# City of Deerfield Beach

## Economic and Competitive Advantage Analysis

## Citywide Economic Development Strategy

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# ECONOMIC AND COMPETITIVE ADVANTAGE ANALYSIS OVERVIEW

Effective economic development strategy relies on a process of identifying opportunity and building on local strengths while addressing challenges and shoring up weaknesses. The search for new economic opportunity requires knowing where to look, and sometimes taking a ***different*** look at the local economic landscape to uncover opportunities that at first blush may not be obvious.

The FIU Metropolitan Center has used this approach, with multiple methods and perspectives, to analyze the City of Deerfield Beach economy. The initial research has uncovered unexpected and surprising local strengths that represent significant opportunities on which to build future employment and diversify the City's professional occupations and housing composition. A summary of these findings is as follows:

## Key Local Strengths and Opportunities

### A. Central Location and Transportation Access

The City of Deerfield Beach is strategically located in Broward County and centrally located in the larger Tri-County region. The City has excellent highway access to its commercial and industrial corridors with two interchanges on I-95 and direct access to the Florida Turnpike from SW 10th Street.

The combination of the City's central location and level of transportation access is reflected in the size and composition of businesses – key regional distribution, manufacture, assembly and service businesses have made the City of Deerfield Beach a central County business address. Additionally, despite rising traffic congestion and growing commute times across the County, the mean travel time to work for Deerfield Beach residents has increased only slightly from 23.6 minutes in 2000 to 24.1 minutes in 2013, and remains well below the average for workers in Broward County. Deerfield Beach is a central location to live and work — the majority of employed City residents work in Broward County (69.1percent), and the percentage of residents who work in the City has grown from 21.8 percent in 2000 to over 28 percent in 2013.

## B. Land Availability in a Land-Starved Region

Broward County is approaching full build-out — it has less than 2,000 acres of privately-owned, vacant land. Metrostudy, a real estate analysis firm, has determined that Broward County is virtually out of land suitable for residential development, and is one of the most land-constricted counties in the US. Parcels throughout South Florida larger than 4 or 5 acres are at a premium, and development is quickly shifting to infill development, higher densities and smaller building footprints. Prices for raw land are increasing quarterly and according to market reports, retail developers are increasingly competing with multifamily residential developers for land. However, in the face of rising competition for land and rising prices regionally, the City of Deerfield retains highly competitive commercial rents and housing prices.

Significantly, the City has 355.60 vacant undeveloped acres, of which, 126+ acres are industrial and 78+ acres commercial land uses. The vacant land is scattered throughout the City with several small lots west of Dixie Highway and larger portions in industrial areas in the western part of the City. The land available in the City is an increasingly valuable commodity, providing the platform for significant job expansion. ***Under the City's existing zoning code, the City's available industrial and commercial acreage alone could accommodate space for 28,000 to 43,000 new jobs***, depending on the density of development.

## C. A Significant, Interconnected and Diversified Local Economy

The City of Deerfield Beach is home to a significant local economy. The City's 5,665 business establishments employ over 62,000 workers and generate local annual sales of over $19.3 billion. Further, the City of Deerfield Beach economy is characterized by its strong level of interconnection to the global economy. The City's local establishments are local branches of multinational firms who employ over 37 million and have annual sales of over $8.9 trillion.

The City of Deerfield Beach economy is also more diversified than is typical for local Florida economies. The economic base of the City is largely supported by the non-durable service-providing industries with a majority of these jobs directly related to South Florida's tourism industry. However, the City also has a robust and established manufacturing sector, comprised of over 25 different industry groups that account for over 4,000 jobs and is well represented in several of Broward County's established industry clusters including Life Sciences, Marine, and International Trade & Logistics. The study's economic analysis found the City of Deerfield Beach is also well-represented by four industry groups within the emerging Creative Design Cluster: 1) architectural and engineering services, 2) specialized design services, 3) computer systems design and related services and 4) motion picture and video Industries.

Despite the recession, the City's economy has experienced growth in several key industries that provide a platform for future growth — central professional services that support the development and growth of both new and existing businesses. Finance, Insurance and Real Estate Services grew to over $2 billion in local sales and grew its employment by 33 percent from 2000 to 2010, while Professional, Scientific, Management and Administrative Services grew 37 percent from 2000 to 2010 and again by an additional 5 percent from 2000 to 2013. Educational, Health and Social Services grew 45 percent and another 2 percent for the same periods. The size and composition of other key industries including legal services, business services, accounting and professional services, engineering, design and transportation and logistics provide a local business service and support base that is significantly larger, more diversified and faster growing than most South Florida communities . The City's core industry composition, mix, and availability of support services provides significant competitive advantages and potential growth opportunities that may be unique to South Florida.

## D. The Advanced Industries Sector in Deerfield Beach

A different measure of economic diversity, mix, and composition indicates that the City of Deerfield Beach is a uniquely competitive location for ***Advanced Industries***. The *U.S. Advanced Industries Sector*, according to the Brookings Institution, are important regional core industries that concentrate in and drive many of the nation's best performing regional economies. The Advanced Industries Sector is composed of 50 industries including manufacturing chemicals, pharmaceuticals, advanced metals, industrial machinery, medical equipment manufacture, energy development and distribution, software design, data processing and hosting and medical and diagnostic labs. The Institution's analysis has sparked broad thinking regarding the development of these key sectors as important ways to improve American global economic competitiveness, lead the nation's economic revitalization, build on regional economic strengths, create new employment post-recession, and provide badly needed high-skill, high paying employment opportunities.

Each of the industries in the Advanced Industries Sector have high relative levels of technology development and research and development spending that are well above averages for the rest of the economy. The Advanced Industries Sector both drives and relies on constant innovation, technology advances, and new service business models to expand and grow. As a sector, Advanced Industries employ 12.3 million workers, or 9 percent of total employment. The Sector produces $2.7 trillion in value-added annually, or 17 percent of all U.S. gross domestic product.

***The City of Deerfield Beach has a high proportion of business firms and establishments in the Advanced Industries Sector.*** The City is home to 388 establishments and firms within the Advanced Industries Sector. **These business locations employ 4,178 workers, or just over 7 percent of the City's employment base. The total employment of the local firms in the Sector and their parent companies is over 1.2**

**million workers. In addition, the City's Advanced Industry Sector generates over $1.1 billion in local sales, and if the parent companies of the local establishments are added generate over $569 billion in sales worldwide.** Given that ***Advanced Industries employment represents only 3 percent of the state's total employment, the City of Deerfield Beach has growing potential as a leading, high-concentration Florida location for the Advanced Industry Sector***.

## E. Potentially Transformative Major Development Opportunities

The City's development planning and support of two major projects – Town Center and planned transit-oriented development (TOD) in proximity to the Tri-rail station — are unusual in the level of impact they may have on the City's economic direction. The Center's analysis indicates that the City is a choice location for significant and diverse advanced manufacturing and service businesses, and their high-skilled employees. However, based on wage data, many higher paid professionals working in the City of Deerfield Beach choose to live outside the City. A carefully considered redevelopment of the Town Center and TOD projects could be opportunities to provide a greater a range of housing and neighborhood choices to attract new residents including young professionals and new business owners.

Attracting younger, professional workers to these locations is integral to an effective citywide economic development strategy. The Town Center Plan recognized this housing deficiency and proposed redeveloping the study area to attract new commercial and residential development, including "building more employee (workforce) housing" and increasing densities in proximity to public open space and retail sales and services. Further, the City's Future Land Use Plan includes policies and objectives promulgating mixed land use development regulations mixing various residential densities, commercial and recreation land uses, and for the mixing of industrial, office, and commercial land uses land development patterns which combine residential and nonresidential uses to achieve an attractive, well integrated, and pedestrian and transit friendly environment. The City's Town Center and Comprehensive Plans provide the planning tools for the City of Deerfield Beach to address existing housing supply deficiencies while expanding housing choice, location and opportunities in support of the Citywide Economic Development Strategic Plan.

# CITY-WIDE ASSESSMENT

## I. Population and Households

***Population Change***

According to recent 2009-2013 5-Year American Community Survey (ACS) estimates, the City of Deerfield has a current population of 76,330 residents. The City's population has increased by 18 percent (11,614 residents) since 2000 and by 1.4 percent (1,054) since 2010. The City's population growth rate during this period has more than doubled Broward County's population growth rate.

There are currently 31,711 households in the City which represents a 1 percent increase since 2000. Significantly, the number of households in the City has decreased by 2.2 percent (727) since 2010. However, increases in household and family size and households with children under 18 years of age resulted in the slight population gain. Family households comprise 55 percent of all occupied units in the City.

In comparison, Broward County experienced a 1.3 percent increase in households since 2000, but a 1 percent decrease (7,014) in total households since 2009. The County also had a slight decrease (756 households) in family households since 2010. Family households comprise 63 percent of the County's total occupied households.

***Age***

According to 2009-2013 ACS estimates, the current median age of the City of Deerfield population is 43.6 down slightly from 44.6 in 2000. The City's prime age worker population (20-44) comprises 31.9 percent of the population down from 34 percent in 2000. The City's fastest growing (36 percent) age group is the under 20 population.

Broward County's median age of 39.8 is significantly lower than the City of Deerfield Beach. However, the County has also experienced a decrease of 0.6 percent (3,862 persons) in the prime age (20-44) worker population. Broward County's fastest growing population (40.7 percent) is the 45-69 age group.

| Demographic Characteristics: Deerfield Beach and Broward County | | | | |
|---|---|---|---|---|
| | Deerfield Beach | | Broward County | |
| **Total Population** | 76,330 | | 1,784,889 | |
| **Age** | | | | |
| Under 5 years | 3,982 | 5.2% | 105,197 | 5.9% |
| 5 to 19 years | 11,085 | 14.5% | 332,298 | 18.6% |
| 20 to 34 | 15,277 | 20.0% | 342,629 | 19.2% |
| 35 to 54 years | 19,870 | 26.0% | 529,461 | 29.7% |
| 55 and over | 26,116 | 34.2% | 475,304 | 26.6% |
| **18 and over** | 62,285 | 62,285 | 1,390,222 | |
| **65 and over** | 17,070 | | 259,166 | |
| **Educational Attainment** | | | | |
| **Population 25 years and over** | 56,739 | | 1,238,034 | |
| Less than 9th grade | 3639 | 6.4% | 64,861 | 5.2% |
| 9th to 12th, no diploma | 5,165 | 9.1% | 86,097 | 7.0% |
| High school graduate (includes equivalency) | 20,163 | 35.5% | 344,248 | 27.8% |
| Some college, no degree | 11,119 | 19.6% | 260,424 | 21.0% |
| Associate's degree | 3,916 | 6.9% | 112,440 | 9.1% |
| Bachelor's degree | 8,972 | 15.8% | 238,066 | 19.2% |
| Graduate or professional degree | 3,765 | 6.6% | 131,898 | 10.7% |

*Source: U.S. Census ACS 2013 5-year estimates*

## II. Educational Attainment

According to 2009-2013 ACS estimates, 48.9 percent of the population of Deerfield Beach 25 years of age and over have some college or an associate's degree with 22.5 percent having a Bachelor's, graduate or professional degree. Significantly, the City's 25+ population with less than a high school diploma has decreased since 2000.

The City's overall educational attainment is significantly less than Broward County with respect to the percentages of the 25+ population with some college or higher degrees including a Bachelor's, graduate or professional degree. The percentages of the City's 25+ population with less than a high school diploma are significantly higher than the County, as a whole.

## III. Race and Ethnicity

The racial and ethnic composition of the City of Deerfield Beach has been gradually changing since 2000. Following the County trend, the City's "White alone" population decreased for 71.8 percent of the population to 54.8 percent between 2000 and 2013. The percent of the City's Black or African American and Hispanic or Latino populations increased by 9.7 percent and 7.1 percent, respectively, during this time span.

| | Deerfield Beach | | | | | Broward County | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2000 | 2010 | 2013 | Percentage Change | | 2000 | 2010 | 2013 | Percentage Change | |
| | | | | 2000-10 | 2010-13 | | | | 2000-10 | 2010-13 |
| **Total:** | 64,716 | 74,919 | 77,267 | 15.8% | 3.1% | 1,623,018 | 1,753,578 | 1,838,844 | 8.0% | 4.9% |
| **White alone** | 46,393 | 44,031 | 42,335 | -5.1% | -3.9% | 940,692 | 764,305 | 746,144 | -18.8% | -2.4% |
| **Black or African American alone** | 10,098 | 17,644 | 19,545 | 74.7% | 10.8% | 322,516 | 453,171 | 495,686 | 40.5% | 9.4% |
| **American Indian and Alaska Native alone** | 59 | 89 | 68 | 50.8% | -23.6% | 2,912 | 3,618 | 2,092 | 24.2% | -42.2% |
| **Asian alone** | 632 | 893 | 1,499 | 41.3% | 67.9% | 36,148 | 55,991 | 62,430 | 54.9% | 11.5% |
| **Native Hawaiian and Other Pacific Islander alone** | 59 | 0 | 0 | -100.0% | 0% | 570 | 918 | 786 | 61.1% | -14.4% |
| **Some Other Race alone** | 341 | 184 | 398 | -46.0% | 116.3% | 6,638 | 5,552 | 10,095 | -16.4% | 81.8% |
| **Two or More Races** | 1,617 | 937 | 1375 | -42.1% | 46.7% | 42,019 | 28,174 | 26,161 | -32.9% | -7.1% |
| **Hispanic or Latino (of any race)** | 5,517 | 11,141 | 12,047 | 101.9% | 8.1% | 271,523 | 441,849 | 495,450 | 62.7% | 12.1% |
| | | | | | | | | | | |
| **White alone** | 71.7% | 58.8% | 54.8% | * | * | 58.0% | 43.6% | 40.6% | * | * |
| **Black or African American alone** | 15.6% | 23.6% | 25.3% | * | * | 19.9% | 25.8% | 27.0% | * | * |
| **Hispanic or Latino (of any race)** | 8.5% | 14.9% | 15.6% | * | * | 16.7% | 25.2% | 26.9% | * | * |

*Source: U.S. Census ACS 2013 5-year estimates*

## IV. Economic Characteristics

### *Household and Family Income*

According to 2009-2013 ACS estimates, the median household income of the City of Deerfield Beach is $38,353 which is 25 percent less than Broward County, as a whole. The City's median family income of $50,119 is approximately 19 percent less than the County. The City's median household and family incomes have decreased by 6 percent and 4 percent, respectively, since 2010.

### *Employment by Occupations*

According to 2009-2013 ACS estimates, 34,502 (45percent) of the population of the City of Deerfield Beach are employed. The City's civilian employed population 16 years and older work in a variety of occupations and industries. The leading occupation groups include sales and office occupations (9,298 workers/26.9 percent), service occupations (9,127 workers/26.5 percent) and management, business, science and arts occupations (8,861 workers/25.7 percent).

### *Commuter Characteristics*

According to 2009-2013 ACS estimates, 79.1 percent of the District's employed population 16+ years of age commute to work each day by truck, car, van and drive alone. An estimated 12.8 percent carpool and 2.4 percent use public transportation. The median travel time to work (one-way) is 24.1 minutes which is less than the County's median of 27.2 minutes.

| Economic Characteristics | | | | |
|---|---|---|---|---|
| | **Deerfield Beach** | | **Broward County** | |
| **Total Population** | 76,330 | | 1,784,889 | |
| **Poverty Rate** | | | | |
| **Total Households** | 31,711 | | 663,458 | |
| Families & people whose income in the past 12 months is below the poverty level | 5,438 | 17.1% | 89,759 | 13.5% |
| **Percentage in Labor Force** | | | | |
| **Total Population 16+** | 63,711 | | 1,437,782 | |
| Population in Labor Force | 38,855 | 61.0% | 966,642 | 67.2% |
| **Income** | | | | |
| **Median Household Income** | $38,353 | | $51,251 | |
| **Occupations** | | | | |
| **Total Civilian employed population 16+** | 34,502 | | 850,199 | |
| Management, business, science, and arts occupations | 8,861 | 25.7% | 299,856 | 35.3% |
| Service occupations | 9,147 | 26.5% | 168,237 | 19.8% |
| Sales and office occupations | 9,298 | 26.9% | 247,698 | 29.1% |
| Natural resources, construction, and maintenance occupations | 3,842 | 11.1% | 67,974 | 8.0% |
| Production, transportation, and material moving occupations | 3,354 | 9.7% | 66,434 | 7.8% |
| **Commute to Work** | | | | |
| **Workers 16 years and over** | 34,009 | | 832,065 | |
| Car, truck, or van -- drove alone | 26,887 | 79.1% | 662,569 | 79.6% |
| Car, truck, or van -- carpooled | 4,362 | 12.8% | 81,530 | 9.8% |
| Public transportation (excluding taxicab) | 818 | 2.4% | 24,388 | 2.9% |
| Walked | 656 | 1.9% | 10,901 | 1.3% |
| Other means | 508 | 1.5% | 15,842 | 1.9% |
| Worked at home | 778 | 2.3% | 36,835 | 4.4% |

*Source: U.S. Census ACS 2013 5-year estimates*

***Economic Base***

The economic base of both Broward County and the City of Deerfield Beach is largely supported by the non-durable service-providing industries. These industries currently comprise nearly 90 percent of the employment base. The majority of these jobs are directly related to South Florida's tourism industry. However, recent employment growth in Professional, Management, Administration and Waste Management Services and Education and Health Services are indicative of growing economic diversification.

The civilian workforce of Broward County and the City of Deerfield Beach was significantly impacted by the economic recession. However, in the past year notable employment growth has occurred in a number of industries including Professional, Management, Administration and Waste Management Services, Education and Health Services and Arts, Entertainment, and Accommodation and Food Services.

**Employment by Industry in Broward County and the City of Deerfield Beach**

| | Deerfield Beach | | | | | Broward County | | |
|---|---|---|---|---|---|---|---|---|
| | 2000 | 2010 | 2013 | Percent Change 2000-10 | Percent Change 2010-13 | 2010 | 2013 | Percent Change, 2010-13 |
| **Civilian employed population 16 years+** | 28,174 | 36,570 | 34,502 | 30% | -6% | 850,849 | 850,129 | -1% |
| **Agriculture, forestry and mining** | 208 | 104 | 95 | -50% | -9% | 2,070 | 2,102 | 2% |
| **Construction** | 2,507 | 4,275 | 2,952 | 71% | -31% | 62,140 | 51,397 | -17% |
| **Manufacturing** | 1,874 | 1,961 | 1,776 | 5% | -9% | 44,572 | 41,667 | -7% |
| **Wholesale trade** | 1,231 | 1,232 | 982 | 1% | -20% | 36,309 | 31,739 | -13% |
| **Retail trade** | 3,960 | 5,253 | 4,794 | 33% | -9% | 111,712 | 116,214 | 4% |
| **Transportation, warehousing and utilities** | 1,229 | 1,577 | 1,209 | 28% | -23% | 48,683 | 44,095 | -9% |
| **Information** | 960 | 823 | 720 | -14% | -13% | 24,961 | 19,878 | -20% |
| **Finance, insurance, real estate and rental** | 2,561 | 3,219 | 2,963 | 26% | -8% | 78,319 | 73,473 | -6% |
| **Prof., scientific, mgmt, admin., and waste mgmt. services:** | 3,299 | 4,528 | 4,771 | 37% | 5% | 109,471 | 114,881 | 5% |
| **Educational, health and social services** | 3,861 | 5,607 | 5,696 | 45% | 2% | 165,958 | 178,935 | 8% |
| **Arts, entertainment, Accommod. & food** | 3,199 | 4,571 | 5,181 | 43% | 13% | 82,267 | 89,346 | 9% |
| **Other services** | 1,936 | 2,401 | 2,335 | 24% | -3% | 47,084 | 48,270 | 2% |
| **Public administration** | 995 | 1,018 | 1,028 | 2% | 1% | 37,303 | 38,202 | 2% |

A current analysis of the major industry sectors and businesses in the City of Deerfield Beach according to the North American Industrial Classification System (NAICS) shows a significant level of economic diversification in a range of industry sectors including Construction, Retail Trade, Health Care and Social Assistance, and Professional, Scientific and Technical Services.

**City of Deerfield Beach Establishments by Industrial Classification**

| Industry Sector | Number of Establishments | Local Employees | Total Employees | Local Sales | Total Sales |
|---|---|---|---|---|---|
| 11- Agriculture, Forestry, Fishing and Hunting | 3 | 12 | 10,702 | $672,000 | $5,820,185,000 |
| 21 - Mining, Quarrying, and Oil and Gas Extraction | 3 | 12 | 12 | $2,084,000 | $2,084,000 |
| 22 - Utilities | 3 | 106 | 49,837 | $75,384,000 | $23,286,350,000 |
| 23 - Construction | 603 | 5,001 | 608,145 | $1,590,345,000 | $115,558,863,000 |
| 31-33 - Manufacturing | 208 | 4,145 | 370,049 | $973,763,000 | $185,082,850,000 |
| 42 - Wholesale Trade | 256 | 4,337 | 447,186 | $9,013,511,000 | $229,533,982,000 |
| 44-45 - Retail Trade | 762 | 8,468 | 11,375,709 | $1,918,559,000 | $5,083,442,800,000 |
| 48-49 - Transportation and Warehousing | 108 | 1,149 | 2,333,469 | $125,718,000 | $21,946,422,000 |
| 51 - Information | 127 | 1,294 | 753,662 | $412,199,000 | $398,617,597,000 |
| 52 - Finance and Insurance | 385 | 7,058 | 4,208,764 | $2,018,617,000 | $1,035,204,045,000 |
| 53 - Real Estate and Rental and Leasing | 354 | 2,192 | 1,797,815 | $443,532,000 | $461,750,203,000 |
| 54 - Professional, Scientific, and Technical Services | 561 | 6,967 | 666,498 | $1,112,525,000 | $119,870,675,000 |
| 55 - Management of Companies and Enterprises | 11 | 35 | 35 | $24,479,000 | $24,479,000 |
| 56 - Administrative and Support and Waste Management and Remediation Services | 343 | 2,645 | 1,152,683 | $233,074,000 | $238,978,038,000 |
| 61 - Educational Services | 57 | 1,329 | 15,260 | $14,763,000 | $146,932,000 |
| 62 - Health Care and Social Assistance | 613 | 7,496 | 1,060,799 | $852,425,000 | $193,959,440,000 |
| 71 - Arts, Entertainment, and Recreation | 94 | 1,306 | 71,220 | $81,680,000 | $3,647,870,000 |
| 72 - Accommodation and Food Services | 284 | 3,864 | 10,806,291 | $246,303,000 | $790,044,285,000 |
| 81 - Other Services (except Public Administration) | 590 | 2,798 | 851,440 | $167,491,000 | $68,093,907,000 |
| 92 - Public Administration | 48 | 1,326 | 613,229 | $0 | $3,449,202,000 |
| Unclassified | 252 | 545 | 545 | $446,000 | $446,000 |

*Source: Accudata/The Nielsen Company, 2015. Analysis by FIU Metropolitan Center*

| CITY OF DEERFIELD BEACH TOP 20 EMPLOYERS BY SALES VOLUME | | | | |
|---|---|---|---|---|
| Company | NAICS | Description | Local Employees | Local Sales |
| PUBLIX DISTRIBUTION CTR | 42399004 | OTHER MISCELLANEOUS DURABLE GOODS MERCHANT WHLSRS | 1,500 | $3,865,880,000 |
| WORLD OMNI FINANCIAL CORP | 52229103 | CONSUMER LENDING | 2,000 | $1,530,000,000 |
| REPUBLIC NATIONAL DISTRIBUTING | 42482003 | WINE & DISTILLED ALCOHOLIC BEVERAGE MRCHNT WHLSRS | 300 | $681,781,000 |
| CAPITAL SCRAP METAL LLC | 42393017 | RECYCLABLE MATERIAL MERCHANT WHOLESALERS | 275 | $560,790,000 |
| FIDELITY WARRANTY SVC INC | 54187005 | ADVERTISING MATERIAL DISTRIBUTION SERVICES | 2,000 | $446,009,000 |
| VIRTUAL IMAGING INC | 42345037 | MEDICAL, DENTAL/HOSPITAL EQUIP/SUPLS MRCHNT WHLSRS | 100 | $224,500,000 |
| G B INSTRUMENTS INC | 42369015 | OTHER ELECTRONIC PARTS & EQUIPMENT MERCHANT WHLSRS | 70 | $172,034,000 |
| NORTH BROWARD MEDICAL CTR | 62211002 | GENERAL MEDICAL & SURGICAL HOSPITALS | 1,000 | $171,540,000 |
| LANZO LINING SYSTEMS | 23622005 | COMMERCIAL & INSTITUTIONAL BUILDING CONSTRUCTION | 200 | $139,939,000 |
| RUPARI FOOD SVC | 31161103 | ANIMAL (EXCEPT POULTRY) SLAUGHTERING | 300 | $123,459,000 |
| GLOBAL SAFE CORP | 42342031 | OFFICE EQUIPMENT MERCHANT WHOLESALERS | 50 | $116,646,000 |
| ANDERSEN MATERIAL HANDLING | 42383050 | INDUSTRIAL MACHINERY & EQUIPMENT MERCHANT WHLSRS | 48 | $110,782,000 |
| CLOSET FACTORY | 42322011 | HOME FURNISHING MERCHANT WHOLESALERS | 40 | $97,896,000 |
| MILNER DOCUMENT PRODUCTS INC | 42342015 | OFFICE EQUIPMENT MERCHANT WHOLESALERS | 40 | $93,316,000 |
| HOERBIGER COMPRESSOR TECH | 42383006 | INDUSTRIAL MACHINERY & EQUIPMENT MERCHANT WHLSRS | 40 | $92,318,000 |
| CARDINAL HEALTH | 42421014 | DRUGS & DRUGGISTS' SUNDRIES MERCHANT WHOLESALERS | 30 | $77,317,000 |
| TOYOTA OF DEERFIELD BEACH | 44111001 | NEW CAR DEALERS | 105 | $75,891,000 |
| CAMPBELL PROPERTY MANAGEMENT | 53121003 | OFFICES OF REAL ESTATE AGENTS & BROKERS | 400 | $75,270,000 |
| AERIALE AIR CLEANER LTD | 44314132 | HOUSEHOLD APPLIANCE STORES | 250 | $74,628,000 |
| US JOURNAL HEALTH COMM | 45411101 | ELECTRONIC SHOPPING | 100 | $74,526,000 |

*Source: Accudata/The Nielsen Company, 2015. Analysis by FIU Metropolitan Center*

## V. The Dynamics of the City of Deerfield Beach Economy

In addition to static measures of the current economy of the City of Deerfield Beach, it is helpful to understand trend lines and the direction of change experienced by the City over time. Understanding the direction of change in key components of the local economy highlights the direction of where the economy is going, and provides the basis for developing strategies to move the City's economy in new directions.

### *Key Findings*

#### *1. Labor Force and Employment Cycles*

A key measure of the health of a local economy is its resistance to cyclical swings in the regional and national economies. Local economies that undergo fewer or shallower fluctuations in local employment retain more local income and wealth, and experience less economy-wide "shock" in other sectors, including housing. With its heavy reliance on tourism, hospitality and construction, many cities across Florida experienced large-scale drops in employment during the last recession with damaging effects throughout their economies. Many smaller cities are still struggling to recover.

Over the last fifteen years, the City of Deerfield Beach has enjoyed steady and relatively stable employment growth, growing from just under 30,000 total employed in 2000 to 38,702 jobs in December 2006. However, from its peak in 2006 to its employment low point in January 2010, the City lost over 5,400 jobs, or 14 percent of its employment base. Importantly, the local economy has yet to fully recover - as of June 2015, the City's economy employs 37,879 persons which is just shy of its 2006 peak employment.

Employment loss in the City of Deerfield Beach was comparable to the rest of Florida, which experienced a 14 percent loss of jobs from the State's high in April 2007 to its trough in July 2010. Overall, Broward County fared slightly better during the last recession, experiencing a 12.9 percent loss of total employment from its peak employment in March 2007 to its lowest point in January 2010. Additionally, as of June 2015 the Florida economy has yet to fully recover the total number of jobs in the state, while total employment in Broward County (as a whole) has surpassed the County's peak employment in March 2007.

#### *2. Average Wage and Income Decline*

Healthy economies generally experience steady growth in wages and income. However, reflecting national and statewide trends, wage growth in the City of Deerfield Beach has been sluggish. In real terms, wages in Deerfield Beach have been flat and in decline since 2009. The City's changing wage and income structure is an area of considerable concern. Four issues are particularly noteworthy:

- The City's median income is considerably below that of the U.S. and the rest of the County. The City's current median household income is over 25 percent less than that for the County and over 27 percent less than that for the U.S. (Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey);
- The City's median household income in 2000 was $34,041 and grew to $40,689 by 2009. However, The City's median household income in 2013 shrank to $38,353. ***Adjusted for inflation (in 2015 dollars), median household income in Deerfield Beach declined over 15 percent from 2009 to 2013 and is 18 percent less than in 2000;***
- Of particular concern, is the City's change in income structure. While gaining population, the City lost 143 households from 2009 to 2013 largely due to shrinking average household size and outmigration. The City has experienced rapid shifts in its household income structure. From 2009 to 2013 the largest loss of households by income were those earning $75,000 to $99,000 per year and those earning $35,000 to $49,999 per year. The City lost 956 households alone in these two middle and upper income segments. The largest increase (458) was households earning $25,000 to $34,999 per year. While there were smaller gains in households earning at the upper range (above $100,000), this indicates a considerable decline in the relative structure of household income, as indicated by the City's wage rate declines;
- The data indicates that even while the City added back jobs (to near its peak employment) the new jobs being created since 2009 are in a combination of lower wage sectors and are paying less than they were in 2009. Overall employment growth has not resulted in increasing wages for a large segment of the City's population.

***3. Business Establishment Formation Rate***

The City of Deerfield Beach has experienced a dramatic slowdown in the number of business establishments and firms created within or locating to the City. From 2000 to 2009, in the three zip codes covering the City and a portion of northern Pompano Beach (33441, 33442 and 33064), 735 (net) new business establishments were created***. From 2009 to 2013, only 27 net new business establishments were created in the same area. The slowdown in the annual rate of net new business establishments is significant, shrinking from an annual average of 82 new establishments per year from 2000 to 2009 to only 27 per year from 2009 to 2013.***

Accompanying the slowdown in the rate of new business establishments created the local economy has shifted in terms of its establishment size structure. The City's employment recovery has been led by new establishments at both ends of the size spectrum. From 2009 to 2013, the local economy (zip codes 33441, 33442 and 33064) added 98 establishments employing 1 to 4 persons, and added 15 more (net) employing more than 50 persons. During the same period, the local economy experienced a significant decline in mid-size establishments,

with a net loss of 84 business establishments employing between 5 and 50 employees. ***While not conclusive, the data indicates that the City of Deerfield Beach economy has grown significantly through expansion of its existing businesses and key new business locations, adding new employment without a significant increase in the overall number of new business establishments.***

***4. Percentage of Self-Employed in the Local Economy***

The number of people who are self-employed in a local economy can be an indicator of the flexibility and capacity of its residents to add employment, create new business and jobs and innovate. South Florida in general (Miami-Dade and Broward Counties) is a particularly strong in the percentage of workers who are self-employed, and has been an engine of growth over the last decade. A strong presence of entrepreneurs and business owners represent an important pillar of future economic development.

- Across the rest of the U.S., 9.4 percent of all workers are self-employed. Over 14 percent of workers in the City of Deerfield Beach are self-employed, well above the national and Broward County average. This percentage, in fact, declined from over 16 percent in 2009

***5. The Advanced Industries Sector in Deerfield Beach***

The Brookings Institution, among others, has developed the concept and extensive analysis of what it has termed the *U.S. Advanced Industries Sector*. Brookings has identified 50 industries across manufacturing, energy, and services that may be critical in the development of regional economies across the US. The Institution's analysis has sparked broad thinking regarding the development of these key sectors as important ways to improve American global economic competitiveness, lead the nation's economic revitalization, build on regional economic strengths, create new employment post-recession, and provide badly needed high-skill, high paying employment opportunities.

According to Brookings, the Advanced Industries Sector are important regional core industries that concentrate in, and drive many of the nation's best performing regional economies. The Sector is composed of 50 industries identified at the 4-digit NAICS level, and include manufacturing industries chemicals, pharmaceuticals, advanced metals, industrial machinery, medical equipment manufacture, energy development and distribution, software design, data processing and hosting, and medical and diagnostic labs. Industries in the Advanced Industries Sector has three important characteristics:

- Each of the industries in the sector have high relative levels of technology development and research and development spending, well above averages for the rest of the economy. The Advanced Industries Sector both drives and relies on relies on constant innovation, technology advances, and new service business models to expand and grow;

- As a sector, the Advanced Industries employ 12.3 Million workers, or 9 percent of total employment. ***However, the Sector produces $2.7 trillion in value added annually, or 17 percent of all U.S. gross domestic product;***
- The Advanced Industries Sector employs 80 percent of the nations' engineers, funds 90 percent of private-sector R&D, accounts for 85 percent of all U.S. patents; and 60 percent of U.S. exports. The Sector and its component industries are crucial foundations of extensive supply chains and third party employment in a wide range of support industries outside the sector;
- Output and employment of the Advanced Industries Sector has been far greater than the economy as a whole. From 1980 to 2013 advanced industry output expanded at a rate of 5.4 percent annually - 30 percent faster than the rest of the US economy. Since 2010 the sector has added nearly one million jobs. Employment and economic output of the Sector has been 1.9 and 2.3 times higher than their respective national averages since 2010;
- The Sector provides high skilled and high-wage employment. Workers in advanced industries generate over $210,000 in annual value added per worker compared with $101,000 for workers outside the Sector. Workers within the Sector, unlike the remainder of the U.S. economy, are experiencing rapidly rising wages. The average advanced industries worker earned $90,000 in total compensation in 2013, twice as much as workers outside of the sector. Absolute earnings in advanced industries grew by 63 percent from 1975 to 2013, compared with a 17 percent increase outside the Sector.

**The City of Deerfield Beach has a high proportion of business firms and establishments in the Advanced Industries Sector.** An analysis of the current database of Nielson Inc. corporate data for the City indicates that it is home to 388 establishments and firms within the Advanced Industries Sector. **These business locations employ 4,178 workers, or just over 7 percent of the City's jobs base. The total employment of the local firms in the Sector and their parent companies is over 1.2 million workers. In addition, the City's Advanced Industries Sector generates over $1.1 billion in local sales, and if the parent companies of the local establishments are added generate over $569 billion in sales worldwide.**

**Given that regional employment in the Advanced Industries Sector is under 4 percent, and Advanced Industry employment represents only 3 percent of the state's total employment, Deerfield Beach has growing potential as a leading, high-concentration Florida location for the Advanced Industries Sector**. Given the City's competitive advantage in these sectors, their leading position of growth and wage income, the supply chains they drive, and the extensive size of the parent companies that many of these establishments are connected to, this feature of the local economy need to be strongly considered in the development of new development strategies and warrants further detailed study.

# VI. Real Estate Market Performance Trends

## A. Retail Market

Retail development is driven in response to local and regional income, wages, and consumer confidence. Retail development is therefore a trailing indicator, responding to the more general health of the local economy and its wage earners. A precise forecast of retail demand at this point in the study is not possible. However, the key conclusion of the preliminary research, reflected by recent market performance, is that demand for and construction of new retail space in the City of Deerfield Beach will remain constrained for the foreseeable future. A number of national and local trends are impacting the development of the local retail real estate market, detailed as follows.

### 1. Region and County-Wide Land Availability

Across all sectors, the availability of land will drive pricing and location of new development. Broward County is approaching full build-out — it has less than 2,000 acres that are privately owned vacant land. Metrostudy, a real estate analysis firm, has determined that Broward County is virtually out of land suitable for residential development, and is one of the most land-constricted counties in the US. Parcels throughout South Florida larger than 4 or 5 acres are at a premium, and development is quickly shifting to shifting to infill development, higher densities, and smaller building footprints. Prices for raw land are increasing quarterly, and according to market reports, retail developers are increasingly competing with multifamily residential developers for land.

### 2. E-Commerce and the Future of Retail

The future of retail in the region is being dramatically affected by the rapid growth of E-Commerce. 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 percent since 2007, in sharp contrast to less than 5 percent overall retail sales growth. Excluding auto-related purchases (which don't sell on-line) e-commerce grew 53 percent 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. E-Commerce is diverting a rapidly growing percentage of shoppers and the industry away from bricks-and-mortar sales locations and development. 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. The direct effects on the national retail market include:

- 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.
- 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. 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 percent 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.
- Using an "Urban" Strategy — moving stores closer to urban consumers, with smaller footprints. Wal-Mart is rolling out its Wal-Mart 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.
- 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.

3. Regional and Local Retail Market Trends

Regional and local market performance in the retail sector are reflecting employment growth, flat wage growth, and the broader impacts of e-commerce consolidation effects. Vacancy rates across the County continue to drop - now at 6.8 percent at the end of Q2 2015, and rents have slowly climbed over the last 3 years to an average asking rate of $20.36 per square foot (NNN).

However, absorption, completions, and new construction remain significantly lower than historic levels, particularly prior to 2010. Only 197,000 square feet of new retail was built in all of Broward County, for all of 2014, the lowest amount in seven years. According to CBRE

Research, total retail absorption for the County for the first two quarters of 2015 was 320,842 square feet. However, retail net absorption was actually negative 136,026 square feet compared to the first Quarter, and negative 85,286 (net) for the previous four quarters. All of the current new retail construction — 440,000 square feet — is being built as shopping centers in central and southeast Broward County. New constriction represents an addition of only 0.67 percent new space to the County retail inventory.

The local retail real estate market, including the cities of Deerfield Beach and Pompano Beach, is similarly sluggish. Although vacancy rates continue to decline (6 percent), total absorption for the local market is 198,031 square feet year-to-date, and no new retail construction is currently proposed. Average asking retail rents for Deerfield Beach and Pompano Beach is at $128.55 per square foot (NNN).

**B. Office Market**

The office sector was the hardest hit commercial real estate sector in the last recession, and has been the slowest to recover. While improving, the office market faces numerous challenges. According to CBRE Research, at the close of Q2 2015, Broward County had an overall vacancy rate of 15.7 percent, and an overall average asking lease rate of $16.89 per square foot. Notably, at 18.2 percent, the overall vacancy rate for Class B office space remains problematic.

Six significant trends are continuing to shape office demand across the County:

- Miami's and Broward's office markets were overbuilt relative to the number of office workers in the regional economy, and construction of new office space continued unabated through 2010, two years after the recession took hold. The subsequent employment crash left a large oversupply of office space throughout the County, which lingers today. However, even as total employment in the County increases, the number of office workers as a percentage of the total employment base is growing slower than it was prior to the recession. Although the region has had large growth in legal employment, more jobs are being created in occupations that do not require office space.
- Average asking rents should improve, but mostly because new development is not expanding office space supply (only a 0.3 percent growth in inventory in 2014).
- After the recession, U.S. companies are rethinking their use of office space, and restructuring, consolidating and re-engineering their business practices, and 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.

- Across the U.S., employers are aggressively 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 adopting ***workshift*** strategies, placing talent closer to their customers and away from the central office. Aided by technologies such as Skype and GoToMeeting***, telecommuting is not only a way to save on office space, but is ranked by 46 percent of corporate leaders in a recent Deloitte survey as second only to compensation as the best way to attract talent***. From 1997 to 2010, there was a 35 percent 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.
- ***Office-less development*** - ***Even as the County economy improves and adds jobs, the combination of existing oversupply and changed business practice means that economic expansion will take place with much less new office space development than has been historically required in the past.***

No significant new office space was added to the County inventory from the end of 2010 through 2013. Construction started up again in 2014, with just over 30,000 square feet completed for the year. For the first two quarters of 2015, over 40,000 square feet of new construction has been completed, while over 39,000 square feet is under construction. Year-to-date (Q2 2015) net absorption of office space across the County, at 467,570, is returning to pre-recession levels.

The Deerfield Beach submarket, at a total inventory of 924,224 square feet, according to CBRE Research, represents only 3 percent of the County's total office supply. Average rents in Deerfield Beach, at $12.70 per square foot (NNN), are well below average asking rents across the County. No new office space is currently under construction in the City, total vacancy rate is at 13.7 percent, and the year-to-date net absorption is at 35,529 square feet. Given the small size of the Deerfield Beach market, lower rates of absorption and construction, without major changes in the local (Deerfield sub-market) economy, or the addition of significantly large new office users, the City can expect continued slow expansion of its office inventory for the foreseeable future.

C. **Industrial Market**

According to Cushman & Wakefield's 2Q 2015 *Marketbeat,* the Broward County industrial market continued to enjoy strong market fundamentals characterized by declining vacancies, rising rents and a strong development pipeline. Current trends are expected to prevail

over the next several quarters with further employment gains fueling demand. The City of Deerfield Beach has a current inventory of 8,254,436 square feet of industrial space with a vacancy rate of 4.7 percent. Recording a 6.6 percent overall vacancy rate, the industrial market continues to remain tight in Broward County. Persistent hikes in asking rental rates along with low vacancy rates is expected to spur new construction. Investors are attempting to acquire land and existing developments to capitalize on historically low cap rates which are also spurring a significant increase in construction activity. According to Cushman & Wakefield, local municipalities are working diligently to provide the necessary infrastructure, zoning, and incentives to keep pace with the demand for industrial ground for big-box tenants while 2015 saw the emergence of the mid-size user as the market's most active tenant base.

The City of Deerfield Beach has a competitive industrial rental rate of $6.25 psf for manufacturing space compared to the $6.89 psf County average. The City's $8.07 psf rental rate for warehouse and distribution is higher than the $7.36 psf County rate. Significant recent activity in Deerfield Beach includes the lease of 24,027 sf of warehouse/distribution on S. Powerline Road by Polenghi.

# COMPETITIVE ADVANTAGE ANALYSIS

## I. Background

The competitive advantage analysis weighs the economic development capacity of the City by assessing certain factor conditions that either enhance or diminish economic opportunity and investment. The enhancement of a city's factor conditions or inputs including the workforce, land use, inventory of industrial and commercial buildings and public infrastructure is considered an important requisite for gaining competitive advantage in the regional economy.

- Coastal Community
- Vibrant A1A
- Strategic Location
- Diversified Economic Base
- Significant Labor Force with Range of Occupations
- Industrial Inventory
- International Trade, Life Sciences and Creative Design Cluster Firms
- Advanced Industry Sectors

- Declining Household and Family Incomes
- Negative Shifts in Household Income Structure
- Low Wage Job Growth
- Underdeveloped Commercial Corridors and Plazas
- Lack of an existing Town Center
- Undefined and Improved Gateways
- Relatively Older Housing Supply and Limited Choice

## II. Key Findings

The City's competitive advantage analysis is based on an environmental scan of the City with a specific focus on the major commercial corridors, an analysis of the economic base, including the City's industrial, commercial and retail inventories and the previous demographic assessment. The analysis found significant strengths (advantages) based largely on the City's population, economic base and economic development capacity, but also significant shortcomings (disadvantages) resulting primarily from the recent economic recession and the general appearance and "underdevelopment" of major commercial corridors including Hillsboro Boulevard, Dixie Highway and Federal Highway. The following is a summary of the key findings:

### *1. City Demographics*

The City of Deerfield Beach is the tenth largest city in Broward County with a population of 76,330 residents. The City has the ninth largest number of households (31,711). Importantly, the City has the tenth largest civilian population (34,502) in Broward County 16 years of age and older in the labor force which represents 61 percent of the total population.

While the City's educational attainment levels are below that of Broward County, there has been significant improvement in recent years. The City's 25+ year old population has shown increased percentages of residents with bachelor's degrees and overall college attainment levels.

### *2. Location*

One of the most important competitive advantages that a City can have is strategic location. The City of Deerfield Beach is strategically located in Broward County and centrally located the larger Tri-County region. The City has excellent highway access to its commercials and industrial corridors with two interchanges on I-95 and direct access to the Florida Turnpike and Sawgrass Expressway from SW 10$^{th}$ Street.

### *3. Economic Base*

The economic base of the City is largely supported by the non-durable service-providing industries. These industries currently comprise nearly 90 percent of the employment base. The majority of these jobs are directly related to South Florida's tourism industry. However, employment growth in professional and business services, education and health services and retail trade is directly related to the population growth during the past decade. Significantly, the City has an established manufacturing sector with growth potential in several subsectors related to Broward County's targeted industry clusters including international trade, life sciences and creative design. The City's manufacturing sector is comprised of over 25 different industry groups that account for over 4,000 jobs. The analysis also found that the city

is well represented in several of Broward County's established industry clusters including Life Sciences, Marine, International Trade & Logistics and Creative Design. The City also has a high proportion of business firms and establishments in the Advanced Industries Sector. As previously noted, the City is home to 388 establishments within the Advanced Industries Sector employing approximately 4,178 workers.

***4. Industrial and Commercial Inventory***

The City has a significant inventory of both industrial (881.01 acres) and commercial (898.11 acres) land. An additional 41.42 acres is designated as office park. According to the city's Comprehensive Plan, Industrial land uses are generally those which are connected with manufacturing, assembly, processing and/or storage of products. Industrial land accounts for 9.43 percent of the City's land area. Commercial land uses are generally those which are connected with the sale or rental of products, or the performance of services. Commercial activities occupy approximately 7.5 percent of the total acreage of the City. This commercial acreage is primarily located along Hillsboro Boulevard, west side of Dixie Highway, Sample Road, and Federal Highway. The City's Commercial 2 land uses are those primarily associated with building trades, repair shops, fabricating, assembly, distribution, and storage. These uses are primarily located along the east side of Dixie Highway and along Northwest 1st Street. Office Park areas are planned office complexes and corporate headquarters. Office Park areas consist of a campus-like atmosphere with substantial buildings and ample open space. The one Office Park designation in the City, North Broward Regional Medical Center, is located east of I-95 on Sample Road.

Significantly, the City has 355.60 vacant, undeveloped acres, of which, 126+ acres are industrial and 78+ acres commercial land uses. The vacant land is scattered throughout the City with the several small lots west of Dixie Highway and larger portions in industrial areas in the western part of the City.

**5. Underdeveloped Commercial Corridors**

An environmental scan of the City's major commercial corridors found large stretches of Hillsboro Boulevard, Dixie Highway and Federal Highway corridor unremarkable and generally underdeveloped. This term could also be used to describe significant sections of these corridors from a physical or aesthetic perspective and from a land use perspective. Also, absent from the corridors are "gateway improvements" that can denote and distinguish the City's key entrance points and give a sense of city ownership to these important roadways.

**6. Relatively Older Housing Supply and Limited Housing Choice**

The housing supply of the City of Deerfield Beach is relatively older than surrounding cities with little new construction in recent years. The analysis found 15 percent of the City's housing supply built in the past 25 years old and only 5.4 percent built in the past 15 years. By comparison, 23 percent of Boca Raton's housing supply has been built in the last 25 years, 41 percent in coconut Creek and 54 percent in Pembroke Pines. The age of the housing supply has a direct bearing on the City's housing values. The median owner value in Deerfield Beach is only 59.8 percent of Broward County's median owner value.

An environmental scan of the City's downtown and major commercial corridors including Hillsboro Boulevard, U.S. 1/Federal Highway and Dixie Highway found limited housing types and densities which limit housing choice in key business and employment areas of the City. Attracting younger, professional workers to these locations is integral to an effective citywide economic development strategy. Importantly, the "Town Center Plan" recognized this housing deficiency and proposed redeveloping the study area to attract new commercial and residential development, including "building more employee (workforce) housing" and increasing densities in proximity to public open space and retail sales and services. Further, the City's Future Land Use Policy (FLU 1.3.1) states "Mixed land use development regulations shall provide for the mixing of various residential densities, commercial and recreation land uses, and for the mixing of industrial, office, and commercial land uses." Objective FLU 1.7 promotes mixed use land development patterns which combine residential and nonresidential uses to achieve an attractive, well integrated, and pedestrian and transit friendly environment through the establishment of mixed use.

The City's Town Center Plan, Comprehensive Plan and Land Development Regulations provide the planning tools for the City of Deerfield Beach to address existing housing supply deficiencies while expanding housing choice, location and opportunities in support of the Economic Development Strategic Plan.

# BROWARD COUNTY INDUSTRY ANALYSIS

## Manufacturing

In Broward County, manufacturing continues to decline as a whole though there are industry groups that have shown significant growth in recent years. According to 2013 statistics from *County Business Patterns,* employment growth has occurred in NAICS 3345 - Navigational, measuring, electromedical, control instruments manufacturing, NAICS 3323 - Architectural & structural metals manufacturing , and NAICS 3261 - Plastics product manufacturing. Though employment has decreased slightly in recent years, NAICS 3254 – Pharmaceutical and medicine manufacturing had significant growth in the past decade with continued growth in new establishes through 2013.

| Manufacturing | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NAICS | Description | # Emp. 2000 | # Emp. 2010 | # Emp. 2013 | Change 2000-2010 | Change 2010-2013 | # Est. 2000 | # Est. 2010 | # Est 2013 | Change 2000-2010 | Change 2010-2013 |
| 3231 | Printing and related support activities | 3,674 | 1,918 | 1,690 | (48%) | (12%) | 314 | 244 | 212 | (22%) | (13%) |
| 3391 | Medical equipment and supplies manufacturing | 1,346 | 1,982 | 1,443 | 47% | (27%) | 112 | 110 | 94 | (2%) | (15%) |
| 3254 | Pharmaceutical and medicine manufacturing | 222 | 1,419 | 1,394 | 540% | (2%) | 10 | 18 | 21 | 80% | 17% |
| 3345 | Navigational, measuring, electromedical, and control instruments manufacturing | 867 | 920 | 1,209 | 6% | 31% | 27 | 28 | 27 | 4% | (4%) |
| 3323 | Architectural & structural metals manufacturing | 1,531 | 838 | 1,040 | (42%) | 24% | 67 | 45 | 46 | (33%) | 2% |
| 3261 | Plastics product manufacturing | 1,777 | 783 | 815 | (56%) | 4% | 57 | 35 | 38 | (39%) | 9% |
| 3273 | Cement and concrete product manufacturing | 1,671 | 1,032 | 730 | (38%) | (29%) | 45 | 42 | 37 | (7%) | (12%) |
| 3366 | Ship and boat building | 574 | 636 | 513 | 11% | (19%) | 56 | 55 | 53 | (2%) | (4%) |
| 3371 | Household and institutional furniture and kitchen cabinet manufacturing | 1,367 | 345 | 327 | (75%) | (5%) | 132 | 100 | 86 | (24%) | (14%) |

*Source: County Business Patterns, 2000, 2010, 2013*

## Professional, Scientific and Technical Services

Professional, Scientific & Technical Services was one of the fastest growing industrial sectors in Broward County and South Florida during the past decade. Employment growth since 2010 has slowed but remains strong in NAICS 5416 - Management, scientific, and technical consulting services and NAICS 5412 - Accounting, tax preparation, bookkeeping, and payroll services. Growth in new establishments has been strong among all the leading Professional, Scientific & Technical Services industry groups including NAICS 5416 - Management, scientific, and technical consulting services, 5415 - Computer systems design and related services and NAICS 5412 - Accounting, tax preparation, bookkeeping, and payroll services.

| Professional, Scientific, and Technical Services | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **.# Est 2013** | **Change 2000-2010** | **Change 2010-2013** |
| 5411 | Legal services | 9,504 | 15,142 | 15,014 | 59% | (1%) | 1,978 | 2,574 | 2,623 | 30% | 2% |
| 5412 | Accounting, tax preparation, bookkeeping, and payroll services | 5,525 | 6,871 | 7,140 | 24% | 4% | 1,033 | 1,385 | 1,462 | 34% | 6% |
| 5416 | Management, scientific, and technical consulting services | 4,117 | 5,499 | 6,120 | 34% | 11% | 1,030 | 2,118 | 2,321 | 101% | 10% |
| 5415 | Computer systems design and related services | 4,899 | 8,980 | 7,391 | 83% | (18%) | 783 | 1,014 | 1,073 | 30% | 6% |
| 5413 | Architectural, engineering, and related services | 5,042 | 4,416 | 4,084 | (12%) | (8%) | 673 | 735 | 773 | 9% | 5% |

*Source: County Business Patterns, 2000, 2010, 2013*

## Health Care and Social Assistance

Health Care and Social Assistance is one of the fastest growing industrial sectors in Broward County and South Florida. As shown in the table below, all but one of the leading Health Care & Social Assistance industry groups have experienced growth in both employment and new establishments since 2000. The largest employment increases occurred in NAICS 6216 - Home health care services and NAICS 6211 - Offices of physicians, and NAICS 6213 - Offices of other health practitioners. Recent growth in new Health Care and Social Assistance business establishments has also been strong with significant increases 6216 - Home health care services, and 6213 - Offices of other health practitioners.

| Health Care and Social Assistance | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **.# Est 2013** | **Change 2000-2010** | **Change 2010-2013** |
| 6221 | General medical and surgical hospitals | 22,504 | 22,890 | 17,500 | 2% | (24%) | 20 | 20 | 16 | 0% | (20%) |
| **6211** | **Offices of physicians** | **12,571** | **14,079** | **16,333** | **12%** | **16%** | **1,667** | **2,096** | **2,128** | **26%** | **2%** |
| **6216** | **Home health care services** | **7,486** | **7,657** | **9,299** | **2%** | **21%** | **179** | **283** | **325** | **58%** | **15%** |
| 6244 | Child day care services | 3,818 | 6,066 | 6,210 | 59% | 2% | 283 | 365 | 368 | 29% | 1% |
| 6231 | Nursing care facilities | 4,337 | 4,929 | 5,080 | 14% | 3% | 52 | 57 | 59 | 10% | 4% |
| 6212 | Offices of dentists | 4,248 | 4,809 | 4,953 | 13% | 3% | 755 | 913 | 946 | 21% | 4% |
| 6213 | Offices of other health practitioners | 3,473 | 4,444 | 4,906 | 28% | 10% | 962 | 1,400 | 1,486 | 46% | 6% |
| 6233 | Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly | 2,857 | 5,483 | 4,669 | 92% | (15%) | 101 | 135 | 141 | 34% | 4% |

*Source: County Business Patterns, 2000, 2010, 2013*

## Finance and Insurance

Broward County's Finance & Insurance sector experienced decline during the post-housing bubble period, but has undergone some growth in recent years. Industry Groups NAICS 5239 - Other financial investment activities, NAICS 5221 - Depository credit intermediation, and NAICS 5223 - Activities related to credit intermediation all showed employment growth since 2010. Significant growth (20 percent) in new business establishments occurred in NAICS 5231 - Securities and commodity contacts, intermediation & brokerage.

| Finance and Insurance | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **.# Est 2013** | **Change 2000-2010** | **Change 2010-2013** |
| 5221 | Depository credit intermediation | 7,278 | 7,847 | 8,386 | 8% | 7% | 484 | 637 | 621 | 32% | (3%) |
| 5242 | Agencies, brokerages, and other insurance related activities | 6,269 | 8,836 | 8,090 | 41% | (8%) | 1,100 | 1,309 | 1,292 | 19% | (17%) |
| 5241 | Insurance carriers | 5,715 | 7,136 | 6,900 | 25% | (3%) | 319 | 255 | 210 | (20%) | (18%) |
| 5223 | Activities related to credit intermediation | 2,556 | 2,602 | 2,786 | 2% | 7% | 237 | 281 | 258 | 19% | (8%) |
| 5222 | Nondepository credit intermediation | 8,644 | 2,461 | 2,,402 | (72%) | (2%) | 439 | 362 | 295 | (18%) | (19%) |
| 5239 | Other financial investment activities | 1,451 | 1,969 | 2,162 | 36% | 10% | 235 | 429 | 407 | 83% | (5%) |
| **5231** | **Securities and commodity contacts, intermediation & brokerage** | **2,380** | **1,613** | **1,603** | **(32%)** | **(1%)** | **217** | **256** | **308** | **18%** | **20%** |
| 5242 | Agencies, brokerages, and other insurance related activities | 6,269 | 8,836 | 8,090 | 41% | (8%) | 1,100 | 1,309 | 1,292 | 19% | (17%) |

*Source: County Business Patterns, 2000, 2010, 2013*

## Administration and Support and Waste Management and Remediation Services

The Administration and Support and Waste Management and Remediation Services sector in Broward County has shown a mix of employment gains and losses in its leading industry groups since 2000. Recent employment growth has occurred in NAICS 5617 - Services to Buildings and Dwellings, NAICS 5613 -Employment services, NAICS 5614 -Business support services, and NAICS 5616 – Investigation and Security Services. Growth in new business establishments occurred NAICS 5615 - Travel Arrangement and Reservation Services. The largest growth in new business establishments occurred in NAICS 5613 -Employment services, and NAICS 5615 - Travel arrangement and reservation services

| Administration and Support and Waste Management and Remediation Services | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **# Est. 2013** | **Change 2000-2010** | **Change 2010-2013** |
| 5617 | Services to buildings and dwellings | 10,209 | 11,977 | **17,699** | **17%** | 48% | 1,371 | 1,542 | 1,611 | 12% | 4% |
| 5613 | Employment services | 30,202 | 11,774 | 15,880 | (61%) | 35% | 349 | 391 | 441 | 12% | 24% |
| **5614** | **Business support services** | **7,153** | **6,902** | **8,738** | **(4%)** | **27%** | **460** | **469** | **494** | **2%** | **5%** |
| **5616** | **Investigation and security services** | **6,662** | **7,434** | **8,030** | **12%** | **8%** | **267** | **335** | **347** | **25%** | **4%** |
| 5615 | Travel arrangement and reservation services | 4,645 | 6,290 | 4,494 | 35% | (29%) | 372 | 344 | 389 | (8%) | 13% |
| 5611 | Office administrative services | 5,184 | 3,383 | 2,578 | (35%) | (24%) | 387 | 382 | 355 | (1%) | (7%) |

*Source: County Business Patterns, 2000, 2010, 2013*

## Transportation and Warehousing

Broward County's Transportation & Warehousing sector has experienced significant growth in both employment and new business establishments in several industry groups including NAICS 4885 Freight transportation arrangement, 4831 - Deep sea, coastal and great lakes water transportation, NAICS 4883 - Support activities for air transportation, and 4881 - Support activities for air transportation.

| Transportation and Warehousing | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **# Est 2013** | **Change 2000-2010** | **Change 2010-2013** |
| 4811 | Scheduled air transportation | 3,448 | 3,957 | 4,495 | 15% | 14% | 43 | 33 | 29 | (23%) | (12%) |
| 4921 | Couriers and express delivery services | 2,117 | 3,010 | 3,275 | 42% | 9% | 63 | 90 | 73 | 43% | (19%) |
| 4881 | Support activities for air transportation | 1,418 | 1,534 | 2,453 | 8% | 60% | 74 | 117 | 119 | 58% | 2% |
| 4931 | Warehousing and storage | n/a | 2,678 | 1,897 | n/a | (29%) | 35 | 71 | 68 | 101% | (4%) |
| **4883** | **Support activities for water transportation** | **1,059** | **1,906** | **1,750** | **80%** | **(8%)** | **67** | **102** | **131** | **52%** | **28%** |
| 4841 | General freight trucking | 1,494 | 1,573 | 1,504 | 5% | (4%) | 183 | 228 | 284 | 25% | 25% |
| 4842 | Specialized freight trucking | 1,520 | 1,287 | 1,375 | (15%) | 7% | 214 | 219 | 195 | 2% | (11%) |
| **4831** | **Deep sea, coastal and great lakes water transportation** | **1,106** | **1,033** | **1,143** | **(7%)** | **11%** | **29** | **42** | **42** | **31%** | **0%** |
| **4885** | **Freight transportation arrangement** | **473** | **916** | **1,098** | **94%** | **20%** | **103** | **165** | **189** | **60%** | **15%** |

*Source: County Business Patterns, 2000, 2010, 2013*

## Wholesale Trade

The Wholesale Trade sector in Broward County and South Florida experienced significant employment and business loss during the economic recession. However, significant employment and new business growth has occurred since 2010 in several industry groups including NAICS 4234 - Professional and commercial equipment and supplies merchant wholesalers, 4239 - Miscellaneous durable goods merchant wholesalers, and NAICS 4242 -Drugs & druggists' sundries merchant wholesalers. Recent business growth has also occurred in NAICS 4236 -Household appliances and electrical and NAICS 4244 - Grocery and related product merchant wholesalers.

| Wholesale Trade | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| NAICS | Description | # Emp. 2000 | # Emp. 2010 | # Emp. 2013 | Change 2000-2010 | Change 2010-2013 | # Est. 2000 | # Est. 2010 | # Est. 2013 | Change 2000-2010 | Change 2010-2013 |
| 4238 | Machinery, equipment, and supplies merchant wholesalers | 4,656 | 5,124 | 4,823 | 10% | (6%) | 576 | 554 | 600 | (4%) | 10% |
| 4234 | Professional and commercial equipment and supplies merchant wholesalers | 5,963 | 3,516 | 4,692 | (41%) | 33% | 502 | 395 | 463 | (21%) | 17% |
| 4244 | Grocery and related product merchant wholesalers | 5,050 | 4,798 | 4,228 | (5%) | (12%) | 407 | 303 | 323 | (26%) | 7% |
| 4236 | Household appliances and electrical and electronic goods merchant wholesalers | 5,098 | 3,396 | 3,647 | (33%) | 7% | 462 | 388 | 423 | (16%) | 9% |
| 4239 | Miscellaneous durable goods merchant wholesalers | 3,072 | 2,370 | 3,064 | (23%) | 29% | 511 | 408 | 478 | (20%) | 17% |
| 4251 | Wholesale electronic markets and agents and brokers | Na | 3,142 | 2,584 | na | (18%) | na | 800 | 659 | na | (18%) |
| 4242 | Drugs & druggists' sundries merchant wholesalers | 2,510 | 2,299 | 2,533 | (8%) | 10% | 138 | 134 | 162 | (3%) | 21% |

*Source: County Business Patterns, 2000, 2010, 2013*

## Retail Trade

The Retail Sales sector underwent significant employment loss in Broward County since the economic recession but has shown growth in several industry groups since 2010. The largest employment increases occurred in NAICS 4481 - Clothing Stores, NAICS 4441 - Building material & supplies dealers, and NAICS - 4461 Health & Personal Care Stores. Growth in new businesses also occurred in NAICS 4411 - Automobile dealers, and NAICS 4541 - Electronics and appliance stores.

| Retail Trade | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **# Est 2013** | **Change 2000-2010** | **Change 2010-2013** |
| 4451 | Grocery stores | 22,303 | 17,547 | 17,721 | (21%) | 1% | 653 | 667 | 719 | 2% | 8% |
| 4481 | Clothing stores | 6,722 | 9,595 | 12,590 | 43% | 31% | 726 | 793 | 752 | 9% | (5%) |
| 4411 | Automobile dealers | 9,895 | 8,936 | 9,757 | (10%) | 9% | 234 | 251 | 276 | 7% | 10% |
| 4461 | Health and personal care stores | 8,277 | 7,139 | 7,939 | (14%) | 11% | 639 | 777 | 803 | 22% | 3% |
| 4441 | Building material & supplies dealers | 6,173 | 5,357 | 6,289 | (13%) | 17% | 366 | 314 | 315 | (14%) | 1% |
| 4521 | Department stores | 10,610 | 7,472 | 6,170 | (30%) | (17%) | 55 | 49 | 39 | (11%) | (20%) |
| 4541 | Electronics and appliance stores | 2,335 | 3,220 | 3,212 | 38% | (2%) | 286 | 385 | 400 | 35% | 4% |

*Source: County Business Patterns, 2000, 2010, 2013*

## Accommodation and Food Services

Broward County's Accommodation and Food Services sector showed significant employment growth in the last decade but has slowed since 2010. Slower but significant employment growth has occurred in NAICS 7225 - Full-service restaurants and NAICS 7211 - Traveler accommodation. Significant growth in both employment in new business establishments (19 percent growth) was most observable in NAICS 7223 – Special food services

| Accommodation and Food Services | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **# Est 2013** | **Change 2000-2010** | **Change 2010-2013** |
| 7225 | Full-service restaurants | 46,973 | 54,715 | 54,828 | 17% | 2% | 2,817 | 3,250 | 3,053 | 15% | (6%) |
| 7211 | Traveler accommodation | 10,553 | 13,683 | 14,367 | 30% | 5% | 324 | 303 | 289 | (6%) | (5%) |
| **7223** | **Special food services** | **2,027** | **3,244** | **3,269** | **60%** | **1%** | **153** | **189** | **225** | **24%** | **19%** |
| 7224 | Drinking places (alcoholic bev.) | 1,824 | 2,192 | 2,031 | 29% | (7%) | 200 | 196 | 173 | (2%) | (12%) |

*Source: County Business Patterns, 2000, 2010, 2013*

## Information

Broward County's Information sector showed significant growth in employment and new business establishments in two industry groups, Software publishers and Data processing, hosting and related services. While showing slower gains in employment and new business establishments, NAICS 5121 - Motion picture and video industries remains an important industry group and integral to Broward County's Creative Design Cluster.

| Information | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **# Est 2013** | **Change 2000-2010** | **Change 2010-2013** |
| **5112** | **Software publishers** | **1,316** | **3,750** | **5,665** | **185%** | **51%** | **55** | **55** | **72** | **0%** | **13%** |
| 5171 | Wired telecomm. carriers | 6,651 | 5,496 | 5,200 | (17%) | (5%) | 286 | 184 | 150 | (36%) | (18%) |
| **5182** | **Data processing, hosting and related svcs** | **737** | **1,807** | **3,469** | **145%** | **92%** | **54** | **102** | **110** | **89%** | **8%** |
| 5111 | Newspaper, periodical, book, and directory publishers | 3,340 | 2,108 | 1,899 | (37%) | (10%) | 124 | 168 | 141 | 35% | (16%) |
| **5121** | **Motion picture and video industries** | **2,241** | **1,270** | **1,124** | **(55%)** | **(11%)** | **139** | **154** | **147** | **11%** | **(5%)** |

*Source: County Business Patterns, 2000, 2010, 2013*

## Construction

Broward County's Construction sector experienced significant decline during the post-housing bubble period, but has undergone some growth in recent years. NAICS 2361 - Residential building construction, NAICS 2382 - Building equipment contractors, and NAICS 2383 -Building finishing contractors all showed growth in both employment and new business establishments since 2010.

| Construction | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **NAICS** | **Description** | **# Emp. 2000** | **# Emp. 2010** | **# Emp. 2013** | **Change 2000-2010** | **Change 2010-2013** | **# Est. 2000** | **# Est. 2010** | **# Est 2013** | **Change 2000-2010** | **Change 2010-2013** |
| **2382** | **Building equipment contractors** | **na** | **10,354** | **10,770** | **na** | **4%** | **na** | **1,196** | **1,243** | **na** | **4%** |
| 2383 | Building finishing contractors | na | 4,305 | 4,326 | na | 1% | na | 905 | 929 | na | 3% |
| 2381 | Foundation, structure, and building exterior contractors | na | 5,127 | 4,268 | na | (17%) | na | 461 | 383 | na | (17%) |
| **2361** | **Residential building construction** | **5,671** | **2,535** | **3,197** | **(55%)** | **26%** | **644** | **649** | **723** | **1%** | **11%** |
| 2383 | Nonresidential building construction | 3,776 | 2,394 | 2,520 | (33%) | 5% | 229 | 308 | 295 | (34%) | (4%) |

*Source: County Business Patterns, 2000, 2010, 2013*

# INDUSTRY CLUSTER ANALYSIS

**What is an Industry Cluster?**

Industry clusters are concentrations of interrelated businesses, suppliers, and support institutions that locate within close proximity to one another. The geographic scope of clusters ranges from a region, a state, or even a single city. Companies operating in the same field often cluster together to increase productivity, access a broader base of talent, reduce transportation costs, and share research and knowledge.

Key Characteristics of an Industry Cluster:

- Geographically concentrated in a particular city or region;
- Gain a competitive advantage because of their proximity to each other in the city or region;
- Share specialized supplier and buyer advantages because of their location, and
- Are supported by advantageous infrastructure in the region, such as educational and research advantages (community colleges, universities, "think tanks"), physical advantages (seaport access, freight rail service, major highways), financial institutions (venture and equity capital) and labor advantages (formalized workforce development programs)

Both Broward and Palm Beach Counties have established cluster-based economic development initiatives built around the idea that nurturing key industries improves the competitiveness of businesses within these industries which, in turn, boost the overall economy. The Palm Beach County Business Development Board (BDB) organized an Industry Cluster Committee network as well as several task forces designed to build upon the market knowledge and expertise of businesses with the talents and resources of government, education, and economic development organizations. Clusters can grow through informal networking, but the BDB will plays a role in removing barriers to cluster formation and helping provide a forum for businesses in targeted clusters to voice their concerns, identify their challenges and explore their opportunities.

**Why Focus on Industry Clusters?**

Cluster analysis can provide a better understanding of the key wealth drivers of a community or a region. Cluster-based economic development strategies can improve local economic performance by addressing the common needs of local businesses. Addressing the needs of existing businesses is crucial because it is much more efficient to retain existing businesses than to recruit new ones.

Cluster strategies permit the integration and targeting of resources in ways that are consistent with the multiple goals of economic development programs: business recruitment, retention, expansion and new-business creation.

**Cluster Analytical Techniques**

The objective of a cluster analysis is to identify a grouping of interrelated industries comprised of businesses that have competitive advantages because they are concentrated in a particular geographic area. In addition to identifying existing industry clusters, another objective of a cluster analysis for economic development purposes is to identify emerging clusters of businesses that may not yet have sufficient size to show up strongly in the standard quantitative analysis.

Highly concentrated and competitive industries are the building blocks of a cluster. Therefore, the first step in identifying existing industry clusters is to examine the growth and competitiveness of all major industries in Broward County. Growth is measured by the rate of new employment over time by industrial sector. Competitiveness is measured by the location quotients (LQs) for each major industry. The location quotient is a technique used to identify the concentration of an industrial sector in a local economy relative to a larger reference economy. The LQ is shown as a ratio between the percentage of employment in an industry locally to the percentage of employment in the same industry found in the reference economy, typically the nation. A LQ of 1.0 means that the local economy and the reference economy are on par with employment generation in the same industrial sector. An LQ of 1.5 indicates that the local economy has 50 percent more jobs per capita in that industry than witnessed at the national level. An LQ below 1.0 indicates a below-average concentration.

## I. Broward County Cluster Analysis

An analysis of these established clusters in Broward County was performed to determine their recent performance and current growth potential. The analysis provides a 4-digit NAICS growth calculation for each of the industries that have been identified under their respective industry cluster (analysis excludes the general “corporate headquarters” cluster).

Three benchmarks are used to identify cluster groupings that may have a competitive advantage. The criterion includes employment/business growth, location quotients, and wage levels.

- **Employment and New Business Growth** in a 10-year trend analysis provides a good indication that the industry has grown over a period of years and has withstood downward cycles such as the recent economic recession. Average annual growth is also analyzed to identify industries that in the seven year period are growing faster in the region when compared to average national growth. This indicates that the industry is active and growing to meet increasing demand:
- **Location Quotient** is a ratio that compares employment in a particular industry in the region to the employment in that same industry in the nation. If the location quotient exceeds 1.0 the region’s share exceeds the national share and is thus more concentrated. The analysis

focused on industries and clusters with concentrations of 1.25 of higher which indicates the county has a concentration 25 percent or greater than that found in the United States as a whole;

- **Wage Levels** are an important indicator of a sustainable economy. Wage levels place a value on production of goods and services thereby attracting talented workers and expanding economic opportunity for local residents.

Employment and new business growth was determined for each cluster industry sector for the period 2000 to 2013. The analysis found significant employment and new business growth in several of the established industry clusters including the Life Sciences and Marine clusters and specific industry sectors within the Aerospace & Aviation, Cloud Technology and International Trade & Logistics clusters.

## Broward County Industry Clusters

| NAICS | Industry Cluster | # Emp. 2010 | # Emp. 2013 | % Growth 2000-2010 | % Growth 2010-2013 | #Est. 2010 | # Est. 2013 | LQ 2010 | LQ 2014 |
|---|---|---|---|---|---|---|---|---|---|
| **Advanced Materials & High Tech Manufacturing** | | | | | | | | | |
| 3261 | Plastics Products | 783 | 815 | (56%) | 4% | 35 | 38 | 0.25 | 0.18 |
| 3262 | Rubber Products | 205 | 175 | 51% | (15%) | 7 | 6 | 0.08 | 0.10 |
| 3273 | Cement, Concrete Products | 1,032 | 730 | 38% | (29%) | 42 | 37 | 0.64 | 0.65 |
| 4246 | Chemical, Allied Products Wholesalers | 490 | 744 | 25% | 52% | 90 | 95 | 1.19 | 1.09 |
| **Aerospace & Aviation** | | | | | | | | | |
| 3364 | Aerospace Product & Parts | 532 | 471 | (34%) | (11%) | 20 | 21 | 0.34 | 0.43 |
| 4881 | Air Transportation Support | 1,534 | 2,453 | 8% | 60% | 117 | 118 | 2.34 | 2.53 |
| **Cloud Technology/Mobile Communication** | | | | | | | | | |
| 3342 | Communication Equipment | 425 | 479 | (90%) | 13% | 21 | 21 | 3.85 | 3.26 |
| 5172 | Wireless Telecommunication Carriers | 1,578 | 1,247 | 118% | (21%) | 58 | 82 | 0.84 | 0.88 |
| **Life Sciences** | | | | | | | | | |
| 3254 | Pharmaceutical & Medicine | 1,419 | 1,394 | 539% | (2%) | 18 | 21 | 0.43 | 0.65 |
| 3391 | Medical Equipment & Supplies | 1,982 | 1,443 | 47% | (27%) | 110 | 94 | 1.04 | 1.48 |
| 5417 | Scientific Research & Development | 804 | 575 | 136% | (4%) | 57 | 70 | 0.13 | 0.18 |
| **Marine** | | | | | | | | | |
| 3345 | Navigational, Measuring Instruments | 920 | 1,209 | 6% | 31% | 28 | 27 | 0.33 | 0.32 |
| 3366 | Ship & Boat Building | 636 | 513 | 11% | (19%) | 55 | 53 | 0.82 | 1.03 |
| 4412 | Boat Dealers | 946 | 1,486 | (8%) | 57% | 199 | 244 | 2.42 | 2.55 |
| 4831 | Sea, Coastal Water Transportation | 1,033 | 1,143 | (6%) | 11% | 42 | 42 | 3.53 | 4.12 |
| 4883 | Water Transportation Support | 1,906 | 1,750 | 80% | (8%) | 102 | 131 | 3.64 | 1.56 |
| **International Trade & Logistics** | | | | | | | | | |
| 4234 | Professional & Commercial Equipment Wholesalers | 3,516 | 4,692 | (41%) | 33% | 395 | 463 | 1.68 | 1.86 |
| 4236 | Electronic Goods Wholesalers | 3,396 | 3,647 | (33%) | 7% | 388 | 423 | 1.94 | 1.70 |
| 4238 | Machinery Equipment & Supplies Wholesalers | 5,124 | 4,823 | 10% | (6%) | 554 | 600 | 1.20 | 1.17 |
| 4885 | Freight Transportation Arrangement | 916 | 1,098 | 93% | 20% | 165 | 189 | 0.92 | 1.04 |

*Source: County Business Patterns, 2000, 2010, 2103, Bureau of Labor Statistics, 2014*

## II. Deerfield Beach Industry Cluster Opportunities

According to the Economic Development Administration (EDA), creating a local cluster framework as part of a local economic development strategic plan can help mobilize highly committed stakeholders and employers, foster collaboration by bringing together participants from key industries and help implement the actions identified as a results of the collaborative process. Job creation and new entrepreneurial innovations are more able to flourish in such a collaborative environment. As previously noted, both Broward and Palm Beach Counties have established cluster-based strategies as part of each county's larger economic development planning initiatives.

The Broward County cluster overview and analysis provides potential economic development opportunities for the City of Deerfield Beach as an analysis of the industrial base of Deerfield Beach determined that many of the industrial subsectors identified in the Broward County cluster analysis are currently located in the City. The presence of these industries provides an opportunity for the City to expand and enhance its industrial base by strengthening the linkages within each cluster grouping and targeting these industries for collaboration, innovation, retention and expansion.

The analysis shows the City of Deerfield Beach has established industries within each of Broward County's cluster groupings. The City is particularly strong within the clusters of International Trade & Logistics (118 establishments/1,359 employees) and Life Sciences (27 establishments/445 employees).

**International Trade and Logistics**

The International Trade and Logistics Industries in Deerfield Beach consists primarily of three industry groups: 1) Wholesalers of professional and commercial equipment and supplies, 2) Wholesalers of household appliances and electrical and electronic goods, and 3) Wholesalers of machinery, equipment and supplies. There are 46 professional and commercial equipment wholesalers in the City which employ 449 workers with total annual sales estimated at $1.025 billion. The largest professional and commercial equipment wholesalers in the City are Zimmer Inc. (medical supplies) located on West Newport Center Drive, Benco Dental Supply (medical supplies) located on East Newport Center Drive and C. E. Safes & Security Products (office supplies) located on Powerline Road. There are 37 household appliances and electrical and electronic goods wholesalers in the City which employ 339 workers with annual sales estimated at $465.1 million. The City's largest household appliances and electrical and electronic goods wholesalers include G B Instruments, Inc. (electronic equipment and supplies) located at West Newport Center Drive and Arrow Electronics Inc. (electronic equipment and supplies) located on Fairway Drive. There are 28 machinery, equipment and supplies wholesalers in the City which employ 343 workers with total sales estimated at $658.2 million. The City's largest machinery, equipment and

supplies wholesalers include Anderson Material Handling (material handling equipment) located on SW 32nd Way and Hoerbiger Compressor Tech (Compressors Air & Gas) located at West Newport Center.

**Life Sciences**

The Life Sciences Industry in Deerfield Beach consists primarily of two industry groups: 1) Manufacturers of medical instruments supplies, and 2) Scientific research and development services. There are 11 medical instrument supply manufacturers in the City which employ 348 workers with total annual sales estimated at $81.7 million. The largest medical instrument supply manufacturer in the City is Cell Science Systems (surgical & medical instruments) located on S. Military Trail and Chemtec (surgical & medical instruments) located on SW 12th Avenue. There are 15 scientific research and development services establishments in the City which employ 93 workers. The largest scientific research and development services establishments in the City include PSC (environmental & ecological services) located on SW 15th Street and Advanced Aquatic (lake management services) located on S. Military Trail.

**Deerfield Beach Industry Clusters**

| NAICS | Description | Establishments | Employees | Sales |
|---|---|---|---|---|
| **Life Sciences** | | | | |
| 3254 | Pharmaceutical and Medicine Manufacturing | 1 | 4 | * |
| 3391 | Medical Equipment and Supplies Manufacturing | 11 | 348 | $81,763,000 |
| 5417 | Scientific Research and Development Services | 15 | 93 | * |
| **Marine** | | | | |
| 3345 | Navigational, Measuring, Electromedical, and Control Instruments Manufacturing | 3 | 58 | $15,295,000 |
| 4412 | Other Motor Vehicle Dealers (Boat Dealers) | 13 | 47 | $20,318,000 |
| 4883 | Support Activities for Water Transportation | 1 | 2 | $708,000 |
| **International Trade** | | | | |
| 4234 | Professional and Commercial Equipment and Supplies Merchant Wholesalers | 46 | 449 | $1,025,498,000 |
| 4236 | Household Appliances and Electrical and Electronic Goods Merchant Wholesalers | 37 | 339 | $465,125,000 |
| 4238 | Machinery, Equipment, and Supplies Merchant Wholesalers | 28 | 343 | $658,250,000 |
| 4885 | Freight Transportation Arrangement | 7 | 228 | $9,221,000 |
| **Advanced Materials and High Tech** | | | | |
| 3261 | Plastics Product Manufacturing | 5 | 88 | $19,348,000 |
| 3273 | Cement and Concrete Product Manufacturing | 2 | 300 | $58,794,000 |
| 4246 | Chemical and Allied Products Merchant Wholesalers | 1 | 6 | $14,552,000 |
| **Aerospace & Aviation** | | | | |

| NAICS | Description | Establishments | Employees | Sales |
|---|---|---|---|---|
| 4881 | Support Activities for Air Transportation | 3 | 86 | $4,785,000 |
| **Cloud Technology/Mobile Communication** | | | | |
| 3261 | Plastics Product Manufacturing | 5 | 88 | $19,348,000 |
| 3342 | Telephone Apparatus Manufacturing | 2 | 27 | $8,644,000 |
| 5172 | Wireless Telecommunications Carriers (except Satellite) | 27 | 114 | $78,432,000 |
| 3342 | Radio and Television Broadcasting and Wireless Communications Equipment | 2 | 46 | $12,198,000 |

*Source: Accudata/The Nielsen Company, 2015. Analysis by FIU Metropolitan Center*

**Creative Design**

Creative design industries in the City of Deerfield Beach include four industry groups: 1) architectural and engineering services, 2) specialized design services, 3) computer systems design and related services and 4) motion picture and video Industries. There are 63 architectural and engineering firms in the City which employ 425 workers. The total annual sales of the City's architectural and engineering industry group is estimated at $80.4 million. The largest architectural and engineering firms in the City include Kamm Consulting located on Newport Center Road and Rimkus Consulting Group located on SW 12th Avenue. There are 43 specialized design services firms in the City which employ 115 workers. The vast majority of these firms are either interior or graphic designers. The total annual sales of the City's specialized design services industry group is estimated at $14.6 million. The City's largest specialized design services firms include Decorators Mart Furniture located on North Federal Highway and Studio Graphics located on Goolsby Boulevard. There are 22 computer systems design firms in the City which employ 157 workers. Most of these firms provide custom computer programming design services. The total annual sales of the City's computer systems design industry group is estimated at $30.2 million. The largest computer systems design firms in the City include Coding Brains located on SW 15th Street and ISYS located on NE 21st Avenue. There are 14 motion picture and video industry firms in the City which employ 141 workers. The total annual sales of the City's motion picture and video industry group is estimated at $62.4 million. The City's largest motion picture and video establishment is Quorum Productions located on Powerline Road.

Creative design establishments are typically small with under 5 employees. Significantly, nearly 60 percent of the City's creative design firms have appeared since 2010.

**City of Deerfield Beach Creative Design Cluster Analysis**

| NAICS | Description | Establishments | Employees | Sales |
|---|---|---|---|---|
| 5121 | Motion Picture and Video Industries | 14 | 141 | $62,446,000 |
| 5413 | Architectural, Engineering, and Related Services | 63 | 425 | $80,412,000 |
| 5414 | Specialized Design Services | 43 | 115 | $14,665,000 |
| 5415 | Computer Systems Design and Related Services | 22 | 157 | $30,283,000 |

*Source: The Nielsen Company, 2015. Analysis by FIU Metropolitan Center*