



Hallandale Beach Community Redevelopment Agency Strategic Planning Retreat

February 9, 2015
Historic Old School House
648 NW 2nd Street
Hallandale Beach, FL 33009



Metropolitan
Center



Contents

The 2015 CRA Strategic Planning Retreat.....	3
The Florida International University Metropolitan Center	3
Goals of the Strategic Planning Session.....	3
The Strategic Planning Retreat Process.....	4
Key Trends & Opportunities Impacting the CRA.....	6
CRA Best Practices	6
Key Trends Impacting the CRA	8
Opportunity Assessment.....	16
Defining Priorities: the CRA’s Strategic Planning Process.....	17
CRA Community Redevelopment Implementation Plan Goals and Objectives.....	17
Results of the February 2013 Visioning Session	20
Results of the 2015 Strategic Planning Retreat	21
Findings, Conclusions and Recommendations.....	25
1. Clear Consensus on Goals and Operational Procedures	25
2. The Disconnect: Lack of Agreement Regarding Specific Action items	25
3. Do the New Strategic Priorities Reflect New Market Dynamics?	26
4. Does the CRA Budget Reflect the CRA’s Priorities?	26
5. Taking the Long View: Consider Adopting a 5 Year Budget Process.....	28
Next Steps.....	29
Making Use of the Strategic Planning Retreat Priority Rankings	29

The 2015 CRA Strategic Planning Retreat

The City of Hallandale Beach Community Redevelopment Agency — with powers provided under Florida Statutes 163, Part III — is engaged in a revitalization program for the City's Community Redevelopment Area. Moving economic and community redevelopment forward is never easy, and as is the case with many CRA's across the state, jump starting new community and economic redevelopment post-recession faces the challenges of an uncertain real estate market, shifting economic trends, and slower than expected job recovery.

Effective organizations re-confirm and re-examine their strategic priorities on a regular basis. Conditions don't remain static, and all organizations, governmental units in particular, need to insure that their plans, strategies, programs and objectives stay current with market and community realities

Refocusing the CRA's priorities, by clearly defining its most important action agenda items for the coming year is critical to sustaining redevelopment progress and jump-starting new business creation, job growth, and community improvement in Hallandale Beach.

The Hallandale Beach CRA requested the Florida International University's Metropolitan Center's assistance through a Strategic Planning Retreat — an program in which Center Staff inform, educate, and moderate a process that assists the CRA Board reach consensus on a focused list of action items and policies to improve its operational effectiveness. The City Commissioners sit as the Voard of Directors for the Hallandale Beach CRA. Together with CRA staff, Metropolitan Center staff, and the public, they gathered for the Strategic Planning Retreat at the Old Historic School House on Monday, February 9, 2015.

The Florida International University Metropolitan Center

The FIU Metropolitan Center is Florida's leading urban "think tank." Established in 1997 as an applied research and training institute unit for the School of Policy and Management/College of Urban Affairs, the Center provides economic development, planning, community revitalization, performance improvement and policy solutions to public, private and non-profit organizations in South Florida. The Center combines unique resources to provide analytical, planning, policy and development services. Its staff, senior researchers, and affiliates are each leaders in their respective fields, and bring extensive research, practical, and professional experience to each project. The Center's senior project team has extensive professional experience in both the private and public sectors.

The Center's research has catalyzed major policy changes and projects in the areas of housing, redevelopment, transportation, social services, and health services throughout South Florida. The Metropolitan Center regularly assists local governments through strategic planning services to develop, refine, and reach consensus on its most important public policy priorities.

The Strategic Planning Retreat was led by Metropolitan Center Senior Fellow Kevin Greiner JD, MUP.

Goals of the Strategic Planning Session

The objective of the Strategic Planning Session was to provide an informed decision making process which 1) provided an external perspective on new trends, opportunities, and issues facing Hallandale Beach, and; 2) provided a vehicle to sharpen and clarify the CRA's goals and strategies to improve the Agency's overall effectiveness and responsiveness to its constituents.

The primary goal of the Strategic Planning Session was to develop a quantifiably measurable set of strategic action items for the CRA Board and staff to apply to its work program for the current year. The

strategic planning session was not a forum to critique the CRA's performance, budget, or projects. Instead, the retreat functioned as a method to achieve 3 goals:

- Establish understanding of the key issues each Board member considers a priority and share this information among the Board;
- Understand the Hallandale Beach CRA in the context of current events and market reality;
- Develop clear and unambiguous consensus among the Board members as to the CRA's priority policies and action items for the coming work year, and;
- Assist the CRA Board Commissioners to refine and focus the CRA strategic work program.

The three main products of the Retreat are:

- A quantifiably prioritized set of overarching policy goals for the CRA to reaffirm and/or add to current strategic goals;
- A quantifiably prioritized set of action items — specific projects and programs to be undertaken by the CRA, in order of priority, and;
- A quantifiably prioritized set of operational priorities — specific CRA arrangements and procedures that need to be implemented to achieve the goals and action items developed at the retreat.

Lastly, the Strategic Planning Retreat provides a tool with which the Board can analyze whether the CRA Budget accurately reflects its priority goals and action agenda.

The Strategic Planning Retreat Process

The retreat program had 11 elements, as follows.

1. Ahead of the Retreat, Mr. Greiner spoke with each of the CRA Board members individually to explain the Strategic planning process, answer their questions, and explain the preliminary assignment each Board member needed to complete before the Retreat session.
2. Before the formal Retreat session began, each Board member was asked to complete an unranked listing of 1) CRA Goals, 2) key organizational action items, and 3) strategic operational procedures. Each list was submitted to the moderator at the start of the Retreat for transcription on to poster paper for presentation.
3. An introduction and overview of the retreat process was given by Mr. Greiner to highlight the objectives and rules of the retreat. Board members were asked to collectively look forward into the future and to focus on improving the effectiveness and performance of the CRA with a 'long view' perspective.
4. Each Board member was asked to give a 5-minute presentation expounding on the issues and ideas they see the CRA needing to prioritize to better focus the Board.
5. A presentation was then given by Mr. Greiner highlighting 1) the current Hallandale Beach CRA's strategic priorities and ongoing programs 2) trends in the local economy, emphasizing economic and employment data, 3) Best Practices for a CRA, focusing on strategic investing and community wide partnerships, and 4) an Opportunity Assessment, discussing where the CRA can make meaningful long term strategies to improve transportation and small business growth. The presentation closed with Mr. Greiner stressing the importance of seeing the CRA and its projects in the context of the next 12 years. (See Key Findings section of this report.)
6. During the presentation, Metropolitan Center staff compiled the Board members' goals, action items, and operational items into combined lists, and transferred them to large

working sheets for the Retreat to view. The lists were presented and discussed by retreat participants.

7. After hearing the presentation, Mr. Greiner invited Board members to take the opportunity to 1) ask questions of the moderator, 2) add items to the priority lists, or 3) clarify meanings and intention of the items.
8. Board members were then given 10 green, 20 blue, and 10 red colored adhesive dots. The dots were to be used by the Board members to indicate their priorities. Placing the dots next to their priorities signified the “spending” of their dots on the goals, action items, and operational procedures from the compiled lists.
9. The Board member ranking was reviewed and discussed by Mr. Greiner. Board members were then asked to comment on the rankings and talk about their prioritizing process and thoughts on the combined results.
10. Mr. Greiner closed the session by discussing the similarity in rankings and a clustering of Board member priorities. The consensus built upon should be utilized as a constructive strategy of forming long term goals, action items, and operational procedures.
11. The results of the final ranking exercise were collected and reviewed by Metropolitan Center staff for analysis.

Key Trends & Opportunities Impacting the CRA

The South Florida region has undergone significant change through the last recession and the post-recovery period since 2008-2009. Understanding and responding to changing market conditions is critical to the success of CRA's. In addition, understanding the best practices of high-performing CRA's can be valuable guides to improving the CRA's performance in Hallandale Beach.

Metropolitan Center Staff prepared and presented an extended discussion of 1) best practices common to high performing CRA's in Florida, and 2) key market trends impacting community and economic development in Hallandale Beach. A summary of that discussion is as follows.

CRA Best Practices

Metropolitan Center staff work with CRA's across the state. Center staff also have considerable experience with economic and community development agencies and programs across the country. ***A fundamental point made by the Center is that in our opinion, Florida's Community Redevelopment Agency program, establishing CRA's across the state, is one of the best community redevelopment vehicles in the US.***

CRA's provide a permanent organizational structure, staffing, and expertise that has:

- Steady, Predictable Funding
- Funds Dedicated To a specific community or neighborhoods, and
- Great Flexibility – To Adapt To Market and Local Conditions

Few states provide formally established **Local** government development agencies with the funding, flexibility, and permanent extensive redevelopment powers found in Florida's CRA's. However, the best performing CRA's generally exhibit 9 consistent characteristics. They are:

1. Focused and Flexible Operating Procedures and Management.

CRA's work best when they:

- Are Tightly Focused On Economic & Community Development, and carry out a relatively narrow mission
- Have a Focused and Narrow Band of Programs & Projects
- Are granted managerial flexibility to Implement their Action Plan(s)
- Have Strong Accountability, Reporting and Oversight

2. Implement Targeted, Strategic, and Comprehensive Investments

CRA's experiencing the best results target their development funding investments in relatively small geographic areas, for very specific projects, programs, or purposes, and avoid a "shotgun" approach attempting to spread funding thinly across a large area.

3. Allow Flexibility Of Uses With Subsidy Funds

Effective development funding awarded as grants or loans to end-users provides flexibility to grantees as to how to use those funds. Good grant and loan programs typically 1) Let Users/Awardees Determine The Best Use Of Funds, since they know their business or property best, and 2) allow and encourage awardees to use CRA grant and loan funds to leverage other grants and funds, in order to increase the

size and impact of the investment. For example, effective CRA grant and loan funding allows awardees to leverage debt funding, utilize funds as loan guarantees, for equity, or interest-rate write-downs.

4. Leverage Funding

The most effective CRA's don't rely on their own funding, but use their annual funding allocation to leverage additional funds from Federal, state and local governments, make use of federal and state tax credit programs, and increasingly, build effective public-private partnerships to develop projects and implement programs.

5. Disciplined Infrastructure Investments

Effective CRA's resist the urge to make infrastructure investments too far in advance of known real estate development projects. In other words, building infrastructure, especially streetscape improvements, don't always stimulate private development of buildings along the street. Effective CRA's consistently take a disciplined approach, pairing infrastructure improvements with a defined real estate development project.

6. Small Is Beautiful

Large development projects are often described as "game-changers," or "transformational." Unfortunately, the reality is that the larger the project, the less it is likely to be accomplished. Effective CRA's maintain a disciplined project approach, focusing on projects that are high impact, but are smaller, scalable, and do-able projects that can be accomplished in shorter time frames. This "singles and doubles" (instead of a "grand-slam") approach to project investment has shown to be more effective over time, and subject to much less financial risk. In distressed neighborhoods, a collection of smaller projects, implemented over a shorter time frame often prove to be eventually more "transformational" than betting on a single mega-project.

7. Focus on Small Business Development Strategies

Creating new employment and business formation opportunities may be one of the most important elements of structural change at the community level. However, it is often a missing component of CRA Action programs. Small business growth, especially firms employing less than 20 employees, are the most important source of job growth in South Florida.

Effective CRA's have implemented focused programs aimed at stimulating small business growth and creation, providing mentorship, active funding support, business incubators and accelerators, and focusing on growing local business and local entrepreneurs, instead of trying to "attract" businesses from outside the region.

8. Partner For Success

CRA's can't do it all on their own, nor should they be expected to provide all of the services needed to redevelop distressed communities. Remember, effective CRA's focus their programs and investments in order to be more productive. However, other services and programs are needed to rebuild challenged communities. Effective CRA's therefore partner with leading institutions, service providers, and experts to provide other critical services to residents and businesses, including small business mentoring, developing business accelerators and incubators, partnering with local banks and the Small Business Administration to stretch loan dollars, and increasingly, local area Universities to drive job training and high skill job growth programs.

9. Communication and Contact

Effective CRA's communicate with constituents and partners in two specific ways: 1) aggressive constituent contact, through multiple media, and an emphasis on face-to-face meetings, to insure that constituents and business within the CRA are aware of the CRA's programs, projects, and services; and 2) clear, simple, and unambiguous information for investors and entrepreneurs, providing a clear statement of the CRA's programs and the strengths, opportunities, and advantages of investing in the CRA.

Key Trends Impacting the CRA

Redevelopment and growth in Hallandale Beach and its CRA will be impacted by demographic, economic and technology trends playing out across the South Florida Region. Recognizing and responding to these trends will separate effective CRA's from those that are less effective in capturing and stimulating new opportunity for their residents and businesses. AS presented at the retreat, the Center detailed 9 key trends that will impact development efforts in Hallandale Beach

1. Region and County-Wide Land Availability

Across all sectors, the availability of land will drive pricing and location of new development. Both Miami-Dade County and Broward Counties are approaching full build-out. Miami Dade County has only 2,083 acres inside the urban infill area that are privately owned **vacant** land. Broward County has less, to the point where Metrostudy, a real estate analysis firm, has determined that **Broward is virtually out of land suitable for residential development, and 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.

2. Regional Population Growth

Regional population continues to grow, marked by 3 main characteristics:

- The Miami-Fort Lauderdale-West Palm Beach Metro Area (Palm Beach, Broward, and Miami-Dade Counties) population reached 5,564,635 in 2010, growing by 11.1% from 2000. Growth through this decade will be slower than 2000 — 2010. Broward County has been growing at a slightly faster rate than Miami-Dade County since 2010, but at a slower annual rate of increase than the previous decade.
- Regional Population Churn: Growth in the region has ben characterized by a dramatic turnover of residents — high numbers of in-migration, but nearly as large rates of out-migration.
- Population Growth Driven by International In-migration: The dynamics of Miami-Dade County and the Miami Metro Area's population growth is increasingly driven by international in-migration. For the metro area, migration from international in-migrants has been the largest component of population growth since 2004-2005. Between 2000 and 2009, natural population growth (births minus deaths) added over 211,000 people to the Miami metro area's population. **However during the same period, the area lost over 287,000 people to net domestic out-migration, but gained over 522,000 residents who migrated into South Florida from abroad, and the proportion of international immigrants as a component of total population growth in both the MSA and the County has been increasing each year since 2010.**

The area's population dynamic is not only the reverse of the national trend, but is nearly unique in terms of this pattern. Persons moving into the US from abroad has never been more than 1% of all movers (including intra-county relocations) in each decade since the 1980's. For Miami-Dade County, 12.4% of

all movers into the County were from abroad. In addition, only two other major metropolitan areas in the US with overall positive net population growth — New York and Los Angeles — experienced a net loss of domestic population, but had international in-migration that exceeded their net migration losses.

The impacts of this high “churn” rate in the region’s population are difficult to determine. Losing a significant segment of the population each year would seem to be unsustainable, but the region has managed it for over a decade. On the one hand, losing a high number of residents to other cities can mean a loss of talent and income. However, the high rate of replacement driven by domestic and international in-migration can mean an entirely new addition of talent, ideas, and income.

Annual Estimates of the Components of Population Change								
	Total Population Change	Natural Increase			Migration			International Migration as % of Total Pop. Change
		Net	Births	Deaths	Net	International	Domestic	
July 1, 2001 to July 1, 2009								
Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	539,059	211,429	649,535	438,106	234,874	522,009	(287,135)	97%
Miami-Dade County	246,839	133,201	303,660	170,459	23,116	328,740	(305,624)	133%
Broward County	143,460	66,174	209,107	142,933	75,947	128,311	(52,364)	89%
Palm Beach County	148,760	12,054	136,768	124,714	135,811	64,958	70,853	44%
April 1, 2010 to July 1, 2013								
Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	263,534	63,683	216,183	152,500	196,312	163,622	32,690	62%
Miami-Dade County	120,719	40,263	101,550	61,287	78,178	99,848	(21,670)	83%
Broward County	90,778	21,691	69,339	47,648	68,608	42,215	26,393	47%
Palm Beach County	52,037	1,729	45,294	43,565	49,526	21,559	27,967	41%
July 1, 2012 to July 1, 2013								
Miami-Fort Lauderdale-West Palm Beach, FL Metro Area	64,909	18,411	66,902	48,491	42,484	52,706	(10,222)	81%
Miami-Dade County	24,466	11,406	31,209	19,803	11,040	32,104	(21,064)	131%
Broward County	24,031	6,666	21,558	14,892	16,582	13,633	2,949	57%
Palm Beach County	16,412	339	14,135	13,796	14,862	6,969	7,893	42%

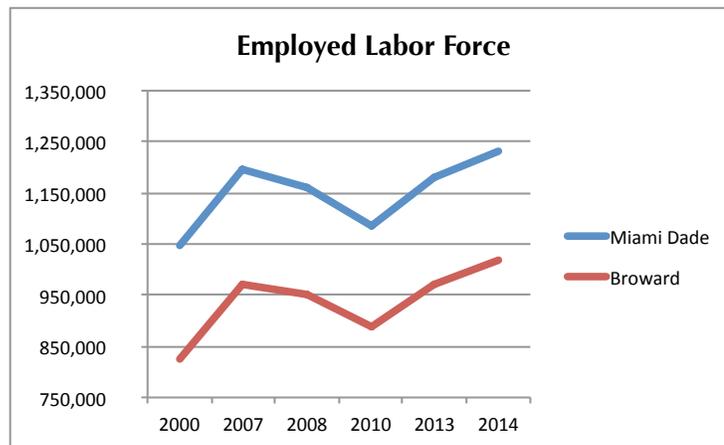
3. Regional Employment Growth Trends

South Florida has grown to become a nationally competitive financial services, international trade, and real estate development center, and continues to grow as an international gateway for goods, services, investment and talent. However, the regional economy has persistent structural issues that effect its growth going forward.

- **Highly Cyclical Employment:** Miami-Dade and Broward County’s employed labor force growth since 2000 has been hampered by the successive national economic downturns of 2001-2003 and 2007-2010. The region suffered total job losses in 2002 and 2003, regained jobs from 2004 to 2007, only to shed jobs again from 2007 through 2010. ***The dual downturns affected the Maim Metro area more than the rest of the US — the national economy ended the 2000-2009 decade with a net zero jobs base increase, while Miami experienced a net loss of over 42,000 over the same period.*** Since September 2009 the region has rebounded, however, it took 7 years for total employment in Broward and Miami-Dade to reach the same level as it was in 2007.
- **Below Average Wages and Incomes:** Wages in the metro area have historically been lower than national averages. Household median income in Broward County, at \$51,694 is 3% below the US Median, while Miami-Dade median household income at \$43,605 is 16% below the US median.
- **Slowing Wage Growth:** Wages in the region have always been below those of the rest of the Country. In addition, average annual wage growth in the region has slowed significantly over the last 6 years. Miami-Dade’s annual rate of average wage increase has dropped from 4.5% growth in 2004 to 1% in 2013. In Broward, wages grew annually over 3% from 2000

to 2007, but are under 2% annually since 2009. Rates of wage increases are now at or less than the current annual rate of inflation since 2010.

- **High-Wage Job Shedding During the Recession:** Evidence indicates a shedding of higher wage jobs during the last recession. Despite improving employment numbers, nearly 30% of the jobs lost in the recession paid annual wages of \$50,000 or higher, and were in high-wage industries including professional and technical services, finance and insurance, information, transportation and wholesale trade. 60% of the new jobs created post-recession averaged annual salaries of \$35,000 per year, and only 24% of the jobs added pay more than \$50,00 per year.
- **Regional Employment Growth Forecasts:** The State of Florida projects over 95,000 new jobs in Broward, and 110,000 new jobs created in Miami-Dade County from 2014 through 2022. The top ten largest growing industries, according to the Department of Economic Opportunity, will create over 70% of those new jobs.



Metro Area Largest Employment Sectors

Title	Employment		2014 - 2022 Change	
	2014	2022	Total	Percent
Broward County				
Local Government	87,616	96,929	9,313	10.6
Professional, Scientific, and Technical Services	52,524	61,624	9,100	17.3
Ambulatory Health Care Services	43,743	52,558	8,815	20.2
Administrative and Support Services	70,112	78,819	8,707	12.4
Specialty Trade Contractors	23,445	31,880	8,435	36.0
Food Services and Drinking Places	64,870	70,660	5,790	8.9
Educational Services	21,256	25,622	4,366	20.5
Construction of Buildings	6,930	9,859	2,929	42.3
Miami Dade County				
Ambulatory Health Care Services	58,310	73,608	15,298	26.2
Professional, Scientific, and Technical Services	70,573	81,584	11,011	15.6
Local Government	101,796	111,997	10,201	10.0
Administrative and Support Services	68,214	76,149	7,935	11.6
Educational Services	29,630	34,781	5,151	17.4
Food Services and Drinking Places	88,552	93,700	5,148	5.8
Specialty Trade Contractors	20,531	25,489	4,958	24.1

4. A Region Especially Reliant On Small Business

The national economy relies on small business for employment and new job creation. Across the US, firms employing less than 20 employees are responsible for 53% of all jobs created since 1992, firms employing less than 50 employees are responsible for 62% of all jobs created since 1992, and firms employing less than 50 employees create 43% of all new US jobs annually.

The regional economy is especially reliant on its small businesses. According to the latest County Business Patterns Data (2012), 91% of all non-agricultural business establishments with employees in the Miami metro employ less than 20 people, compared to 86% across the US economy. Establishments employing less than 50 persons represent 96% of all establishments in the metro area, and when self-employed persons are included, represent 99% of all business establishments in region.

A second measure of the region's particular reliance on small businesses is its high rate of self-employment. Self-employed persons represent 9.4% of the non-agricultural employed labor force across the US. The Miami metro area's percentage of self-employed persons is 13.9% of all employees. In addition, self-employment in the US grew 11% since 2000. Over the same period, self-employment increased over 50% in the region, though declining slowly since 2007.

Third, small firms led the County's economic recovery from the last recession. Establishments employing less than 20 accounted for 94% of all new establishments created since the bottom of 2009. In Broward County, 1,219 establishments employing less than 20 employees were created since 2009, while only 3 establishments larger than 100 employees were created since 2009. In Miami-Dade, 4,010 establishments employing less than 20 employees were created since 2009, while only 84 establishments larger than 100 employees were created since 2009.

Lastly, the region has one of the highest new business firm creation rates in the country. The Kauffman Index of Entrepreneurial Activity tracks detailed data regarding the formation of new business firms annually using over 500,000 samples taken from the BLS Current Population Survey. The Kauffman Index is one of the most robust analyses of its kind, and has tracked five important trends:

- The national entrepreneurship rate — the number of adults creating new businesses per month — has averaged around .3% per month (or 300 entrepreneurs per 100,000 persons) since 1996;
- 78% of entrepreneurs creating new companies are over 35 years old, immigrants create new business at rate 1.5 times the native US population, and Latinos create new businesses at rate almost 1.5 time Whites and Asians, and;
- The Miami Metropolitan Area has one of the highest new business creation rates in the US. In 2012 the Miami Metro had the highest entrepreneurial Index of the nation's 15 largest Metro Areas, and in 2013 only San Francisco and Los Angeles rated higher. ***Miami's Entrepreneurial Index, at .56% in 2012 and .43% (430 new businesses created per 100,000 population per month), in 2013 is almost 1.5 times the national average.***

5. Regional Residential Development Market

Since the trough of the 2008 recession the region has experienced strong real estate recovery — residential real estate has experienced record sales volume each of the last three years (2012, 2013, 2014) and rising median prices. According to latest data from the Miami Association of Realtors, key regional residential real estate indicators include:

- Slowing sales of single-family homes and condos, but rising prices. Single-family and condominium home prices have experienced 41 months of increase over the 42 months preceding November 2014.

- The median number of days on the market for single-family homes and condominiums dropped significantly from 2008, but have increased to 47 and 57 days respectively, from November 2013 to November 2014.
- Cash sales of all properties reached a high of over 60% in 4Q 2013, but have declined to 53.3% through the end of 2014. This is double the national rate of 25%.
- Distressed property transactions continue to decline since the recession, and at the current (4Q 2014) sales rate, there is a 5.7 month supply of single family homes, and an 8.4 month supply of condominiums, and both numbers are increasing.
- Average County rent continues to increase — the average apartment rent increased another 3% in 2014, and has been projected to increase again by over 4% to \$1,297 per month. Both homeownership and rental in the region is becoming more unaffordable. The percentage of income spent on housing is increasing each year, wages are not keeping pace with housing price increases, and a significant portion of new job creation in the County has been in occupations with wages below levels needed to afford increasing market rents.
- Extensive national research has documented shifts in housing preference across the country, driven by both ends of the demographic spectrum – millennials and 55+ households. Leading preferences shaping housing demand include:
 - Increased demand rental housing, moving out of home ownership, smaller size housing, and 68 percent of those aged 55-64 and 69 percent of those 65+ want a single-story dwelling.
 - Locations requiring less drive time to work, to shopping and conveniences, recreation and entertainment, and are increasingly seeking neighborhoods in which daily activities are closer and nearby. Millennials are the first generation since the invention of the automobile to drive less miles than their parents, and this trend is accelerating;
 - Preference for housing in proximity (less than ½ mile) to mass transit, and access to a mix of alternative transportation modes, including bicycles and walking, and;
 - More outdoor amenities, including garden plots, walking/jogging trails, parks, outdoor pools, and local drug/convenience stores.

The growth of 55+ housing, both rental and owner-occupied, is expected to provide strong growth in housing sales and construction. However, these shifts in preference cuts across age and income: nearly half (45%) of current homeowners say that they would consider renting at some point in the future, including homeowners with postgraduate education (53%), homeowners with annual household incomes greater than \$75,000 (51%), and 50- to 64-year-old homeowners (49%).

6. The Regional 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 over the last three years, the office market faces numerous challenges.

At the close of Q4 2014, Miami-Dade had Countywide vacancy rates are close at 14.9%, while Broward hovers at 19%. Vacancies across the region's office sub-markets vary widely from a low of 4.7% in Coral Way, to 20% Downtown and 37.7% vacancy rate in the Biscayne Corridor.

New office construction has dropped dramatically in Miami-Dade, shrinking from over 2 Million square feet delivered in 2010, to just over 260,000 square feet for all of 2014. Office construction in Broward has been larger, at 600,000 square feet, but 450,000 of that total was for one user.

Six significant trends are continuing to shape office demand across the County and District 11. They are:

- Miami's office market was 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 .3% 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 US, 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% 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% 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.

7. The Regional Retail Market

Retail development in the County recovered quickly post-recession, and has been a leading development sector since 2008. Average vacancy rates across the County continued their decline, rents have improved, and total construction continues to increase in selected markets, particularly high-end and luxury brand retail. Value brand retail moved more slowly, trailing middle-income employment and wage recovery.

The future of retail in the region, however, will be 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% since 2007, in sharp contrast to less than 5% overall sales growth. Excluding auto-related purchases (which don't sell on-line) e-commerce grew 53.0% from 2007 to 2012, seven times the overall retail sales growth rate.

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

E-Commerce is diverting a rapidly growing percentage of shoppers and the industry away from bricks-and-mortar sales locations and development. The effects on the 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% 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.

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

8. Industrial and Flex Space Market

Industrial properties in the County have enjoyed a resurgence of demand since 2012. Through the end of 2014, the average vacancy rate continues to trend downward. As the major trade gateway to South America, rapidly expanding South American trade volume and increasing intermodal shipping activity have driven growth in the industrial sector. The widening of the Panama Canal and dredging of the Port of Miami will increase the demand for warehouse and shipping facilities in the County, but also increase demand for back office, and support space, but not necessarily at the region's Ports, where land is at a premium.

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

9. Regional Transportation

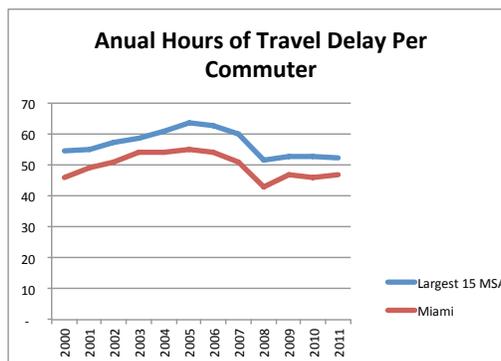
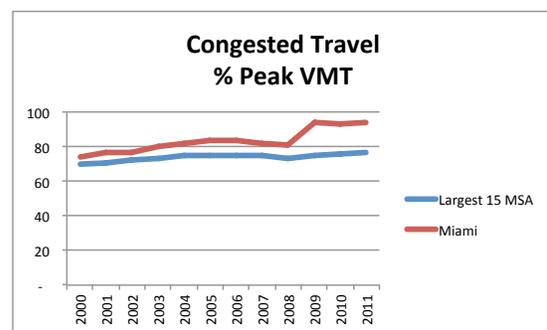
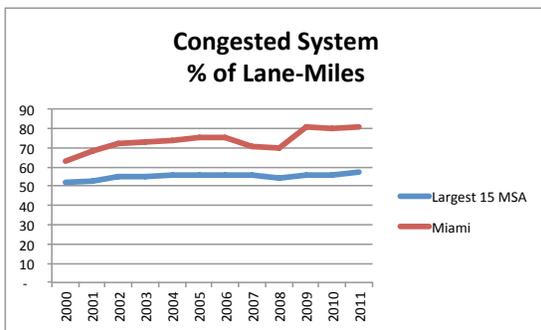
Roadway congestion is a critical issue facing the region. According to the Texas A&M Transportation Institute (TTI), Miami is the 14th most traffic congested Metro area in North America, and 11th most congested in the US. Average travel times across the region are above the national average, and for

workers living in edges of the region, travel times average 45 minutes each way, nearly *double* the national average.

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

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

The region’s traffic congestion issues are a product of population growth, limited land to add new road lanes, limited mass-transit options, and land-use patterns. ***However, no single solution will alleviate current and future traffic congestion in the region, especially attempting to add new roadway volume. Improving regional transportation conditions will require a combination of land use, transportation capacity, transit and employment location solutions.***



Opportunity Assessment

Although a complete strategic economic analysis was outside of the scope of work for this planning process, it's clear that the trends noted above present challenges, and opportunities for the Hallandale Beach CRA. Four opportunities in particular should be kept in mind as the Board goes through its re-assessment of goals, priorities and action program items.

1. A Major Local Consumer Market

The market area for the Hallandale Beach CRA — the circle within a 15 mile radius of the CRA — has over \$10 Billion in Gross household income within it. This makes the CRA one of the most dense income and consumer geographies in the State.

2. The Crossroads of New Demand: the Market is moving in Hallandale's Direction

The Hallandale CRA is situated at a critical location, at a critical juncture in the development of the regional economy. Hallandale is situated almost equidistant between 2 major city centers, is located along major roadways with proximity to major regional institutional, economic, and cultural assets, and Gulfstream Park is a regional entertainment destination.

With the overheating of real estate prices and demand in Miami from downtown, Wynwood, and the Design District, commercial investor and homeowner demand is moving toward Hallandale from both the north and south.

3. Regional Transportation Congestion: Issue and Opportunity

Rising regional road congestion is a critical Metro area problem, but may be a major opportunity for Hallandale. Increasing commute times are placing an increasing premium on convenience, travel time and increasing travel time costs are now a driving consideration in corporate office location decisions, and households are looking for housing choices involving greater conveniences and low commute times.

The result is that Hallandale's cross-County-border location takes on new value, it also could become an ideal location for mixed-use and Transportation Oriented Development (TOD) projects. The addition of a potential future passenger rail station adds even greater value to Hallandale's location.

4. An Ideal Small Business Development Location?

Workshifting is the process by which businesses seek to allow workers to work from home, or satellite locations closer to home in order to save cost and increase productivity (less time spent in traffic). It's a serious trend moving through most major cities. Hallandale, given the factors noted above, may be an excellent workshift location.'

In addition, Hallandale has a significant small business development dynamic. Its proportion of small businesses and entrepreneurs are all above national averages. The CRA is home to 1,247 total business establishments, of which 1,221 employ less than 50 workers (97%), and has 2,422 self-employed businesses (15% of the total employed labor force). Harnessing the City and CRA's considerable business creation dynamic represents a significant opportunity for immediate growth and development.

Defining Priorities: the CRA's Strategic Planning Process

CRA Community Redevelopment Implementation Plan Goals and Objectives

The *Hallandale Beach Community Redevelopment Agency Community Redevelopment Implementation Plan*, adopted in March 2012, is the Agency's Community Redevelopment Plan (as required by FL Statutes Ch. 163), as well as its strategic plan. The plan guides policy, budget formation, and the CRA staff work program.

The CRA Implementation Plan is lengthy and extremely comprehensive. In terms of priorities, programs, and action items, it includes:

- A Mission Statement;
- 4 Strategic Priorities;
- 6 Overall Goals and Objectives;
- 22 Programmatic goals, and;
- 108 *Strategic Objectives* and 169 *Strategies*, which are its specific programs and projects.

Mission Statement

The original Mission statement of the CRA Implementation Plan is as follows:

“The Mission of the HBCRA is to enhance quality of life by eliminating and preventing blighting conditions through the facilitation of community partnerships, business growth, job creation and neighborhood revitalization.”

Strategic Priorities

The Plan's 4 Strategic Priorities are:

1. Livable community.
2. Ensuring excellence in government.
3. Enhancing the quality of life through Environmental Sustainability.
4. Economic Development to support business owners, improving property values and provide a healthy balance of residential, commercial and light industry with a mix of local opportunities.

Overall Goals and Objectives

The Plan also includes *Overall Goals and Objectives* — according to the Plan document, the “set of programs and actions...to systematically accomplish the goals and objectives of the CRA. They are:

1. To revitalize and redevelop the CRA area to eliminate conditions, influences and causes of slum and blight as defined in Florida Statute 163 part III. Over the next few years the Plan will proactively create safer neighborhoods and improve neighborhood infrastructure and increase pedestrian friendly systems;
2. To establish a results-oriented Economic Development Program that creates and increases job opportunities and expand tax base in addition to increased capital investments;
3. Provide technical assistance to existing business and to create a community-wide small business positive image /brand that will create a reputation of being a business friendly community;

4. To provide other miscellaneous economic development opportunities to include workforce training, development and placement, transportation and technology improvements, and to encourage and attract cultural art enterprises;
5. To continue to provide affordable housing opportunities. To participate in Land Acquisition and Assemblage. The City of Hallandale Beach will position itself for success in the marketplace by restructuring the current Economic Development program to focus on the following: to develop a structure to reflect best practices in private sector planning, execution and measurement; to create economic development processes to accelerate incentive and permit approval to fit the quick response nature of current projects by eliminating duplications and delays; and, to continue to strengthen business community buy-in, while cultivating partnerships to leverage resources. The Economic Development effort will advance a comprehensive economic development strategy designed to identify and target future drivers of job growth and enhance competitiveness through the updating of policy, regulatory infrastructure and incentive factors. The Economic Development Office/CRA will be responsible for spearheading comprehensive business intelligence, public relations, marketing, outreach, local business retention and expansion, and prospect/project management. This Economic Development approach and effort will enable the City to achieve the Commission's strategic priority of creating jobs, expanding the tax base and creating a healthy balance of residential, commercial and light industry;
6. To provide measurable reports and a revised CRA Plan with measurable outcomes.

Programmatic Goals, Strategic Objectives and Strategies

In terms of specific action items, the Plan delineates *22 Programmatic Goals*, which then produce 108 *Strategic Objectives* and 169 *Strategies*. The Plan Strategies are the specific Action Items (programs and projects) that define the CRA's working redevelopment tools and work program. The Strategies are organized according to 24 Program areas.

The large array of Priorities, objectives, goals, and strategies (action Items) generate a vast number of potential programs, operating procedures, and projects for the CRA. The CRA's program areas alone include nearly every type of redevelopment activity, infrastructure, parks, as well as Human Service and Social Service and educational programs. A summary of the CRA Implementation Plan Objectives and Strategies are shown in the tables below.

THE OBJECTIVES OF THE REDEVELOPMENT PLAN FOR THE HALLANDALE BEACH REDEVELOPMENT AREA ARE:

1. To eliminate slum and blight area and prevent their reoccurrence.
2. To eliminate substandard and obsolete buildings, blighting influences and environmental deficiencies which detract from the functional unity, aesthetic appearance, and economic welfare of the area and also prevent the occurrence of blight and blighting influences.
3. To develop and implement enhanced community policing innovations.
4. To provide for the improvement and extension of utilities to promote the economic growth within the Hallandale Beach CRA project area.
5. To assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
6. To make physical improvements that will be sufficient in scope and character to bring about a distinct and visible renewal of the area.
7. To encourage coordinated development of parcels and structures in order to achieve efficient building design, unified off street parking, and internal pedestrian connections.
8. To minimize the points of friction between pedestrian and vehicular traffic and to maximize the opportunities for pedestrian activity.
9. To achieve architectural, site planning, and landscape design of the highest standards on all public and private property, including streets.
10. To establish a pattern of land use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
11. To encourage the provision for affordable housing, renovation, rehabilitation and conservation of existing structures not scheduled for removal.
12. To strengthen the image of Hallandale Beach CRA project area as a place to do business, work and invest.
13. To enhance the appearance of public places and rights-of-ways.
14. To improve the usefulness of the public and private open spaces in the area.
15. To improve employment opportunities, economic stability and productivity and to increase public revenue within the CRA.
16. Continue revitalization efforts through the promotion of cultural and arts related activities, events, institutions and businesses, creating related jobs and economic development.
17. To ensure a variety of commercial, office, and/or industrial land use, this will physically and economically complement development within the CRA.
18. To encourage the development of commercial uses along major thoroughfares.
19. To encourage the use of local resources in the development of the CRA whenever economically feasible.
20. Promote the retention of existing, and development of new and diverse, employment opportunities.
21. Encourage the cooperation and participation of property owners, public agencies, and community-based organizations in the elimination of blighting conditions and the promotion of new or improved development within the CRA.
22. Provide a procedural and financial mechanism by which the Agency can assist, complement and coordinate public and private development, redevelopment, revitalization and enhancement of the community.
23. Stabilizing existing single-family units and neighborhoods.

Hallandale Beach CRA Community Redevelopment Implementation Plan		
Program & Strategy Summary		
Program Area	Strategic Objectives	Strategies
A. Administrative	9	16
B. Public Safety	6	10
C. New Business and Targeted Industries Recruitment Program	7	10
D. Small Business and Existing Industry Program	8	4
E. Affordable Workforce Housing	8	9
F. Marketing and Branding	3	10
G. Way-Finding	1	1
H. Transportation	1	6
I. Image/Sense of Community	1	11
J. Miscellaneous Economic Development	5	3
K. Technology	4	6
L. Health Care	5	1
M. Human Services	5	9
Youth Services	5	5
General Services	6	9
Need Program Priority	4	5
Senior Services	2	7
N. Capital Projects	6	10
O. Code Compliance	6	5
P. Community Partnership Grants Program	3	3
Q. Cultural Arts	4	5
R. Land Acquisition, Development and Related Activities	2	12
S. Land Use	1	7
T. Parks and Recreation	<u>6</u>	<u>5</u>
	108	169

Results of the February 2013 Visioning Session

The CRA undertook a *Visioning Session* to determine if “there could be a refinement of priorities, specific direction on the types of projects and programs desired, and guidance regarding potential need to amend the Redevelopment Plan to reflect re-focused priorities.” The 2013 Visioning Session produced 4 results.

A Revised Mission Statement

The Board agreed to revise the CRA Mission Statement as follows:

“The Mission of the HBCRA is to ~~promote economic development and enhance quality of life by eliminating and preventing blighting conditions through the facilitation of community partnerships, business growth, job creation and neighborhood revitalization.~~”

New Strategic Priorities

The Board did not eliminate or change any existing objectives, strategic objectives, or strategies, but agreed to add 2 new strategic priorities, each with 2 new goals:

A. Undertake tangible capital improvements that create cohesive visual appeal within all areas of the HBCRA.

GOAL 1. Undertake total improvement of the Public Realm.

GOAL 2. Promote public/public and public/private partnerships.

B. Promote projects with large-scale impacts.

GOAL 1. Issue a Request for Proposals (RFP) for NW infill housing.

GOAL 2. Issue a Request for Qualifications (RFQ) for the Dixie Highway/Foster Road parcel.

Refined Geographic Focus

The Board agreed to re-focus the resources of the HBCRA by targeting the Public Realm in specific areas of the HBCRA most in need of attention. The order of priority selected was:

- Priority 1. The Entire Northwest Quadrant.
- Priority 2. Arterial Highway Corridors including Dixie Highway and Federal Highway.
- Priority 3. Southwest
- Priority 4. Northeast
- Priority 5. Southeast

Action Items

Lastly, the Board directed CRA Staff to immediately undertake 5 new, immediate Action Items:

The HBCRA Board and Executive Director identified the action items coming from the Visioning Session. Included in the directives to staff were:

1. Prepare a draft RFP for infill housing on HBCRA and City owned parcels.
2. Prepare a draft RFQ for the redevelopment of the Dixie Highway/Foster Road site using the Urban Land Institute (ULI) Technical Advisory Panel (TAP) study.
3. Evaluate options for City funding of selected HBCRA programs, and bring back to the Board recommendations based upon re-focused priorities.
4. Prepare and bring back to the Board a process to amend the Redevelopment Plan to recognize the changes that have been suggested.
5. Prepare an Action Plan which will include timelines for implementation of the re-focused Goals.

The CRA Board decided to leave the remainder of the CRA Implementation Plan in place, amending it by adding the items specified above.

Results of the 2015 Strategic Planning Retreat

As stated in the introduction, the Board and Executive Director of the CRA undertook the Strategic Planning Retreat, not to complete a Plan overhaul, but to re-adjust and refine its strategic priorities in light of its progress achieving numerous project milestones, market changes, and to try and build Board consensus around key strategic priorities.

Results of the Preparatory Interviews

The initial interviews with Board members were undertaken individually, to explain the Strategic Planning retreat process, and help board members more clearly formulate their own strategic priorities in preparation for the retreat. Although interviewed individually, Board members indicated a shared short list of immediate priorities, with clear consensus around 3 main priority development objectives.

The Board members unanimously identified 3 objectives as most important priorities:

- A continued emphasis on physical investment within the CRA, and a preference to continue to slow down programmatic grant spending;

- Developing more effective developer and investor incentives, and improving the CRA's RFP process, and;
- Continued emphasis o housing development, especially delivering a wider range of housing choices for CRA residents and newcomers.

Other priorities mentioned by a majority of the Board members included:

- Improving the identity and knowledge of the CRA and its programs to constituents;
- Improving outreach;
- Improving CRA performance metrics;
- Improving CRA Policing metrics and developing community policing performance standards, and;
- Developing clearer strategies for choosing properties for acquisition and redevelopment by the CRA.

Goals Ranking

Board members were asked to produce and deliver their own list of priority Goals for the CRA. ***The initial list of goals, submitted individually by the Board members, was as follows:***

- Develop projects to increase tax base
- Finish projects
- Eliminate blight
- Create jobs and services
- Continued investment in the public realm
- Develop Affordable Housing
- Complete Streets
- Improve parking
- Enhance community policing
- Continued in-fill development
- Enhance Comprehensive Master Plan (CMP)

The final priority ranking completed by the Board resulted in a surprisingly short list of priority Goals. The number of priority "votes" assigned to each Goal, and as a percentage of the total votes possible (40), is as follows.

Strategic Plan Ranking Analysis	Priority Votes	Percent of Total
Goals - Ranked by Priority		
1 Create jobs and services	12	30%
2 Continue investment in the public realm	9	23%
3 Develop projects to increase tax base	6	15%
4 Finish projects	4	10%
5 Develop Affordable Housing	4	10%
6 Enhance community policing	<u>4</u>	<u>10%</u>
	39	98%

Action Item Ranking

The Board produced a considerably longer list of priority Action Items. ***The initial list of Action Items, submitted individually by the Board members, was as follows:***

- Stop telling people outside of the CRA area that they have no interest in what happens in the CRA area
- More public participation
- Reduce traffic
- Remove slum and blight
- Increase the ad valorem tax
- Stop doing projects that only benefit the few
- Move the needle
- Move the Hepburn Center to Bluestein
- Ingles Park
- Eliminate the LNG station in the North West
- Upgrade the I-95 interchange at Hallandale Beach Blvd. and Pembroke Road
- Leverage dollars to attract development along corridors using examples by Lambert
- Public safety code: nonconforming properties, leverage code enforcement for community
- Economic Analysis study
- Atlantic Avenue, N.E. 14th Ave., S.W. 8th Ave. fringes need upgrade
- Bring Class A Office building to Federal Highway South and Hallandale Blvd.
- North Miami Beach bond to fix parking
- Bricks and mortar
- Programming self-impact
- Public-Private Partnerships
- Development of commercial properties, ex. West Side, Dixie, Pembroke
- Continue land bank
- New Housing on West Side and create new types of housing, ex. Affordability values, Single-Family, Design (expand choices)
- Sidewalks, bike lanes, street lights, and transportation
- In-Fill housing
- Improve and develop roadways
- Improve parking for small businesses
- Community projects: Farmers markets, Community gardens
- CRA public engagement services
- SW drainage project
- Proactive CRA programs that offer incentives to small businesses to stay and grow
- Purchase small lots to form into larger parcels
- Increase homeownership rate
- Dixie Fire station

The top ten Action Items, as ranked by the Board were as follows.

Strategic Plan Ranking Analysis	Priority Votes	Percent of Total
Action Items - Ranked by Priority		
1 Improve and develop roadways: Reduce traffic, improve parking for small businesses, I-95 interchange at Hallandale and Pembroke, Atlantic Ave., NE 14 Ave., SW 8 th Ave.	13	16%
2 Public safety code: nonconforming properties, leverage code enforcement for community	7	9%
3 Economic Analysis Study	7	9%
4 Increase the Ad Valorem tax	6	8%
5 Development of commercial properties: Bring Class A building to Federal Highway South and Hallandale Blvd., corridors of Dixie, West Side, Pembroke/Hallandale	5	6%
6 Proactive CRA programs that offer incentives for Small Businesses to stay and grow	5	6%
7 CRA Public engagement and services	5	6%
8 SW Drainage project	5	6%
9 Move the Hepburn Center to Bluestein	4	5%
10 In-Fill housing	4	5%
	61	76%

Operational Procedures Ranking Analysis

The Board produced a short list of initial priority Operational Procedures, and a very short list of final Operating Procedure priorities. ***The initial list of Operational Procedures, submitted individually by the Board members, was as follows:***

- Have a plan and execute the plan
- Understand the budget
- Understand what the programs in the budget cost
- Time is money
- Colleagues understand what budget is and can be
- Hollywood downtown CRA bond not successful
- Improve RFP process
- CRA Police Programming Metrics
- Learn from other CRAs successes and failures
- Create initiatives to attract developers
- Create plans prior to acquiring properties
- Improve CRA website

The final priority ranking of Operational Procedures:

Strategic Plan Ranking Analysis	Priority Votes	Percent of Total
Operational Procedures - Ranked by Priority		
1 Create initiatives to attract developers	8	20%
2 Improve RFPs process	7	18%
3 Understand the budget	7	18%
4 Have a plan and execute the plan	7	18%
5 Police programming metrics	6	15%
	35	88%

Findings, Conclusions and Recommendations

The CRA Board members are to be commended for undertaking the Strategic Plan Retreat, and participating in the process with engaged and open minds. The results of the Retreat process were clear, and point to important findings and recommendations.

1. Clear Consensus on Goals and Operational Procedures

The retreat revealed clear consensus regarding the CRA's Goals and Operating Procedures. The Board showed its strongest consensus on a very short list of Priority Goals. In fact, the top 6 ranked Goals accounted for 98% of the possible total priority ranking votes (40). Most striking was the 30% consensus ranking assigned to *Create Jobs and Services* — the single highest ranked priority item resulting from the Retreat.

The high priority assigned to job creation may be seen as a shift from the 2013 Vision Session results, but in general the remaining Priority Goals as well as the Priority Operational Procedures resulting from the Retreat confirmed many of the same priorities from 2013, though differing in order of importance. Following “creating Jobs and services” as the highest ranking Priority Goal, the Board had strong consensus around continued investment in the public realm, increasing tax base, developing new housing, and continuing to improve Community Policing in the CRA.

Similarly, the Board confirmed many of its most important Operating Procedures indicated in the Original Implementation Plan and 2013 additions to the Plan. The Board indicated strong consensus around creating incentives to attract developers, improving the CRA's RFP process, understanding and developing a clearer budget and project planning process, and improving Community Policing in the CRA through better Police program metrics.

The high ranking for job creation as a Priority Goal and creating “better incentives to attract developers” as an Operating Procedure deserves further consideration as the CRA moves forward, however. Although job creation is embedded in many aspects of the CRA's work program, it has been addressed in general, rather than specific terms. The Board needs to discuss, with staff's assistance, whether more specific job creating programs (incubators, grants, business accelerators, training, etc.) need to be revisited as CRA strategies. Similarly, additional attention is warranted regarding the CRA's standing development incentive programs, given the high level of consensus indicated by the Board.

Additionally, providing quality housing has been a CRA priority from its inception. However, one of the clear indicators resulting from the Retreat is that a number of the Board members discussed the need to expand housing choice, pricing, and ownership options. More specificity regarding the CRA's housing development plans into the future, especially given changes in market demand, are warranted.

2. The Disconnect: Lack of Agreement Regarding Specific Action items

Both the large number of Action Items identified and ranked by the Board, the spread of priority ranking votes, and the low rank percentages across the Action Items indicates that while the Board strongly Agrees on base Goals and key Operating Procedures, they are more widely split on priority Action Items.

The top 10 ranked Action Items accounted for only 76% of the total possible ranking votes (80), and the top ranked Priority Action Item — “Improve and develop roadways: Reduce traffic, improve parking for small businesses, I-95 interchange at Hallandale and Pembroke, Atlantic Ave., NE 14 Ave., SW 8th Ave.” — received only 16% of the total rank votes.

The results of the ranking process, combined with the pre-Retreat interviews, indicate that the lack of consensus regarding Action Items results from 1) differences among board members regarding geographic

area investment priorities, 2) a lack of specifics regarding some of the CRA's Action Items / Strategies, and 3) the Board's indicated need for more detailed justification for spending under certain large, open-ended programs, including land acquisition.

3. Do the New Strategic Priorities Reflect New Market Dynamics?

This is an important question, because if the CRA's programs and projects are out of step with trends in the regional and national markets, housing choices, or transportation trends, its efforts and investments risk being less than effective.

The answer is that to some extent the new Priority Goals, Action Items and Operating Procedures reflect changes in the regional job, housing, real estate and transportation markets. The priorities resulting from the Retreat address 3 key regional investment needs:

- The need for new jobs, at higher wages. Many of the region's workers are earning less than they did in 2008, and although unemployment rates have dropped, considerable "shadow" unemployment exists;
- Housing costs are making much of the region's housing stock unaffordable to a growing segment of the region's households, including its young workers. New housing is needed in the CRA to address local and regional housing needs;
- Transportation infrastructure also is required to address congestion, parking needs, and access.

However, while the Priorities coming out of the Retreat, as well as the CRA's existing budget address these issues in general terms, it remains to be seen as to how they address the specific market trends presented and discussed at the Retreat and contained in this Report. The CRA needs to remain mindful of these trends — especially housing market demand changes and office and retail space demand — as it executes its general programs, project investments, and Requests for Proposals for developers, in order effectively drive new investment in the CRA.

4. Does the CRA Budget Reflect the CRA's Priorities?

Again, the answer is in general terms it does, but loosely. Budgets are the living embodiment of CRA plans, and analyzing the CRA FY 2014-2015 Budget in terms of Priority spending categories indicates a **rough** correlation in spending programs to the priorities identified by the Board at the Retreat. Considering the spending indicated for the Programs budget and Capital Projects budget, leaving Administrative and Debt expenses out of the total available for programs and projects as "fixed operating charges," the CRA Budget plans a total of over \$10.9 Million for programs and Capital Projects in 2015. The allocation to each Program and Project, as both a percentage of the Program budget, and as a percentage of the \$10.9 Million Program and Capital Budget total, are shown in the table below. Assigning Programs and Projects to Goal priorities, total spending by priority is as follows:

- \$4.04 Million for "Creating Jobs and Services," or 37% of the total Programs/Capital Projects Budget;
- \$3.2 Million for Affordable Housing Development, or 29% of the total Programs/Capital Projects Budget;
- \$1.3 Million for Public Services and Human Services, or 12% of the total Programs/Capital Projects Budget;
- \$1.27 Million for Community Policing, or 11% of the total Programs/Capital Projects Budget;

- \$1.1 Million for Investment in the Public Realm, or 10% of the total Programs/Capital Projects Budget.

Budgetary spending should not be expected to *exactly* reflect Goal and Action Item Priorities, and this analysis does not include previous year spending, which significantly changes some of the category spending totals. The largest discrepancy between the Goals and Action Item Priorities developed at the Retreat and the existing CRA budget is in the level of Public and Human Service spending. Public and Human Services are identified in the CRA Implementation Plan in great detail, but were not addressed within the Retreat.

Hallandale Beach CRA FY 2014-2015 Budget Analysis

PROGRAMS BUDGET	FY 14 Budget	FY 15 Budget	Percent of Programs Budget	Percent of Programs & Capital Projects Budget
Village of Gulfstream Park TIF	900,000	900,000	14.6%	8.2%
Downpayment Assistance	425,000	800,000	13.0%	7.3%
Sherwin Williams Paint program	8,000	15,000	0.2%	0.1%
Neighborhood Improvement Program	500,000	700,000	11.4%	6.4%
Hurricane Shutter program	100,000	100,000	1.6%	0.9%
Commercial Loan program (façade grant and incentive loans)	600,000	1,000,000	16.3%	9.2%
Shuttle service	247,860	468,919	7.6%	4.3%
Traffic Box Art Program	-	44,100	0.7%	0.4%
Landscaping services	70,000	-		
Police MOU- Community Involvement Unit	326,131	325,102	5.3%	3.0%
Police MOU - Community Action Team	310,961	310,320	5.0%	2.8%
Police MOU- Neighborhood Enhancement Team	632,420	631,549	10.3%	5.8%
Dev Services - Planning and Zoning	68,467	51,000	0.8%	0.5%
Code Compliance MOU	275,509	281,017	4.6%	2.6%
Hallandale Opportunity Project (N.E.E.D in FY13)	203,000	303,000	4.9%	2.8%
Community Partnership Grants	200,000	220,000	3.6%	2.0%
PROGRAMS TOTAL	4,867,348	6,150,007	100.0%	56.4%

CAPITAL PROJECTS BUDGET	FY14 Budget	FY 15 Budget	Percent of Capital Projects Budget	Percent of Programs & Capital Projects Budget
Land Acquisition and acquisition services	681,934	1,000,000	21.0%	9.2%
Wayfinding signage	375,000	-		
Computer hardware/software	7,500	6,500	0.1%	0.1%
Land Development Regualtions (COMP PLAN Amendment)	-	200,000	4.2%	1.8%
Development of Vacant (Commercially zoned) lots	-	641,286	13.5%	5.9%
In-fill Housing Phase II	-	1,547,000	32.5%	14.2%
Foster Park Plaza and supplemental parking	-	500,000	10.5%	4.6%
Ansin Blvd sidewalk	48,300	-		
BF James Park	2,744,315	-		
Fashion Row Phase II (design and construction)	150,000	-		
OB Johnson Park design	725,000	725,000	15.2%	6.6%
Complete Street design	375,000	-		
DPW MOU - Capital Project Management	140,000	140,000	2.9%	1.3%
CAPITAL PROJECTS TOTAL	5,247,049	4,759,786	100.0%	43.6%

ADMINISTRATIVE CHARGES/TRANSFERS	236,280	236,280
---	----------------	----------------

DEBT SERVICE	1,985,000	1,505,923
---------------------	------------------	------------------

CRA EXPENDITURES TOTAL	13,447,878	13,680,812
-------------------------------	-------------------	-------------------

5. Taking the Long View: Consider Adopting a 5 Year Budget Process

At approximately \$10 M in annual revenue, the Hallandale Beach CRA's income may be one of the largest per capita in the state. Put in perspective over the next 12 years, the CRA has an enormous potential development fund dedicated to the CRA.

Using the CRA's current budget and financial statements, if the CRA generates **no** increases in taxable value of properties in the CRA, nor any increases in private investment, it will still have \$149 Million to invest in the CRA over the next 12 years.

By contrast, if the CRA performs **below** the average expected for most CRA's — matching (adding to) its own funds by 50%, and achieving a 1X private investment multiplier (\$1 of private investment for each \$1 of CRA funds invested in projects), it will have \$252 Million to invest in the CRA.

Lastly, if the CRA performs at a level expected for most economic development agencies — matching (adding to) its own funds by 300%, and achieving a 4X private investment multiplier (\$4 of private investment for each \$1 of CRA funds invested in projects), it will have \$552 Million to invest in the CRA. Taking this longer perspective, the CRA represents one of the state's most considerable dedicated development funds.

The CRA Community Redevelopment Implementation Plan incorporated a 5-year forecast of funds, programs, and project expenditures as part of its analysis. However, the CRA has adopted a single year-by-year approach to its budget. Given the lack of consensus regarding Action Item priorities, funding levels, and geographic priorities, the CRA would benefit significantly from adopting a multi-year budget in multiple ways:

- Funds for projects, programs, and additional revenue would be developed and presented over multiple project and program years. In this way, Board members and the public can be assured that in making trade-offs between projects in the current budget year that priorities not funded in the current year can receive funding in out years, and this pledge is documented in the budget;
- Greater consistency and better allocation of funds in both the current year and out years. The annual “scramble” for budget dollars for projects in the current year is reduced, as constituents and Board members can be assured that funds will be allocated, and the commitment of funds is documented in the budget;
- Greater project funding allocation efficiency: a multi-year budget forces Board members and staff to accurately plan for and allocate funds at each stage in a project lifespan;
- Identification of funding issues and shortfalls ahead of time: multi-year budgeting provides a clear forecast of not only individual Program and Project funding needs, but when and if the budget will fall short of needed revenue, and;
- Greater clarity and transparency regarding the budget process: Projects are programmed in advance, providing transparency as to funding allocation.

Next Steps

Making Use of the Strategic Planning Retreat Priority Rankings

Now that the Board has identified and confirmed its Priority Goals, Action Items and Operating Procedures, how do they fit into the exiting CRA Community Redevelopment Implementation Plan?

Adopting the Strategic Planning Retreat Findings

If the CRA wants the findings of the Retreat to become either enforceable or at least provide a formal, legal basis for use in its decision making processes, it will need to either 1) formally adopt the findings and amend the CRA Redevelopment Implementation Plan, or 2) adopt the Retreat findings and this Report as a stand-alone CRA adopted plan document.

Formal Amendment of the CRA Community Redevelopment Implementation Plan

Nearly all of the Retreat's priority Goals, Action Items and Operating Procedures are either anticipated, and some are specifically referenced within the CRA Implementation Plan. Given the length and complexity of the CRA Implementation Plan, the Metropolitan Center does not recommend merely adding the Goals, Action Items and Operating Procedures to the CRA Implementation Plan — that may be confusing and duplicative. If the CRA desires to formally amend the Implementation Plan, it could consider: 1) re-revising the CRA Plan Mission statement to incorporate the importance of job creation indicated within the Retreat, restoring "promote economic development to the first sentence of the Mission Statement, and/or 2) revise the Implementation Plan's 6 *Overall Objectives* to reflect the Retreat's findings of priority.

Adopt the Retreat Findings and Report as a Stand-Alone Plan Document

Similar to how it adopts sub-area plans, plans for specific development projects, or specific plans for infrastructure investments, the CRA could simply adopt the Retreat Findings and Report as a formal approved plan document. The findings would then have the effect of being an approved finding of fact and can be referenced and used by staff and the Board as an adopted policy of the CRA. This option is simpler and faster than a full-blown CRA Plan Amendment.

Prior to undertaking any adoption process, however, the Metropolitan Center recommends a thorough legal review and opinion by the CRA's counsel to determine whether the results of the Retreat need to be formally adopted and incorporated into the CRA Community Redevelopment Master according to FL Statutes Ch. 163.

Applying the Retreat Findings

Regardless of how the Retreat Findings and Report are adopted, the results of the Retreat can be used to inform the CRA's budget and planning processes going forward. The findings and report have multiple uses, each of which can improve the performance of the CRA's investments and Programs, including:

- While the CRA Implementation Plan is exhaustive in the potential programs it specifies, it does not provide guidance as to budgetary or work program priorities. As the current CRA budget *loosely* correlates to the results of the Retreat, it is recommended that the new statement of priorities be used as a cornerstone against which to refine how the CRA Budget implements the Priorities of the Board;
- By most planning document standards, the CRA Implementation Plan is lengthy and somewhat complicated. The Retreat results provide the basis for simplifying and clarifying

the basket of tools (strategies) used by the CRA. Remember, high-performing CRA's focus on a small, deliverable set of services, programs, and projects, and execute them well, and;

- The Retreat findings and reference components can be used to continuously improve and re-tool the CRA's Action Items, programs, and spending targets in light of recent market dynamics and regional demand changes. The Implementation Plan, CRA Budget, and CRA's RFP process all benefit from greater sensitivity to the new regional real estate, development market, jobs and housing markets.

Images of the Ranking Sheets From the Strategic Planning Retreat

