period; and make a cumulative investment in the state of at least $50 million (if a R&D facility, make a cumulative investment of at least $25 million) in a three-year period. Once recommended by Enterprise Florida, Inc. (EFI) and approved by DEO, the high impact business is awarded 50% of the eligible grant upon commencement of operations and the balance of the awarded grant once full employment and capital investment goals are met.

***Quick Response Training Program (QRT)***

An employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. A state educational facility - community college, area technical center, school district or university - is available to assist with application and program development or delivery. The educational facility will also serve as fiscal agent for the project. The company may use in-house training, outside vendor training programs or the local educational entity to provide training. Reimbursable training expenses include: instructors'/trainers' wages, curriculum development, and textbooks/manuals. This program is customized, flexible, and responsive to individual company needs.

***Incumbent Worker Training Program (IWT)***

Provides training to currently employed workers to keep Florida's workforce competitive in a global economy and to retain existing businesses. The program is available to all Florida businesses that have been in operation for at least one year prior to application and require skills upgrade training for existing employees. Priority is given to businesses in targeted industries, Enterprise Zones, HUB Zones, Inner City Distressed areas, Rural Counties and areas, and Brownfield areas

***Economic Development Transportation Fund***

The Economic Development Transportation Fund, commonly referred to as the "Road Fund," is an incentive tool designed to alleviate transportation problems that adversely impact a specific company's location or expansion decision. The award amount is based on the number of new and retained jobs and the eligible transportation project costs, up to $3 million. The award is made to the local government on behalf of a specific business for public transportation improvements.

***Urban Incentives***

Florida offers increased incentive awards and lower wage qualification thresholds for businesses locating in many urban core/inner city areas that are experiencing conditions affecting the economic viability of the community and hampering the self-sufficiency of the residents.

***Local Government Distressed Area Matching Grant Program (LDMG)***

The Local Government Distressed Area Matching Grant Program stimulates investment in Florida's economy by assisting Local Governments in attracting and retaining targeted businesses. Applications are accepted from local governments/municipalities that plan on offering financial assistance to a specific business in the area. These targeted businesses are required to create at least 15 full-time jobs and the project must either be new to Florida; expanding operations in Florida; or leaving Florida unless it receives local and state government assistance. The amount awarded by the State of Florida will equal $50,000 or 50% of the local government's assistance amount, whichever is less, and be provided following the commitment and payment of that assistance.

***State of Florida Brownfield Program***

The CRA is within Miami-Dade's designated brownfield area. A brownfield site means real property, the expansion, redevelopment, or reuse of which may be complicated by actual or perceived environmental contamination. Florida's brownfield program offers businesses and developers a flexible set of regulatory and financial incentives to clean up and redevelop a brownfield site, including:

- Brownfield Redevelopment Bonus Refund: A $2,500 tax refund is available for each new job created by an eligible business.
- Voluntary Clean Up Tax Credits (VCTC): Projects that execute a Brownfield Site Remediation Agreement (BSRA) with the Florida Department of Environmental Protection are eligible for a 50% tax credit for cleanup costs. The tax credit is applicable to Florida's corporate income tax. An additional 25% tax credit is available if the property is redeveloped with affordable housing.
- Sales Tax Credit on Building Materials available for construction of housing or mixed-use projects.
- Loan Guarantee Program: Up to 5 years of state loan guarantees on 50% of the primary lender loan. If the project is for affordable housing, the loan guaranty applies to 75% of the lender loan.
- Cleanup Liability Protection for projects that have an executed Brownfield Site Remediation Agreement with the Florida Department of Environmental Protection.

***Energy Efficiency***

Florida Power and Light (FPL) offers the following opportunities:

- Free Business Energy Evaluations provide comprehensive analysis of facility energy use and recommendations for cost-effective energy efficiency improvements. Evaluations are available both online and on-site.
- Building Envelope rebates include window treatments (up to $1 per sf), ceiling insulation (up to $0.15 per sf) and reflective roof measures. Projects must be approved in advance in order to qualify for incentives.
- FPL's Interior Building programs provide incentives for efficient lighting (e.g., rebates of 65 cents to $4 for each linear fluorescent lamp), a variety of HVAC and chiller equipment, thermal energy storage, refrigeration and water heating equipment. Installations must be approved in advance.
- The Energy Innovation is a custom incentive program that rewards innovations that trim at least 25 kW from summer peak demand (April - October between 3 and 6 P.M.). To qualify for an incentive under this program, the project must differ from other FPL rebate programs (see above) and be approved by FPL in advance.
- The Services for Government program offers turn-key services including identification of energy-saving opportunities, carbon footprint calculation, project management, performance contracts and assistance obtaining financing for energy efficiency projects.

***Building Better Communities (BBC)***

The Building Better Communities Bond Program is the largest capital construction bond program in Miami-Dade County history. Bond financing for projects can be used for site and infrastructure improvements.

***Quality Neighborhood Improvement Program***

The Quality Neighborhoods Improvements Program (QNIP) funds capital infrastructure projects in unincorporated Miami Dade County. Since 1999, the County has issued Florida Public Service Tax Revenue Bonds Unincorporated Municipal Service Area (UMSA Public Improvements), for what has become known as QNIP projects in each of the County's 13 Board of County Commission districts. Projects include new or repaired sidewalk installation, drainage improvements, roadway resurfacing and park facility improvements.

***7th Avenue CRA Commercial Improvement Program***

The CRA offers up to $50,000 in a grant for renovation, painting, landscaping and physical improvements, for qualified existing businesses in existing buildings in the CRA.

***Residential Improvement Program***

The CRA offers cash grants to homeowners for renovation, painting, landscaping and physical improvements, for qualified homeowners in the CRA.

***Business Enhancement Program***

The CRA will fund the purchase of new equipment or inventory for qualified businesses in the CRA. CRA funds are managed through the County Mom and Pop business Program.

***Miami-Dade County Mom and Pop Small Business Grant Program***

Grants for start-up and operating assistance for small businesses administered through Miami-Dade County.

***Miami-Dade Police Security Audit***

The Miami-Dade police offer free security audits to property owners within the CRA. The audits provide recommendations to improve security at the property, including lighting, monitoring, changes to landscape, operations, etc., designed to increase security and reduce the risk of theft and vandalism.

### *8.3. NW 7th Avenue CRA Security Program*

The CRA is undertaking a security funding program to fund or subsidize the installation of an active e, real-time monitored security camera program and professional security patrol for a targeted portion of 7th Avenue.

### *8.4. CRA Incentive Program Priorities*

The CRA has, through its location in the State Enterprise Zone, County Brownfield, and other State Target Industry programs, significant incentives in the form of job tax credits, tax refunds, and property tax rebates. Its underlying incentive programs are competitive with other CRAs and business development districts.

However, the NW 7th Avenue CRA lacks the ongoing annual income other larger CRAs enjoy that are typically used for cash grants, infrastructure investments, debt offsets, or land cost reductions. Given this condition, the following strategies are suggested for utilization of the CRA's existing TIF annual revenue and reserve:

- Spending of CRA funds need to be highly concentrated and targeted for maximum impact and visibility to build the CRA's image and future investor confidence;
- CRA funding should be invested in tandem with new private investment. The CRA does not have the resources to invest speculatively. Historically speculative investment by CRA's in streetscape and beautification projects has had mixed results, with CRA spending waiting for private investment to follow. Investing CRA resources alongside new private investment significantly leverages the value and impact of these expenditures;
- CRA incentive programs, similar to State programs, would be well advised to be contingent on a business investment, expansion, or relocation. Offering cash grants to businesses for improvements, particularly façade grants, landscaping and streetscape improvements without the requirement of new capital investment or additional jobs has four potential negative effects: 1) it tends to be scattered, so any improvements are not readily visible, 2) it provides funds for undercapitalized business to continue, but not necessarily grow new business or jobs, 3) the return of the cash grant in case of closure is highly uncertain, and 4) the return on investment is low, as the physical appearance of properties may be improved, but without any guarantee of new jobs, productivity, or sales revenue improvements from the grantee.
- State programs work well for larger firms and employers. CRA programs would be well advised to address gaps in up-front cash expenses often not covered in other programs, particularly small businesses;
- One of the pressing needs of businesses in the current capital market is the need for additional equity, debt financing, or offsets against both. The CRA does not have the funding, nor will it in the near future to provide these types of incentives, but could effectively partner with institutions that do to provide targeted equity assistance, tax credit equity, and debt programs for business expansion and new business development, and;

- The CRA needs as much immediate, high-impact, visible business investment activity as possible. The new City Inn Hotel project will provide needed visibility and positive investment news for the CRA. In addition to small business support, the CRA would be well advised to use its cash reserve to fund a property acquisition, or partnership agreement with an existing property owner to sponsor a significant "signature" project. CRAs often undertake highly visible development projects to bring a needed project into the CRA when private investors are slow to do so, sponsor a project with broader benefits or address a specific market need, and stimulate investor confidence in the CRA. The CRA needs to control a property in order to incentivize it, and solicit requests for development proposals for a signature, visible redevelop project. The CRA would not need to necessarily purchase a property outright, but could partner with an existing owner to 1) simply market an RFP for development proposals, 2) better market the property, or 3) option a property, put it to the development market through an RFP, and close on the purchase only when a viable development proposal is under contract.

## 9. Identity and Brand Recognition

### 9.1. The CRA is Unknown or Misunderstood Within the Broader Region

Like successful businesses neighborhoods benefit from a broader identity and knowledge of what that community has to offer the region. Calle-Ocho, Brickell, the Miracle Mile, Coco Walk, Wynwood, and the Design District, to name a few, are neighborhoods that have built a brand identity which over time, conveys a clear image to the region regarding shopping experiences, living, working, and investing in that community. Most recently, in Doral more than 100 interior decor businesses are organizing to promote themselves, improve area roads, and boost interest in the community of merchants from 87th Avenue east to the Palmetto and from 36th Street south to 25th Street under the ***Doral Decor District*** brand name.

The development of a positive brand identity creates create clear competitive advantages, becoming the platform upon which to build a successful marketing campaign, supporting the growth of business within the CRA, attracting new investment, and public support. However, based on research with local real estate professionals, brokers, site selectors, location consultants, and economic development professionals, NW 7th Avenue suffers from a number of identity and "brand" recognition issues:

- Few professionals representing potential developers, tenants, and businesses that would benefit from a location in the CRA knows of the CRA or its location. If the relative location of NW 7th Avenue is known, it is more often than not confused with the portion of 7th Avenue located below NW 79th Street.
- Few in the development field know of the CRA's existence, and many brokers in the Miami area still do not understand what CRA's are, how they function, or what benefits may accrue to a client's location in the CRA. Very few real estate professionals indicated any awareness of the multiple layers of economic incentives or benefits available within the CRA.
- Professionals and business people who do know the location of NW 7th Avenue or the existence of the CRA have a negative image of the Avenue and the area, and limited or no knowledge of it's underlying economic dynamics and strengths.
- Relatively few merchants and business within the CRA know of the many economic incentive packages available to them by virtue of their location within the CRA.

# Rethinking 7th Avenue:

## Targeted Redevelopment Opportunities in the CRA

### *1. Key CRA Strengths*

Based on the assessment of regional and CRA market conditions, the primary strengths and competitive advantages of the CRA are as follows:

1. Available land for redevelopment: With the County largely built out, the CRA provides a considerable opportunity for development and job creation. The over 70 acres of vacant and underutilized and affordable property within the CRA can accommodate a minimum of 1.3 Million square feet of development, supporting 3,200 new jobs.
2. Unparalleled access and visibility: The CRA s the most connected transportation junction in the County, with daily vehicle counts over 600,000 vehicles.
3. Excess transportation capacity to support new development: Unlike much of the rest of the County road network, both the I-95 and 7th Avenue segments within the CRA operate under capacity, and can support significant new development as-is.
4. Redevelopment of the CRA aligns with the County's economic development goals: 27 of the 39 high-growth, target industries identified the One County, One Goal Plan could make use of a location within the CRA. In fact, most of the OCOG target industry clusters can not economically make use of a high-cost downtown location, and would benefit from a more affordable and accessible location within the CRA.
5. The 7th Avenue CRA can provide new, affordable and more accessible locations for businesses being priced out of the Wynwood and Design District neighborhoods.
6. The CRA has significant in-place economic assets on which to build new employment capacity already in-place within its market area, including a large population, high employment density, a growing business base, major institutions, employers, and infrastructure within a 14 minute drive.
7. Multiple segments of different land uses and property sizes which could be redeveloped as distinct "mini-districts," accommodating a wide variety of businesses and land uses providing economic diversity to the corridor.
8. Supportive and flexible zoning allowing significant development density — up to twelve stories, with flexible parking requirements and maximal use of land.
9. An extremely significant business development incentive structure: Although the CRA has a limited annual cash flow, it may be one of the most incentivized areas within the County.
10. Property sizes, building configurations and costs that support the growth of small businesses and small business establishments, which are the engine of economic growth in the County.
11. Rising payrolls, wages, and educational attainment of workers within the CRA.
12. A stable and committed business community that is firmly vested in 7th Avenue and the success of the CRA and the surrounding neighborhood.
13. New public investments including a new police precinct and library.
14. A rich and diverse cultural and ethnic fabric.

### *2. Key CRA Weaknesses*

1. Household incomes below the County average.
2. Flexible, but fragmented zoning, allowing incompatible uses in segmented spots along 7th Avenue.
3. Density limitations (units per acre), particularly for residential development, may be uneconomic.
4. Widely varying building conditions, poor streetscape conditions, and public domain hostile to pedestrians.
5. A real and perceived threat of crime, particularly thefts from vehicles, and crime patterns that do not led themselves to easy or cheap security fixes.
6. A low density of development that does not make best use of the CRA's transportation capacity.
7. Too many empty lots and un-built spaces along the face of 7th Avenue, creating an inconsistent street image with many "missing teeth." Unlike Wynwood and the Design District, the CRA has many fewer and less dense buildings immediately amenable to redevelopment, and uses are unconnected to one another.
8. A lack of significant nightlife after hours. The 7th Avenue portion of the CRA closes down after business hours. The Avenue lacks gathering places (formal and informal), and has no urban center (or centers).
9. The CRA has no regional identity or brand. Its location, strengths, and business advantages are virtually unknown in the regional real estate and business community.
10. Few existing vehicles to capitalize on the CRA's rich and diverse cultural and ethnic fabric.

## 3. Targeted Opportunity Assessment

Based on the economic dynamics, CRA conditions, strengths, weaknesses, and allowable uses under current zoning detailed above, relative development and redevelopment opportunities can be assigned for selected industry clusters, by type of building. Overall, the potential redevelopment of the CRA — its pace, timing, and scale — will be subject to many factors including the regional economy and the effectiveness of the CRA Strategic action Plan. However, redevelopment in the CRA will most likely be subject to three conditions:

- There is no silver bullet solution or project that will rapidly tune the course of development within the CRA. Change will be incremental, and if the CRA is successful, steady.
- Given its inventory of small properties and buildings, and relatively competitive pricing, the CRA's main short term redevelopment opportunities will be 1) the expansion of existing businesses, 2) repurposing and rebuilding existing buildings for new users, and 3) new development on its existing vacant properties — a series of small projects on less than an acre, with two or three immediate opportunities for projects on 1.5 to 2 acre properties. Larger signature projects will require time to assemble land.
- The focus of redevelopment, and the projects most likely to happen in the very near term (1 year or less) will be street-front improvements of existing spaces.

With this in mind, the following ***Development Opportunity Assessment Matrix*** was developed to help identify a targeted list of industries and the types of buildings they utilize that will be the best, and most likely, opportunity targets for the CRA's marketing and redevelopment efforts. The matrix has been developed by first, categorizing the region's highest growth potential industry clusters, as identified in the One Community, One Goal Strategic Economic Development Plan, and matching the physical, market, and operating needs of each industry cluster against conditions within the CRA.

The matrix is not a forecast of likely redevelopment, but an evaluation which industry clusters and their particular building types are a best fit, or best match for conditions within the CRA. The assessment of potential opportunity — High (H), Medium (M), or Low (L) — has been assigned based only on the immediate (one year or less) potential for attracting development within each industry cluster. Clearly, the CRA will become attractive to businesses in a wide range of industries as physical and economic conditions in the CRA improves over time. ***The Opportunity Assessment Matrix is a tool to specifically target and focus the CRA's immediate redevelopment efforts.***

**NW 7th Avenue CRA**
**Development Opportunity Asessment by Industry Cluster and Building Type**

| | Office | R&D | Manufacturing, Assembly | Retail, Showroom, Storefront | Warehouse/ Distribution | Flex or Studio | Multifamily | Hotel/Motel | Restaurant | Other |
|---|---|---|---|---|---|---|---|---|---|---|
| **AVIATION** | | | | | | | | | | |
| Aircraft Parts & MRO | H | L | L | H | L | L | | | | |
| Assembly & Manufacturing | | | L | | | | | | | |
| Composite Shops | | | L | | | | | | | |
| Flight Simulation & Training | M | | | M | | M | | | | |
| **CREATIVE DESIGN** | | | | | | | | | | |
| Advertising & Marketing | H | | | | | H | | | | |
| Architecture & Engineering | H | | | | | | | | | |
| Fashion & Lifestyle | H | | | | | H | | | | |
| Film, TV Production & Digital Content | H | | | | | H | | | | |
| Industrial Design | H | M | L | H | L | H | | | | |
| **LIFE SCIENCES & HEALTH CARE** | | | | | | | | | | |
| Agricultural Sciences | L | L | | | | L | | | | |
| Back Office Support & IT | H | | | | | H | | | | |
| Biologics | L | L | | | | | | | | |
| Medical Devices | H | L | L | H | M | H | | | | |
| Medical Office | H | | | | | | | | | |
| Pharmaceuticals | H | L | L | H | L | H | | | | |
| **TRADE & LOGISTICS** | | | | | | | | | | |
| Distribution Centers | | | | | L | L | | | | |
| Logistics IT | H | | | | | | | | | |
| Maritime Services & Trade Finance | M | | | | | | | | | |
| Perishables Value-Added Services - Assembly & Kitting | | | | | L | L | | | | |
| Personal Storage | | | | | L | L | | | | |
| **HOSPITALITY, TOURISM, ENTERTAINMENT** | | | | | | | | | | |
| Conventions, Conferences & Trade Fairs | | | | | | | | L | | L |
| Cruise Tourism | L | | | | | | | | | |
| High Income International Tourists | L | | | | | | | | | |
| Medical Tourism | L | | | | | | | | | |
| Tourism IT | H | | | | | H | | | | |
| Hotel | | | | | | | | L | | |
| Night Club, Performance Venues | | | | | | | | | M | M |
| Restaurant | | | | | | | | | M | |
| **INFORMATION TECHNOLOGY** | | | | | | | | | | |
| Back Office Support & IT | H | | | | | H | | | | |
| Computational Science & Health IT | H | L | | | | H | | | | |
| Data Centers | | | | | L | | | | | L |
| Digital Media | H | | | | | H | | | | |
| Logistics IT | H | | | | | H | | | | |
| Mobile Applications | H | | | | | H | | | | |
| Simulation Technology | H | | | H | | H | | | | |
| Tourism IT | H | | | | | H | | | | |
| **INTERNATIONAL BANKING & FINANCE** | | | | | | | | | | |
| International Banks | L | | | | | | | | | |
| International Insurance & Wealth Management | L | | | | | | | | | |
| Maritime Services & Trade Finance | L | | | | | | | | | |
| Mobile Applications | H | | | | | H | | | | |
| Technical Customer Support & Back Office | H | | | | | H | | | | |
| **Multifamily Residential Development** | | | | | | | | | | |
| Market Rate | | | | | | | L | | | |
| Workforce | | | | | | | M | | | |
| Live-Work | | | | | | | H | | | |
| **RETAIL** | | | | | | | | | | |
| Big Box | | | | L | | | | | | |
| National Chain - Small Footprint | | | | M | | | | | | |
| Neighborhood Scale | | | | M | | | | | | |
| Regional Scale (Locally Owned) | | | | H | | | | | | |
| **OFFICE** | | | | | | | | | | |
| Spec Office | L | | | | | | | | | |
| Build-to-Suit, Specialty Office | H | | | | | | | | | |
| Executive Suites | H | | | | | | | | | |
| **Civic, Government and Institutional Uses** | | | | | | | | | | |
| Government Offices | L | | | | | | | | | |
| Hospital | L | | | | | | | | | |
| Social Services | H | | | | | | | | | |
| **Cultural Organizations and the Arts** | | | | | | | | | | |
| Museum | | | | | | L | | | | L |
| Art Gllery | | | | L | | L | | | | L |
| Artist Studios | | | | H | | H | | | | |
| **Merchandise Mart / Design Center** | H | | | | | | | | | H |
| **Pop-Up Shop - Retail, Restaurant, Office** | | | | | | | | | | H |
| **Small Business Incubator** | | | | H | | H | | | | H |