

Progress Meeting #3 Minutes

Cypress Creek Mobility Hub Master Plan

Broward Metropolitan Planning Organization – Board Room

Friday, February 13, 2015 @ 9:00 a.m.

Attendees: James Cromar (BMPO), Paul Calvaresi (BMPO), Greg Stuart (BMPO), Chris Gratz (City of Oakland Park), Karen Mendrala (City of Fort Lauderdale), Karen Reese (City of Fort Lauderdale), Craig Pinder (City of Fort Lauderdale), John Portera (FDOT), Scott Seeburger (FDOT), Nick Sofoul (BCT), Yves d'Anjou (BCTED), Cary Goldberg (Envision Uptown), Larry Merritt (FDOT), Eric Liff (Lambert), Dorien Rowe (Lambert), Tom Lavash (WTL Associates), Diane Gormely-Barnes (HNTB), Odalys Delgado (HNTB), Matt Vinke (HNTB)

Introductions:

Progress Update:

- Odalys briefly summarized the stakeholder interviews completed to date. She pointed out the few interviews remaining, which will be completed before the end of February.
- Odalys also mentioned that the surveying work is still underway and the majority of the work should be completed this month.

Market Study / Economic Analysis Overview:

- The main focus of the progress meeting was the market study / economic analysis presentation made by Lambert Advisory (Eric Liff and Dorien Rowe) – which focused on a study area bound by Atlantic Blvd to the north, Dixie Highway to the east, Commercial Blvd to the south, and the Turnpike to the west.
- The study area saw a loss in population between 2000-2010 of around -0.5%; most of this loss was around the FXE airport
 - MPO future population projections project ~3,500 new residents in study area by 2040.
- Some of the largest employers in the area include FXE (5,000+), Kaplan (2,000+), Citrix (1,802), Randstand (1,208), among others.

- Only ~3.5% of the workers in the study area live within the study area, suggesting a potential “capture” opportunity
- Eric compared some of the residential trends to those of the County:
 - There is a large percentage of 20+ unit buildings in the study area compared to the County
 - Future rents for residential developments (including structured parking) in this area may range from \$1.40-1.50 per sq.ft.
 - Based on a ‘normal’ growth rate over the next five to six years, there will be a demand for about 508 units within the study area, not including any “pent-up” demand
 - Employers in the area highlighted the desire for employees to live near work
- Eric then discussed the state of the office demand for the study area:
 - The existing inventory of office buildings are aging
 - It is projected that in the next five years, there may be 16,000 - 18,000 new office workers within the County
 - Given that each worker may require ~230 sq.ft., it would be safe to say that ~3.7- 4.2 million sq.ft. of office space would be needed
 - Assuming that this study area captures 5-10% of these new workers, roughly 200-400K sq.ft. of office space would be needed
 - The Cypress Creek area offers a competitive advantage to the office market based on location and proximity to I-95, Tri-Rail, etc.
 - There are roughly 67,000 employees within the study area now
- Eric then addressed the state of retail uses within the study area:
 - There is not a lot of retail use within the study area
 - Cypress Creek area retail occupancy rate is below County’s rate
 - Difficult to justify financing from a lender’s perspective
 - Cypress Creek has the least amount of frontage properties for retail compared to Atlantic and Commercial Blvds
 - Based on the retail demand model, there will likely be a demand for 80-90K sq.ft. within the next five years
 - There is only a marginal demand from transit riders in terms of retail sales/demand
- Eric concluded with an analysis of hotel uses:
 - The hotel mix in the study area is dominated by economy (lower) class hotels – 50+%
 - There is a strengthening demand for hotels, likely encouraging for new development
 - Likely, the type of hotel needed is a “select-service” hotel, catering to the business segment
- Overall “headlines” from the market study / economic analysis include:
 - Office submarket is sluggish
 - Rental housing has a strong opportunity
 - FDOT site would be a great retail opportunity due to frontage on Cypress Creek
 - Partnership with adjacent properties will be key for SFRTA site development

- In the next three to five years, the levels of demand for new development in the study area are anticipated to be:
 - Residential = 400 – 600 units
 - Office = 150K – 250K sq.ft.
 - Retail = 125K – 175K sq.ft.
 - Hotel = 125 – 175 rooms
- Next steps will be to synthesize this study area information in order to drill down to reasonable real estate program options for the TOD area (which is a sub-segment of the overall study area)

Questions / Comments:

- Cary Goldberg questioned the definition of the various classes of office buildings, stating that there aren't any 'real' class A buildings in the study area
 - Eric clarified that this is relative to the surrounding submarkets
 - Perhaps because downtown's office space is reaching capacity, development may spill over into other areas
- Cary questioned the retail rate of \$15/sq.ft. as being too low; his development is "doing great" at \$40/sq.ft.
- Greg Stuart pointed out that the 'highest/best' use of the SFRTA property is still unclear
 - Eric clarified that a development program that considers market conditions will be developed
 - Greg requested that a comparison be made to other submarkets in the area, such as southern West Palm, Miramar, etc. because Cypress Creek submarket is not necessarily directly competitive with other markets
- Cary thinks the SFRTA site by itself is not readily developable. Partnering with other private land owners (like Citrix and Banyan Street Capital) could open up the possibility for joint development opportunities
 - Need to focus on ways to "activate" the land with public dollars
- Greg referenced a Deerfield Station development plan that fell through in 2008, suggesting it could be a helpful resource / case study for this study area.
- John Portera shared his view of the "westside" versus "eastside" parcels.
 - FDOT site is "an island" with no connectivity, at least now
 - SFRTA site is more connected, especially if/when combined with other parcels
- Karen Reese mentioned that the Uptown Trolley in corridor helps facilitate movement in the corridor with its circulator service.
- Cary mentioned that this market study was based on 'growth as usual'. It would be helpful to better understand what factors went into the MPO 2040 LRTP population/employment projections (TAZ data).
 - Need to factor in a scenario of "induced growth", not part of current scope of work
 - Look specifically into where the projected growth was allocated throughout the County – likely to areas with developable land and/or near major activity centers

- Larry Merritt suggested looking at the possibility of “interim land uses” for the SFRTA parcel.
- It was mentioned that SFRTA usually expands its parking supply at stations where occupancy exceeds 60%. Currently, the parking utility rate at Cypress Creek rarely exceeds 50%.
- It was echoed that transit and streetscape improvements providing improved connectivity in the study area will prove vital for any potential development opportunities
 - Cypress Creek’s existing traffic was referenced – mostly discussing how low the volumes are compared to its currently designed capacity. Cary mentioned the ULI report and its recommendation for a Boulevard-type concept.
 - K Street in D.C. was mentioned as a good example of a boulevard concept that could be used for Cypress Creek.
- After speaking with a representative from Citrix, it was noted that approximately 70% of workers stay on-site for food (cafeteria on campus).

Next Tentative Meeting Date:

- **Friday, March 13, 2015 @ 9:00am – location tentative**