EXHIBIT “A”

DELRAY BEACH
TRI-COASTAL LINK
TRANSIT-ORIENTED (TOD)
DEVELOPMENT MASTER PLAN

Delray Beach
Tri-Rail Coastal Link
Transit-Oriented Development Master Plan

Charrette Dates: August 12th - August 18th 2017

August 2018

Treasure Coast Regional Planning Council
Indian River - St. Lucie - Martin - Palm Beach

prepared by

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for the

City of Delray Beach
South Florida Regional Transportation Authority (SFRTA)
South Florida Regional Planning Council (SFRPC)

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Acknowledgments

City of Delray Beach
South Florida Regional Transportation Authority (SFRTA)
South Florida Regional Planning Council (SFRPC)
Delray Beach Community Redevelopment Agency (CRA)

2017-2018	*2018-Present*
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Commissioner Shelly Petrolia	Commissioner Ryan Boylston
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A Special Thanks to Our
Host Committee Members
Cece Boone
Christina Morrison
David Beale
Mark Dinkler

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Introduction

In August of 2017, the City of Delray Beach (City), in collaboration with the Treasure Coast Regional Planning Council (TCRPC) and the South Florida Regional Transportation Authority (SFRTA), held a public economic development and urban design charrette to study ways to improve mobility, quality of life, and economic vitality around the planned Tri-Rail Coastal Link station in downtown Delray Beach. The SFRTA secured a Pilot Planning Grant from the Federal Transit Administration (FTA) to fund station area planning activities along the planned Tri-Rail Coastal Link Corridor. The City was one of the recipients awarded funding in this endeavor through a competitive application process.

The goal of the study is to propose strategies to improve transit-oriented development (TOD) conditions around the planned station to reflect the character of Delray Beach, facilitate future mobility, and support system ridership. This planning effort is also designed to advance the implementation of "Complete Streets," which is a local, regional, and national priority to improve transportation facilities using multi-modal designs to provide the best and safest accommodations for all users – motorists, cyclists, pedestrians, and transit users. The results and recommendations of the study are presented in the master plan.

The key elements of the Delray Beach Station Area TOD Charrette and Master Plan are:

• The creation of a physical master plan for the anticipated Delray Beach Tri-Rail Coastal Link Station Area, which considers roadway reconfigurations and desirable infill and redevelopment opportunities that support transit-oriented development, advance Complete Streets initiatives, and reflect the community's vision for the future of the City;

• The development of at least three design strategies (site plan, architectural illustrations, and financial analyses) for the block adjacent to the proposed station (bounded by E Atlantic Avenue to the south, NE 3rd Avenue to the west, NE 4th Avenue to the east, and NE 2nd Street to the north);

• A review of the land use and development regulations to recommend modifications to encourage desired redevelopment and business creation in support of her study goals;

• The development of a Market Overview, which reviews existing market conditions and demographics, and analyzes key market trends within the study area, the City of Delray Beach, and relevant areas within the region;

• A detailed assessment of the current and future vehicular volumes, pedestrian volumes, bicycle volumes, and other non-motorized vehicle volumes on the surrounding roadway and sidewalk network and;

• Coordination with all relevant agencies, including but not limited to the City, SFRTA, Florida Department of Transportation (FDOT), Palm Beach Transportation Planning Agency (PB TPA), Palm Beach County, Palm-Tran, Delray Beach Community Redevelopment Agency (CRA), Delray Beach Downtown Development Authority (DDA), and adjacent municipalities.

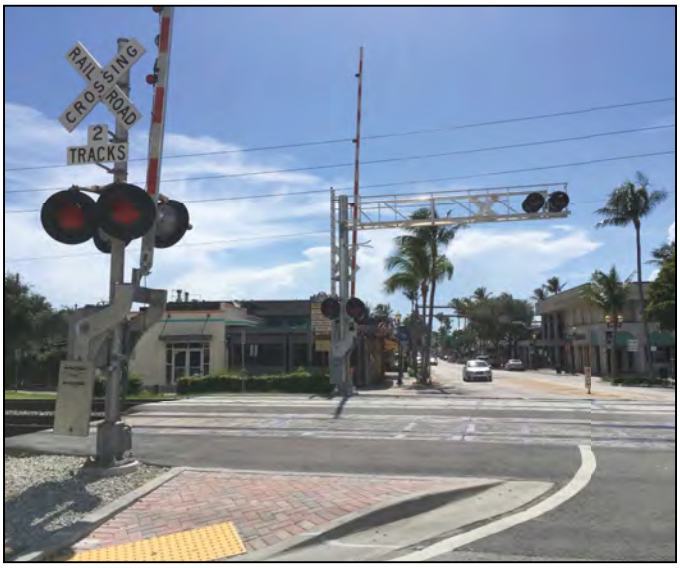
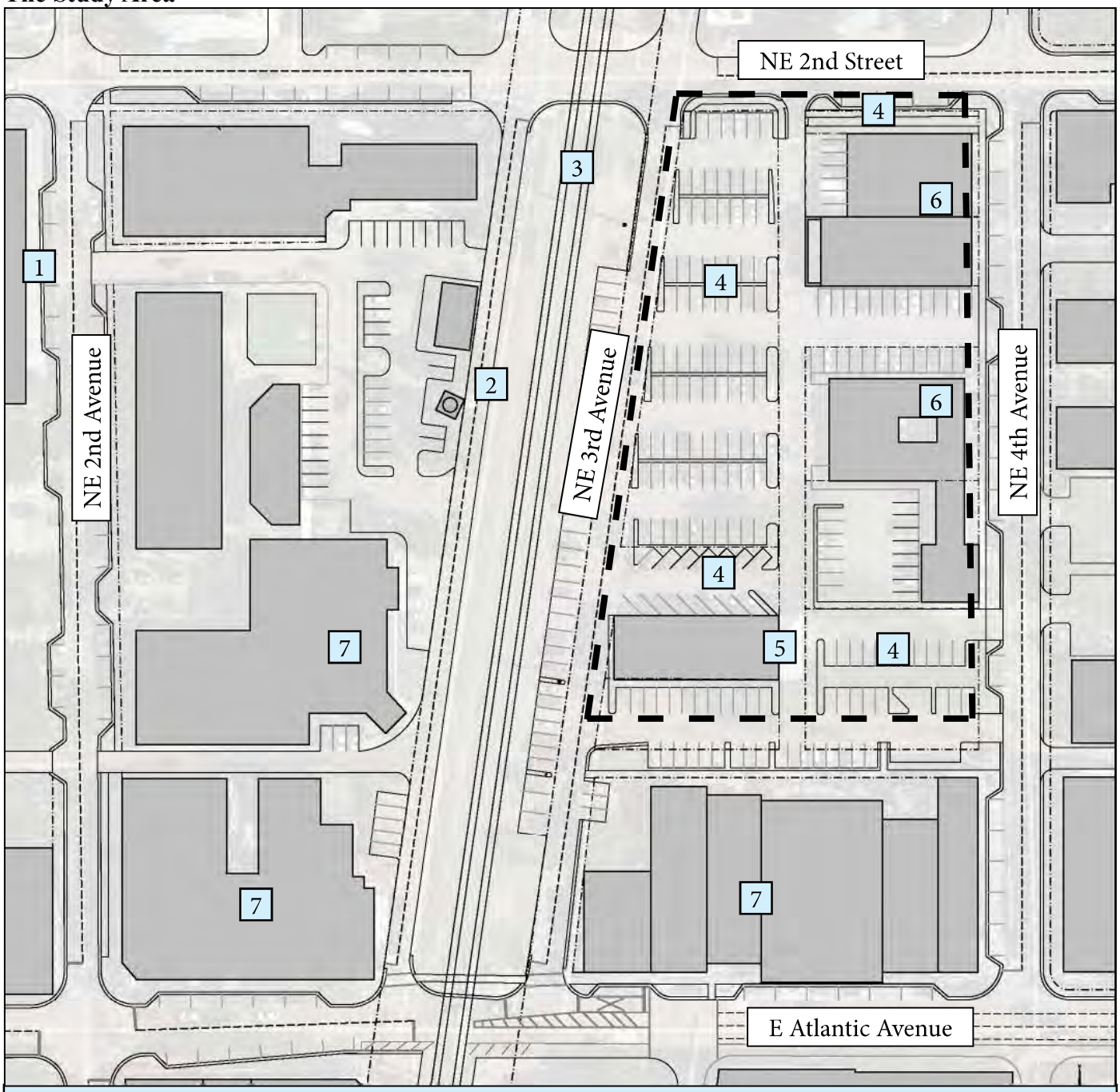


Photo: looking east along E Atlantic Avenue near the proposed future Tri-Rail Coastal Link site.

Study Area

The project area for the Delray Beach Station Area TOD Charrette and Master Plan is focused on, but not limited to, that area in downtown Delray Beach centered around the intersection of the Florida East Coast Railway and E Atlantic Avenue, extending a half-mile in all directions. This area is generally bound by NE 4th Street to the north, SE 4th Street to the south, NW 5th Avenue to the west, and Venetian

The Study Area



Existing Conditions at Proposed Tri-Rail Coastal Link Site

1. Arts Garage (525 spaces)
2. Renovated Historic Train Depot & Ocean City Lumber "Water Tower"
3. Florida East Coast Railway (100' ROW) (Double Tracked)
4. 6 City-owned parcels including surface parking (191 spaces)
5. Silverball Museum
6. Privately-owned professional offices
7. Existing retail / restaurant

Drive to the east. Additional areas may be included when added analyses would benefit the master planning efforts.

The public workshop on August 12th, 2017 at Old School Square was well attended with participants on hand to provide their ideas.

Process

Providing a meaningful and consistent forum for public involvement is a basic tenet of the Delray Beach TOD Master Plan process. The collaborative efforts of the City, SFRTA, FDOT, Palm Beach County, Palm-Tran, CRA, DDA, and TCRPC have ensured that many varying opportunities for community input have been provided. Below is a brief outline of the public involvement efforts to date:

- Creation of the Charrette Host Committee: Notable members of the Delray Beach community served as Host Committee members to assist with public outreach and charrette logistics.
- Pre-Charrette Interviews:
  Individual interviews of local business owners, residents, community agency representatives, elected officials, and City staff were conducted to gain valuable input on the project issues and answer any questions pertaining to the process;
- August 12th- 18th 2017 Charrette:
  A seven day public design charrette was conducted which included a public workshop on August 12th at Old School Square, a public design studio in the Ocean Breeze Room at Old School Square, and a presentation of Work in Progress at Old School Square on August 18, 2017.
- Public involvement and participation will continue with a series of presentations scheduled through 2018.

During the charrette week of August 12-18, 2017, the design team developed many drawings, computer renderings, and analyses to help provide direction.

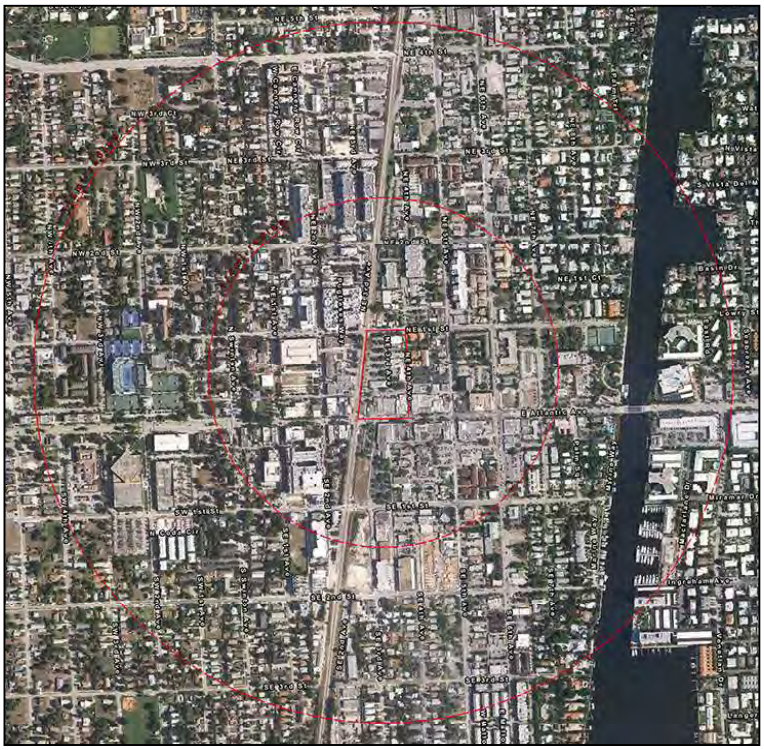
Market and Economic Analysis

To guide the recommendations and strategies of the master plan with realistic market-driven development expectations, a market analysis was performed to understand future growth potential in the City. WTL+a focused on market/development potentials among three key uses: residential (all types), workplace (office, professional/business services), and lodging/hospitality. This section of the master plan summarizes the findings of these studies. The full report, The Delray Beach Transit Oriented Development Market Analysis, by WTL+a, is attached as Appendix C of this report.

The Market Analysis Study Area

In Delray Beach, the proposed site for the Tri-Rail Coastal Link station is currently identified north of E Atlantic Avenue and south of NE 1st Street. The City currently owns five parcels on an adjacent block to the east of the FEC rail line. These properties, which are used as municipal parking lots, are valued at more than $4 million. The City is interested in exploring a range of possibilities for the block adjacent to the station, including a potential private-public partnership (P3) with other properties on the block located north of the east-west alley and south of NE 1st Street. In its application for a station area master plan, the City's objectives are:

- Engaging public and private sectors through a public charrette process;
- Evaluating potential design options for community preference;
- Measuring the financial feasibility of those options; and,
- Preparing a targeted market analysis.



Map of the City of Delray Beach's study area's 1/4 mile and 1/2 mile radius from the future Tri-Rail Coastal Link outlined in red.

Summary of Market and Development Potential

WTL+a prepared a real estate market analysis and financial feasibility evaluation of the development strategies identified during the public charrette process and evaluated in the market study. The market study focused on two (of four) core uses, housing and workplace/office. In addition, WTL+a prepared a financial analysis of four development strategies generated during the project's public charrette process to understand potential returns-on-investment, ability to attract private investment, and estimate potential revenues to the City if the city-owned parcels are privately developed. WTL+a also worked collaboratively with Retail & Development Strategies, LLC (RDS), which focused on two other core uses (TOD retail and lodging/hospitality), implementation strategies and selected case studies of other TOD projects across the U.S. While WTL+a and RDS were contracted separately by TCRPC, a single, fully-integrated market and financial feasibility analysis report was prepared for the Delray Beach Station Area Master Plan.

Real Estate Market Potentials

Four redevelopment strategies were created for Transit-Oriented Development (TOD) on for the block adjacent to the future station during the public charrette process:

Redevelopment Scenario A—"Light Touch", includes 112 surface parking spaces, four market-rate townhouses with 2,304 sq. ft. of building area and 5,000 sq. ft. of general retail within City owned-property.

Redevelopment Scenario B-1—Continues City ownership with 228 structured parking spaces, 21,500 sq. ft. of ground-floor "flex" space for either office or general retail uses, 48 housing units and 5,000 sq. ft. of civic space. See Sections 5 and 6 for a revised B-1 scenario evaluated in the financial analysis.

Redevelopment Scenario B-2—Continues City ownership with 146 surface parking spaces (and 19 golf cart spaces), 8,500 sq. ft. of ground-floor "flex" space, 33 housing units and rooftop amenities including outdoor plaza, pool, etc.

Redevelopment Scenario C—Assembles all parcels north of the alley for an integrated mixed-use development comprising 254 structured parking spaces (and 34 golf cart spaces), 29,350 sq. ft. of ground-floor "flex" space, 26,000 sq. ft. of second level flex space, apartments, or live-work units, and a third level with 84 apartment units at 1,000 sq. ft. and a roof amenity area.

Additional notes on scenarios:

- Selected uses (housing, retail and flex, which could accommodate either office or retail) were vetted in the market study. For example, the 143 units in Redevelopment Scenario C will require a market capture ranging from 5% to 20% of "unallocated" citywide demand;
- Near-term market demand for new office space in downtown Delray Beach can be adequately met by the anticipated completion of several mixed-use projects delivering 142,000 sq. ft. of office space, including SOFA Offices, the IPIC project and the 301 Building. As a result, "flex" space in Strategies B-1, B-2 and C should be designed to be sufficiently flexible to accommodate either retail, office and/or housing as market conditions warrant;
- The analysis for office development potentials on the TOD site assumes that each of these four downtown projects is delivered for market occupancy, thereby leaving no "unallocated" demand for new office space outside of these four projects. In order to support additional office development downtown, this would require that downtown's capture be increased—to some rate higher than 35%. This may require public policy decisions that support incentives that provide adequate parking for office/professional and business service tenants, as the challenges of adequate and proximate parking was noted by a number of stakeholders;
- Market support for office space at the TOD site may also be strengthened by the provision of lower-cost space—such as rent write-downs for designated tenant types that are desired by the City, such as arts-related office or live/work space. Otherwise, near-term market response in terms of leasing/absorption in each of the four office projects identified above will dictate whether additional market opportunities for new office development will be supportable sometime after the next five years;
- In response to very strong market conditions in the City's hotel market, several new projects are expected to deliver 480 new hotel rooms over the next several years. Because of these planned additions to supply, the TOD site is not considered a likely (or easily financeable) site for hotel development, and hotel development is not recommended; and
- The primary finding about TOD-related development for retail uses is that market support from commuters alone is not sufficient to finance and operate retail uses in the station complex itself or as part of a TOD project. However, proximity to the successful retail concentration along E Atlantic Avenue, combined with both a share of on-site demand provided by office and/or residential uses and commuter services will make some nominal allocation of space for retail uses feasible.

Financial Results

The analysis reveals that the provision of structured parking comes at a significant cost—and severely impacts the overall performance of both Strategies B-1 and C. Moreover, the size of the parking garage in each of these strategies—coupled with the City's four-story height limit—reduces the amount of net developable area available to accommodate other (revenue generating) uses. By comparison, the lower cost of surface parking strengthens returns, but land area required for surface parking also reduces net developable area.

As a result, the residual land values vary significantly:

• **Redevelopment Scenario A**—residual values (revenue to the city) are positive, ranging from $226,000 to $1.5 million at developer returns of 16% and 8%, respectively. The target return of 12% generates a positive residual of $744,100 to the City;

• **Redevelopment Scenario B-1**—residual values are highest at the lowest developer returns of 8% and 10%. The target return of 12% in this scenario generates a negative residual of ($1.31 million) to the City, primarily a result of the costs of structured parking, additional housing (assuming a current downtown average market rent of $2.51 per sq. ft.) and the civic use (with uncertain/unknown revenue opportunities). Eliminating the civic use could be expected to improve residual value. In a sensitivity test, increasing multi-family rents to $3.00 per sq. ft. generates an overall positive residual of $113,800;

• **Redevelopment Scenario B-2**—residual values are highest at the lowest developer returns of 8% and 10%. However, the target return of 12% in Scenario B-2 is almost break-even, generating a slightly negative residual of ($178,000) to the City. In B-2, multi-family rents are assumed at $3.00 per sq. ft. per month (higher than B-1), which is similar to achieved rents at the new SofA project on SE 3rd Avenue. Higher rents reflect building and rooftop amenities such as a swimming pool as illustrated in the plan; and

• **Redevelopment Scenario C**—residual values are negative at all developer returns. This result is due to the significant costs associated with structured parking as well as the costs associated with land acquisition and demolition of adjacent, privately-owned parcels in this block, even after accounting for higher revenues generated by achieved multi-family rents of $3.00 per sq. ft. per month.

Table 28: Summary of Financial Analysis

		Development Scenario			
		A	B-1	B-2	C
Rate of Return	8%	$ 1,577.2	$ 3,307.0	$ 3,217.8	$ (669.8)
	10%	$ 1,111.3	$ 681.8	$ 1,294.4	$ (5,900.7)
	12%	**$ 744.1**	**$ (1,318.9)**	**$ (178.0)**	**$ (9,828.1)**
	14%	$ 454.5	$ (2,835.7)	$ (1,300.6)	$ (12,748.8)
	16%	$ 225.9	$ (3,976.5)	$ (2,151.1)	$ (14,890.1)

Source: Treasure Coast Regional Planning Council; RDS LLC; WTL+a, revised February 2018.

Table 28 illustrates the findings of the financial feasibility analysis for each redevelopment scenario. The analysis tests developer rates of return (ranging from 8% to 16%) and the "residual" project value for each redevelopment scenario (A, B-1, B-2, C). "Residual value" (generated by all uses in each scenario), reflects the price that a developer could potentially pay the City for these parcels (and/or contribute). Other development/project cost can be found on page 121 of the Market and Financial Analysis.

The table below provides a summary of each of the tested scenarios.

Scenario	Parcels	Parking Spaces	Parking Type	Market Rate* Units	Commercial Flex Space	Other Amenities	Profit/Subsidy at 12% Rate of Return
A	City-owned	112	Surface	4 TH	5,000 sf	-	$744,100
B-1	City-owned	228	Structured	48 MF	21,500 sf	5,000 sf Plaza	$113,800
B-2	City-owned	146	Surface	33 MF	8,500 sf	19 Golf Cart; Rooftop Amenities	($178,000)
C	Assembly	254	Structured	84 MF	55,350 sf	34 Golf Cart; Rooftop Amenities	($9,828,100)

This analysis suggests that at an industry-threshold 12% rate of return (and after all project costs have been calculated), in the current market, allowed building scale, and proposed provision of parking, significant redevelopment of the site will not be achieved through private market demand. All the scenarios tested market-rate housing and commercial rents, yet subsidies would be required for three of the four tested. These subsidies could be in the form of land, infrastructure costs, parking, etc. For example, in Scenario C, the same 12% rate of return would require a City subsidy of $9,828,100 in addition to the provision of the land. Ultimately, decisions regarding the desired program and financials expectations are needed.

- **Uses**—Which uses are most important to the City? Parking, and if so, how much? Is workforce housing a priority? Is business incubator or other commercial space a priority?
- **Profit/Loss**—How much is the city willing to subsidize to achieve the preferred uses or programming?
- **Height/Density Incentives**—Building at the current height and density limitations yield scenarios that require city subsidies for market-rate mixed-use projects. Is the City willing to allow increases in height or density to decrease the necessary subsidies or achieve specific programing, such as workforce housing or business incubator space?

The Market and Economic Analysis and conceptual designs developed for the Delray Beach TOD, have illuminated several key observations:

1. While density and height regulations might be raised in support of a TOD zoning district, the site configuration limits the overall potential development yield. The testing agglomerating most of the block did not yield a better financial outcome.
2. The provision of on-site parking (for public or private use) comes at a great cost (estimated $21,000 per structured parking space), which is passed on to the end user (the public, or private owner or renter).
3. The ability to provide workforce or affordable housing at the TOD site, without significant public subsidies, is tied directly to the current density and height limits and the provision of on-site parking (at current parking requirements). If the goal is to provide workforce or affordable housing at the TOD site an evaluation of what tools, regulatory or financial, need to be explored to identify the best options.

4. Ultimately, transportation patterns will adjust with a new premium local commuter rail option serving the downtown – including parking needs and preferred locations, circulation pattern, and modal split (a projected increase in downtown visitors by train versus car).
5. Premium transit has a proven economic benefit to adjacent development. Taking advantage of the value captured once the station is in service will have a positive impact on the financial outcomes tested – especially once a program can be determined.

These observations suggest the City should prepare for the new transit service by constructing a station and improving the pedestrian connection/experience of this area and take time to prioritize the community's needs, experience the new service, and capture the full economic benefit of the new transit service prior to undertaking significant redevelopment.

Key Recommendations of the Plan

1. Commit to the station location identified and begin design and financial planning for the station. The City will be required to construct and maintain the station.
2. Develop detailed streetscape plans for the TOD district to improve bicycle and pedestrian infrastructure (see pages 23-25). Improving conditions along the FEC tracks should be a top priority.
3. Finalize the overall downtown parking strategies.
4. Consider utilizing off-site parking at the Old School Square Garage to accommodate parking future development of the TOD site.
5. Create a TOD District (zoning overlay) within ½ mile of the station location to support the train service, which would accommodate:
    a. Increased building height (except for Atlantic Avenue and historic districts)
    b. Increased density (except for Atlantic Avenue and historic districts)
    c. Reduced parking requirements
    d. Required workforce housing on-site
6. Allow golf cart (Neighborhood Electric Vehicle – NEV) parking to replace a certain percentage (up-to 30%) of required vehicular parking provided in surface parking lots for non-residential uses in the TOD District as a direct support of local travel.

Introduction

The development of the TOD Master Plan and following design concepts and recommendations are based upon input from the public, detailed analyses of the existing conditions, recent Land Development Regulation updates, and a primary interest in adding value to the City in terms of return on real estate assets and the creation of desirable public spaces. This analysis is especially important in determining the viability, and potential public investment necessary, of providing workforce housing at the TOD site.

Connectivity to the TOD study area was also a key consideration at both a macro and micro level: ensuring well-defined, shaded sidewalk connections within a half-mile radius of the station in addition to the immediate access to the site and station platforms were important elements in the design process.

The plan explores a series of different development strategies, which look at the City-owned parcels alone as well as a scenario which could include adjacent parcels. The various strategies consider minor site interventions as well as concepts to maximize the development potential of the site for primarily parking (in response to some community concerns about the loss of existing surface parking spaces), and for primarily residential uses with limited on-site parking. Each of these strategies are described in greater detail in the following pages.

TOD Current Site

TOD Current Site

Pros

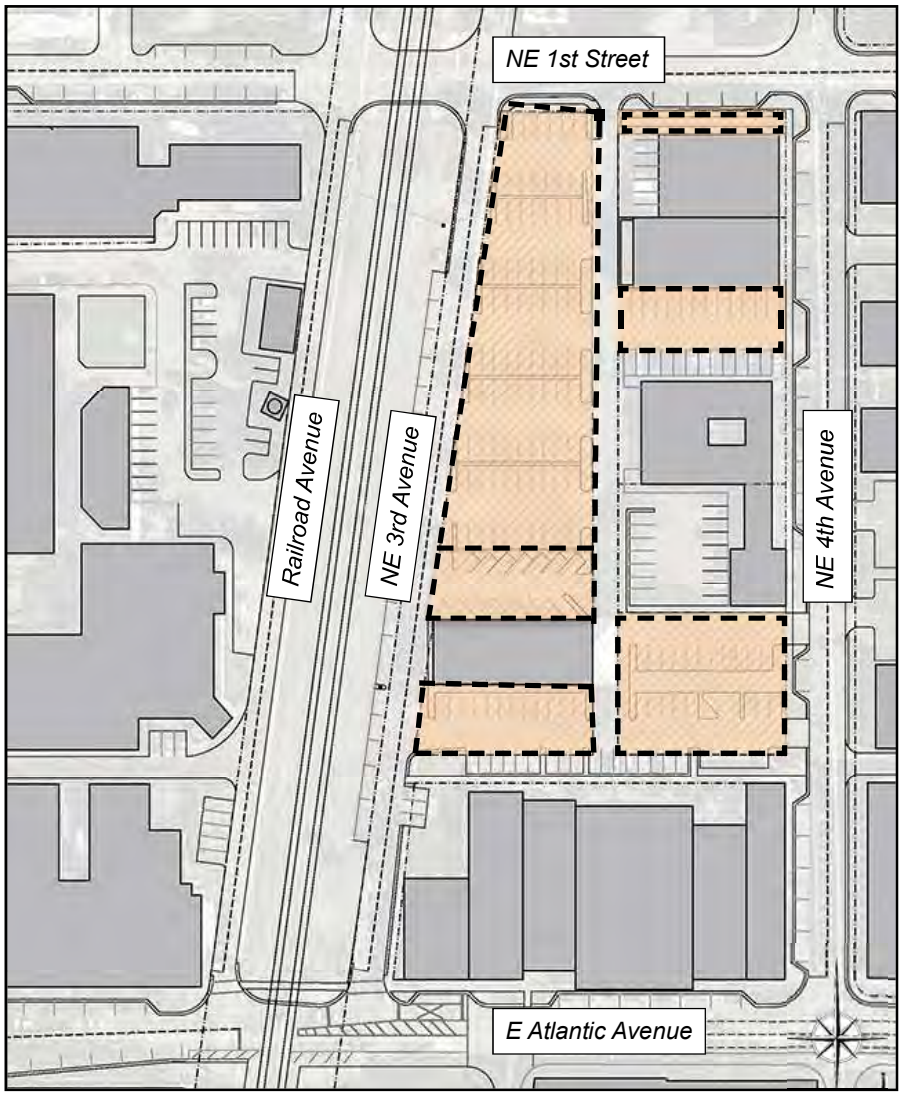
1. Public ROW adjacent to the FEC corridor
2. Proximity to the Arts Garage and cultural center of the City
3. Relationship with historic railroad building

Cons

1. *Fragmented ownership*
2. *Small, awkward site configuration*
3. *Challenging access*

This diagram illustrates existing conditions of the current site for Transit Oriented Development (TOD) and the future Tri-Rail Coastal Link station. The City-owned parcels (highlighted), are currently being utilized for surface parking.

- *The City owns 1.5 acres*
- *194 surface parking spaces*
- *+/- 215' frontage NE1st Street*
- *+/- 75' frontage NE 4th Avenue*
- *+/- 375' frontage NE 3rd Avenue*



The future site for the Delray Beach Tri-Rail Coastal Link station, as identified by the City in the FTA grant application and the City's Downtown Master Plan and Land Development Regulations Regulating Plan, consists of six City-owned parcels north of E Atlantic Avenue adjacent to the FEC tracks. These parcels are somewhat fragmented and comprise a total of approximately 1.5 acres of land north of the east-west alleyway in the 300 block of E Atlantic Avenue. The greatest block frontage faces NE 3rd Avenue, which is a public right-of-way parallel to the tracks. This nearly 375' of parcel frontage along NE 3rd Avenue facing the FEC corridor is advantageous in providing direct public access and public ownership control to the future station platform. This station location is immediately adjacent to E Atlantic Avenue and is well-positioned to provide train riders easy access to and from downtown Delray Beach. The proposed station platform is approximately 450' (1.5 minute walk) from the Old School Square Garage, the Hyatt Place Hotel, and an easy five-minute walk to City Hall. In addition, having control of the balance of the adjacent, re-developable properties provides the City an opportunity to control the mix of uses, the intensity of development, and the creation of meaningful public open space and amenities.

TOD Alternate Site

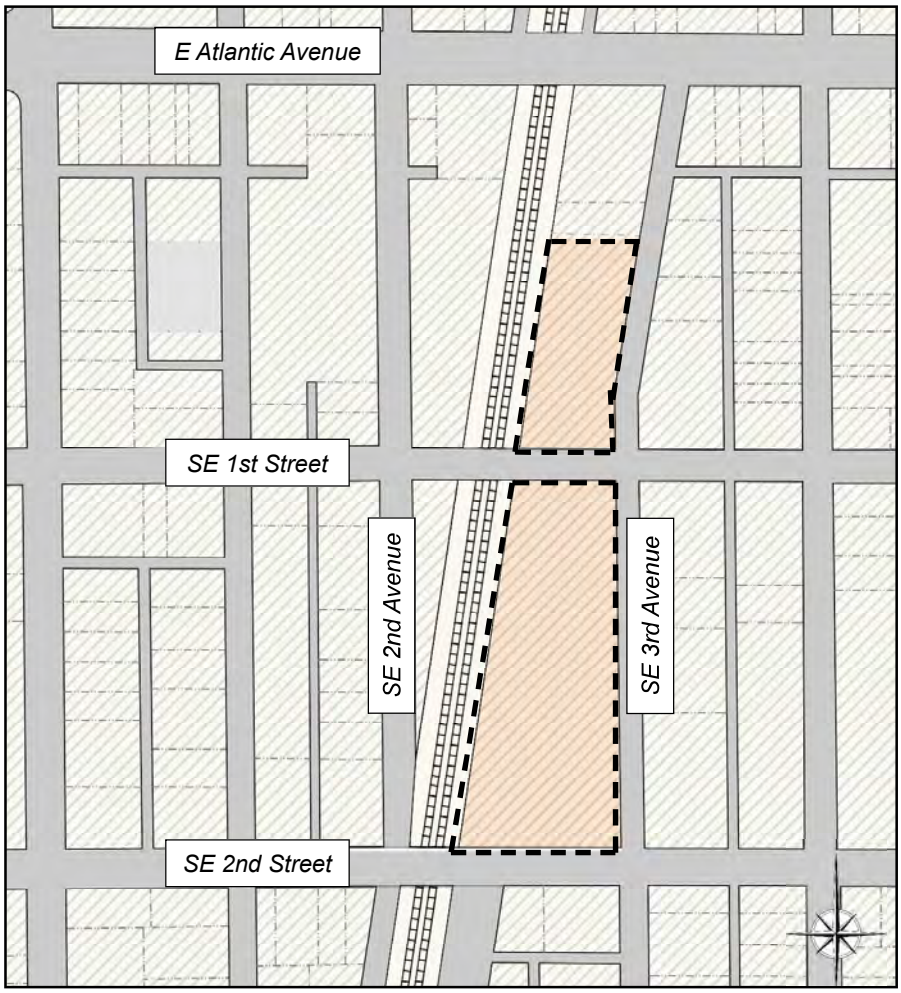
TOD Alternate Site

Pros

1. Large developable areas
2. Area "ripe" for redevelopment
3. Easy right turn from Atlantic Avenue

Cons

1. *No public ROW*
2. *No municipal ownership*
3. *Valuable Existing development approvals (including bonus density)*



This diagram illustrates existing conditions of alternate site for Transit Oriented Development (TOD) and the future Tri-Rail Coastal Link station.

During the pre-charrette interview process and the Saturday public workshop, a number of residents inquired as to why the TOD site was located north of E Atlantic Avenue and if other locations could be explored. In particular, the south side of E Atlantic Avenue, immediately north and south of SE 1st Street was identified as a candidate for an alternate location. During the charrette, the design team had considerable discussions regarding this option and explored the development and entitlement history of the site. Proximity of the future station platform to walkable destinations (housing, shops, restaurants, employment, etc.) is a critical element in reviewing station locations. While the site south of E Atlantic Avenue is comparable to the TOD site in its proximity to walkable destinations, it presents a few significant challenges. The parcels identified as an alternate site are privately owned, and while they are currently vacant, previous development approvals granted these parcels a significant density bonus. Those bonuses would be lost through a complete re-design of the parcels and the density may not even physically be achievable in a design that includes the station and platforms.

The sites are also relatively narrow and could pose some design challenges in providing exposure and access to the station platforms, while maintaining the approved development program. Unlike the site to the north, this location does not have a continuous public right-of-way along the tracks, which limits access to the platform and requires transit riders to traverse the private property to get to the station. As the City does not own the parcels, there is a question as to how much control the City could maintain in developing the area for TOD, with the appropriate public amenities given the limitations described above. The conclusion of the design team was that the alternate site south of E Atlantic Avenue poses too many challenges, is not predictable, and is not desirable when clearly better opportunities for the public exist at the northern site.

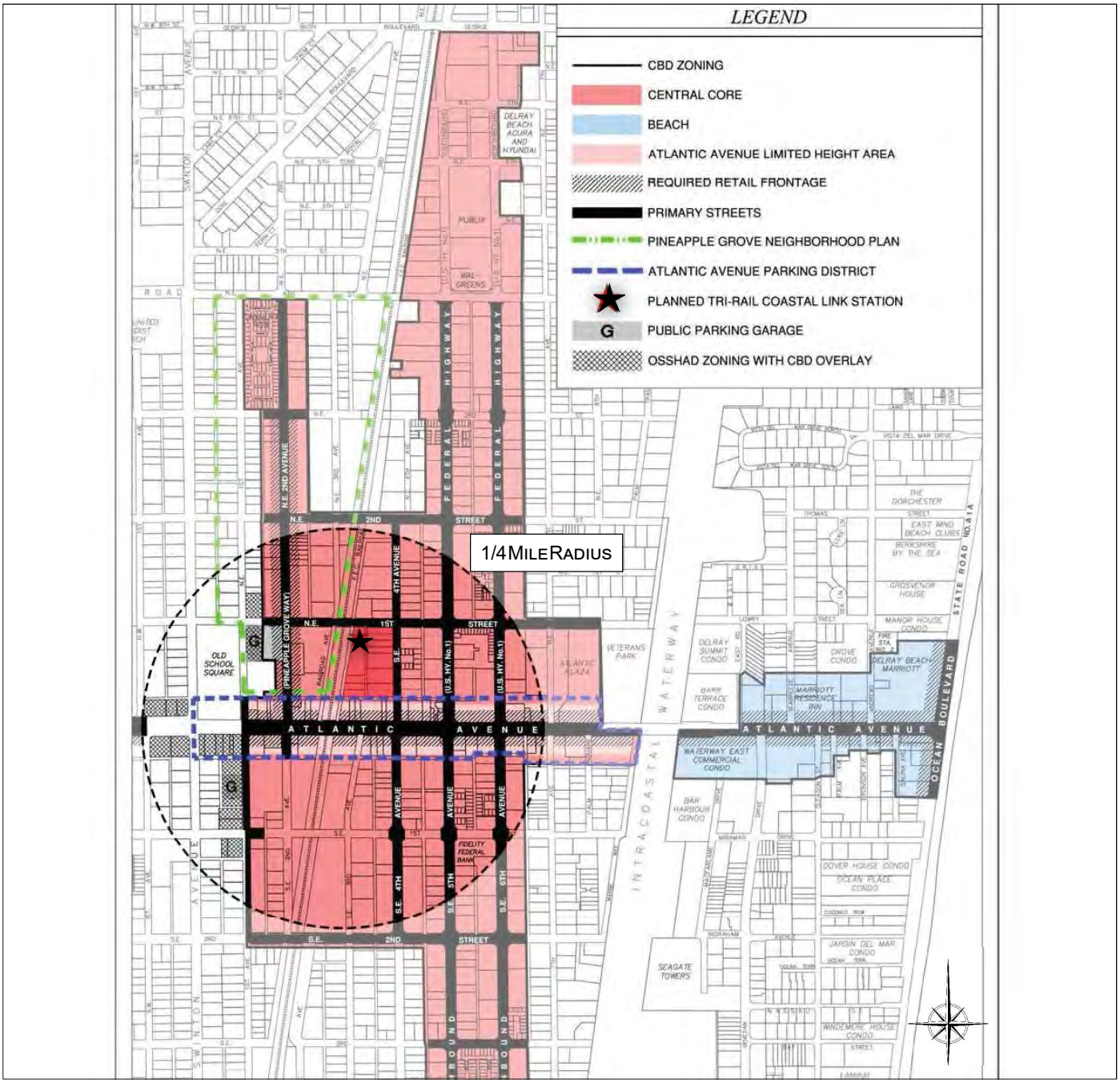


Diagram: The Downtown Regulating Plan (above) illustrates zoning and improvement districts in downtown Delray Beach.

Downtown Regulating Plan

As part of the recent (2015) updates to the City of Delray Beach downtown Land Development Regulations (LDRs), a Downtown Regulating Plan was developed to replace the existing zoning map. The Regulating Plan (shown above), identifies the Pineapple Grove Neighborhood Plan area, Primary Street designations, the Atlantic Avenue Parking District area, and the Planned Tri-Rail Coastal Link site location (identified with a star).

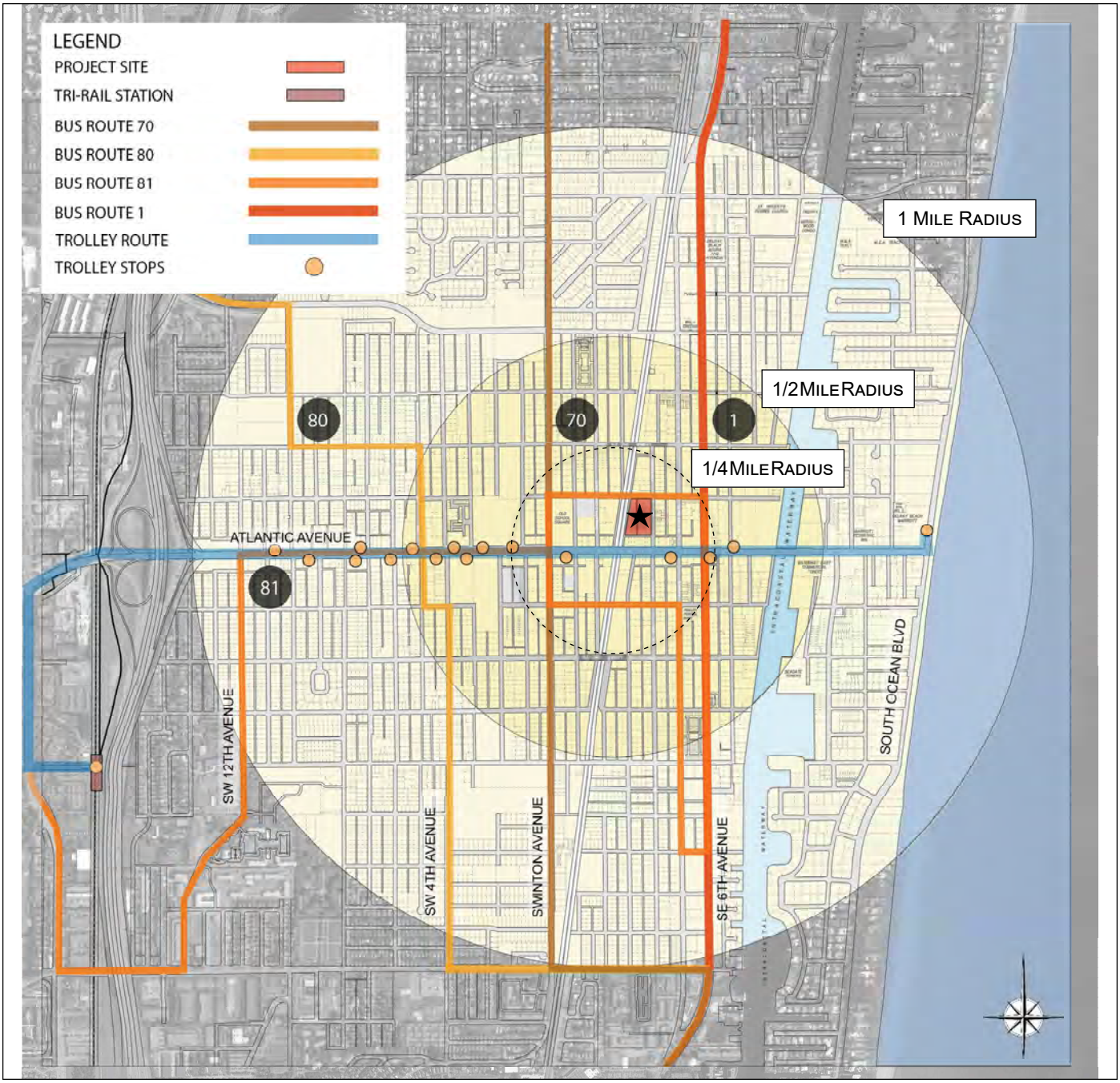


Diagram: Existing transit within and around a mile radius of the project site.

Existing Transit

Connectivity to and from the TOD site for all modes of mobility is crucial to the success of both the transit service and future redevelopment. Delray Beach benefits from a robust street, block, and alleyway system that provides many options to get from one place to another. As all transit trips begin and end with a pedestrian experience, focusing on pedestrian and bicycle infrastructure was an important component in developing the plan. The following series of plates are an analysis of existing and recommended pedestrian, bicycle, transit, and shade infrastructure. The plates illustrate the ¼ mile and ½ mile radii as drawn around the proposed station location. The map above illustrates the existing transit (Tri-Rail, Palm Tran, and City Trolley) routes in downtown Delray Beach.

Diagram: Existing trolley routes within a mile radius of the project site.

Existing Trolley Route and Stops

Delray Beach has a free trolley, the Downtown Roundabout, that connects downtown to Tri-Rail and the beach. The map above illustrates the trolley route along Atlantic Avenue and the location of the existing stops along the corridor. Currently the City is evaluating whether to continue funding the trolley service as there are questions regarding its effectiveness and usefulness. The City should communicate with other cities, like the City of West Palm Beach, that have successful trolley services to study ways to improve the service before discontinuing this transit option.

Diagram: Existing and recommended trolley routes within a mile radius of the project site.

Proposed Trolley Routes

While some in the City think the trolley service should be discontinued, others believe the service should be expanded to connect other areas of the City. There is a limit to what any particular service type (trolley, on-demand shuttles, electric shuttles, etc.) can provide effectively and efficiently. Some cities, in an effort to serve everyone, expand their trolley routes to the point that the headways are no longer desirable. The map above illustrates how additional trolley routes might be included to reach into the historic NW and SW neighborhoods while providing reasonably efficient service. These additional trolley routes were developed during the charrette process, by the charrette team, with input from the City's transportation planners.

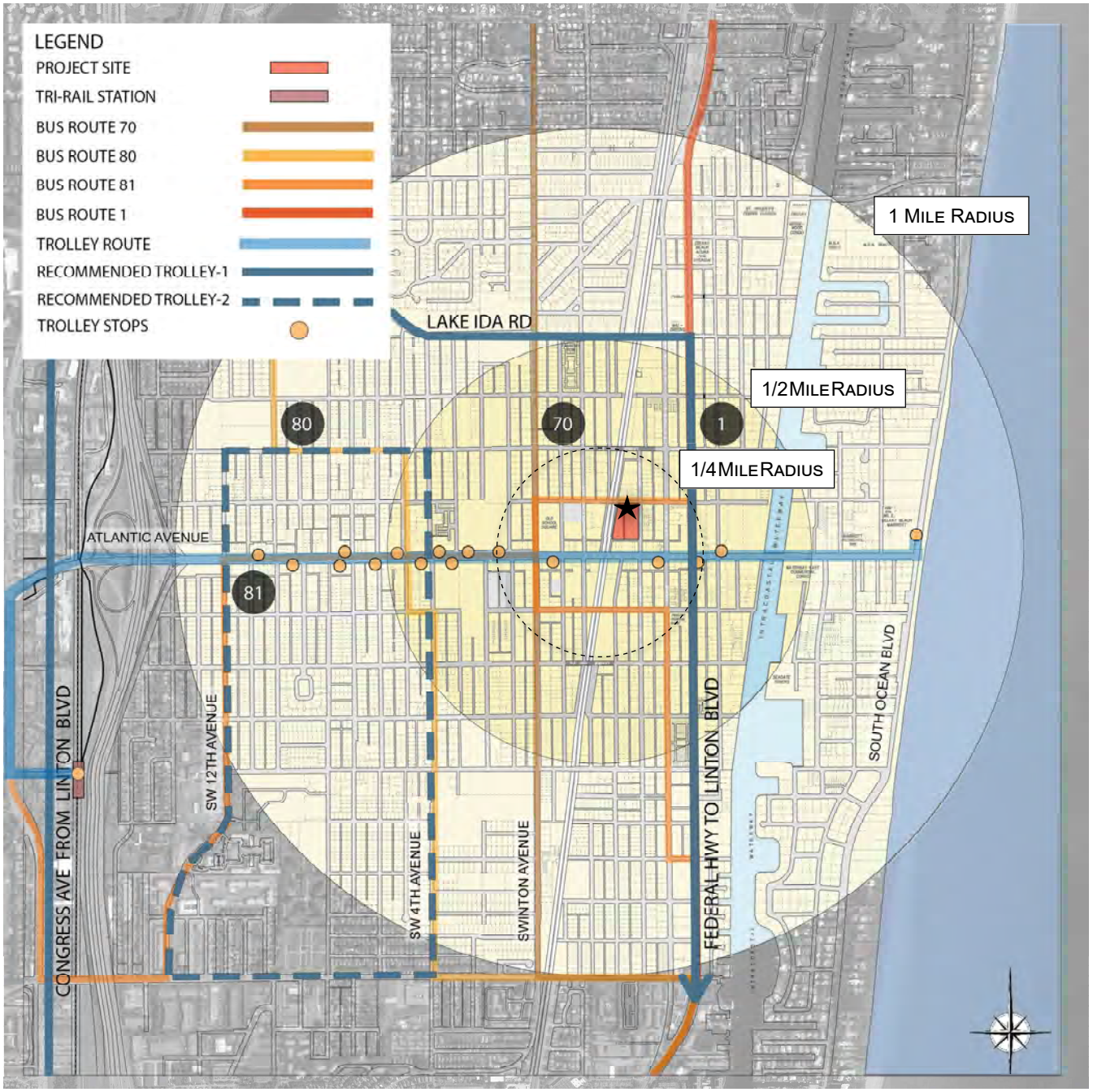


Diagram: Existing and recommended transit within a mile radius of the project site.

Recommended Transit

The map above illustrates existing and recommended transit services (Palm Tran and the Downtown Trolley). The intersection of routes, stops, and future needs becomes an important filter to help prioritize improvement projects for the City. The following plates begin to illustrate priority improvement areas.

Diagram: Existing bike lanes within a mile radius of the project site.

Existing Bike Lanes

Bicycle infrastructure and connectivity to the station location is a crucial element in creating a successful TOD. Delray Beach is already experiencing a burgeoning second and third tier in mobility options with the Downtowner on-demand electric vehicle service and the growing number of Neighborhood Electric Vehicles (NEVs – "street-legal" golf carts). Enhancing the network of bike lanes throughout the downtown will add to the overall sense of safe connectivity. The map above illustrates the existing bike lanes that were implemented as part of the Federal Highway Complete Street project that was completed in 2016. While a good addition, these bike lanes should be augmented with additional, neighborhood lanes.

Diagram: Existing and recommended bike lanes within a mile radius of the project site.

Recommended Bike Lanes

Working with City staff, the design team developed this map of a proposed network of new bike lanes through downtown and the neighborhoods. The idea is to provide bona fide bike routes parallel to, and north and south of Atlantic Avenue to provide east-west connectivity in addition to providing additional north-south routes on N/S Swinton Avenue and NW/SW 4th Avenue. Bike lanes along Swinton Avenue, in particular, should be buffered where sufficient right-of-way exists.

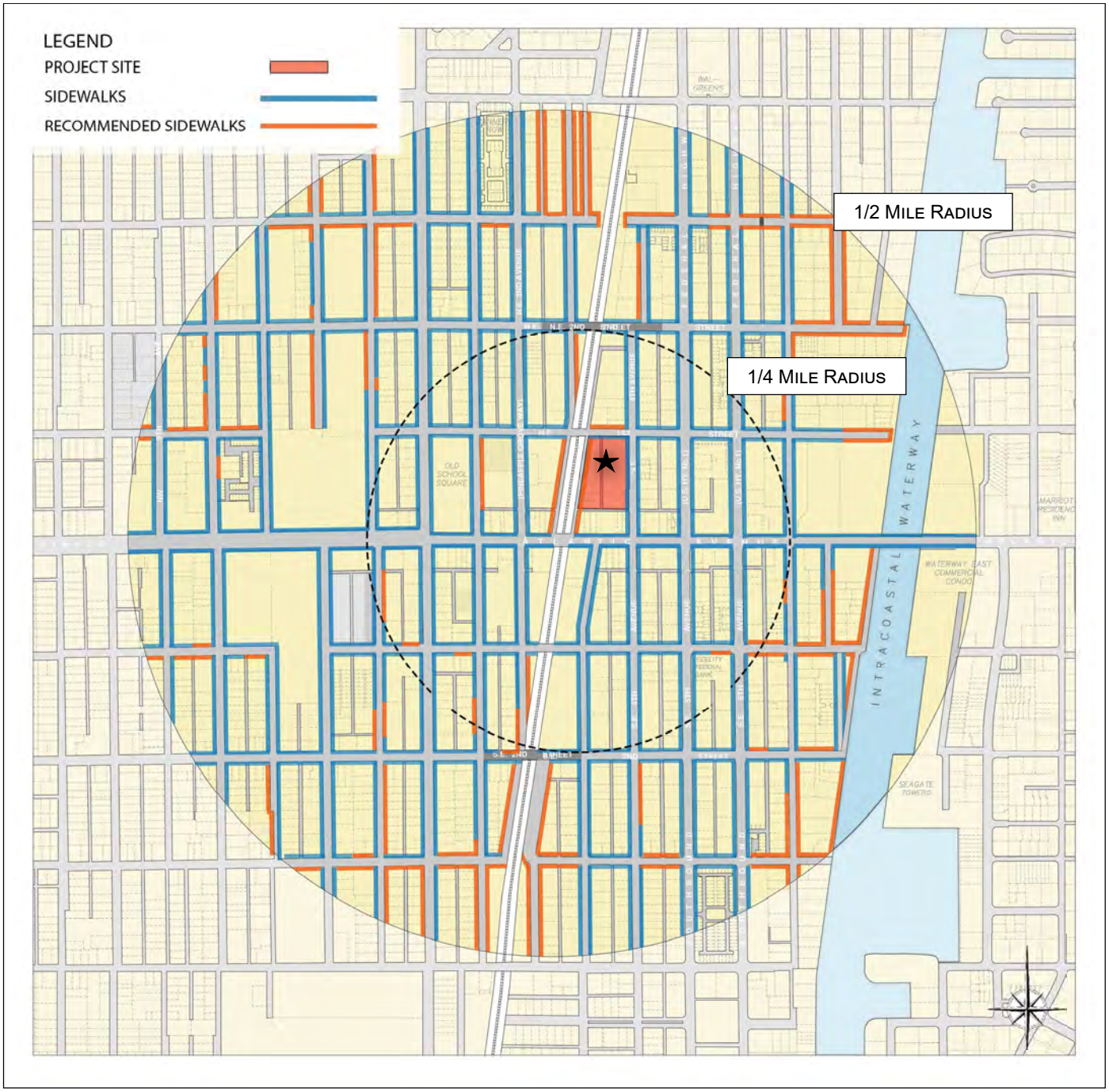


Diagram: Existing and recommended sidewalks within a 1/2 mile radius of the project site.

Existing and Recommended Sidewalks

Sidewalks are vital and fundamental element to the mobility system. As discussed earlier, Delray Beach benefits from a strong regular street grid and, as such, the sidewalk network is strong as well. Like any city, however, missing links occur in the sidewalk network in Delray Beach. The map above illustrates the existing and recommended sidewalk network. Existing sidewalks are in blue and the missing, or recommended sidewalks, are illustrated in red. The area illustrated is for the1/2 mile radius centered around the project site.

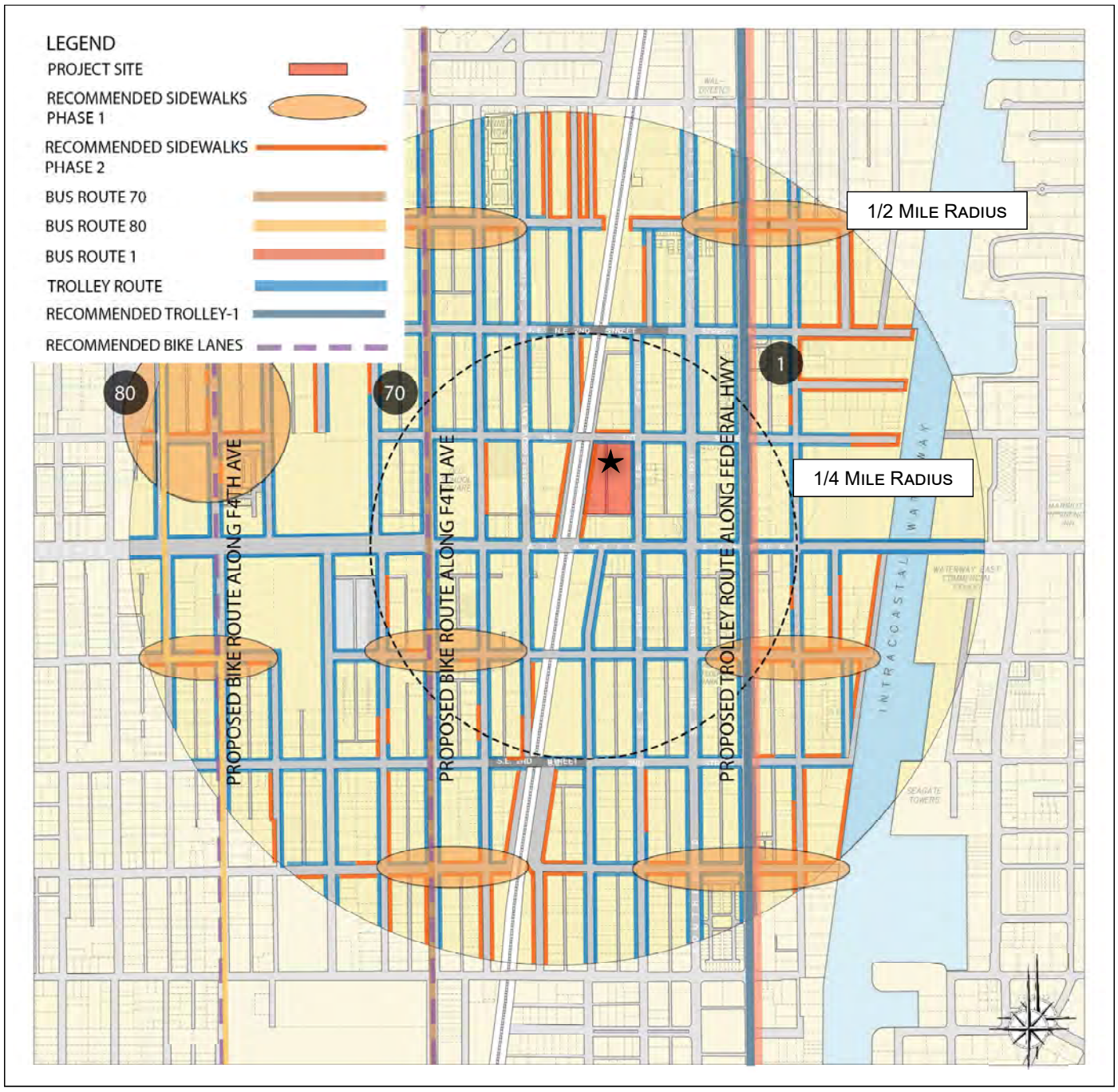


Diagram: Existing and recommended sidewalks and transit routes within a 1/2 mile radius of the project site.

Existing and Recommended Sidewalks + Transit Routes

The map above combines the sidewalks and transit route maps together to help prioritize improvements. Areas within the shaded ovals are recommended as priority improvements. Typically, these areas are missing sidewalks and are adjacent to, or are routes to, existing or recommended transit stops. Analyses such as these are a beginning point to help the City prioritize future infrastructure projects to improve overall mobility within downtown.

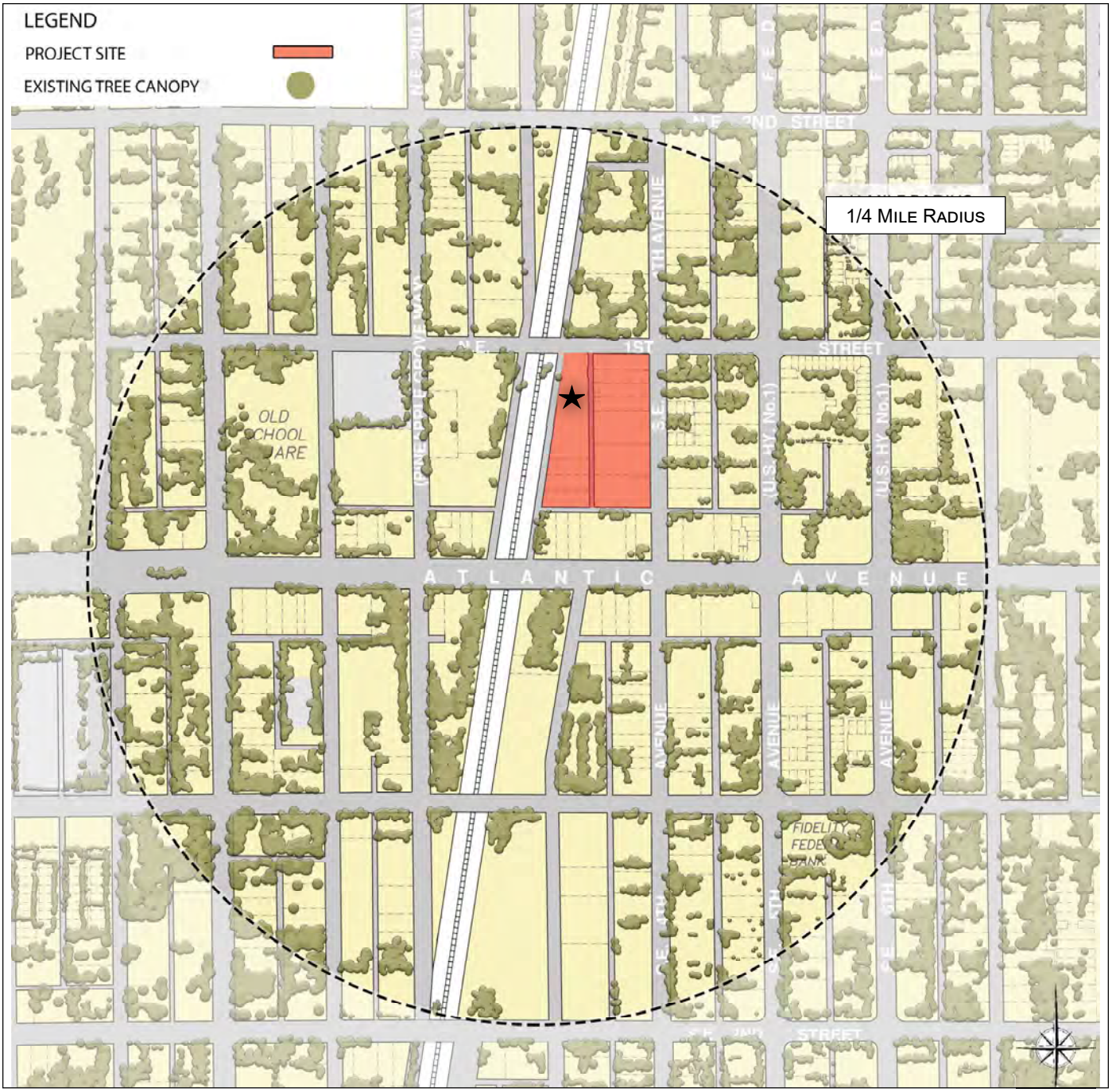


Diagram: Existing tree canopy within a 1/4 mile radius of the project site.

Existing Tree Canopy

A consistent request by citizens during public planning processes is the desire for more shade trees. Shade is a critical and often overlooked element to creating safe and comfortable multi-modal corridors. A transit rider is far more likely to walk or bike to their transit stop if the route is comfortable and attractive. Shade trees are good for many reasons: they reduce heat gain in downtown, they are attractive and add to the overall quality of public experience, and they provide needed shelter from the sun. This map identifies the existing tree canopy downtown, revealing gaps in coverage that, if completed, would add to the overall sense of connectivity.

Pedestrian Access

The FEC rail corridor runs through the middle of the historic and active downtown of Delray Beach. Where the rail crosses E Atlantic Avenue, numerous shops, restaurants, and bars are located on both sides of, and adjacent to, the FEC right-of-way. Pedestrians have been observed crossing the tracks between the gates at E Atlantic Avenue and NE 1st Street and, unfortunately, fatal incidents between pedestrians and trains have occurred. During the August 2017 charrette, the design team witnessed many employees and patrons of different establishments crossing the tracks mid-block. The City and FEC recognize this issue and plans have been implemented to install fencing along the tracks between E Atlantic Avenue and NE 1st Street to deter pedestrian crossings where they are most frequent.

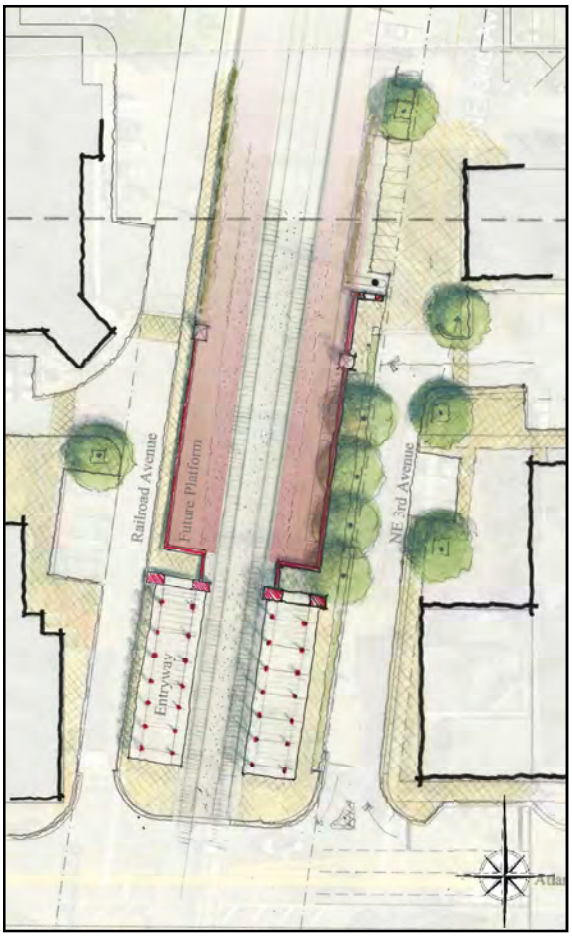
Delray Beach recently installed a metal picket fence to restrict pedestrian access across the tracks.
Photo: Looking south just north of E Atlantic Avenue.

Photo: View looking North at the FEC Railway Intersection at E Atlantic Avenue prior to fence installation.

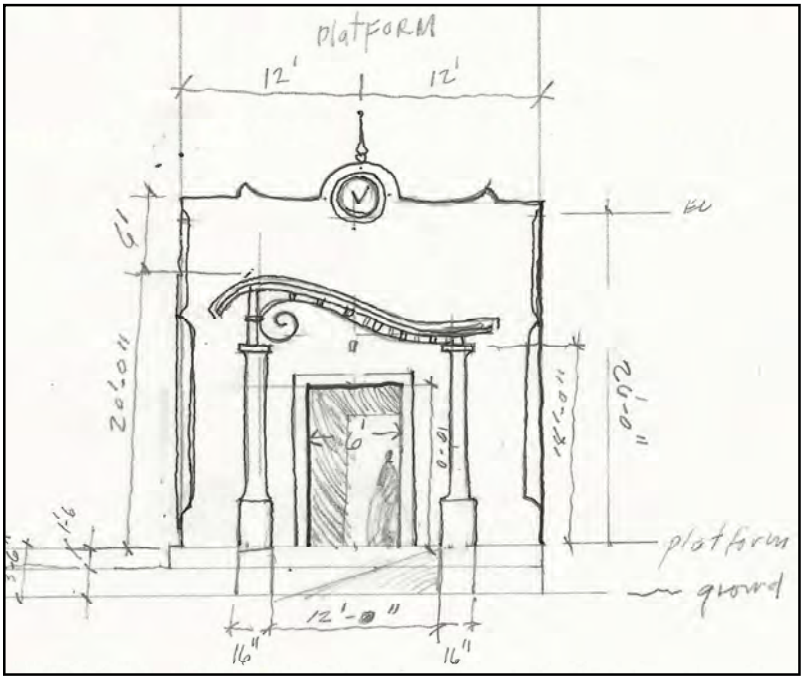
Pedestrian Access

After the charrette fencing was added to provide the safety measures that are needed in the near term, the charrette team sought ways to provide a more permanent and aesthetically-pleasing means of directing pedestrian traffic, as well as defining the Delray Beach TOD district. Providing a "portal" to the TOD district, with a prominent façade facing E Atlantic Avenue to the south and NE 1st Street to the north, was a scenario the team developed and is illustrated on the following pages.

The idea of creating a "portal", or an entryway to the future platform and TOD district was initiated as an effort to direct pedestrian access along the tracks to an existing environment that is both safe and appealing. The "portal" concept was designed to be implemented prior to the creation of the Tri-Rail Coastal Link platform and passenger service. These public gateway features could be built facing E Atlantic Avenue and NE 1st Street and establish safe passage for pedestrians with the platforms being "plugged-in" at a later date. The design accommodates the future platform dimensions and access could be modified to providing for ramping up to the platform when the station is implemented.

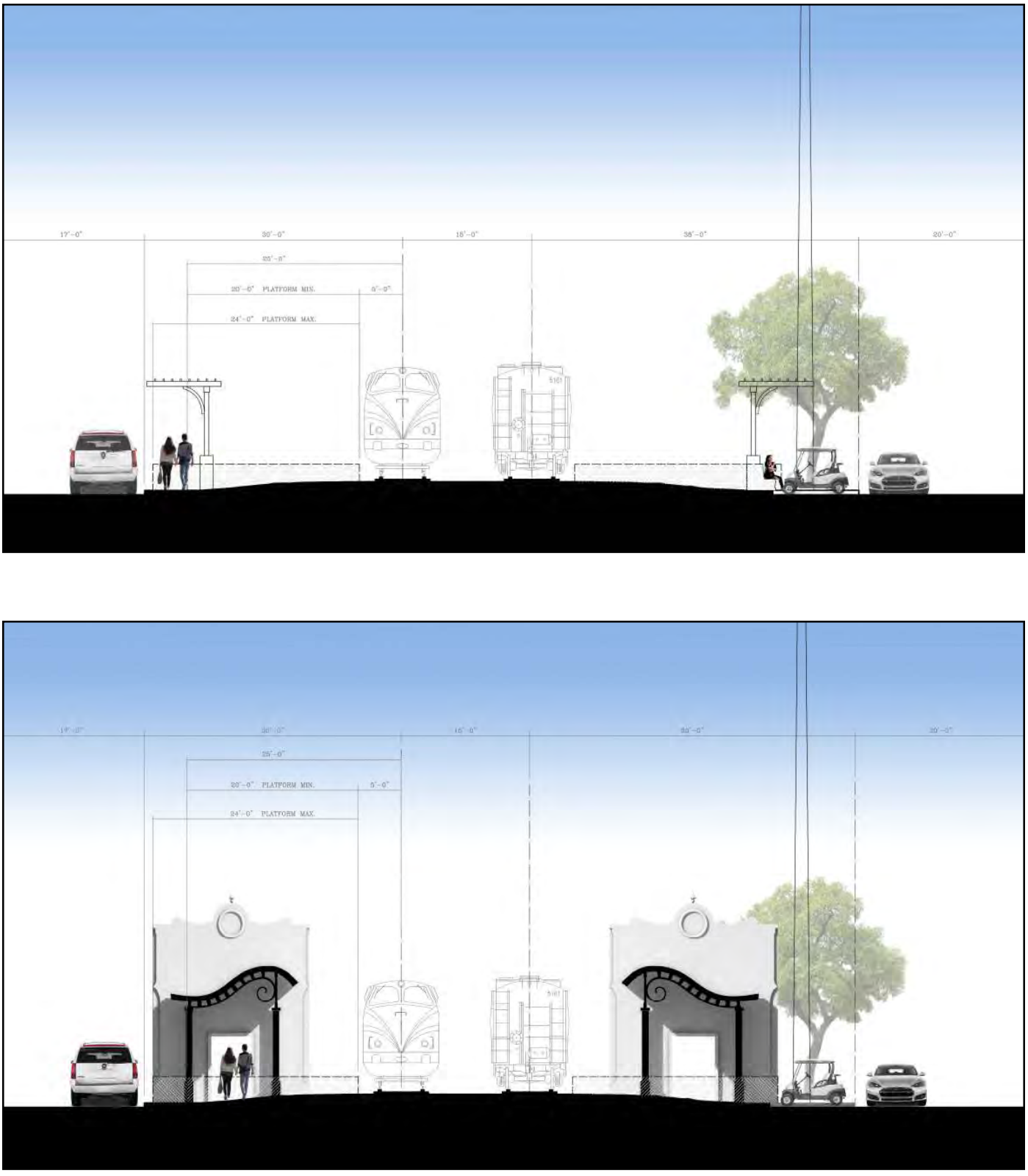


Plan of the entryway and future platform, located just north of E Atlantic Avenue.



Drawing: conceptual elevation of the "portal"

Pedestrian Access



The computer renderings above detail the pedestrian access to the platform in section view, looking north.
Top: Covered walkways with integral bench seating along the platform wall.
Bottom: "Portal" entrance to the future platform. Golf cart parking and existing streets to remain to the East and West of the FEC corridor.

Pedestrian Access

Computer renderings of the future station area, looking north.
Top: This alternative maximizes residential units with some non-residential uses.
Bottom: This alternative features minimal on site development.

Pedestrian Access

Above: Computer renderings showing the before and after "portal" entrance to the future train station platforms. View is looking North at the intersection of Atlantic Avenue and NE 3rd Avenue.

Pedestrian Access

Above: Computer renderings showing the before and after of conditions along NE 3rd Avenue. The Silverball Museum and existing surface parking remains. A covered sidewalk with seating and new lighting is provided. Improvements can occur prior to and independent of any of the redevelopment scenarios.

Pedestrian Access

Creating a Safe, Dignified Option

A variety of urban design treatments can be considered for how the pedestrian experience develops. One option illustrated shows the street remaining as a street with separation between the sidewalk level and the roadway surface. Another option illustrated considers the whole area between E Atlantic Avenue and NE 1st Street as a continuous plaza treatment with the roadway and sidewalk levels at the same elevation. Both options have benefits which should be considered in the larger realm of the City's desired programmatic approach to the TOD. As an example, if providing a parking garage is the desired development scenario, then perhaps maintaining a typical street and sidewalk profile would be the most reasonable approach. However, if residential is the primary use of the TOD with limited on-site parking, perhaps the plaza approach would provide the greatest benefit. In any of these strategies safety is the highest priority. The concepts provided are intended to show that safety can be achieved in a variety of well-designed and functional applications.

Top: Computer rendering showing proposed conditions along NE 3rd Avenue. The Silverball Museum and existing surface parking remains. Pavers provide an aesthetic continuity between the covered pedestrian walkway and NE 3rd Avenue.
Bottom: A detail of the computer rendered "portal" entrance to the future train station.

Redevelopment Strategies

As previously noted, the specific TOD site in Delray Beach is comprised of six City-owned parcels on the north side of the 300 block of E Atlantic Avenue. The parcels are north of the east-west alley separating the businesses facing Atlantic Avenue from the NE 3rd Avenue municipal parking lot. Direction as to appropriate uses and redevelopment scale was provided to the TCRPC design team throughout the pre-charrette interviews process, during the Saturday, August 12, 2017, public design workshop, and during the week-long charrette at Old School Square. Assessing the desires and concerns of the community related to transit and the redevelopment of this site led the team to consider a series of different strategies with varying degrees of complexity and intensity.

Fundamentally, the design team thought it was important to explore redevelopment strategies that focused solely on City-owned property as well as a scenario that considered property assemblage. Four strategies were developed with differing goals:

Redevelopment Strategies

Primary Strategies

- **A: "Light Touch"**

City-owned property only, minimal on-site development, maximum retention of existing surface parking, nominal retail.

- **B-1: City Owned, Structured Parking**

City-owned property only, maximize on-site parking with new garage, residential units provided, some non-residential uses.

- **B-2: City Owned, Surface Parking**

City-owned property only, maximize residential units, no structured parking, minimal on-site parking retained, some non-residential uses.

- **C: All Parcels North of the Alley**

Assemblage of all parcels north of the east-west alleyway, maximize residential units, on-site structured parking provided, some non-residential uses.

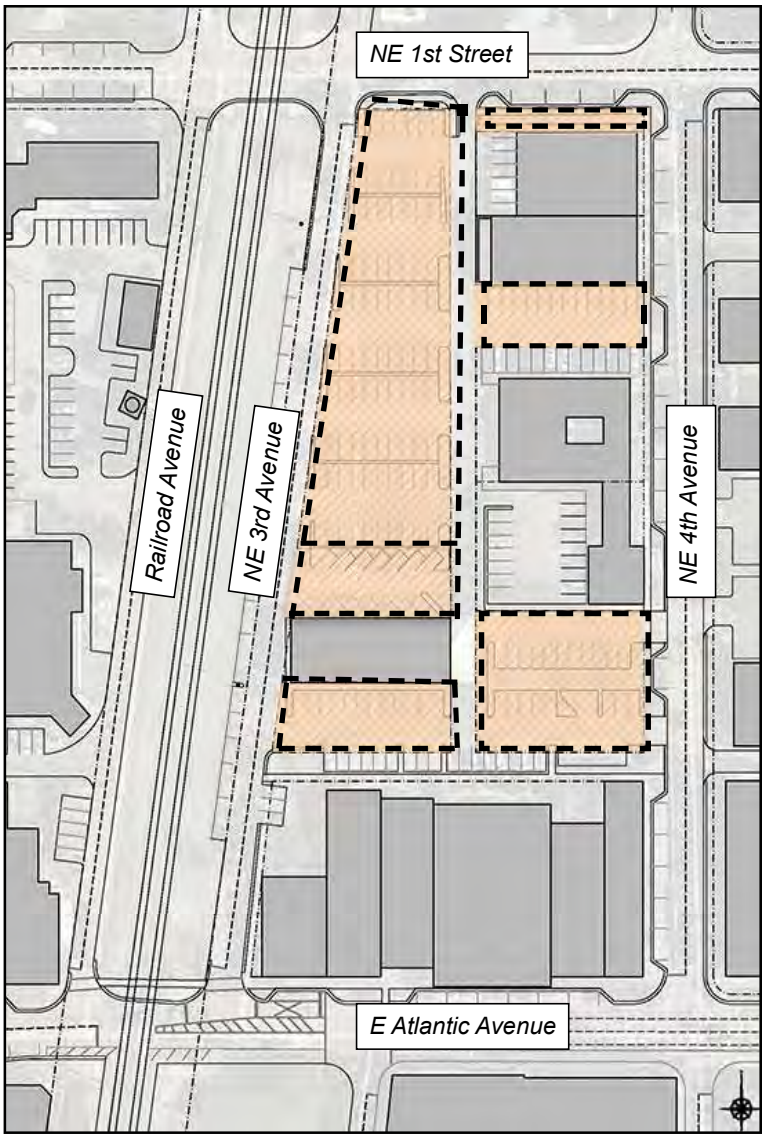
Scenario	Parcels	Parking Spaces	Parking Type	Market Rate* Units	Commercial Flex Space	Other Amenities	Profit/Subsidy at 12% Rate of Return
A	City-owned	112	Surface	4 TH	5,000 sf	-	$744,100
B-1	City-owned	228	Structured	48 MF	21,500 sf	5,000 sf Plaza	$113,800
B-2	City-owned	146	Surface	33 MF	8,500 sf	19 Golf Cart; Rooftop Amenities	($178,000)
C	Assembly	254	Structured	84 MF	55,350 sf	34 Golf Cart; Rooftop Amenities	($9,828,100)

Redevelopment Strategies

This TOD effort examines opportunities and constraints at different scales: the TOD District (1/4 and 1/2 mile radii), and the TOD site (city -owned parcels adjacent to the rail corridor between E Atlantic Avenue and NE 1st Street). The district analysis primarily focuses on issues of connectivity and mobility, while the TOD site analysis focuses on the build-out potential and financial feasibility of the City-owned land.

Each conceptual redevelopment scenario was developed with enough detail to enable the team to calculate the potential residential, non-residential, and parking yield for each project. The design team was careful to abide by existing building height limits in downtown: however, height could be a potential TOD incentive within the ¼ mile TOD district. It is important to note that different designs might produce different project yields, yet based upon the site limitations the differences between various designs are not anticipated to be significant.

The potential project yields were used to develop the conceptual project financial analyses to assist the City in determining which of the strategies represent a desired direction going forward. It is important to note that many assumptions are factored into the different strategies including residential unit size, municipal parking revenues, infrastructure costs, and the expense of land assemblages. Also, a range of Return on Investment (ROI) expectations were tabulated and included in Table 28 of the Market Study.



Plan identifying the City owned parcels (shaded in orange) and existing conditions of the TOD site.

These design options and market analyses are intended to illustrate how the range of potential profit, at different ROI expectations, can impact the City's required investment in a given scenario. To the extent that it was reasonable, the design and economic team utilized comparable costs and revenues for each scenario to provide parity between the options.

Ultimately, it is incumbent upon the City to decide the preferred goals for the redevelopment of these public assets: does the City want to implement the maximum amount of housing (workforce or market rate), provide more structured parking, or limit the interventions to the minimum required to sustain the future station? Each of these options has policy implications and varying costs. The following is a summary of each of the redevelopment strategies.

Redevelopment Strategy "A"

Redevelopment Scenario "A"

City-Owned Only "Light Touch"

- 112 surface parking spaces
- 4 Townhouses 24' X 32' 768 s.f. per floor 768(2)= 1,536 s.f. Rear-loaded garage = 768 s.f. (Total s.f.= 2,304 s.f. each)
- 5,000 s.f. Retail

Redevelopment Scenario "A"

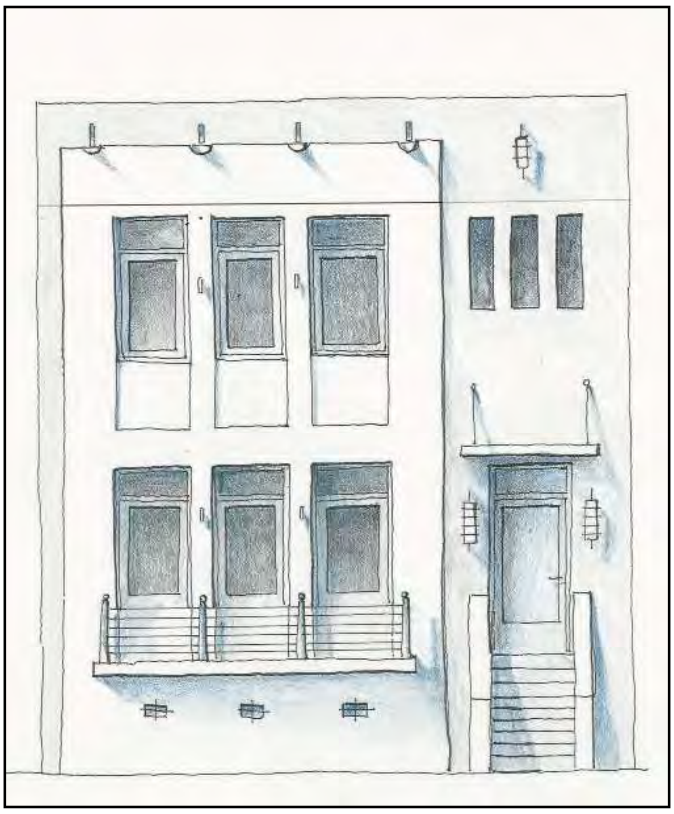
The artist rendering of Redevelopment Scenario "A". Elevation of recommended townhouses.

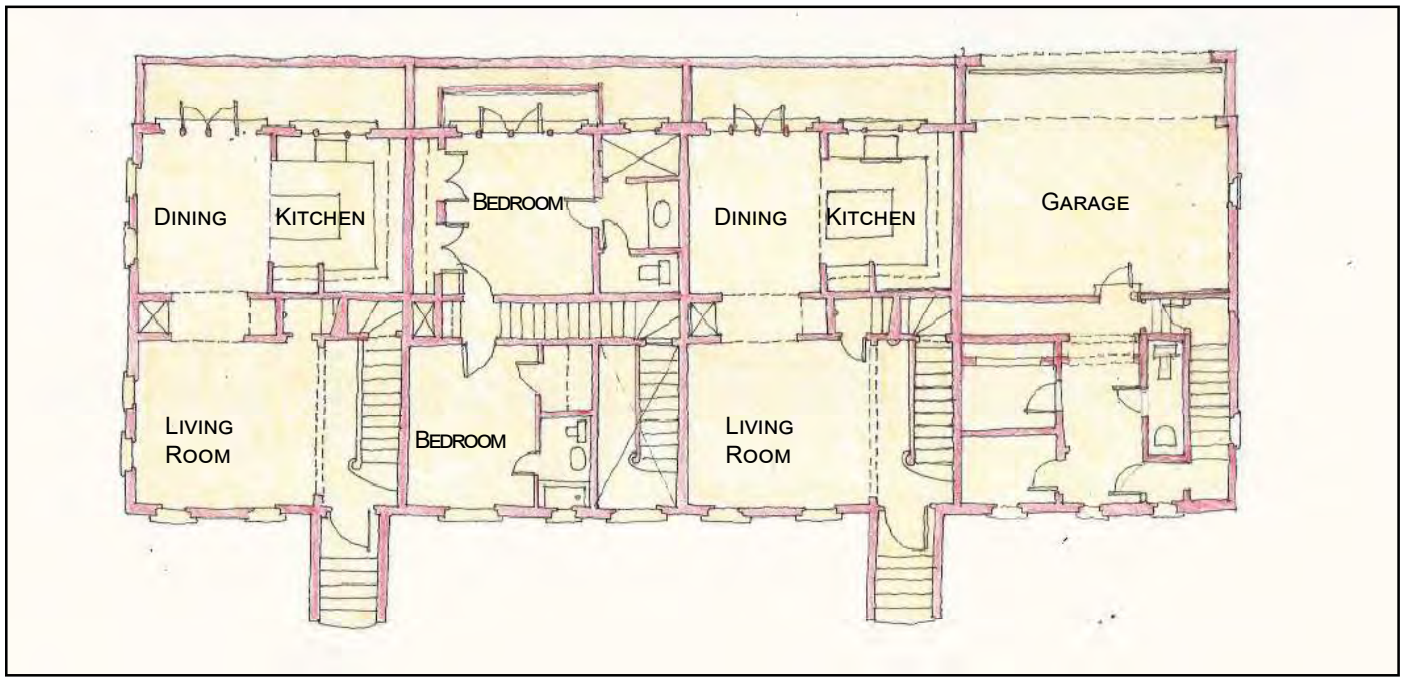
City Owned Only "Light-Touch"

Redevelopment Scenario "A", also referred to as the "light touch" scenario, is the simplest of the proposed options. The intent of this approach was to provide a limited amount of retail and neighborhood services, accommodate some residential, and preserve as many of the existing on-site surface parking spaces as possible. This scenario only utilizes existing City-owned parcels.

The plan illustrates the standard platform location, small footprint, one-story commercial structures just north of the Silverball Museum, and four townhouse units facing NE 1st Street. In this scheme, NE 3rd Avenue is re-routed to the north-south alleyway just south of NE 1st Street to accommodate the footprint of the new townhouses. This is the only proposed scenario where NE 3rd Avenue is not maintained as a continuous street through to NE 1st Street. It is conceivable that this scenario could be an interim phase for future development. Scenario "B-1" in particular could replace its proposed civic building along NE 1st Street with the townhouses illustrated in scenario "A".

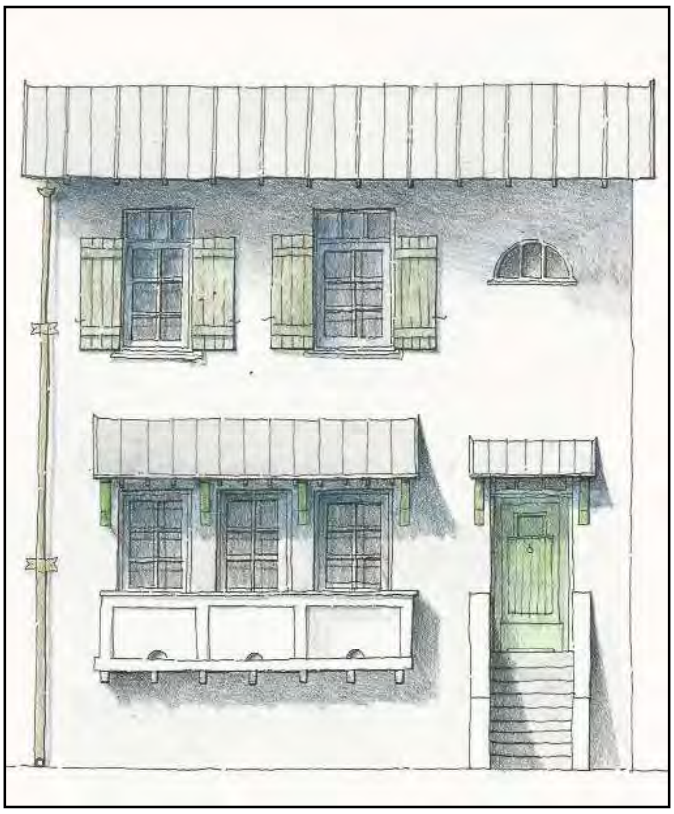
Redevelopment Scenario "A"

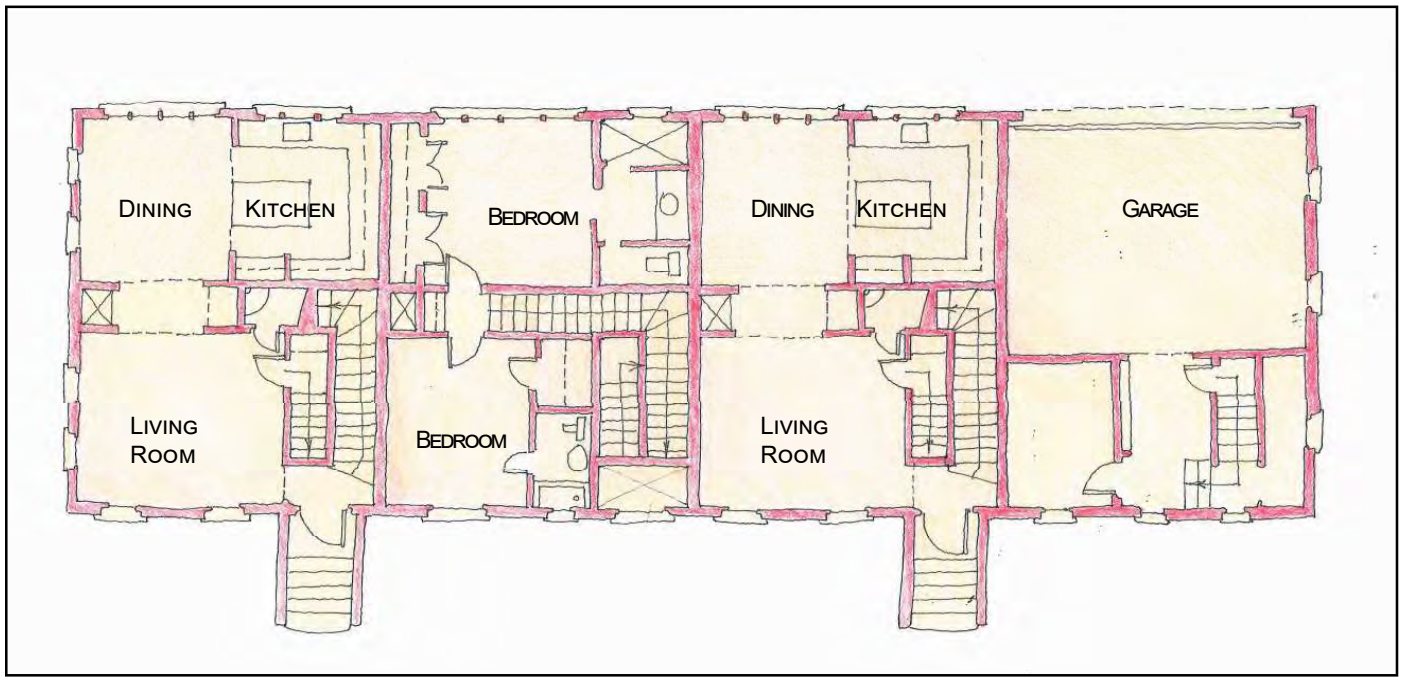




Above: Elevation of a more modern townhouse option for Redevelopment Scenario "A" with floor plan below.

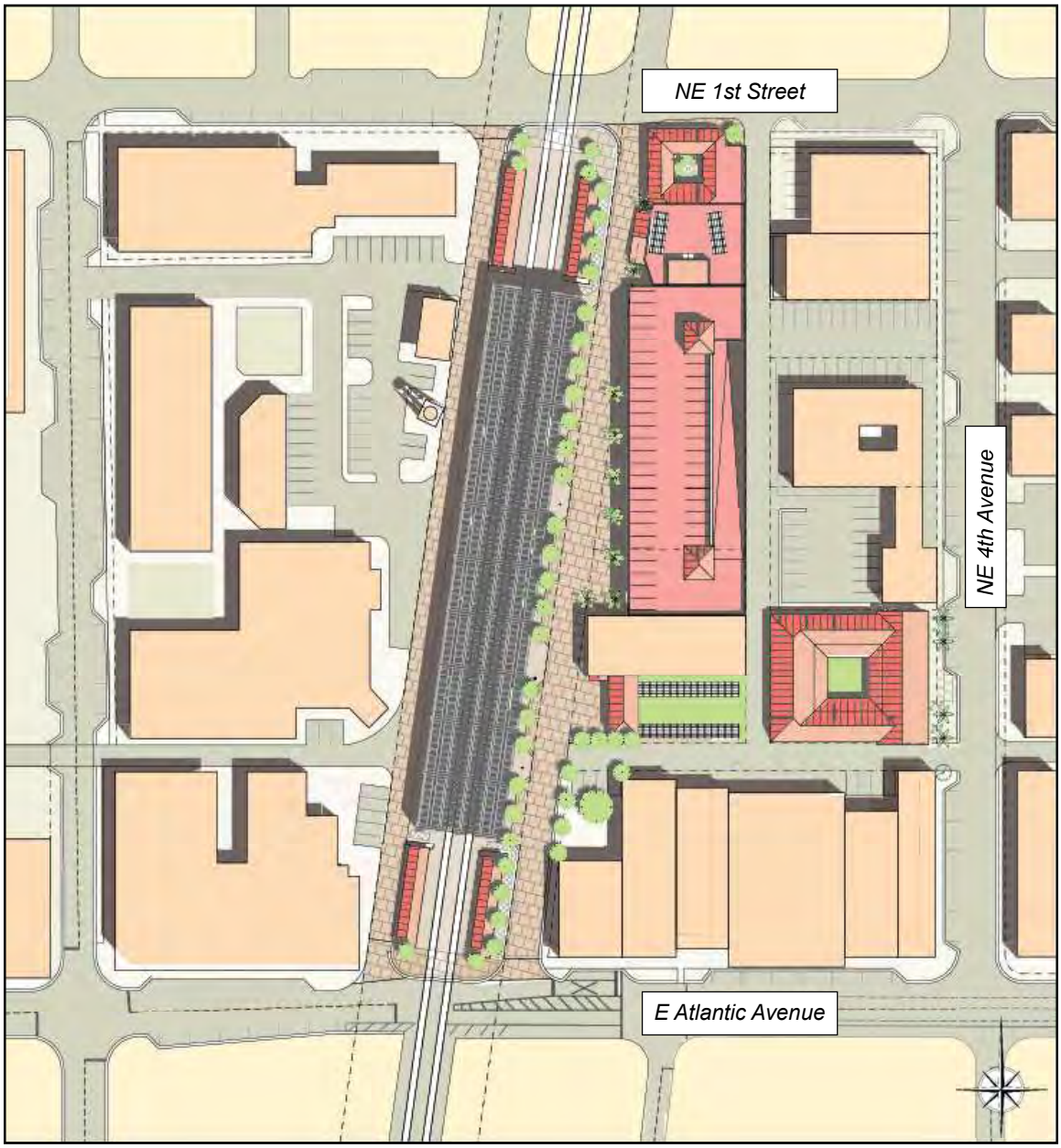
Redevelopment Scenario "A"





Above: Elevation of a more traditional townhouse option for Redevelopment Scenario "A" with floor plan below.

Redevelopment Scenario "B-1"

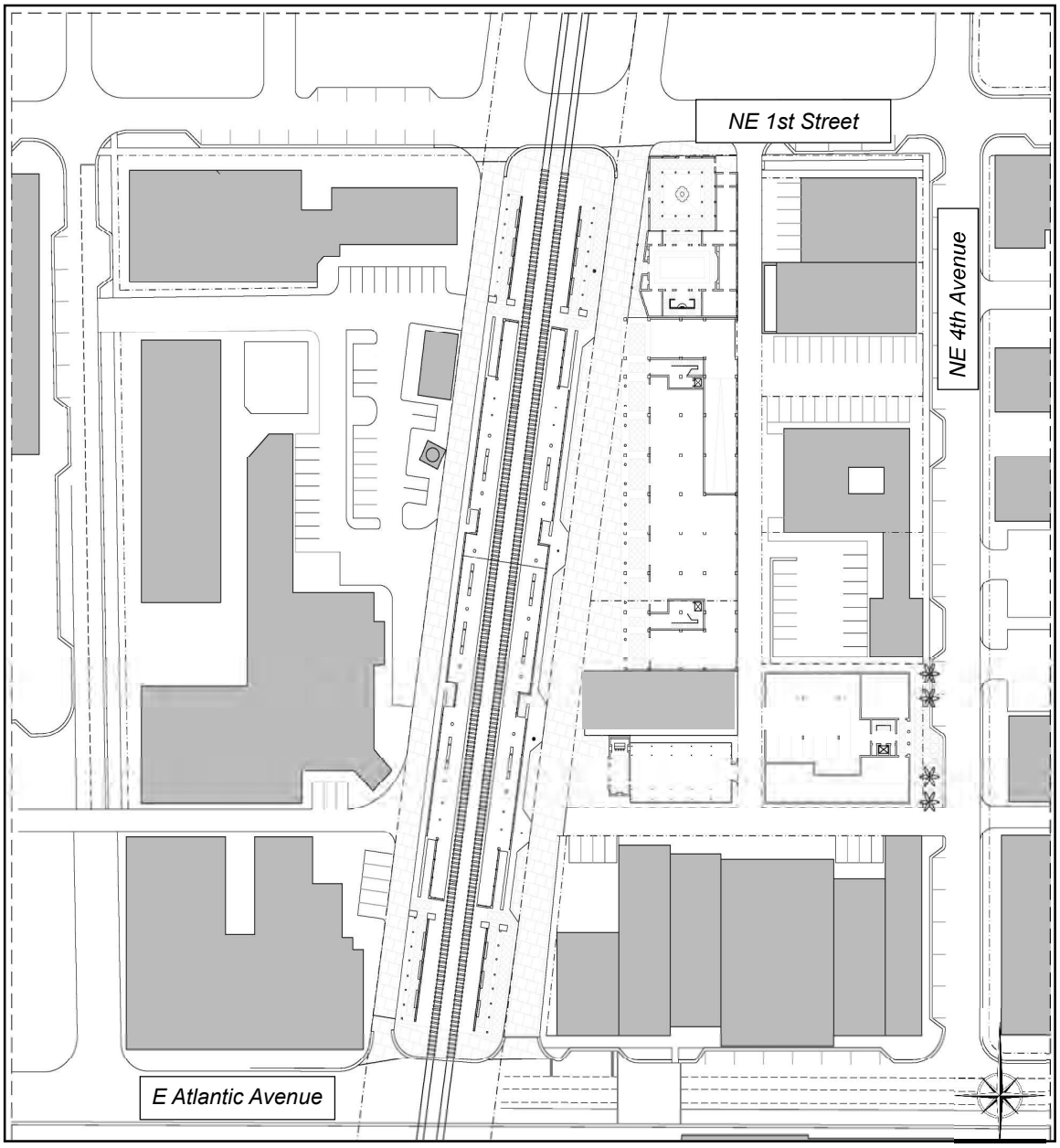


Redevelopment Scenario "B-1"

City-Owned Only "Structured Parking"

- 228 parking spaces 4 levels (30 Golf Cart)
- Ground Floor = 21,500 s.f. flex space
- Residential 48 dwelling units +/- 650 s.f.- 750 s.f.
- Civic Building 5,000 s.f.

Redevelopment Scenario "B-1"



Ground level plan of Redevelopment Scenario "B-1". This option is the development of just the City-owned parcels, and includes structured parking.

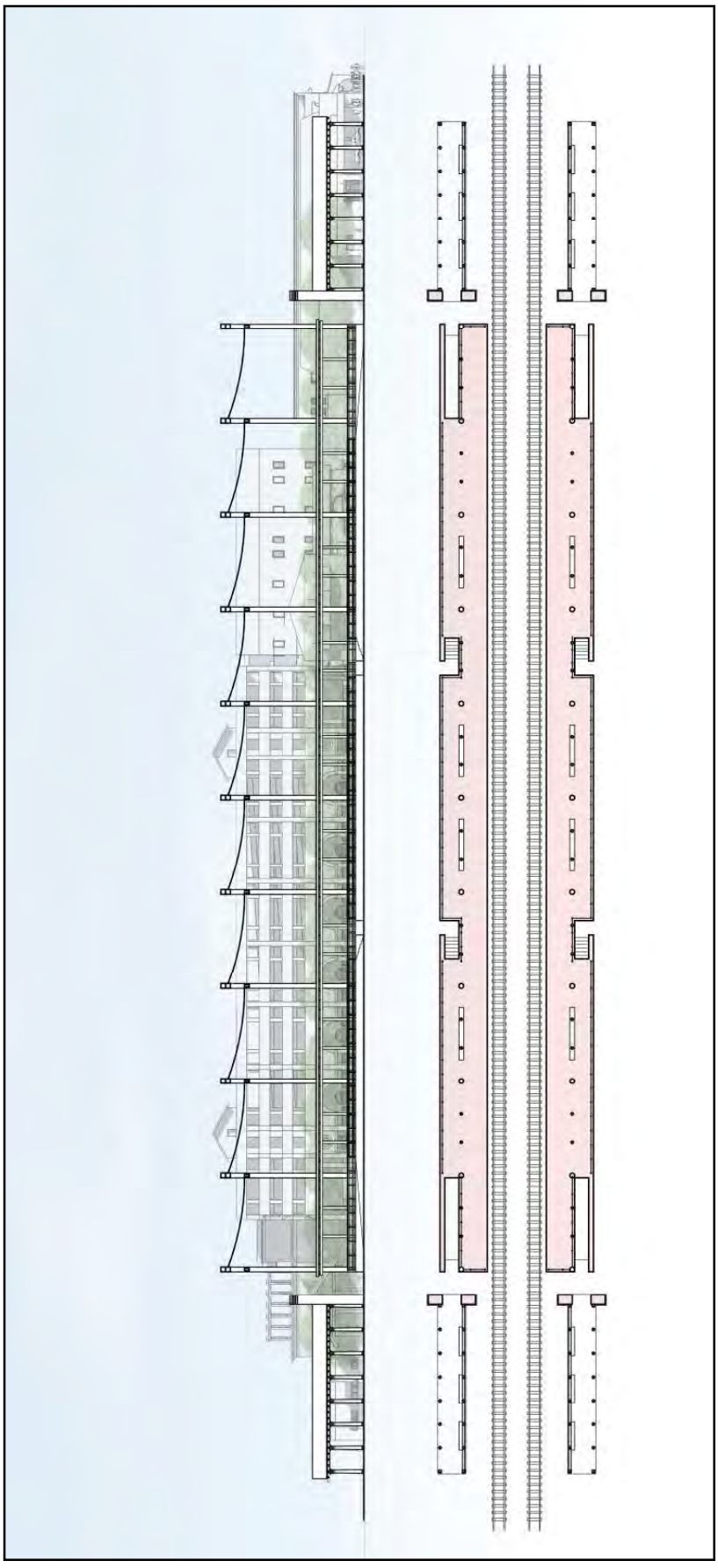
Redevelopment Scenario "B-1"

City-Owned Only "Structured Parking"

Development Scenario "B-1" only utilizes City-owned parcels and tests the potential for a municipal, structured parking garage. The conceptual site plan illustrates the garage fronting NE 3rd Avenue, immediately north of the Silverball Museum. The configuration of the existing municipal parcels creates a wedge shape site reducing in its width as it approaches NE 1st Street. Therefore, a different building type (either residential or a civic structure) is identified facing NE 1st Street. Due to the narrow nature of the site, the garage can only accommodate one bay of double-loaded parking spaces per floor. Note the vehicular ramp in plan that runs adjacent to the existing north-south alleyway.

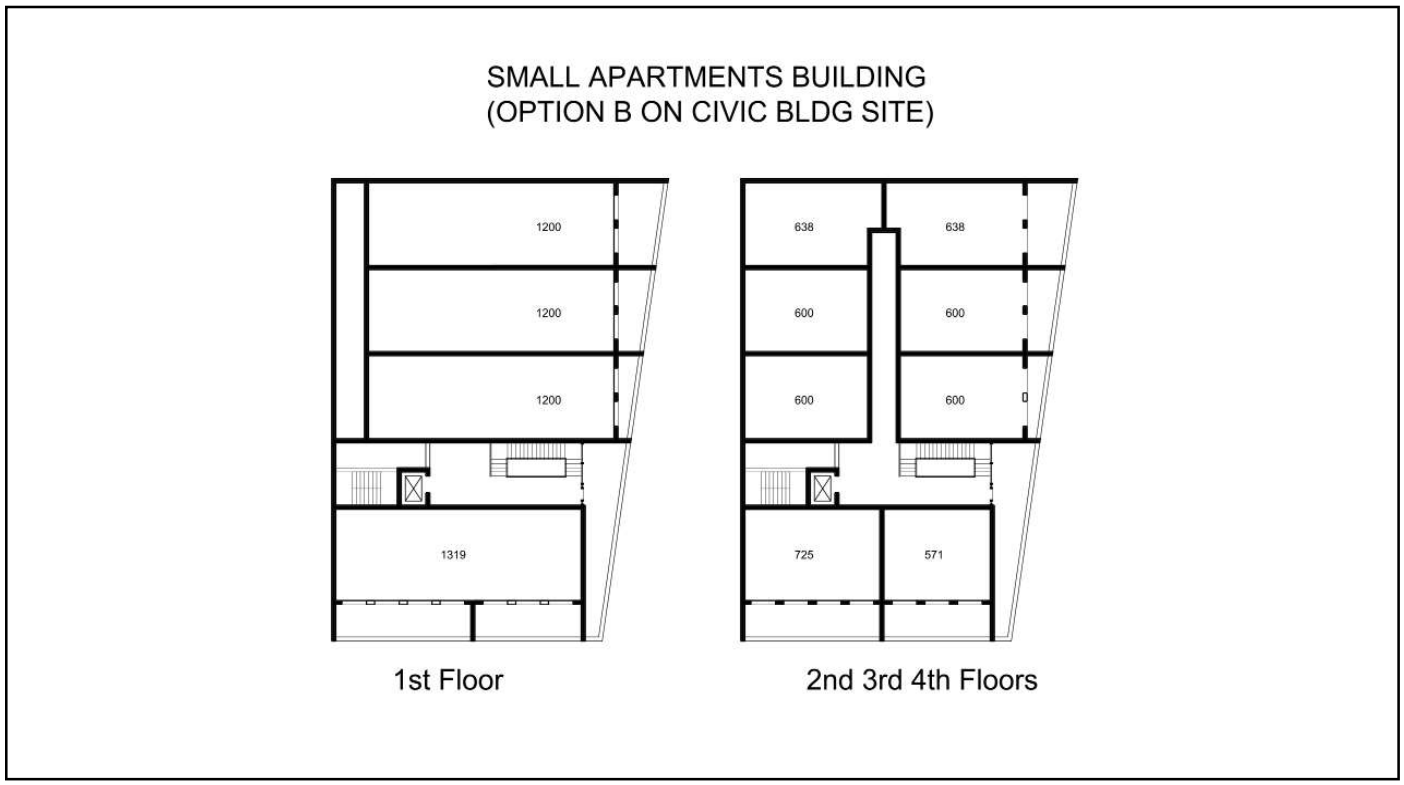
The garage is proposed to have ground floor non-residential and residential uses. A small civic structure faces a small green immediately south of the Silverball Museum. The City-owned parcel facing NE 4th Avenue is proposed as a four-story courtyard apartment building with an average unit size of 720 square feet. The ground floor of the courtyard apartment contains 14 surface parking spaces. The balance of the residential parking would be in the proposed garage.

The "B-1" conceptual design also illustrates an elaborate platform trellis-type structure. While this treatment could certainly create a dramatic entry to the TOD district, and would undoubtedly increase the district presence in downtown, there would be costs to those enhancements which have not been calculated as part of the scenario financials.



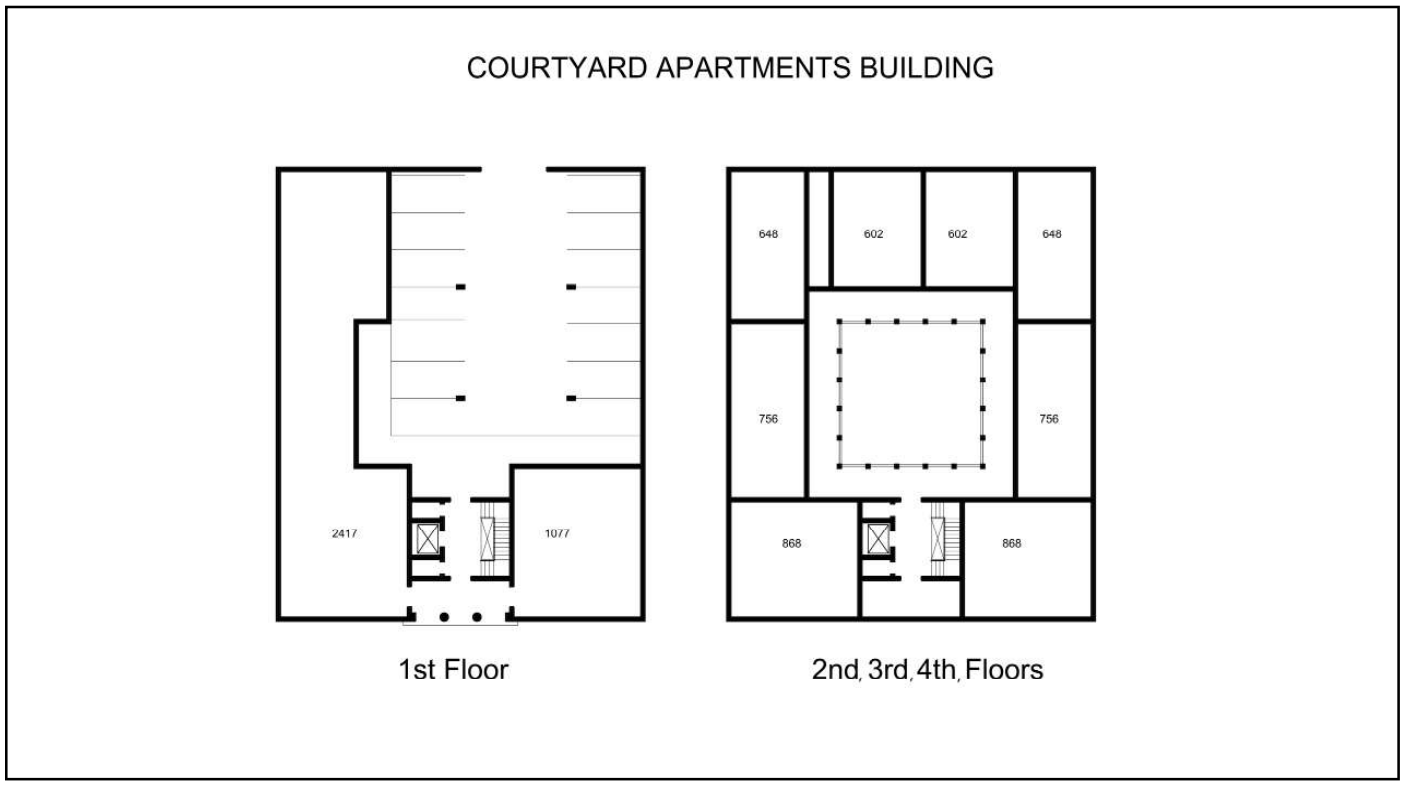
Right: Elevation and plan views of the proposed station platform and entryway. Integral part of design includes a sculptural shade structure or the possibility of a photo-voltaic roof shade.

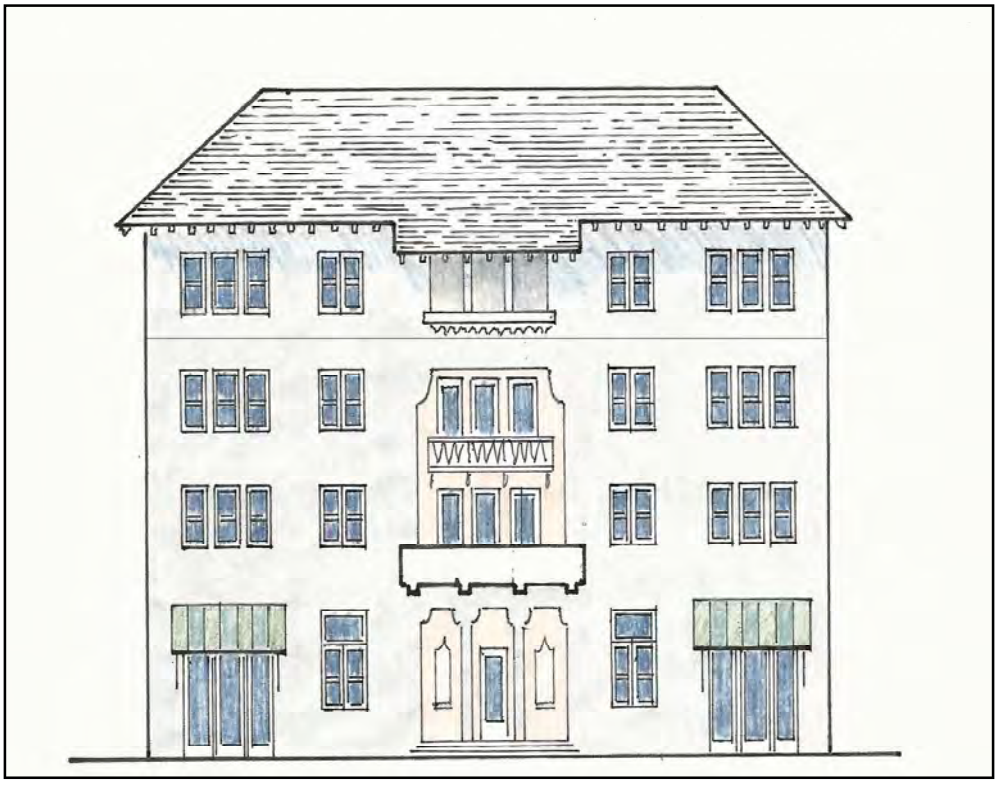
Redevelopment Scenario "B-1"



Above: Plan view and artist rendering of the small apartment building option for the City-owned TOD site. The plan depicts a 1st floor option including four flex spaces and floors 2-4 with eight residential units each.

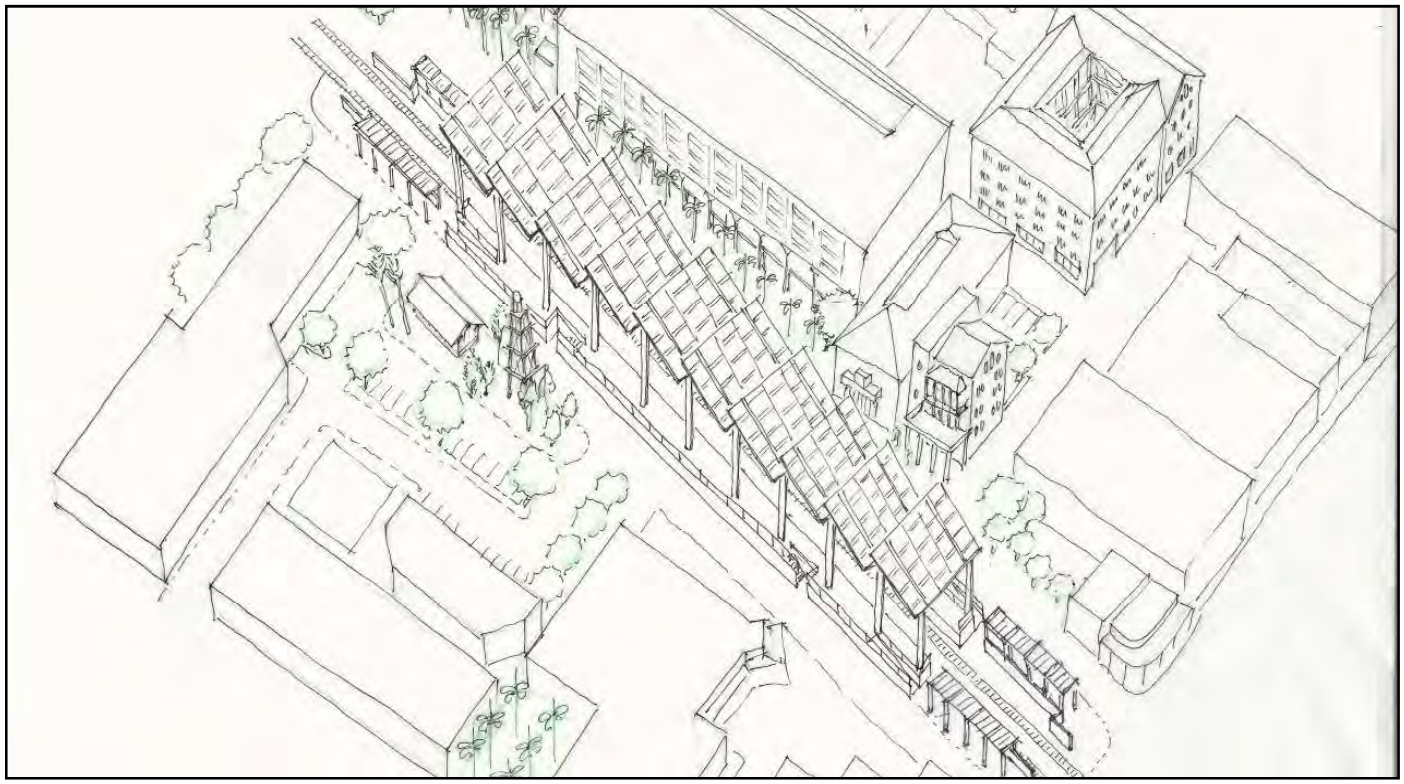
Redevelopment Scenario "B-1"



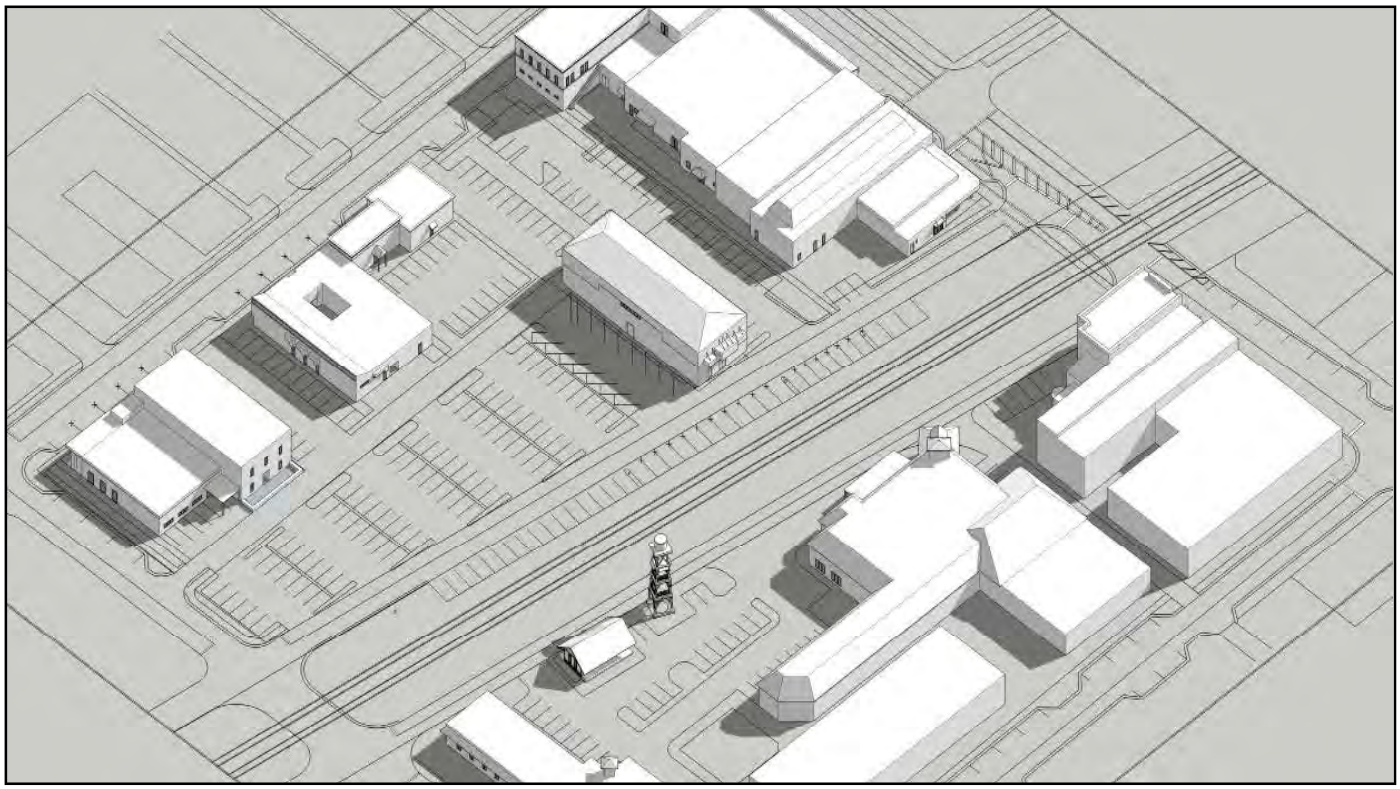


Above: Plan view and elevation of proposed four-story courtyard apartment building, with an average unit size of 720 square feet. The ground floor of the courtyard apartment contains 14 surface parking spaces.

Redevelopment Scenario "B-1"



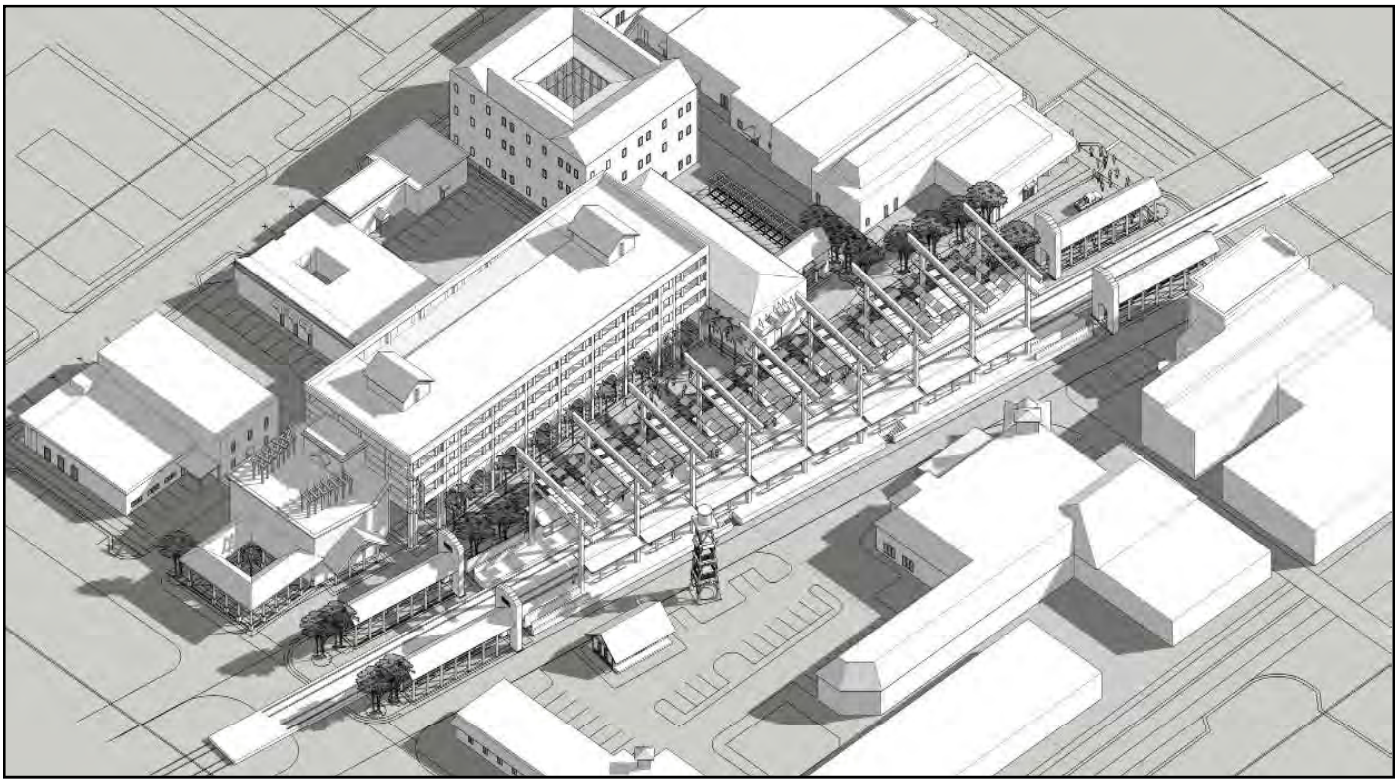
Drawing depicting the development of City-owned properties adjacent to the future station area.



Computer rendering of the existing conditions of the future TOD site prior to recent reconfiguration of parking along east side of FEC tracks.

Redevelopment Scenario "B-1"

Computer rendering of the view looking north along NE 3rd Avenue at the intersection with Atlantic Avenue.



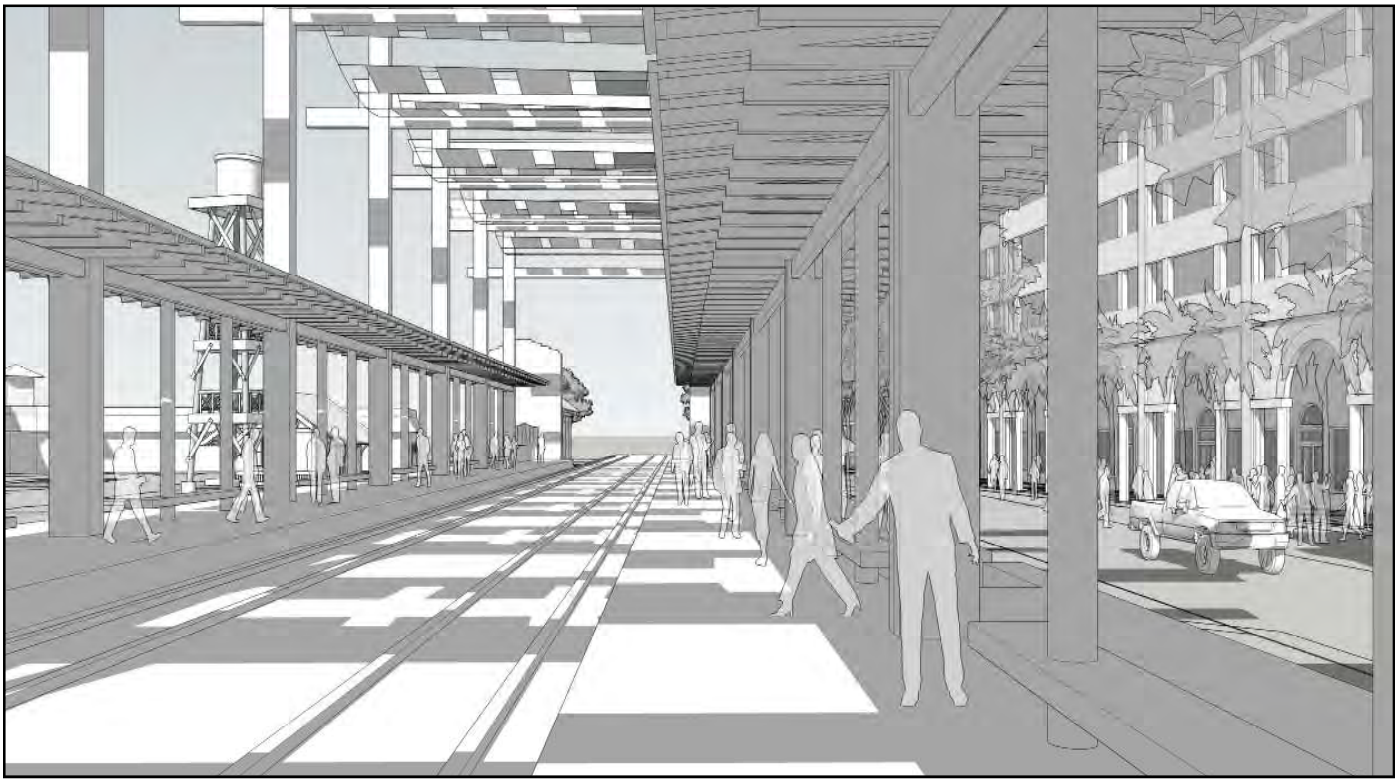
Aerial view of the proposed development.

Redevelopment Scenario "B-1"

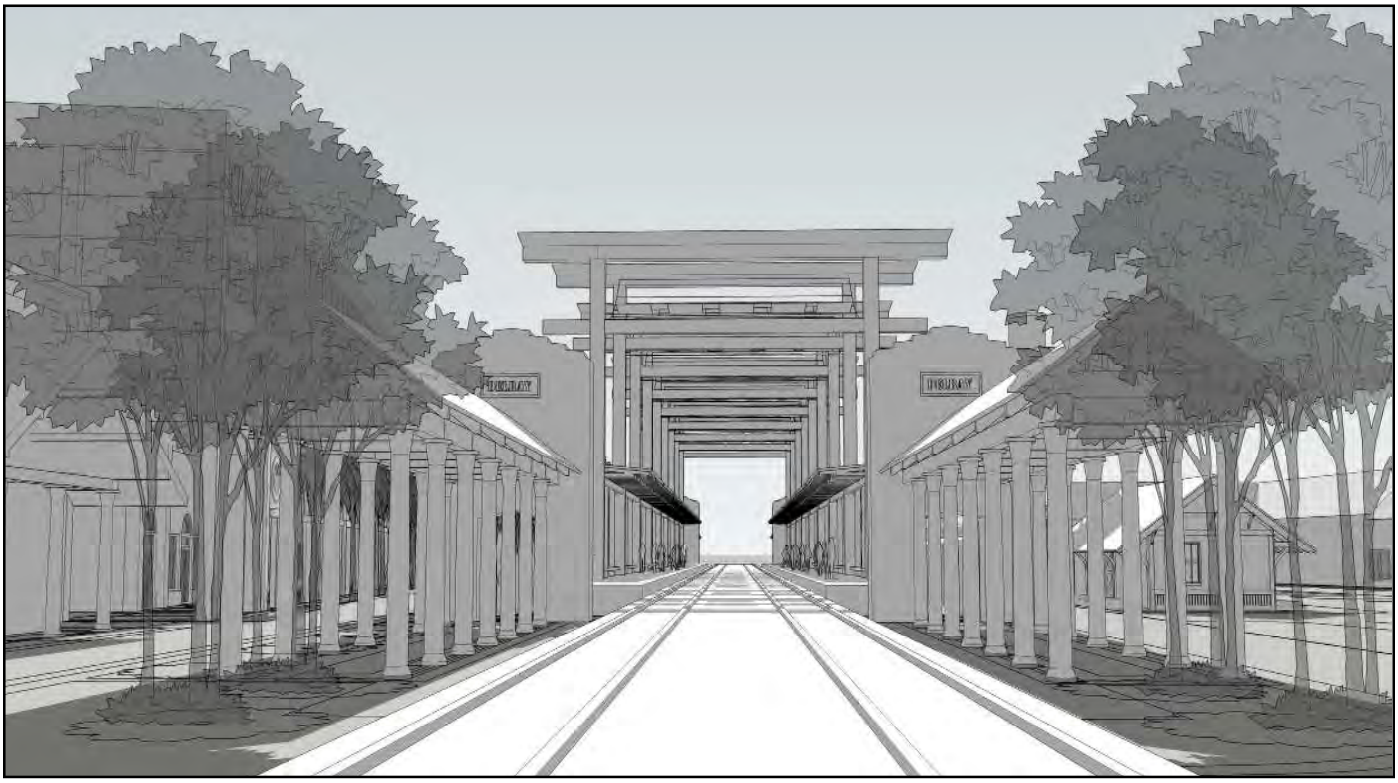
View looking north along NE 3rd Avenue as you come to the intersection of NE 1st Street.

View from the building's arcade adjacent to NE 3rd Avenue.

Redevelopment Scenario "B-1"

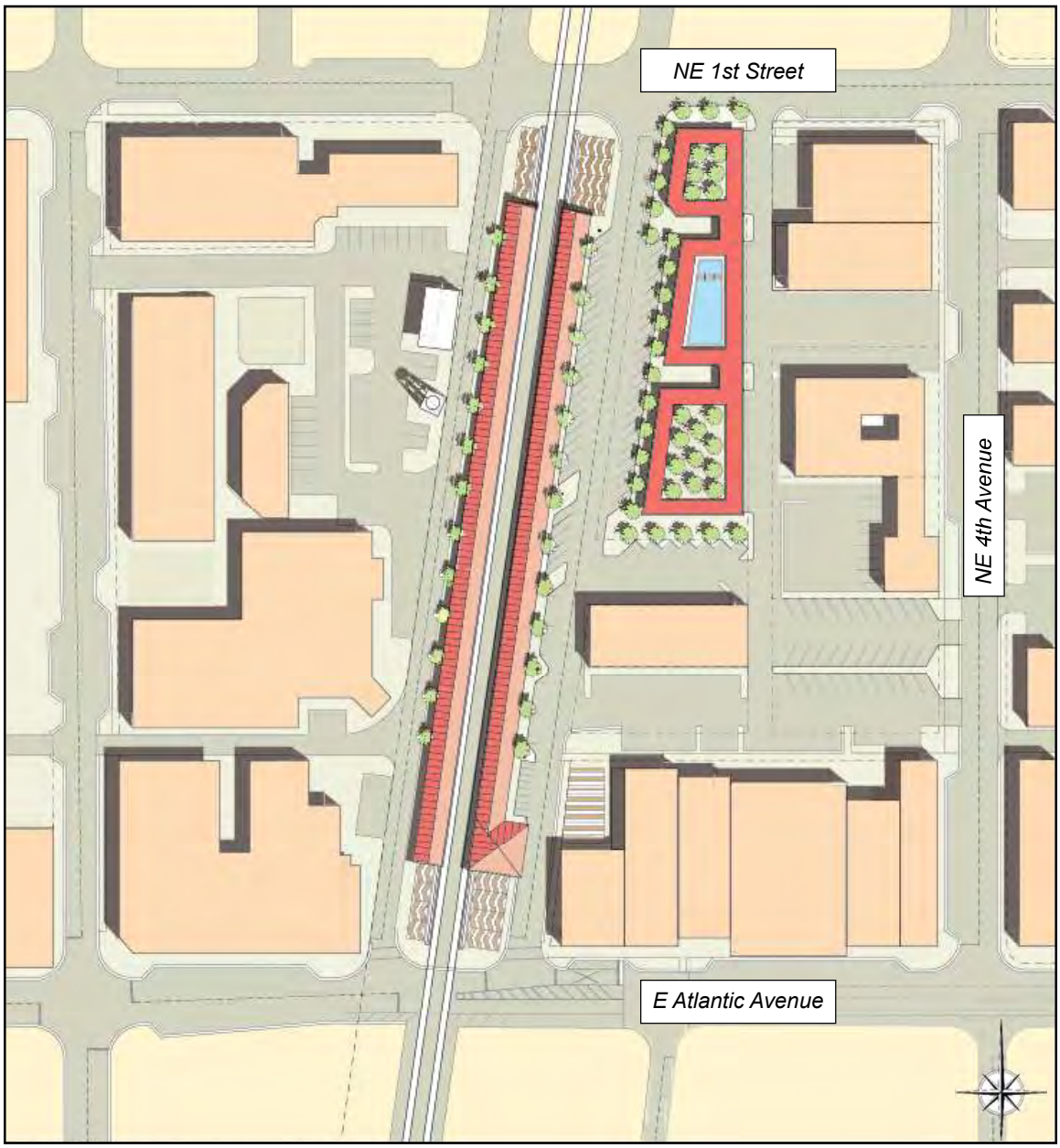


Computer rendering of the platform view looking north along the east side of the FEC Railway.



View from the center of the FEC Railway looking South as one approaches the platform of the station.

Redevelopment Scenario "B-2"

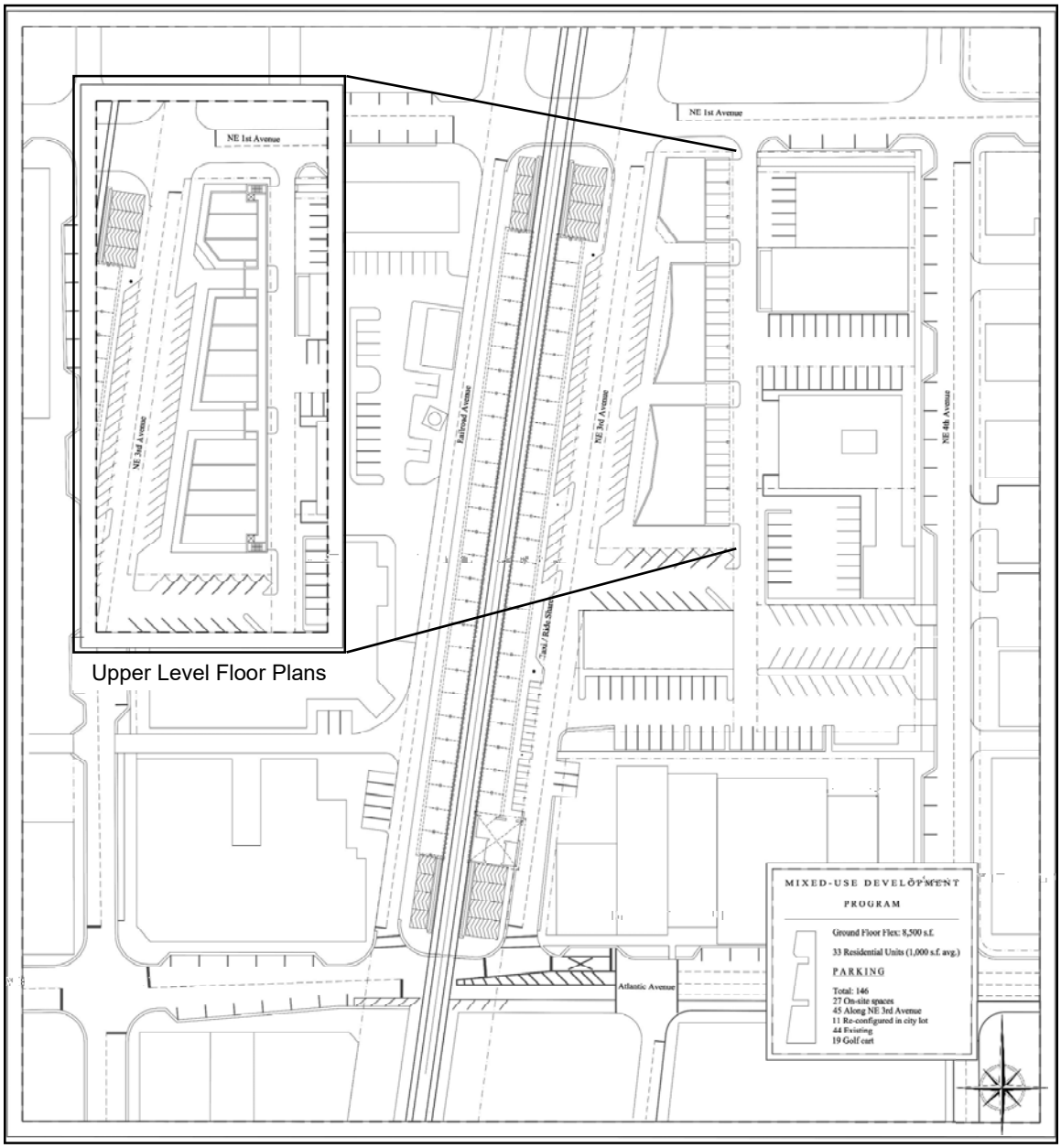


Redevelopment Scenario "B-2"

City-Owned Only "Surface Parking"

- 146 parking spaces (including 19 Golf Cart)
- Ground Floor =8,500 s.f. flex space
- Residential 33 dwelling units +/- 1,000 s.f.
- Roof Amenities-Garden/ Soccer/ Pool

Redevelopment Scenario "B-2"

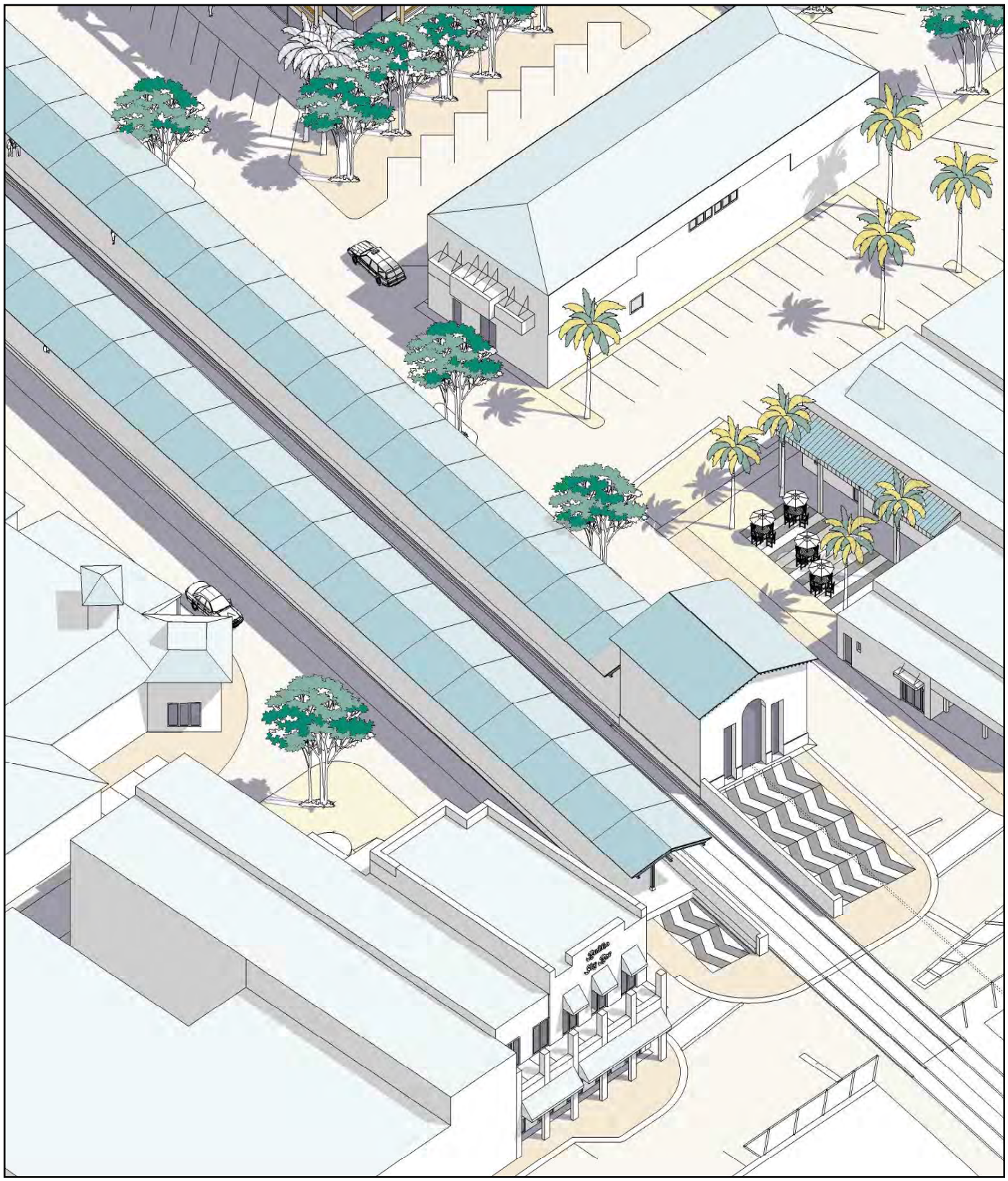


Ground level plan of Redevelopment Scenario "B-2", including upper floor plans. This option is the development of just the City-owned parcels.

City Owned Only "Surface Parking"

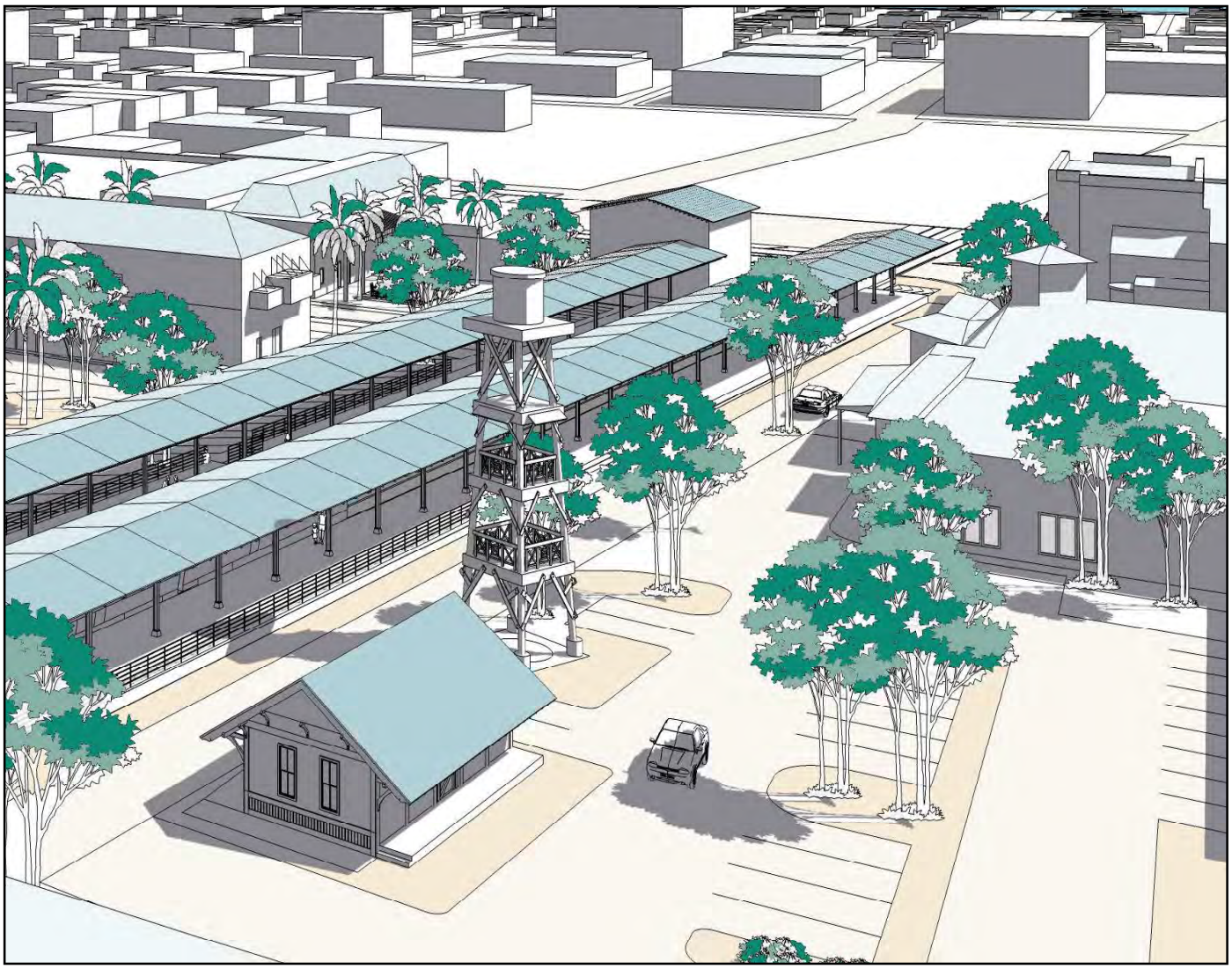
Redevelopment Scenario "B-2" only utilizes City-owned parcels and provides flexible ground floor space, residential units, and only a limited amount of surface parking. This particular design would provide head-in, diagonal parking along both sides of NE 3rd Avenue and would maintain the existing parking areas adjacent to the Silverball Museum. In addition, this scenario maintains the existing municipal surface lot facing NE 4th Avenue. The plan also illustrates a single row of head-in parking on the ground level of the proposed residential buildings.

Redevelopment Scenario "B-2"



Rendering of the future station with existing structures to remain at the intersection of E Atlantic Avenue and the FEC Railroad and including a new residential building.

Redevelopment Scenario "B-2"



The computer rendering above depicts the existing conditions on the West side of the proposed station.

Scenario "B-2" was intended to be the inverse of Scenario "B-1": whereby the principal use of the site is residential with no structured parking and with the design preserving as many existing parking spaces as possible. The approach for Scenario "B-1" was to have a principal use of structured parking with residential being a secondary priority. Ironically, Scenario "B-1" delivers slightly more residential units primarily due to the development of the municipal lot facing NE 4th Avenue.

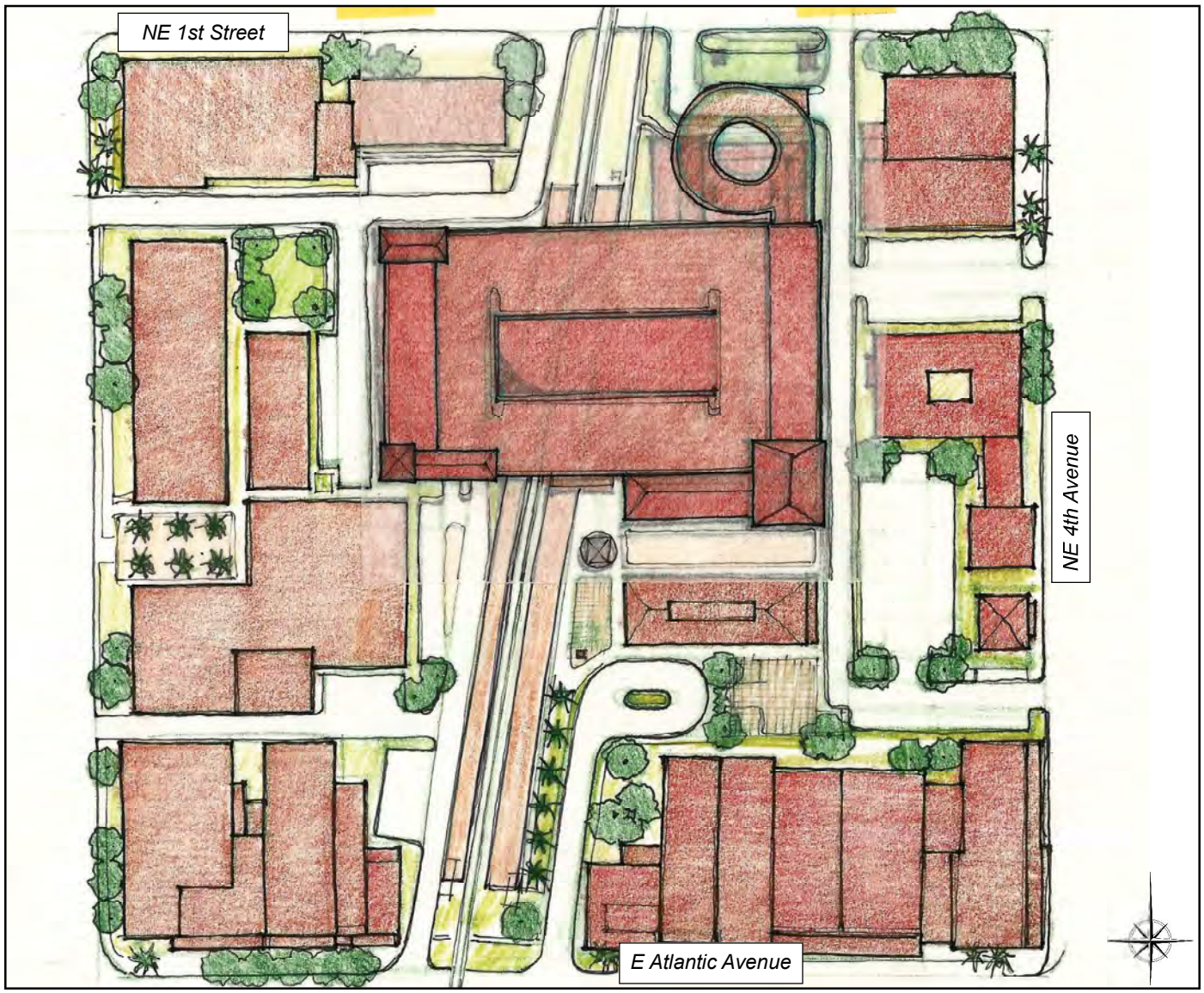
Scenario "B-2" is perhaps the best opportunity for the City to pursue a concentration of attainable housing. The provision of on-site structured parking will invariably impact the affordability of any new residential units at this site. Scenario "B-2", as currently designed, preserves as many existing on-site surface parking spaces as possible. This scenario, however, limits the overall number of potential new units. If the City were to pursue a residential development program that provided virtually no on-site parking (and utilized on-street parking and the Old School Square Garage spaces), this concept could yield another 20-30 residential units. The idea of developing an attainable residential project, adjacent to a future transit station, without the provision of typically required on-site parking spaces is a radical departure from standard development practices and regulatory requirements in the City today. In this case however, as the City owns these parcels and the Old School Square Garage, and could implement TOD specific parking policies, the City could consider this option and absorb the potential risk.

Redevelopment Scenario "B-2"

Top: View of the station platform from above.

Bottom: Computer rendering showing the platform and FEC Railway.

Redevelopment Scenario "C"



Conceptual plan for Redevelopment Scenario "C" - Building up and over the FEC to connect both sides of the corridor.

Develop All Parcels North of the Alleyway

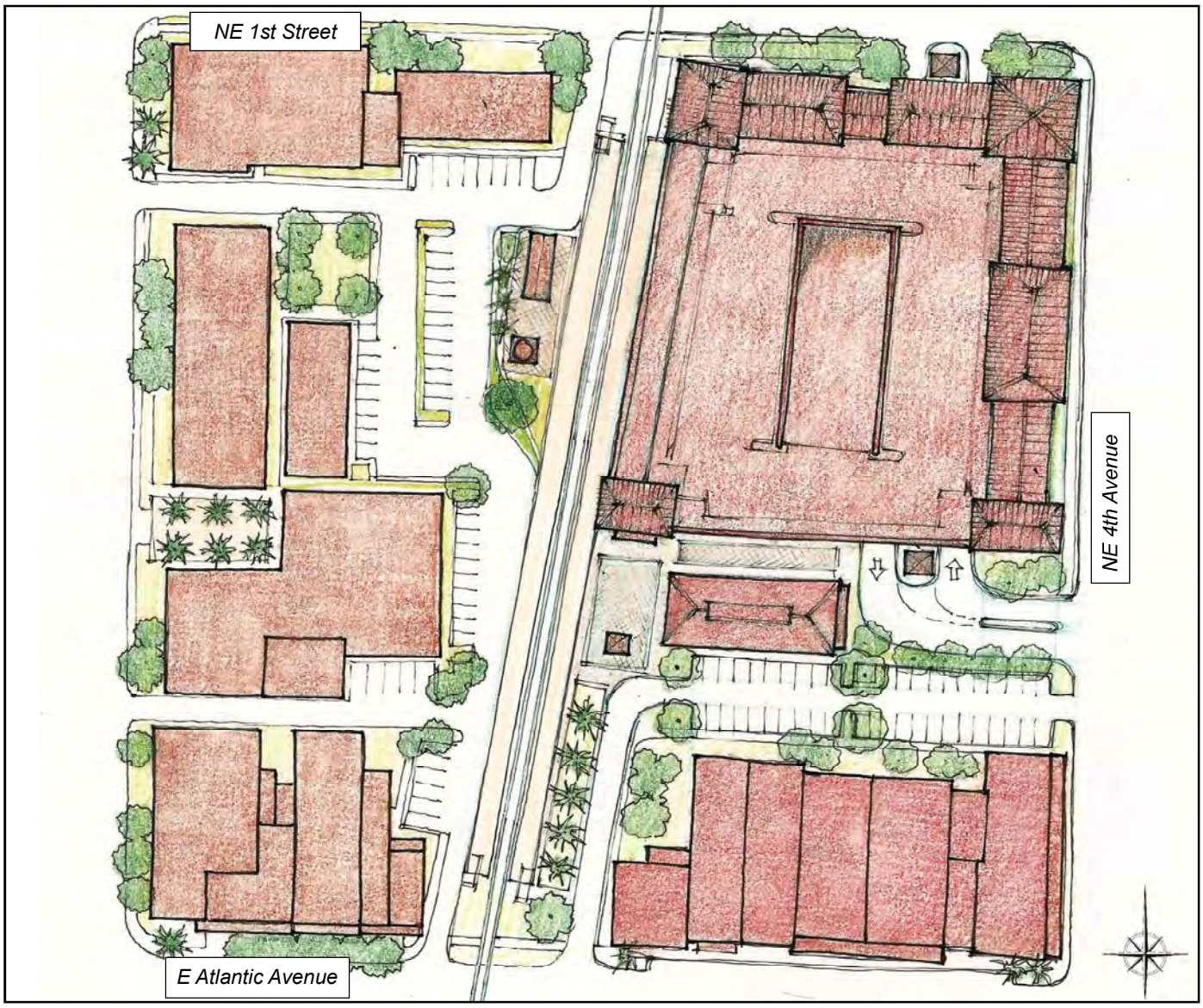
Redevelopment Scenario "C" was intended to be the most ambitious of the design approaches. Keeping all Atlantic Avenue-fronting businesses and buildings intact, this concept considers an assemblage of all properties north of the east-west alleyway immediately north of Johnny Brown's. The idea was to test the development yield and conceptual financials if the most intense mixed-use project possible was proposed for this area. Initially, the team looked at crossing over the tracks connecting the east and west sides of the FEC corridor. There are many challenges with this scenario, in particular where the "bridge" connects to the ground. One of the early ideas was to bridge the tracks with a couple of levels of parking to maximize the buildable area with the lower floor to ceiling heights of a garage considering the 54' height limit. As this idea was developed further, a number of obstacles became clear that would not permit feasibility. Once the minimum clearance height from top of rail to underside of structure (25'), the maximum building height of four floors (54'), and the potential constraints due to the high voltage overhead transmission lines were taken into consideration, the team decided that crossing the tracks would be a high-cost, low-return venture and chose not to pursue the idea in the conceptual plan.

Redevelopment Scenario "C"

Artist rendering of Redevelopment Scenario "C" where a pedestrian bridge would connect both sides of the corridor.

This section through the FEC corridor was developed to illustrate the concept of building over the tracks to increase the developable area of the TOD as well as create a stronger presence for the district. This drawing shows the limitations due to the required track clearance, the 54' maximum building height, and the overhead high-voltage power lines which all combined, significantly limit the potential of building over the tracks. The charrette design and economic team felt strongly that it was not feasible to pursue design options spanning the FEC corridor when only one additional floor was possible.

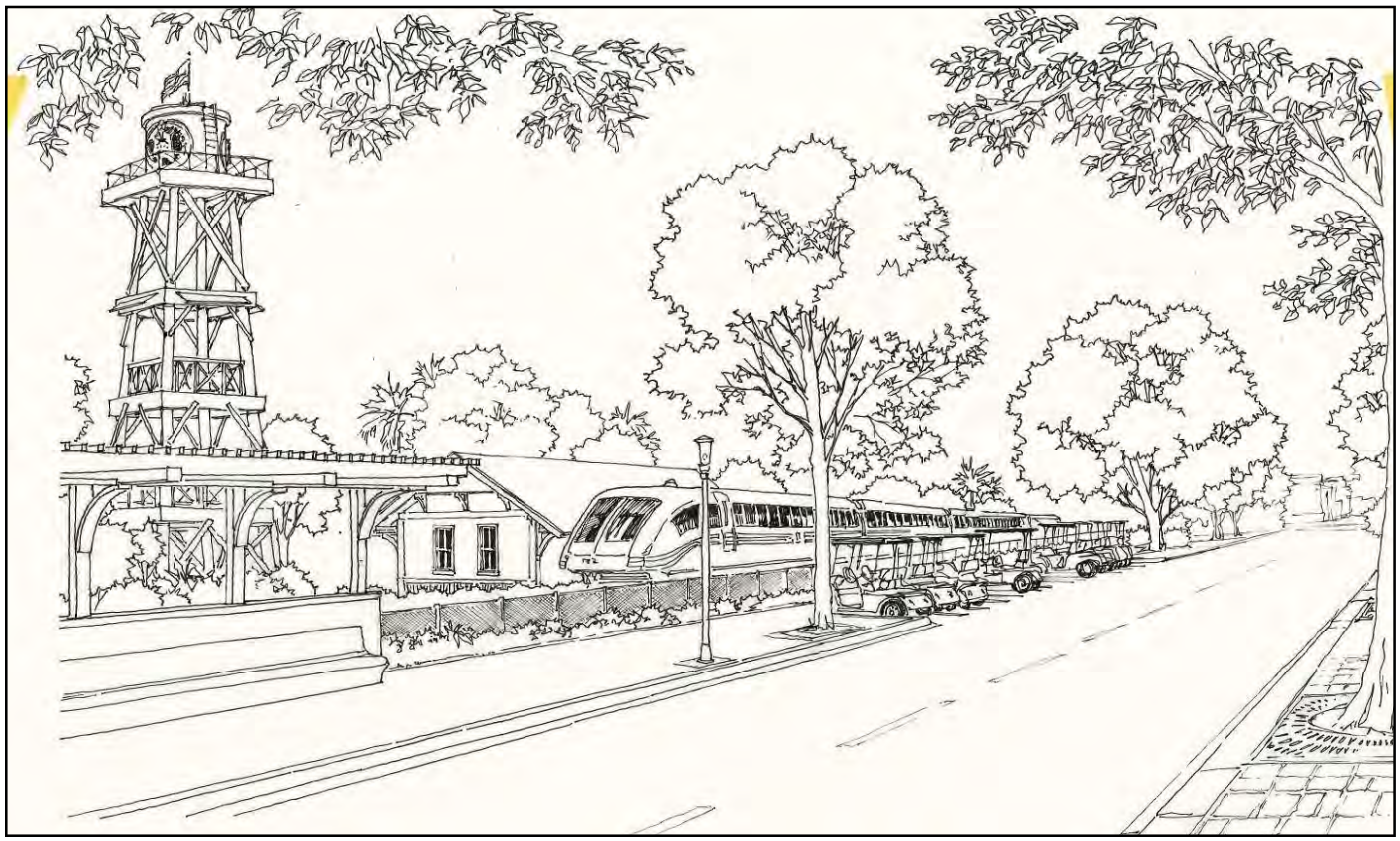
Redevelopment Scenario "C"



Conceptual plan for Redevelopment Scenario "C" - Building over NE 3rd Avenue.

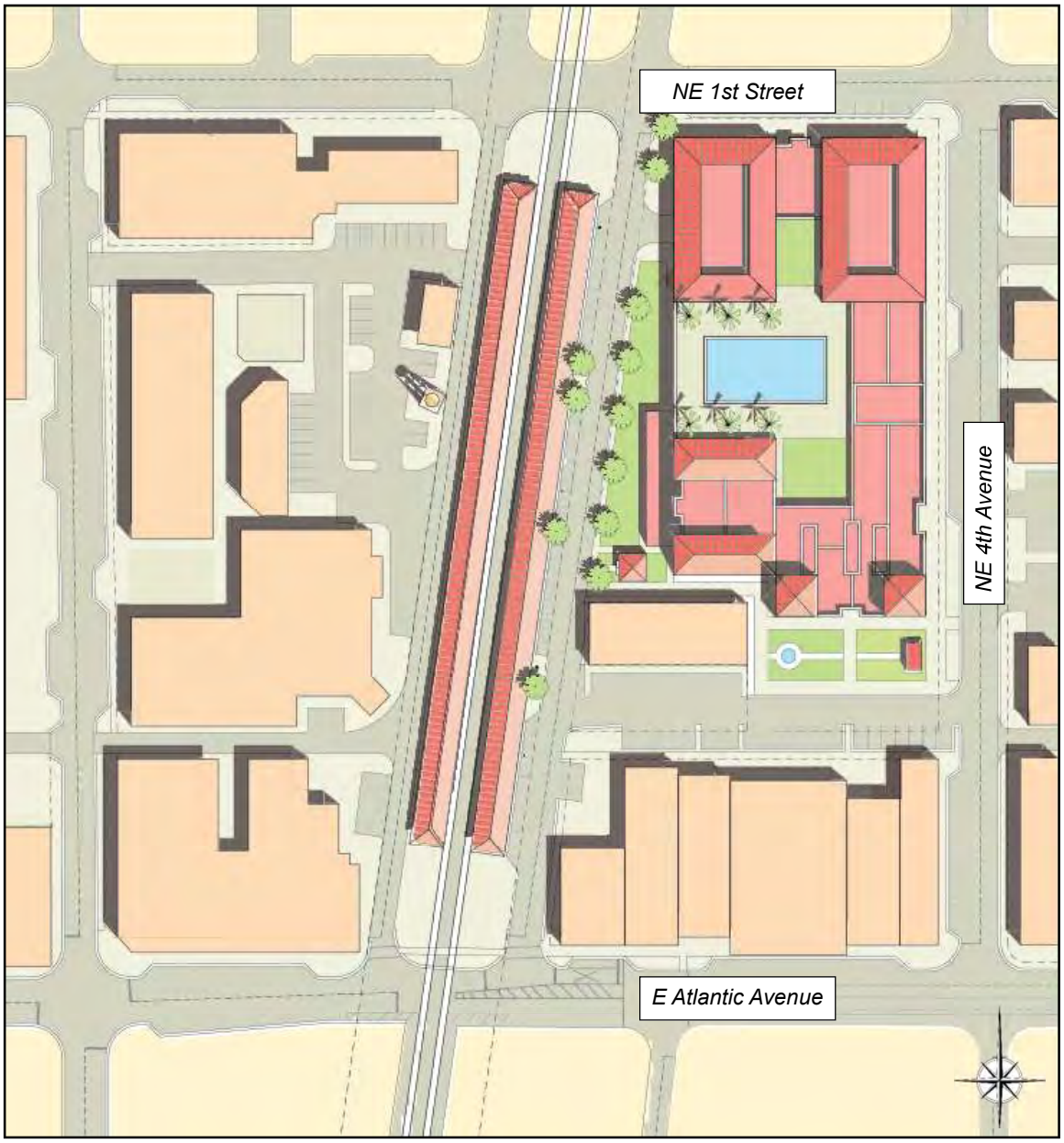
In the interest of maximizing the developable area of the site, an interim Scenario "C" proposal considered building over NE 3rd Avenue. In the image above the proposed parking garage extends to the edge of the future station platform. While more residential units and parking spaces could be delivered with this expanded footprint, concerns about creating marginalized conditions along the platform were raised. Maintaining NE 3rd Avenue as a through street and creating a vibrant public realm along the corridor was considered an important urban design element for the TOD. Finally, the recently updated Land Development Regulations (LDRs) for the Central Business District (CBD) clearly prohibit the abandonment of public rights-of-way for development, and in this scenario the roadway was not being replaced in another location.

Redevelopment Scenario "C"



Artist rendering of passenger service along the FEC corridor. Public space adorned with shade trees, and additional parking for Neighborhood Electric Vehicle (NEV) or golf carts available.

Redevelopment Scenario "C"

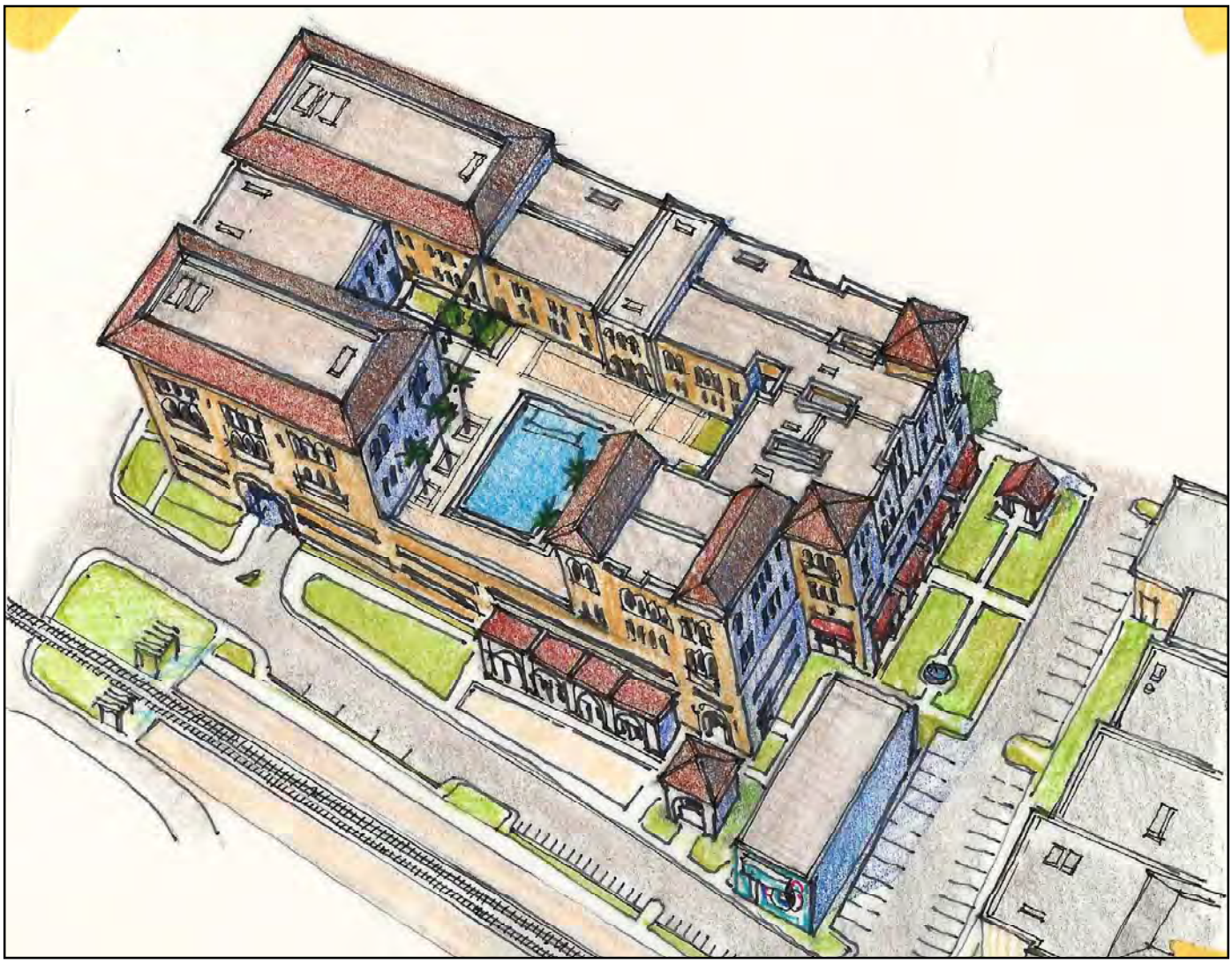


Redevelopment Scenario "C"

Develop All Parcels North of Alleyway with Exception of Silverball Museum

- 254 parking spaces - 2 Levels (including 34 Golf Cart)
- Ground Floor =29,350 s.f. flex space
- 2nd Floor =26,000 s.f. flex space office, apartments, or live-work units
- 3rd Floor =84 apartment units (1,000 s.f.) with roof amenity area

Redevelopment Scenario "C"



Artist's view from above of the final concept plan for Redevelopment Scenario "C".

Redevelopment Scenario "C"

Computer rendering with an aerial view of the proposed redevelopment scenario incorporating public roof top amenities.

Computer rendering of the public open space.

Redevelopment Scenario "C"

Artist rendering of Scenario "C". The view is looking east, where the Silverball Museum remains. Also illustrated in this image is the idea of promoting golf cart, or Neighborhood Electric vehicle (NEV) parking on-street to potentially replace some of the required vehicle parking.

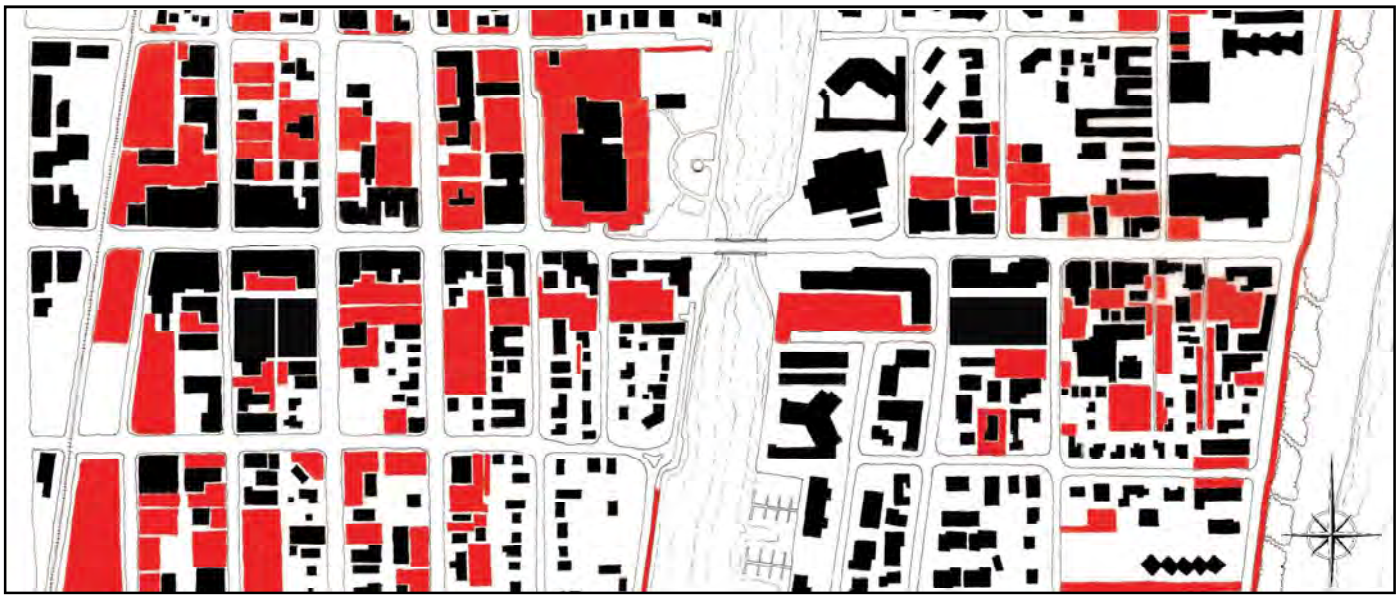
Parking

Parking is an issue that is consistently debated in most towns and cities within the region. Is there enough parking? Is there enough parking in the right location? Should we charge for parking? What are the implications of charging for parking? What are the implications of not charging for parking? All of these questions and more were still under debate during the Delray Beach TOD charrette in August 2017.

When TCRPC conducted the Delray Beach Master Plan in 2000, prior to the revitalization of downtown, parking was a primary concern. In fact, during that 2000 charrette, the design team counted all of the existing parking spaces (4,756) from the FEC corridor to A1A, from NE 2nd Street to SE 2nd Street. A figure-ground map was developed to illustrate the ratio of surface parking lots (in red) to building footprints (in black). This dramatic diagram emphasized the need at the time to encourage shared parking arrangements and to develop a municipal parking garage.

In 2010, Kimley-Horn and Associates (KHA) developed the Delray Beach Comprehensive Parking Management Plan. This thorough analysis reviewed the existing downtown parking supply and utilization, it reviewed existing downtown parking policies, including the payment-in-lieu-of program, and provided an overview of potential strategies. The report made recommendations for managing, and paying for parking management in downtown Delray Beach. While the report was well received, and some recommendations were incorporated into the 2015 Central Business District LDR update, the recession and public debate on how to proceed stalled the full implementation of the plan.

In 2016, KHA developed the Delray Beach Downtown Core Parking Demand and Utilization Study to determine the "necessity for and location of" additional future parking in downtown. Serving as an update to the 2010 Parking Management Plan, the 2016 utilization study provides an excellent overview of where people are parking, and when, in downtown Delray Beach.



Delray Beach Master Plan Parking Diagram
courtesy of: Treasure Coast Regional Planning Council 2000

Parking

The 2016 KHA utilization study clearly shows that the Old School Square Garage is currently underutilized for the majority of operating hours during the week. The KHA study observed and recorded parking utilization at eight different parking locations for nine one-hour blocks distributed over five days for a total of 19 observation hours. The tables below are from the KHA study and the two key locations for this study, the Railroad Parking Lot (TOD study site), and the Old School Square Garage are outlined in red.

Percentage of Utilization Categories

Utilization Range	Category
0.0% - 49.9%	Low
50.0% - 84.9%	Moderate
85% +	High

Table 3 – Observed Parking Utilization - Sunday

Sunday - 1/10/16					
Location	Parking Supply	9AM - 10AM		12PM - 1PM	
		Occupied Spaces	%	Occupied Spaces	%
Gladiola Parking Lot	74	18	24%	52	70%
Village Parking Lot	40	19	48%	22	55%
Railroad Parking Lot	198	46	23%	137	69%
Old School Square Parking Garage	525	39	7%	42	8%
Bankers Parking Lot	29	10	34%	6	21%
Cason Cottage Parking Lot	15	1	7%	0	0%
Robert Federspiel Garage	202	32	16%	74	37%
Monterey Parking Lot	85	9	11%	26	31%
TOTAL	**1,168**	174	15%	359	31%

Parking

Table 4 – Observed Parking Utilization - Tuesday

Tuesday - 1/12/16									
Location	Parking Supply	10AM - 11AM		2PM - 3PM		4 PM - 5PM		8 PM - 9PM	
		Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%
Gladiola Parking Lot	74	29	39%	60	81%	55	74%	55	74%
Village Parking Lot	40	14	35%	35	88%	24	60%	36	90%
Railroad Parking Lot	198	110	56%	157	79%	150	76%	152	77%
Old School Square Parking Garage	525	104	20%	169	32%	197	38%	290	55%
Bankers Parking Lot	29	18	62%	14	48%	14	48%	13	45%
Cason Cottage Parking Lot	15	14	93%	11	73%	12	80%	8	53%
Robert Federspiel Garage	202	64	32%	86	43%	89	44%	146	72%
Monterey Parking Lot	85	55	65%	59	69%	59	69%	82	96%
TOTAL	**1,168**	**408**	**35%**	**591**	**51%**	**600**	**51%**	**782**	**67%**

Table 5 – Observed Parking Utilization - Thursday

Thursday - 1/14/16									
Location	Parking Supply	10AM - 11AM		2PM - 3PM		4 PM - 5PM		8 PM - 9PM	
		Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%
Gladiola Parking Lot	74	30	41%	73	99%	60	81%	69	93%
Village Parking Lot	40	13	33%	33	83%	24	60%	36	90%
Railroad Parking Lot	198	124	63%	180	91%	183	92%	191	96%
Old School Square Parking Garage	525	102	19%	215	41%	191	36%	276	53%
Bankers Parking Lot	29	20	69%	17	59%	9	31%	12	41%
Cason Cottage Parking Lot	15	10	67%	17	113%	10	67%	9	60%
Robert Federspiel Garage	202	63	31%	95	47%	104	51%	135	67%
Monterey Parking Lot	85	60	71%	82	96%	68	80%	79	93%
TOTAL	**1,168**	**422**	**36%**	**712**	**61%**	**649**	**56%**	**807**	**69%**

Parking

Table 6 – Observed Parking Utilization - Friday

Friday - 1/15/16							
Location	Parking Supply	6PM - 7PM		8PM - 9PM		10PM - 11PM	
		Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%
Gladiola Parking Lot	74	70	95%	76	103%	69	93%
Village Parking Lot	40	38	95%	38	95%	23	58%
Railroad Parking Lot	198	186	94%	194	98%	200	101%
Old School Square Parking Garage	525	226	43%	467	89%	349	66%
Bankers Parking Lot	29	22	76%	28	97%	22	76%
Cason Cottage Parking Lot	15	9	60%	17	113%	8	53%
Robert Federspiel Garage	202	123	61%	185	92%	164	81%
Monterey Parking Lot	85	78	92%	82	96%	68	80%
TOTAL	**1,168**	**752**	**64%**	**1,087**	**93%**	**903**	**77%**

Table 7 - Observed Parking Utilization - Saturday

Saturday													
Location	Parking Supply	9AM - 10AM		12PM - 1PM		4PM - 5PM		6 PM - 7PM		8PM - 9PM		9PM - 10PM	
		Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%	Occupied Spaces	%
Gladiola Parking Lot	74	13	18%	53	72%	79	107%	78	105%	83	112%	77	104%
Village Parking Lot	40	12	30%	25	63%	31	78%	40	100%	40	100%	40	100%
Railroad Parking Lot	198	80	40%	174	88%	199	101%	205	104%	207	105%	217	110%
Old School Square Parking Garage	525	123	23%	279	53%	219	42%	295	56%	506	96%	418	80%
Bankers Parking Lot	29	12	41%	19	66%	16	55%	17	59%	25	86%	23	79%
Cason Cottage Parking Lot	15	2	13%	4	27%	3	20%	2	13%	10	67%	7	47%
Robert Federspiel Garage	202	46	23%	66	33%	118	58%	147	73%	200	99%	170	84%
Monterey Parking Lot	85	20	24%	58	68%	48	56%	80	94%	89	105%	82	96%
TOTAL	1,168	308	26%	678	58%	713	61%	864	74%	1160	99%	1034	89%

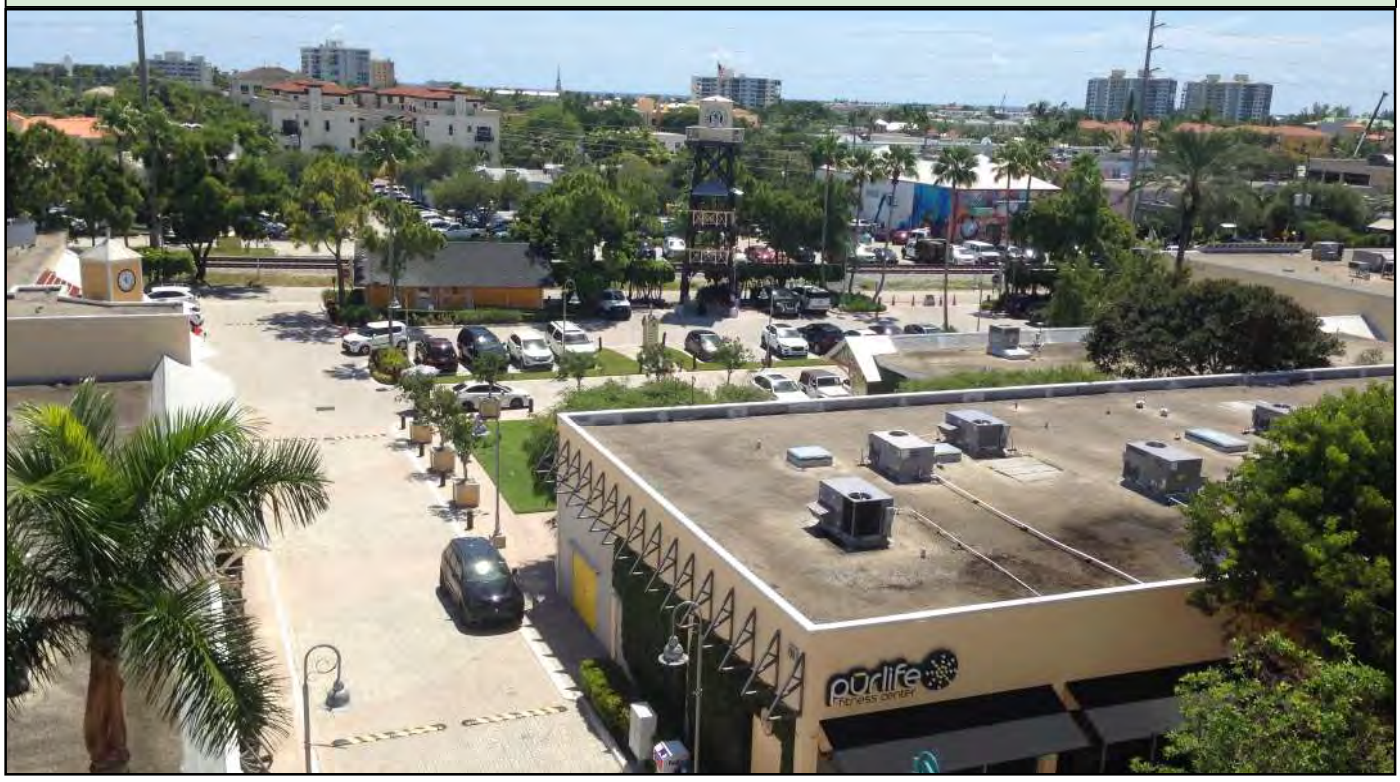
Parking

Utilization Comparison of the Railroad Lot and Old School Square Garage

Parking Area	Total Hours Observed	Low Utilization	Moderate Utilization	High Utilization	Highest % Recorded
Railroad Lot	19 hours	2 hours (10%)	6 hours (32%)	11 hours (58%)	110%
OSS Garage	19 hours	11 hours (58%)	6 hours (32%)	2 hours (10%)	96%

The Old School Square Garage contains 525 parking spaces. Based upon the percentages illustrated in the table above, between 525 - 262 parking spaces were available 58% of the time; between 260 - 79 parking spaces were available 32% of the time; and up to only 78 spaces were available only 10% of the time. At the time of the greatest utilization recorded, 96% between 9 pm and 10 pm on Saturday night, 21 parking spaces remained available. Other opportunities also exist for the garage building; shade structures could be installed on the roof that generates solar electricity and occasionally the rooftop could be repurposed for public events.

450 feet from the Future Platform to the Old School Square Garage (102 second walk)



View from the Old School Square Garage.

Parking

Existing Conditions of the roof top of the Old School Square Garage

Computer Rendering of the roof top of the Old School Square Garage with added shade structures. These structures would not only provide shade for vehicles but be clad with solar panels to generate electricity for the garage.

Parking

Computer rendering of the Old School Square Garage's roof top, serving as a public space in the evening. Some of the power generated could be used to light the roof top for parking and social purposes.

Public Policy

Consider Development Increases	Potential Criteria	Coordinate with P&Z
• Density • Height • Reduced Parking Minimums • Rooftop Uses	• ¼ Mile from Station • Golf Cart Parking • Smaller Residential Units • Off-Site Parking Considerations • Increased Civic Open Space • Bike/Ped Allowances	• Comprehensive Plan Update • Modifications to the LDRs

Public Policy

In February 2015, the City of Delray Beach adopted updated Land Development Regulations (LDRs) for the Central Business District (CBD). The revised LDRs promote redevelopment that activates the street, minimizes parking exposure to the public realm, promotes mixed-use and the adaptive reuse of buildings, and provides strict limitations to building heights in downtown. In addition to the new LDRs, the City adopted a companion document, the City of Delray Beach – Central Business District - Architectural Design Guidelines. The Design Guidelines provide applicants with clear standards for appropriate architectural style, building composition, and massing in Delray Beach.

When these LDRs were adopted, there was discussion regarding the need for incentive programs to promote specific uses, targeted industries, and any number of specific community benefits. At that time, consensus was not reached regarding what, if anything, should be incentivised. With a future transit stop planned at this location, workforce housing may be preferred in successfully developing a Transit-Oriented Development District. Below is a list of potential policy and code modifications that should be considered as part of this new district.

TOD District
(1/4 radius from the Tri-Rail Coastal Link Station in CBD)

- •Link up to 150 parking spaces at Old School Square Garage as the source to provide the parking needs for future residential development within the TOD District on a first come - first served basis.
- Allow for residential densities greater than the currently allowed 30 dwelling units per acre as a bonus incentive consistent with the Comprehensive Plan.
- Grant a 3-story height bonus for residential development that provides 80% workforce units and limited on-site parking for residential.
- Grant a 2-story height bonus for residential development that provides 50% workforce units, 50% increase in required public open space, and limited on-site parking for residential uses.
- Allow a minimum residential unit size of 450 s.f. for 100% of all units provided.
- Require limited on-site parking for future residential uses in the TOD District.
- Allow surface golf-cart parking spaces to replace up-to 30% of all non-residential parking spaces.
- Allow golf-cart parking spaces provided within a structure to replace up-to 15% of all non-residential parking spaces.
- Do not permit height and density bonuses in historic districts or facing Atlantic Avenue.
- The TOD District should serve as a receiving area for future Transfer of Development Rights (TDR) programs, which serve a clear public purpose such as historic preservation, etc.

Key Recommendations and Implementation

The success of any master plan depends upon its ability to be implemented economically and politically within a given time frame. To that end, the recommendations throughout this report have been developed as independent but interrelated projects. Some projects, such as regulatory revisions and streetscape infrastructure, are within the City's control to pursue implementation, with funding usually the primary challenge. Some public infrastructure projects, namely the FEC corridor gateway and pedestrian passages, will require the coordination with multiple agencies including FDOT, FEC, Brightline, the Palm Beach TPA, and the City, the Delray Beach CRA, and the Delray Beach DDA.

Policy Direction

The Delray Beach TOD Master Plan illustrates a series of different development scenarios, each with different objectives and degrees of impact to the site and downtown. The plan, at a schematic level, identifies potential development programs in residential units, non-residential square footage, and parking provided. In addition, and unique to this effort in Delray Beach, the Market Study has provided a financial analysis of each scenario to assist the City making decisions about how to proceed; what type of development, at what intensity and with what uses are the most beneficial to the City?

It is important that the City leaders articulate the priorities for the public real estate assets within the study area and how a passenger rail station affects surrounding development potentials and expectations. During the charrette and planning process many ideas were proposed by the public, many in conflict with each other. The Market Study provides insight into which uses and quantities are supportable at this location and which uses and quantities are not. While useful in the decision making process, the market data and analyses can only help inform the prioritization of public objectives and policy. It is important that the City establish its priorities for the TOD district, relative to the findings of this report, as soon as possible.

Key areas for discussion:

Return on Investment

What are the City's financial expectations for these parcels? Must the City make a positive return on its assets or is achieving certain public goals, even if it costs the City money, the higher priority?

Housing

The Market Study shows that market rate housing is the strongest potential use for the TOD site. Considering the City owns most of the land and can pursue desired outcomes, should the TOD be prioritized for workforce housing? Should the housing program be targeted towards those who are more likely to ride the train and therefore need fewer parking spaces and more affordable units? Is the City willing to consider greater densities and potentially taller buildings to achieve housing goals?

Parking

Parking, as either the principal use of the City or in support of housing, comes at a great cost. The expense

The project illustrated above is the Mallory Square townhouse development which is located on US 1 in Delray Beach, Florida. Mallory Square was one of the first medium-scaled residential projects in Palm Beach County to locate on such a significant, auto-oriented corridor. The conventional wisdom was that US 1 and other similar commercial arterials would not support residential uses. When located in proximity to a downtown or emerging mixed-use area, these projects have proven very successful. The City of Delray Beach stands again to set the standard for emerging development trends with the future TOD district.

of building structured parking (estimated at $21,000 per space in the project financials) is obvious and those costs are passed on to the buyers or renters of the units. Maintaining existing surface parking also comes at the expense of under-utilized land that cannot be developed for a greater purpose than parking cars. Is providing large quantities of parking adjacent to a future regional transit station a priority for the City? Consider the proximity to, and utilization of the Old School Square Garage. Would the City consider eliminating on-site parking to achieve other goals?

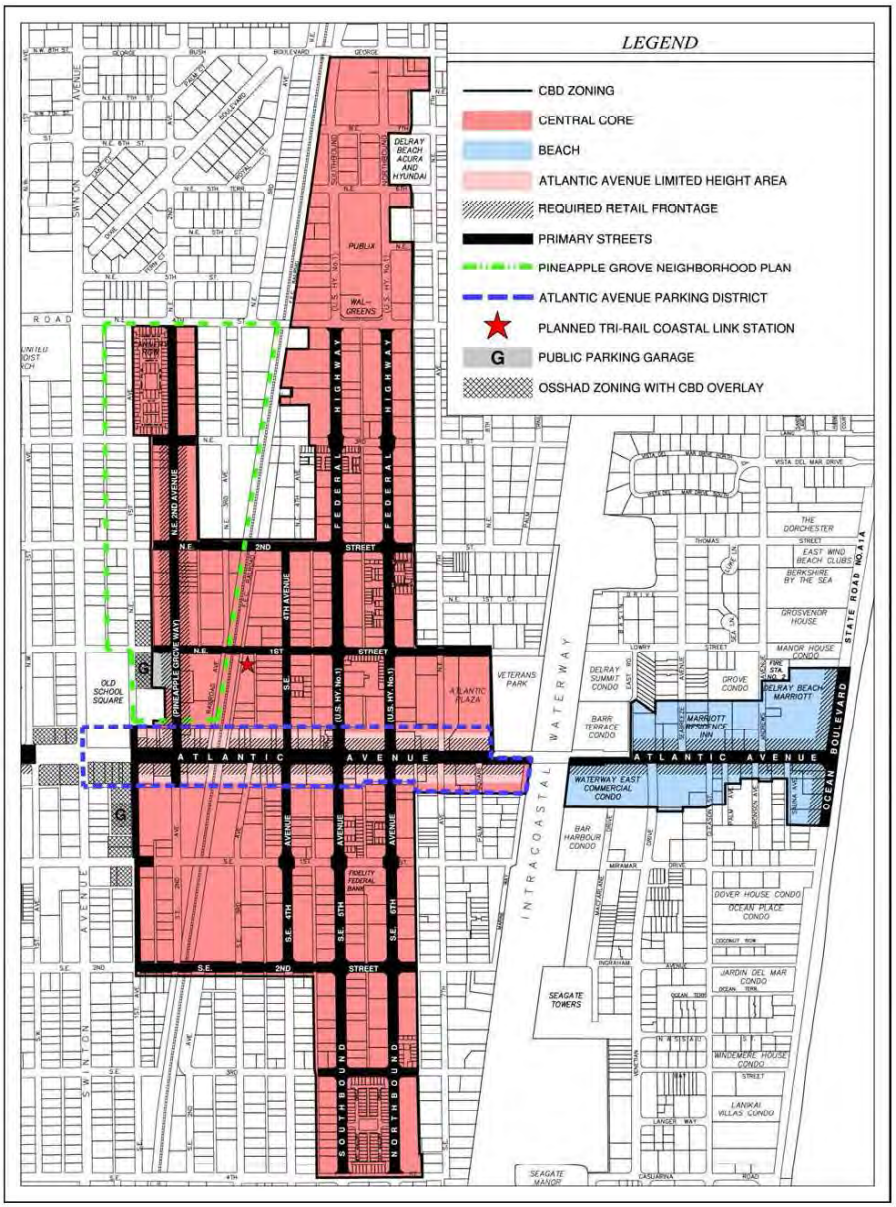
The existing TOD site is the Railroad Lot, immediately north of Atlantic Avenue. Currently the parking is free and is popular with downtown employees who could be parking in the Old School Square Garage just a few hundred feet away.

Public Policy

As discussed earlier in this report, the concept of developing a TOD District to allow for unique

accommodations (height, density, parking relief, etc.) within a quarter mile of the future station location should be considered. The TOD benefits might be limited to CBD zoned properties only and might have a limited duration. The current allowable density within the CBD today is 30 dwelling units/acre. The City should consider increases in allowable densities and potentially building height within the TOD District. The proposed TOD district would encompass those properties within a ¼ mile radius and depending upon their current zoning (Central Business District, Old School Square Historic Arts District, etc.), their allowances would be tailored appropriately to the specific needs of each district.

Figure 4.4.13-5 – Central Core & Beach Sub-districts Regulating Plan



The image to the left is the Delray Beach CBD Regulating Plan adopted as part of the Land Development Regulations update in 2015. The new form-based code established clear instructions for investors and developers and was designed to accommodate future incentive programs like the TOD District.

Public Property Disposition Alternatives – Advantages & Disadvantages

Publicly owned property represents an asset held by city, state, national or some other public entity that can be used to provide some form of public benefit. That benefit may take many forms:

- Public open space
- Public parking
- Closing the economic gap on affordable housing through a reduction in land value
- Development of public services structures, educational and cultural or recreational facilities
- Long-term expansion opportunities for future growth of public facilities
- Environmental areas such as wetlands, ecological/wildlife/plant conservation areas

To varying degrees, each of these 'public' uses serves to address a necessity and benefit for the general public, and also constitutes a responsibility for governmental units, whether in protecting resources or providing leveraged redevelopment opportunities. In circumstances in which publicly owned property could be redeveloped, increased in density or significantly changed in its use, there are different options for the approaches to capturing that development potential.

The five primary approaches are:

1. Government as Owner/Developer
Redevelopment by the governing public entity, which could range from a city government to a regional authority (such as a transportation authority, a parks authority or other), state or national government. In this case, the governmental entity would be the 'developer' of the site, with complete control, complete responsibility for financing and maintaining the facility, and future responsibility for management and operations of the facility, whatever purpose it may serve.

2. Fee Simple Sale to the Private Sector
The public sector can sell property to private interests on a fee-simple basis, but can restrict/incentivize redevelopment through tools such as zoning, density allowances, requirements of provision of public uses (such as open space, affordable housing, business start-up space, parking or other public facilities) to influence what is allowed to be developed.

3. Ground/Land Lease
Publicly held land and/or facilities can be leased (most often on a long-term basis ranging from 50 to 99 years) to private entities for development/redevelopment. Under this approach, the underlying land remains in public ownership in exchange for a rental revenue stream (called a ground lease or land lease) paid by the private investors to the public sector owner. The value of that ground/land lease is negotiated, but may also include a reversion clause in which any vertical development (buildings or other improvements paid for by the private sector lessor) would transfer back to the public entity at the time the ground/land lease term ends.

4. Joint Venture Partnership
In a public/private Joint Venture, a legal partnership agreement is structured between public and private entities, but with the public sector partner retaining some share of the project equity, as well as sharing in the project risk (that is, responsibility for a negotiated share of losses as well as gains) and any resulting benefits.

The share percentages are negotiated, and can include contribution of land as a minority equity share, but with the majority of risk, all financing and a greater percentage of profits allocated to the private investment partner(s).

5. Public Private Partnerships/P3's

This model, which has grown in public sector interest as a result of needs for public infrastructure over the past ten years, is structured in a way in which the public sector negotiates some form of participation in a project with the intent to provide a clearly defined public benefit as a result of its participation. P3's, as they are commonly known, offer the widest range of negotiable components, and are currently expanding as a mechanism to leverage public resources (whether land, financing or development policies) to achieve a public objective in a project that is financed, developed and managed by private interests. P3's can include consolidation of projects and services through private partners, including design/build contracts, build and transfer, ongoing project management or other combinations over the term of the agreement.

The Advantages and Disadvantages of each approach are summarized below.

1. Government as Owner/Developer

Advantages:

- Can take direct actions, but within public approvals and available public funding
- Development programs can be fully public in nature, without outside developer investment requirements
- Public buildings and projects are usually eligible for lower cost public financing (i.e. revenue or General Obligation bonds, capital investment budgets, etc.)

Disadvantages:

- Limited precedents for government development other than public facilities (police and fire stations, schools, libraries, recreational facilities, government buildings such as City Halls, County buildings, state buildings, infrastructure); commercial development is not a core mission for governments.
- Public sector is often less able to tightly manage budgets, cost overruns, change orders
- To avoid overspending, quality of design and construction may be lower than privately developed projects
- Decision an implementation process may be affected by election cycles, changing priorities by e elected officials

2. Fee Simple Sale to the Private Sector

Advantages:

- Straightforward transaction, many legal precedents
- Sales proceeds go directly to governing entity, up-front revenue boost
- Liabilities and other obligations shift to purchaser, can reduce exposure for some site conditions to public sector (assumes complete transparency in disclosures of environmental, tax liens, or other obligations attached to the property
- Public sector can influence project resulting from sale through zoning, density and other property rights granted above existing zoning, provision of public funds to reduce costs of financing, land use restrictions, negotiated development proffers, etc.

Disadvantages:

- Once a sale has occurred, any potential future value enhancements (beyond sale revenues and higher property taxes) transfer to private sector owner; a public asset is no longer 'public'

- Establishment of post-redevelopment 'value' as a component of the sale price may be hard to balance against private negotiating positions
- If the City or county is approaching full build-out, could increase future pricing of additional public facilities required by long-term growth; land (and particularly public land) is not infinite
- Government has less experience with commercial real estate and may not negotiate efficiently to reach a full and fair sales price; this is an issue if the public sector goal is to maximize/optimize revenue enhancement rather than another 'public' goal

3. Ground Lease/Land Lease

Advantages:

- Ground leases significantly reduce developer costs because the access to land does not require full purchase price
- Public entity receives ongoing revenues from ground lease agreement; lease rates can be flat (i.e. "predictable" for bond financing or other public revenue programs) or can include multipliers for inflation, value enhancements, etc.
- Public sector retains ownership of land over time
- Public sector retains any buildings, takes ownership of infrastructure or other 'vertical' development at end of ground lease term
- Depending on site size and context, development program can be negotiated to address designated public sector goals (affordable housing, public parking, open space and/or public facilities)
- Project can be completed with low investment by public sector
- Since land remains in public ownership, all private improvements are fully depreciable, improving ROI for private lessor/developer
- Depending on negotiated requirements, can obligate lessor to provide amenities/public benefits at low cost to public sector

Disadvantages:

- To achieve financing and investment, ground leases are long-term, usually minimum of 30 years, and frequently 50 to 99 years; long term commitment means property unavailable for up to a century
- If the leasehold and improvements are sold before the ground lease term is up, the value may be lower than a fee-simple sale because of the more complicated ownership/control approach
- Because private sector lessors don't own the property, may require higher equity commitments or complicated lender subordination terms; public 'owner' is almost always subordinated to other financial participants because of risk allocations
- Private sector controls land and improvements throughout ground lease term; public revenues limited to negotiated lease amount
- If development programs/objectives are not met, or developer defaults during ground lease term, could become a management issue for future government entities, particularly if ground lease revenues are linked to other public financing instruments
- Liabilities should rest with lessor, but may become an issue over time, depending on changing programmatic needs, environmental issues or other legal concerns
- Overall project/property values tend to become less and less over the term of the ground lease; vertical development typically is considered a diminishing asset

4. Joint Venture Partnership

Advantages:

- If structured properly, joint ventures (JV's) can generate higher revenues to the public sector partner over the life of the agreement

- Public sector land can be capitalized as an equity commitment to the project, generating up front revenues and a revenue stream over time
- Developer risk is lower if part of the risk is shared by other partners, including public sector/ government partners
- Revenues may flow to public sector partner, either based on cash flows or potential project sale
- Can be used to address public interests/public benefits

Disadvantages:

- Governments may or may not be able to participate as Limited or Unlimited Partners depending upon state regulations
- Relatively few examples of JV's between governmental units and private development companies; more typical JV's occur between developers and investors, developers and family trusts or institutions that want low risk, steady revenues over many years, or corporate/institutional property owners and developers seeking access to properties with limited availability
- Calculation and distribution of net profits may require careful monitoring of cash flow, management costs and developer overhead/fees under a JV agreement
- Liabilities are shared between public and private JV Partners
- Public JV partnership may be considered a liability for private sector financing due to political uncertainties
- Public sector JV partners must carefully structure terms of participation to avoid financial obligations in case of default, termination, unanticipated 'put and call' provisions

5. Public/Private Partnerships, or P3's

Advantages:

- Maximum flexibility for the public sector in deal structuring; everything is negotiable
- Opportunity to leverage public funding and land use policies to attract private investors, developers and managers
- Because the objective is to achieve some form of public benefit, most of the financial risk is assumed by the private sector partner
- Operational and implementation risks are transferred to the private sector partner from the governmental partner
- Depending on the structure of the partnership, the return on investment is typically spelled out in the contract, but final payment is often based on performance
- Under P3's both the public and private partners can do what each does best – the public side achieving some form of benefit for the public good (provision of public assets or services such as affordable housing, public open space or amenities, etc.); the private side is usually more efficient at cost containment, management of change orders, and commercial/market responsiveness
- Because of private involvement, quality of design, construction and materials may be higher than on purely 'public' projects
- As appropriate, lower cost public financing mechanisms may reduce developer (and overall project) costs, improving feasibility
- Less public sector experience in commercial real estate may be an advantage for private interests in negotiating deal terms

Disadvantages:

- Public sector may not achieve maximum/optimum deal terms due to private sector development experience and private assumption of greater risk
- Project scale may affect whether private interests can gain enough returns to participate; may be fewer prospects who want to deal with additional deal complexities and obligations

- Election cycles for public officials may be viewed as commitment risks by private investors
- While implementation under P3's may be more efficient, the time required to establish terms, negotiate and execute a partnership agreement lengthens the process, and increases initial 'carrying costs' for private interests
- Default or failure by private interests over time may become a public obligation for the governmental partner
- Real estate cycles and changing financial/capital markets can alter returns for private partners
- P3's require "patient money" from private partners; this may limit the field of potential developers willing to participate
- Limited and inconsistent prototypes in the U.S.; early examples of toll roads in multiple states and "sale" of parking meter revenues in Chicago demonstrated notable gaps in public sector negotiating capacity and/or negative outcomes. While likely to increase as an implementation approach, recent history suggests careful and deliberate decisions by both public and private partners are necessary

The recommended approach to realizing the TOD District is a combination of policy decisions and physical infrastructure projects. The approach is divided into three phases: short-term actions, intermediate actions, and longer-term actions. The total timeframe comprises a five-year period. The implementation timeline depends upon when the City begins to execute the recommendations of this plan.

While this plan and the included designs, analyses, and recommendations are specific to the future Tri-Rail Coastal Link service, and the start date of that service has not been defined, the City can embark on many physical improvements and policy revisions that will help ensure the success of the future transit service. The investments the City makes into the TOD District prior to the start of the Tri-Rail Coastal Link service will enable the City to best leverage its own assets within the district for the greatest public benefit.

The following are recommended Action Items to foster the successful implementation of the Tri-Rail Coastal Link TOD Master Plan.

Short-Term Actions (6 months - 12 months)

1. Adopt the Delray Beach TOD Master Plan by resolution
    a. Define station location as shown;
    b. Guide to future improvements;
    c. Guide to redevelopment strategies and cost/benefit assessments.

2. Station Design and Implementation
    a. Program CIP funding for project design;
    b. Begin design development of station alternatives;
    c. Develop cost estimates;
    d. Seek funding sources to assistant with hard and soft project costs.

3. Priority List for TOD district
    a. Identify and list key City priorities for the TOD district
        i) Desired uses;
        ii) Importance of parking;
        iii) Expected Return on Investment.
    b. Publicly vet and document priorities
        i) Public workshop for further input;
        ii) Adopt resolution outlining priorities.
    c. Establish a clear direction for the TOD district

Image of proposed pedestrian improvements along the FEC tracks and NE 3rd Avenue.

4. TOD District
    a. Workshop potential development incentives
        i) Height, Density, Parking;
        ii) Specific District Boundaries;
        iii) Impact to other districts.
    b. Coordinate with City Comprehensive Plan update
    c. Include results of TOD District workshop into priority resolution

5. Establish a preferred methodology for developing the TOD
    a. Owner Developer;
    b. Fee Simple Sale;
    c. Ground Lease;
    d. Joint Venture Partnership;
    e. Public Private Partnership;
    f. Request for Proposal (development climate and market to establish best relationship).

6. Corridor Enhancement Plan
    a. Coordinate more permanent and appealing pedestrian improvements along the tracks with FDOT and FEC/Brightline;
    b. Identify FEC corridor enhancements in the city's Capital Improvement Plan (CIP);
    c. Develop concept and cost estimates for desired improvements;
    d. Begin detailed planning and design.

Intermediate Actions (6 months - 24 months)

1. Station Design and Implementation
    a. Seek funding sources to assistant with hard and soft project costs;
    b. Program CIP funding for capital improvements (in coordination with TRCL schedule).

2. TOD Connectivity Improvements
    a. Evaluate specific bicycle, pedestrian, and shade tree enhancements within the ½ mile radius of the TOD District;
    b. Contemplate potential tree removals (from the TOD site) and receiving sites for those trees – ala Community Greening.

3. Begin Codification of TOD District Regulations
    a. Consider TOD Overlay within the half-mile radius;
    b. Consider Limited-duration options.

4. Parking
    a. Implement a context sensitive pay-for-parking program in downtown Delray Beach;
    b. Make rooftop improvements, including solar paneled shade structures, to the Old School Square Garage;
    c. Assess the need for golf cart or neighborhood Electric Vehicle (NEV) parking in downtown;
        i. Test a program to replace standard vehicle parking with NEV parking;
        ii. Survey community on popularity of the NEV parking.

5. Finalize TOD Strategy
    a. Identify desired program;
    b. Incorporate TOD incentives into updated Development Scenario;
    c. Run final financial models of preferred development scenario to understand fiscal impacts prior to pursuing development partner;

6. Begin construction of corridor pedestrian improvements along FEC tracks.

7. Adopt TOD District regulations.

Longer-Term Actions (2 Years - 5 Years)

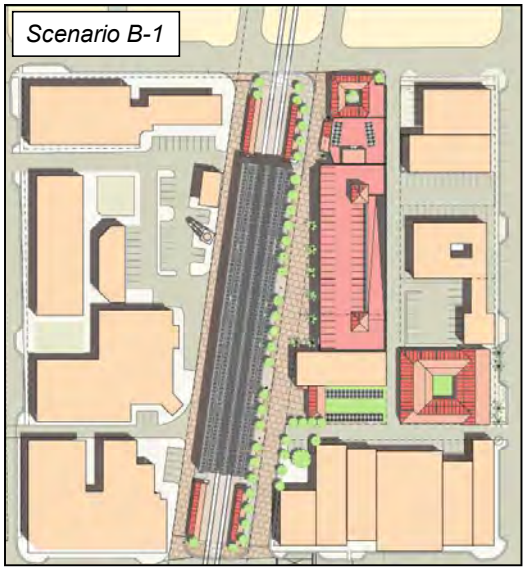
1. Station Design and Implementation
    a. Schedule final design and commence construction (in coordination with TRCL schedule).

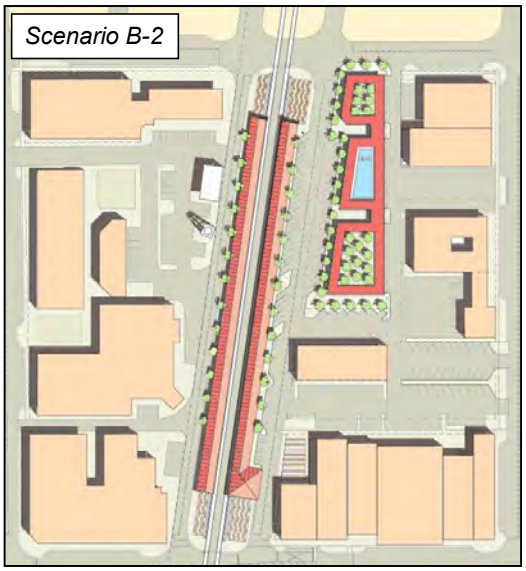
2. Finalize corridor pedestrian improvements along FEC tracks

3. Begin TOD development process
    a. RFQ/RFP;
    b. Establish preferred development partnership.

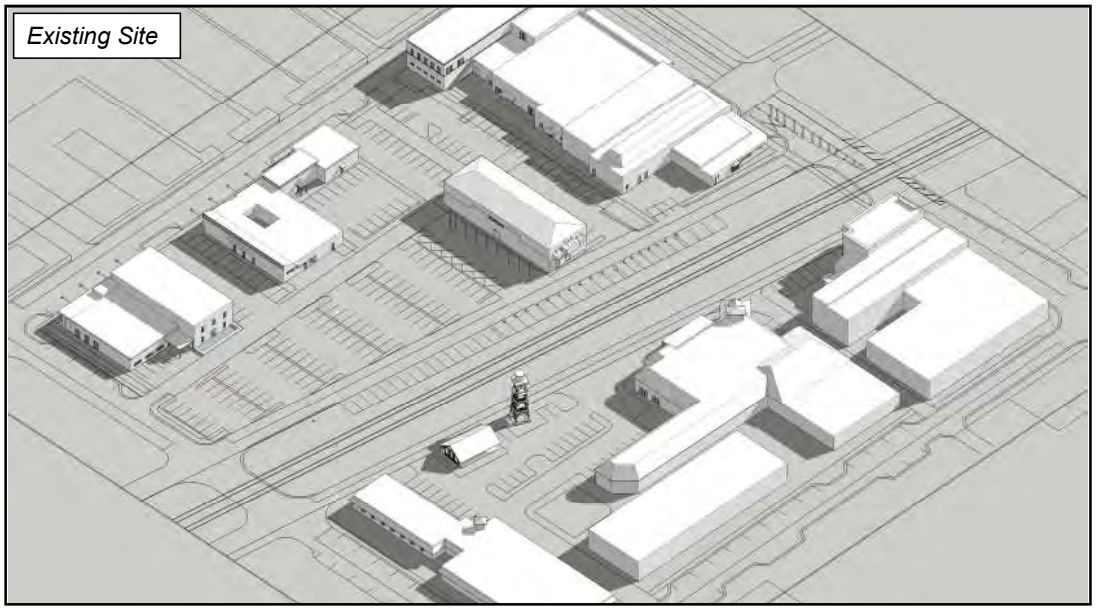
4. Evaluate success and relevancy of the Delray Beach TOD Master Plan
    a. Update as needed;
    b. Consider other areas of need.


Scenario A


Scenario B-1


Scenario B-2


Scenario C


Existing Site

STATE ROAD 7 COLLABORATIVE
STREET IMPROVEMENTS PROJECT

BENCHES

Product: Hyde Park Bench
Manufacturer: Landscape Forms
431 Lawndale Avenue
Kalamazoo, Michigan 49001
1.800.521.2546
Model #:
Finish: Exterior Powdercoat
Color: Black
Quantity Required: —
Unit Cost: $— ea. (installed)

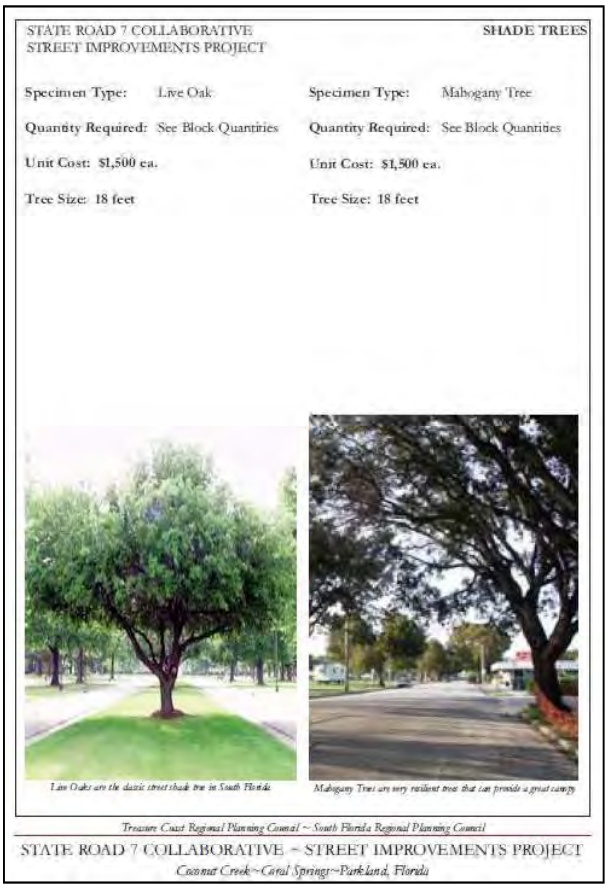
Specifications:
Exterior metal rod seat; 75 inch length; for bolt-mount installation.

Regional Rep.: Josephine Burns
GAP Architectural Products
407.645.2854

The Landscape Forms "Hyde Park" bench (shown with powdercoat black finish and wooden seat insert)

Treasure Coast Regional Planning Council

STATE ROAD 7 COLLABORATIVE ~ STREET IMPROVEMENTS PROJECT
Coconut Creek~Coral Springs~Parkland, Florida



STATE ROAD 7 COLLABORATIVE
STREET IMPROVEMENTS PROJECT

SHADE TREES

Specimen Type: Live Oak
Quantity Required: See Block Quantities
Unit Cost: $1,500 ea.
Tree Size: 18 feet

Specimen Type: Mahogany Tree
Quantity Required: See Block Quantities
Unit Cost: $1,500 ea.
Tree Size: 18 feet

Live Oaks are the classic street shade tree in South Florida

Mahogany Trees are very resilient trees that can provide a great canopy

Treasure Coast Regional Planning Council ~ South Florida Regional Planning Council

STATE ROAD 7 COLLABORATIVE ~ STREET IMPROVEMENTS PROJECT
Coconut Creek~Coral Springs~Parkland, Florida

As design directions take shape and specific plans are generated, it is helpful to develop Project Pages or Tear Sheets as part of the project development. These documents provide a user-friendly method for conveying elements of the project(s) with images, quantities, unit and total costs, as well a product representation information. This format and data can better inform the City's Capital Improvement Project (CIP) budgeting process and prove very useful when negotiating project construction contracts.

The potential for a future Delray Beach Tri-Rail Coastal Link passenger rail station in downtown Delray Beach is a historic and long-overdue opportunity. Since the removal of passenger service on the FEC corridor in the late 1960's Delray Beach, like many coastal communities in south Florida, has endured the movement of freight rail thorough its downtown without any tangible benefit to residents, workers, or visitors. The provision of commuter rail service is anticipated to alter the access to, and functionality of, downtown Delray Beach significantly.

The anticipation for this future service, while seemingly strong, should be approached in a measured and thoughtful manner. This report and its recommendations seek to channel the enthusiasm for future passenger rail service into incremental public improvements that will prepare the City for the new service and enhance the value of City assets in the area without over-committing the City to a TOD development proposal prematurely. Once the Tri-Rail Coastal Link service begins, the City could be well-positioned to take immediate and full advantage of the new transportation option in the City. As the impacts of the use and function of the station take shape, more information will be available to guide the redevelopment needs of the adjacent parcels.

APPENDIX A
Creation of the Master Plan

Creation of the Master Plan

The Delray Beach TOD Master Plan was created during a public, seven-day charrette. This public process ensures community participation to determine how to best resolve potential impacts, maximize opportunities, and establish a vision for the future. A team of professionals, "the charrette team", helps record the citizens' ideas, tests the feasibility of the various proposals, and creates a document to record and guide the citizens' vision.

Charrette

Charrette means "cart" in French. An architectural school legend holds that at the Ecole des Beaux Arts, in 19th Century Paris, work was so intense that students continued to draw after climbing onto the carts that carried their boards away to be juried.

Today charrette refers to a high speed, intense, and focused creative session in which a team works with citizens on design problems and presents solutions.

Host Committee

The first step of the charrette process was the creation of a Host Committee to plan the logistics of the charrette. Host committee members recommended times, locations, and strategies on how to best get the word out to the community about this important effort. Members also provided input on the people and agencies to interview before the public event.

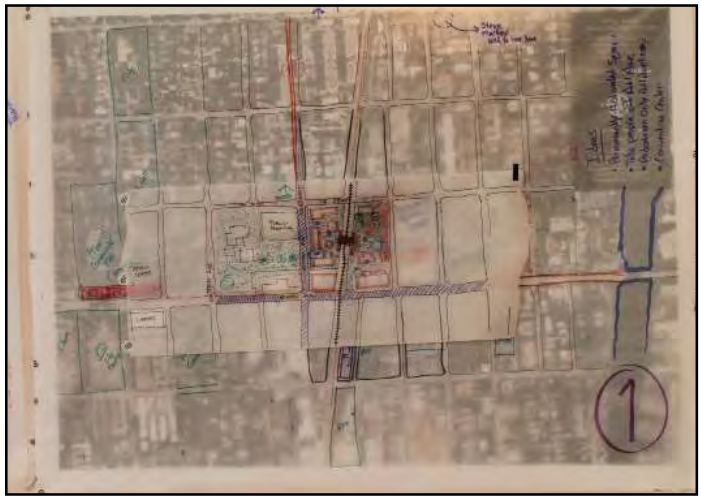
Pre-Charrette Interviews

The purpose of the pre-charrette interviews is for the charrette team to gain a better understanding of the area's local issues, shortcomings, and strengths. A series of interviews with elected officials, business leaders, residents, community activists, and utility providers were conducted before the charrette. Each Host Committee member was also interviewed in this process.

Public Workshop

A public workshop was held on August 12th, 2017 at Old School Square, with an opening presentation that outlined the intent of the project and issues in the area. Citizens were asked to shape a vision for the Tri-Rail Coastal Link station master plan. After the presentation, participants gathered around tables with an aerial photo of the study area. Each table group debated issues and drew their ideas on the aerial. At the end of the workshop, a representative from each table presented the group's ideas to the rest of the charrette participants. A summary the suggestions and concerns is contained on the following pages.

Table 1



Main Ideas

- Design a permanently activated square near the future Tri-Rail Coastal Link.
- Design a pedestrian bridge for crossing over the tracks.
- Safety on the TOD site for pedestrians, with the addition of lighting and security.
- Fence to be put in place as soon as possible to protect pedestrians from venturing across the train tracks.
- Take cars off of Atlantic Avenue, and make it pedestrian only.

Table 1 citizens' drawing and photos from the public workshop.

Table 2

Main Ideas

- Connectivity with parking near, but not on the site itself.
- Activate roof tops around the City, as ways to entertain, or possibly use for solar arrays.
- Not concerned with what is designed on the site, but with its connectivity to the rest of downtown.
- Increase density 3-4 blocks from TOD site.
- Subsidized rent in all retail, garages, and P3 development sites.

Table 2 citizens' drawing and photos from the public workshop.

Table 3

Main Ideas

- Concerned with traffic congestion and access in and around the site.
- Parking for transit takes parking away from businesses.
- Heavy train traffic and frequent stops will further congest the area around the TOD site.
- A site further south would be a better location for TOD and the Tri-Rail Coastal Link.

- A fence along the tracks is a priority.
- Link the areas west of Swinton Avenue with bike lanes and a trolley.

Table 3 citizens' drawing and photos from the public workshop.

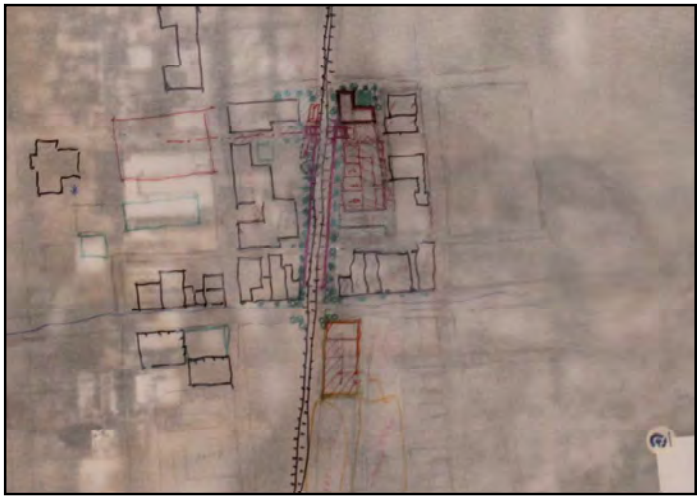
Table 4

Main Ideas

- Designing the future Tri-Rail Coastal Link station in a similar manner as the West Palm Beach Brightline station.
- Create a multi-functional station with space for public events and a green space.
- Connect the east and west sides of the tracks with a pedestrian bridge near Atlantic Avenue.
- Public space with a bike sharing program which is visible from the future Tri-Rail Coastal Link station.
- Silverball Museum is to remain as a contributing structure.
- High density and affordable housing for future TOD site.

Table 4 citizens' drawing and photos from the public workshop.

Table 5



Main Ideas

- Safety on the TOD site for pedestrians, with the addition of lighting and security.
- The site should include a first floor of retail and green-space in the pedestrian realm.
- Maximize parking on the site, with three or four levels above the retail space.
- There is concern with the direct path to the nearest public space, being on private property.
- Maximizing the availability of parking, is more important than residential units.

Table 5 citizens' drawing and photos from the public workshop.

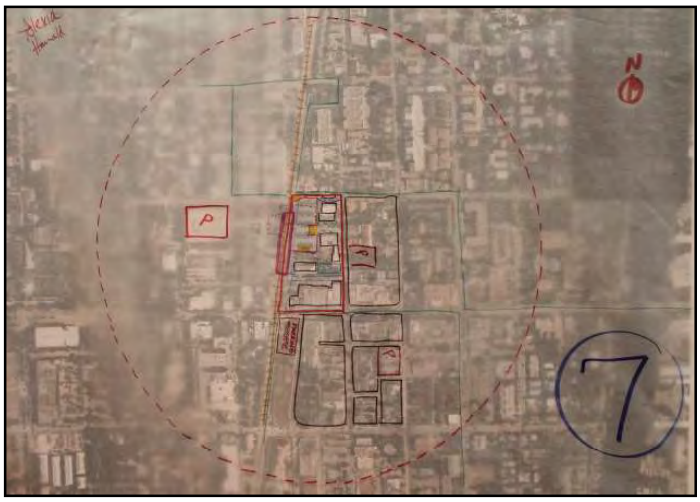
Table 6

Main Ideas

- Safety on the TOD site for pedestrians, with the addition of lighting and security.
- Increase existing parking on the site.
- Public parking and mixed use developed on the empty sites south of Atlantic Avenue and east of the FEC corridor.
- Very concerned about the loss of parking in the study area west of US1.
- Paid parking for the future Tri-Rail Coastal Link station, to generate revenue.
- Silverball Museum is to remain as a contributing structure.

Table 6 citizens' drawing and photos from the public workshop.

Table 7



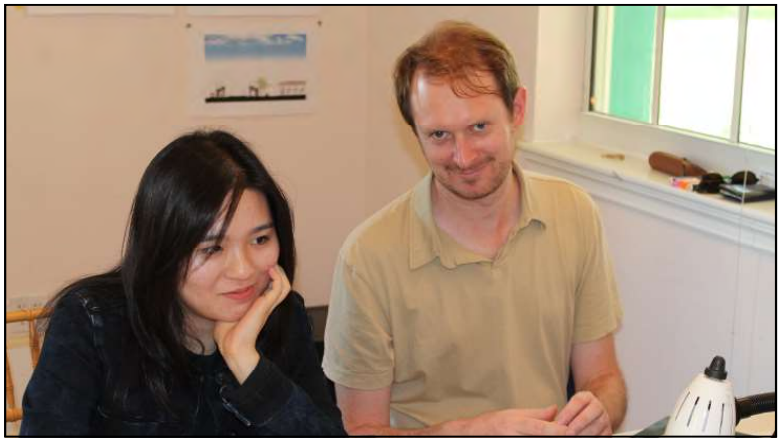
Main Ideas

- All existing buildings on the site to remain.
- Pedestrian connection to the Arts Parking garage to the west of the future Tri-Rail Coastal Link station.
- Multi-modal connections to the train station.
- Vehicular traffic will have efficient egress to the train station through the site design.
- Sub-grade parking on the future site.

Table 7 citizens' drawing and photos from the public workshop.

Studio

The charrette team listened, recorded, and took notes on the citizens' requests. A design studio was set up at Old School Square from August 13th through August 18th, 2017 and was generally open to the public between the hours of 9:00 am and 9:00 pm. The purpose was to work closely and intensely on the citizens' ideas and allow the public to observe and offer additional input. Approximately 10-15 people per day, including elected officials, interacted with the team at the studio throughout the week.



Work-in-Progress Presentation

A Work-in-Progress presentation was held on August 18th, 2017 at 6:00 pm, at Old School Square. Work completed by the charrette team to date was presented to the public, and additional comments and input were gathered.

Delray Beach Tri-Rail
Coastal Link Station Master Plan
Charrette Schedule

Saturday, August 12th, 2017 – 9:00 am – 2:00 pm
Charrette Kick-off – Public Design Workshop
The Ocean Breeze Rooom @ Old School Square
51 North Swinton Avenue, Delray Beach

Workshop details are outlined on the other side of this flyer.

Sunday, August 13th, 2017 through August 18th, 2017
9:00 am – 9:00 pm – Open Design Studio
The Ocean Breeze Rooom @ Old School Square
51 North Swinton Avenue, Delray Beach
The planning team will be working on site during the week in the Ocean Breeze Rooom, testing the community's ideas and gathering additional public input ~ please drop in!

Friday, August 18th, 2017 – 6:00 pm
Work in Progress Presentation
The Ocean Breeze Rooom @ Old School Square
51 North Swinton Avenue, Delray Beach
A presentation of the work completed during the week will provide an overview of the community's input and initial master plan strategies and designs ~ as well as an opportunity for the public to comment on the direction of the Village Master Plan.

For more information please contact
Dana P. Little, Urban Design Director, Treasure Coast Regional Planning Council, (772) 221-4060, dlittle@tcrpc.org

This Important Planning Effort is Made Possible Through Funding Provided by the Delray Beach CRA, and the South Florida Regional Transportation Authority (SFRTA).

APPENDIX B
Background and Existing Conditions

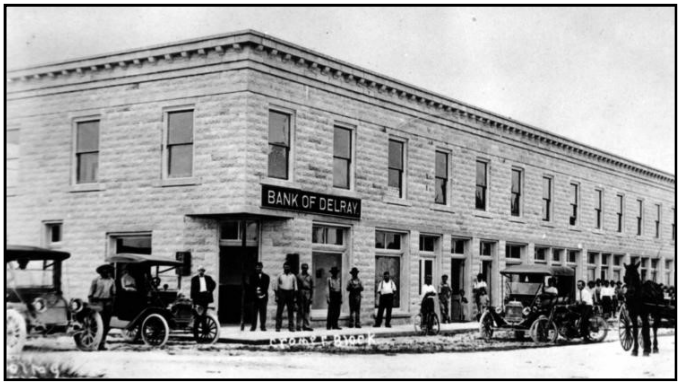
History of Delray Beach

Delray Beach was first inhabited during the Second Seminole War, when a Seminole camp was drawn out on a military map near Lake Ida in 1841. Over the course of 50 years, the rich soil was made home to many young farmers and their families. The Delray Beach Historical Society calls these early pioneers "adventurous souls who battled the heat and snakes. This was uncharted territory." The area was first known as the Town of Linton, whose settlement began in 1894 when William S. Linton, along with David Swinton visited the area to purchase the land, and later returned with settlers to develop the town.

The first train arrived on tracks built by Florida East Coast Railway in 1896, and passenger service along the FEC railway continued until 1964. As trade increased, Henry J. Sterling and his family arrived in the late 1800s, and started the first trading post and general store. The Seminole Indians came to trade there as well, and that trade helped the settlers supplement their diet. The pineapple fields were transformed to crops full of vegetables and even flowers, for shipping north along the railroad.

Atlantic Avenue early 1900s.

Photo: Delray Beach Historical Society



Historic Bank of Delray

Photo: Delray Beach Historical Society

Early settlers of Delray Beach.

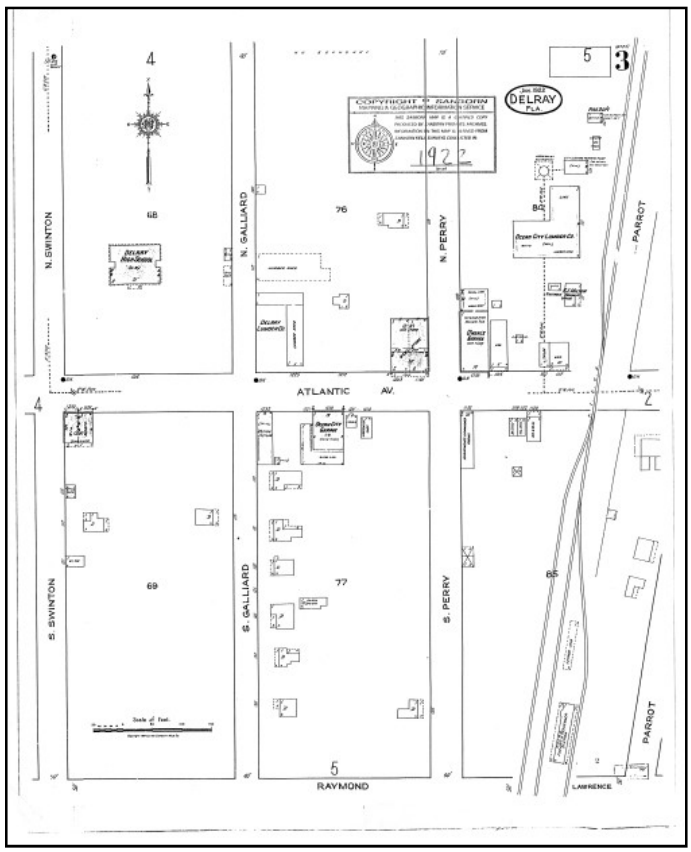
Photo: Delray Beach Historical Society

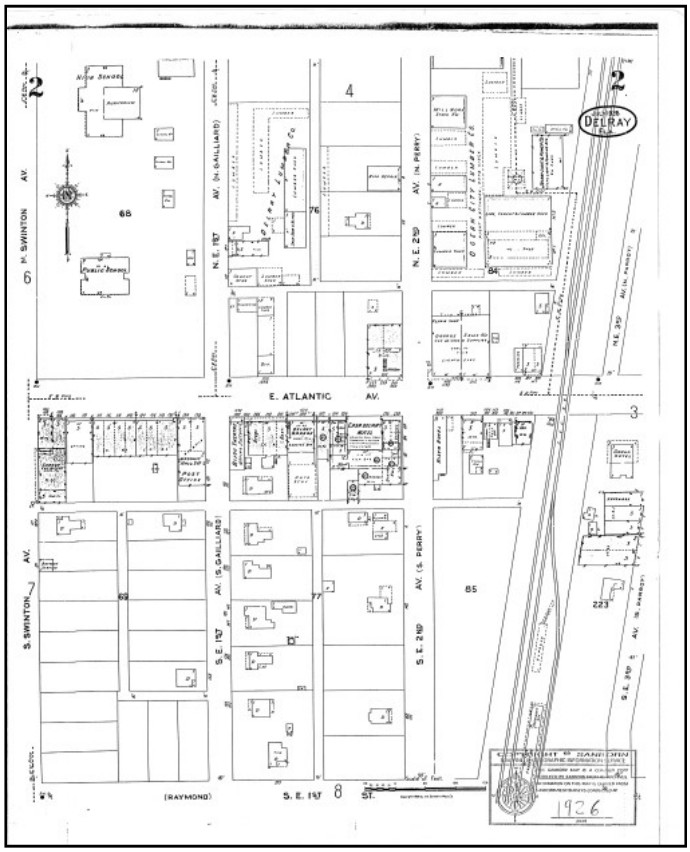
With Linton's mortgages foreclosed, only a few properties remained, and at the request of the remaining settlers, the town officially changed its name in 1898 to the town of Delray. The town of Delray was incorporated in 1911. The land west of the Intracoastal Waterway was incorporated as Delray Beach in 1923, and in 1927 both areas were unified to become the City of Delray Beach.

Photo of the Florida East Coast Railway Station in Delray Beach, which was originally constructed on the east side of the tracks one block south of Atlantic Avenue in 1896. This surviving section of the original station was purchased by the Delray Beach Historical Society and rehabilitated.

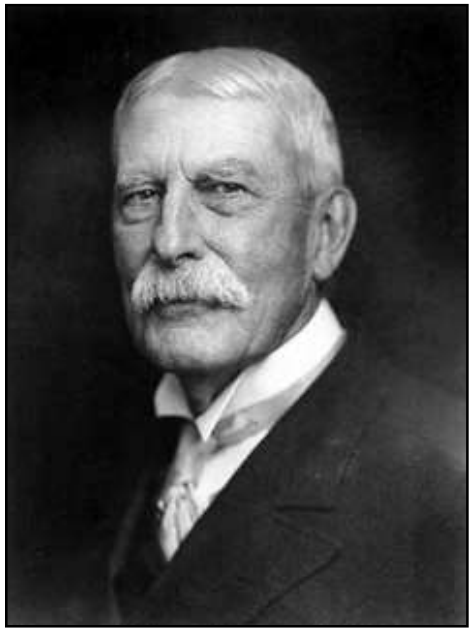
This photo shows a vegetable packing house in Delray Beach. Early Delray had many farmers of German descent.

Photo: Delray Beach Historical Society



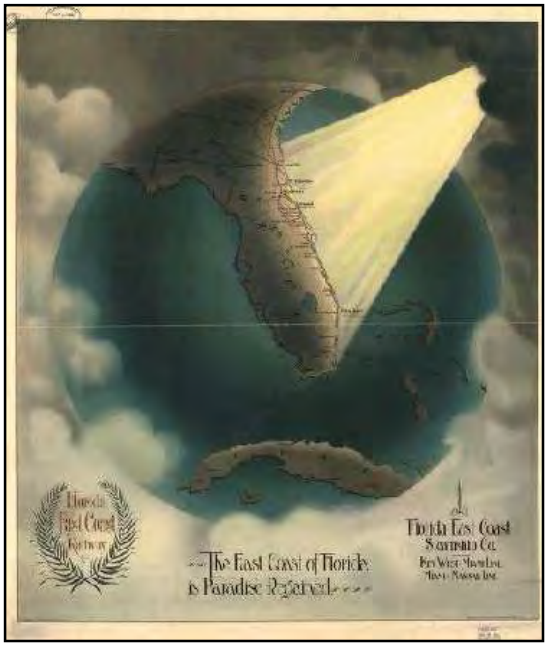


The two images above are of historic Sanborn Maps of Downtown Delray Beach in the 1920's. The map to the left illustrates existing development along Atlantic Avenue in 1922. The map to the right illustrates the growth in roughly the same area along the Avenue just four years later in 1926. The amount of development, particularly along Atlantic Avenue in just four years is remarkable. Note that the FEC tracks, Flagler's original rail corridor, is on the right of the image.



Henry Flagler pictured to the left: the "Father" of the Florida East Coast Railroad.

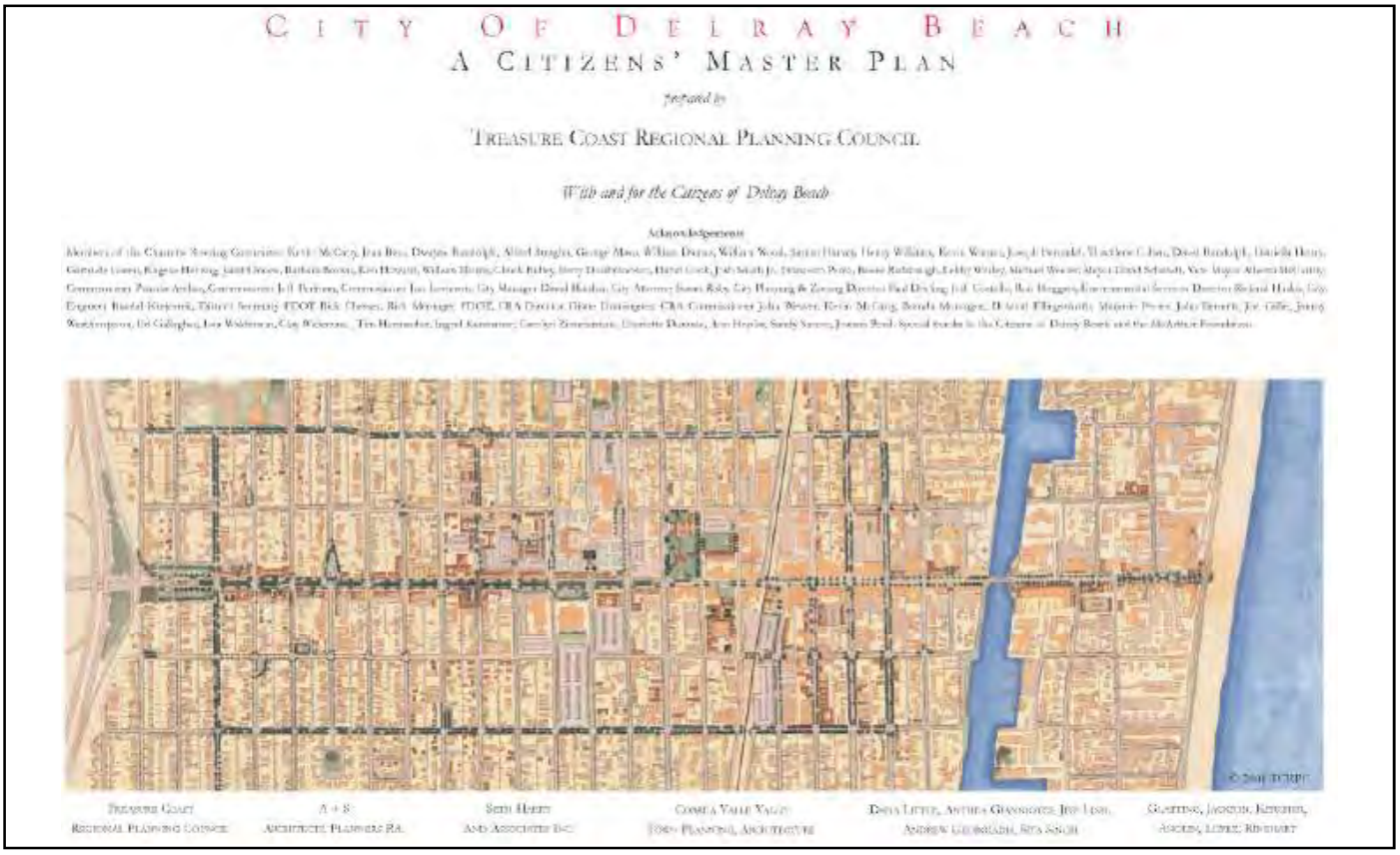
The Florida East Coast Railroad (FEC) connected the early settlements along the coast of Florida giving way for trade and passenger service that led to the dramatic growth and development of the east coast of Florida.



Previous Planning Efforts

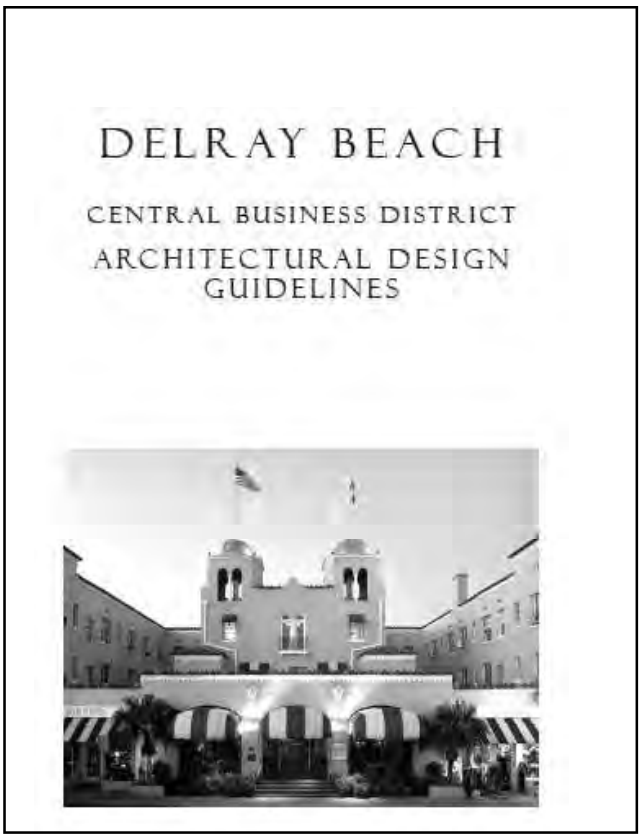
Delray Beach Citizens' Master Plan 2000

In 2000, the Treasure Coast Regional Planning Council was requested to conduct a public planning charrette and develop a master plan to guide growth and development in downtown Delray Beach. The planning effort focused on Atlantic Avenue from I-95 to the beach. The plan was adopted and has served the City for over a decade.

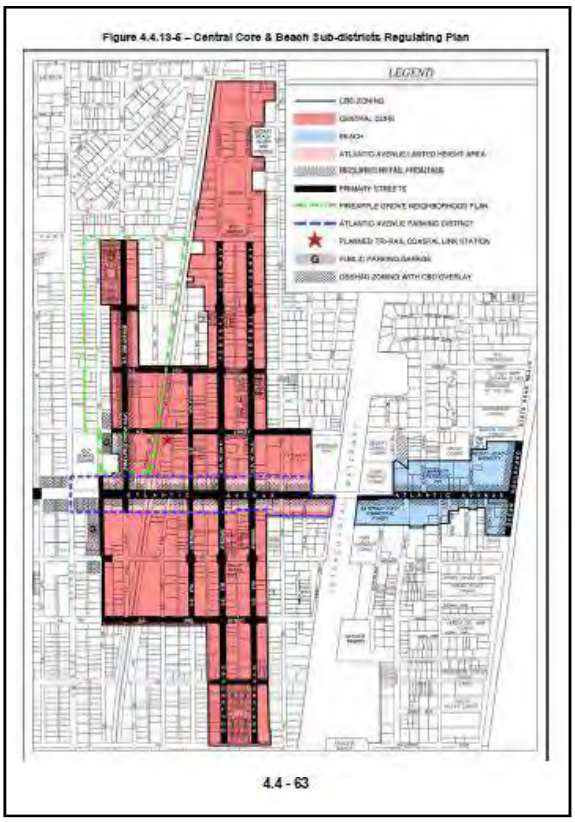


Citizens' Master Plan Adopted 2001 prepared by Treasure Coast Regional Planning Council.

Periodically the Treasure Coast Regional Planning Council has been asked to assist the City of Delray Beach in assessing different development proposals. The image to the right is a rendering of an early proposal for the Atlantic 777 property - now the approved Atlantic Crossing project.



Delray Beach Architectural Guidelines prepared by Treasure Coast Regional Planning Council.



Central Business District - Land Development Regulations (CBD-LDR) adopted in 2015 prepared by Treasure Coast Regional Planning Council.

In the fall of 2013, the Treasure Coast Regional Planning Council was asked to assist the City of Delray Beach and the Delray Beach Community Redevelopment Agency with a significant re-write of the downtown Land Development Regulations to provide greater predictability and clarity in downtown redevelopment. This very public process included requirements for public open space, some parking reductions, and strategies to encourage the adaptive reuse of existing historic structures. The permissible building height regulations were clarified and allowable building heights on Atlantic Avenue were actually reduced. In addition to the Land development regulations TCRPC also developed the Delray Beach Architectural Design Guidelines which after adoption was awarded a Dreihaus Award from the Form-Based Code Institute of America.

Tri-Rail Coastal Link

For more than a decade, Treasure Coast Regional Planning Council has been assisting SFRTA, the Florida Department of Transportation, agencies, and local governments with planning and technical assistance in support of the expansion of Tri-Rail service onto the Florida East Coast rail corridor. The Tri-Rail Coastal Link (TRCL) project is currently anticipated to include up to twenty-five stations between Miami and Jupiter. Land use patterns around these stations and along the corridor, particularly transit-oriented development, are critical to the success of passenger rail service. This land use/transit relationship has become increasingly important in the FTA funding process. To increase transit-oriented planning along passenger rail corridors, the FTA recently awarded a series of TOD planning grants to several regions. Working in collaboration with Council and the South Florida Regional Council (SFRC), FTA recently awarded a $1.25 million grant in support of TOD planning and analysis along the planned TRCL corridor.

Photo: Tri-Rail near Magnolia Park, 2016.

The Tri-Rail Coastal Link service is intended to provide a Tri-Rail like service on the FEC corridor. The FEC corridor has been improved and double-tracked to accommodate the Brightline private transit service which will potentially enable the more local Tri-Rail Coastal Link. The map above illustrates how the two primary rail corridors in southeast Florida, the CSX and FEC will be interconnected at different locations. The map also illustrates the potential phasing of physical improvements and transit service.

Transit Oriented Development

Transit Oriented Development (TOD) is development extending at least a ½ mile from a Station or along a Transit Corridor.

- Mixed-Use with Higher Density & Intensity than Surrounding Area
- Pedestrian & Bike-Friendly
- Limited Parking

– Reduced or Eliminated per Use
– Shared Parking or Structured
– Building Frontage along Lots

TOD Policy and Local Government Outreach

Prepared by: South Florida Regional Transportation Authority

While public transit, and by extension TOD's, require regional coordination and participation, the local land uses and zoning allowances remain in the authority of local governments. Clearly there are land use policies and minimum densities that are encouraged to be more transit-supportive, rules that apply to downtown Miami are in no way expected to be appropriate at all TOD locations.

The creation of successful TOD's is clearly in the best interest of the transportation authority as ridership is shown to increase when these districts are properly implemented.

The creation of successful TOD's is also a regional benefit in removing vehicles from the roadway network, providing mobility options, attracting outside investment, and improving the overall quality of life for residents, workers, and visitors.

Transit Oriented Development Policy

Advancing Vibrant Communities and a more Prosperous Region

SFTRA is a transit agency that provides a critical service for Southeast Florida's economy, mobility, and quality of life. To fulfill our role as a partner with local governments, SFTRA needs funding to survive and grow, and one of our primary revenue sources is ticket sales. Without Transit Oriented Development (TOD) we cannot operate and make sound investments in passenger rail.

TOD is the most important factor in ridership. TOD is a mixed-use pattern of pedestrian-friendly, higher density development with reduced parking around transit stations - all factors that help generate revenues for local governments and Tri-Rail.

Local governments are leader to advance TOD in the region through zoning and development regulations. Although it can be challenging to balance engineering, design, and political considerations, successful TOD must embrace higher density, reduce parking, and a broad mix of uses surrounding the station at it's core. Without these characteristics, TOD cannot be supported along the Tri-Rail service corridors.

TOD has many benefits to residents, businesses and local governments, but the SFRTA needs it for one reason: ridership. As a partner with local governments and the development community, SFTRA advocates zoning and land development regulations that maximize these principals.

TOD Policy and Local Government Outreach

Prepared by: South Florida Regional Transportation Authority

APPENDIX C
Market and Economic Analysis

WTL+a

Market & Financial Analysis

Delray Beach TOD Station Area Master Plan

Delray Beach, FL

Prepared for:
Treasure Coast Regional Planning Council
Stuart, FL

On behalf of:
City of Delray Beach
Delray Beach, FL

January 2018

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General & Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this study reflect the most accurate and timely information possible. These data are believed to be reliable at the time the study was conducted. This study is based on estimates, assumptions, and other information developed by WTL +Associates (referred hereinafter as "WTL+a") from its independent research effort, general knowledge of the market and the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent and/or representatives, or any other data source used in preparing or presenting this study.

No warranty or representation is made by WTL+a that any of the projected values or results contained in this study will be achieved. Possession of this study does not carry with it the right of publication thereof or to use the name of "WTL+a" in any manner without first obtaining the prior written consent of WTL+a. No abstracting, excerpting or summarizing of this study may be made without first obtaining the prior written consent of WTL+a. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person, other than the client, without first obtaining the prior written consent of WTL+a. This study may not be used for purposes other than that for which it is prepared or for which prior written consent has first been obtained from WTL+a.

This study is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

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Tables & Figures

1 Executive Summary

Introduction

WTL+a, a national real estate and economic development consulting firm based in Washington, DC, with significant project experience throughout Florida, was retained by the Treasure Coast Regional Planning Council (TCRPC) to prepare a real estate market and financial feasibility analysis of transit-oriented development (TOD) on city-owned parcels located adjacent to a proposed rail station in downtown Delray Beach.

In 2016, the Federal Transit Administration (FTA) awarded a $1.2 million planning grant to the South Florida Regional Transportation Authority (SFRTA) to conduct comprehensive transit-oriented development (TOD) planning associated with potential Tri-Rail Coastal Link (TRCL) station areas, as part of region-wide Tri-Rail expansion onto the Florida East Coast (FEC) Railway corridor. According to the SFRTA, the TRCL project is planned to introduce new commuter rail service along 85 miles of the FEC rail corridor and provide new regional and intercity mobility, economic development and transportation choices. TRCL is planned to fully integrate its existing system with the FEC rail corridor and connect South Florida's most populous eastern cities between downtown Miami and Jupiter.

Numerous public agencies are partnering with SFRTA in support of TRCL, including the Miami-Dade, Broward, and Palm Beach MPOs; FDOT; the Southeast Florida Transportation Council (SEFTC); the South Florida and Treasure Coast Regional Planning Councils; and several local governments along the FEC corridor. We understand that the Council is assisting SFRTA in administering the planning grant.

The planning grant is focused on several key objectives, including:

- Guide and manage development or redevelopment activities within designated station area(s) or along transit corridors;

- Integrate transit facilities and mobility improvements into a municipality's land use plans and land development regulations;
- Support economic development, ridership and multi-modal connectivity;
- Increase transit access for pedestrian and bicycle traffic and other users; and
- Promote mixed-use development near TRCL transit stations.

In early 2017, SFRTA/TCRPC invited municipalities in each of the three counties to submit applications for funding assistance to prepare station area master plans and guide the regulatory framework to advance TOD projects surrounding proposed TRCL stations. SFRTA/TCRPC approved applications submitted by the cities of Delray Beach and Palm Beach Gardens (Palm Beach County); Hollywood and Wilton Manors (Broward County); and North Miami Beach (Miami-Dade County).

In Delray Beach, the proposed site for the TRCL station is currently identified north of Atlantic Avenue and south of NE 1st Street. The City currently owns five parcels on an adjacent block to the east of the FEC rail line. These properties, which are used as municipal parking lots, are valued at more than $4 million. The City is interested in exploring a range of possibilities for the station, including a potential private-public partnership (P3) with other properties on the block located north of the east-west alley and south of NE 1st Street. In its application for a station area master plan, the City's objectives include:

- Engaging public and private sectors through a public charrette process;
- Evaluating potential design options for community preference;
- Measuring the financial feasibility of those options; and
- Preparing a targeted market analysis.

Based on these objectives, WTL+a has prepared a real estate market analysis and financial feasibility evaluation of development scenarios identified during the public charrette process and evaluated in the market study. Our market study focused on two (of four) core uses, housing and workplace/office. In addition, we prepared a financial analysis of three development scenarios generated during the project's public charrette process to understand potential returns-on-investment, ability to attract private investment and estimate potential revenues to the city if the city-owned parcels are privately developed. We also worked collaboratively with

Retail & Development Strategies, LLC, which focused on two other core uses (TOD retail and lodging/hospitality), implementation strategies and selected case studies of other TOD projects across the U.S. While WTL+a and RDS were contracted separately by TCRPC, we have prepared a single, fully-integrated market and financial feasibility analysis report for the Delray Beach Station Area Master Plan.

Key Findings

Demographic & Economic Profile (Section 2)

- ESRI's five-year forecasts through 2022 suggest that Delray Beach's growth will moderate slightly from the 2010—2017 period, with a forecast population gain of more than **3,800+ new residents in almost 1,7000 new households;**
- ESRI forecasts further suggest that population growth will be greatest in three age cohorts over the next five years, including those ages 25-34, 65-74 and 75+. This is likely to translate into opportunities for specific types of housing, such as age-restricted and independent living/continuing care for older cohorts as well as housing for both first-time and move-up buyers;
- U.S. Census Bureau data indicate that the 2007—2010 recession had a significant impact on Delray's employment base as almost 9,200 jobs were lost. **Since 2010, almost 6,800 new jobs have been created indicating that, Delray Beach has not fully recovered the jobs lost in the recession**; and
- Delray Beach contains 5.5% of all at-place jobs in Palm Beach County. If the city *maintains* its fair share, **it would translate into more than 4,500 new jobs over the next eight years** (based on DEO employment forecasts for Palm Beach County)

Real Estate Market Conditions (Section 3)

- According to data provided by the U.S. Department of Housing & Urban Development, **there were 2,817 units built over the past 10 years**, resulting in an average annual pace of 282 units per year. This included 833 single-family detached units and 1,984 multi-family units (70% of total starts);
- The city's multi-family rental market is generally stabilized, with positive annual absorption, generally high occupancies and strong achieved monthly rents;

- ***Sustained* annual hotel occupancies for selected properties in/adjacent to Delray Beach have ranged from 74.8% to 76.5%** (with a six-year average of 72.9% between 2011 and 2016). Occupancies through June 2017 averaged an extraordinarily strong 80.6%. As such, this meets the threshold required by the capital markets of sustained annual occupancies ranging from 65% to 72% to warrant capital market-based financing of new hotel construction;
- The city has a "bifurcated" office market—ranging from "boutique" small-scale buildings in downtown to typical suburban office buildings with larger floorplates at the city's western edge along the Congress Avenue corridor. **The city's office market is characterized by high vacancy rates and limited net absorption** (i.e., leasing activity). This is due primarily to the ongoing challenges associated with the vacant Office Depot headquarters facility;
- Key metrics in the city's office market over the past five years indicate a decline in overall vacancy rates—from 37.4% in 2012 to 29.9% in 2017; uneven patterns of annual absorption—ranging from (10,900) sq. ft. in 2014, 10,220 sq. ft. in 2015 and a solid 52,400 sq. ft. of positive absorption in 2016; and **minimal overall absorption averaging 10,350 sq. ft. per year between 2012 and 2017;** and
- **Delray Beach is recognized as one of the state's most successful and popular retail and dining destinations**. Despite ownership changes and business turnover (reflected in the ongoing average vacancy rate of about 10%), it continues to attract new businesses, investors and new consumers. T**he Atlantic Avenue corridor contains 969,400 sq. ft. of retail space**, including 300,235 sq. ft. of general and specialty retail uses (31%) and 362,600 sq. ft. of food & beverage uses (37%).

Real Estate Market Potentials (Section 5)

Four development scenarios were created during the public charrette process:

Scenario A—"Light Touch", includes 112 surface parking spaces, four market-rate townhouses with 2,304 sq. ft. of building area and 5,000 sq. ft. of general retail

Scenario B-1—Continues city ownership with 228 structured parking spaces, 21,500 sq. ft. of ground-floor "flex" space for either office or general retail uses, 48 housing units and 5,000 sq. ft. of civic space. (See Sections 5 and 6 for a revised B-1 scenario evaluated in the financial analysis)

Scenario B-2—Continues city ownership with 146 surface parking spaces (and 19 golf cart spaces), 8,500 sq. ft. of ground-floor "flex" space, 46 housing units and rooftop amenities to include outdoor plaza, pool, etc., and

Scenario C—Assembles all parcels north of the alley for an integrated mixed-use development comprising 254 structured parking spaces (and 34 golf cart spaces), 29,350 sq. ft. of ground-floor "flex" space, 26,000 sq. ft. of "flex" space on the second floor, 143 housing units and rooftop amenities.

- Selected uses (housing, retail and flex, which could accommodate either office or retail) were vetted in the market study. For example, the 143 units in Scenario C will require a market capture ranging from 5% to 20% of "unallocated" citywide demand;
- Near-term market demand for new office space in downtown Delray Beach can be adequately met by the anticipated completion of several mixed-use projects delivering 142,000 sq. ft. of office space, including SOFA Offices, the IPIC project and the 301 Building. As a result, "flex" space in Scenarios B-1, B-2 and C should be designed to be sufficiently flexible to accommodate either retail, office and/or housing as market conditions warrant;
- Our analysis for office development potentials on the TOD site assumes that each of these four downtown projects is delivered for market occupancy, thereby leaving no "unallocated" demand for new office space outside of these four projects. In order to support additional office development downtown, this would **require that downtown's capture be increased—to some rate higher than 35%**. This may require public policy decisions that

support incentives that provide adequate parking for office/professional and business service tenants, as the challenges of adequate and proximate parking was noted by a number of stakeholders;

- Market support for office space at the TOD site may also be strengthened by the provision of lower-cost space—such as rent write-downs for designated tenant types that are desired by the City, such as arts-related office or live/work space. Otherwise, near-term market response in terms of leasing/absorption in each of the four office projects identified above will dictate whether additional market opportunities for new office development will be supportable sometime after the next five years;
- In response to very strong market conditions in the city's hotel market, several new projects are expected to deliver 480 new hotel rooms over the next several years. Because of these planned additions to supply, the TOD site is not considered a likely (or easily financeable) site for hotel development, and hotel development is not recommended; and
- The primary finding about TOD-related development for retail uses is that **market support from commuters alone is not sufficient to finance and operate retail uses in the station complex itself or as part of a TOD project**. However, proximity to the successful retail concentration along Atlantic Avenue, combined with both a share of on-site demand provided by office and/or residential uses and commuter services will make some nominal allocation of space for retail uses feasible.

Preliminary Financial Feasibility (Section 6)

- A preliminary financial feasibility analysis was prepared to measure the overall investment viability of each land use to understand whether these uses will attract private investment (say, in response to a City-issued developer Request for Proposals), and to estimate potential revenues that may accrue to the City through potential "residual land value" that could be utilized to offset land costs and/or the costs of infrastructure or public realm improvements (such as public parking) on the site;
- As noted, the model solves for residual value (i.e., what could a developer pay for the City-owned parcels), construct relevant uses as identified in each scenario and generate a rate-of-return ranging from 8% to 16% (with a **target return of 12%**);

- The analysis reveals that **the provision of structured parking comes at a significant cost—and severely impacts the overall performance of both Scenarios B-1 and C**. Moreover, the size of the parking garage in each of these scenarios—coupled with the City's four-story height limit—reduces the amount of net developable area available to accommodate other (revenue-generating) uses. By comparison, the lower costs of surface parking strengthen returns but these are also affected by these key issues. As a result, the residual land values vary significantly:

Scenario A—residual values are positive, ranging from $226,000 to $1.5 million at developer returns of 16% and 8%, respectively. **The target return of 12% generates a positive residual of $744,100 to the City;**

Scenario B-1—residual values are highest at the lowest developer returns of 8% and 10%. **The target return of 12% in this scenario generates a *negative* residual of ($1.31 million) to the City**, primarily a result of the costs of structured parking, additional housing (assuming a current downtown average market rent of $2.51 per sq. ft.) and the civic use (with uncertain/unknown revenue opportunities). Eliminating the civic use could be expected to improve residual value. **In a sensitivity test, increasing multi-family rents to $3.00 per sq. ft. generates an overall *positive* residual of $113,800**;

Scenario B-2—residual values are highest at the lowest developer returns of 8% and 10%. However, **the target return of 12% in Scenario B-2 is almost break-even, generating a slightly *negative* residual of ($178,000) to the City.** In B-2, multi-family rents are assumed at $3.00 per sq. ft. per month (higher than B-1), which is similar to achieved rents at the new SofA project on SE 3rd Avenue. Higher rents reflect building and rooftop amenities such as a swimming pool as illustrated in the plan; and

Scenario C—residual values are negative at all developer returns. This is due to the significant costs associated with structured parking as well as the costs associated with land acquisition and demolition of adjacent, privately-owned parcels in this block, even after accounting for higher revenues generated by achieved multi-family rents of $3.00 per sq. ft. per month.

2 Demographic & Economic Profile

The following evaluates those indices that drive fundamental market demand for various land uses to inform redevelopment potentials of the city-owned TOD parcels. This section of the report focuses on population and household growth, employment trends and forecasts, household incomes and annual retail spending power, the current business mix in Palm Beach County and Delray Beach, and other economic indicators based on available data that form the basis of potential market support and financial feasibility.

This profile and analysis is based on data from various secondary public and private sources, including: U.S. Census Bureau; University of Florida Bureau of Business & Economic Research; City of Delray Beach and Palm Beach County; ESRI Business Analyst; Dun & Bradstreet, Inc.; and other sources.

Demographic Trends & Forecasts

WTL+a evaluated historic population patterns and growth forecasts in the downtown portion of the CRA, the city as a whole, and in Palm Beach County using the sources above. Key findings are summarized below, with data illustrated in the accompanying tables.

Table 1: Regional Population Trends & Forecasts, 2000—2040

	2000	% of County	2010	% of County	1-Apr 2016	% of County	Change: 2010-2016 Amount	Change: 2010-2016 CAGR *(2)*	*Forecasts (3)* 2020	2030	2040	% of County	Change: 2016-2040 Amount	Change: 2016-2040 CAGR *(2)*
Population														
Palm Beach County	**1,131,184**		**1,320,134**		**1,391,741**		**71,607**	**0.88%**	**1,465,944**	**1,619,094**	**1,735,114**		**343,373**	**0.92%**
Boca Raton	74,764	6.6%	84,392	6.4%	88,275	6.3%	3,883	0.8%	90,962	98,044	105,678	6.1%	17,403	0.8%
Boynton Beach	60,389	5.3%	68,217	5.2%	73,163	5.3%	4,946	1.2%	76,658	86,143	96,803	5.6%	23,640	1.2%
Delray Beach	**60,020**	**5.3%**	**60,522**	**4.6%**	**63,972**	**4.6%**	**3,450**	**0.9%**	**66,381**	**72,806**	**79,854**	**4.6%**	**15,882**	**0.9%**
Palm Beach Gardens	35,058	3.1%	48,452	3.7%	51,532	3.7%	3,080	1.0%	53,693	59,502	65,938	3.8%	14,406	1.0%
Riviera Beach	29,884	2.6%	32,488	2.5%	33,957	2.4%	1,469	0.7%	34,973	37,648	40,528	2.3%	6,571	0.7%
West Palm Beach	82,103	7.3%	99,919	7.6%	108,896	7.8%	8,977	1.4%	115,324	133,105	153,627	8.9%	44,731	1.4%
Total:	**342,218**	**30.3%**	**393,990**	**29.8%**	**419,795**	**30.2%**	**25,805**	**1.06%**	**437,992**	**487,249**	**542,428**	**31.3%**	**122,633**	**1.07%**

(1) Based on the 2016-2040 Low-Medium-High Population Forecasts prepared by BEBR. Analysis uses the Medium Growth Scenario for Palm Beach County.

(2) CAGR=Compound Annual Growth Rate.

(3) Population projections for 2016-2040 for selected municipalities assume that each continues the same rate of growth as occurred between 2010-2016.

Source: U.S. Census Bureau; University of Florida, Bureau of Business & Economic Research; ESRI Business Analyst; WTL+a, July 2017.

Palm Beach County

- As illustrated in Table 1 above, Palm Beach County's population increased—from 1.13 million residents in 2000 to more than 1.39 million residents in 2016, reflecting significant population growth of more than 260,500 over the past 16 years. This represents *sustained* annual growth of 1.3% per year;
- The six municipalities that surround Delray Beach contain a combined population of almost 419,800 residents, accounting for fully 30% of the County's total population. Notably, this share has increased since 2000, with solid population growth, particularly in West Palm Beach and Boynton Beach. These six communities have added over 25,800 new residents since 2010; and

Since 2000, Palm Beach County Added

260,500 New Residents

- Based on the Moderate Growth scenario of long-term population forecasts through 2040 (prepared by the University of Florida/Bureau of Economic & Business Research/BEBR), **Palm Beach County is expected to add another 343,400 new residents**, which translates into an annual growth rate of 0.92% per year, for a 2040 population of 1,735,100 residents.

Delray Beach

Key demographic characteristics of Delray Beach are illustrated in Table 2 and summarized below:

- In 2017, data from ESRI Business Analyst suggests that Delray Beach **contains over 65,500 residents in 29,300+ households.** Between 2000 and 2010, population growth was nominal. However, since 2010 the city's population has increased significantly, which resulted in a net gain of over 5,500 new residents in more than 2,500 new households since 2000;
- The city's share of Palm Beach County's population has declined slightly over the past 16 years—from 5.3% in 2000 to 4.5% in 2017—as other areas of the County have exhibited more significant population growth;

Table 2: Demographic Trends & Forecasts—Delray Beach, 2000—2022

	2000	2010	2017	% Dist.	2022	% Dist.	Change: 2017-2022 No.	Change: 2017-2022 CAGR %
Demographic Profile								
Population	60,020	60,580	65,526		69,386		**3,860**	**1.15%**
As % of County	*5.3%*	*4.6%*	*4.5%*		*4.5%*			
Households	26,787	27,193	29,353		31,045		**1,692**	**1.13%**
Avg. HH Size	2.22	2.18	2.19		2.20			
Median Age		46.0	48.4		49.4			
Race								
White		39,818	41,316	63%	42,303	61%	987	0.5%
Black		16,966	19,428	30%	21,449	31%	2,021	2.0%
American Indian		122	135	0%	143	0%	8	1.2%
Asian, Pacific Islander		1,144	1,433	2%	1,714	2%	281	3.6%
Other		1,490	1,898	3%	2,259	3%	361	3.5%
Two or More Races		1,040	1,317	2%	1,519	2%	202	2.9%
Total:		**60,580**	**65,527**		**69,387**		**3,860**	
Hispanic *(1)*		5,770	7,677	12%	9,470	14%	1,793	4.3%
Age Distribution								
0-14		8,017	8,483	13%	8,927	13%	444	1.0%
15-24		6,578	6,221	9%	6,222	9%	1	0.0%
25-34		7,522	8,001	12%	8,494	12%	493	1.2%
35-44		7,308	7,438	11%	7,777	11%	339	0.9%
45-54		8,727	8,154	12%	7,873	11%	(281)	-0.7%
55-64		8,081	9,424	14%	9,656	14%	232	0.5%
65-74		6,148	8,377	13%	9,781	14%	1,404	3.1%
75+		8,199	9,431	14%	10,655	15%	1,224	2.5%
Income Profile								
Households by Income								
<$15,000			11.6%		10.9%			
$15,000 - $24,999			10.3%		9.1%			
$25,000 - $34,999			10.5%		8.9%			
$35,000 - $49,999			14.5%		12.3%			
$50,000 - $74,999			17.7%		17.5%			
$75,000 - $99,999			11.3%		13.5%			
$100,000 - $149,999			11.9%		14.1%			
$150,000 - $199,999			4.4%		5.0%			
$200,000+			7.7%		8.6%			
Average HH Income			$ 83,601		$ 95,026			**2.6%**
Median HH Income			$ 53,031		$ 60,145			**2.5%**
Educational Profile								
Years of Education (2015 American Community Survey/ACS)								
Less than 9th Grade			6.9%					
9th-12th Grade, No Diploma			7.6%					
High School Graduate (Includes Equivalency)			23.2%					
Some College, No Degree			19.9%					
Associate Degree			7.8%					
Bachelor's Degree			21.2%					
Graduate/Professional Degree			13.4%					

(1) Persons of Hispanic origin are a subset of other race categories; therefore, totals do not add.
https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF

Source: U.S. Census Bureau; American Community Survey; ESRI Business Analyst; WTL +a, July 2017.

- A diverse population that is 63% White, 30% Black, and 12% Hispanic;
- A younger population (particularly relative to Florida as a whole), with a median age of 48.4 years, which is forecast to increase to 49.4 years by 2022;
- A generally affluent community, with average household incomes in 2017 of $83,600 per year. Fully 26% of households have annual incomes greater than $100,000 per year;
- Average household incomes are forecast to increase by 2.6% per year over the next five years, to more than $95,000 by 2022. Delray Beach's average household incomes are forecast to remain slightly below their counterparts across Palm Beach County—which is forecast to be more than $96,900 by 2022;
- Notably, ESRI's five-year forecasts through 2022 suggest that Delray Beach's growth will moderate slightly from the 2010—2017 period, with a forecast population gain of more than **3,800+ new residents in almost 1,7000 new households**; and
- ESRI forecasts further suggest that **population growth will be greatest in three age cohorts** over the next five years, including those ages 25-34, 65-74 and 75+. This is likely to translate into opportunities for specific types of housing, such as age-restricted and independent living/continuing care for older cohorts as well as housing for both first-time and move-up buyers.

Solid Population Growth in Delray Beach Next 5 Years:

3,800+ New Residents in 1,700 New Households by 2022

Household Incomes & Retail Spending

Household retail spending is the primary driver of demand for retail space such as shopping centers, "Big Box" stores such as Wal-Mart or Target, food & beverage, and specialty or destination retail projects. Household retail spending patterns among households in Palm Beach County, Delray Beach and in selected nearby communities are illustrated in Table 3.

- With 2017 average household incomes of $83,600, households in Delray Beach are only slightly less affluent than their counterparts elsewhere in both Palm Beach County as well as

Table 3: Annual Household Consumer Spending, 2016

	Palm Beach County	West Palm Beach	Boynton Beach	Delray Beach	Palm Beach Gardens
Total Households (2015)	**588,086**	**43,790**	**32,265**	**29,353**	**24,224**
Apparel & Accessories					
Men's Wear	$ 464	$ 366	$ 349	$ 433	$ 595
Women's Wear	883	693	620	773	1,128
Children's Wear	381	317	271	321	476
Footwear	485	391	384	467	607
Watches & Jewelry	161	122	99	126	212
Apparel Products & Services	109	81	70	86	141
Subtotal:	**$ 2,482**	**$ 1,970**	**$ 1,793**	**$ 2,206**	**$ 3,160**
Computers					
Computers & Hardware	$ 233	$ 184	$ 148	$ 183	$ 301
Software & Accessories	49	38	30	38	63
Subtotal:	**$ 282**	**$ 222**	**$ 179**	**$ 220**	**$ 364**
Entertainment & Recreation					
Membership Fees for Clubs	$ 192	$ 140	$ 174	$ 224	$ 259
Fees for Participant Sports	139	99	87	106	180
Tickets to Theater/Operas/Concerts	77	60	49	63	101
Tickets to Movies/Museums/Parks	104	80	65	79	136
Admission to Sporting Events	70	52	44	57	95
Fees for Recreational Lessons	126	92	100	127	173
Dating Services	0.65	0.65	0.75	0.94	0.76
Subtotal:	**$ 709**	**$ 523**	**$ 520**	**$ 658**	**$ 946**
TV/Video/Audio					
Cable & Satellite TV Services	$ 960	$ 757	$ 826	$ 1,018	$ 1,213
Televisions	160	127	103	126	203
Satellite Dishes	2	1	1	1	2
VCRs, Video Cameras & DVD Players	11	10	6	7	15
Miscellaneous Video Equipment	13	9	8	9	16
Video Cassettes & DVDs	34	28	13	16	43
Video Game Hardware/Accessories	24	21	25	30	29
Video Game Software	28	24	14	16	36
Streaming/Downloaded Video	6	5	22	27	8
Rental of Video Cassettes & DVDs	25	20	13	16	31
Installation of Televisions	1	1	1	1	2
Audio	132	102	73	91	175
Rental & Repair of TV/Radio/Audio	6	4	4	4	7
Subtotal:	**$ 1,403**	**$ 1,110**	**$ 1,107**	**$ 1,363**	**$ 1,780**

(1) Consumer spending data are derived from the 2014 and 2015 Consumer Expenditure Surveys conducted by the Bureau of Labor Statistics.

Table 3 (Continued): Annual Household Consumer Spending, 2016

	Palm Beach County	West Palm Beach	Boynton Beach	Delray Beach	Palm Beach Gardens
Other Entertainment					
Pets	$ 596	$ 439	$ 488	$ 608	$ 777
Toys & Games	125	101	98	121	161
Recreational Vehicles & Fees	223	142	75	96	306
Sports/Recreation/Exercise Equipment	196	145	135	167	256
Photo Equipment & Supplies	88	68	46	57	115
Reading	167	122	106	135	220
Catered Affairs	26	19	25	31	34
Subtotal:	**$ 1,420**	**$ 1,036**	**$ 972**	**$ 1,214**	**$ 1,869**
Food & Alcohol					
Food at Home	$ 5,549	$ 4,379	$ 4,270	$ 5,231	$ 7,020
Food Away from Home	3,537	2,771	2,836	3,459	4,516
Alcoholic & Non-alcoholic Beverages	1,144	908	468	587	1,460
Subtotal:	**$ 10,229**	**$ 8,057**	**$ 7,574**	**$ 9,277**	**$ 12,995**
Household Furnishings & Equipment					
Household Textiles	$ 106	$ 83	$ 81	$ 101	$ 137
Furniture	556	436	491	601	715
Floor Coverings	25	18	19	24	35
Major Appliances	288	210	268	328	374
Housewares	79	60	82	100	102
Small Appliances	49	38	41	51	63
Luggage	10	8	10	12	14
Telephones & Accessories	54	42	61	73	67
Lawn & Garden	475	320	347	436	635
Housekeeping Supplies	777	592	610	747	988
Maintenance & Remodeling Materials	292	199	295	379	394
Subtotal:	**$ 2,711**	**$ 2,004**	**$ 2,303**	**$ 2,853**	**$ 3,524**
Health & Personal Care					
Non- & Prescription Drugs	$ 682	$ 494	$ 446	$ 555	$ 875
Optical	94	70	77	98	124
Personal Care Products	512	397	397	489	645
School Supplies	189	156	129	157	240
Smoking Products	467	406	345	429	576
Subtotal:	**$ 1,945**	**$ 1,524**	**$ 1,394**	**$ 1,728**	**$ 2,460**
TOTAL:					
Total Annual Spending	**$ 12,457,095,234**	**$ 720,210,189**	**$ 511,156,327**	**$ 572,932,108**	**$ 656,416,211**
Per Household	**$ 21,182**	**$ 16,447**	**$ 15,842**	**$ 19,519**	**$ 27,098**
As % of Average HH Income	24.6%	26.7%	25.7%	23.3%	26.1%

(1) Consumer spending data are derived from the 2014 and 2015 Consumer Expenditure Surveys conducted by the Bureau of Labor Statistics.

Source: US Department of Labor, Bureau of Labor Market Statistics; ESRI Business Analyst; WTL +a, July 2017.

several surrounding communities, where average household incomes range from $85,900 in the County to $110,700 in Palm Beach Gardens. With slightly lower incomes, spending patterns are also less—with approximately 23.3% of annual incomes spent on various retail categories compared to 24.6% to 26.7% in nearby communities. However, forecast growth in incomes (2.6% per year) is expected to be at or above the rate of inflation, suggesting the potential for *real* growth in household incomes among the city's households over the next five years;

- **Delray Beach households spend an average of $19,500 per year on consumer retail goods**, including clothing, entertainment/recreation, electronics, groceries, food & beverage, household furnishings and health care. This is significantly above West Palm Beach and Boynton Beach households (which range from $16,400 per household in West Palm Beach but only $15,800 in Boynton)—but well-below Palm Beach Gardens ($27,000 per household). By comparison, average annual household spending countywide is almost $21,200 per year;
- **Retail spending among the city's households totals over $572.9 million per year**, as compared to over $656 million in Palm Beach Gardens and nearly $12.5 billion per year for all County households. Notably, household spending totals are irrespective of location (i.e., spending can occur anywhere).

Annual Household Retail Spending in Delray Beach:

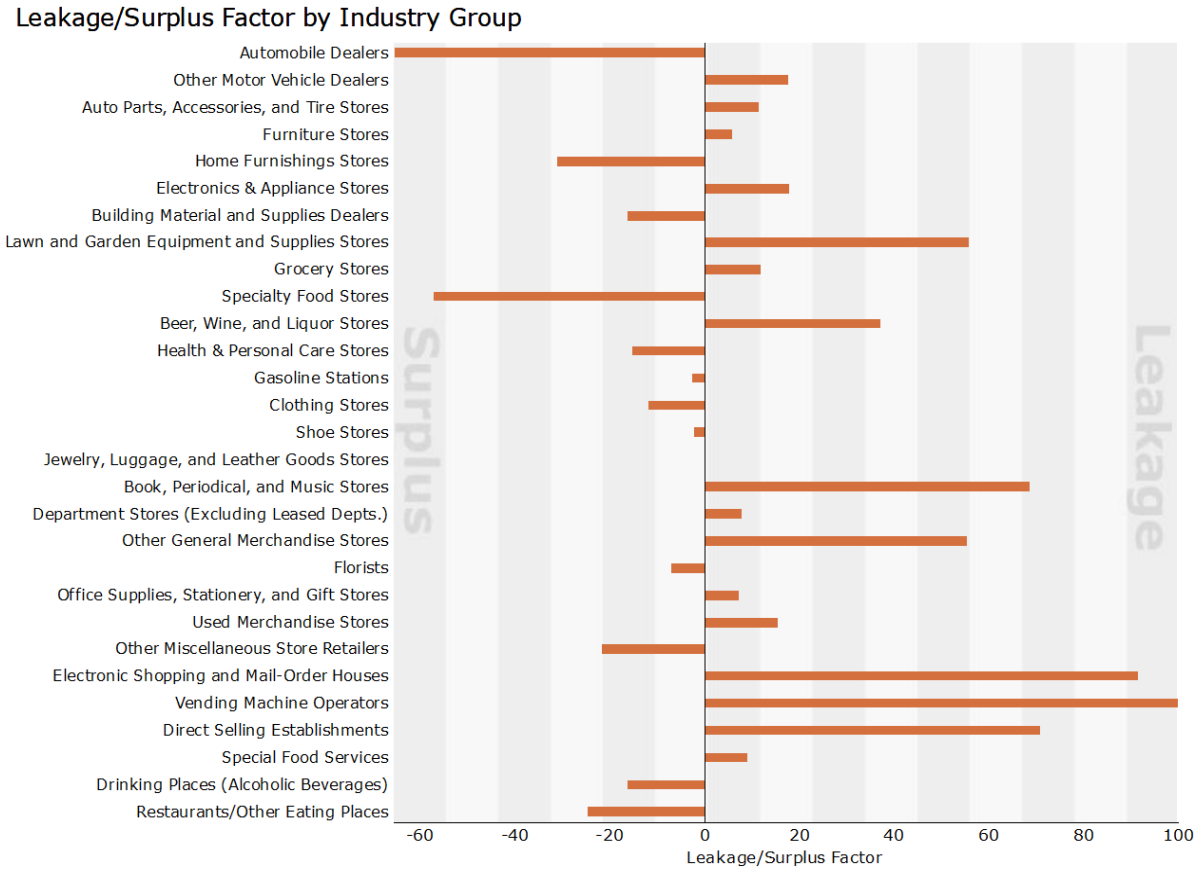
$572.9 Million Per Year

Retail "Recapture" Opportunities

Another key indicator of retail market potentials involves what is known as "retail opportunity gap". This compares annual household spending (i.e., "demand") in specific merchandise categories against estimated annual retail sales by businesses in those same categories (i.e., "supply"). The difference between demand and supply represents the "recapture" opportunity, or surplus, available in each retail category in the reporting geography.

When *demand* is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than *supply*, there is a surplus of sales in that retail category (i.e., positive value in green = recapture opportunity, while a negative value in red = surplus of sales, or "inflow" of sales from outside of the reporting geography). Findings for Delray Beach are illustrated in Table 4.

Figure 1: Retail Leakage & Surplus—Delray Beach, 2016



Another source for household retail spending includes the Bureau of Labor Statistics (BLS) and Claritas, Inc. Key findings for Delray Beach indicate that:

Table 4: Retail "Recapture" Opportunities—City of Delray Beach, 2016

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
General Merchandise Stores			
Department Stores Excl Leased Depts.	$ 119,198,005	$ 101,365,839	$ 17,832,166
Other General Merchandise Stores	50,894,729	14,579,718	36,315,011
Subtotal:	**$ 170,092,734**	**$ 115,945,557**	**$ 54,147,177**
Clothing & Accessories Stores			
Clothing Stores	$ 35,105,327	$ 44,629,701	$ (9,524,374)
Shoe Stores	7,805,581	8,180,410	(374,829)
Jewelry, Luggage, Leather Goods	9,375,939	9,380,868	(4,929)
Subtotal:	**$ 52,286,847**	**$ 62,190,979**	**$ (9,904,132)**
Furniture & Home Furnishings Stores			
Furniture Stores	$ 21,093,451	$ 18,735,209	$ 2,358,242
Home Furnishing Stores	16,987,272	32,362,219	(15,374,947)
Subtotal:	**$ 38,080,723**	**$ 51,097,428**	**$ (13,016,705)**
Electronics & Appliance Stores			
Appliances, TVs, Electronics Stores	$ 30,130,068	$ 20,959,704	$ 9,170,364
Subtotal:	**$ 30,130,068**	**$ 20,959,704**	**$ 9,170,364**
Leisure & Entertainment			
Sporting Goods/Hobby/Musical Instruments	$ 20,934,229	$ 19,896,409	$ 1,037,820
Books, Periodicals & Music Stores	4,406,939	817,918	3,589,021
Subtotal:	**$ 25,341,168**	**$ 20,714,327**	**$ 4,626,841**
Food Services & Drinking Places			
Special Food Services	$ 1,793,740	$ 1,492,764	$ 300,976
Drinking Places - Alcoholic Beverages	9,289,178	12,901,197	(3,612,019)
Restaurants/Other Eating Places	100,634,667	166,783,011	(66,148,344)
Subtotal:	**$ 111,717,585**	**$ 181,176,972**	**$ (69,459,387)**

Table 4 (Continued): Retail "Recapture" Opportunities—Delray Beach, 2016

Retail Category	Demand (HH Spending)	Supply (Store Sales)	"Recapture" Opportunity
Food & Beverage Stores			
Grocery Stores	$ 167,508,094	$ 131,723,707	$ 35,784,387
Specialty Food Stores	7,688,768	28,125,577	(20,436,809)
Beer, Wine & Liquor Stores	9,238,768	4,208,430	5,030,338
Subtotal:	**$ 184,435,630**	**$ 164,057,714**	**$ 20,377,916**
Health & Personal Care Stores			
Health & Personal Care Stores	$ 71,188,979	$ 96,728,061	$ (25,539,082)
Subtotal:	**$ 71,188,979**	**$ 96,728,061**	**$ (25,539,082)**
Building Material, Garden Equipment Stores			
Building Materials & Supplies	$ 65,640,520	$ 91,126,151	$ (25,485,631)
Lawn & Garden Equipment & Supplies	5,353,139	1,516,307	3,836,832
Subtotal:	**$ 70,993,659**	**$ 92,642,458**	**$ (21,648,799)**
Miscellaneous Store Retailers			
Florists	$ 1,850,735	$ 2,135,438	$ (284,703)
Office Supplies, Stationery, Gift Stores	9,161,950	7,904,885	1,257,065
Used Merchandise Stores	9,343,613	6,821,183	2,522,430
Other Miscellaneous Retail Stores	22,276,619	34,652,987	(12,376,368)
Subtotal:	**$ 42,632,917**	**$ 51,514,493**	**$ (8,881,576)**
TOTAL:			
HH Demand vs. Retail Sales	**$ 796,900,310** *(2)*	**$ 857,027,693**	**$ (60,127,383)**

(1) Claritas' "Retail Market Power" data is derived from two major sources of information. Demand data are derived from Consumer Expenditure Surveys fielded by the U.S. Bureau of Labor Statistics (BLS). Supply data are derived from the Census Bureau. The difference between demand and supply represents the "recapture opportunity", or surplus, available for each retail category in the reporting geography. When demand is greater than supply, there is an apparent opportunity for additional retail space in that category. By comparison, when demand is less than supply, there is a surplus of sales in that retail category (i.e., positive value = recapture opportunity, while negative value = surplus of sales).

(2) Total household retail spending excludes spending on Non-Store Retailers (Internet); Motor Vehicle Parts and Dealers; and Gas Stations.

Source: Bureau of Labor Statistics; Claritas, Inc.; ESRI Business Analyst; WTL +a, July 2017.

- These data sources indicate that the city's households spend $796.9 million per year. **This estimate is *higher* than annual spending illustrated previously in Table 3 because it includes multiple additional merchandise categories** such as Building Materials, Leisure & Entertainment and Miscellaneous Store sales. This compares to **estimated citywide store sales of over $857 million per year** generated by Delray's sizable retail inventory. The difference between spending and sales is known as *inflow*; in other words, **there is more than $60 million in annual retail sales inflow *into* Delray Beach** from sources other than resident households; and

- This analysis reveals that there are several merchandise categories where *apparent* opportunities could be recaptured to support new retail development. These include: General Merchandise Stores ($54 million); Grocery Stores ($35 million); Electronics & Appliance Stores ($9.1 million); and Beer/Wine/Liquor Stores ($5.0 million).

Economic Characteristics

Employment Trends—Palm Beach County

Job growth is a key barometer of demand for "workplace" uses such as multi-tenant office space, industrial parks, retail centers and the like. WTL+a examined trends and forecasts in employment growth, utilizing data for Palm Beach County (i.e., the West Palm Beach/Boca Raton/Boynton Beach Metropolitan Statistical Area [MSA]) as prepared by the state's labor agency, the Department of Economic Opportunity (DEO), for the period between 1995 and 2016. This data is critical to understanding TOD development potentials in Delray Beach. Key findings are summarized below and illustrated in Table 5:

- **The MSA added a remarkable 166,600 new jobs in the 10-year period between 1995 and 2005**. This growth, which translates into 16,700 new jobs annually, was focused largely in specific sectors, including: Professional/Business Services (55,800), Construction (19,800), Leisure & Hospitality (19,000) and Education/Health Services (18,900);
-

Table 5: Palm Beach County Employment Trends, 1995—2016

Industry Sector	1995	2000	2005	10-Year Change: 1995-2005 Amount	10-Year Change: 1995-2005 CAGR %	2007	2009	2011	2013	2014	2016	10-Year Change: 2007-2016 Amount	10-Year Change: 2007-2016 CAGR %
In 000s													
Construction	27.7	36.4	47.5	19.8	5.5%	42.0	25.8	24.1	27.4	29.2	35.9	(6.1)	-1.7%
Manufacturing	28.0	28.5	20.9	(7.1)	-2.9%	19.2	16.0	15.4	15.8	16.9	19.6	0.4	0.2%
Transp/Warehousing/Utilities	7.6	8.2	9.8	2.2	2.6%	10.3	9.3	9.3	9.9	10.8	12.5	2.2	2.2%
Trade													
Wholesale	14.8	18.1	22.5	7.7	4.3%	23.8	21.7	21.6	22.3	23.3	23.7	(0.1)	0.0%
Retail	61.3	74.1	76.6	15.3	2.3%	76.7	69.4	71.9	75.4	77.3	84.7	8.0	1.1%
Information	9.5	13.3	11.2	1.7	1.7%	11.0	9.0	9.1	9.6	10.2	10.9	(0.1)	-0.1%
Financial Activities	29.1	37.8	41.3	12.2	3.6%	40.2	35.1	36.5	37.9	39.7	39.7	(0.5)	-0.1%
Services													
Prof'l/Business Services	41.7	82.1	97.5	55.8	8.9%	96.0	84.2	90.5	99.5	104.7	110.8	14.8	1.6%
Education/Health Services	58.1	65.3	77.0	18.9	2.9%	80.3	81.9	83.7	87.0	91.3	99.0	18.7	2.4%
Leisure & Hospitality	53.5	62.5	72.5	19.0	3.1%	74.9	68.9	73.8	77.7	81.2	91.3	16.4	2.2%
Other Services	23.1	25.6	28.6	5.5	2.2%	29.1	27.4	28.2	29.5	31.7	33.4	4.3	1.5%
Government	51.1	57.8	66.7	15.6	2.7%	68.5	66.4	63.8	63.6	62.1	63.8	(4.7)	-0.8%
Total (In 000s):	**405.5**	**509.7**	**572.1**	**166.6**	**3.5%**	**572.0**	**515.1**	**528.0**	**555.7**	**578.4**	**625.3**	**53.3**	**1.0%**
Change During Period:		*104.2*	*62.4*			*(0.1)*	*(57.0)*	*12.9*	*27.7*	*22.7*	*46.9*		

(1) As of year-end for each reported year.

http://floridajobs.org/labor-market-information/data-center/statistical-programs/current-employment-statistics

Source: US Department of Labor, Bureau of Labor Market Statistics; Florida Department of Economic Opportunity, Bureau of Labor Market Statistics; WTL +a, July 2017.

Growth in Professional/Business Services has fueled demand for office space in key locations across Palm Beach County during this period. Other sectors with solid job growth during this period also included Retail Trade (15,300), Government (15,600) and Financial Activities (12,200);

- By contrast, the economic downturn of 2007—2009 resulted in the loss of 57,000 jobs in Palm Beach County. Over the past 10 years (and over multiple economic cycles), job losses have been greatest in Construction (-6,100) and Government (-4,700);
- In only six years since 2011, however, **the economy of Palm Beach County has significantly recovered from the 2007—2009 recession, with the creation of 110,300 new jobs;**

  Notably, the Services sector—which comprises multiple categories such as Business and Professional Services, Health, Education and Leisure/Hospitality, has gained the largest share of new jobs in the County, exhibiting a net gain of 54,200 new jobs between 2007 and 2016;

(57,000) Recession-based Job Losses in Palm Beach County

Replaced with 110,300 New Jobs Since 2011

- As illustrated in Table 6, Dun & Bradstreet, Inc. estimates that **Palm Beach County contained approximately 668,800 *full-time* jobs** in 62,750 registered businesses in 2016, which reflects a jobs-to-population ratio of 0.46. That is, there is almost one-half a job for every one of the 1,441,700 residents in the County, and reflects the concentration of larger employment centers such as downtown West Palm Beach, Boca Raton, and Riviera Beach. By comparison, the statewide jobs-to-population ratio in Florida in 2014 (latest data available) was 0.39 (which considers the large number of retirees in the state), while the jobs-to-population ratio for the United States in 2014 was 0.60; and
- Employment is concentrated in particular sectors, including Services (44%), Wholesale/Retail Trade (26%), and Financial Activities (10.5%).

Table 6: Business Mix—Palm Beach County, 2016

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Mining & Natural Resources	**1,214**	1.9%	**11,074**	1.7%
Construction	**4,527**	7.2%	**30,635**	4.6%
Manufacturing	**1,437**	2.3%	**30,322**	4.5%
Transportation & Warehousing	**1,499**	2.4%	**12,288**	1.8%
Communications	**555**	0.9%	**6,062**	0.9%
Utilities	**135**	0.2%	**4,103**	0.6%
Wholesale & Retail Trade				
Wholesale	2,100		23,385	
Retail	12,027		147,679	
- Home Improvement	735		7,371	
- General Merchandise	392		14,870	
- Food Stores	1,094		20,591	
- Auto Dealers/Gas Stations	1,254		15,827	
- Apparel & Accessory Stores	1,133		7,918	
- Furniture/Home Furnishings	1,043		6,871	
- Eating & Drinking Places	3,045		48,394	
- Miscellaneous & Non-store Retail	3,331		25,837	
Subtotal - All Retail:	**14,127**	22.5%	**171,064**	25.6%
Finance/Insurance/Real Estate	**7,846**	12.5%	**70,228**	10.5%
Services				
- Hotel/Lodging	319		15,292	
- Automotive Services	1,511		7,502	
- Motion Pictures & Amusements	1,714		23,194	
- Health Services	4,850		72,378	
- Legal Services	1,880		14,258	
- Educational Institutions	884		38,503	
- Other Services	15,682		123,696	
Subtotal - Services:	**26,840**	42.8%	**294,823**	44.1%
Government	**1,074**	1.7%	**36,427**	5.4%
Unclassified Establishments	**3,504**	5.6%	**1,743**	0.3%
TOTAL:	**62,758**	**100.0%**	**668,769**	**100.0%**

ANALYSIS:	
2016 Employment	668,769
2016 Population	1,441,728
Jobs/Population Ratio	**0.46**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, July 2017.

Table 7: State Employment Forecasts for Palm Beach County, 2016—2024

Employment Category	2016	% Dist.	2024	% Dist.	Change: 2016-2024 Total	CAGR
Agriculture/Mining/Construction						
Agriculture	6,124		5,661		(463)	-1.0%
Mining	80		88		8	0.0%
Construction	33,356		38,923		5,567	1.9%
Subtotal:	**39,560**	**6.1%**	**44,672**	**6.1%**	**5,575**	**1.5%**
Manufacturing						
Durable Goods Manufacturing	13,095		14,214		1,119	1.0%
Non-Durable Goods Manufacturing	4,110		4,028		(82)	-0.3%
Subtotal:	**17,205**	**2.7%**	**18,242**	**2.5%**	**1,037**	**0.7%**
Transportation/Communications/Public Utilities						
Public Utilities	2,135		2,238		103	0.6%
Transportation & Warehousing	9,631		10,373		742	0.9%
Subtotal:	**11,766**	**1.8%**	**12,611**	**1.7%**	**845**	**0.9%**
Wholesale & Retail Trade						
Wholesale Trade	24,870		27,248		2,378	1.1%
Retail Trade	81,065		89,861		8,796	1.3%
Subtotal:	**105,935**	**16.3%**	**117,109**	**16.0%**	**11,174**	**1.3%**
Finance/Insurance/Real Estate						
Information	10,440		10,573		133	0.2%
Finance & Insurance	24,666		26,405		1,739	0.9%
Real Estate, Rental & Leasing	15,792		17,899		2,107	1.6%
Subtotal:	**50,898**	**7.9%**	**54,877**	**7.5%**	**3,979**	**0.9%**
Services						
Professional, Scientific & Technical Services	44,886		53,000		8,114	2.1%
Management of Companies & Enterprises	11,045		12,907		1,862	2.0%
Administrative & Waste Management	53,754		61,398		7,644	1.7%
Educational Services	11,172		13,273		2,101	2.2%
Health Care & Social Assistance	84,914		101,762		16,848	2.3%
Arts, Entertainment & Recreation	18,530		20,689		2,159	1.4%
Accommodation & Food Services	60,252		67,754		7,502	1.5%
Other Services (Except Government)	28,380		30,864		2,484	1.1%
Subtotal:	**312,933**	**48.3%**	**361,647**	**49.6%**	**48,714**	**1.8%**
Government	**61,817**	**9.5%**	**67,215**	**9.2%**	**5,398**	**1.1%**
Self-Employed & Unpaid Family Workers	**47,547**	**7.3%**	**52,867**	**7.2%**	**5,320**	**1.3%**
TOTAL:	**648,230**		**729,835**		**81,605**	**1.5%**
Annual Increase (Rounded):					**10,200**	

http://www.floridajobs.org/labor-market-information/data-center/statistical-programs/employment-projections

Source: Florida Department of Economic Opportunity, Bureau of Labor Statistics; WTL +a, July 2017.

Employment Trends & Forecasts—Palm Beach County

Employment forecasts for specific jurisdictions in Florida (defined as Workforce Development Regions) are also prepared by the Department of Economic Opportunity in eight-year forecast periods. As illustrated in Table 7, these forecasts suggest that:

- **Palm Beach County (DEO Workforce Region #21) is expected to add more than 81,600 new jobs between 2016 and 2024**, reflecting a *sustained* annual pace of 10,200 new jobs annually over this eight-year period; and
- The Services sector is expected to comprise almost 50% of all new jobs in the county—adding over 48,700 new jobs—with the largest gains expected in Health Care, Professional and Business Services and Accommodation & Food Services sectors. This could be expected to fuel demand for professional and medical office space and retail uses.

Employment Trends—Delray Beach

- As illustrated in Table 8 below, Dun & Bradstreet, Inc. estimates that there are more than **36,600 jobs in 4,230 registered businesses in Delray Beach**. The city accounts for approximately 5.5% of the 668,800 full-time jobs in Palm Beach County;
- The three largest sectors generating demand for workplace real estate in Delray Beach include: Retail Trade (9,800+ jobs), Other Services (6,800+ jobs) and Health Services (5,235 jobs). Together, these three sectors account for 21,900 jobs, or fully 60% of the 36,600 jobs in Delray. "Other Services" includes such industries as automotive repair and maintenance;
- As noted, Delray Beach **contains 5.5% of all at-place jobs in Palm Beach County.** This is known as *fair share*, and has been considered in our analysis of workplace market potentials in Section 4 of this report;

***Fair Share*: Delray Beach Accounts for** **5.5% of Palm Beach County's Total Jobs**

- The data also suggest that the city's current jobs-to-population ratio is 0.56 (i.e., there is one-half a job for every resident living in Delray Beach). This ratio is higher

Table 8: Business Mix—Delray Beach, 2016

NAICS Category	Businesses No.	Businesses % of Total	Employees No.	Employees % of Total
Mining & Natural Resources	**51**	1.2%	**196**	0.5%
Construction	**255**	6.0%	**2,093**	5.7%
Manufacturing	**104**	2.5%	**1,025**	2.8%
Transportation & Warehousing	**92**	2.2%	**501**	1.4%
Communications	**42**	1.0%	**402**	1.1%
Utilities	**12**	0.3%	**141**	0.4%
Wholesale & Retail Trade				
Wholesale	133		945	
Retail	868		9,812	
- Home Improvement	63		551	
- General Merchandise	25		664	
- Food Stores	80		1,010	
- Auto Dealers/Gas Stations	91		2,071	
- Apparel & Accessory Stores	77		347	
- Furniture/Home Furnishings	70		381	
- Eating & Drinking Places	247		3,442	
- Miscellaneous & Non-store Retail	215		1,346	
Subtotal - All Retail:	**1,001**	23.7%	**10,757**	29.4%
Finance/Insurance/Real Estate	**457**	10.8%	**3,082**	8.4%
Services				
- Hotel/Lodging	31		1,150	
- Automotive Services	129		556	
- Motion Pictures & Amusements	89		1,184	
- Health Services	392		5,235	
- Legal Services	111		758	
- Educational Institutions	44		1,366	
- Other Services	1,074		6,844	
Subtotal - Services:	**1,870**	44.2%	**17,093**	46.7%
Government	**76**	1.8%	**1,273**	3.5%
Unclassified Establishments	**272**	6.4%	**77**	0.2%
TOTAL:	**4,232**	**100.0%**	**36,640**	**100.0%**

ANALYSIS:	
2016 Employment	36,640
As Share of Palm Beach County	**5.5%**
2016 Population	65,526
Jobs/Population Ratio	**0.56**

Source: ESRI Business Analyst; InfoGroup, Inc.; Dun & Bradstreet, Inc.; WTL +a, July 2017.

Table 9: 10-Year Employment Trends—City of Delray Beach, 2005—2014

Industry Sector	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% Dist.	Change: 2005-2014 Amount	Change: 2005-2014 CAGR %
Agriculture & Mining	44	25	289	51	12	22	11	18	20	16	0.1%	(28)	-10.6%
Construction	2,542	4,296	3,381	2,817	2,033	1,708	1,658	1,749	1,557	2,046	6.7%	(496)	-2.4%
Manufacturing	765	752	664	654	475	510	520	721	682	766	2.5%	1	0.0%
Transp & Warehousing	234	204	185	339	120	142	239	273	299	358	1.2%	124	4.8%
Utilities	48	50	43	42	26	22	16	32	30	38	0.1%	(10)	-2.6%
Trade													
Wholesale	1,183	898	1,142	1,009	963	938	1,011	1,048	1,154	933	3.0%	(250)	-2.6%
Retail	4,638	4,655	4,323	3,933	3,572	3,857	4,556	4,622	4,706	4,879	15.9%	241	0.6%
Information	375	453	437	532	503	549	672	597	704	730	2.4%	355	7.7%
Finance & Insurance	890	950	971	940	808	803	911	972	984	969	3.2%	79	0.9%
Real Estate/Rental & Leasing	764	707	920	895	819	497	531	571	568	643	2.1%	(121)	-1.9%
Services													
Prof'l/Business Services	2,002	1,499	1,691	1,795	1,392	1,566	1,752	1,820	2,289	2,335	7.6%	333	1.7%
Management of Companies	3,542	3,554	3,358	3,062	151	233	56	217	236	295	1.0%	(3,247)	-24.1%
Administration/Waste Mgmt.	2,054	1,976	1,822	1,504	1,007	1,132	1,605	1,334	1,430	1,702	5.6%	(352)	-2.1%
Educational Services	131	122	95	82	121	210	220	220	256	320	1.0%	189	10.4%
Health Care & Social Assistance	6,413	6,273	6,476	6,341	5,730	5,478	5,679	6,153	6,513	6,353	20.8%	(60)	-0.1%
Arts/Entertainment/Recreation	563	731	740	711	789	683	514	544	664	609	2.0%	46	0.9%
Accommodation & Food Services	3,331	3,425	3,301	2,910	2,989	3,767	4,333	4,825	5,058	5,331	17.4%	2,000	5.4%
Other Services	1,117	999	1,079	1,120	960	1,045	1,155	1,129	1,225	1,252	4.1%	135	1.3%
Public Administration/Gov't	1,455	1,399	1,470	1,404	1,331	1,308	1,052	1,046	1,045	1,023	3.3%	(432)	-3.8%
Total (In 000s):	**32,091**	**32,968**	**32,387**	**30,141**	**23,801**	**24,470**	**26,491**	**27,891**	**29,420**	**30,598**		**(1,493)**	**-0.5%**
Annual Change:	-	*877*	*(581)*	*(2,246)*	*(6,340)*	*669*	*2,021*	*1,400*	*1,529*	*1,178*			
Job Loss (As % of All Jobs):			*-2%*	*-7%*	*-27%*								
Delray Beach As % of County:	**6.1%**	**6.2%**	**6.0%**	**5.7%**	**4.9%**	**5.0%**	**5.1%**	**5.5%**	**5.5%**	**5.6%**	**10-Year Avg:**		***5.6%***

Source: U.S. Census Bureau, On-the-Map; WTL +a, July 2017.

than the County (0.46) and reflects the diverse business mix and concentration of businesses along commercial corridors as well as the sizable retail and business mix in downtown Delray;

- U.S. Census Bureau data indicate that the 2007—2010 recession had a significant impact on Delray's employment base as almost 9,200 jobs were lost. **Since 2010, almost 6,800 new jobs have been created indicating that, Delray Beach has not fully recovered the jobs lost in the recession. In fact, 2014 citywide employment (latest data available) is almost 1,500 jobs lower than it was in 2005.** We note that differences between Dun & Bradstreet (Table 8) and U.S. Census Bureau (Table 9) are attributed to part-time, self-employed and those jobs not contributing to the Unemployment Insurance Fund. Job losses were greatest in Management of Companies (which reflects the loss of the Office Depot headquarters in 2008—2009) and Construction;
- As illustrated in Figure 2 below, in 2014, the U.S. Census Bureau estimates that **the highest employment densities are in several key areas**—downtown, the Congress Avenue corridor and the area around the West Atlantic Avenue and Military Trail intersection. In the second two locations, this includes a significant amount of retail space in neighborhood and community retail centers and freestanding pad locations and a smaller concentration of suburban office buildings. Another concentration of employment is located along the Linton Boulevard corridor, primarily focused in retail jobs; and

Employment data for the "Central Core" portion of the Delray Beach CRA (also known as "Sub-Area #2) are illustrated in Table 10. The proposed rail station is located in the Central Core. Key findings suggest:

- Within the boundaries of the Central Core, 2014 Census data (latest data available) indicate that there are approximately 4,700 jobs. The 2007—2009 recession resulted in the loss of over 700 jobs in the Central Core, mostly focused in Retail and Professional/Business Services. However, since 2010, employment in the Central Core CRA has increased, with the addition of over 1,200 new jobs, including Professional/Business Services (generating demand for office space), Health Care and Accommodation & Food Services. In fact, 940 new jobs were created in this sector since 2005, illustrative of the increasing concentration of restaurants and bars along Atlantic Avenue in the CRA;

Figure 2: Citywide Employment Densities—City of Delray Beach, 2014

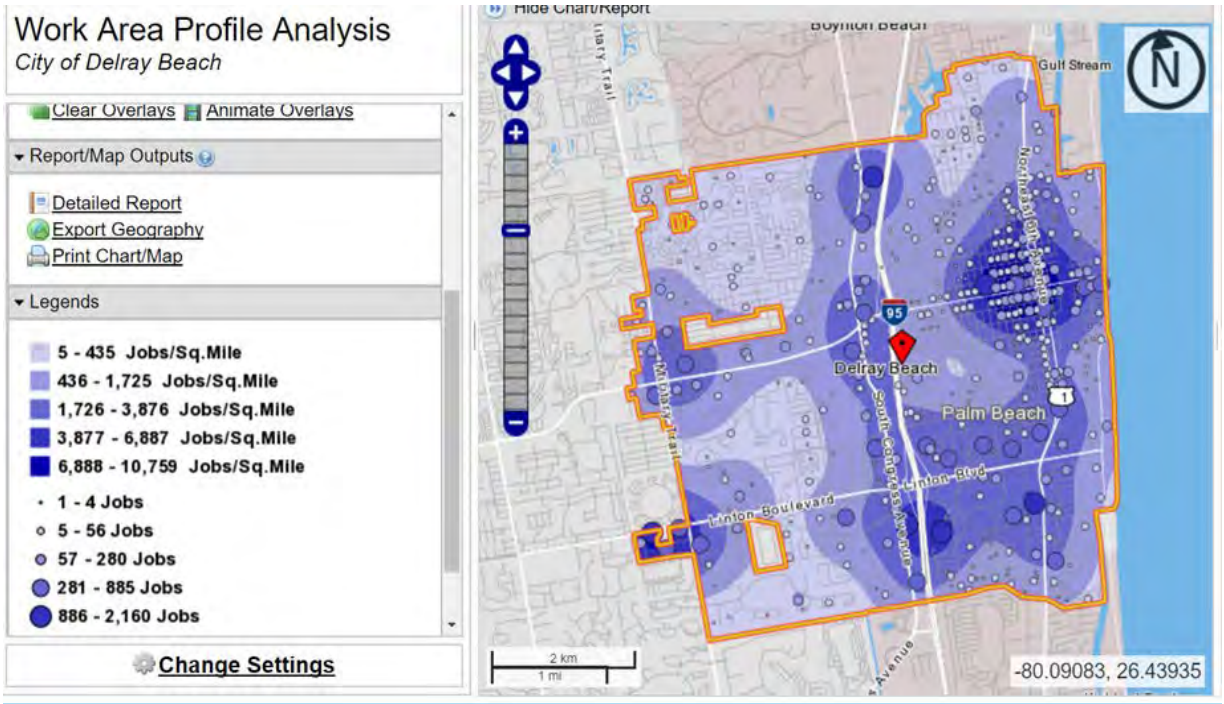


Figure 3: CRA Employment Densities—CRA "Central Core", 2014

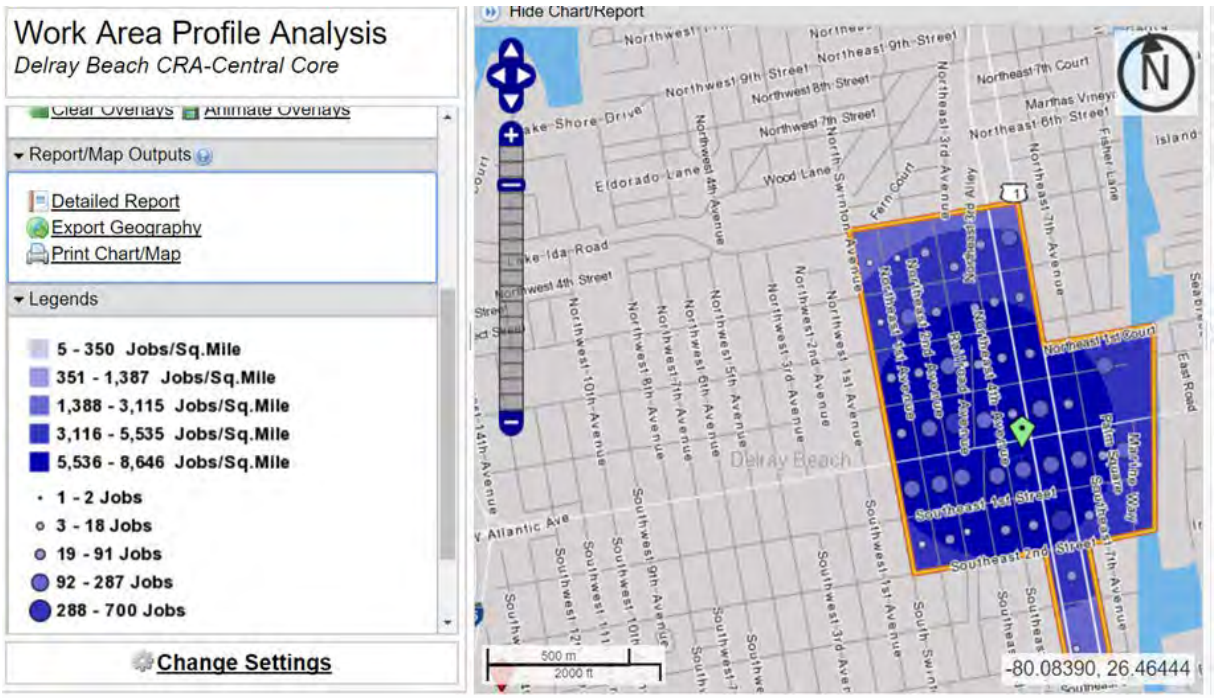


Table 10: 10-Year Employment Trends—CRA "Central Core", 2005—2014

Industry Sector	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	% Dist.	Change: 2005-2014 Amount	Change: 2005-2014 CAGR %
Agriculture & Mining	1	-	1	-	-	8	1	4	-	-	0.0%	(1)	0.0%
Construction	522	747	823	799	599	548	425	416	339	466	9.9%	(56)	-1.3%
Manufacturing	117	112	122	149	144	148	91	91	51	50	1.1%	(67)	-9.0%
Transp & Warehousing	25	25	15	22	9	11	21	54	42	67	1.4%	42	11.6%
Utilities	1	1	1	2	1	1	-	-	-	-	0.0%	(1)	-100.0%
Trade													
Wholesale	255	98	289	151	139	145	124	208	218	58	1.2%	(197)	-15.2%
Retail	631	669	596	370	249	265	275	273	290	266	5.6%	(365)	-9.2%
Information	79	92	32	62	64	59	61	37	36	67	1.4%	(12)	-1.8%
Finance & Insurance	307	323	341	293	239	191	260	303	283	237	5.0%	(70)	-2.8%
Real Estate/Rental & Leasing	95	53	100	119	114	92	141	86	50	49	1.0%	(46)	-7.1%
Services													
Prof'l/Business Services	718	346	361	388	255	306	337	450	506	510	10.8%	(208)	-3.7%
Management of Companies	4	4	4	8	13	12	11	14	13	12	0.3%	8	13.0%
Administration/Waste Mgmt.	195	148	197	181	188	168	251	235	176	240	5.1%	45	2.3%
Educational Services	2	2	-	-	-	8	37	36	39	49	1.0%	47	42.7%
Health Care & Social Assistance	127	113	135	160	151	144	270	296	502	478	10.1%	351	15.9%
Arts/Entertainment/Recreation	32	56	43	52	67	49	44	69	88	76	1.6%	44	10.1%
Accommodation & Food Services	936	890	1,011	1,004	1,136	1,198	1,583	1,677	1,644	1,876	39.7%	940	8.0%
Other Services	159	113	113	188	121	109	163	154	169	215	4.5%	56	3.4%
Public Administration/Gov't	4	6	4	7	9	7	22	17	17	12	0.3%	8	13.0%
Total (In 000s):	**4,210**	**3,798**	**4,188**	**3,955**	**3,498**	**3,469**	**4,117**	**4,420**	**4,463**	**4,728**		**518**	**1.3%**
Annual Change:	-	*(412)*	*390*	*(233)*	*(457)*	*(29)*	*648*	*303*	*43*	*265*			
Job Loss (As % of All CRA Jobs):		*-11%*		*-6%*	*-13%*	*-1%*							
CRA Jobs As % of City:	*13%*	*12%*	*13%*	*13%*	*15%*	*14%*	*16%*	*16%*	*15%*	*15%*			

Source: U.S. Census Bureau, On-the-Map; WTL +a, July 2017.

- Employment in the Central Core remained steady in the range of 12% to 16% of citywide employment between 2005 and 2014;
- Notably, as compared to the overall decline in citywide employment between 2005 and 2014 (a net job loss of almost 1,500 jobs), **job growth in the Central Core CRA strengthened**. As noted, more than 500 new jobs were created in the CRA during this 10-year period, reflecting a compound annual growth rate of 1.3% per year; and
- The Central Core CRA accounts for a slightly increasing share of the city's total employment base—from 13% in 2005 to 15% in 2014.

The Central Core CRA Accounts for an *Increasing* Share of

All Jobs in Delray Beach

3 Real Estate Market Conditions

WTL +a evaluated real estate market conditions in Delray Beach and in other selected, competitive locations in Palm Beach County to understand how recent market trends, current economic conditions, and future growth affect opportunities for new TOD-supportive development around the proposed rain station site in downtown Delray Beach.

This section of the report analyzes historic and current building inventory, occupancy and vacancy levels, annual absorption (leasing) activity, historic development trends, and other appropriate market indices for housing, workplace, supporting commercial (retail) and lodging/hospitality uses based on available data. Key findings are summarized below and illustrated in Table 11 through Table 19.

Housing

Delray Beach contains a diverse array of residential neighborhoods. Market metrics of the city's housing stock are illustrated in Table 11 below:

- Based on data from ESRI Business Analyst and the American Community Survey (ACS), the city contains over 36,500 housing units. Since 2010, ESRI data suggest that the city's housing inventory has increased by almost 2,400 units. This is consistent with housing permit data (as detailed below), which reflect similar expansions of the city's housing supply;
- **The number of owner-occupied units has *decreased***—from 53% in 2010 to 49% in 2017. Conversely, the number of renter-occupied units increased during this time—from 26% in 2010 to almost 31% by 2017. Almost 20% of the city's housing stock is "unoccupied" (estimated at 7,195 units);
- The 2017 average unit value of all housing units in Delray Beach is over $342,100. Over the next five years, average housing values are forecast to increase at a solid, compound annual rate of 3.3% per year—to more than $401,600. By comparison, the average value of owner-occupied housing in Palm Beach County in 2017 is over $327,200. Notably,

Table 11: Housing Profile—City of Delray Beach, 2010—2022

	2010	2017	% Dist.	2022	% Dist.	Change: 2017-2022 No.	Change: 2017-2022 CAGR %
Housing Tenure							
Owner-occupied	18,189	18,123		18,998		875	0.95%
% of Total	53.3%	49.6%		49.1%			
Renter-occupied	9,004	11,230		12,047		817	1.41%
% of Total	26.4%	30.7%		31.1%			
Unoccupied	6,963	7,195		7,643		448	1.22%
% of Total	20.4%	19.7%		19.8%			
Total Units:	**34,156**	**36,548**		**38,688**		**4,532**	**1.14%**
		2,392					
Owner-Occupied Value							
$0 - $99,999		3,516	19%	2,374	12%	(1,142)	-7.6%
$100,000 - $199,999		3,812	21%	3,027	16%	(785)	-4.5%
$200,000 - $299,999		3,474	19%	3,624	19%	150	0.8%
$300,000 - $399,999		2,483	14%	3,247	17%	764	5.5%
$400,000 - $499,999		1,405	8%	1,999	11%	594	7.3%
$500,000 - $749,999		1,621	9%	2,425	13%	804	0.0%
$750,000+		1,813	10%	2,301	12%	488	4.9%
Median Value		**$ 249,289**		**$ 314,583**			**4.8%**
Average Value		**$ 342,139**		**$ 401,648**			**3.3%**

All Housing Units By Structure (2015 American Community Survey)		
1 Unit, Detached	13,413	36.7%
1 Unit, Attached	3,874	10.6%
2 Units	1,382	3.8%
3 or 4 Units	4,422	12.1%
5 to 9 Units	3,059	8.4%
10 to 19 Units	3,289	9.0%
20 to 49 Units	3,655	10.0%
50 or more Units	3,198	8.8%
Mobile Home	256	0.7%
Boat/RV/Other	-	0.0%
Total Units*:*	**36,548**	**100%**

Unoccupied Housing Units By Status		
Unoccupied-All Reasons	**2010**	**2015 (ACS)**
Rented (Not Occupied)	55	
For Sale Only	700	
Sold (Not Occupied)	92	
Seasonal Use	3,827	
For Migrant Workers	1	
Subtotal:	**4,675**	

TRUE VACANCIES		
Other Vacant	1,088	
Vacant, For Rent	1,200	
Subtotal:	**2,288**	**2,615**
True Vacancy Rate	**6.7%**	**7.2%**

Total Unoccupied Units:	**6,963**	**7,958**

https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF

Source: ESRI Business Analyst; American Community Survey; WTL +a, July 2017.

countywide housing values are forecast to increase at slightly higher rates than Delray Beach (3.46% per year) over the next five years;

- More specific analysis of the city's unoccupied housing stock indicates that units are unoccupied for various reasons. As a result, this does not accurately reflect actual *vacant* units. U.S. Census data indicate that over 6,900 units were unoccupied as of the 2010 Census, as the economic recovery from the 2007—2009 recession ended, and recovery gained momentum. As a result, the number of vacant units in many housing markets has declined with an improving economy. In Delray Beach, **the number of unoccupied units *increased* slightly between 2010 and 2017**—from 6,963 units in 2010 to 7,195 units in 2017—remaining in the range of 20%;
- The number of unoccupied units includes over 3,800 units that are seasonally-owned (i.e., occupied for only a portion of the year, such as by snowbirds who vacation in Florida). When such units (as well as other units, such as those that are sold but not yet occupied) are removed from the unoccupied category**, the city's *true vacancy* in 2010 was lower—6.7%, or 2,288 units.** The 2015 American Community Survey (ACS) suggests that the number of truly vacant units has increased slightly—to 2,615 units in 2015, revealing a true vacancy rate of 7.2%; and
- ACS data reveal that Delray's housing stock is diverse, and includes single-family attached and detached (47%) and multi-family units (53%).

Housing Starts

To document how population and household growth affects market potentials for new housing in Delray Beach, WTL+a reviewed information on annual housing starts/residential building permits. This analysis also compares housing starts to household growth to understand whether the pace of one metric is consistent with (or exceeds) the other. Housing starts for the 10-year period between 2007 and 2016 are illustrated in Table 12 below. Key findings indicate that:

- Since 2007 (which includes the 2007-2009 recession and subsequent recovery and economic momentum), housing starts across Palm Beach County resulted in delivery of more than 35,500 new housing units, producing a *sustained* annual pace of **3,550 units per**

year. In terms of unit distribution, this includes 19,945 single-family units (56% of the total) and over 15,600 multi-family units (44% of the total); and

- In Delray Beach, according to data provided by the U.S. Department of Housing & Urban Development, **there were 2,817 units built over the past 10 years**, resulting in an average annual pace of 282 units per year. This included 833 single-family detached units and 1,984 multi-family units (70% of total starts). Delray accounts for only 4% of the County's single-family starts, but 13% of the County's multi-family units over the past 10 years.

Multi-family Rental

WTL+a examined market trends among selected multi-family rental apartment properties located in Delray Beach based on data from REIS, Inc. (a national real estate database), as the overall condition is key to understanding market potentials for new rental housing as part of TOD redevelopment potentials on the city-owned parcels. Moreover, key market inputs from this profile—such as monthly rents—were incorporated into the financial analysis. Key findings are detailed in Table 13 and Table 14 and highlighted below:

Figure 4: Delray Beach Multi-family Rental Properties Map

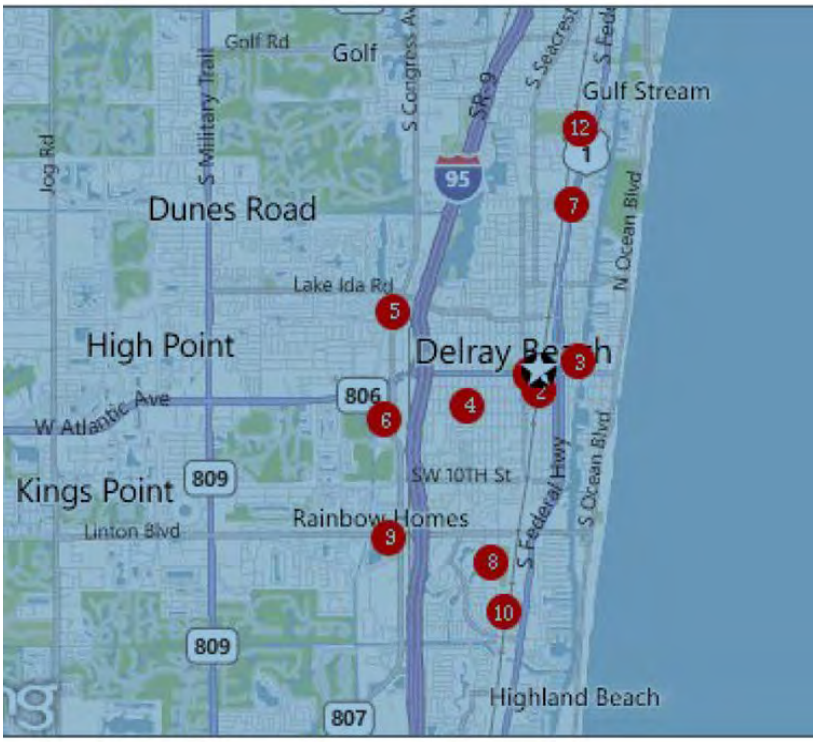


Table 12: Annual Housing Starts—County & Selected Municipalities, 2007—2016

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change: 2007-2016 Total Starts	Annual Average	% of County
Single-family Detached													
Boca Raton	37	30	17	60	218	229	54	66	131	146	988	99	5%
Boynton Beach	61	96	36	9	214	50	115	29	39	20	669	67	3%
Delray Beach	**113**	**38**	**27**	**21**	**57**	**99**	**153**	**111**	**129**	**85**	**833**	**83**	**4%**
Jupiter	162	245	134	176	196	262	378	364	212	185	2,314	231	12%
Palm Beach Gardens	206	111	76	98	111	194	196	188	154	187	1,521	152	8%
Riviera Beach	48	45	4	1	-	2	5	3	8	10	126	13	0.6%
West Palm Beach	35	17	10	8	15	29	27	107	169	193	610	61	3%
Subtotal:	**662**	**582**	**304**	**373**	**811**	**865**	**928**	**868**	**842**	**826**	**7,061**	**706**	**35%**
As % of County	*32%*	*46%*	*28%*	*30%*	*43%*	*40%*	*35%*	*34%*	*32%*	*36%*	*35%*		
SFD-Palm Beach County:	**2,101**	**1,277**	**1,102**	**1,256**	**1,885**	**2,172**	**2,678**	**2,552**	**2,625**	**2,297**	**19,945**	**1,995**	**56%**
Multi-family													
Boca Raton	64	70	-	5	-	384	367	403	844	452	2,589	259	17%
Boynton Beach	368	400	-	2	20	298	538	-	525	700	2,851	285	18%
Delray Beach	**93**	**55**	**217**	**144**	**27**	**687**	**6**	**172**	**234**	**349**	**1,984**	**198**	**13%**
Jupiter	45	5	6	2	2	148	541	342	57	33	1,181	118	8%
Palm Beach Gardens	128	121	-	-	-	42	180	49	87	68	675	68	4%
Riviera Beach	4	77	-	-	-	-	-	-	-	18	99	10	0.6%
West Palm Beach	4	-	11	-	-	-	-	797	99	321	1,232	123	8%
Subtotal:	**706**	**728**	**234**	**153**	**49**	**1,559**	**1,632**	**1,763**	**1,846**	**1,941**	**10,611**	**1,061**	**68%**
As % of County	*69%*	*80%*	*71%*	*60%*	*8%*	*68%*	*70%*	*70%*	*84%*	*62%*	*68%*		
MF-Palm Beach County:	**1,029**	**905**	**329**	**255**	**614**	**2,297**	**2,336**	**2,519**	**2,206**	**3,119**	**15,609**	**1,561**	**44%**

http://socds.huduser.org/permits/

Source: U.S. Census Bureau; U.S. Dept. of Housing & Urban Development; WTL+a, July 2017.

Table 12 (Continued): 10-Year Housing Starts—County & Selected Municipalities, 2007—2016

Municipality	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Change: 2007-2016 Total Starts	Annual Average	% of Total
Total Starts													
Boca Raton	101	100	17	65	218	613	421	469	975	598	3,577	358	10.1%
Boynton Beach	429	496	36	11	234	348	653	29	564	720	3,520	352	9.9%
Delray Beach	**206**	**93**	**244**	**165**	**84**	**786**	**159**	**283**	**363**	**434**	**2,817**	**282**	**7.9%**
Jupiter	207	250	140	178	198	410	919	706	269	218	3,495	350	9.8%
Palm Beach Gardens	334	232	76	98	111	236	376	237	241	255	2,196	220	6.2%
Riviera Beach	52	122	4	1	-	2	5	3	8	28	225	23	0.6%
West Palm Beach	39	17	21	8	15	29	27	904	268	514	1,842	184	5.2%
Subtotal:	**1,368**	**1,310**	**538**	**526**	**860**	**2,424**	**2,560**	**2,631**	**2,688**	**2,767**	**17,672**	**1,767**	**49.7%**
As % of County	***44%***	***60%***	***38%***	***35%***	***34%***	***54%***	***51%***	***52%***	***56%***	***51%***			
TOTAL-Palm Beach County:	**3,130**	**2,182**	**1,431**	**1,511**	**2,499**	**4,469**	**5,014**	**5,071**	**4,831**	**5,416**	**35,554**	**3,555**	**100%**

http://socds.huduser.org/permits/

Source: U.S. Census Bureau; U.S. Dept. of Housing & Urban Development; WTL+a, July 2017.

According to properties reporting to REIS, Inc.:

- We selected 10 market-rate rental complexes in Delray Beach containing 2,236 units. Four competitive properties are located within 0.78-miles of the TOD station site, and the remaining six properties are located between 1.5 and 2.3 miles from the potential station location. We note that this does *not* include all multi-family properties in the city, as there are other rental units/properties that may not report to REIS, Inc.;
- As illustrated in Table 13, among these 10 competitive properties, overall vacancy rates have increased slightly—from 4.0% in 2012 to 6.3% in 2017. However, vacancy rates remain in the "stabilized" (i.e., full market strength) range, which the apartment industry considers to be 5%. These 10 properties comprise a weighted average size of 1,130 sq. ft. per unit and rent for $1,978 per month ($1.75 per sq. ft.). Another key metric is unit absorption (leasing), which has averaged a solid 93 units per year, or eight units per month;

- As illustrated in Table 14, among three competitive properties located in downtown Delray Beach, with 529 units, vacancy rates have fluctuated—from 5.5% in 2012 to 10.0% in 2016, declining again to 5.5% in 2017. The units in these three downtown comparables—all built since 2010—exhibit a weighted average size of 1,049 sq. ft. per unit and **rent for $2,631 per month ($2.51 per sq. ft.)**; and

- Occupancy patterns among the selected downtown comparables reflect delivery of new buildings—such as the SOFA-South of Atlantic project—which opened in 2015 and absorbed approximately 156 of its 170 units over a two-year period. This reflects an average monthly absorption of 6.5 units per month. Otherwise, overall absorption averages a limited 10 units per year due to stabilized occupancies in such projects as Worthing Place.

In conclusion, this data suggests that the city's **multi-family rental market is generally stabilized, with positive annual absorption, generally high occupancies and strong achieved monthly rents.**

Downtown's Multi-family Rental Market Commands Very High Rents:

$2,631 Per Month ($2.51 per SF)

Table 13: Profile of Selected Multi-family Rental Properties—Citywide

Project/Location	Year Built Class & Height	Average Monthly Concession	Unit Type	No. of Units	Size (In SF)	Per Month Asking Rent	Per Month Rent Per SF	Vacancy & Absorption Analysis Vacant Units	2017	2016	2014	2012
Worthing Place	2010	$ 144	1 BR	81	900	$ 2,748	$ 3.05	8	3.7%	5.1%	4.5%	5.5%
32 SE 2nd Avenue	A		2 BR	127	1,225	3,000	2.45		3	(1)	2	-
Delray Beach	6 floors		3 BR	8	1,410	3,191	2.26					
				216	**1,110**	**$ 2,913**	**$ 2.62**					
SOFA-South of Atlantic	2015	$ 137	Studio	28	709	$ 1,818	$ 2.56	14	8.2%	19.4%	N/A	N/A
151 SE 3rd Avenue	A		1 BR	67	780	2,534	3.25		19	137	-	-
Delray Beach	4 floors		2 BR	75	1,135	3,085	2.72					
				170	**925**	**$ 2,774**	**$ 3.00**					
The Franklin	2013	$ 101	1 BR	38	930	$ 1,837	$ 1.98	7	4.9%	6.3%	10.3%	N/A
320 Franklin Club Drive	A		2 BR	94	1,137	2,058	1.81		2	6	-	-
Delray Beach	3 floors		3 BR	11	1,445	2,525	1.75					
				143	**1,106**	**$ 2,035**	**$ 1.84**					
Blu Atlantic	2014	$ 82	1 BR	46	768	$ 1,442	$ 1.88	3	1.8%	1.8%	2.0%	N/A
5550 Nepsa Way	A		2 BR	87	1,080	1,702	1.58		-	0.3	-	-
Delray Beach	3 floors		3 BR	37	1,303	1,839	1.41					
				170	**1,044**	**$ 1,661**	**$ 1.59**					
Water's Edge @ Delray	1998/2009	$ 70	1 BR	56	833	$ 1,330	$ 1.60	2	1.4%	2.0%	1.9%	3.0%
500 N. Congress Avenue	A		2 BR	84	1,003	1,458	1.45		1	(0.1)	2	-
Delray Beach	3 floors		3 BR	8	1,146	1,591	1.39					
				148	**946**	**$ 1,417**	**$ 1.50**					

Table 13 (Continued): Profile of Selected Multi-family Rental Properties—Citywide

Project/Location	Year Built Class & Height	Average Monthly Concession	Unit Type	No. of Units	Size (In SF)	Per Month Asking Rent	Per Month Rent Per SF	Vacancy & Absorption Analysis Vacant Units	2017	2016	2014	2012
Alta Congress	2013	$ 103	Studio	2	537	$ 1,461	$ 2.72	6	1.6%	4.1%	12.8%	N/A
250 Congress Park Drive	A		1 BR	96	793	1,493	1.88		2	32	-	-
Delray Beach	4 floors		2 BR	188	1,209	2,179	1.80					
			3 BR	82	1,494	2,527	1.69					
				368	**1,160**	**$ 2,074**	**$ 1.79**					
Delray Preserve	2017	$ 106	1 BR	40	817	$ 1,896	$ 2.32	63	44.1%	N/A	N/A	N/A
2001 N. Federal Highway	A		2 BR	82	1,281	2,180	1.70		80	-	-	-
Delray Beach	3 floors		3 BR	21	1,527	2,522	1.65					
				143	**1,187**	**$ 2,151**	**$ 1.81**					
The Atlantic @ East Del Ray	1996/2015	$ 89	1 BR	68	790	$ 1,553	$ 1.97	6	2.6%	2.2%	2.6%	2.5%
650 Lavers Circle	A		2 BR	111	1,166	1,847	1.58		(1)	-	(0.2)	-
Delray Beach	3 floors		3 BR	48	1,283	2,080	1.62					
				227	**1,078**	**$ 1,808**	**$ 1.68**					
Delray Verana	1987/2014	$ 81	1 BR	48	764	$ 1,321	$ 1.73	21	4.3%	4.6%	3.7%	4.1%
1495 Spring Harbor Drive	A		2 BR	175	1,204	1,535	1.27		1	(4)	2	-
Delray Beach	3 floors		3 BR	263	1,395	1,752	1.26					
				486	**1,264**	**$ 1,631**	**$ 1.29**					
Delray Bay	2002/2015	$ 80	1 BR	68	878	$ 1,412	$ 1.61	12	7.3%	4.8%	5.0%	4.6%
3360 Delray Bay Drive	A		2 BR	63	1,408	1,721	1.22		(4)	0.3	(0.7)	-
Delray Beach	2 floors		3 BR	34	1,495	1,794	1.20					
				165	**1,208**	**$ 1,609**	**$ 1.33**					
COMPARABLES ANALYSIS:												
Total/Weighted Average		**$ 99**		**2,236**	**1,130**	**$ 1,978**	**$ 1.75**	**142**	**6.3%**	**5.2%**	**5.7%**	**4.0%**
Total Unit Absorption (2012-2017):									**103**	**170**	**5**	**-**
Average Annual									**93**			

Source: REIS, Inc.; WTL+a, August 2017.

Table 14: Profile of Selected Multi-family Rental Properties—Downtown

Project/Location	Year Built Class & Height	Average Monthly Concession	Unit Type	No. of Units	Size (In SF)	Per Month Asking Rent	Per Month Rent Per SF	Vacancy & Absorption Analysis Vacant Units	2017	2016	2014	2012
Worthing Place	2010	$ 144	1 BR	81	900	$ 2,748	$ 3.05	8	3.7%	5.1%	4.5%	5.5%
32 SE 2nd Avenue	A		2 BR	127	1,225	3,000	2.45		3	(1)	2	-
Delray Beach	6 floors		3 BR	8	1,410	3,191	2.26					
				216	**1,110**	**$ 2,913**	**$ 2.62**					
SOFA-South of Atlantic	2015	$ 137	Studio	28	709	$ 1,818	$ 2.56	14	8.2%	19.4%	N/A	N/A
151 SE 3rd Avenue	A		1 BR	67	780	2,534	3.25		19	-	-	-
Delray Beach	4 floors		2 BR	75	1,135	3,085	2.72					
				170	**925**	**$ 2,774**	**$ 3.00**					
The Franklin	2013	$ 101	1 BR	38	930	$ 1,837	$ 1.98	7	4.9%	6.3%	10.3%	N/A
320 Franklin Club Drive	A		2 BR	94	1,137	2,058	1.81		2	6	-	-
Delray Beach	3 floors		3 BR	11	1,445	2,525	1.75					
				143	**1,106**	**$ 2,035**	**$ 1.84**					
COMPARABLES ANALYSIS:												
Total/Weighted Average		**$ 101**		**529**	**1,049**	**$ 2,631**	**$ 2.51**	**29**	**5.5%**	**10.0%**	**6.8%**	**5.5%**
Total Unit Absorption (2012-2017):									**24**	**4**	**2**	**-**
Average Annual									**10**			

Source: REIS, Inc.; WTL+a, August 2017.

Hotel/Lodging

WTL+a also reviewed data on market conditions for hotel and lodging uses in this area of Palm Beach County based on performance data provided by STR Global, the industry leader in hotel market data. Performance metrics from this analysis were used to determine market potentials for a new hotel as part of a TOD redevelopment in downtown Delray. In larger population centers and communities with established commercial office concentrations, hotels can serve as an important supporting amenity to corporate and business activity generators, for tourism destinations and for nearby residential clusters.

Hotel quality levels are generally determined by the depth and sustainability of support from available market segments. In areas with lower spending potentials or more price-sensitive consumers (such as logistics-related markets serving truck drivers and others), market potentials may be best met by a limited-service property (which is defined by the hotel industry to include no on-site restaurant, and limited other amenities such as gyms, meeting/conference/event spaces, swimming pools, spas, etc.) as opposed to higher-priced hotel categories (such as full-service business-oriented hotels, which include all of the above amenities) or destination resort properties oriented toward beaches/waterfronts, golf courses, etc.

As illustrated in Table 15, Palm Beach County contains 16,900 hotel rooms in multiple submarkets across the County. **There are 955 hotel rooms in 10 properties in Delray Beach, accounting for a 5.7% share of the County's inventory.** This includes a mix of various classes (as defined by the hotel industry), including economy (Budget Inn), Colony Hotel (upper midscale), Hyatt Place (upscale), Marriott (upper upscale) and the Seagate Hotel (luxury).

To understand this competitive context, WTL+a obtained performance data from STR Global, the hotel industry's leader in tracking market performance in the lodging industry. Since only five of the city's 10 hotels report their performance metrics to STR, we obtained data from a selected number of hotels near Delray Beach, including the Delray Sands Resort (Highland

Beach), the Hampton Inn & Suites (Boynton Beach) and the Embassy Suites and Hilton Garden Inn (Boca Raton).

Hotel occupancies are a principal source of information on business and leisure visitor markets, and measures of demand for hotel development follow general industry patterns that identify markets as ready to add more room capacity. The general thresholds used in the capital markets to test growth capacity for new hotel rooms include Average Daily Rates (or ADRs), and average annual occupancy levels (allowing for possible seasonal changes).

Notably, the hotel industry considers **average annual occupancy between 65% and 72% as a break-even threshold necessary to support additional capacity and warrant development of new hotel rooms**.

Table 15: Palm Beach County Hotel Inventory, 2017

	No. of Rooms by Property Class							
Location	Economy	Mid-scale	Upper Mid-scale	Upscale	Upper Upscale	Luxury	Total Rooms	As % of Palm Beach County
	(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*		
Belle Glade	105	-	-	-	-	-	**105**	0.6%
Boca Raton	265	249	491	968	1,049	1,047	**4,069**	24.1%
Boynton Beach	185	100	372	170	-	-	**827**	4.9%
Delray Beach	**17**	**-**	**164**	**294**	**326**	**154**	**955**	**5.7%**
Greenacres	48	-	-	-	-	-	**48**	0.3%
Highland Beach	-	-	-	-	113	-	**113**	0.7%
Juno Beach	-	-	197	-	-	-	**197**	1.2%
Jupiter	-	152	179	166	347	-	**844**	5.0%
Lake Worth	309	20	104	-	-	-	**433**	2.6%
Lantana	303	-	122	-	-	-	**425**	2.5%
Manalapan	-	-	-	-	-	309	**309**	1.8%
North Palm Beach	154	-	-	-	-	-	**154**	0.9%
Palm Beach	-	-	98	-	219	905	**1,222**	7.2%
Palm Beach Gardens	-	95	199	553	778	-	**1,625**	9.6%
Palm Beach Shores	-	50	-	-	-	-	**50**	0.3%
Riviera Beach/Singer Isl	271	-	-	31	416	-	**718**	4.2%
Royal Palm Beach	111	-	-	-	-	-	**111**	0.7%
South Bay	122	-	-	-	-	-	**122**	0.7%
Wellington	-	-	122	-	-	-	**122**	0.7%
West Palm Beach	914	666	484	1,166	1,223	-	**4,453**	26.3%
TOTAL:	**2,804**	**1,332**	**2,532**	**3,348**	**4,471**	**2,415**	**16,902**	**100%**
% Dist. by Class	***17%***	***8%***	***15%***	***20%***	***26%***	***14%***		

(1) Examples of economy class properties include: Days Inn; Extended Stay America; Red Roof Inn; Super 8; and Travelodge.
(2) Examples of mid-scale class properties include: Best Western; LaQuinta Inn; Quality Inn; Sleep Inn & Suites and Wingate By Wyndham.
(3) Examples of upper mid-scale properties include: Comfort Inn; Fairfield Inn; Hampton Inn; and Holiday Inn Express & Suites.
(4) Examples of upscale properties include: Marriott Courtyard; Crowne Plaza; Doubletree; Hilton Garden Inn; Hyatt Place; and Residence Inn.
(5) Examples of upper upscale properties include: Hyatt Regency; Marriott; Sheraton and Wyndham.
(6) Examples of luxury properties include: Boca Raton Resort; Seagate Hotel & Spa; Jupiter Beach Resort; The Breakers; Brazilian Court and others.

Source: STR Global; WTL+a, July 2017.

Table 16: Selected Competitive Hotel Inventory

Facility/Location	Opening Date	No. of Rooms	% of Supply	Product Class	STR Market Data
Delray Beach					
Budget Inn	N/A	17	2%	Economy	No
Subtotal:		**17**	**2%**		
Colony Hotel	Jun 1926	69	7%	Upper Midscale	No
Fairfield Inn & Suites	Feb 2015	95	10%	Upper Midscale	Yes
Subtotal:		**164**	**17%**		
Residence Inn Delray Beach	Jun 1969	131	14%	Upscale	Yes
Wright By The Sea	Jun 1950	29	3%	Upscale	No
Hyatt Place Delray Beach	Aug 2012	134	14%	Upscale	Yes
Subtotal:		**294**	**31%**		
The Breakers On The Ocean	Jun 1959	22	2%	Upper Upscale	No
Crane's Beach House Hotel	Jun 2001	27	3%	Upper Upscale	No
Marriott Delray Beach	Feb 1998	277	29%	Upper Upscale	Yes
Subtotal:		**326**	**34%**		
The Seagate Hotel & Spa	Nov 2009	154	16%	Luxury	Yes
Subtotal:		**154**	**16%**		
TOTAL ROOMS:		**955**	**100%**		
As % of Palm Beach County Inventory		***5.7%***			

Source: STR Global; WTL+a, July 2017.

Table 17: Market Performance of Selected Competitive Hotel Properties, 2011—2016

		2011	2012	2013	2014	2015	2016	June YTD 2017	CHANGE: 2011-2016 Average	CHANGE: 2011-2016 CAGR
Performance Characteristics										*(1)*
	Number of Rooms	1,245	1,379	1,385	1,385	1,480	1,480			
	Available Room Nights (Supply)	455,033	474,927	505,229	505,525	537,255	516,004		498,996	2.55%
	Occupied Room Nights (Demand)	309,216	330,469	361,577	378,261	408,540	394,841		363,817	5.01%
	Annual Occupancy (%)	**68.0%**	**69.6%**	**71.6%**	**74.8%**	**76.0%**	**76.5%**	**80.6%**	**72.9%**	2.40%
	Average Daily Rate	$ 146.18	$ 152.57	$ 159.40	$ 173.56	$ 181.49	$ 183.96	$ 208.61	$ 167.52	4.71%
(2)	Revenue Per Available Room	$ 99.34	$ 106.16	$ 114.08	$ 129.87	$ 138.01	$ 140.77	$ 168.07	$ 122.14	7.22%
Year-to-Year % Growth										
	Annual Occupancy	-	2.4%	2.9%	4.6%	1.6%	0.6%	5.3%		
	Average Daily Rate	-	4.4%	4.5%	8.9%	4.6%	1.4%	13.4%		
	Revenue/Available Room	-	6.9%	7.5%	13.8%	6.3%	2.0%	19.4%		

Selected Property	Rooms	% Dist.	Year Open
Hyatt Place Delray Beach	134	9%	2012
Marriott Delray Beach	277	19%	1998
Fairfield Inn & Suites Delray Beach I 95	95	6%	2015
Residence Inn Delray Beach	131	9%	1969
The Seagate Hotel & Spa	154	10%	2009
Embassy Suites Boca Raton	263	18%	1985
Hilton Garden Inn Boca Raton	149	10%	2002
Hampton Inn Suites Boynton Beach	164	11%	1997
Delray Sands Resort	113	8%	1970
Total:	**1,480**	**100%**	

(1) CAGR=Compound Annual Growth Rate.

(2) Revenue per available room is total annual room revenue divided by available rooms. It is the best measure of year-to-year growth because it considers simultaneous changes in both room rate and annual occupancies.

Source: STR Global; WTL+a, August 2017.

Table 17 illustrates key performance metrics among the area's competitive hotel properties. Key findings indicate that:

- The nine properties selected for this analysis contain 1,480 rooms. They comprise a range of industry designations as identified by STR, including economy, midscale, upper Midscale, upscale and luxury;
- Over the past six years, **average annual occupancies have increased from 68% in 2011 to 76.5% in 2016**, which reflects a compound annual growth rate of 2.4% per year;
- Notably, for the past three years, ***sustained*** **annual occupancies for these properties have ranged from 74.8% to 76.5%** (with a six-year average of 72.9% between 2011 and 2016). Occupancies through June 2017 averaged an extraordinarily strong 80.6%;
- As such, this meets the threshold required by the capital markets of sustained annual occupancies ranging from 65% to 72% to warrant capital market-based financing of new hotel construction; and

- This performance analysis suggests that **there is sufficient demand/investment-level performance necessary to justify the addition of new hotel rooms in Delray Beach** (and its immediate surrounding trade area). As a result, 480 rooms are proposed in three new hotels in the downtown area, including:

- 150 rooms in a mixed-use project at Federal Highway and SE 6th Street (Kolter Hospitality)
- 122 rooms in a proposed Aloft Hotel
- 148 rooms in the proposed Swinton Commons project (Hudson Holdings) and
- 60 rooms in a mixed-use project at NE 2nd Avenue and 2nd Street (Menin site).

Workplace: Office

The market analysis includes an evaluation of "workplace" uses, including: multi-tenant/speculative office and business services sectors in both Palm Beach County and Delray Beach to:

- Understand the city's overall competitive position for such uses based on data from various commercial real estate sources, in the following key market indices: total inventory, construction deliveries, net absorption (i.e., leasing) activity, vacant stock, vacancy rates, and rental rates;
- Inform our evaluation of redevelopment opportunities for workplace uses on the city-owned parcels based on the findings of key metrics in this profile; and
- Guide the TCRPC planning team's testing of redevelopment scenarios to ensure that uses such as office space will physically fit and be sufficiently marketable.

Palm Beach County

Key findings for Palm Beach County's office market are summarized below and based on regional data from Cushman & Wakefield, Inc.:

- As illustrated in Table 18, Palm Beach County contains **23.8 million sq. ft. of office space** distributed across the Central Business District (downtown West Palm Beach) and 12 suburban submarkets. Countywide, there are **more than 3.75 million sq. ft. of vacant office space** (including direct vacancies and sublet space), which reflects a current vacancy rate of 15.7%;
- Multiple factors have combined to strengthen overall leasing activity, including recovery from the 2007—2009 recession, net new job growth in office-using sectors and new or expanded businesses throughout the County. In fact, *net* absorption has totaled more than **1.2 million**

Table 18: Office Market Profile—Palm Beach County, 2017

	Inventory (2016 Ranking)			% Change:		Direct Vacant Space						% Change:
	2014	2015	2016	2014-2016		2014	%	2015	%	2016	%	2014-2016
CBD												
Downtown West Palm Beach	3,208,460	3,208,460	3,235,755	1%		558,272	17%	528,607	16.5%	547,939	16.9%	-2%
Subtotal - CBD:	**3,208,460**	**3,208,460**	**3,235,755**	**1%**	#	**558,272**	**17.4%**	**528,607**	**16.5%**	**547,939**	**16.9%**	**-2%**
Non-CBD (Ranked by Size)												
NW Boca Raton	5,307,256	5,307,256	4,379,574	-17%		589,105	11.1%	685,884	12.9%	528,592	12.1%	-10%
Other Suburban WPB	3,422,072	3,527,232	3,372,323	-1%		615,973	18.0%	689,027	19.5%	595,049	17.6%	-3%
PB Gardens/N Palm Beach	2,825,112	2,825,112	3,080,687	9%		381,390	13.5%	335,757	11.9%	281,751	9.1%	-26%
Glades Road	3,082,480	3,082,480	3,018,463	-2%		551,764	17.9%	586,014	19.0%	457,700	15.2%	-17%
Federal Highway Corridor	1,468,880	1,468,880	1,638,899	12%		185,079	12.6%	195,516	13.3%	201,929	12.3%	9%
Delray Beach	**1,480,952**	**1,480,952**	**1,397,426**	**-6%**		**676,795**	**45.7%**	**666,737**	**45.0%**	**631,278**	**45.2%**	**-7%**
Downtown Boca Raton	837,487	837,487	844,906	1%		163,310	19.5%	111,290	13.3%	115,297	13.6%	-29%
SW Boca Raton	757,399	757,399	657,631	-13%		159,054	21.0%	107,575	14.2%	62,535	9.5%	-61%
Jupiter/Tequesta/Juno	842,973	842,973	582,397	-31%		102,000	12.1%	102,295	12.1%	58,051	10.0%	-43%
Lake Worth	587,110	587,110	582,085	-1%		59,885	10.2%	55,869	9.5%	43,094	7.4%	-28%
Boynton Beach	596,468	596,468	528,089	-11%		179,537	30.1%	165,917	27.8%	129,654	24.6%	-28%
Palm Beach	498,478	498,478	525,319	5%		113,653	22.8%	116,571	23.4%	98,059	18.7%	-14%
Subtotal - Suburban:	**21,706,667**	**21,811,827**	**20,607,799**	**-5%**		**3,777,545**	**17.4%**	**3,818,452**	**17.5%**	**3,202,989**	**15.5%**	**-15%**
TOTAL:	**24,915,127**	**25,020,287**	**23,843,554**	**-4%**	#	**4,335,817**	**17.4%**	**4,347,059**	**17.4%**	**3,750,928**	**15.7%**	**-13%**
Annual Change:						-		*11,242*		*(596,131)*		

Source: Cushman & Wakefield of Florida, Inc.; WTL+a, July 2017.

Table 17 (Continued): Office Market Profile—Palm Beach County, 2017

	Overall Net Absorption					Years to Stabilized	Overall Average Asking Rents Per SF (All Classes)			% Change:
	2014	2015	2016	Total	Avg. Ann'l	Occupancy	2014	2015	2016	2014-2016
CBD						*(1)*				
Downtown West Palm Beach	94,705	9,487	42,809	147,001	49,000	10.4	$ 34.57	$ 34.76	$ 40.33	17%
Subtotal - CBD:	**94,705**	**9,487**	**42,809**	**147,001**	**49,000**	**10.4**	**$ 34.57**	**$ 34.76**	**$ 40.33**	**17%**
Non-CBD (Ranked by Size)										
NW Boca Raton	80,621	43,079	(854)	122,846	40,949	12.0	$ 22.99	$ 24.22	$ 33.03	44%
Other Suburban WPB	2,585	30,178	104,657	137,420	45,807	12.1	22.84	34.49	27.63	21%
PB Gardens/N Palm Beach	122,634	51,671	105,061	279,366	93,122	2.8	29.03	27.67	34.44	19%
Glades Road	23,515	77,953	184,640	286,108	95,369	4.5	34.14	34.91	37.89	11%
Federal Highway Corridor	23,813	(4,739)	37,621	56,695	18,898	9.9	29.07	30.37	33.65	16%
Delray Beach	**(9,173)**	**(6,779)**	**10,567**	**(5,385)**	**(1,795)**	**N/A**	**$ 21.27**	**$ 21.38**	**$ 40.50**	**90%**
Downtown Boca Raton	20,745	62,317	25,209	108,271	36,090	3.0	32.85	33.45	35.09	7%
SW Boca Raton	21,701	(14,129)	36,800	44,372	14,791	3.9	26.24	26.05	33.95	29%
Jupiter/Tequesta/Juno	14,987	4,427	(1,564)	17,850	5,950	9.1	33.46	31.84	33.94	1%
Lake Worth	27,710	6,659	9,816	44,185	14,728	2.7	19.31	20.30	29.83	54%
Boynton Beach	(70,293)	41,713	12,931	(15,649)	(5,216)	N/A	18.01	19.64	27.75	54%
Palm Beach	8,434	(3,834)	7,583	12,183	4,061	22.5	53.81	55.71	58.79	9%
Subtotal - Suburban:	**267,279**	**288,516**	**532,467**	**1,088,262**	362,754	**8.2**	**$ 26.72**	**$ 27.36**	**$ 32.98**	**23%**
TOTAL:	**361,984**	**298,003**	**575,276**	**1,235,263**	**617,632**	**6.5**	**$ 27.77**	**$ 28.21**	**$ 34.70**	**25%**
Annual Change:	-	*(63,981)*	*277,273*				-	*1.6%*	*23.0%*	

(1) This illustrates the estimated time (in years) to achieve stabilized occupancies (defined as 93% occupancy), based on average annual absorption for the 2014-2016 period.

Source: Cushman & Wakefield of Florida, Inc.; WTL+a, July 2017.

sq. ft. countywide over the past three years. If this annual pace of 617,600 sq. ft. can be sustained, it would require approximately 6.5 years to reduce the County's vacant office space to stabilized levels in the range of 7% vacancy (i.e., the real estate industry considers stabilized occupancies for office buildings to be in the range of 93% to 95%);

- Another sign of the County's strengthening office market is reflected in increasing rents. In fact, average asking rents increased fully 25% between 2014 and 2016—from $27.77 per sq. ft. in 2014 to $34.70 per sq. ft. in 2016; and
- The strength of the County's suburban office market remains focused in two locations—the Glades Road corridor as well as Palm Beach Gardens/North Palm Beach, which includes Lake Park, North Palm Beach and Palm Beach Gardens. In this submarket, net absorption has averaged over 93,100 sq. ft. per year for the past three years, while the Glades Road corridor has averaged almost 95,400 sq. ft. of net absorption annually since 2014.

Delray Beach

Cushman & Wakefield, Inc. tracks Delray Beach as its own office submarket. WTL+a conducted a more detailed analysis of market trends in the city, as summarized below:

- Delray Beach contains a *reported* **inventory of 1.4 million sq. ft.,** accounting for 5.9% of the County's total office inventory;
- Over the past three years, the city's share of the County's office market has remained steady in the range of 5.8% to 5.9%;
- The city has a "bifurcated" office market—ranging from "boutique" small-scale buildings in downtown to typical suburban office buildings with larger floorplates at the city's western edge along the Congress Avenue corridor;

Impacts of Office Depot Headquarters Vacancy

- **The city's office market is characterized by high vacancy rates and limited net absorption** (i.e., leasing activity). This is due primarily to the ongoing challenges associated with the vacant Office Depot headquarters facility, which contains 567,500 sq. ft. of space. Office Depot moved its headquarters into a newly-built, 625,000 sq. ft. campus at 6600 N. Military Trail in the Arvida Park of Commerce in Boca Raton in 2008—2009;

- Its former headquarters, located on a 43-acre campus off Congress Avenue south of Linton Boulevard in Delray, has remained vacant since that time, and contributes to the city's significant office vacancy challenges. In fact, Cushman & Wakefield data indicate that **the city's office vacancy rate has hovered in the range of 45%,** with over 631,200 sq. ft. of vacant office space; the Office Depot campus account for almost 90% of the city's vacant inventory;

Limited Net Absorption/Leasing Activity

- Since 2014, Cushman data suggests that citywide **net absorption was *negative* (-5,400 sq. ft.).** In other words, an average of 1,795 sq. ft. of space was *vacated* annually for the past three years. In 2016, however, absorption turned nominally positive, with a modest 10,600 sq. ft. of net absorption;

- A comparison of performance data of 12 office buildings located throughout the city and *excluding* the Office Depot property (from REIS, Inc.) suggests the following:
    - An inventory of 695,000 sq. ft. in 12 buildings built between 1972 and 2003, and ranging in size from 17,600 to 150,800 sq. ft.
    - A *decline* in overall vacancy rates—from **37.4% in 2012 to 29.9% in 2017**

- Rents ranging from $17 to $25 per sq. ft. with Atlantic Crossing commanding the highest rents at $32 per sq. ft.
- Uneven patterns of annual absorption—ranging from (10,900) sq. ft. in 2014, 10,220 sq. ft. in 2015 and a solid 52,400 sq. ft. of positive absorption in 2016
- Minimal overall absorption averaging 10,350 sq. ft. per year between 2012 and 2017.

New Downtown Office Prospects

According to information provided by the City of Delray Beach, there are four office projects planned or under construction in downtown Delray that will deliver over 172,300 sq. ft. of new office space.

During our stakeholder interviews, it was noted repeatedly that downtown Delray lacks high-quality (Class A) office space and that is constricting absorption/leasing activity. As a result, market response to the available speculative space in each project will indicate the overall depth of demand for high-quality office space in downtown Delray over the next several years.

Project	Location	SF	Delivery Date
SOFA Delray	111 SE 1st Avenue	23,600	October 2018
Kaufman Lynn HQs	3185 S. Congress Avenue	23,271	Sept 2019
Atlantic Crossing	Atlantic Ave & Federal Hwy	83,462	Planned
IPIC 4th & 5th	Atlantic Ave & SE 4th St	42,000	Under Constr.
TOTAL:		**172,333**	

Table 19: Office Building Characteristics—Delray Beach, 2012—2017

Property	Location	Distance to TOD Site	Building Size	Year Built	Floors	Rent PSF	Vacancy & SF Absorption Analysis				
							Vacancy	2017	2016	2014	2012
Multi-tenant Rent Comps											
Atlantic Plaza	777 E. Atlantic Avenue	0.29	48,000	1986 Class A	4	$ 32.07	-	0.0% 23,424	48.8% (288)	48.2% (6,816)	34.0% -
Linton Office Tower	100 E. Linton Boulevard	1.56	52,800	1972 Class B/C	5	$ 21.14	-	0.0% -	0.0% 1,109	2.1% 581	3.2% -
Congress Park North II	190 Congress Park Drive	1.64	32,000	1985 Class B/C	3	$ 22.33	17,904	56.0% (1,456)	51.4% (2,688)	43.0% (3,360)	32.5% -
Congress Park North III	200 Congress Park Drive	1.64	32,000	1999 Class B/C	3	$ 21.02	4,480	14.0% 2,976	23.3% 1,856	29.1% (1,280)	25.1% -
Linton Int'l Plaza	660 Linton Boulevard	1.66	69,500	1986 Class B/C	2	$ 26.02	2,453	3.5% 3,732	8.9% (1,390)	6.9% 626	7.8% -
1405 N. Congress	1405 N. Congress Avenue	1.73	23,000	2003 Class B/C	1	$ 17.75	-	0.0% -	0.0% 299	1.3% 368	2.9% -
Arbors Office Park	1615 S. Congress Avenue	2.05	97,074	1981 Class B/C	2	$ 23.99	-	0.0% 12,425	12.8% 5,727	18.7% 17,182	36.4% -
Arbors Office Park	1625 S. Congress Avenue	2.05	77,199	1982 Class B/C	4	$ 25.73	3,165	4.1% 3,474	8.6% 4,632	14.6% 2,007	17.2% -
Arbors Office Park	1690 S. Congress Avenue	2.08	70,093	1982 Class B/C	2	$ 23.22	34,346	49.0% 2,804	53.0% (1,332)	51.1% (1,262)	49.3% -
500 Gulfstream	500 Gulfstream Boulevard	2.08	24,904	1982	2	$ 22.34	4,931	19.8% 2,017	27.9% (1,669)	21.2% (797)	18.0% -
Dumar Plaza	2885-2925 S. Federal Highway	2.32	17,602	1985 Class B/C	1	$ 20.02	-	0.0% -	0.0% 352	2.0% 704	6.0% -
2200 Old Germantown	2200 Old Germantown Rd	2.47	150,783	1988 Class B/C	4	$ 24.40	140,681	93.3% 3,016	95.3% 3,619	97.7% (18,848)	85.2% -
SUMMARY:			**694,955**				**207,960**	**29.9%**	**37.5%**	**38.9%**	**37.4%**
Total SF Absorption (2012-2017):								**52,412**	**10,228**	**(10,895)**	**-**
Average Annual								**10,349**			

Source: REIS, Inc.; WTL+a July 2017.

General Retail

As part of the Treasure Coast Regional Planning Council's TOD analysis for the preferred site for the future SFRTA station in downtown Delray Beach, Retail & Development Strategies LLC (RDS) worked with TCRPC and WTL+a to analyze the potential for retail development within the study area. Unlike some of the other proposed rail station sites, the area surrounding the proposed Delray Beach station is a thriving, pedestrian-oriented and highly active commercial district. The Delray Beach Downtown Development Authority (DDA) has focused on downtown Delray Beach since its formation in 1971, following state enabling legislation in Florida, which allowed creation of downtown development authorities. Delray Beach has significantly benefited from over 45 years of effort by the DDA: the downtown area is considered one of the most successful in Florida, and is a regional shopping and dining destination for both Delray Beach and area shoppers, as well as tourists and destination-dining customers from well beyond local residents.

For purposes of the TOD planning study, the retail study area used for the RDS inventory extended almost 1.8 miles from I-95 on the west east along Atlantic Avenue to the beach, and the grouping of retail and (primarily) restaurants just north and south of Atlantic along A1A. Generally, most of the retail spaces included were within the first block depth immediately north and south of Atlantic Avenue along the length of the corridor. The 2017 inventory used a broad definition of 'retail' to include five major categories:

- **Retail/General Retail:** Defined as apparel for women, men and children, shoes and accessories, jewelry, household gifts and specialty items, other home products, art galleries, souvenir and gift stores, art supplies, bookstores, sports stores and supplies, antiques, furniture stores, rugs and carpets, consignment shops, kitchen stores, music specialty stores, bicycle shops, toy stores etc.
- **Food & Beverage:** Full service and limited-service restaurants, cafes and coffee shops, ice cream and specialty prepared foods, bars and clubs selling wine, beers and liquors,

specialty liquor and wine shops, chain-affiliated and locally owned fast-foot and carry-out food service locations, specialty food markets and grocery stores, bakeries and candy shops, convenience stores, nightclubs serving alcohol, etc.

- **Consumer Services:** Hair and beauty salons, barber shops, nail salons, dry cleaning services, laundromats, delivery services (like Federal Express and United Parcel Services, business supply stores, newsstands, pharmacies and drug stores, printing shops, gyms and exercise businesses, yoga studios, tobacco shops and vape businesses, medical supplies, auto rental services, massage studios, movie theaters and other commercial entertainment venues including live performance, bike repair and maintenance, etc.)
- **Finance, Insurance & Real Estate (FIRE**): Banks, savings and loan businesses, credit unions, automatic teller machines, insurance offices located in storefront locations, realtors and real estate marketing offices, etc.
- **Vacant:** Street-front commercial spaces which are empty, vacant and available for lease, or vacant and for-sale spaces.

Other uses which might be considered 'commercial' or 'public/civic' such as automotive sales (new and used cars, trucks or other vehicles), automotive products and services, gas stations, physicians and chiropractors, other medical services, construction services, private educational operations/schools and all public uses (City Hall, public libraries, public safety/police/fire stations) were not included in the retail inventory. While it should be recognized that these excluded uses provide destination uses and activate the streets and sidewalks in commercial districts, they are not considered revenue producing commercial real estate.

The Delray Beach DDA has conducted several studies over the past 15 years that provide historical context for the 2017 retail inventory and analysis completed by RDS LLC:

- In 2005, a retail cluster study identified eight distinct retail clusters in downtown Delray Beach, both along Atlantic Avenue and in adjacent commercial areas (particularly the Pineapple Grove Arts District). The clusters covered the 350 acres included within the DDA boundaries, and incorporated a larger geographic area than was included in the RDS inventory. The DDA estimates that there are approximately 6,000 employees who work in the downtown area, although the summary does not completely distinguish between office workers and employees in the retail, food & beverage services and consumer service businesses located downtown. Both because the respective geographies and retail

categories in the retail clusters study are not the same as the 2017 RDS retail inventory, both the "occupied" and "vacant" square footage totals and the total amount of space included in the earlier study are not consistent. For example, our 2017 retail inventory identified approximately 97,500 sq. ft. of vacant retail space along the Atlantic Avenue Corridor, only slightly higher than the vacancies identified in the retail cluster study. While specific locations of vacancy have shifted according to the circumstances surrounding different properties (and property owners), it is notable that **the downtown retail vacancy rate has remained relatively constant over the past 15 years**. It should also be noted that Delray Beach is a strong retail market, and had added significant levels of new retail space in other parts of the city, particularly in the area along Linton Boulevard, approximately 1.5 miles south of the Atlantic Avenue Corridor.

- In 2013, the DDA conducted a series of pedestrian counts at locations along Atlantic Avenue at key intersections and crossing points. Three target days were selected (Friday, January 30, Saturday January 31 and Wednesday February 4) and traffic counts completed at the intersections of Atlantic Avenue and 2nd Avenue; at Atlantic Avenue and the Railroad Tracks and Atlantic Avenue and the FEC. The Friday and Saturday dates were presumably chosen to demonstrate the relative increases in pedestrian volumes on weekends. The Wednesday selection was not explained as demonstrating the slower mid-week pedestrian activity levels, but the difference in volume during the testing time is significant. The totals below are based on data listed on the DDA website:
    - Atlantic Avenue @ 2nd Avenue 21,448 crossings Fri. Jan 30
    - Atlantic Avenue @ 2nd Avenue 23,999 crossings Sat. Jan 31
    - Atlantic Avenue @ RR Tracks 8,020 crossings Wed. Feb 4
    - Atlantic Avenue @ FEC Peds 13,327 crossings Fri. Jan 30
    - Atlantic Avenue @ FEC Peds 16,941 crossings Sat. Jan 31
- The pedestrian crossing counts reflect the considerable volume of street-level walking activity in the Atlantic Avenue Corridor on weekends; the sidewalk configuration, almost continuous outdoor dining and retail display areas in the public realm and the strong performance of the entire area as a destinational walking environment, activated by stores, restaurants, entertainment venues, bars and public spaces. The pedestrian counts also provide a baseline measure for future counts and analyses of pedestrian volume along the Atlantic Avenue corridor.

- In mid-2017, the DDA selected Gibbs Planning Group (GPG) to conduct a retail development strategy for the Atlantic Avenue Corridor, including a market assessment of the existing mix and development of a retail strategy for the DDA. This project is ongoing, and has received a copy of the RDS LLC 2017 inventory. It is expected that the DDA's retail strategy will be completed after TCRPC's TOD master plan for Delray Beach is submitted.

Retail Inventory

Prior to and during the August 2017 TOD planning charrette, a comprehensive inventory of existing retail uses along the Atlantic Avenue corridor was completed. The inventory involved both use of outside data sources and mapping as well as other information sources and on-site confirmation of uses, measurement verifications and identification of recent additions and vacancies. Unless otherwise identified, the inventory square footages focused on ground-floor spaces; upper floor professional office spaces were estimated to total about 136,700 sq. ft.

Highlights of the retail inventory are summarized below:

- The Atlantic Avenue Corridor extends approximately 1.6 miles from I-95 to the Atlantic Ocean shoreline. The inventory area extended approximately one block north and south of Atlantic Avenue, with selected spaces incorporated beyond the first blocks if there is enough retail to warrant inclusion in the total. For areas like Pineapple Grove Arts District, the inventory did not extend to its northern boundary, as the walking distance and sections of discontinuity did not (in the view of RDS) provide enough pedestrian-oriented retail continuity to justify inclusion in the inventory.
- At the time of the inventory, **the corridor contained a total of 969,400 sq. ft. of retail space**, including all five of the categories identified for the inventory (see above)
    - **General and specialty retail uses totaled approximately 300,235 sq. ft., or about 31%** of the total space; there are 95 retail business spaces within the inventory area. The majority of retail operations are locally owned and not part of large retail chains.
    - **Food & Beverage uses accounted for about 362,600 sq. ft., or 37.4%** of all space, a market percentage that represents a highly competitive dining and entertainment destination. Atlantic Avenue is identified as a successful, concentrated dining district and pedestrian 'scene' with extensive outdoor dining opportunities. The 2017 inventory identified 94 food & beverage locations in the inventory area, mostly non-chain affiliated operations.

- **Consumer Services accounted for 123,330 sq. ft.** of retail/commercial spaces in 38 locations; most of these operations were in somewhat more secondary locations (within mixed use projects, around corners or on the back-side of primary blocks) where rents are lower.
- **Finance, Insurance & Real Estate offices totaled approximately 86,000 sq. ft. of space** in the Atlantic Avenue corridor; the greater percentage of office space in these categories is Real Estate brokers, who occupy about 29,000 sq. ft. of space; within this category, over 20,000 sq. ft., although a reconfiguration/sale of some portion of the large site occupied by the Sun Trust Bank near the train tracks was discussed (no specifics were available).

- The development patterns of retail along Atlantic Avenue are also distinct in the preponderance of retail uses on the north side of the street:
  - In the retail and food & beverage sub-categories, two thirds of total square footage for each is located on the north side of Atlantic, with only 31% of retail space located on the south side, and 34% of F&B. These concentrations are significant in considering future retail potentials, as they form the most highly activating uses in pedestrian zones. For many reasons not apparent to the consultants (other than sunlight from the south for outdoor dining), the north side of the blocks contain 1/3 more retail and food service square footage
  - The number of businesses in each subcategory reflects a different pattern; among retail uses, the number of businesses is more evenly matched, with 46 retailers on the north side of the street, and 49 on the south side. The average store size on the north side is double that on the south.
  - The same pattern occurs for F&B, with 38 operators on the north side and 56 on the south side of Atlantic Avenue, despite that total north side F&B square footage is about 2/3 of the subcategory
- Vacant space is also concentrated on the north side of Atlantic Avenue; of the approximately 97,500 sq. ft. of total vacant retail space, 62% of vacant spaces are on the north side, but north side vacancies are larger. Of the total 28 vacant retail locations at the time of the inventory, 6 are on the north side and 22 on the south; again, total space on the north is twice the total on the south.

- While second floor retail is atypical except in larger format stores, it should be noted that second level selling space was included in the retail totals for Urban Outfitters, the 32 East Restaurant/Bar (scheduled to become an Italian restaurant in mid-2018), and the Delray Beach location of C Orrico women's apparel store.

The summary findings of the retail inventory confirm that **Delray Beach is a significant regional retail and dining destination for a trade area radius that reaches considerably beyond the "Village by the Sea".** According to sales data collected for the market analysis, downtown Delray Beach generated total annual sales of $857 million in 2016, and $60 million of that (or about 7%) is net *inflow*, which means that non-residents and guests/visitors/tourists staying in Delray Beach choose to come to Delray and spend $60 million per year above the total spending potentials from residents. This also means that "demand" expressed as "spending" in downtown Delray Beach is both strong and sustained.

In part because of the work of the DDA over the past two decades, the configuration of the Atlantic Avenue Corridor (a more 'urban', walkable environment than many Florida downtowns); and the demographic profile of local residents and visitors (more affluent, more fashion- and art-oriented, higher average annual spending on retail and food services, etc.), and a pedestrian-friendly 'scene' that is atypical for more traditionally developed suburban areas across Florida, **Delray Beach is recognized as one of the state's most successful and popular retail and dining destinations**. Despite ownership changes and business turnover (reflected in the ongoing average vacancy rate of about 10%), it continues to attract new businesses, investors and new consumers.

4 TOD Case Studies

The case study examples which follow were selected as TOD-related development projects for their relevance to the proposed SFRTA station in Delray Beach. These include:

- Miami-Dade County Metrorail TOD projects along Dixie Highway in Miami
- BART Pleasant Hill/Contra Costa Centre in Walnut Creek, CA
- MBTA Riverside Station redevelopment in Newton, MA
- New Jersey Transit/NJT, station at The Highlands in Morristown, NJ

The first example summarizes a series of recently approved and/or pending/under review development projects along the Dixie Highway corridor line of Miami-Dade County's Metrorail system. While most of these proposed projects have not been implemented, they represent two goals:

- Broad policy changes enacted by Miami-Dade County intended to stimulate development along the Dixie Highway corridor to meet the following objectives: capturing additional potential revenues, increasing ridership and better utilization of surface parking lots and other properties along the Metrorail corridor
- Developing interest in transit-related development for new projects capitalizing on Miami's market potentials, increasing densities, creating walkable mixed-use projects near Metrorail stations, and reducing vehicle-based commuter volumes.

The other three case studies were selected because they share some similarity to the opportunities presented by the proposed Delray Beach SFRTA station, whether because of the nature and/or scale of development, by the 'lessons learned' from the development and partnership process or the land-use similarities to the alternative options identified for Delray Beach in the master plan charrette.

Case Study #1: Miami-Dade Metrorail TOD Projects—Dixie Highway

Location: Dixie Highway Corridor

Stations Open: May 1973

Operator: Miami-Dade County Transit

System: Heavy rail public transit

Ridership: Varies by station; average daily boardings (2016) = 58,797

Miami's Metrorail system is a 25-mile dual-track, elevated rapid transit system connecting Kendall through South Miami to Coral Gables, through downtown Miami north to the Civic Center/Jackson Memorial Hospital area to Hialeah and Medley in Northwest Miami-Dade County. The system has been extended to connect to Miami International Airport and provides interline services to the Tri-Rail system connecting to Broward and Palm Beach Counties. Metrorail currently has 23 accessible stations located about one mile apart; stations are also intermodal connection points for the County-wide bus system. Metrorail is part of the Miami-Dade County Transportation Department, which operates the downtown People Mover System, the Miami-Dade Metrobus system and Metrorail.

Planning for the Metrorail system began in 1958, but construction did not begin until 1979. Progress was slow; although envisioned to extend to a 52- or 54-mile long system and to carry over 200,000 passengers per day, the first phase included only 10 stations over 11 miles from

Overtown to Dadeland. Ridership never reached projected levels and the system had operating deficits, not unlike other regional rail commuting systems around the country. The 136-car system is typically grouped in four- to six-car trains. Miami-Dade Transit and the County were frequently challenged by the Federal Transit Administration over questionable ridership and operating cost estimates used to calculate FTA funding support, and at one point the financial administration of the system was taken over by Federal officials. In 2002, in response to increasing demand for better service, the Peoples Transportation Plan (the" PTP") was adopted and a half-cent surtax imposed to fund expansion of the new Orange Line connection to Miami International Airport. This new link was completed over the next 10 years, opening in late 2012, and connecting to the Miami Intermodal Center, a transit connector at MIA which connects AMTRAK, local and long-haul bus transportation and links to other regional rail systems. PTP half-cent taxes generated over $506 million in funding, with the Florida Department of Transportation (FDOT) contributing an additional $101.3 Million. The Orange Line/MIA Link expansion has been very successful, and accounts for the significant increase in ridership illustrated in Table 21 below.

The Metrorail system represents less than one-third of total annual Dade County transit ridership; the County's bus system is the dominant component, with fully two-thirds of all County Transit passenger volume in 2016. Bus ridership on the aging fleet has been declining, however, and growing interest in alternative travel modes and underutilization of parking lots at Metrorail stations has provided an opportunity for Miami-Dade Transit to enact policies encouraging TOD on these lots and other adjacent parcels. The Dixie Highway TOD projects also represent a new focus on market-related development opportunities and the revenues they can create for the County Transit department. Most of the station areas between Dadeland North and Douglas Road had surface parking lots associated with the park-and-ride objective, and were reportedly underutilized for many years.

These projects, while sometimes controversial and always significantly higher densities than the structures that preceded them, are anticipated to generate millions of dollars in new transit-related revenues. Because most of the seven profiled case studies are still under planning or public review, the specific deal structures are unknown. But the overall policy objective to extract new income for Miami-Dade Transit marks a clear re-direction from the past 30 years of operations. In 2017, the first new rail cars in the system were introduced, required because deferred maintenance and increasing costs for rail car rehabilitation has made renewal and retention of the older cars uneconomic. As Miami (and Florida) evolve into more transit-friendly environments, the discussions about density, transition to existing, lower-scaled neighborhoods and commercial districts is certain to continue.

Part of the redirection is also a function of relatively small growth in annual Metrorail boardings, which have never reached the original projections since 1979. As illustrated, annual Metrorail boardings on Metrorail increased by approximately 15% between 2007 and 2016. Note that annual ridership is estimated at double the number of boardings (to account for riders who both board and later exit the system). Doubling average daily boardings in 2016 suggests an annual average daily total of approximately 115,000 passengers.

Table 20:Miami-Dade Metrorail Ridership, 2007—2016

Fiscal Year	*Total Annual Metrorail Ridership*	*Avg/Day*
2007	17,501,283	47,949
2008	18,522,752	50,747
2009	18,244,477	49,985
2010	17,371,553	47,593
2011	18,134,784	49,684
2012	18,706,102	51,250
2013	21,038,404*	57,639
2014	21,592,663	59,158
2015	21,910,609	60,029
2016	21,461,039	58,797

Source: Miami Dade Transportation Dept. Annual Ridership Report; RDS LLC

Note: Completion of the Orange Line to MIA in 2012 resulted in increased ridership in 2013 by 12.5%, adding 2.33 million additional passengers to the annual total.

The system operates trains every 15 minutes from 5:00 am to 8:30 pm seven days per week, and every 30 minutes from 8:30 until closing, which is at midnight Sunday through Thursday and 2:00 am on Friday and Saturday nights. During rush hour and during parts of the mid-day train head times are shortened to every five to seven minutes. The system briefly tried 24-hour operations in the 1980s, but switched overnight transit to the bus system (there are Metrobus stops at every Metrorail station) when low ridership and high overnight operating costs made continuing 24-hour service financially unaffordable.

Based on examples from other cities and developer interest in changing the character of the Dixie Highway corridor, Metrorail stations have altered the land-use focus from the original 'park-and-ride' concept (based on the assumption that commuters would drive to the stations, park in lots or garages (such as the 3,000 plus space garages at the Dadeland South and North stations). The longer view now suggests that improving alternative methods and encouraging density in TOD projects along the lines will improve ridership, add revenues from ground leases and reduce operating cost deficits. While Metrorail has not yet reached the originally assumed 200,000 riders per day, these projects and enhancement of the line has provided new alternatives and connectivity from the Dixie Highway corridor to downtown Miami and Brickell. This type of development is now occurring along the FEC Corridor northward to Jupiter, and is the subject of numerous planning studies through SFRTA to better prepare local governments for TOD projects in the future. The County has encouraged higher densities, more mixed-use development and incorporation of structured parking on multiple sites along Dixie Highway. Varying in scale, scope and mix of uses, the TOD projects have required zoning and land use changes, and some plans have been opposed by local neighborhood associations and by the City of Miami because of the differences in scale and density between the proposed projects and the older, low-scale structures that were the traditional context of Dixie Highway.

Table 22 summarizes the proposed, planned and current TOD projects along Dixie Highway; brief project descriptions of each are detailed below:

- The Link at Douglas
- Grove Station Tower
- Coconut Grove Station
- Treo SoMi (South Miami) Station
- Platform 3750
- Paseo de la Riviera
- Coral Gables Station

While all projects have not released information on proposed costs, number of parking spaces to be provided, or other data, the partial summary represents a substantial increase in economic

development impacts, private investment and transit impacts. The seven TOD projects alone total:

- Almost $1.0 billion in new investment
- Over 2,450 new residential units proximate to Metrorail stations
- Approximately 420,000 sq. ft. of new office space, and the employment /commuting ridership that represents
- Over 600 new hotel rooms
- Almost 260,000 sq. ft. of new retail
- Almost 4,000 new parking spaces in garages and parking decks

Table 21: Summary of Miami TOD Projects—Dixie Highway Corridor

Project Name	Location	Developer		Project Budget	Site Size (Acres)	Proposed Development Program				Parking Spaces
						Housing	Office SF	Hotel Rooms	Retail SF	
The Link at Douglas	S Dixie Hwy at Douglas Road	13th Flr Invest/Adler Group	$	180,000,000	7.0	970	N/A	150	70,000	1,800
Grove Station Tower	S Dixie Hwy at SW 27th Avenue	Grass River Property		N/A		186	N/A	N/A	6,000	298
Coconut Grove Station		Grass River Property	$	196,000,000	5.0	250	180,000	150	40,000	*Unknown*
Treo SoMi (South Miami) Station	S Dixie Hwy at SW 72nd Street	TREO Group		N/A	6.2	99 *Student Units*	195,000	N/A	23,000	650
Platform 3750	750 S Dixie at Douglas Road	Cornerstone Group		N/A	2.1	192	30,070	N/A	22,200	403
Paseo de la Riviera	1350 S Dixie Hwy	NP International	$	172,000,000		224	15,000 *TBD*	252	20,000	838
Gables Station, Coral Gables	215/251 S Dixie Hwy	NP International	$	160,000,000	4.3	526	N/A	66	75,294	*Internal in 2 buildings*
TOTAL:			**$**	**708,000,000**		**2,447**	**420,070**	**618**	**256,494**	**3,989**
			$	**996,000,000**						

Source: RDS LLC; WTL+a, December 2017.

Miami TOD: The Link at Douglas

The Link at Douglas is one of the first approved TOD projects along the Dixie Highway corridor. The project is being developed by two Miami-based investment/development companies active in greater Miami–13th Floor Investments and Adler Group. The proposed project received a zoning change approval in December 2016, and has been structured as a ground lease agreement with Miami-Dade Transit for 30 years, plus two additional 30-year lease extensions. The reported initial phase of the project is estimated at $280 million, with a full four-phase cost reported to be up to $496 million.

The seven-acre site will include a transit-oriented mixed-use development and a public plaza linking to the Underline project.

Development Program (up to four phases)	
Residential:	970 apartments, with 120 units designated as 'workforce housing'
Hotel/Lodging:	150 rooms in a structure surrounding the public plaza
Retail/Commercial:	70,000 sq. ft.
Office:	None
Parking:	1,800 spaces required by plan; developers have requested a parking requirement reduction based on public transit mode split ratios, yet to be approved

The negotiated deal structure for the Link at Douglas included several terms and developer contributions agreed to by the joint-venture developers:

- The ground lease with Miami-Dade County was negotiated for a 30-year term
- Of the proposed 970 residential units, the developers will provide a12.5% housing 'set-aside' for workforce housing (120+ units)
- The project will make a $600,000 contribution to the Underline project
- The project will complete $14 million in improvements to the Metrorail station

Miami TOD: Grove Station Tower

Grove Station Tower is a 225,000 sq. ft. residential/retail project located 1.5 blocks from the Coconut Grove Metrorail Station at Douglas Road. Developed by Miami-based Grass River Property, the project opened in 2016 as the first component of Grass River Properties' long-term redevelopment of the adjacent parking lot at Coconut Grove Metrorail station. The project contains 186 rental units, with rental rates ranging from $2,000 to $2,300 per month for one-bedroom, one-bath units. Two-bedroom, two-bath units currently rent for $2,660 to $2,860 per month, and three-bedroom, three-bath units rent for $3,230 to $3,300 per month, plus charges for pets and other available services. Parking in the gated resident garage costs $150 per month; there are also 39 parking spaces reserved for the two retail spaces in the building.

GROVE STATION TOWER

Development Program	
Residential:	186 rental apartments
Hotel/Lodging:	None
Retail/Commercial:	5,100 sq. ft. in two spaces
Office:	None
Parking:	Resident parking spaces provided for rent + 39 spaces reserved for retail uses.

Miami TOD: Coconut Grove Station

The Coconut Grove Station project is also under development by Grass River Properties, and is located on a 5.18-acre site adjacent to the developer's Grove Station Tower described above. This site had been an underutilized, 204-space surface parking lot for Metrorail for decades and was originally designated for redevelopment in 2000; that project failed, and the development entity went bankrupt, resulting in an uncollectable $1.8 million judgment for Miami-Dade County against the developers. A Miami savings & loan company sued Miami-Dade over its $6.5 million loan loss.

As part of their redevelopment proposal in 2015, Grass River Properties purchased that loan and won the original development deal as part of the original judgment. While the agreement between Grass River Properties and Miami-Dade County was challenged by some critics for being a sole-source deal, and for not being completed as a competitive selection process, the deal provided both a resolution for the long-standing loan default. Ownership of the site remains public with Miami-Dade County, and Grass River Properties purchased the rights of leasehold for 90 years. Grass River Properties also is bound by obligations for station improvements negotiated as part of the original project deal in 2000. The project is estimated to cost $196 million upon completion.

The leasehold development agreement was approved in December 2015 and extends over a 90-year period ending in 2105. The Miami Herald reported that the developers agreed to make an initial payment to Miami-Dade of $500,000 plus an additional $450,000 per year or 3% of revenues (assumed to mean whichever is greater). If calculated on the basis of a minimum $450,000 per year payment to the County, the value of the agreement is $40.5 million over the term of the leasehold. The developers are also obligated to make a $5 million investment in the Coconut Grove Metrorail station, including upgrades to escalators and elevators and construction of a new bus terminal to replace the original bus structure on the site. The project will also include integration with the Underline below the elevated Metrorail guiderails.

Development Program (Proposed)	
Residential:	250 rental apartments
Hotel/Lodging:	180 rooms
Retail/Commercial:	40,000 sq. ft.
Office:	180,000 sq. ft.
Parking:	850 space parking deck, including 204 spaces reserved for commuters to replace the spaces lost from the original surface lot

Miami TOD: Treo Somi (South Miami) Station

The Treo Somi Station project is located at the corner of Dixie Highway and SW 72nd Street. The site totals 6.2 acres and is planned to include housing designated for University of Miami students. The project received initial approval in July 2017 by Miami-Dade County. The Treo Group, a Coconut Grove-based development and management company, was chosen to develop the site in a competitive selection process. The South Miami TOD site was also involved in litigation for many years, with resolution of those lawsuits occurring over the last two years that made new redevelopment agreements possible.

The South Miami City Manager and representatives of adjacent neighborhoods groups have expressed opposition to the project because of disagreements about the scale of the proposed design, inconsistencies with development standards adopted by the city (a ground floor ceiling height of 22 feet vs. the 14 foot maximum height allowed; overall building height of eight stories, where only five stories are allowed; and a 34% reduction in required parking, although a maximum reduction of 25% is the cap). However, the City has agreed not to oppose the project if 25 of the proposed 99 apartments are set aside for non-student residents, and restricted for 'workforce' housing units.

The City also requested that the developers provide improvements for SW 70th Street and SW 59th Place to provide for increased vehicular, bike and pedestrian volumes and to improve the right-of-way aesthetics. At the time data was collected for these TOD case studies, neither estimated costs nor a resolution of the development disagreement were available.

The project proposal includes ground-floor retail, office space and student residential units at the rear of the building.

Development Program (Proposed)	
Residential:	99 student residential units located at the rear of the project
Hotel/Lodging:	None
Retail/Commercial:	23,000 sq. ft.
Office:	195,000 sq. ft. (The Lab at Somi)
Parking:	650 space parking deck

Miami TOD: Paseo de la Riviera

The former site of a Holiday Inn hotel at 1350 South Dixie Highway has been proposed as the location of a new TOD project named Paseo de la Riviera, a mixed use project which incorporates residential uses, a hotel, and space allocated to either retail/commercial or office uses. The developer is Nolan Partners International (NPI), a family-owned private construction, development and property management company with offices in Minnesota, Costa Rica and Coral Gables. The company has been in operation for over 125 years and has developed over $2 Billion in projects. NPI is also developing the Gables Station TOD project a few blocks north of the Paseo site. Paseo de la Riviera will include a pedestrian bridge across South Dixie Highway to the Metrorail station and the 10.5-mile Underline linear park.

The project is estimated to cost $172 Million, and will include a proposed half-acre open space with public art, restaurants and retail. The public space will also connect the Paseo de la Riviera project to nearby Jaycee Park.

PASEO
DE LA
RIVIERA

Development Program (Proposed)	
Residential:	224 apartments
Hotel/Lodging:	10 floors with 252 rooms
Retail/Commercial:	20,000 sq. ft.
Office:	TBD
Parking:	838 space parking garage

Miami TOD: Platform 3750

Platform 3750 is a project proposed for a 2.1 acre, County-owned site at the intersection of Dixie Highway and Douglas Road, across from the Link at Douglas TOD Project. The site currently is the location of the Frankie Shannon Rolle Community Center, a facility operated by Miami-Dade County. Under the redevelopment plan, the Frankie Rolle Center would be demolished and a new 12,500 sq. ft. 'replacement community center' would be incorporated into the complex. Development rights for the site were won by Platform 3750 LLC, a subsidiary of Hollywood, FL-based Cornerstone Group. The project was originally reviewed by the County in late 2016, with a second review in June 2017. The development program was renegotiated between the two reviews, and the description below reflects the current proposed program.

The developers requested several waivers for the project, including:

- A 10% reduction in access aisle width for the parking structure
- A 10 % reduction in the amount of required parking (the original LLC proposal included more parking than required by code, the November review included 403 spaces plus parking for 21 bikes, and the June review included 395 parking spaces)
- An increase for two-lot coverage of 10%
- Vehicular access in a T5-O zone

The proposal also includes potential amenities such as a spa, a rooftop pool, movie theater, café and a drive-through Starbucks Coffee. The complex, comprised of a five story- and an eight story-building, is designed to achieve LEED Silver certification. The proposal includes a pedestrian bridge over South Dixie Highway to connect the project to the Douglas Road Metrorail station. The status of final approval for Platform 3750 was not available at the time of the case study analysis.

The view on the upper left shows the proposed project's proximity to a working gas station at the intersection of Dixie Highway and SW 37th; the station site is not part of the County-owned parcel and will remain after redevelopment. The image on the lower right illustrates the proposed pedestrian bridge linkage to the Douglas Road Station.

Development Program (Proposed)	
Residential:	176 rental apartments (including a percentage of workforce/affordable housing
Hotel/Lodging:	None
Retail/Commercial:	22,900 sq. ft.
Office:	27,500 sq. ft.
Parking:	395 space parking deck

Miami TOD: Gables Station

NPI is the developer of the Gables Station project, located on a 4.3 acre site at 215/251 South Dixie Highway, northeast of the intersection of Dixie Highway and LeJeune Road. The project would replace a surface parking lot and a small commercial building that housed cars from The Collection. Originally planned as a big-box retail location by another developer, the big-box use was considered to generate too much traffic on already congested Dixie Highway and LeJeune Road. NPI purchased the location for Gables Station. Current zoning allows building heights up to 10 stories, although NPI cited the challenges of Metrorail noise and planned electrical lines at the site as the justification to request greater building heights of 16 floors for three towers. The requested increase was proposed at a maximum height of 155 feet.

The Coral Gables City Commission approved the Gables Station project in 2016, although two City Commissioners opposed the project's height and density. Gables Station will include residential, a hotel and retail space across the street from Metrorail and Underline Park.

Development Program (Proposed)	
Residential:	554 condominium residences
Hotel/Lodging:	168 hotel rooms (possibly extended stay format)
Retail/Commercial:	87,900 sq. ft. (including a full-service grocery store)
Office:	None
Parking:	395 space parking deck

Miami TOD Projects' Relevance to Delray Beach

The Miami TOD projects described above represent both a series of approved projects as well as proposed, but not yet fully approved TOD developments along the Dixie Highway corridor. The relative densities proposed are not applicable to the potential station site in Delray Beach; Miami's market forces, density requirements and level of developer interest are all greater than in Delray Beach, even considering the success of recent redevelopment in Delray Beach.

Delray Beach is simply a different scale. Also noted is that existing ridership on Miami's Metrorail is higher than projected numbers for SFRTA, and Metrorail has more frequent head times between trains as well. There are, however, several relevant policy and deal structure characteristics that can transfer to future redevelopment of the Delray Beach station site, including the following:

Parking Lots vs. Development Sites – several station redevelopment sites along Dixie Highway have resulted from Requests for Proposals for redevelopment of parking lot areas owned by the Miami-Dade County Transit Department. These lots were originally included in Metrorail development based on the 'park-and-ride' concept, in which commuters would drive to the station areas, park their cars and ride the train into downtown Miami. With the exception of parking garages at Metrorail stations at North and South Dadeland in the South Dixie Highway Metrorail corridor, most lots at other stations along the corridor are significantly underutilized, according to Miami-Dade Transit data. The redevelopment of low-use parking lots for mixed-use TOD projects has proven to accomplish several goals:

- To generate higher revenues to the Transit Department than parking
- To increase ridership at underutilized stations attributable to greater density and land uses that create activation and development synergy with transit
- To generate developer contributions for station improvements, other beneficial uses such as the Underline linear park, and, over time, revenues to reduce operating deficits and to cover required capital investments by the Miami-Dade County Transit Department

Ground Leases are proven forms of development agreement for public agencies -- Miami-Dade County has successfully negotiated ground leases for redevelopment of Transit Related Development/TOD, resulting in new private investment, retention of land ownership by the public sector over time, and generating developer proffers to achieve other public goals.

Ground lease terms extend over decades – For developers to be able to make sufficient returns on their vertical development investments for ground leased properties, the term of the ground lease must be very long, up to 90 years in some examples (including ground lease extensions). Because the public can benefit from negotiated guarantees of revenue payments from project developers on public land near transit, it is worth exploring/negotiating developer contributions over time. The public deserves a return on its ownership investment as much as

developers.

Public policy goals can be incorporated into negotiated agreements—In Miami's case (as well as in Delray Beach), rapidly increasing values (or perceived values) for land around transit stations can make it difficult to address other public needs such as creation of affordable and workforce housing. By leveraging publicly owned land and a conscious decision to accept less than maximized returns, local governments can negotiate value write-downs as a means to support creation of affordable and/or workforce housing, priced to address lower average income levels, and incorporate lower cost housing into mixed use projects.

Parking requirements can be reduced for transit-friendly locations – Experience in other cities has proven that frequent, reliable transit can reduce traffic volumes and dependence on autos for mobility and other resident needs. Developers along the Dixie Highway corridor have negotiated parking reductions which are reliant on "mode splits", that is, a lower parking requirement ratio if some portion of workers and/or residents travel by transit.

Case Study #2: BART—Pleasant Hill/Contra Costa Centre Station (Contra Costa Transit Village)

Location: Treat Boulevard, Walnut Creek, CA (Adjacent to I-680)

Station Open: May 1973

Operator: San Francisco-Bay Area Rapid Transit (BART)

System: Heavy rail public transit & subway

Ridership: 6,579 exits/day (2013)

BART Site: 18 acres

BART Joint Development/TOD Policies

BART is one of the leading transit agencies in the United States in implementing both transit-oriented and joint development at/surrounding the system's stations. The agency has 22 projects (at 19 stations) either completed, approved or in negotiations, and is currently active in 18 of these projects. At buildout, these projects, with an estimated total value of approximately $3.07 billion, will deliver over 6,900 housing units, 292,100 sq. ft. of retail space, and 467,000 sq. ft. of office space. In addition, the agency estimates that these projects will generate approximately $8.9 million in new revenue annually for the transit agency.

In July 2005, the BART Board of Directors adopted a Transit-Oriented Development Policy, which updated its previous policies in two key areas. The first urges BART to pursue TOD (and not solely joint development), working proactively with participating communities to **plan for development over larger geographic areas** that is both supportive of transit service and maximizes the value of BART-owned land. The second key policy change recommends that BART **develop alternative parking strategies that enhance development opportunities**, as developers, cities and funding agencies view BART's application of a 1:1 parking replacement practice as a significant barrier to joint development and TOD.

Contra Costa Transit Village was created as a result of California's Transit Village Development Planning Act of 1994, which establishes a planning goal for local, regional, and state agencies to direct new development into transit station areas and authorizes both cities and counties to adopt transit village development districts that meet specified land-use and transit operational standards. Local governments that implement such districts may grant density bonuses of up to 25% to development projects meeting certain standards, and may become eligible for special state funds allocated for transportation improvements in transit village districts. Once a local government adopts a transit village district, only public works projects, subdivision and parcel maps, and zoning ordinance amendments that are consistent with the district may be approved. Notably, while tax increment financing and land-assemblage authority were included in the original version of the Act, these powers were excised from the legislation before final passage.

Insufficient state funding has reportedly hampered the Act's impacts on local TOD planning and zoning.

Planning Process & Public Outreach

Planning for joint development at the Pleasant Hill Station commenced in 1983—fully 10 years after the station had opened—with preparation of a BART Station Area Specific Plan. Its primary objective was a land use plan focused on creation of a mixed-use housing and employment center, the "Contra Costa Centre Transit Village", on approximately 140 acres surrounding the station. During this time, the County's Redevelopment Agency began assembling land and financing infrastructure improvements to facilitate mixed-use development in the Transit Village. Between the station's opening in 1973 and 2000, a substantial amount of both residential and commercial development was built in the Transit Village (within approximately one-third of a mile surrounding the station):

- 2,570 residential units;
- 1.9 million sq. ft. of office space, 15,230 sq. ft. of retail space, and 248 hotel rooms; and
- 3,840 non-BART parking spaces and 3,398 permanent and temporary BART parking spaces.

A tenants/owners' association, the Contra Costa Centre Association, was also created to market the Transit Village area, and provides services such as daycare and a midday shuttle bus for area residents and employees.

In 2001, the Contra Costa County Redevelopment Agency conducted a community charrette, which resulted in a concept plan that served to assist BART's Planning Department to define objectives in a Comprehensive Station Plan for 18 acres of surface parking owned by BART immediately surrounding the station. The station plan, prepared in 2002, was intended to guide the agency in soliciting bids for joint development. A competitive bid process and negotiations (over three

years) followed between BART and its selected development team—Pleasant Hill Transit Village LLC—comprised of Avalon Bay Communities for the project's residential component and Millennium Partners for the project's commercial elements. A Final Development Plan and negotiated development agreement was completed in 2005.

TOD/Joint Development Uses

Prior to initiating construction of any joint development uses, BART required a 1:1 replacement (plus 75 spaces) of surface parking surrounding the station. The County's Redevelopment Agency provided $45.7 million to build structured parking (and a new Intermodal Center for local and regional bus lines) by issuing revenue bonds (the developer's contribution totaled $5.5 million). Costs equated to approximately $31,000 per space (inclusive of the Intermodal Center), and the facility opened in 2008. Revenue bonds also financed other public improvements, including: $2.7 million for "backbone infrastructure" (roads and drainage); $9 million in placemaking elements (parks, plazas and streetscape); $2.5 million to construct affordable housing; and, a $12 million pedestrian bridge that connects the station to the Iron Horse Trail, an 18.3-mile regional trail system in Contra Costa County.

Phase 1

Not surprisingly, the national economic downturn delayed delivery of the first phase of joint development. After two years of construction, the first phase was delivered in 2011, and included the following uses at a reported cost of $150 million:

- **Residential**—Avalon Bay Communities built "Avalon Walnut Creek", 422 multi-family rental units (549 units are approved in the plan), which equates to a development density of approximately 30 units per acre
- **Retail**—The project includes 35,590 sq. ft. of unanchored, street-level retail space
- **Office**—The plan entitles the developer to construct a 12-story, 290,000 sq. ft. office building, which has been delayed until market conditions warrant.

By 2011, market conditions in the Bay Area (particularly for rental housing) had improved sufficiently that absorption/leasing activity in the project's first phase residential component had achieved stabilized occupancies within 18 months (suggesting monthly absorption in the range of 20 units per month). As a result, planning for the project's second phase has commenced. However, the project's retail component has been *very* difficult to lease, and remains substantially vacant fully three years after delivery.

Phase 2

In 2014, the developer, Pleasant Hill Transit Village LLC, requested a plan amendment to build an additional 200 multi-family units on "Block C" of the site. The original Preliminary and Final Development Plan authorized 100 for-sale units; however, the developer has been unable to secure financing for this product. As the original plan capped residential uses at 549 units, the developer is seeking modifications to the plan, which is currently in review. The 200 additional units will yield 622 total units at buildout—above the cap. In addition, because of the significant challenges of leasing the project's phase one retail component, the commercial uses in phase two will be limited to 2,310 sq. ft. of retail/civic uses.

Overall Development Strategy

To implement the joint development program at the Pleasant Hill Station, **BART created the BART/Pleasant Hill Leasing Authority**. The purpose of the Authority is to serve as a conduit for leasing and development of the Transit Village project, by leasing specified property from BART. In turn, the Authority sub-leases the property to the master developer, Pleasant Hill Transit Village LLC, through a 100-year ground lease. The Authority also specifies the responsibilities of the County's Redevelopment Agency in funding and implementing the range of public improvements identified above through various partnering agreements.

The Authority includes two members of the Contra Costa County Board of Supervisors; two members from the BART Board of Directors; and membership from the County's Redevelopment Agency. The Authority is governed by a Joint Exercise of Powers Agreement, which was created in 2004 and amended in 2012.

Other specific terms (such as the annual ground lease payment) are not known.

Lessons Learned/Applicability to Delray Beach

There are a host of lessons learned from BART's experience in implementing joint development at Pleasant Hill Station that may be applicable to Delray. These are summarized as follows:

- **Significant Planning/Time Horizon**—Completion of the first phase of joint development at Pleasant Hill required fully 14 years from the community charrette conducted in 2001 and preparation of the Comprehensive Station Plan in 2002. In fact, five plans were produced over a 22-year period between 1983 (with preparation of a Station Area Specific Plan) and 2005 (when the Final Development Plan was approved). Notably, planning and implementation also occurred over multiple real estate cycles. While the SFRTA station program's final implementation schedule is not yet finalized, it is recommended that long-term planning implications for the Delray Beach station site be considered both within the context of recent development and increased density downtown as well as in planning for implications of redevelopment beyond the initial few years until the station schedule is known.

- **Supporting TOD Across Larger Geographies**—As noted, in 2005 BART's Board of Directors voted to support changes in the agency's TOD policies to work proactively with participating communities to **plan for transit-oriented development over larger geographic areas** that is both supportive of transit service and maximizes the value of the land. This reinforces the idea of the City of Delray Beach supporting redevelopment over a larger area surrounding the Delray Beach station than its immediate site. The City can also leverage its property ownership (and potential acquisition of non-City owned parcels on the SFRTA station block) to underwrite less commercial uses such as workforce and/or affordable housing; space for start-up companies (on upper levels) and retail start-ups/relocations for businesses priced out of the increasing rents along Atlantic Avenue.

- **Flexibility in Final Development/Land Plan**—As delivery of the first phase of uses at Pleasant Hill occurred over multiple real estate cycles, the developer should be provided a certain amount of latitude/flexibility to respond to shifting market conditions, the availability of financing/construction capital and timing/phasing. The inability to lease the project's first phase retail uses also suggests that allowable uses (and building design) be sufficiently flexible to change the mix (such as shifting from ground-floor retail to office and/or live-work uses).

- **Replacing Commuter Parking**—Funding and construction of structured parking that replaces surface parking will necessitate additional time before joint development uses can be delivered. The negotiated development agreement secured $5.5 million from the developer for construction of the parking garage, with remaining funds provided by bonds issued by the Contra Costa County Redevelopment Agency. In addition, as noted previously, BART's Board of Directors voted in 2005 to **develop alternative parking strategies that enhance development opportunities**, as developers, cities and funding agencies view BART's application of a 1:1 parking replacement practice as a significant barrier to TOD. We note, however, that BART is a much larger system, with significantly greater service and reduced headways, than the planned SFRTA service levels at Delray Beach.

- **Variable Parking Ratios by Use**—Several factors combined to approve a reduction in parking for the project's residential component. These include the frequency and reliability of rail service on the BART system; installation of a car-sharing service (Zip Car); flexible auto-based services such as Lyft and Uber, adoption of golf carts as an alternative downtown transit mode and bike parking for commuters. Traditional suburban parking standards are no longer appropriate for downtown parking facilities construction of an Intermodal Center, which secured the role of Pleasant Hill as a location for multiple local and regional bus lines. The overall parking ratio for the project's first-phase residential component is 1.23 spaces per unit. Conversely, the developer insisted (and secured) in the Final Development Plan higher parking ratios for the project's retail component because of concerns associated with the availability of parking, particularly for restaurant tenants. Parking ratios for the project's retail component is just shy of industry standards—with three spaces per 1,000 sq. ft. of retail space.

- **Development Terms & Revenue Sharing**—The BART/Pleasant Hill Leasing Authority negotiated a 100-year ground lease with the developer, which was required by the capital markets (particularly for any for-sale residential product that may be built). In addition, the ground lease also ensures the following:

    - A long-term revenue stream to acknowledge and compensate the County's Redevelopment Agency for its significant front-end investment in infrastructure and other public realm improvements as well as BART for its land value;

- A revenue-sharing arrangement whereby annual ground lease payments are split between the County (75%) and BART (25%) to provide BART with value capture and revenues for transit-related operations and improvements through annual ground lease payments.

- **Aligning Public Objectives with Private Investment**—From the developer's perspective, it is critical that public objectives and the developer's interests are sufficiently aligned. The developer also sought flexibility to modify the deal structure to preserve private investment thresholds in the event of uneven/declining real estate cycles (and flexibility to change uses as market conditions warrant). From the City of Delray Beach's perspective, it is a legitimate strategy to use City ownership of the station site to include uses that generate lower returns than maximized levels required by private developers, if a public benefit results from the initiative, and lower public returns are accepted as an outcome of the policy.

Case Study #3: The Station at Riverside

Location: Grove Street, Newton, MA

(Adjacent to I-95/Route 128)

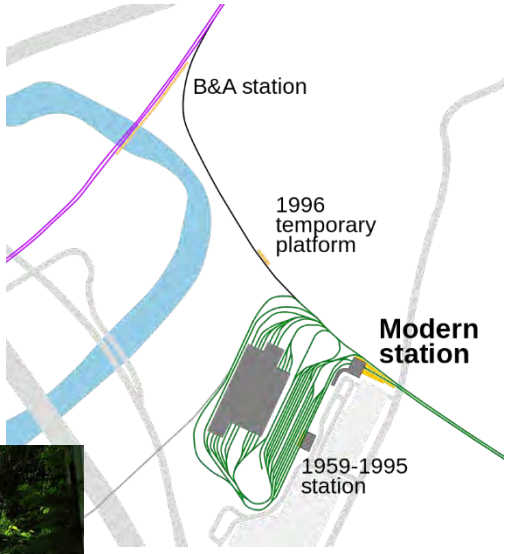
Station Open: July 1959

Operator: Massachusetts Bay Transportation Authority (MBTA)

System: Light rail surface & subway

Ridership: 2,192 boardings/day

MBTA Site: 9.38 acres



MBTA Joint Development/TOD Policies

The MBTA has been actively promoting TOD and joint development projects at a number of stations on various transit lines within its system, particularly over the past 15 years. It promotes and facilities such projects through ground leases of agency-owned sites; parcel sales; air rights; access easements; utility connections; rails-to-trails; and, support for private development. The MBTA works in cooperation with numerous state agencies, such as MassDOT and the Offices of Housing and Economic Development and Energy and Environmental Affairs as well as municipal planning departments across the Commonwealth of Massachusetts.

To date, seven TOD projects have been completed; four are under construction; nine projects are pending/in review; and two additional projects are planned at various stations throughout the system. In each of the completed projects, land uses include a mix of residential (including affordable housing) and commercial retail and/or office. Notably, in two of the projects, the negotiated deals generated upfront cash payments to the transit agency:

- $1.43 million for a 38,000 sq. ft. parcel at Ashmont Station (Red Line) that was developed with 116 mixed-income housing units, 10,500 sq. ft. of street-level retail, and 80 below-grade parking spaces, with a negotiated, 85-year ground lease; and
- $1.15 million for a 60,000 sq. ft. parcel at Jackson Square Station (Orange Line) in the Roxbury, a low-income neighborhood of Boston. The site was developed with 438 housing units (291 affordable) as part of a public-private partnership involving the MBTA, the Boston Redevelopment Authority, the Massachusetts Housing Department and the developer.

Several other completed TOD projects include long-term ground leases of 85 and 99 years. In two projects, developers financed and built structured parking, including a 700-space commuter garage at the Wellington Station (Orange Line) in Medford, and a 1,600-space commuter garage at the Hingham Shipyard (commuter ferry terminal) that was built at no cost to the MBTA as part of a land swap.

Planning Process & Public Outreach

MBTA's Riverside Station is the terminus of the Green Line's "D" Branch, part of the system's light rail (electrified surface and subway) network in metropolitan Boston and its western suburbs. The station is located on approximately 22.6 acres of land, and includes a car and rail maintenance facility, inter-city bus depot, and a 960-space surface parking lot.

Planning for TOD at Riverside began in the mid-2000s when the MBTA initiated discussions with City of Newton planning officials for mixed-use development on the T's 960-space surface parking lot. In 2008, the MBTA issued an Invitation to Bid (ITB) and selected BH Normandy Riverside LLC through a competitive process. Formal master planning and public outreach commenced in 2009, upon authorization of an 85-year ground lease (plus two years for construction) between the MBTA and the developer. Over approximately four years, the planning process included:

- Traffic impact and access studies in 2010 and 2012;
- Subsurface investigations and noise assessments;
- Stormwater management plan (due to the site's proximity to the Charles River);
- Meso-scale air quality and greenhouse gas analyses;
- Pathway plan and tree replacement on scenic roads application;
- Water and sewer easement plans;
- Draft Environmental Impact Statement (completed in June 2011);
- Multiple zoning and planning hearings with the City of Newton and meetings with both Federal, state (five agencies) and local officials from adjacent communities;

- Significant community outreach and public hearings; and
- Multiple revised site plans based on community outreach and public hearings.

Notably, over the course of the planning process, the project's overall densities were reduced *significantly* (four times) because of community response. In fact, the initial plan contained approximately 874,000 sq. ft. of gross building area; the final site plan contains approximately 580,000 sq. ft. of gross building area.

TOD/Joint Development Uses

In 2012, the MBTA petitioned the City of Newton for a zoning change—from Public Use and Manufacturing (to reflect the rail maintenance facility) to Mixed-Use 3/Transit Oriented District—and for a Special Permit and Site Plan Approval for the project, which was approved in August 2013. The zoning change was requested for approximately 9.4 acres of the site to accommodate the following uses:

- 225,000 sq. ft. of office space in a 10-story building and 571 parking spaces (2.54 spaces per 1,000 sq. ft.);
- 290 apartment units (including 44 affordable units) in a 3- to 5-story building containing 324,000 sq. ft. of gross building area and 441 parking spaces (1.52 spaces per unit);
- 20,000 sq. ft. of convenience and service retail space, including 5,000 sq. ft. at street-level of the residential building and 15,000 sq. ft. in a separate building;
- 11,000 sq. ft. of community space on the second floor of the larger retail building; and
- Open space comprising approximately 3.99 acres (or approximately 43% of the total site).

Overall Development Strategy

To implement the TOD project at Riverside, the MBTA entered into a long-term ground lease totaling 87 years (85 years plus two years for construction) with the designated developer. The guaranteed annual rent begins at $850,000 per year and escalates 12.5% every five years. According to the MBTA, the development rights are valued at $218 million over the lease term.

The project will be constructed in two phases. The first phase will include the project's 15,000 sq. ft. retail building, public plaza and Intermodal Commuter Facility, including the 1,025-space commuter parking garage. Phase one was completed in May 2015, and included 21 months for design, community outreach and construction of the Intermodal Commuter Facility. The second phase, which commenced in May 2015, is expected to take two years to deliver the office and residential buildings, with completion expected in May 2017. Off-site roadway improvements will also be completed concurrently with phase two construction.

No information on development costs was available.

Lessons Learned/Applicability to Delray Beach

There are several lessons learned from the MBTA's experience in implementing TOD at Riverside Station in Newton that may be applicable to Delray Beach. These are summarized as follows:

- **Significant Planning/Time Horizon**—Similar to BART's experience, the first phase of TOD at Riverside required more than five years from initial outreach between the MBTA and local officials and construction of the project's first phase. Significant community outreach and opportunities for public input—as well as multiple plan iterations—were provided during this period. Notably, planning and public outreach occurred during the economic recession of 2007—2010, which allowed the developer to wait for recovery to occur in Greater Boston's real estate sectors, which were significantly weakened, particularly in the suburban office market. As with the Pleasant Hill station findings in the previous case study, Delray Beach's station plan should be anticipated to be implemented over many years, tied both to changing market conditions and property values along Atlantic Avenue as well as public policies and available incentives over time.

- **Rezoning & Site Plan Strategy**—The MBTA sought a rezoning of the property to Mixed-Use 3/Transit-oriented District *after* the developer had already been selected and

preliminary terms of a development deal had been outlined in February 2009. This strategy allowed input from the developer on possible development options so that the most appropriate zoning designation could be identified. Any required rezoning or anticipated developer provisions should be determined and institutionalized prior to creation of a developer RFP.

- **Replacing Commuter Parking**—Funding and construction of commuter parking in the Intermodal Commuter Facility (that replaces surface parking) necessitated an additional 21 months before the TOD uses can be delivered in phase two. The developer is financing and building the 1,025-space Intermodal Commuter Facility. Construction costs and financing terms for the ICF are not available. For the Delray Beach site, the currently planned head times and commuter train frequencies do not warrant this much parking, but a careful analysis of commuter parking patterns should be incorporated into the final development program. This planning should be based on demonstrated demand and effective management of occupancies, construction and operating costs and any available revenues to reduce City indebtedness.
- **Variable Parking Ratios by Use**—While a 1:1 parking replacement was required (plus 65 spaces) for MBTA commuter parking, parking ratios for the project's commercial office and residential components have been reduced—to 2.54 spaces per 1,000 sq. ft. of office space and 1.52 spaces per residential unit. Like BART, the MBTA is a much larger system, with significantly greater service and reduced headways, than the existing Tri-Rail service at Cypress Creek. In addition, reduced parking ratios also reflect Riverside's intermodal functions for local and regional bus lines (including Peter Pan, Greyhound and Bolt bus service to New York City). Delray Beach's destinational character, year-round market from the region and success of Atlantic Avenue as a commercial corridor may suggest flexible, demand-based pricing, free parking for some time periods or "layered" parking strategies supported by different market segments using the same spaces at different times of the day.
- **Development Terms**—The MBTA and developer negotiated an 87-year ground lease (including two years for construction), which secured a guaranteed, long-term revenue stream for the transit agency. In addition, the lease term also ensures that the project's uses are financeable, and reduces overall risk from the lender's perspective (particularly in the event that the project's multi-family housing component is converted to for-sale

condominium units in the future). Delray Beach should consider negotiation of a long-term ground lease to private development interests, depending upon the alternative selected for the site's development program. Negotiations should also incorporate appropriate cost and revenue monitoring, utilization by different consumer segments and competitive parking context to assure that both the developer(s) and the City receive balanced revenues over the term of the ground lease.

Case Study #4: The Highlands at Morristown

Location: Lafayette Avenue, Morristown, NJ

Station Open: November 1913

Operator: New Jersey Transit (NJT)

System: Heavy commuter rail

Ridership: 1,935 boardings/day (2013)

NJT Site: 3.6 acres

New Jersey Transit (NJT) is the nation's largest statewide public transportation system, providing more than 827,000 weekday trips on 240 bus routes, three light rail lines, and 11 commuter rail lines. It is the third largest transit system in the country, with 162 commuter rail stations, 60 light rail stations, and 18,000+ bus stops linking points in New Jersey, New York and Philadelphia. Notably, 30% of New Jersey residents live within walking distance of rail stations, and 10% use mass transit for work trips, which is fully twice the national average.

New Jersey Transit Joint Development/TOD Policies

New Jersey's Transit Village Initiative was created in 1999 as a partnership formed by the New Jersey Department of Transportation and New Jersey Transit that provides incentives to local governments for redeveloping and revitalizing areas around transit facilities. Various state agencies work closely with municipalities and property owners to enable TOD through the use of incentives that include: preferential access to state grants; expedited regulatory approvals; grants; and technical assistance from an 11-member Transit Village Task Force created by the state. The Task Force includes representatives from state environmental, planning, economic development, housing, and transportation agencies.

To qualify, local governments must demonstrate a commitment for future housing, job and population growth; have a commuter rail, light rail, ferry or bus transfer station; and have vacant or underutilized land within walking distance of the transit station. The local government must also have an adopted TOD redevelopment plan or zoning ordinance that contains transit-supportive land-use designations, densities, site and architectural design guidelines, and parking regulations for a one-half mile radius around a transit station. A designated Transit Village is a municipality that has been approved for designation by the Task Force. A municipality may only be designated after these specific Transit Village Criteria have been met.

Since the program's inception in 1999, 30 transit villages across New Jersey have been designated. A 2005 evaluation of 16 Transit Villages determined that, in the program's first five years, more than 800 new housing units (with an estimated value of $191 million) and more than $330 million in commercial office and retail uses had been built in the villages. Morristown was the first (of five) villages created during the first year of the initiative in 1999.

Overall Development Strategy & Joint Development Uses

In 1996, NJ Transit began "Midtown Direct" rail service, allowing a one-seat ride from Morristown to Penn Station in Manhattan. This had a large impact on transit ridership, which increased by fully 72% along the corridor from 1997 to 2007.

Because of increasing transit demand, a 460-space commuter parking lot was built adjacent to the Morristown train station to address parking shortages. Of the 460 spaces, 124 spaces were permitted, and the remainder were daily parking spots for residents and non-residents; at the time, NJT had a waiting list of 600 seeking parking. By 2007, each parking space was generating annual revenue of $700 per space, which was considerably higher than neighboring stations on the line. Only 2% of the spaces were vacant at the time. (These factors were considered when NJT was negotiating its Master Development Agreement below).

After the parking lot opened, NJT received significant interest from developers seeking development opportunities on the 3.6-acre site. While NJT was mutually interested in developing the site, any development proposal had to retain parking. As a result, the transit agency collaborated with the Township of Morristown to develop a special TOD zoning overlay to facilitate denser, mixed-use development surrounding the station. Rezoning was also important to the state's selection of Morristown as a Transit Village because it signified that Morristown was willing to grow in population and density. After the new zoning overlay district was approved, NJT issued a Request for Proposals to develop the site. Competition was strong, which allowed NJT to choose among five developers. Notably, 60% of the criteria in the RFP were based on factors other than cost, such as "project creativity". Rosewood Lafayette Commons, LLC, a spin-off of Roseland Properties, was selected as the site's developer.

In 2007, NJT and Rosewood signed Purchase and Sale and Master Development Agreements that created two condominium units: one for transit parking (422 dedicated spaces) and one for residential, commercial and associated parking (300 dedicated spaces). NJ Transit retains the

commuter parking condominium and the developer retains the other. Other development terms include:

- Rosewood agreed to fund $7 million (80%) of the $8.75 million cost of the five-story, 722-space parking structure ($12,100 per space);
- The Master Development Agreement requires a personal completion guaranty and a $10 million irrevocable letter of credit in case of default by the developer; and
- The Master Development Agreement contains easements to ensure that NJ Transit can maintain ongoing transportation operations on the site as well as a management agreement for interim parking during construction

Rosewood began construction of the garage and a wrap-around residential building in 2008. The garage was completed first to meet commuter parking demand. The residential building, known as "The Highlands at Morristown Station", is a five-story, mixed-use structure containing 218 multi-family rental units, 8,000 sq. ft. of street-level retail space, which is located on a prominent, highly visible corner of the building. The project is bordered by existing retail uses, light industrial, the Whippany River and NJT's rail line. Current retailers include The Godfather of Morristown and Cambridge Wines.

In addition to gaining riders (and farebox revenues) due to the project's adjacency to the Morristown train station, the Master Development Agreement requires that Rosewood share a portion of its commercial rental income with NJ Transit. In addition, the former tax-exempt property is now taxable, and Rosewood pays property taxes to the township. New Jersey Transit receives a minimum of $230,000 per year in ground rent plus additional rent from the commercial retail space, a portion of parking proceeds, and a percentage of income generated by the project's residential component.

Lessons Learned/Applicability to Delray Beach

There are several lessons learned from New Jersey Transit's experience in implementing joint development at its 3.6-acre site in Morristown that may be applicable to Delray Beach. These are summarized as follows:

- **Lengthy Planning & Approvals Process**—Although Morristown was one of the first communities in New Jersey to receive a Transit Village designation (1999), it took almost nine years from this designation for rezoning/entitlements, developer solicitation and selection and site plan approvals before construction commenced in 2008. The lengthy planning and approvals process may also have resulted from the project being the very first joint development project between New Jersey Transit and a private developer, who had to obtain approvals from the Township, including final design.
- **Replacing Commuter Parking**—The developer paid 80% of the $8.75 million in costs associated with construction of a garage to accommodate commuter parking (that replaced surface parking) with a one-for-one replacement strategy. Also, the Master Development Agreement included a management clause that ensured that interim commuter parking would be available during the construction process.
- **Transit Agency Facilitates Zoning Change**—The transit agency collaborated with the Township of Morristown to develop a special TOD zoning overlay to facilitate denser, mixed-use development surrounding the station. Rezoning the joint development site was also important to the state's selection of Morristown as a Transit Village because it signified that Morristown was willing to grow in population and accept higher densities around the train station. After the new zoning overlay district was approved, NJT issued its Request for Proposals to develop the site.
- **Land Sales Instead of Ground Lease**—This case study illustrates a transit agency that opted to sell its joint development parcel instead of structuring a long-term ground lease with the selected developer. The Master Development Agreement requires that the developer share a portion of its commercial rental income with NJT. In addition, the former tax-exempt property is now taxable, and the developer pays property taxes to the township. New Jersey Transit receives a minimum of $230,000 per year in ground rent plus additional rent

from the commercial retail space, a portion of parking proceeds, and a percentage of income generated by the project's residential component.

5 Market Potentials

This section of the report details our analysis of real estate market potentials for four key land uses based on the demographic profile in Section 2 and evaluation of real estate market conditions in Section 3. It also compares the three development scenarios prepared during the public charrette process against overall market potentials to understand the "required" capture of market support each use would need to achieve.

The market analysis that follows focuses on four core uses: housing and workplace/office, hotel/lodging and general retail. In addition, WTL+a prepared a financial analysis of the three development scenarios generated during the public charrette process to understand potential returns-on-investment, ability to attract private investment and estimate potential revenues to the city if the city-owned parcels are privately developed. That analysis is being submitted separately.

Charrette Development Scenarios

Four development scenarios were created during the public charrette process:

- **Scenario A**—"Light Touch", includes 112 surface parking spaces, four market-rate townhouses with 2,304 sq. ft. of building area and 5,000 sq. ft. of general retail
- **Scenario B-1**—The original program for B-1 continues city ownership with 228 structured parking spaces, 21,500 sq. ft. of ground-floor "flex" space for either office or general retail uses, 48 housing units in 33,600 sq. ft. of building area with unit sizes ranging from 650 to 750 sq. ft. per unit, and 5,000 sq. ft. of civic space.

  Given limited market support for commercial uses (particularly office), the financial analysis measures residual values with conversion of 50% of flex space (10,750 sq. ft.) to residential uses. This resulted in an allocation of 44,350 sq. ft. of gross building area for housing. Second, we allocated 70% of GBA to one-bedrooms (44,350 SF x 70% = 31,045 SF) and 30% to two-bedrooms (44,350 SF x 30% = 13,305 SF). At an average unit size of 700 sq. ft.

for one-bedrooms, this yields 44 one-bedroom units. At an average unit size of 1,000 sq. ft. for two-bedrooms, this yields 13 two-bedroom units, for a **total of 58 units** in Scenario B-1. This resulted in a *weighted* average unit size of **760 sq. ft. per unit**, which is generally consistent with unit sizes in Scenarios B-2 and C.

- **Scenario B-2**—Continues city ownership with 146 surface parking spaces (and 19 golf cart spaces), 8,500 sq. ft. of ground-floor "flex" space, 46 housing units with a weighted average size of **765 sq. ft. per unit** and rooftop amenities to include outdoor plaza, pool, etc., and
- **Scenario C**—Assembles all parcels north of the alley for an integrated mixed-use development comprising 254 structured parking spaces (and 34 golf cart spaces), 29,350 sq. ft. of ground-floor "flex" space, 26,000 sq. ft. of "flex" space on the second floor, and 143 housing units with a weighted average size of **769 sq. ft. per unit** with rooftop amenities.

Market-rate Housing

The demand analysis measures market potentials for new housing for a 10-year period between 2017 and 2026. The analysis considers the following scenarios:

- **Citywide Scenario #1**—Utilizes an annual ("straight-line") growth rate of 0.52% per year consistent with historic *actual* population growth rates in Delray Beach between 2000—2017
- **Citywide Scenario #2**—Utilizes an annual growth rate of 1.15% per year based on a forecast of population growth as prepared by ESRI Business Analyst, a demographic forecasting service, for the next five years. For purposes of this analysis, we have extrapolated this growth rate through 2026.

Both scenarios also consider the estimated number of "true vacant" units and further allocate market share to known residential projects to determine the number of "unallocated" units elsewhere in the city available to accommodate future population/household growth.

Citywide Scenario #1

- As noted in the demographic profile in Section 2, between 2000 and 2017, the City's population increased at a sustained annual rate of 0.52% per year, resulting in **5,500 new residents and over 2,560 new households**;
- As illustrated in Table 22, if the *pace* of growth continues at this historic rate of 0.52% per year, it would yield **3,470 new residents in 1,585 new households (i.e., housing units)**

Table 22: Housing Potentials—Scenario #1 & #2, 2017—2026

Municipality	2017	Forecasts *(1)* 2026	Population Change	Average Household Size *(2)*	2026 Housing Units
Scenario 1: Straight-line Forecast					
Average Annual Growth Rate (2000-2016)	**0.52%**				
Current & Future Population	65,526	68,998	3,472	2.19	**1,585**
Allocation to Known Residential Projects:					
Under Construction					
- SOFA Lofts					70
- Flossy Building					2
Approved					
- Atlantic Crossing					343
- The Strand					198
- The Metropolitan					48
- 301 Building					45
- Aloft Hotel Complex					35
Proposed					
- Uptown Atlantic					112
- Swinton Commons					24
Subtotal - Allocated Units:					**877**
Scenario 1 - Unallocated Units:					**708**
Scenario 2: Alternative Forecast (3)					
Average Annual Growth Rate (2017-2022)	**1.15%**				
Current & Future Population	65,526	73,473	7,947	2.19	**3,629**
Allocation to Known Residential Projects:					
Under Construction					72
Approved					669
Proposed					136
Subtotal - Allocated Units:					**877**
Scenario 2 - Unallocated Units:					**2,752**

(1) Population forecasts assume that Delray Beach continues to grow at the same pace it did between 2000 and 2016 (straight-line forecast).

(2) In order to convert 2026 population growth into housing units, the analysis assumes that average household size remains the same as it has between 2000 and 2016 (2.19 persons per household).

(3) Scenario #2 utilizes the 2017-2022 population growth forecasts (illustrated in Table 3) and applies them through 2026. It also assumes no change in average household size.

Source: University of Florida Bureau of Business & Economic Research; ESRI Business Analyst; WTL+a, August 2017.

assuming average household size of 2.19 remains unchanged. This would translate into annual demand of rough 160 units per year; and

- The next step allocates future growth in population/households to fully nine residential or mixed-use projects (mostly in downtown) that are either under construction (SOFA Lofts),

approved (such as Atlantic Crossing, The Strand) or proposed (such as Uptown Atlantic and Swinton Commons). These nine projects are expected to include 877 new housing units. This leaves over 700 "unallocated" units from which proposed residential uses on the TOD site can potentially "capture". In the most intense residential scenario, Scenario C, its 143 units would necessitate a capture of approximately 20%, which we would consider a generally reasonable capture rate of future unallocated demand (i.e., four of every five unallocated units could be capture elsewhere in projects anywhere in the city).

Impacts of "True Vacant" Units

In addition, as noted previously in Section 3, the city has a number of "true vacant" housing units. True vacancy is defined as unoccupied units available for rent, but excludes units that are unoccupied because they are for sale and seasonally-occupied units. According to the 2015 American Community Survey (ACS), Delray Beach has an **estimated 2,615 "truly vacant" units, which reflects a vacancy rate of 7%.** While the physical and/or functional obsolescence of these units is unknown, some portion of these vacant units are assumed to be habitable.

Citywide Scenario #2

- Scenario #2 utilizes the 2017—2022 growth rate as estimated by ESRI Business Analyst of 1.15% per year, and extrapolates that growth over the 10-year forecast period;
- As illustrated in Table 22, if the city successfully grows at a sustained annual rate of 1.15% per year, it would yield over **7,900 new residents in more than 3,600 new households** (i.e., housing units) assuming average household size of 2.19 remains unchanged. This would translate into annual demand of over 360 units per year;
- Like Scenario #1, future growth was allocated to known residential projects (877 units), thereby leaving "unallocated" demand for over 2,750 units. Growth in Scenario #2 is also sufficient that new households could also be accommodated in some portion of the city's "true vacant" units. To reduce the city's true vacancy rate of 7% to 5% (industry standard) would require the occupancy of less than 100 true vacant units, thereby leaving sufficient market potentials to support new housing on the TOD site. For example, in the most intense residential scenario, Scenario C, its 143 units would necessitate a capture of only 5%.

TOD Scenarios for New Housing:

Require a Market Capture of 2% to 20%

Workplace/Office

Knowledge-based industries like finance, software, business and management consulting services, market and communications, professional/business services such as accountants, legal and medical and other similar businesses house most of their employees in commercial office buildings.

The first step in measuring support for new multi-tenant/speculative office space on the TOD site in Delray examines market potentials for office use in Palm Beach County, and allocates demand to the city. The analysis translates employment forecasts (for 2016—2024) among specific industry sectors in Palm Beach County (as prepared by the Florida Department of Economic Opportunity/DEO), into demand for office space by applying an occupancy factor (of occupied space per employee), and estimates the proportion of employees in each sector who are office workers. We note that DEO employment forecasts are issued only in eight-year periods.

The analysis also considers demand generated by other market factors, such as vacancy adjustments, part-time/self-employed individuals (who may or may not occupy multi-tenant office space), and cumulative replacement; these estimates either increase or reduce future demand for office space. Cumulative replacement, for example, considers tenants that move when a building is removed from the inventory due to physical and/or functional obsolescence.

We note that assumptions pertaining to occupancy factors *may* be overstated. Since the 2007—2009 recession, office-using businesses have been reducing office occupancies, in some cases by significant amounts. Historically, the commercial real estate industry has used an average occupancy factor of 250 sq. ft. per office employee. However, according to a 2017 study by REIS, Inc. (a national commercial real estate database), the amount of office space per employee has been steadily declining in each successive business cycle after a recession. REIS data indicate that, in the national economic expansion of the late 1990s, a new office

employee was typically associated with approximately 175 sq. ft. of additional office space. During the early- and mid-2000s (until the 2007—2009 recession), the typical employee was associated with approximately 125 sq. ft. of additional office space. Since 2010, however, each added/new employee has been associated with only about 50 sq. ft. of additional office space. This is particularly notable in space-efficient industries like software and professional/business services, which have been the strongest growing sectors in this business cycle. Moreover, hoteling and remote work-arrangements, where employees share space rather than having dedicated offices or cubicles, enables companies to accommodate even more workers in a given amount of occupied space.

The office analysis is illustrated in Table 23 and Table 24, and summarized below:

Palm Beach County

- The analysis indicates *gross* demand for 7.3 million sq. ft. of office space across Palm Beach County between 2016 and 2024, assuming an average occupancy factor of 198 sq. ft. per office employee, generated by growth in office-using jobs. This is inclusive of adjustments related to vacancy, cumulative (building) replacements, tenant churn, etc.;
- From a financing perspective, however, some portion of the County's existing 3.75 million sq. ft. of vacant office space would need to be leased before new office space could be financed. It is also not known how much of the remaining existing vacant inventory suffers from physical and/or functional obsolescence, will be converted to other uses such as residential, or could be demolished.

  For purposes of this analysis, WTL+a conservatively assumes that fully 50% of Palm Beach County's vacant office inventory (approximately 1.87 million sq. ft.) is leased before financing is provided for new office construction. This serves to reduce the County's office vacancy rate (to roughly 7.9% from current levels), and lowers demand generated by job growth in office-using sectors to approximately 5.4 million sq. ft. of *net new* space by 2024;

Table 23: Workplace/Office Potentials—Palm Beach County, 2016—2024

	Industry Sector	New Jobs 2016-2024	% Office-Using		SF Occupancy Factor	2024 Demand (In SF)
Palm Beach County (Workforce Region #21)						
	Agriculture/Mining & Construction	5,575	10%		175	97,600
	Manufacturing	1,037	20%		200	41,500
	Transp/Communications/Utilities	845	40%		200	67,600
	Wholesale & Retail Trade	11,174	20%		175	391,100
	Finance/Insurance/Real Estate	3,979	85%		275	930,100
	Services					
	Professional, Scientific & Technical Services	8,114	90%		250	1,825,700
	Management of Companies & Enterprises	1,862	60%		275	307,200
	Administrative & Waste Management	7,644	35%		175	468,200
	Educational Services	2,101	20%		200	84,000
	Health Care & Social Assistance	16,848	35%		200	1,179,400
	Arts, Entertainment & Recreation	2,159	20%		175	75,600
	Accommodation & Food Services	7,502	20%		175	262,600
	Other Services (Except Government)	2,484	35%		225	195,600
	Government	5,398	60%		150	485,800
	Self-Employed	5,320	10%		200	106,400
Total/Weighted Average:		**81,605**	**38%**		**198**	**6,518,400**
+	Vacancy Adjustment @		5%	*(1)*		325,900
+	Cumulative Replacement Demand		7.5%	*(2)*		488,900
2024 Gross Demand - Palm Beach County:						**7,333,200**
	Existing Vacant Office Space		3,750,928			
-	*Lease-up Required @*	*50%*	(1,875,464)	*(3)*		(1,875,464)
	Remaining Vacant Space:		**1,875,464**			
	% Vacant		*7.9%*			
2024 Net Demand:						**5,457,700**

(1) This allows for a 5% "frictional" vacancy rate in new office space delivered to the market (i.e., this accounts for tenant movement to new space).

(2) This represents new space required by existing businesses to replace obsolete or otherwise unusable office space. This is assumed to represent 7.5% of total demand.

(3) From a financing perspective, some portion of existing vacant office space in Palm Beach County will need to be leased before financing of new construction is viable. The analysis assumes that 50% of existing vacant office space is leased, thereby reducing the overall vacancy rate to approximately 8%.

Delray Beach

- The next step in the analysis is illustrated in Table 24. This estimates opportunities for new office development based on the city's current share of employment (see Table 8). With an estimated 36,600 employees working in Delray, the city's share is estimated at 5.6% of Palm Beach County's total jobs;
- Under this "fair share" analysis, Delray would continue to capture 5.6% of future countywide job growth, or approximately 4,500+ new employees, by 2024. Assuming similar proportions of office-using jobs and occupancy factors translates into **gross demand for roughly 339,200 sq. ft. of office space over the next eight years**;
- As discussed in Section 3 (see Table 19), our analysis assumes that the 567,500 sq. ft. of vacant space at the former Office Depot headquarters is demolished, thereby leaving only 63,800 sq. ft. of vacant office space citywide. Since Delray Beach is considered a tertiary office location (containing a mix of smaller, "garden"/unanchored office buildings downtown and more traditional suburban-format office buildings west of I-95), the analysis conservatively assumes that up to 50% of existing vacant office space would need to be leased before financing is provided for new office construction. In other words, office locations like Delray Beach are considered riskier for multi-tenant/speculative office buildings. This effectively reduces the city's current office vacancy rate; and
- This analysis yields **net demand for almost 307,300 sq. ft. of new office space citywide by 2024.** Our analysis assumes that downtown could reasonably capture up to 35% of total citywide demand, or 107,600 sq. ft. That is, the other 65% of future demand can be captured elsewhere in the city—such as the redevelopment of the 43-acre Office Depot headquarters campus. If downtown succeeds in capturing 35% of future demand, there are four projects in downtown that will deliver up to 142,000 sq. ft. of new office space over the next several years. These include the IPIC Theater (22,000 sq. ft. of speculative space but not its headquarters office) as well as three approved projects (Atlantic Crossing, SOFA Offices and the 301 Building).

Table 24: Workplace/Office Potentials—Delray Beach, 2016—2024

Industry Sector	New Jobs 2016-2024	% Office-Using	SF Occupancy Factor	2024 Demand (In SF)
City of Delray Beach				
Total Employment			*(4)*	**36,640**
As % of Palm Beach County (10-Year Average)				**5.6%**
Fair Share Analysis				
2016-2024 Employment Growth (If Fair Share Maintained)				4,543
% Office-using Jobs				38%
SF Occupancy Factor				198
2024 Gross Demand (In SF):				**339,200**
All Vacant Office Space				**631,278**
Assumed Demolition of Vacant Office Depot Buildings				567,468
Vacant Office Space Without Office Depot:				**63,810**
Lease-up Required @	*50%*			31,905
Remaining Vacant Space:				**31,905**
2024 NET DEMAND (In SF):				**307,295**
Allocation to Downtown Delray Beach				*35%*
Supportable Office Space (Rounded, In SF):				**107,600**
Allocation to Known Office Projects (Table 21)**:**				
Under Construction				
- IPIC Theater (Less IPIC HQs)				22,000
Approved				
- Atlantic Crossing				83,462
- SOFA Offices				32,092
- 301 Building				4,494
Subtotal-Allocated Office:				**142,048**
Unallocated Office (Rounded, In SF):				**(34,400)**

(4) This reflects the 10-year average of the City's share of all jobs in Palm Beach County. The analysis assumes that the City maintains its "fair share" of the County's total employment base in the future.

Source: Florida Dept. of Economic Opportunity; Cushman & Wakefield, Inc.; REIS, Inc.; WTL +a, August 2017.

In conclusion, our analysis for office development potentials on the TOD site assumes that each of these four downtown projects is delivered for market occupancy, thereby leaving no "unallocated" demand for new office space outside of these four projects. In order to support

additional office development downtown, this would **require that downtown's capture be increased—to some rate higher than 35%**. This may require public policy decisions that support incentives that provide adequate parking for office/professional and business service tenants, as the challenges of adequate and proximate parking was noted by a number of stakeholders.

Market support for office space at the TOD site may also be strengthened by the provision of lower-cost space—such as rent write-downs for designated tenant types that are desired by the City, such as arts-related office or live/work space. Otherwise, near-term market response in terms of leasing/absorption in each of the four office projects identified above will dictate whether additional market opportunities for new office development will be supportable sometime after the next five years.

Office Market Potentials in Delray Beach:

Up to 307,300 SF of Citywide *Net* Demand by 2024

Hotel/Lodging

As noted in Section 3, over the past six years, average annual occupancies of the competitive hotel supply in/near downtown Delray Beach have increased from 68% in 2011 to 76.5% in 2016 (a compound annual growth rate of 2.4% per year. Notably, for the past three years, ***sustained* annual occupancies for these properties have ranged from 74.8% to 76.5%** (with a six-year average of 72.9% between 2011 and 2016), and occupancies through June 2017 averaged an extraordinarily strong 80.6%. As such, this meets the threshold required by the capital markets of sustained annual occupancies ranging from 65% to 72% to warrant capital market-based financing of new hotel construction.

This performance analysis suggests that **there is sufficient demand/investment-level performance necessary to justify the addition of new hotel rooms in Delray Beach** (and its immediate surrounding trade area). As a result, 480 rooms are proposed in three new hotels in the downtown area, including:

- 150 rooms in a mixed-use project at Federal Highway and SE 6th Street (Kolter Hospitality)

- 122 rooms in a proposed Aloft Hotel
- 148 rooms in the proposed Swinton Commons project (Hudson Holdings) and
- 60 rooms in a mixed-use project at NE 2nd Avenue and 2nd Street (Menin site).

According to visitor/tourism data collected by the Palm Beach Tourism Development Board as well as Discover the Palm Beaches (formerly the Palm Beach Visitors and Convention Bureau), the number of annual tourists and visitors to the County have steadily increased over the past five years. In fact, total visitation increased from 5,470,000 visitors in 2012 to 7,350,000 in 2016. While tourism volumes are often tracked according to paid overnight stays in hotels, there are also tourists who stay with friends and family (known in the tourism industry as Visiting Friends and Family or VFR's), and visitors who stay in other types of lodging like Airbnb. Because non-hotel stays are not tracked in any formal way, WTL+a has assumed that half (50%) of total visitors stayed in paid hotel and motel lodging, and comprised the room-night demand totals tracked by STR.

To determine what share of total hotel-based visitors are captured in Delray Beach from Palm Beach County visitation, the County total was multiplied by the implied number of room-nights in the Delray Beach area. Using both average annual rates of growth for visitation and an estimate of average party size per visitor group, WTL+a projected future growth in hotel demand and capacity. As illustrated in Table 25, actual **compound annual growth between 2012 and 2016 generated 1.83 million *additional* visitors to Palm Beach County.**

Even though Delray's share of countywide roomnights declined slightly between 2012 and 2016—from 7% to 6.3%—actual growth under these assumptions generated demand for an additional 113 hotel rooms in Delray Beach.

As illustrated in Table 26, the next step in the analysis forecasts annual roomnight demand/occupancy for a 10-year forecast period through 2026. Similar assumptions were applied:

- 50% of all visitors are considered as paid hotel/motel guests
- Average party size of 2.10 persons per visitor party
- Average length of stay of 3.6 nights per party

- Annual growth rate in visitors to Palm Beach County continues over the forecast period, but at a rate of 3.8% per year—this is conservatively *half* of the actual growth in visitation occurring between 2012 and 2016 (7.7% per year).

Table 25: Hotel/Lodging Demand—Palm Beach County & Delray Beach, 2012—2016

						CAGR Change: 2012-2016	
	2012	2013	2014	2015	2016	Amount	%
Palm Beach County							
All Visitors-Entire County:	5,470,000	6,000,000	6,279,000	6,900,000	7,350,000	**1,880,000**	**7.7%**
Compound Annual Growth Rate		9.7%	4.6%	9.9%	6.5%		
Stay in Hotel/Motel:	2,735,000	3,000,000	3,139,500	3,450,000	3,675,000	**940,000**	
(1) As % of All Overnight Visitors	50.0%	50.0%	50.0%	50.0%	50.0%		
(2) / Average Party Size	2.10	2.10	2.10	2.10	2.10		
(2) x Average Length of Stay	3.60	3.60	3.60	3.60	3.60		
Annual Roomnights:	**4,688,571**	**5,142,857**	**5,382,000**	**5,914,286**	**6,300,000**	**1,611,429**	
(3)							
Delray Beach Area							
Existing Room Inventory							
Competitive Properties	1,379	1,385	1,385	1,385	1,480	**101**	**1.8%**
New Deliveries	-	-	-	95	-		
Existing Hotel Rooms:	**1,379**	**1,385**	**1,385**	**1,480**	**1,480**		
% Annual Increase	-	*0%*	*0%*	*7%*	*0%*		
Annual Occupancy							
Competitive Properties	69.6%	71.6%	74.8%	76.0%	76.5%		**2.4%**
Occupied Roomnights:	**330,469**	**361,577**	**378,261**	**408,540**	**394,841**	**64,372**	
(4) Share of PBC Roomnights	***7.0%***	***7.0%***	***7.0%***	***6.9%***	***6.3%***		**-2.9%**
Supportable Annual Rooms (@ 100% Occupancy)							
Annual Roomnights	474,927	505,229	505,525	537,255	516,004		**2.1%**
/ Days Per Year	365	365	365	365	365		
Supportable Hotel Rooms:	**1,301**	**1,384**	**1,385**	**1,472**	**1,414**	**113**	
MARKET POTENTIALS:							
Existing Hotel Rooms	**1,379**	**1,385**	**1,385**	**1,480**	**1,480**		
Supportable Hotel Rooms	**1,301**	**1,384**	**1,385**	**1,472**	**1,414**		
(5) **Unaccommodated Rooms:**	**(78)**	**(1)**	**-**	**(8)**	**(66)**		

(1) WTL+a reviewed various reports produced by the Tourist Development Council as well as Discover the Palm Beaches (formerly the Convention & Visitors Bureau) to ascertain annual visitor statistics and behavior.
(2) The only data available on average party size and average length of stay is from a 2009 report prepared by Profile Marketing Research for the TDC.
(3) Annual roomnights are determined by dividing total overnight visitors staying in a hotel by party size and multiplying the results by average length of stay.
(4) The Delray Beach Area's share of the County's total hotel roomnights was determined based on occupied roomnights for competitive hotel properties.
(5) Unaccommodated rooms illustrates the number of supportable rooms in the market. A negative number indicates an over-supply of rooms.

Source: STR Global; Discover the Palm Beaches/Convention & Visitors Bureau; Tourist Development Council of Palm Beach County; WTL+a, August 2017.

To estimate demand for new hotel rooms over the next 10 years, WTL+a estimated the difference in supportable rooms by comparing *actual* average annual occupancy in Delray (76.5% between 2011 and 2016) and break-even occupancy (65%). In other words, as new room supply is added to the market, overall occupancies may decline in the short-term. The

Table 26: Hotel/Lodging Demand—Palm Beach County & Delray Beach, 2017—2026

		Forecast									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Palm Beach County											
Overnight Visitors	7,350,000	7,631,693	7,924,182	8,227,881	8,543,219	8,870,643	9,210,615	9,563,617	9,930,148	10,310,727	10,705,891
(1) Annual Growth Rate @	**3.8%**										
Stay in Hotel/Motel	3,675,000	3,815,846	3,962,091	4,113,940	4,271,609	4,435,321	4,605,308	4,781,809	4,965,074	5,155,363	5,352,946
(2) As % of All Overnight Visitors	**50.0%**	**50.0%**	**50.0%**	**50.0%**	**50.0%**	**50.0%**	**50.0%**	**50.0%**	**50.0%**	**50.0%**	**50.0%**
/ Average Party Size	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10	2.10
x Average Length of Stay	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Annual Roomnights *(3):*	**6,300,000**	**6,541,451**	**6,792,156**	**7,052,469**	**7,322,759**	**7,603,408**	**7,894,813**	**8,197,386**	**8,511,556**	**8,837,766**	**9,176,478**
Delray Beach Area											
Room Inventory											
Share of Roomnights	**6.9%**	**7.1%**	**7.3%**	**7.5%**	**7.7%**	**7.9%**	**8.2%**	**8.4%**	**8.7%**	**8.9%**	**9.2%**
Annual Growth Rate @	**3.0%**										
Annual Roomnights:	394,841	461,968	494,063	528,388	565,098	604,358	646,346	691,252	739,277	790,638	845,568
/ Days Per Year	365	365	365	365	365	365	365	365	365	365	365
Supportable Rooms:											
@ 76.5% Occupancy	1,082	1,266	1,354	1,448	1,548	1,656	1,771	1,894	2,025	2,166	2,317
@ 65% Occupancy	1,206	1,411	1,509	1,614	1,726	1,846	1,974	2,112	2,258	2,415	2,583
Market Potentials											
Existing Rooms	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480	1,480
Supportable Rooms @ 76.5% Occupancy											
Supportable Rooms	1,082	1,266	1,354	1,448	1,548	1,656	1,771	1,894	2,025	2,166	2,317
(4) Unaccommodated Rooms	**(398)**	**(214)**	**(126)**	**(32)**	**68**	**176**	**291**	**414**	**545**	**686**	**837**
Supportable Rooms @ 65% Occupancy											
Supportable Rooms	1,206	1,411	1,509	1,614	1,726	1,846	1,974	2,112	2,258	2,415	2,583
(4) Unaccommodated Rooms	**(274)**	**(69)**	**29**	**134**	**246**	**366**	**494**	**632**	**778**	**935**	**1,103**
Proposed Rooms *(5)*	**-**	**-**	**-**	**122**	**-**	**150**	**-**	**-**	**148**	**-**	**-**

(1) The number of visitors to Palm Beach County has increased at a compound annual rate of 7.7% per year between 2012 and 2016, as reported by Discover the Palm Beaches/CVB. The analysis assumes a compound annual rate of growth of 3.8% per year (i.e., 50% of actual) for the 10-year forecast period.

(2) The rate of increase in overnight visitors staying in a hotel/motel in Palm Beach County is unknown. The analysis assumes no change from the 50% estimate.

(3) Annual roomnights are determined by dividing total overnight visitors staying in a hotel by party size and multiplying the results by average length of stay.

(4) Unaccommodated rooms illustrates the number of supportable rooms in the market. Negative demand indicates an over-supply of rooms.

(5) The analysis assumes delivery of all approved or proposed hotel projects in Delray Beach (see Table 21) in the years illustrated in the analysis.

Source: STR Global; Discover the Palm Beaches/CVB; Tourist Development Council of Palm Beach County; WTL+a, August 2017.

analysis reveals that demand turns sufficiently possible to support 134 rooms in 2019, 246 new rooms in 2020, 366 rooms in 2021, etc. These supportable estimates are "snapshots" in time, and not cumulative.

Thus, by distributing the planned new supply of 480 hotel rooms in downtown Delray over the next five to 10 years, assumed growth in tourism (and the other metrics above) will support these proposed hotel projects (such as the 122-room Aloft by Somar Hotels if delivered in 2019, the 150-room hotel proposed by Kolter Properties if delivered in 2021, and the proposed 148-room hotel as part of the longer-term development of Swinton Commons. Because of these planned additions to supply, the TOD site is not considered a likely (or easily financeable) site for hotel development, and hotel development is not recommended

TOD Project Retail

Because Delray Beach has created such a strong market for downtown living and mixed-use development, there is also a continuing interest in creating new retail as part of approved and proposed projects. At the time or the Delray Beach TOD charrette in August 2017, there were over 355,000 sq. ft. of additional retail proposed in and adjacent to the Atlantic Avenue corridor:

Under Construction	77,212 SF
Approved Projects	115,187 SF
Proposed Projects	162,644 SF
TOTAL PROPOSED:	**355,043 SF**

This total future retail represents a 37% increase in supply over existing downtown retail along the Atlantic Avenue corridor, and does not include the 97,000 sq. ft. of vacant space identified at the time of the inventory. The DDA's retail strategy should acknowledge both the magnitude of vacant and additional space in the development pipeline, and should consider the potential for reconsideration of parking, allocation of some share of non-resident consumers who might take Tri-Rail to and from Delray for shopping and dining/entertainment trips, and other residential and office growth with the downtown's larger trade area.

With this future growth as a guiding principle, **the primary finding about TOD-related development for the Delray Beach station location for retail uses is that market support from commuters alone is not sufficient to finance and operate retail uses in the station complex itself or as part of a TOD project**. However, proximity to the successful retail concentration along Atlantic Avenue, combined with both a share of on-site demand provided by office and/or residential uses and commuter services will make some nominal allocation of space for retail uses feasible.

6 Preliminary Financial Feasibility

As part of the market study, WTL+a conducted an analysis of the overall financial feasibility of each of the four development scenarios identified during the public charrette process. This analysis was completed to meet several key objectives identified by the City:

- To measure the overall investment viability of each land use to understand whether these uses will attract private investment (say, in response to a City-issued developer Request for Proposals);
- To estimate potential revenues that may accrue to the City through potential "residual land value" that could be utilized to offset costs of infrastructure, public realm improvements, continued provision of public parking on the site, etc.; and
- To inform City decisions regarding potential disposition strategies, including joint development, public-private partnership, or the fee simple sale of the City-owned parcels as part of preliminary implementation strategies prepared as part of the master plan.

The financial analysis utilizes inputs obtained during the market study, such as multi-family rents, hard and soft development costs, unit absorption/leasing activity and the like. **We note that the financial analysis is preliminary and should be considered conceptual due to numerous unknowns and uncertainties in each scenario.** For example, at this early stage of planning, more specific information—such as the costs for site preparation, provision of specific (or negotiated) public realm improvements and amenities, and associated site and infrastructure costs—are fully unknown.

The model solves for residual land value; that is, what could a developer pay for the City-owned parcels, construct relevant uses as identified in each scenario, and generate a rate-of-return ranging from 8% to 16% (with a target return of 12%).

Table 27: Summary of Development Programs, by Scenario

		Land Uses									Gross
		Housing		Retail	Flex	Civic	Surface Parking		Structured Parking		Building
Scenario	Strategy	Units	SF	SF	SF	SF	Spaces	SF	Spaces	SF	Area
					(1)						
A	"Light Touch"	4	6,144	5,000	-	-	112	39,200	-	-	**11,144**
B-1	City-owned Structured parking	58	43,800	-	10,750	5,000	-	-	228	79,800	**139,350**
B-2	City-owned Surface parking	46	35,200	-	8,500	-	146	51,100	-	-	**43,700**
C	All parcels consolidated north of alley	143	110,000	-	29,350	-	-	-	220	77,000	**216,350**

(1) Flex space can accommodate a range of uses designed to respond to market demand as conditions warrant, including residential or commercial (retail and/or office).

Source: Treasure Coast Regional Planning Council; RDS LLC; WTL+a, revised February 2018.

The proposed development program and key findings of the financial analysis for each scenario are illustrated in Table 27 and Table 28, and summarized below. The detailed financial/cash flow models for each scenario are included in the Appendix.

Development Programs & Market Capture

These four concepts were prepared during the public charrette process. Selected uses (housing, retail and flex, which could accommodate either office or retail) were vetted in the market study (see Section 3). For example, the 58 units in Scenario B-1 will necessitate a market capture ranging from roughly 2% to 8% of "unallocated" citywide market demand over the next 10 years while the 143 units in Scenario C will require a market capture ranging from 5% to 20% of unallocated citywide demand. As also noted in Section 3, near-term market demand for new office space in downtown Delray Beach can be adequately met by the completion of several mixed-use projects delivering 142,000 sq. ft. of office space, including SOFA Offices, the IPIC project and the 301 Building. As a result, "flex" space in Scenarios B-1, B-2 and C should be designed to be sufficiently flexible to accommodate either retail, office and/or housing as market conditions warrant.

Key Assumptions

Key assumptions utilized in each financial model include:

- Each model utilizes the current just/market value of the 1.22 acres of land owned by the City: $5,430,880 as defined by the Palm Beach County Property Appraiser. **The models solve for "residual value" (generated by all uses in each scenario), which reflects the price that a developer could potentially pay the City for these parcels** (and/or contribute to funding infrastructure or other public realm improvements);
- Hard and soft development costs are estimated at:
    - $195 per sq. ft. for rental housing
    - $90 per sq. ft. for commercial retail
    - $90 to $95 per sq. ft. for flex space (depending on location/floor)
    - $60 per sq. ft., or $21,000 per space, for structured parking
    - $110 per sq. ft. for the civic building in Scenario B-1, and

  - $15 per sq. ft., or $5,250 per space, for surface parking;

- **$116 per sq. ft.** for relevant demolition, site preparation, provision of infrastructure and public realm improvements. This is an *order-of-magnitude estimate* based on the 2014 cost estimates prepared for these improvements as part of approved but unbuilt mixed-use project, and inflated to 2017 dollars. It should be noted that there are also unknown, but potentially significant, variations in the total amount (in sq. ft.) of public realm improvements, by scenario;
- Site and infrastructure cost estimates were distributed between uses based generally on the proportion of each use's gross building area relative to the proposed development program;
- Each model assumes an 2.5% annual inflation factor;
- Other assumptions pertaining to stabilized occupancies, annual operating expenses, net rentable areas, tenant improvement allowances and other factors are based on market inputs obtained during the market study and/or industry standards;
- Consistent with industry standards, the financial models assume sale of "the asset" (i.e., housing, retail, etc.) in year 10 of the pro formas;
- Assumptions pertaining to surface and structured parking (occupancies/utilization, annual revenues, etc.) are based on professional opinion. No comparable information in Delray Beach was available to inform these inputs;
- Each model assumes a construction start in 2020 and delivery of all uses in 2021 (i.e., up to an 18-month construction period); and
- The financial models illustrate a range of assumed developer returns—ranging from 8% to 16%—with a **target rate-of-return of 12%**. It is highly unlikely that a developer would accept a return of 8% to 10%.

Financial Results

The analysis reveals that **the provision of structured parking comes at a significant cost—and severely impacts the overall performance of both Scenarios B-1 and C.** Moreover, the size of the parking garage in each of these scenarios—coupled with the City's four-story height limit—reduces the amount of net developable area available to accommodate other (revenue-

generating) uses. By comparison, the lower costs of surface parking strengthen returns but land area required for surface parking also reduces net developable area.

As a result, the residual land values vary significantly:

- **Scenario A**—residual values are positive, ranging from $226,000 to $1.5 million at developer returns of 16% and 8%, respectively. **The target return of 12% generates a positive residual of $744,100 to the City;**
- **Scenario B-1**—residual values are highest at the lowest developer returns of 8% and 10%. **The target return of 12% in this scenario generates a *negative* residual of ($1.31 million) to the City**, primarily a result of the costs of structured parking, additional housing (assuming a current downtown average market rent of $2.51 per sq. ft.) and the civic use (with uncertain/unknown revenue opportunities). Eliminating the civic use could be expected to improve residual value. In a sensitivity test, increasing multi-family rents to $3.00 per sq. ft. generates an overall *positive* residual of $113,800;
- **Scenario B-2**—residual values are highest at the lowest developer returns of 8% and 10%. However, **the target return of 12% in Scenario B-2 is almost break-even, generating a slightly *negative* residual of ($178,000) to the City.** In B-2, multi-family rents are assumed at $3.00 per sq. ft. per month (higher than B-1), which is similar to achieved rents at the new SofA project on SE 3rd Avenue. Higher rents reflect building and rooftop amenities such as a swimming pool as illustrated in the plan; and
- **Scenario C**—residual values are negative at all developer returns. This is due to the significant costs associated with structured parking as well as the costs associated with land acquisition and demolition of adjacent, privately-owned parcels in this block, even after accounting for higher revenues generated by achieved multi-family rents of $3.00 per sq. ft. per month.

Table 28: Summary of Financial Analysis

		Development Scenario			
		A	B-1	B-2	C
Rate of Return	8%	$ 1,577.2	$ 3,307.0	$ 3,217.8	$ (669.8)
	10%	$ 1,111.3	$ 681.8	$ 1,294.4	$ (5,900.7)
	12%	**$ 744.1**	**$ (1,318.9)**	**$ (178.0)**	**$ (9,828.1)**
	14%	$ 454.5	$ (2,835.7)	$ (1,300.6)	$ (12,748.8)
	16%	$ 225.9	$ (3,976.5)	$ (2,151.1)	$ (14,890.1)

Source: Treasure Coast Regional Planning Council; RDS LLC; WTL+a, revised February 2018.

Table 1: Consolidated Cash-Flow & Investment Metrics

Scenario A ("Light Touch") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Net Operating Income													
Townhome	$ 1,525.9	$ -	$ -	$ -	$ 1,525.9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retail	1,369.9	-	-	-	72.5	148.4	152.3	156.1	160.0	164.2	168.0	172.2	176.4
Surface Parking	1,313.4	-	-	-	45.9	86.7	129.6	164.6	168.7	172.9	177.2	181.6	186.2
Net Operating Income:	**$ 4,209.2**	**$ -**	**$ -**	**$ -**	**$ 1,644.3**	**$ 235.1**	**$ 281.8**	**$ 320.7**	**$ 328.6**	**$ 337.1**	**$ 345.2**	**$ 353.8**	**$ 362.6**
Development Costs													
Townhome	$ 1,006.2	$ -	$ -	$ 1,006.2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retail	932.6	-	-	932.6	-	-	-	-	-	-	-	-	-
Surface Parking	1,398.9	-	-	1,398.9	-	-	-	-	-	-	-	-	-
Total Development Costs:	**$ 3,337.7**	**$ -**	**$ -**	**$ 3,337.7**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Asset Sale Proceeds													
Total Asset Value	$ 4,531.9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 4,531.9
Total Costs of Sale	(271.9)	-	-	-	-	-	-	-	-	-	-	-	(271.9)
Net Cash Flow:	**$ 5,131.5**	**$ -**	**$ -**	**$ (3,337.7)**	**$ 1,644.3**	**$ 235.1**	**$ 281.8**	**$ 320.7**	**$ 328.6**	**$ 337.1**	**$ 345.2**	**$ 353.8**	**$ 4,622.5**
Net Cash Flow NPV (Residual Land Value) @ 12%	**$ 744.1**												

Residual Land Value for Various Developer Rates of Return				
Developer Return	**Residual Land Value (NPV)**	**Per Acre**	**Market Value**	**Overage/(Shortfall)**
8%	**$ 1,577.2**	$ 1,284.2	$ 5,430.9	$ (3,853.6)
10%	**$ 1,111.3**	$ 904.8	$ 5,430.9	$ (4,319.6)
12%	**$ 744.1**	$ 605.9	$ 5,430.9	$ (4,686.7)
14%	**$ 454.5**	$ 370.0	$ 5,430.9	$ (4,976.4)
16%	**$ 225.9**	$ 183.9	$ 5,430.9	$ (5,205.0)

Table 2: Multi-Year Development Program

Scenario A ("Light Touch")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

			Year-by-Year Cumulative Absorption											
			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Project Buildout (By Development Units)														
Townhome	4	units	-	-	-	4	-	-	-	-	-	-	-	-
Retail	4	units	-	-	-	4	4	4	4	4	4	4	4	4
Surface Parking	112	spaces	-	-	-	112	112	112	112	112	112	112	112	112
Project Buildout (By SF)														
Townhome	6,144		-	-	-	6,144	-	-	-	-	-	-	-	-
Retail	5,000		-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Surface Parking	39,200		-	-	-	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400	22,400
Total:	**50,344**		**-**	**-**	**-**	**33,544**	**27,400**	**27,400**	**27,400**	**27,400**	**27,400**	**27,400**	**27,400**	**27,400**

Parcel No.	Net Acres	SF	Market Value
12-43-46-16-01-092-0110	0.9542	41,565	$ 3,819,264
12-43-46-16-01-092-0100	0.1275	5,554	$ 749,655
12-43-46-16-01-092-0080	0.1465	6,382	$ 861,961
Total Study Area:	**1.2282**	**53,500**	**$ 5,430,880**

Table 3: Unit Development Costs & Infrastructure Costs

Scenario A ("Light Touch")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Per SF	Per Unit	Total (Today's $)
Hard & Soft Construction Costs			
Townhome	$ 110	$ 168,960	$ 675,840
Retail	90	112,500	450,000
Surface Parking	15	5,250	588,000
Total Hard & Soft Construction Costs:			**$ 1,713,840**
Land Development & Utility Infrastructure *(1)*	$ 116	$ 10,773	$ 1,292,704
Other Infrastructure Improvements	-	-	-
Total Infrastructure Costs:	**$ 25.68**	**$ 10,773**	**$ 1,292,704**

Table 4: Infrastructure Allocation (By Distribution of Space)

Scenario A ("Light Touch")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	SF	% of Total	% Used	Total Cost	Per Unit
Townhome	6,144	12.2%	20.0%	$ 258,541	$ 64,635
Retail	5,000	9.9%	25.0%	$ 323,176	$ 80,794
Surface Parking	39,200	77.9%	55.0%	$ 710,987	$ 6,348
Project Total:	**50,344**	**100.0%**	**100.0%**	**$ 1,292,704**	**$ 10,773**

Table 5: Income Statement -- Townhomes

Scenario A ("Light Touch") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
Number of Units	4	4	-	-	-	4	-	-	-	-	-	-	-	-
Average Unit Size	1,536	6,144	-	-	-	6,144	-	-	-	-	-	-	-	-
Net Usable Area	100%	6,144	-	-	-	6,144	-	-	-	-	-	-	-	-
Sales Price/SF	$250													
Average Sale Price	$384,000													
Net Operating Income:														
Sales Revenues		$ 1,695.5	$ -	$ -	$ -	$ 1,695.5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Builder Profit (% of Rev.)	20%	339.1	-	-	-	339.1	-	-	-	-	-	-	-	-
Costs of Sales (% of Rev.)	10%	169.5	-	-	-	169.5	-	-	-	-	-	-	-	-
Net Operating Income:		**$ 1,525.9**	**$ -**	**$ -**	**$ -**	**$ 1,525.9**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hard & Soft Development Costs	$675,840	$ 727.8	$ -	$ -	$ 727.8	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure		278.4	-	-	278.4	-	-	-	-	-	-	-	-	-
Total Development Costs:		**$ 1,006.2**	**$ -**	**$ -**	**$ 1,006.2**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:		$ 1,525.9	$ -	$ -	$ -	$ 1,525.9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Development Costs:		1,006.2	-	-	1,006.2	-	-	-	-	-	-	-	-	-
Net Cash Flow:		**$ 519.7**	**$ -**	**$ -**	**$ (1,006.2)**	**$ 1,525.9**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow NPV @	**12.0%**	**$ 253.5**												

Table 6: Income Statement -- Retail

Scenario A ("Light Touch") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
GLA Absorbed	5,000	42,500	-	-	-	2,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Net Rentable Area	100%	42,500	-	-	-	2,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Vacancy Factor	10%													
Base Lease Revenue per SF	$30.00		$ 30.80	$ 31.50	$ 32.30	$ 33.10	$ 33.90	$ 34.80	$ 35.70	$ 36.60	$ 37.50	$ 38.40	$ 39.40	$ 40.30
Reimbursables per SF	$7.50		7.70	7.90	8.10	8.30	8.50	8.70	8.90	9.10	9.40	9.60	9.80	10.10
Net Operating Income:														
Leasing Revenues		$ 1,761.3	$ -	$ -	$ -	$ 93.2	$ 190.8	$ 195.8	$ 200.7	$ 205.7	$ 211.1	$ 216.0	$ 221.4	$ 226.8
Op. & Maint. Expenses (per SF)	$7.50	391.4	-	-	-	20.7	42.4	43.5	44.6	45.7	46.8	48.0	49.2	50.4
Net Operating Income:		**$ 1,369.9**	**$ -**	**$ -**	**$ -**	**$ 72.5**	**$ 148.4**	**$ 152.3**	**$ 156.1**	**$ 160.0**	**$ 164.2**	**$ 168.0**	**$ 172.2**	**$ 176.4**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hard & Soft Development Costs	$450,000	$ 484.6	$ -	$ -	$ 484.6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure		348.0	-	-	348.0	-	-	-	-	-	-	-	-	-
Tenant Improvement Allowance per SF	$20	100.0	-	-	100.0	-	-	-	-	-	-	-	-	-
Total Development Costs:		**$ 932.6**	**$ -**	**$ -**	**$ 932.6**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:		$ 1,369.9	$ -	$ -	$ -	$ 72.5	$ 148.4	$ 152.3	$ 156.1	$ 160.0	$ 164.2	$ 168.0	$ 172.2	$ 176.4
Asset Value @	8.0%	2,204.6												2,204.6
Costs of Sale @	6.0%	(132.3)												(132.3)
Total Development Costs:		**$ (932.6)**	**$ -**	**$ -**	**$ (932.6)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:		**$ 2,509.6**	**$ -**	**$ -**	**$ (932.6)**	**$ 72.5**	**$ 148.4**	**$ 152.3**	**$ 156.1**	**$ 160.0**	**$ 164.2**	**$ 168.0**	**$ 172.2**	**$ 2,248.7**
Net Cash Flow NPV @	**12.0%**	**$ 418.8**												

Table 7: Income Statement - Surface Parking
Scenario A ("Light Touch") (In $000s)
Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
Parking Spaces	62		-	-	-	62	62	62	62	62	62	62	62	62
Average Size (SF)	350													
Monthly Fees														
Monthly Parking Fee	$ 100													
Allocation to Monthly Use	25%		-	-	-	8	9	11	12	12	12	12	12	12
Percent Occupancy by Monthly	80%					50%	60%	70%	80%	80%	80%	80%	80%	80%
Hourly Fees														
Number of Spaces	47		-	-	-	9	19	28	35	35	35	35	35	35
Non-Work Days	115													
Daily Parking Hours	14					20%	40%	60%	75%	75%	75%	75%	75%	75%
Percent Utilization	75%													
Work Days	250													
Daily Parking Hours	10													
Percent Utilization	75%													
Hourly Parking Rate	$ 1.00													
Expenses														
Operating Expenses (% of Gross Revenue)	12.5%													
Net Operating Income														
Parking Revenue														
Monthly Parking			$ -	$ -	$ -	$ 10.3	$ 12.6	$ 15.1	$ 17.7	$ 18.1	$ 18.6	$ 19.0	$ 19.5	$ 20.0
Hourly Parking			-	-	-	42.2	86.5	133.0	170.4	174.6	179.0	183.5	188.1	192.8
Total Parking Revenue:			**$ -**	**$ -**	**$ -**	**$ 52.5**	**$ 99.1**	**$ 148.1**	**$ 188.1**	**$ 192.8**	**$ 197.6**	**$ 202.5**	**$ 207.6**	**$ 212.8**
Expenses			-	-	-	6.6	12.4	18.5	23.5	24.1	24.7	25.3	25.9	26.6
Net Operating Income:			**$ -**	$ -	**$ -**	**$ 45.9**	**$ 86.7**	**$ 129.6**	**$ 164.6**	**$ 168.7**	**$ 172.9**	**$ 177.2**	**$ 181.6**	**$ 186.2**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hard & Soft Development Costs	$ 588,000		$ -	$ -	$ 633.2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure			-	-	765.7	-	-	-	-	-	-	-	-	-
Total Development Costs:			**$ -**	**$ -**	**$ 1,398.9**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:			$ -	$ -	$ -	$ 45.9	$ 86.7	$ 129.6	$ 164.6	$ 168.7	$ 172.9	$ 177.2	$ 181.6	$ 186.2
Asset Value @	8.0%													2,327.3
Costs of Sale @	6.0%													(139.6)
Total Development Costs:			**$ -**	**$ -**	**$ (1,398.9)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:			**$ -**	**$ -**	**$ (1,398.9)**	**$ 45.9**	**$ 86.7**	**$ 129.6**	**$ 164.6**	**$ 168.7**	**$ 172.9**	**$ 177.2**	**$ 181.6**	**$ 2,373.9**
Net Present Value @	**12.0%**	**$ 71.8**												

Table 1: Consolidated Cash-Flow & Investment Metrics

Scenario B-1 ("City-owned Structured Parking") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Net Operating Income													
Rental Housing	7,652.4	$ -	$ -	$ -	$ 591.4	$ 808.3	$ 828.5	$ 849.2	$ 870.4	$ 892.2	$ 914.5	$ 937.3	$ 960.8
Flex Space	2,746.2	-	-	-	276.1	283.1	289.9	296.8	304.5	312.3	319.9	327.5	336.1
Civic Building	3,598.7	-	-	-	361.6	370.6	379.8	389.2	399.1	408.9	419.2	429.8	440.6
Structured Parking	2,869.2	-	-	-	120.3	200.1	283.9	354.6	363.4	372.5	381.8	391.4	401.2
Net Operating Income:	**$ 16,866.5**	**$ -**	**$ -**	**$ -**	**$ 1,349.5**	**$ 1,662.0**	**$ 1,782.1**	**$ 1,889.7**	**$ 1,937.4**	**$ 1,985.8**	**$ 2,035.4**	**$ 2,086.0**	**$ 2,138.5**
Development Costs													
Rental Housing	$ 12,173.3	$ -	$ -	$ 12,173.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Flex Space	1,744.5	-	-	1,744.5	-	-	-	-	-	-	-	-	-
Civic Building	964.2	-	-	964.2	-	-	-	-	-	-	-	-	-
Structured Parking	7,521.7	-	-	7,521.7	-	-	-	-	-	-	-	-	-
Total Development Costs:	**$ 22,403.8**	**$ -**	**$ -**	**$ 22,403.8**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Asset Sale Proceeds													
Total Asset Value	$ 32,190.5	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 32,190.5
Total Costs of Sale	(1,931.4)	-	-	-	-	-	-	-	-	-	-	-	(1,931.4)
Net Cash Flow:	**$ 24,721.8**	**$ -**	**$ -**	**$ (22,403.8)**	**$ 1,349.5**	**$ 1,662.0**	**$ 1,782.1**	**$ 1,889.7**	**$ 1,937.4**	**$ 1,985.8**	**$ 2,035.4**	**$ 2,086.0**	**$ 32,397.6**
Net Cash Flow NPV (Residual Land Value) @ 12%	**$ (1,318.9)**												

Residual Land Value for Various Developer Rates of Return				
Developer Return	**Residual Land Value (NPV)**	**Per Acre**	**Market Value**	**Overage/Shortfall**
8%	**$ 3,307.0**	$ 2,692.5	$ 5,430.9	$ (2,123.9)
10%	**$ 681.8**	$ 555.1	$ 5,430.9	$ (4,749.1)
12%	**$ (1,318.9)**	$ (1,073.9)	$ 5,430.9	$ (6,749.8)
14%	**$ (2,835.7)**	$ (2,308.9)	$ 5,430.9	$ (8,266.6)
16%	**$ (3,976.5)**	$ (3,237.7)	$ 5,430.9	$ (9,407.4)

Table 2: Multi-Year Development Program

Scenario B-1 ("City-owned Structured Parking")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

Year-by-Year Cumulative Absorption

			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Project Buildout (By Development Units)														
Rental Housing	58	units	-	-	-	43	58	58	58	58	58	58	58	58
Flex Space	1	units	-	-	-	1	1	1	1	1	1	1	1	1
Civic Building	1	units	-	-	-	1	1	1	1	1	1	1	1	1
Structured Parking	228	spaces	-	-	-	228	228	228	228	228	228	228	228	228
Project Buildout (By SF)														
Rental Housing	43,800		-	-	-	32,850	43,800	43,800	43,800	43,800	43,800	43,800	43,800	43,800
Flex Space	10,750		-	-	-	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750
Civic Building	5,000		-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Structured Parking	79,800		-	-	-	79,800	79,800	79,800	79,800	79,800	79,800	79,800	79,800	79,800
Total	**139,350**		**-**	**-**	**-**	**128,400**	**139,350**	**139,350**	**139,350**	**139,350**	**139,350**	**139,350**	**139,350**	**139,350**

Parcel No.	Net Acres	SF	Market Value
12-43-46-16-01-092-0110	0.9542	41,565	$ 3,819,264
12-43-46-16-01-092-0100	0.1275	5,554	$ 749,655
12-43-46-16-01-092-0080	0.1465	6,382	$ 861,961
Total Study Area:	**1.2282**	**53,500**	**$ 5,430,880**

Table 3: Unit Development Costs & Infrastructure Costs

Scenario B-1 ("City-owned Structured Parking")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Per SF	Per Unit	Total (Today's $)
Hard & Soft Construction Costs			
Rental Housing	$ 195	$ 148,140	$ 8,541,000
Flex Space	90	967,500	967,500
Civic Building	110	550,000	550,000
Structured Parking	60	21,000	4,788,000
Total Hard & Soft Construction Costs:			**$ 14,846,500**
Land Development & Utility Infrastructure *(1)*	$ 116	$ 24,014	$ 6,907,800
Other Infrastructure Improvements	-	-	-
Total Infrastructure Costs:	**$ 49.57**	**$ 24,014**	**$ 6,907,800**

Table 4: Infrastructure Allocation (By Distribution of Space)

Scenario B-1 ("City-owned Structured Parking")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Square Feet	% of Total	% Used	Total Cost	Per Unit
Rental Housing	43,800	31.4%	40.0%	$ 2,763,120	$ 47,925
Flex Space	10,750	7.7%	8.0%	$ 552,624	$ 552,624
Civic Building	5,000	3.6%	5.0%	$ 345,390	$ 345,390
Structured Parking	79,800	57.3%	47.0%	$ 3,246,666	$ 14,240
Project Total:	**139,350**	**100.0%**	**100.0%**	**$ 6,907,800**	**$ 24,014**

Table 5: Income Statement -- Rental Housing

Scenario B-1 ("City-owned Structured Parking") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
Projected Unit Absorption	58		-	-	-	43	58	58	58	58	58	58	58	58
Average Unit Size	760		-	-	-	31,208	41,610	41,610	41,610	41,610	41,610	41,610	41,610	41,610
Net Rentable Area	95%		-	-	-	29,647	39,530	39,530	39,530	39,530	39,530	39,530	39,530	39,530
Monthly Rent/SF	$2.51		$ 2.57	$ 2.64	$ 2.70	$ 2.77	$ 2.84	$ 2.91	$ 2.98	$ 3.06	$ 3.13	$ 3.21	$ 3.29	$ 3.38
Occupancy Factor	95%													
Net Operating Income:														
Gross Lease Revenues			$ -	$ -	$ -	$ 985.7	$ 1,347.1	$ 1,380.8	$ 1,415.3	$ 1,450.7	$ 1,486.9	$ 1,524.1	$ 1,562.2	$ 1,601.3
Annual Operating Expenses	40%		-	-	-	394.3	538.8	552.3	566.1	580.3	594.8	609.6	624.9	640.5
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 591.4**	**$ 808.3**	**$ 828.5**	**$ 849.2**	**$ 870.4**	**$ 892.2**	**$ 914.5**	**$ 937.3**	**$ 960.8**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hard & Soft Development Costs	$8,541,000		$ -	$ -	$ 9,197.7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure			-	-	2,975.6	-	-	-	-	-	-	-	-	-
Total Development Costs:			**$ -**	**$ -**	**$ 12,173.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 591.4**	**$ 808.3**	**$ 828.5**	**$ 849.2**	**$ 870.4**	**$ 892.2**	**$ 914.5**	**$ 937.3**	**$ 960.8**
Asset Value @	5.5%													17,468.3
Costs of Sale @	6.0%													(1,048.1)
Total Development Costs:			**$ -**	**$ -**	**$ (12,173.3)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:		**$ 11,899.3**	**$ -**	**$ -**	**$ (12,173.3)**	**$ 591.4**	**$ 808.3**	**$ 828.5**	**$ 849.2**	**$ 870.4**	**$ 892.2**	**$ 914.5**	**$ 937.3**	**$ 17,381.0**
Net Present Value @	**12.0%**	**$ (1,328.0)**												

Table 6: Income Statement -- Flex Space

Scenario B-1 ("City-owned Structured Parking") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
GLA Absorbed	10,750	96,750	-	-	-	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750	10,750
Net Rentable Area	50%	48,375	-	-	-	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375	5,375
Vacancy Factor	10%													
Base Lease Revenue per SF	$25.00		$ 25.60	$ 26.30	$ 26.90	$ 27.60	$ 28.30	$ 29.00	$ 29.70	$ 30.50	$ 31.20	$ 32.00	$ 32.80	$ 33.60
Reimbursables per SF	$7.50		7.70	7.90	8.10	8.30	8.50	8.70	8.90	9.10	9.40	9.60	9.80	10.10
Net Operating Income														
Leasing Revenues		$ 3,454.9	$ -	$ -	$ -	$ 347.3	$ 356.0	$ 364.7	$ 373.5	$ 383.1	$ 392.8	$ 402.5	$ 412.2	$ 422.8
Op. & Maint. Expenses (per SF)	$6.00	708.7	-	-	-	71.2	73.0	74.8	76.7	78.6	80.6	82.6	84.6	86.7
Net Operating Income:		**$ 2,746.2**	**$ -**	**$ -**	**$ -**	**$ 276.1**	**$ 283.1**	**$ 289.9**	**$ 296.8**	**$ 304.5**	**$ 312.3**	**$ 319.9**	**$ 327.5**	**$ 336.1**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hard & Soft Development Costs	$967,500	$ 1,041.9	$ -	$ -	$ 1,041.9	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure		595.1	-	-	595.1	-	-	-	-	-	-	-	-	-
Tenant Improvement Allowance per SF	$20	107.5	-	-	107.5	-	-	-	-	-	-	-	-	-
Total Development Costs:		**$ 1,744.5**	**$ -**	**$ -**	**$ 1,744.5**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:		**$ 2,746.2**	**$ -**	**$ -**	**$ -**	**$ 276.1**	**$ 283.1**	**$ 289.9**	**$ 296.8**	**$ 304.5**	**$ 312.3**	**$ 319.9**	**$ 327.5**	**$ 336.1**
Asset Value @	8.0%	4,200.7												4,200.7
Costs of Sale @	6.0%	(252.0)												(252.0)
Total Development Costs:		**(1,744.5)**	**-**	**-**	**(1,744.5)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Cash Flow		**$ 4,950.3**	**$ -**	**$ -**	**$ (1,744.5)**	**$ 276.1**	**$ 283.1**	**$ 289.9**	**$ 296.8**	**$ 304.5**	**$ 312.3**	**$ 319.9**	**$ 327.5**	**$ 4,284.7**
Net Cash Flow NPV @	**12.0%**	**$ 908.1**												

Table 7: Income Statement -- Civic Building
Scenario B-1 ("City-owned Structured Parking") (In $000s)
Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
GLA Absorbed	5,000	45,000	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Net Rentable Area	100%	45,000	-	-	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Utilization Factor	50%													
Base Lease Revenue per SF[1]	$ 146.00		$ 149.70	$ 153.40	$ 157.20	$ 161.20	$ 165.20	$ 169.30	$ 173.50	$ 177.90	$ 182.30	$ 186.90	$ 191.60	$ 196.40
Reimbursables per SF	$ -		-	-	-	-	-	-	-	-	-	-	-	-
Net Operating Income														
Leasing Revenues		$ 4,010.8	$ -	$ -	$ -	$ 403.0	$ 413.0	$ 423.3	$ 433.8	$ 444.8	$ 455.8	$ 467.3	$ 479.0	$ 491.0
Op. & Maint. Expenses (per SF)	$ 7.50	412.0	-	-	-	41.4	42.4	43.5	44.6	45.7	46.8	48.0	49.2	50.4
Net Operating Income:		**$ 3,598.7**	**$ -**	**$ -**	**$ -**	**$ 361.6**	**$ 370.6**	**$ 379.8**	**$ 389.2**	**$ 399.1**	**$ 408.9**	**$ 419.2**	**$ 429.8**	**$ 440.6**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hard & Soft Development Costs	$ 550,000	$ 592.3	$ -	$ -	$ 592.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure		371.9	-	-	371.9	-	-	-	-	-	-	-	-	-
Tenant Improvement Allowance per SF	$ -	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Development Costs:		**$ 964.2**	**$ -**	**$ -**	**$ 964.2**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:		**$ 3,598.7**	**$ -**	**$ -**	**$ -**	**$ 361.6**	**$ 370.6**	**$ 379.8**	**$ 389.2**	**$ 399.1**	**$ 408.9**	**$ 419.2**	**$ 429.8**	**$ 440.6**
Asset Value @	8.0%	5,507.1												5,507.1
Costs of Sale @	6.0%	(330.4)												(330.4)
Total Development Costs:		**$ (964.2)**	**$ -**	**$ -**	**$ (964.2)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow		**$ 7,811.1**	**$ -**	**$ -**	**$ (964.2)**	**$ 361.6**	**$ 370.6**	**$ 379.8**	**$ 389.2**	**$ 399.1**	**$ 408.9**	**$ 419.2**	**$ 429.8**	**$ 5,617.2**
Net Cash Flow NPV @	**12.0%**	**$ 2,131.2**												

(1) The base lease revenue per SF is based on an estimated utilization factor of 50%, and $2,000 in daily rental fees.

Table 8: Income Statement - Structured Parking

Scenario B-1 ("City-owned Structured Parking") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
Parking Spaces	178		-	-	-	178	178	178	178	178	178	178	178	178
Average Square Feet	350													
Monthly Fees														
Monthly Parking Fee	$ 100													
Allocation to Monthly Use	55%		-	-	-	49	59	69	78	78	78	78	78	78
Percent Occupancy by Monthly	80%					50%	60%	70%	80%	80%	80%	80%	80%	80%
Hourly Fees														
Number of Spaces	80		-	-	-	16	32	48	60	60	60	60	60	60
Non-Work Days	115													
Daily Parking Hours	14					20%	40%	60%	75%	75%	75%	75%	75%	75%
Percent Utilization	75%													
Work Days	250													
Daily Parking Hours	10													
Percent Utilization	75%													
Hourly Parking Rate	$ 1.00													
Expenses														
Operating Expenses (% of Gross Revenue)	12.5%													
Net Operating Income														
Parking Revenue														
Monthly Parking			$ -	$ -	$ -	$ 64.8	$ 79.8	$ 95.4	$ 111.7	$ 114.5	$ 117.4	$ 120.3	$ 123.3	$ 126.4
Hourly Parking			-	-	-	72.7	149.0	229.1	293.5	300.8	308.4	316.1	324.0	332.1
Total Parking Revenue:			**$ -**	**$ -**	**$ -**	**$ 137.5**	**$ 228.7**	**$ 324.4**	**$ 405.2**	**$ 415.3**	**$ 425.7**	**$ 436.4**	**$ 447.3**	**$ 458.5**
Expenses			-	-	-	17.2	28.6	40.6	50.7	51.9	53.2	54.5	55.9	57.3
Net Operating Income:			**$ -**	$ -	**$ -**	**$ 120.3**	**$ 200.1**	**$ 283.9**	**$ 354.6**	**$ 363.4**	**$ 372.5**	**$ 381.8**	**$ 391.4**	**$ 401.2**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Hard & Soft Development Costs	$ 3,738,000		$ -	$ -	$ 4,025.4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure			-	-	3,496.3	-	-	-	-	-	-	-	-	-
Total Development Costs:			**$ -**	**$ -**	**$ 7,521.7**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 120.3**	**$ 200.1**	**$ 283.9**	**$ 354.6**	**$ 363.4**	**$ 372.5**	**$ 381.8**	**$ 391.4**	**$ 401.2**
Asset Value @	8.0%													5,014.4
Costs of Sale @	6.0%													(300.9)
Total Development Costs:			**$ -**	**$ -**	**$ (7,521.7)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:			**$ -**	**$ -**	**$ (7,521.7)**	**$ 120.3**	**$ 200.1**	**$ 283.9**	**$ 354.6**	**$ 363.4**	**$ 372.5**	**$ 381.8**	**$ 391.4**	**$ 5,114.7**
Net Present Value @	**12.0%**	**$ (3,030.2)**												

Table 1: Consolidated Cash-Flow & Investment Metrics
Scenario B-2 ("City-owned Surface Parking") (In $000s)
Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Net Operating Income													
Rental Housing	7,350.4	$ -	$ -	$ -	$ 568.1	$ 776.4	$ 795.8	$ 815.7	$ 836.1	$ 857.0	$ 878.4	$ 900.3	$ 922.8
Flex Space	2,031.3	-	-	-	204.3	209.4	214.5	219.5	225.3	231.0	236.6	242.2	248.6
Surface Parking	2,033.6	-	-	-	71.1	134.3	200.6	254.8	261.2	267.7	274.4	281.3	288.3
Net Operating Income:	**$ 11,415.4**	**$ -**	**$ -**	**$ -**	**$ 843.4**	**$ 1,120.0**	**$ 1,210.9**	**$ 1,290.0**	**$ 1,322.5**	**$ 1,355.6**	**$ 1,389.4**	**$ 1,423.8**	**$ 1,459.7**
Development Costs													
Rental Housing	$ 11,049.3	$ -	$ -	$ 11,049.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Flex Space	1,849.9	-	-	1,849.9	-	-	-	-	-	-	-	-	-
Surface Parking	1,808.1	-	-	1,808.1	-	-	-	-	-	-	-	-	-
Total Development Costs:	**$ 14,707.3**	**$ -**	**$ -**	**$ 14,707.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Asset Sale Proceeds													
Total Asset Value	$ 23,490	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 23,490
Total Costs of Sale	(1,409.4)	-	-	-	-	-	-	-	-	-	-	-	(1,409.4)
Net Cash Flow:	**$ 18,788.5**	**$ -**	**$ -**	**$ (14,707.3)**	**$ 843.4**	**$ 1,120.0**	**$ 1,210.9**	**$ 1,290.0**	**$ 1,322.5**	**$ 1,355.6**	**$ 1,389.4**	**$ 1,423.8**	**$ 23,540.1**
Net Cash Flow NPV (Residual Land Value) @ 12%	**$ (178.0)**												

Residual Land Value for Various Developer Rates of Return				
Developer Return	**Residual Land Value (NPV)**	**Per Acre**	**Market Value**	**Overage/Shortfall**
8%	**$ 3,217.8**	$ 2,619.9	$ 5,430.9	$ (2,213.1)
10%	**$ 1,294.4**	$ 1,053.9	$ 5,430.9	$ (4,136.5)
12%	**$ (178.0)**	$ (144.9)	$ 5,430.9	$ (5,608.9)
14%	**$ (1,300.6)**	$ (1,059.0)	$ 5,430.9	$ (6,731.5)
16%	**$ (2,151.1)**	$ (1,751.5)	$ 5,430.9	$ (7,582.0)

Table 2: Multi-Year Development Program

Scenario B-2 ("City-owned Surface Parking")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

Year-by-Year Cumulative Absorption

			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Project Buildout (By Development Units)														
Rental Housing	46	units	-	-	-	35	46	46	46	46	46	46	46	46
Flex Space	1	units	-	-	-	1	1	1	1	1	1	1	1	1
Surface Parking	146	spaces	-	-	-	146	146	146	146	146	146	146	146	146
Project Buildout (By SF)														
Rental Housing	35,200		-	-	-	26,400	35,200	35,200	35,200	35,200	35,200	35,200	35,200	35,200
Flex Space	8,500		-	-	-	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Surface Parking	51,100		-	-	-	51,100	51,100	51,100	51,100	51,100	51,100	51,100	51,100	51,100
Total:	**94,800**		**-**	**-**	**-**	**86,000**	**94,800**	**94,800**	**94,800**	**94,800**	**94,800**	**94,800**	**94,800**	**94,800**

Parcel No.	Net Acres	SF	Market Value
12-43-46-16-01-092-0110	0.9542	41,565	$ 3,819,264
12-43-46-16-01-092-0100	0.1275	5,554	$ 749,655
12-43-46-16-01-092-0080	0.1465	6,382	$ 861,961
Total Study Are:	**1.2282**	**53,500**	**$ 5,430,880**

Table 3: Unit Development Costs & Infrastructure Costs

Scenario B-2 ("City-owned Surface Parking")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Per SF	Per Unit	Total (Today's $)
Hard & Soft Construction Costs			
Rental Housing	$ 195	$ 149,217	$ 6,864,000
Flex Space	95	807,500	807,500
Surface Parking	15	5,250	766,500
Total Hard & Soft Construction Costs:			**$ 8,438,000**
Land Development & Utility Infrastructure *(1)*	$ 116.00	$ 26,265	$ 5,069,200
Other Infrastructure Improvements	-	-	-
Total Infrastructure Costs:	**$ 53.47**	**$ 26,265**	**$ 5,069,200**

(1) Cost estimates assumed no significant fill dirt or environmental remediation required; existing utility mains

Table 4: Infrastructure Allocation (By Distribution of Space)

Scenario B-2 ("City-owned Surface Parking")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Square Feet	% of Total	% Used	Total Cost	Per Unit
Rental Housing	35,200	37.1%	67.0%	$ 3,396,364	$ 73,834
Flex Space	8,500	9.0%	15.0%	$ 760,380	$ 760,380
Surface Parking	51,100	53.9%	18.0%	$ 912,456	$ 6,250
Project Total:	**94,800**	**100.0%**	**100.0%**	**$ 5,069,200**	**$ 26,265**

Table 5: Income Statement -- Rental Housing

Scenario B-2 ("City-owned Surface Parking") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
Projected Unit Absorption	46		-	-	-	35	46	46	46	46	46	46	46	46
Average Unit Size	765		-	-	-	25,080	33,440	33,440	33,440	33,440	33,440	33,440	33,440	33,440
Net Rentable Area	95%		-	-	-	23,826	31,768	31,768	31,768	31,768	31,768	31,768	31,768	31,768
Monthly Rent/SF	$3.00		$ 3.08	$ 3.15	$ 3.23	$ 3.31	$ 3.39	$ 3.48	$ 3.57	$ 3.66	$ 3.75	$ 3.84	$ 3.94	$ 4.03
Occupancy Factor	95%													
Net Operating Income														
Gross Lease Revenues:			**$ -**	**$ -**	**$ -**	**$ 946.8**	**$ 1,293.9**	**$ 1,326.3**	**$ 1,359.4**	**$ 1,393.4**	**$ 1,428.3**	**$ 1,464.0**	**$ 1,500.6**	**$ 1,538.1**
Annual Operating Expenses	40%		-	-	-	378.7	517.6	530.5	543.8	557.4	571.3	585.6	600.2	615.2
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 568.1**	**$ 776.4**	**$ 795.8**	**$ 815.7**	**$ 836.1**	**$ 857.0**	**$ 878.4**	**$ 900.3**	**$ 922.8**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent Built by Year			0.0%	0.0%	0.0%	75.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Hard & Soft Development Costs	$6,864,000		$ -	$ -	$ 7,391.8	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure			-	-	3,657.5	-	-	-	-	-	-	-	-	-
Total Development Costs:			**$ -**	**$ -**	**$ 11,049.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 568.1**	**$ 776.4**	**$ 795.8**	**$ 815.7**	**$ 836.1**	**$ 857.0**	**$ 878.4**	**$ 900.3**	**$ 922.8**
Asset Value @	5.5%													16,779.0
Costs of Sale @	6.0%													(1,006.7)
Total Development Costs:			**$ -**	**$ -**	**$ (11,049.3)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow		**$ 12,073.5**	**$ -**	**$ -**	**$ (11,049.3)**	**$ 568.1**	**$ 776.4**	**$ 795.8**	**$ 815.7**	**$ 836.1**	**$ 857.0**	**$ 878.4**	**$ 900.3**	**$ 16,695.2**
Net Present Value @	**12.0%**	**$ (817.4)**												

Table 6: Income Statement -- Flex Space

Scenario B-2 ("City-owned Surface Parking") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
GLA Absorbed	8,500	76,500	-	-	-	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Net Rentable Area	95%	72,675	-	-	-	8,075	8,075	8,075	8,075	8,075	8,075	8,075	8,075	8,075
Vacancy Factor	10%													
Base Lease Revenue per SF	$25.00		$ 25.60	$ 26.30	$ 26.90	$ 27.60	$ 28.30	$ 29.00	$ 29.70	$ 30.50	$ 31.20	$ 32.00	$ 32.80	$ 33.60
Reimbursables per SF	$7.50		$ 7.70	$ 7.90	$ 8.10	$ 8.30	$ 8.50	$ 8.70	$ 8.90	$ 9.10	$ 9.40	$ 9.60	$ 9.80	$ 10.10
Net Operating Income														
Leasing Revenues		$ 2,731.8	$ -	$ -	$ -	$ 274.6	$ 281.5	$ 288.4	$ 295.3	$ 302.9	$ 310.6	$ 318.2	$ 325.9	$ 334.3
Op. & Maint. Expenses (per SF)	$7.50	700.5	-	-	-	70.4	72.1	73.9	75.8	77.7	79.6	81.6	83.6	85.7
Net Operating Income:		**$ 2,031.3**	**$ -**	**$ -**	**$ -**	**$ 204.3**	**$ 209.4**	**$ 214.5**	**$ 219.5**	**$ 225.3**	**$ 231.0**	**$ 236.6**	**$ 242.2**	**$ 248.6**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent Built by Year		900.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Hard & Soft Development Costs	$807,500	$ 869.6	$ -	$ -	$ 869.6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure		818.8	-	-	818.8	-	-	-	-	-	-	-	-	-
Tenant Improvement Allowance per SF	$20	161.5	-	-	161.5	-	-	-	-	-	-	-	-	-
Total Development Costs:		**$ 1,849.9**	**$ -**	**$ -**	**$ 1,849.9**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:		**$ 2,031.3**	**$ -**	**$ -**	**$ -**	**$ 204.3**	**$ 209.4**	**$ 214.5**	**$ 219.5**	**$ 225.3**	**$ 231.0**	**$ 236.6**	**$ 242.2**	**$ 248.6**
Asset Value @	8.0%	3,107.1												3,107.1
Costs of Sale @	6.0%	(186.4)												(186.4)
Total Development Costs:		**$ (1,849.9)**	**$ -**	**$ -**	**$ (1,849.9)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:		**$ 3,102.1**	**$ -**	**$ -**	**$ (1,849.9)**	**$ 204.3**	**$ 209.4**	**$ 214.5**	**$ 219.5**	**$ 225.3**	**$ 231.0**	**$ 236.6**	**$ 242.2**	**$ 3,169.2**
Net Cash Flow NPV @	**12.0%**	**$ 273.4**												

Table 7: Income Statement - Surface Parking

Scenario B-2 ("City-owned Surface Parking") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
Parking Spaces	96		-	-	-	96	96	96	96	96	96	96	96	96
Average Square Feet	350													
Monthly Fees														
Monthly Parking Fee	$ 100													
Allocation to Monthly Use	25%		-	-	-	12	14	17	19	19	19	19	19	19
Percent Occupancy by Monthly	80%					50%	60%	70%	80%	80%	80%	80%	80%	80%
Hourly Fees														
Number of Spaces	72		-	-	-	14	29	43	54	54	54	54	54	54
Non-Work Days	115													
Daily Parking Hours	14					20%	40%	60%	75%	75%	75%	75%	75%	75%
Percent Utilization	75%													
Work Days	250													
Daily Parking Hours	10													
Percent Utilization	75%													
Hourly Parking Rate	$ 1.00													
Expenses														
Operating Expenses (% of Gross Revenue)	12.5%													
Net Operating Income														
Parking Revenue														
Monthly Parking			$ -	$ -	$ -	$ 15.9	$ 19.6	$ 23.4	$ 27.4	$ 28.1	$ 28.8	$ 29.5	$ 30.2	$ 31.0
Hourly Parking			-	-	-	65.3	133.9	205.9	263.8	270.4	277.2	284.1	291.2	298.5
Total Parking Revenue:			**$ -**	**$ -**	**$ -**	**$ 81.2**	**$ 153.5**	**$ 229.3**	**$ 291.2**	**$ 298.5**	**$ 305.9**	**$ 313.6**	**$ 321.4**	**$ 329.5**
Expenses			-	-	-	10.2	19.2	28.7	36.4	37.3	38.2	39.2	40.2	41.2
Net Operating Income:			**$ -**	$ -	**$ -**	**$ 71.1**	**$ 134.3**	**$ 200.6**	**$ 254.8**	**$ 261.2**	**$ 267.7**	**$ 274.4**	**$ 281.3**	**$ 288.3**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent Built by Year			0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Hard & Soft Development Costs	$ 766,500		$ -	$ -	$ 825.4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure			-	-	982.6	-	-	-	-	-	-	-	-	-
Total Development Costs:			**$ -**	**$ -**	**$ 1,808.1**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 71.1**	**$ 134.3**	**$ 200.6**	**$ 254.8**	**$ 261.2**	**$ 267.7**	**$ 274.4**	**$ 281.3**	**$ 288.3**
Asset Value @	8.0%													3,603.6
Costs of Sale @	6.0%													(216.2)
Total Development Costs:			**$ -**	**$ -**	**$ (1,808.1)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:			**$ -**	**$ -**	**$ (1,808.1)**	**$ 71.1**	**$ 134.3**	**$ 200.6**	**$ 254.8**	**$ 261.2**	**$ 267.7**	**$ 274.4**	**$ 281.3**	**$ 3,675.7**
Net Present Value @	**12.0%**	**$ 366.0**												

Table 1: Consolidated Cash-Flow & Investment Metrics

Scenario C ("All Parcels North of Alley")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Net Operating Income													
Rental Housing	22,970.1	$ -	$ -	$ -	$ 1,775.2	$ 2,426.1	$ 2,486.8	$ 2,548.9	$ 2,612.7	$ 2,678.0	$ 2,744.9	$ 2,813.6	$ 2,883.9
Flex Space	7,014.1	-	-	-	705.3	723.0	740.6	758.0	777.8	797.5	817.1	836.5	858.3
Structured Parking	3,601.2	-	-	-	125.9	237.8	355.3	451.2	462.5	474.1	485.9	498.1	510.5
Net Operating Income:	**$ 33,585.4**	**$ -**	**$ -**	**$ -**	**$ 2,606.4**	**$ 3,386.9**	**$ 3,582.6**	**$ 3,758.1**	**$ 3,853.0**	**$ 3,949.6**	**$ 4,047.9**	**$ 4,148.1**	**$ 4,252.7**
Land Acquisition													
Land Acquisition	$ 6,583.4	$ -	$ 6,583.4	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Building Demolition	$ 158.6	$ -	$ -	$ 158.6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Development Costs:													
Rental Housing	$ 34,762.3	$ -	$ -	$ 34,762.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Flex Space	7,215.9	-	-	7,215.9	-	-	-	-	-	-	-	-	-
Structured Parking	7,064.1	-	-	7,064.1	-	-	-	-	-	-	-	-	-
Total Development Costs:	**$ 49,042.3**	**$ -**	**$ -**	**$ 49,042.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Asset Sale Proceeds													
Total Asset Value	$ 69,545	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 69,545
Total Costs of Sale	(4,172.7)	-	-	-	-	-	-	-	-	-	-	-	(4,172.7)
Net Cash Flow:	**$ 43,172.9**	**$ -**	**$ (6,583.4)**	**$ (49,200.9)**	**$ 2,606.4**	**$ 3,386.9**	**$ 3,582.6**	**$ 3,758.1**	**$ 3,853.0**	**$ 3,949.6**	**$ 4,047.9**	**$ 4,148.1**	**$ 69,624.6**
Net Cash Flow NPV (Residual Land Value) @ 12%	**$ (9,828.1)**												

Residual Land Value for Various Developer Rates of Return				
Developer Return	**Residual Land Value (NPV)**	**Per Acre**	**Market Value**	**Overage/Shortfall**
8%	**$ (669.8)**	$ (545.4)	$ 5,430.9	$ (6,100.7)
10%	**$ (5,900.7)**	$ (4,804.3)	$ 5,430.9	$ (11,331.6)
12%	**$ (9,828.1)**	$ (8,002.0)	$ 5,430.9	$ (15,259.0)
14%	**$ (12,748.8)**	$ (10,380.0)	$ 5,430.9	$ (18,179.6)
16%	**$ (14,890.1)**	$ (12,123.5)	$ 5,430.9	$ (20,321.0)

Table 2: Multi-Year Development Program

Scenario C ("All Parcels North of Alley")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

Year-by-Year Cumulative Absorption

			2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Project Buildout (By Development Units)														
Rental Housing	143	units	-	-	-	107	143	143	143	143	143	143	143	143
Single-Family (Non-Waterfront)	-	units	-	-	-	-	-	-	-	-	-	-	-	-
Single-Family (Waterfront)	-	units	-	-	-	-	-	-	-	-	-	-	-	-
Townhome	-	units	-	-	-	-	-	-	-	-	-	-	-	-
Waterfront Restaurant	-	units	-	-	-	-	-	-	-	-	-	-	-	-
Flex Space	1	units	-	-	-	1	1	1	1	1	1	1	1	1
Limited-Service Hotel	-	rooms	-	-	-	-	-	-	-	-	-	-	-	-
Structured Parking	220	spaces	-	-	-	220	220	220	220	220	220	220	220	220
Project Buildout (By SF)														
Rental Housing	110,000		-	-	-	82,500	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Single-Family (Non-Waterfront)	-		-	-	-	-	-	-	-	-	-	-	-	-
Single-Family (Waterfront)	-		-	-	-	-	-	-	-	-	-	-	-	-
Townhome	-		-	-	-	-	-	-	-	-	-	-	-	-
Waterfront Restaurant	-		-	-	-	-	-	-	-	-	-	-	-	-
Flex Space	29,350		-	-	-	29,350	29,350	29,350	29,350	29,350	29,350	29,350	29,350	29,350
Limited-Service Hotel	-		-	-	-	-	-	-	-	-	-	-	-	-
Structured Parking	77,000		-	-	-	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000	77,000
Total:	**216,350**		**-**	**-**	**-**	**188,850**	**216,350**	**216,350**	**216,350**	**216,350**	**216,350**	**216,350**	**216,350**	**216,350**

Parcel No.	Net Acres	SF	Market Value
12-43-46-16-01-092-0110	0.9542	41,565	$ 3,819,264
12-43-46-16-01-092-0100	0.1275	5,554	$ 749,655
12-43-46-16-01-092-0080	0.1465	6,382	$ 861,961
Total Study Area:	**1.2282**	**53,500**	**$ 5,430,880**

Acquisition Parcels

Parcel No.	Net Acres	Market Value	Bldg SF	Demo PSF	Demo Cost
12-43-46-16-01-092-0171	0.1716	$ 782,888	4,026	$ 6.00	$ 24,156
12-43-46-16-01-092-0180	0.1334	$ 1,055,379	6,842	$ 6.00	$ 41,052
12-43-46-16-01-092-0200	0.2674	$ 1,746,329	5,935	$ 6.00	$ 35,610
12-43-46-16-01-092-0220	0.2678	$ 1,039,927	1,680	$ 6.00	$ 10,080
12-43-46-16-01-092-0091	0.1339	$ 1,958,923	7,944	$ 6.00	$ 47,664
Total Acquisition Area:	**0.9741**	**$ 6,583,446**	**26,427**		**$ 158,562**

Table 3: Unit Development Costs & Infrastructure Costs

Scenario C ("All Parcels North of Alley")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Per SF	Per Unit	Total (Today's $)
Hard & Soft Construction Costs			
Rental Housing	$ 195	$ 150,000	$ 21,450,000
Flex Space	95	2,788,250	2,788,250
Structured Parking	60	21,000	4,620,000
Total Hard & Soft Construction Costs:			**$ 28,858,250**
Land Development & Utility Infrastructure *(1)*	$ 116.00	$ 44,408	$ 16,164,600
Other Infrastructure Improvements	-	-	-
Total Infrastructure Costs:	**$ 74.72**	**$ 44,408**	**$ 16,164,600**

Table 4: Infrastructure Allocation (By Distribution of Space)

Scenario C ("All Parcels North of Alley")

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

	Square Feet	% of Total	% Used	Total Cost	Per Unit
Rental Housing	110,000	51%	67%	$ 10,830,282	$ 75,736
Flex Space	29,350	14%	21%	$ 3,394,566	$ 3,394,566
Structured Parking	77,000	36%	12%	$ 1,939,752	$ 8,817
Project Total:	**216,350**	**100.0%**	**100.0%**	**$ 16,164,600**	**$ 44,408**

Table 5: Income Statement -- Rental Housing

Scenario C ("All Parcels North of Alley") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Revenue Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
Projected Unit Absorption	143		-	-	-	107	143	143	143	143	143	143	143	143
Average Unit Size	769		-	-	-	78,375	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500
Net Rentable Area	95%		-	-	-	74,456	99,275	99,275	99,275	99,275	99,275	99,275	99,275	99,275
Monthly Rent/SF	$3.00		$ 3.08	$ 3.15	$ 3.23	$ 3.31	$ 3.39	$ 3.48	$ 3.57	$ 3.66	$ 3.75	$ 3.84	$ 3.94	$ 4.03
Occupancy Factor	95%													
Net Operating Income														
Gross Lease Revenues:			**$ -**	**$ -**	**$ -**	**$ 2,958.7**	**$ 4,043.5**	**$ 4,144.6**	**$ 4,248.2**	**$ 4,354.5**	**$ 4,463.3**	**$ 4,574.9**	**$ 4,689.3**	**$ 4,806.5**
Annual Operating Expenses	40%		-	-	-	1,183.5	1,617.4	1,657.9	1,699.3	1,741.8	1,785.3	1,830.0	1,875.7	1,922.6
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 1,775.2**	**$ 2,426.1**	**$ 2,486.8**	**$ 2,548.9**	**$ 2,612.7**	**$ 2,678.0**	**$ 2,744.9**	**$ 2,813.6**	**$ 2,883.9**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent Built by Year			0.0%	0.0%	0.0%	75.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Hard & Soft Development Costs	$21,450,000		$ -	$ -	$ 23,099.3	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure			-	-	11,663.0	-	-	-	-	-	-	-	-	-
Total Development Costs:			**$ -**	**$ -**	**$ 34,762.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:			$ -	$ -	$ -	$ 1,775.2	$ 2,426.1	$ 2,486.8	$ 2,548.9	$ 2,612.7	$ 2,678.0	$ 2,744.9	$ 2,813.6	$ 2,883.9
Asset Value @	5.5%													52,434.5
Costs of Sale @	6.0%													(3,146.1)
Total Development Costs:			**$ -**	**$ -**	**$ (34,762.3)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:		**$ 37,496.2**	**$ -**	**$ -**	**$ (34,762.3)**	**$ 1,775.2**	**$ 2,426.1**	**$ 2,486.8**	**$ 2,548.9**	**$ 2,612.7**	**$ 2,678.0**	**$ 2,744.9**	**$ 2,813.6**	**$ 52,172.4**
Net Present Value @	**12.0%**	**$ (2,720.5)**												

Table 6: Income Statement -- Flex Space

Scenario C ("All Parcels North of Alley") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
GLA Absorbed	29,350	264,150	-	-	-	29,350	29,350	29,350	29,350	29,350	29,350	29,350	29,350	29,350
Net Rentable Area	95%	250,943	-	-	-	27,883	27,883	27,883	27,883	27,883	27,883	27,883	27,883	27,883
Vacancy Factor	10%													
Base Lease Revenue per SF	$ 25.00		$ 25.60	$ 26.30	$ 26.90	$ 27.60	$ 28.30	$ 29.00	$ 29.70	$ 30.50	$ 31.20	$ 32.00	$ 32.80	$ 33.60
Reimbursables per SF	$ 7.50		7.70	7.90	8.10	8.30	8.50	8.70	8.90	9.10	9.40	9.60	9.80	10.10
Net Operating Income														
Leasing Revenues:		$ 9,432.8	$ -	$ -	$ -	$ 948.3	$ 972.1	$ 995.8	$ 1,019.6	$ 1,046.0	$ 1,072.4	$ 1,098.9	$ 1,125.3	$ 1,154.3
Op. & Maint. Expenses (per SF)	$ 7.50	2,418.7	-	-	-	243.0	249.1	255.3	261.7	268.2	274.9	281.8	288.8	296.0
Net Operating Income:		**$ 7,014.1**	**$ -**	**$ -**	**$ -**	**$ 705.3**	**$ 723.0**	**$ 740.6**	**$ 758.0**	**$ 777.8**	**$ 797.5**	**$ 817.1**	**$ 836.5**	**$ 858.3**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent Built by Year		900.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Hard & Soft Development Costs	$ 2,788,250	$ 3,002.6	$ -	$ -	$ 3,002.6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure		3,655.6	-	-	3,655.6	-	-	-	-	-	-	-	-	-
Tenant Improvement Allowance per SF	$ 20	557.7	-	-	557.7	-	-	-	-	-	-	-	-	-
Total Development Costs:		**$ 7,215.9**	**$ -**	**$ -**	**$ 7,215.9**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	$ -
Annual Cash Flow														
Net Operating Income:		**$ 7,014.1**	**$ -**	**$ -**	**$ -**	**$ 705.3**	**$ 723.0**	**$ 740.6**	**$ 758.0**	**$ 777.8**	**$ 797.5**	**$ 817.1**	**$ 836.5**	**$ 858.3**
Asset Value @	8.0%	10,728.6												10,728.6
Costs of Sale @	6.0%	(643.7)												(643.7)
Total Development Costs:		**$ (7,215.9)**	**$ -**	**$ -**	**$ (7,215.9)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:		**$ 9,883.1**	**$ -**	**$ -**	**$ (7,215.9)**	**$ 705.3**	**$ 723.0**	**$ 740.6**	**$ 758.0**	**$ 777.8**	**$ 797.5**	**$ 817.1**	**$ 836.5**	**$ 10,943.2**
Net Cash Flow NPV @	**12.0%**	**$ 354.6**												

Table 7: Income Statement - Structured Parking

Scenario C ("All Parcels North of Alley") (In $000s)

Delray Beach TOD Master Plan Market & Financial Feasibility Analysis

		Total	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Assumptions														
Inflation Factor	2.5%		1.03	1.05	1.08	1.10	1.13	1.16	1.19	1.22	1.25	1.28	1.31	1.34
Parking Spaces	170		-	-	-	170	170	170	170	170	170	170	170	170
Average Square Feet	350													
Monthly Fees														
Monthly Parking Fee	$ 100													
Allocation to Monthly Use	25%		-	-	-	21	26	30	34	34	34	34	34	34
Percent Occupancy by Monthly	80%					50%	60%	70%	80%	80%	80%	80%	80%	80%
Hourly Fees														
Number of Spaces	128		-	-	-	26	51	77	96	96	96	96	96	96
Non-Work Days	115													
Daily Parking Hours	14					20%	40%	60%	75%	75%	75%	75%	75%	75%
Percent Utilization	75%													
Work Days	250													
Daily Parking Hours	10													
Percent Utilization	75%													
Hourly Parking Rate	$ 1.00													
Expenses														
Operating Expenses (% of Gross Revenue)	12.5%													
Net Operating Income														
Parking Revenue														
Monthly Parking			$ -	$ -	$ -	$ 28.1	$ 34.6	$ 41.4	$ 48.5	$ 49.7	$ 51.0	$ 52.2	$ 53.5	$ 54.9
Hourly Parking			-	-	-	115.7	237.2	364.6	467.2	478.9	490.8	503.1	515.7	528.6
Total Parking Revenue:			**$ -**	**$ -**	**$ -**	**$ 143.8**	**$ 271.8**	**$ 406.0**	**$ 515.7**	**$ 528.6**	**$ 541.8**	**$ 555.3**	**$ 569.2**	**$ 583.4**
Expenses			-	-	-	18.0	34.0	50.8	64.5	66.1	67.7	69.4	71.2	72.9
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 125.9**	**$ 237.8**	**$ 355.3**	**$ 451.2**	**$ 462.5**	**$ 474.1**	**$ 485.9**	**$ 498.1**	**$ 510.5**
Development Costs														
Percent of Construction Completed		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent of Land Dev. & Utility Infrastructure		100.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Percent Built by Year			0.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Hard & Soft Development Costs	$ 4,620,000		$ -	$ -	$ 4,975.2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Land Development & Utility Infrastructure			-	-	2,088.9	-	-	-	-	-	-	-	-	-
Total Development Costs:			**$ -**	**$ -**	**$ 7,064.1**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Annual Cash Flow														
Net Operating Income:			**$ -**	**$ -**	**$ -**	**$ 125.9**	**$ 237.8**	**$ 355.3**	**$ 451.2**	**$ 462.5**	**$ 474.1**	**$ 485.9**	**$ 498.1**	**$ 510.5**
Asset Value @	8.0%													6,381.4
Costs of Sale @	6.0%													(382.9)
Total Development Costs:			**$ -**	**$ -**	**$ (7,064.1)**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Net Cash Flow:			**$ -**	**$ -**	**$ (7,064.1)**	**$ 125.9**	**$ 237.8**	**$ 355.3**	**$ 451.2**	**$ 462.5**	**$ 474.1**	**$ 485.9**	**$ 498.1**	**$ 6,509.0**
Net Present Value @	**12.0%**	**$ (2,101.0)**												