



KITTELSON
& ASSOCIATES

Market/Gap Analysis Tech Memo

Identifying Market Gaps and Opportunities for Retail and Entertainment Uses

MULTIMODAL
COMMUNITY
PLANNING STUDY



Advancing the Vision

April 2019



MEMORANDUM

To: Craig Pinder and Jim Hetzel
City of Fort Lauderdale 290 N.E. 3rd Avenue
Fort Lauderdale, FL 33301

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Date: April 8, 2019

Project: Next Stop Fort Lauderdale Planning Study

Subject: Market/Gap Analysis Tech Memo

Introduction

The city of Fort Lauderdale was awarded a planning grant from the Federal Transit Administration to conduct the Next Stop Fort Lauderdale study. The purpose of the study is to explore strategies that the City can pursue to enhance quality of life by making neighborhoods connected, livable, and walkable.

One of the key components of a livable community is providing places for people to dine, shop, and play. This memo report summarizes the market opportunities and constraints for retail and entertainment uses in the planning area. It includes the following content:

- National Retail Trends - An overview of trends affecting the retail industry nationally
- Regional Retail Supply - An overview of the competitive retail supply in the Fort Lauderdale area
- Performance of Existing Retail - An analysis of retail rents and vacancy trends in Fort Lauderdale
- Planning Area Retail Context - A description of existing retail shopping and entertainment uses in the planning area
- Development Trends - An analysis of projects in planning and under construction in the planning area
- Opportunities and Constraints - A summary of opportunities and constraints for pedestrian-oriented retail in the planning area, identifying the locations with the strongest potential for future growth

National Retail Trends

Demand for retail in the planning area is influenced by broader shifts in the global retail industry. Americans continue to shop, but where and how they shop have impacts on the performance and location of existing and future brick-and-mortar businesses. Major trends that affect the demand for new retail space include the following:

- **The retail industry is growing and reorganizing.** In 2017, consumers expenditures in the U.S. hit an all-time high. However, much of the growth is happening online rather than in brick-and-mortar stores. Nationwide, online sales account for an increasingly larger portion of total sales¹ and e-commerce continues to expand. Products sold online are no longer limited to books and music, but now also encompass a wide array of soft and hard goods, including: electronics, sporting goods, office supplies, toys, and apparel.
- **Offering a unique consumer experience has become essential, given the growing influence of online shopping.** New retail centers are being designed with an “experiential” component that often includes well-designed common gathering areas, more eating and drinking establishments, and more interactive retail concepts. Existing shopping centers and malls, which are seeing an erosion in sales in department stores and conventional soft goods are re-tenanting their spaces and redeveloping their parking lots to add entertainment uses (bowling alleys, spas, salons) as well as adding restaurants, grocery stores, and brew pubs. Many shopping centers are also integrating housing and office spaces into their redevelopment plans.
- **In addition to their typical location requirements, experiential retailers are also sensitive to the quality of the pedestrian environment for shoppers.** The fundamental factors that retailers consider continue to be the demographic profile of the surrounding area, traffic patterns, and site characteristics (ease of access, visibility, etc.). However, to remain competitive, retailers are also interested in creating a high-quality pedestrian experience, including streetscape/urban design and other “placemaking” components.

Regional Retail Supply

Strategic Economics analyzed the regional context for retail in the planning area, assessing the existing supply and performance of retail centers in Fort Lauderdale and surrounding communities. The retail center categories are described in more detail below and summarized in Figure 1.

¹ According to a study conducted by Strategic Economics in 2018 for the City of San Francisco’s Office of Economic and Workforce Development, while non-store retailers accounted for 12 percent of total national retail sales in 2016, they accounted for 40 percent of the growth in total sales between 2014 and 2016.
<https://oewd.org/sites/default/files/Invest%20in%20Neighborhoods/State%20of%20the%20Retail%20Sector%20-%20Final%20Report.pdf>

FIGURE 1: TYPICAL U.S. SHOPPING CENTER TYPES AND CHARACTERISTICS

Type of Shopping Center	Typical Size (sf)	Acres	Typical Anchors	Trade Area Size/ Drive-time	Examples
Regional and Super Regional Malls	400,000 to one million	40 to 100	General merchandise or fashion-oriented anchors, may include department stores, mass merchants, and/or fashion apparel	5-15 miles/ 15-20 minutes	Galleria Fort Lauderdale
Power Centers	250,000 to 600,000	25 to 80	Category-dominant anchors, often in more than one freestanding structures, with only a few small tenants	5-10 miles/ 15-20 minutes	Coral Ridge Mall
Community Center	125,000 to 400,000	10 to 40	General merchandise or convenience-oriented anchors, may include discount stores, grocery stores, drug stores, and/or large specialty stores (home improvement/ furnishings, sporting goods, etc.)	3-6 miles/ 10-15 minutes	The Harbor Shops
Neighborhood Center	30,000 to 125,000	3 to 5	Convenience-oriented, typically anchored by a grocery and/or drug store	3 miles/ 5-10 minutes	Southport Shopping Center, River Market
General Retail	Variable	Variable	Stand-alone retail stores that may include department stores, auto dealerships, big-box stores, movie theatres, restaurants, banks	3-10 miles/ 5-20 minutes	Wal-Mart, Home Depot, BJ's

Source: ICSC Research and CoStar Realty Information, Inc. (www.costar.com); Strategic Economics 2019.

Large shopping centers, such as regional malls, power centers, and community centers, are regionally serving, drawing customers that live in trade areas of five miles or beyond. Meanwhile, neighborhood centers have a smaller trade area and provide convenience goods like groceries and drugs.

- Regional malls are typically anchored by major department stores, and range in size from 400,000 to one million square feet. The trade area for a regional mall can extend up to 15 miles in distance. The Galleria Mall is an example of a regional mall that includes three department stores and smaller shops serving the study area and beyond. It competes with Aventura Mall and Town Center at Boca Raton.
- Power centers (often known as “big box” centers) are characterized by several large anchor stores, such as discount department stores, and are usually between 250,000 to 600,000 square feet. The Coral Ridge Mall is one local example, located about five miles from the center of the study area. The trade area for a power center is between 5 to 10 miles.
- Community centers have trade areas of between 3 and 6 miles and are often anchored by grocery stores or “big box” stores. These centers are usually between 125,000 to 400,000

square feet in size. The Harbor Shops is one of the community centers located in or near the study area.

- Neighborhood centers are smaller shopping centers with trade areas of 3 miles or less, often anchored by a grocery store or drug store. The size of a neighborhood center can be anywhere between 30,000 and 125,000 square feet. Southport Shopping Center and River Market are examples of neighborhood centers in the study area.
- General retail is a category that includes a wide range of retail types in stand-alone buildings rather than shopping centers. Examples include Wal-Mart, Home Depot, and B.J.'s in the study area.

Within the Fort Lauderdale area, there are a variety of existing retail centers that serve the planning area. As shown in Figure 2, the planning area does not contain any power centers or regional malls, but it is in close proximity to the Coral Ridge Mall and Galleria. There are a few community centers and neighborhood centers in the planning area, but they are primarily located at the edges along East 17th Street and Sunrise Boulevard.

Overall, the Fort Lauderdale area (including the entire City of Fort Lauderdale, Wilton Manors, Oakland Park, Lauderhill, and Lauderdale Lakes) has a diverse mix of retail center types, as shown in Figure 3 and Figure 4. Almost half of the retail space in Fort Lauderdale is in freestanding “general retail” buildings, such as a Wal-Mart or a fast food restaurant. Another 38 percent of the existing retail space is in shopping centers, ranging in size from regional malls to smaller neighborhood centers. Only 13 percent of the total square footage is in pedestrian-oriented storefronts, including ground-floor retail in mixed-use buildings.

The supply of retail in Fort Lauderdale has increased from 14 million square feet in 2000 to 18 million square feet in 2016, an increase of 27 percent. This rate of growth is almost twice the rate of population growth during that same period (Figure 5).

Fort Lauderdale has a higher amount of retail space per capita than the national average because of the magnitude of visitor-serving retail. In 2000, Fort Lauderdale had about 93 square feet of retail per capita. In 2016, the Fort Lauderdale area had 103 square feet of retail per capita. By contrast, the national average of retail supply per capita is estimated at 24 square feet per capita.

One reason for the significantly higher square footage of retail per capita in Fort Lauderdale is the magnitude visitors to the area. According to HVS International, a hotel research firm, Fort Lauderdale added more than 3,000 hotel rooms between 2001 and 2018, an increase of 40 percent.² Nearby communities in Dania Beach and Hollywood have also experienced a substantial amount of new hotel development. The growth of the visitor market – combined with population growth – has helped to support growth in retail.

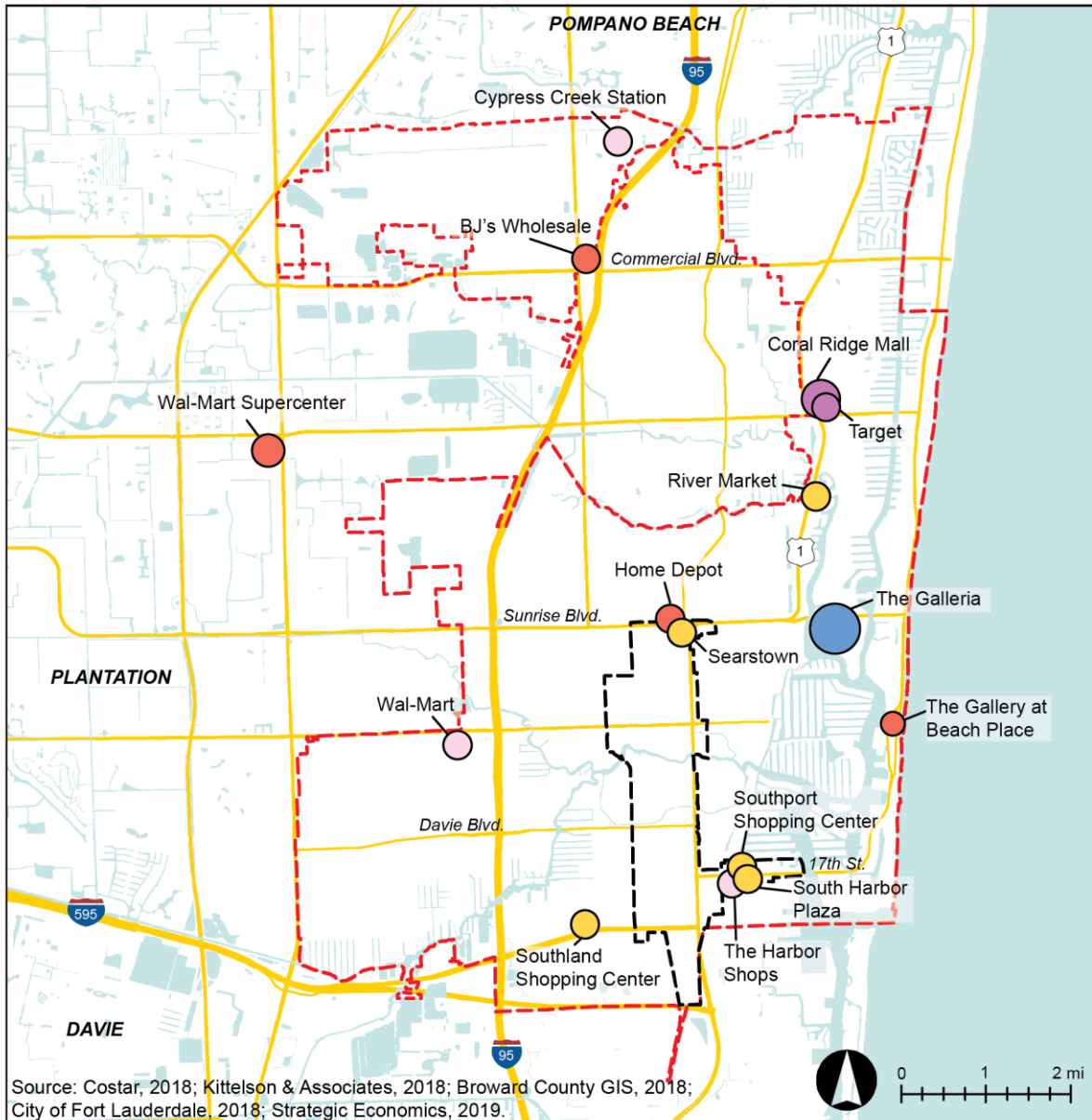
According to stakeholders, the planning area is not a major visitor destination, and consequently does not contain a large amount of visitor-serving retail. Most of the tourist-serving retail is located east of the planning area, near the existing and new luxury and upscale hotels, cruise terminal, and convention center. Within the planning area, the majority of the retail supply is more focused on the resident market.

² HVS Market Pulse: Fort Lauderdale, FL, November 20, 2018.

Planned investments at the Fort Lauderdale-Hollywood International Airport and the convention center could help support new retail development, primarily aimed at visitors. The convention center is undergoing an expansion of 200,000 square feet, as well as a planned 800-room convention hotel. The cruise port terminals are also set to expand. In addition, the airport is undergoing a master planning study to expand terminals and potentially develop a new commercial retail center. These new investments will create opportunities for additional visitor-serving retail, especially in the East 17th Street area.

Employment concentration (density of employment) also highlights the key locations for retail by type. Figure 6 shows retail employment per square mile, which includes Retail Trade (NAICS sectors 44 and 45). In the greater Fort Lauderdale area, the retail employment concentrations are located along key arterials as well as regional malls. The Planning Area has lower retail employment density than other locations. Figure 7 shows employment density in Food Service (restaurants, bars, cafes) and Accommodations (NAICS sectors 71 and 72). These sectors, which tend to include tourist-serving restaurants, are highly concentrated in Downtown Fort Lauderdale and Harbordale, as well as along Central Beach.

FIGURE 2. MAJOR RETAIL CENTERS IN FORT LAUDERDALE AREA



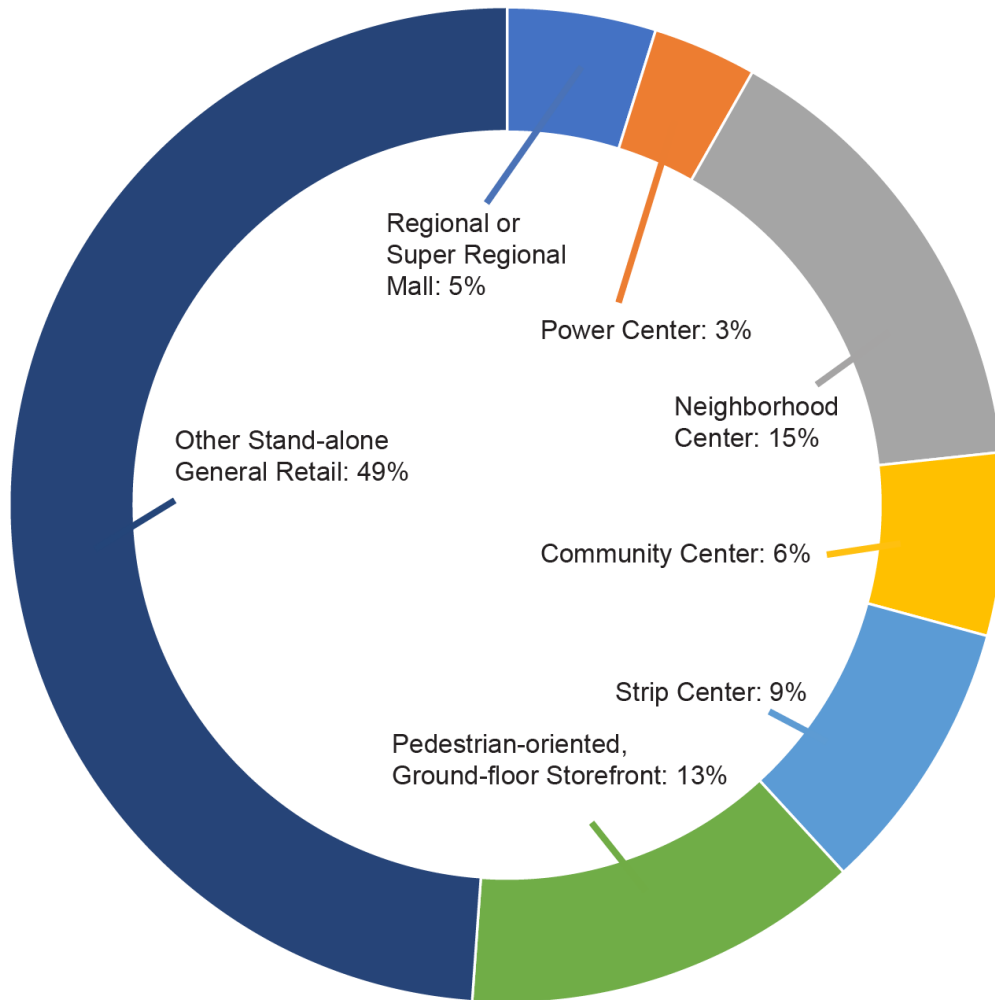
Fort Lauderdale: Major Retail Destinations by Rentable Square Footage and Type

- | | | |
|---------------------|-----------------------|---------------------------|
| ○ 50,000 - 100,000 | ● General Retail | ⎓ Planning Area |
| ○ 100,000 - 200,000 | ● Power Center | ⎓ City of Fort Lauderdale |
| ○ 200,000 - 300,000 | ● Neighborhood Center | |
| ○ Over 800,000 | ● Community Center | |
| | ● Super-regional Mall | |

*There are no retail properties with rentable square footage between 300,000 and 800,000 square feet.



FIGURE 3. FORT LAUDERDALE AREA: RETAIL SPACE BY TYPE AND SQUARE FOOTAGE, 2018.



Source: Costar, 2018; Strategic Economics, 2019.

Notes:

- (a) Other General Retail includes freestanding department stores, fast food stores, garden centers, movie theatres, and others.
- (b) The Fort Lauderdale Area includes the City of Fort Lauderdale, Wilton Manors, Oakland Park, Lauderhill, and Lauderdale Lakes.

FIGURE 4. FORT LAUDERDALE AREA: RETAIL SPACE BY TYPE

Type of Retail	Retail Area (Sq. Ft.)	Percent of Total Retail Area
Pedestrian-Oriented Ground Floor Storefront (a)	2,393,302	13%
General Retail	9,044,656	49%
Auto Dealership, Auto Repair, Service Station	2,012,189	11%
Stand-alone Restaurant or Bar	865,355	5%
Stand-alone Personal Services and Care Stores (b)	1,158,632	6%
Stand-alone Supermarket	244,399	1%
Stand-alone Department Store	129,238	1%
Stand-alone Fast Food	249,077	1%
Stand-alone Movie Theatre	50,489	0%
Stand-alone Garden Center	34,507	0%
Other	4,300,770	23%
Shopping Centers	7,065,983	38%
Total Retail Area	18,503,941	100%

Source: Costar, 2019; Strategic Economics, 2019

Notes:

(a) Includes ground-floor retail space in mixed-use property, and single-tenant storefronts in individual buildings.

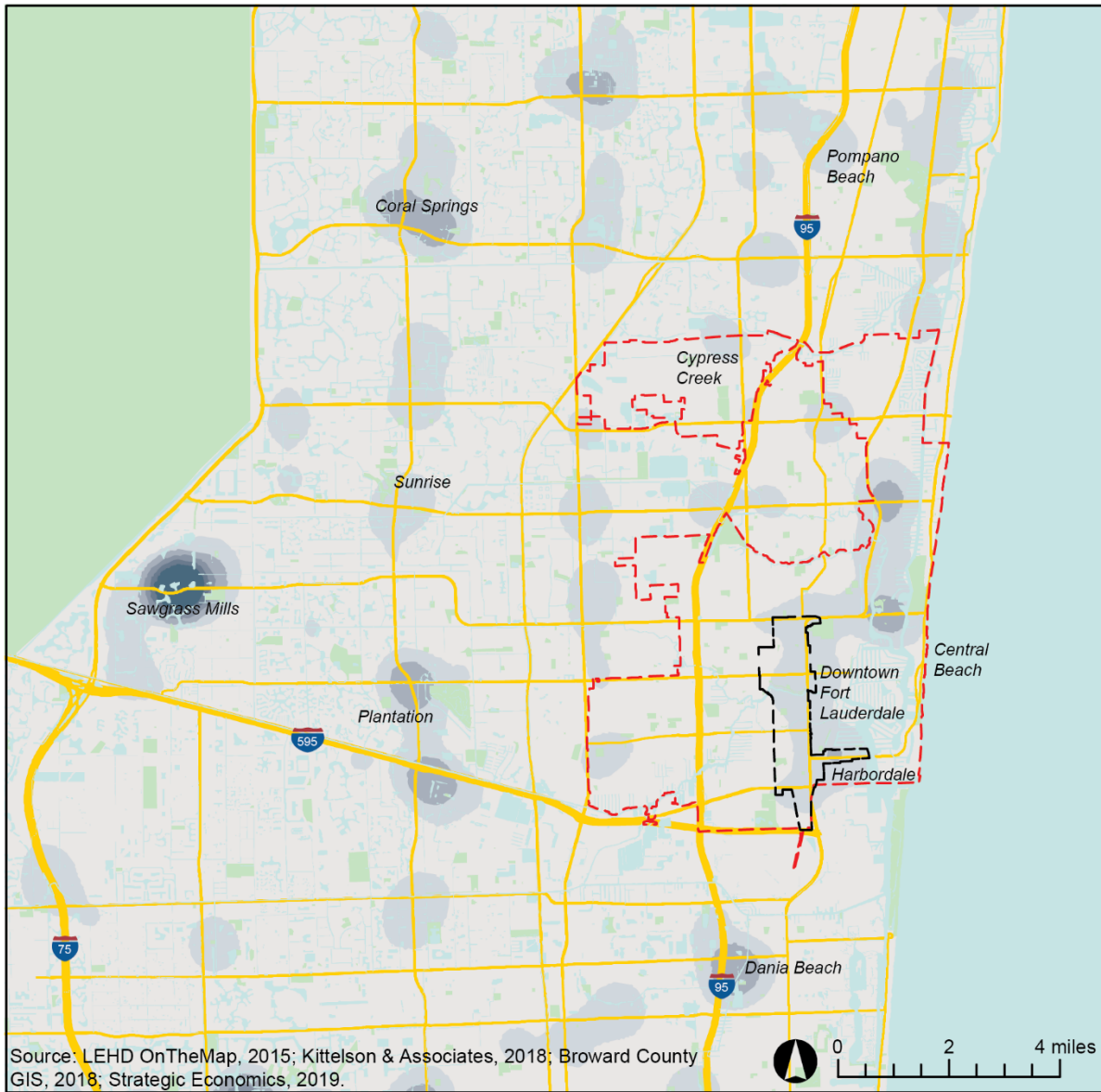
(b) Includes banks, convenience stores, day care centers, drug stores, health clubs, funeral homes, and pet services.

FIGURE 5. POPULATION AND RETAIL INVENTORY TRENDS IN FORT LAUDERDALE, 2000 TO 2016

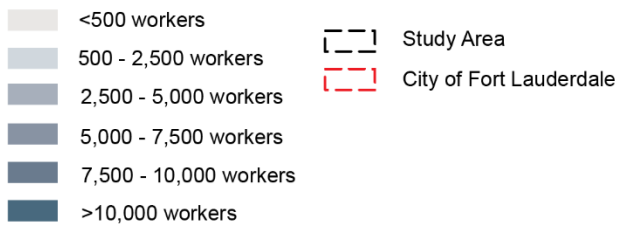
	2000	2016	Percent Change
Population	152,397	175,153	15%
Retail Inventory (sq. ft.)	14,246,086	18,080,231	27%
Retail per Capita	93	103	

Source: Costar, 2018; ACS, 5-year estimates, 2012-2016; U.S. Census, 2000, Strategic Economics, 2018.

FIGURE 6. RETAIL EMPLOYMENT PER SQUARE MILE IN FORT LAUDERDALE AREA

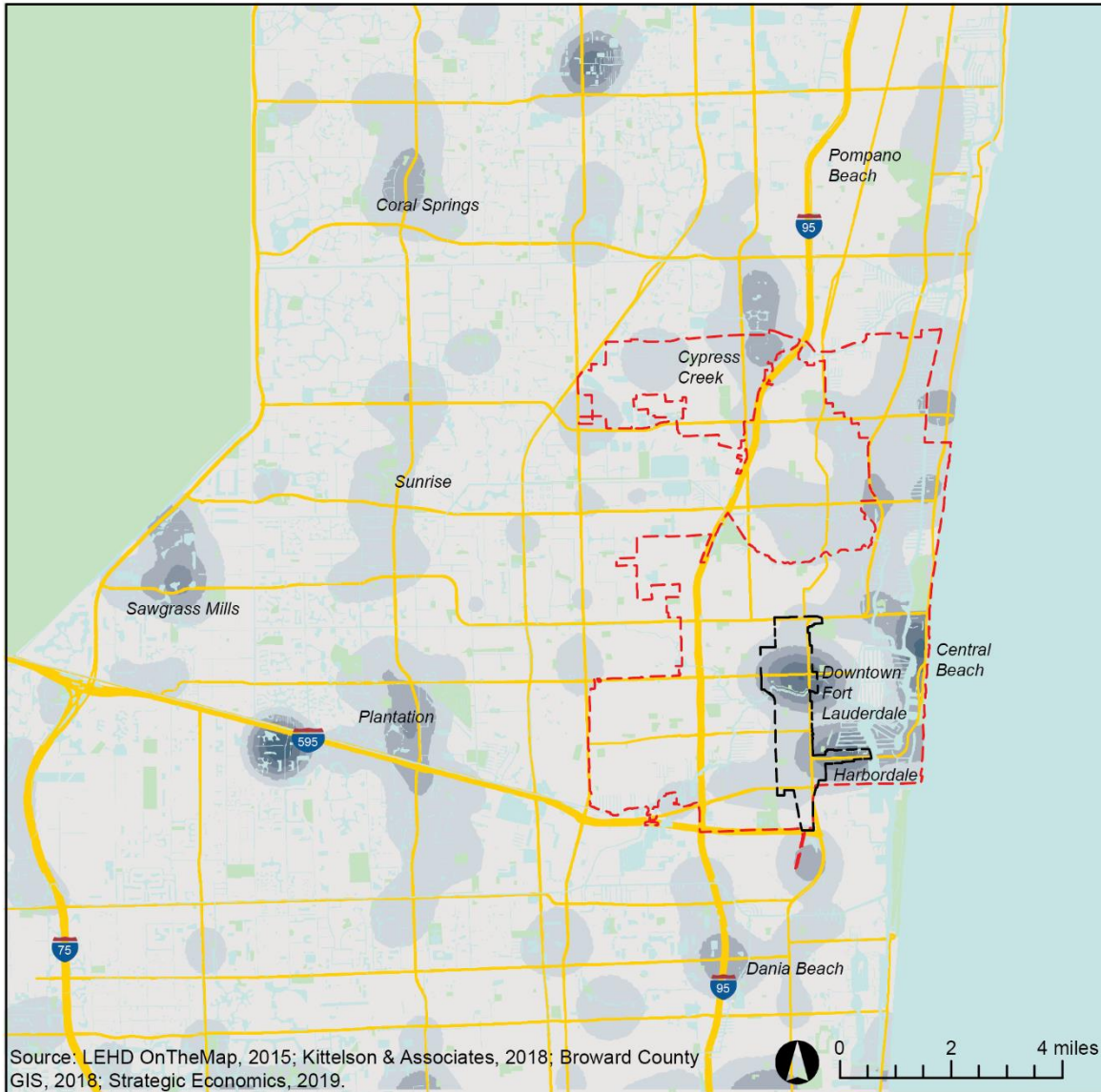


Fort Lauderdale Area: Density of Retail Employment*, 2015

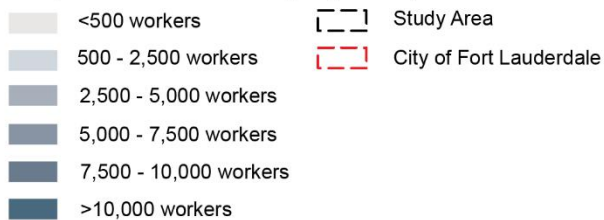


*Includes NAICS sectors 44-45

FIGURE 7. FOOD AND ACCOMMODATIONS EMPLOYMENT PER SQUARE MILE IN FORT LAUDERDALE AREA



Fort Lauderdale Area: Density of Food Service, Accommodation, Arts, Entertainment Employment*, 2015



*Includes NAICS sectors 71-72



Performance of Existing Retail

This section summarizes Fort Lauderdale and Broward County retail rents and vacancies compared to the planning area. Figure 6 illustrates overall taxable retail sales trends in Broward County from 2010 to 2018.

Taxable retail sales data is reported for Broward County for a number of categories. Most services and selected retail goods (groceries, medicine, property rentals) are not included.³ In addition, most online retail sales are not taxable in Florida. Statewide, it is estimated that taxable sales comprise 40 to 45 percent of all retail sales. Nevertheless, the overall trends in taxable sales are a useful indicator for the performance of the retail industry.

For the purposes of this study, which is focused on retail, restaurants, and entertainment uses, the data is summarized for the following categories⁴:

- Consumer durables – includes sale of appliances, furniture, home electronics, aircraft, boat dealers, hardware and decorating stores.
- Consumer nondurables (soft goods) - includes food and convenience stores, department and clothing stores, drug stores, antique dealers, bookstores, florists, pet dealers and suppliers, social organizations, storage, communications firms, print shops, nurseries, vending machines, utilities. Nationally, brick-and-mortar retailers in this category have seen a great deal of erosion in sales due to online shopping.
- Tourism and recreation - includes hotels and motels, bar and restaurant sales, liquor stores, photo and art stores, gift shops, admissions, sporting goods, rentals, and jewelry stores.

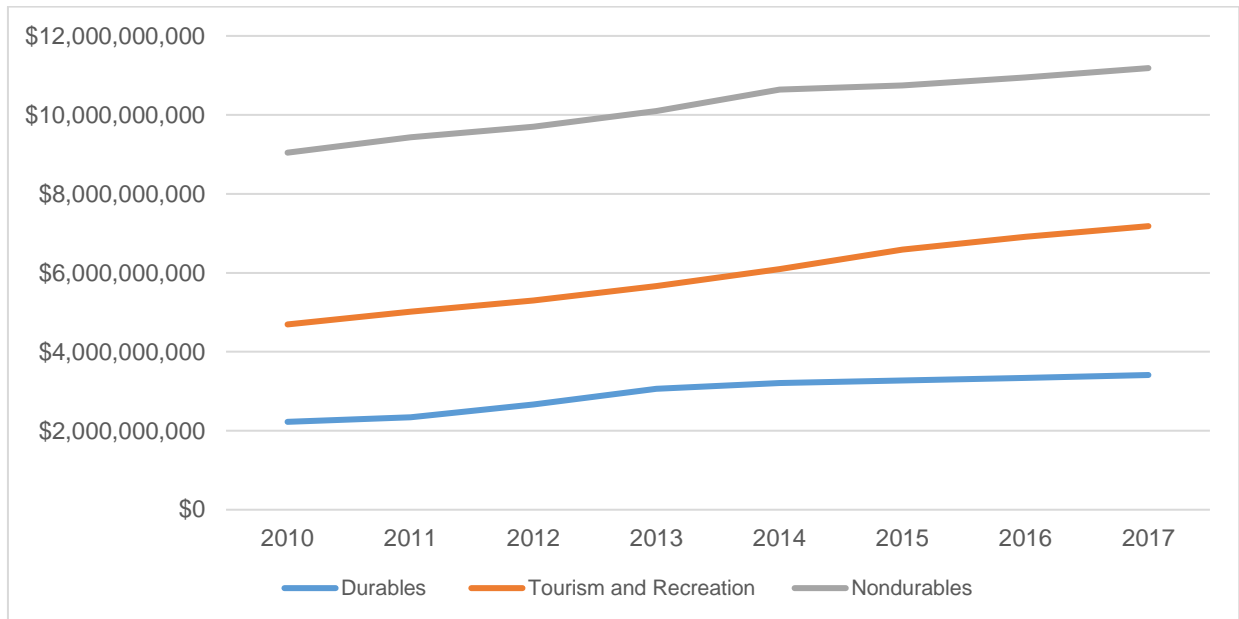
Taxable sales for durables, nondurables, and tourism/recreation have grown from 2010 to 2018. Soft goods comprise the largest share of total taxable sales in Broward County, followed by tourism and entertainment, and durable goods (Figure 8).

Consistent with national retail trends, tourism and entertainment retail is growing at a faster rate than other categories, and now accounts for more than 20 percent of overall taxable sales. Durable goods are about nine percent of total taxable sales. The share of total taxable sales in the soft goods category declined from 34 percent in 2010 to 28 percent in 2018 (Figure 9).

³ Taxable sales are those sales subject to Chapter 212, Florida Statutes. Generally speaking, the sales tax is levied on sales of goods, but not services, although there are some taxable services. Major categories of exempt sales are food not prepared for immediate consumption, medical and legal services, residential utilities, items purchased for resale, intangible personal property, and rentals over six months.

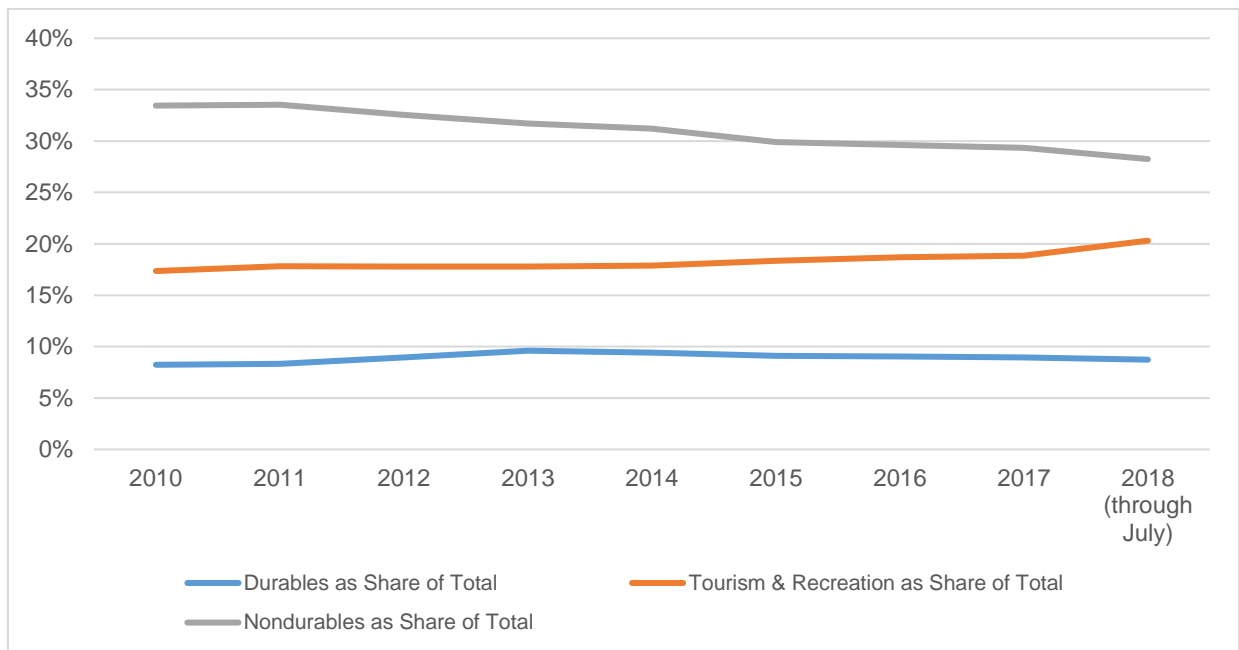
⁴ For the purposes of this analysis, taxable sales from automobiles and accessories, building investment, and business investment are not included.

FIGURE 8. BROWARD COUNTY TAXABLE SALES TRENDS, 2010-2017



Source: Florida Department of Revenue, 2018; Strategic Economics, 2019.

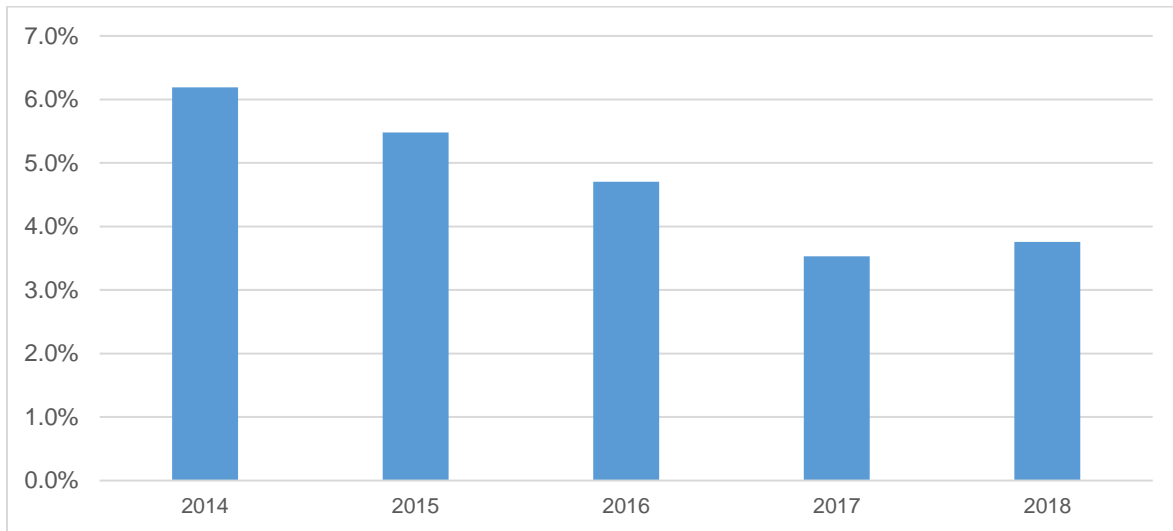
FIGURE 9. SALES TAX CATEGORIES AS SHARE OF TOTAL TAXABLE SALES IN BROWARD COUNTY, 2010- JULY 2018



Source: Florida Department of Revenue, 2018; Strategic Economics, 2019.

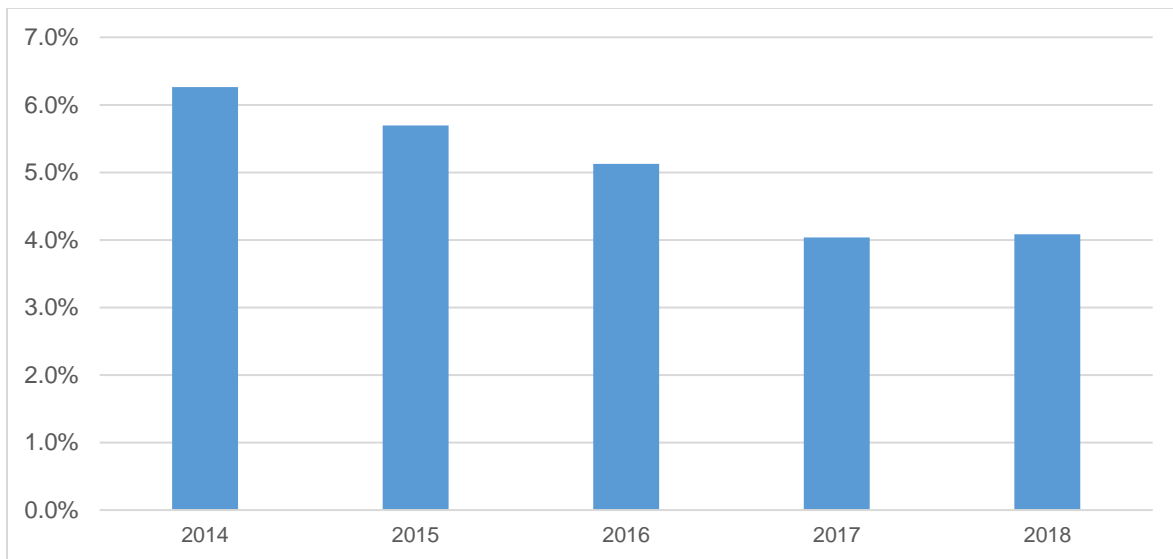
Overall, retail rents and vacancy rates are healthy in the Broward County market. As shown in Figure 10, the vacancy rate has declined from six percent in 2010 to below four percent in 2018. The Fort Lauderdale area has experienced similar trends, as shown in Figure 11.

FIGURE 10. BROWARD COUNTY RETAIL VACANCY RATE, 2014-2018



Source: Costar, 2019; Strategic Economics, 2019.

FIGURE 11. FORT LAUDERDALE AREA RETAIL VACANCY RATE, 2014-2018



Source: Costar, 2019; Strategic Economics, 2019.

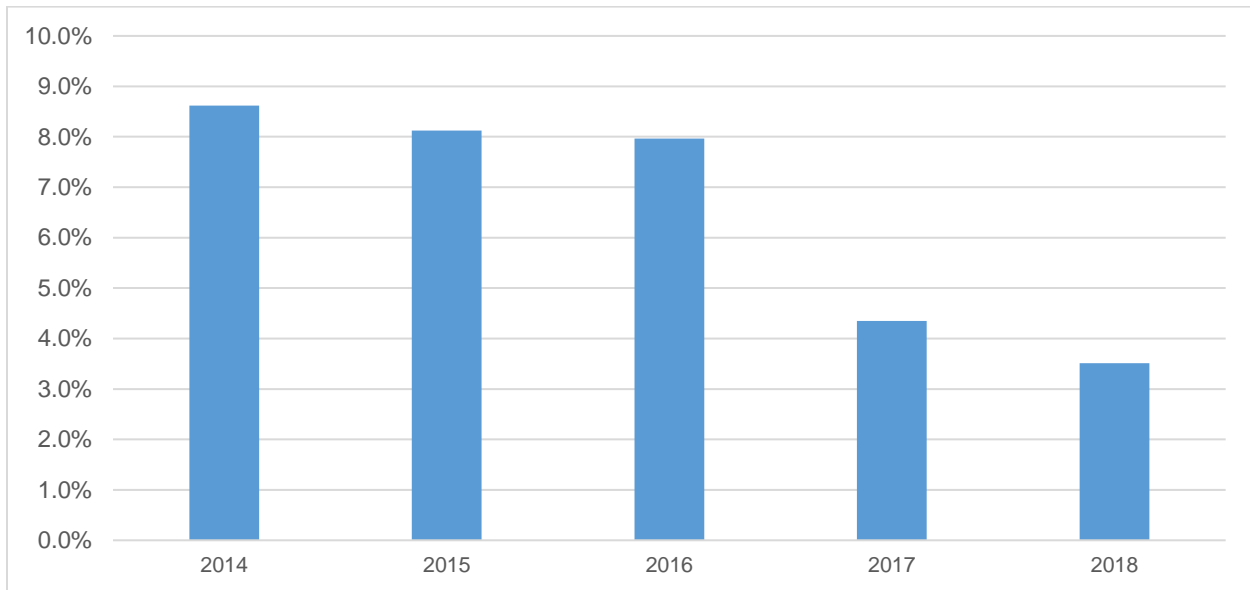
Downtown Fort Lauderdale is the strongest performing sub-market in Broward County and in the city, commanding an average annual rent of \$37.72 per square foot, compared to \$21.24 elsewhere in Fort Lauderdale (Figure 12). CBRE defines Downtown Fort Lauderdale broadly, including the area bounded by Sunrise Boulevard to the north, the Andrews corridor to the west, 24th Street to the south, and the beach to the east. According to CBRE, Downtown Fort Lauderdale has 4.5 million square feet of retail, approximately four percent of the inventory countywide, and about one quarter of the city’s retail inventory. The vacancy rate in Downtown Fort Lauderdale has been dropping steadily over the last four years (Figure 13).

FIGURE 12. BROWARD COUNTY RETAIL SUBMARKET SUMMARY, Q4 2018

	Total Sq. Ft. Inventory	Share of Inventory	Direct Vacancy	2018 Net Absorption (Sq. Ft.)	2018 Deliveries (Sq. Ft.)	Under Construction Sq. Ft.	Average Annual Asking Rent Per Sq. Ft. (NNN)
Downtown Fort Lauderdale	4,499,597	4.3%	4.1%	(37,559)	4,462	96,809	\$37.72
Fort Lauderdale	18,198,002	17.3%	4.1%	90,916	96,218	546,538	\$21.24
Commercial Blvd.	1,584,499	1.5%	7.0%	(24,012)	-	-	\$15.84
Cypress Creek	2,578,606	2.5%	4.3%	(1,269)	6,231	23,150	\$21.39
Hallandale	4,254,371	4.1%	3.2%	14,319	33,819	57,500	\$28.80
Hollywood	11,419,545	10.9%	3.4%	(2,017)	47,485	71,125	\$23.58
Northwest Broward/ Coral Springs	13,705,043	13.1%	4.7%	(96,234)	82,306	186,739	\$18.24
Outlying Broward County	473,422	0.5%	4.1%	(12,307)	-	-	\$22.32
Plantation	11,807,299	11.3%	4.2%	(15,175)	45,812	76,097	\$21.16
Pompano Beach	15,692,867	15.0%	5.3%	(140,173)	106,952	53,001	\$21.18
Sawgrass Park	4,713,690	4.5%	0.9%	(18,553)	-	-	\$22.82
Southwest Broward	15,941,160	15.2%	2.3%	413,049	378,115	177,202	\$25.53
Market Total	104,888,421	100.0%	3.9%	139,826	801,400	1,288,161	\$22.19

Source: CBRE, 2019; Strategic Economics, 2019.

FIGURE 13. DOWNTOWN FORT LAUDERDALE RETAIL VACANCY RATE, 2014-2018



Source: Costar, 2019; Strategic Economics, 2019

Planning Area Retail Context

This section describes the existing retail environment in the planning area, based on a combination of Costar data and retail broker interviews. The description includes an overview of the existing larger retail centers and commercial corridors in the planning area, the performance of retail districts, and mapping of convenience retail centers anchored by grocery stores and drug stores.

In the planning area, retail centers (community centers and neighborhood centers) are concentrated along corridors with high traffic volumes: East 17th Street, Sunrise Boulevard, and Federal Highway. The map in Figure 14 shows the spatial pattern of retail centers in the planning area. The anchor tenants in these traditionally auto-oriented centers are mostly national “big box” stores and grocery stores. In addition, Federal Highway and Broward Boulevard also feature smaller strip retail centers that include fast food and casual restaurants, gas stations, banks, and other service retail.

Overall, the planning area contains 4.4 million square feet of retail, or 24 percent of the total retail space in the Fort Lauderdale area. The mix of retail is shown in Figure 15 and Figure 16. The planning area has a much higher share of pedestrian-oriented retail (21 percent) compared to the Fort Lauderdale area (13 percent). About 27 percent of the retail square footage in the planning area is in shopping centers. Another 52 percent of the retail in the planning area is in general, standalone buildings, including auto dealerships and service stations, fast food restaurants, supermarkets, etc.

Traditional auto-oriented retail centers in planning area are performing well. According to retail brokers, the Harbordale area (East 17th Street) is very competitive, achieving high retail rents. It benefits from being near cruise ship docks, capturing a large share of the visitor population. The planned Whole Foods mixed-use project is an indicator that the area continues to be attractive for retail investment.

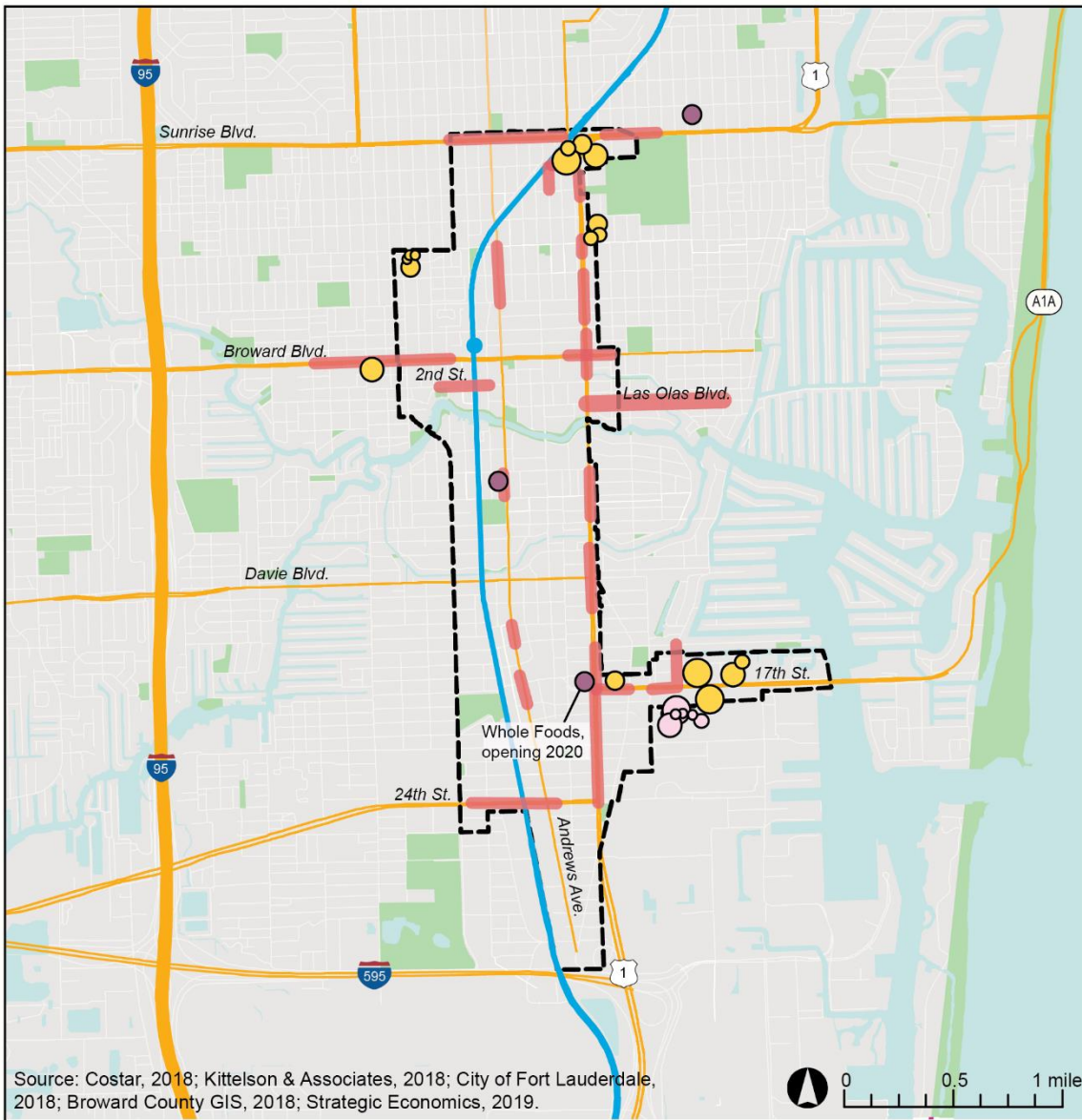
The planning area has a small but growing number of pedestrian-oriented retail districts. The planning area has two significant entertainment retail areas that have pedestrian-oriented retail, restaurants,

and nightlife at East Las Olas Boulevard and Himmarshee/SW 2nd Avenue Historic District. Flagler Village and the Andrews Avenue/Main Street corridor also have smaller-scale, pedestrian-oriented retail. According to brokers, East Las Olas (east of Highway 1) is the desirable retail submarket in Fort Lauderdale and Broward County. Asking retail rent per square foot is approximately \$72 to \$84 per year, which is the highest value in Broward County. However, much of the East Las Olas district extends beyond the geography of the planning area.

As shown in Figure 17, there are a number of retail centers throughout the planning area that are aging and underperforming. These properties – which include Searstown and other strip retail centers – may be ripe for redevelopment in the near future. Because of its large overall scale and surface area parking lots, Searstown is the most substantial redevelopment opportunity of the properties listed.

Within the planning area, there are neighborhoods that lack convenience retail (grocery and drug stores) within walking distance. Figure 18 maps existing grocery and drug stores in the planning area, and the areas that are within walking distance, defined as a quarter-mile radius. Figure 19, meanwhile, shows areas in the planning area that are outside a quarter-mile radius of those stores. While the planning area seems generally well-served with nearby convenience retail, the neighborhoods of Croissant Park and along the north Andrews corridor may require more grocery and drug store options within walking distance.

FIGURE 14. RETAIL CONCENTRATIONS WITHIN AND NEAR STUDY AREA, 2018.



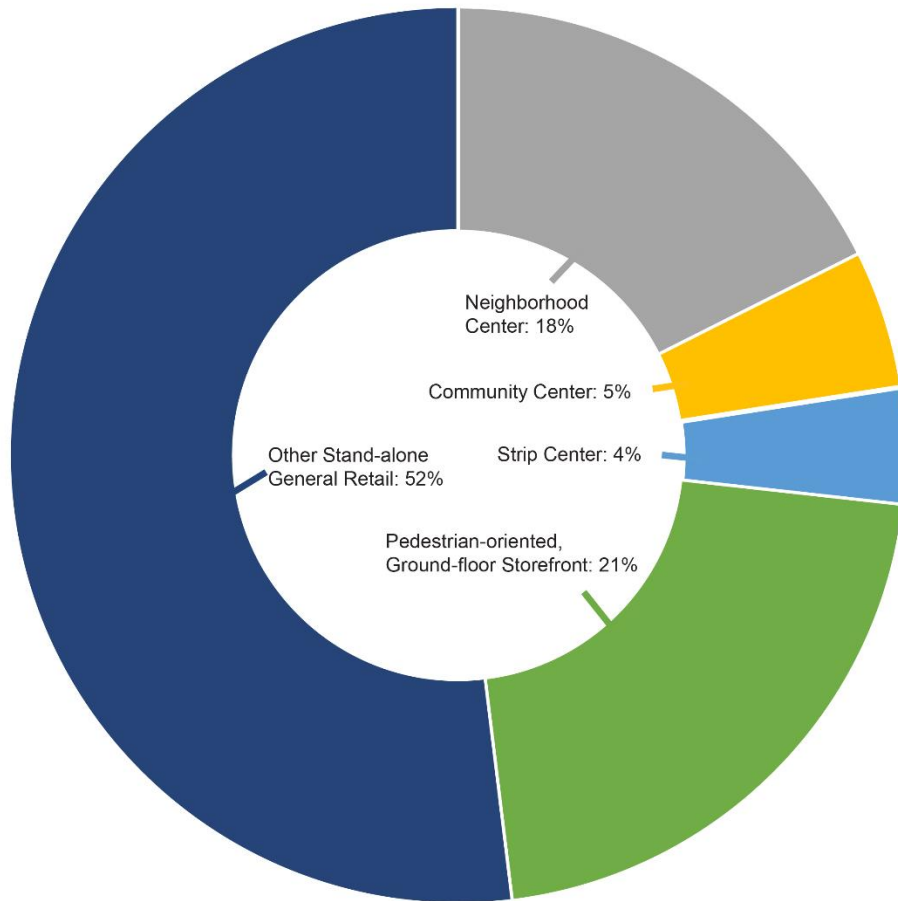
Planning Area: Rentable Square Footage by Retail Type and Retail Corridors, 2018

- Under 10,000
- 10,000 - 25,000
- 25,000 - 50,000
- 50,000 - 100,000
- 100,000 - 200,000
- Retail Corridors*
- Neighborhood Center
- Community Center
- Stand-alone Supermarket
- ▭ Planning Area
- Brightline

*Shows concentrations of general retail and strip retail spaces.



FIGURE 15. RETAIL SPACE IN PLANNING AREA BY TYPE AND SQUARE FOOTAGE, 2018



Source: Costar, 2018; Strategic Economics, 2019.

Notes:

- (a) Other General Retail includes freestanding fast food stores, garden centers, movie theatres, and others.
- (b) The Study Area includes all retail space within the Study Area boundary and within one-fourth-mile of the boundary.

FIGURE 16: BREAKDOWN OF RETAIL IN THE PLANNING AREA BY TYPE

Type of Retail	Retail Area (Sq. Ft.)	Percent of Total Retail Area
Pedestrian-Oriented Ground Floor Storefront (a)	931,395	21%
General retail	2,270,098	52%
Auto Dealership, Auto Repair, Service Station	719,062	16%
Stand-alone Restaurant or Bar	244,985	6%
Stand-alone Personal Services and Care Stores (b)	213,277	5%
Stand-alone Supermarket	116,678	3%
Standalone Fast Food	56,918	1%
Standalone Movie Theatre	50,489	1%
Standalone Garden Center	9,094	0%
Other	859,595	20%
Shopping Centers (community, neighborhood, strip)	1,169,545	27%
Total Retail Area	4,371,038	100%

Source: Costar, 2019; Strategic Economics, 2019

Notes:

(a) Includes ground-floor retail space in mixed-use property, and single-tenant storefronts in individual buildings.

(b) Includes banks, convenience stores, day care centers, drug stores, health clubs, funeral homes, and pet services.

FIGURE 17. AGING RETAIL CENTERS IN PLANNING AREA



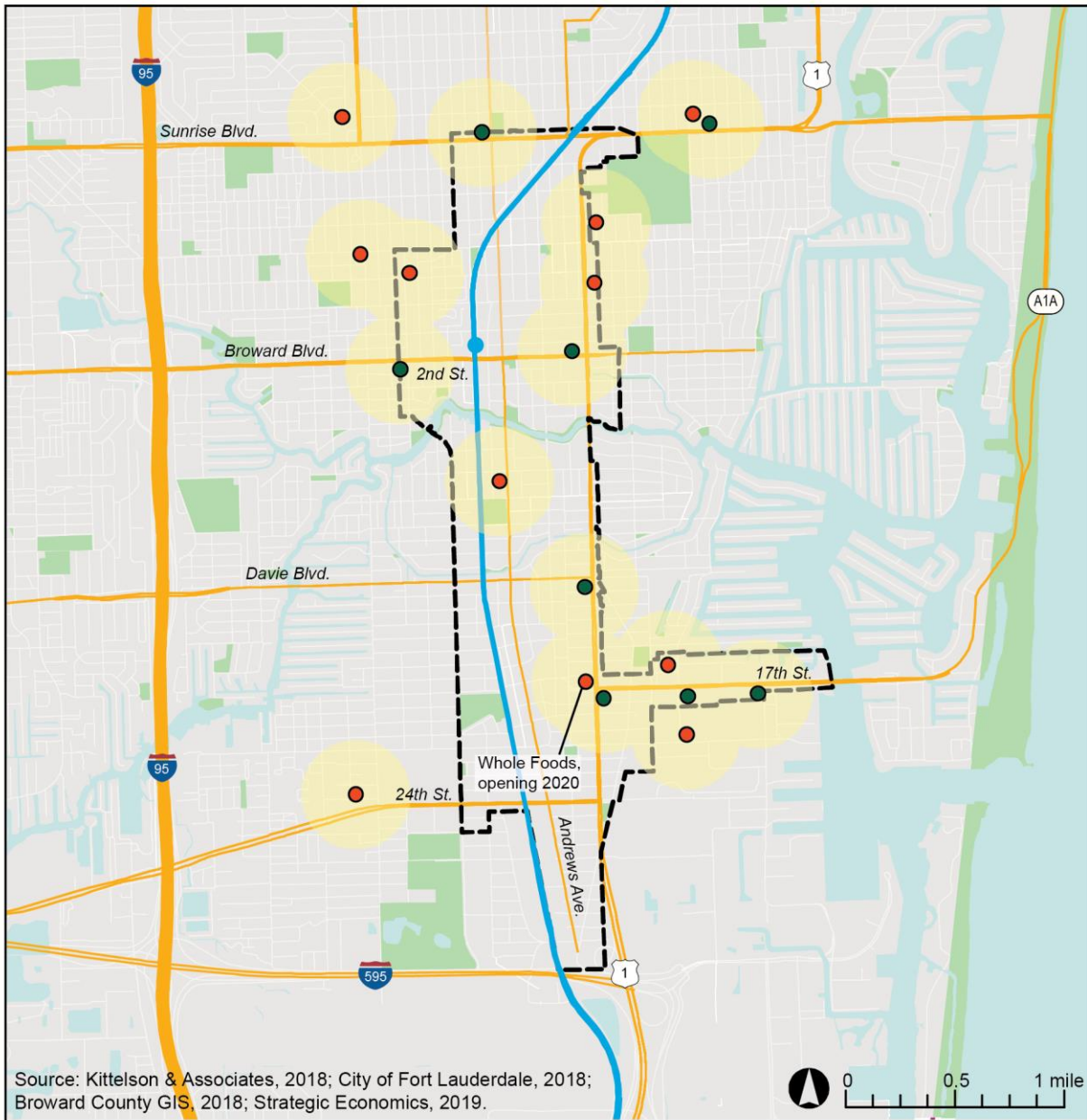
Planning Area: 2-Star-Rated* Retail Centers**

- Retail Centers
- ▭ Planning Area
- Brightline

*The Costar building rating system rates commercial buildings on a one-to-five-star scale, with five being of the highest quality. The score is informed by a range of quality standards related to architectural design, amenities, management, landscaping, and energy certifications.

**Properties represented include community centers, and strip centers.

FIGURE 18. CONVENIENCE RETAIL LOCATIONS IN AND NEAR STUDY AREA, 2019



Planning Area: Grocery Stores and Pharmacy Locations, 2019

- Grocery stores
- Pharmacies
- Planning Area
- Brightline
- Quarter-mile radius

FIGURE 19. FOOD AND PHARMACY DESERTS IN THE PLANNING AREA



Planning Area: Food and Pharmacy Deserts, 2019

- Grocery stores
- Pharmacies
- Planning Area
- Brightline
- Areas in Planning Area that fall outside quarter-mile radius of grocery stores and pharmacies

New Development

This section describes overall development activity in the planning area, based on the information gathered from the City of Fort Lauderdale as of November 2018. The analysis of development activity includes residential, commercial, and mixed-use projects in construction, as well as approved, and proposed projects.

All of the planning area's pipeline development projects (in construction, approved, and proposed) are mapped on Figure 20. As shown, the pipeline development projects are primarily residential or mixed-use residential with ground-floor retail, although there are approximately one dozen commercial development projects (retail, hotel, and office) in construction or planning. The development activity is highly concentrated in the Downtown RAC. There are also four projects in the Northwest RAC, two projects in the South RAC, and three in the Unified Flex Zone. These boundaries are highlighted in Figure 21.

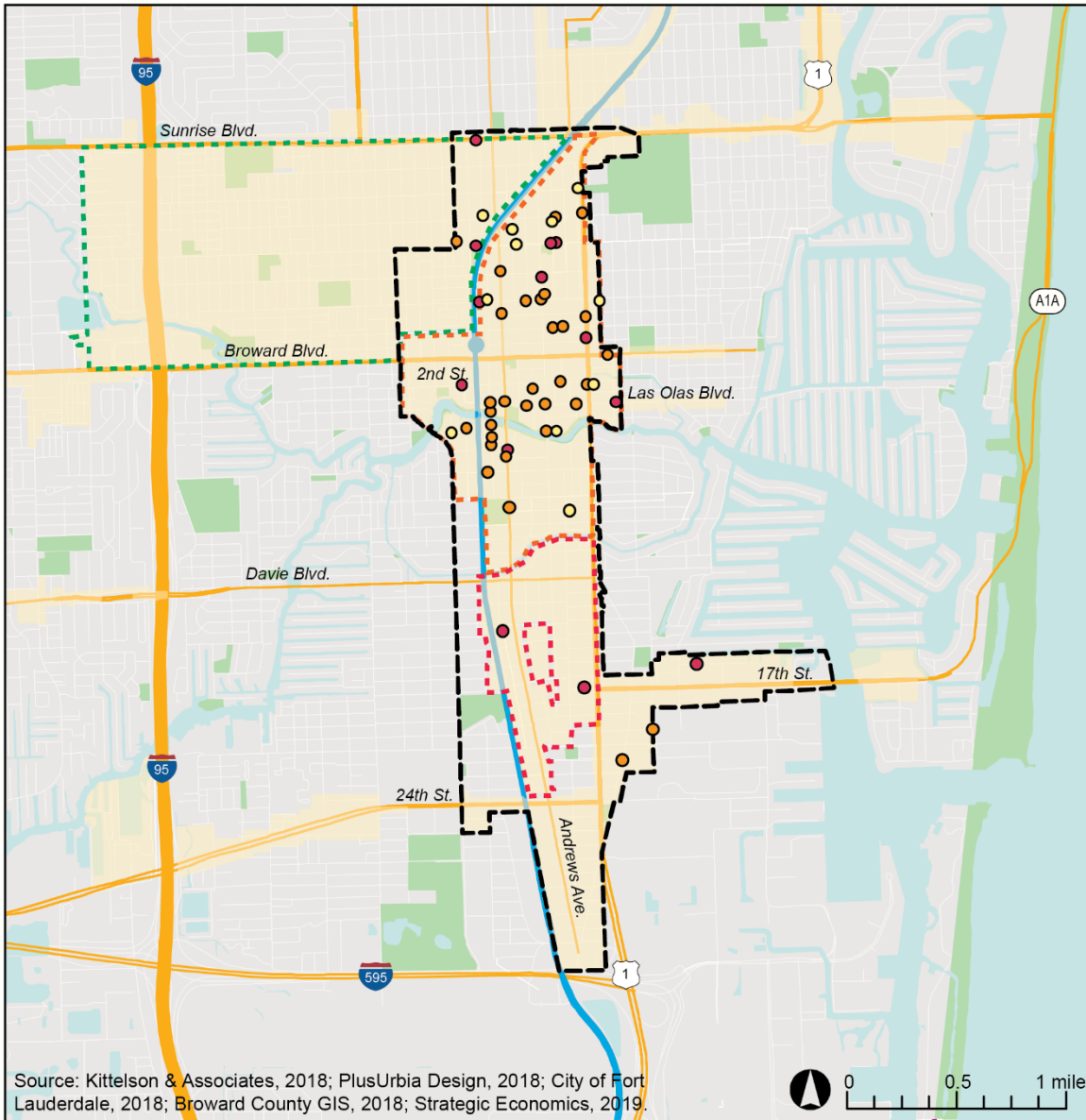
Figure 22 summarizes residential development projects by unit count and sub-area within the planning area. The residential projects are also mapped in Figure 23. There are approximately 12,300 total housing units in construction, approved, or proposed in the planning area. The sub-areas that are receiving the most amount of housing development are within the Downtown RAC, and include:

- The CBD (defined as the downtown core north of river and Broward Boulevard). The downtown core has approximately 3,942 units in the pipeline, including nearly 2,700 in construction.
- South of River (defined as the downtown area south of the Tarpon River, north of 9th Street, and west of Federal Highway). The South of River sub-area has 2,227 approved housing units and another 1,670 proposed housing units. If most of these projects move forward, this sub-area will be transformed into a new residential neighborhood.
- Flagler Village (defined as the area north of 4th St., west of Hwy 1, and east of the Brightline right of way). This rapidly growing sub-area has already seen a substantial amount of new development in recent years, and is poised to grow further. There are an additional 2,071 housing units in the pipeline, including 929 units under construction.
- Brightline Station Area (defined as the area between Broward Boulevard and 4th Street). There are currently 1,627 units in the pipeline, indicating that this area has the potential to transform into a transit-oriented neighborhood.

Note that the CBD, South of River, Flagler Village, and Brightline Station Area in sum encapsulate the Downtown RAC. The Northwest RAC, South RAC, and Unified Flex Zone have a combined total of 791 housing units in the pipeline.

Figure 26 identifies the preferred retail corridors identified in the 2007 update to the Fort Lauderdale Consolidated Downtown Master Plan, originally adopted in 2003. The City established these corridors as preferred locations for ground-floor retail. Since the 2007 update, much of the planning area's newly built and proposed retail will be located in clusters within the subareas identified above, rather than along the corridor patterns identified in the master plan.

FIGURE 20. DEVELOPMENT PROJECTS IN PLANNING AND UNDER CONSTRUCTION, NOV. 2018



Source: Kittelson & Associates, 2018; PlusUrbia Design, 2018; City of Fort Lauderdale, 2018; Broward County GIS, 2018; Strategic Economics, 2019.

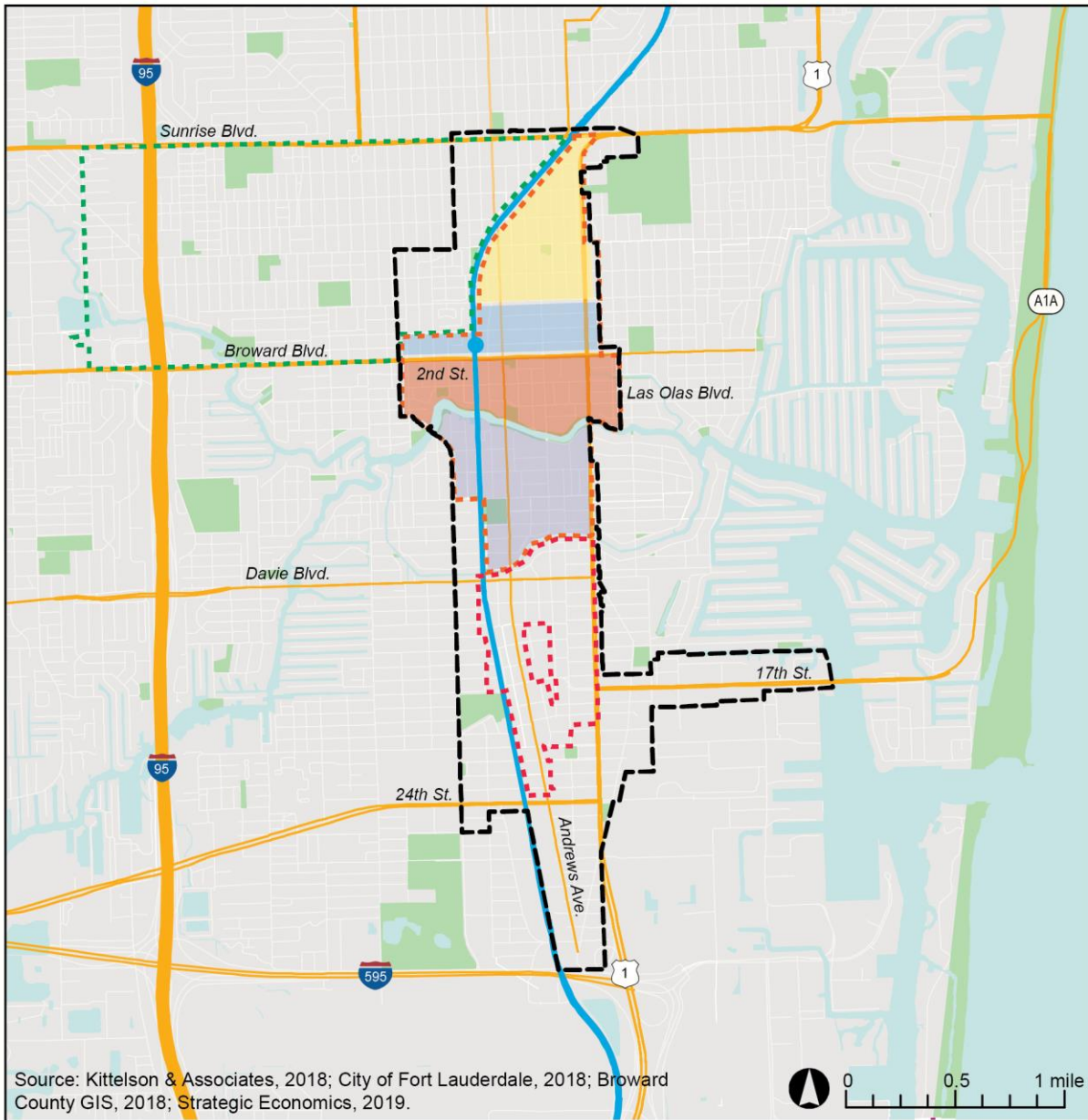
Planning Area: Proposed, Approved, and Under-construction Developments by Use, as of November 2018

- Residential
- Commercial
- Mixed-use (residential with ground-floor retail)

- Northwest RAC
- Downtown RAC
- South RAC
- Unified Flex Zone
- Planning Area
- Brightline



FIGURE 21. REGIONAL ACTIVITY CENTERS AND NEIGHBORHOOD SUBAREAS IN PLANNING AREA



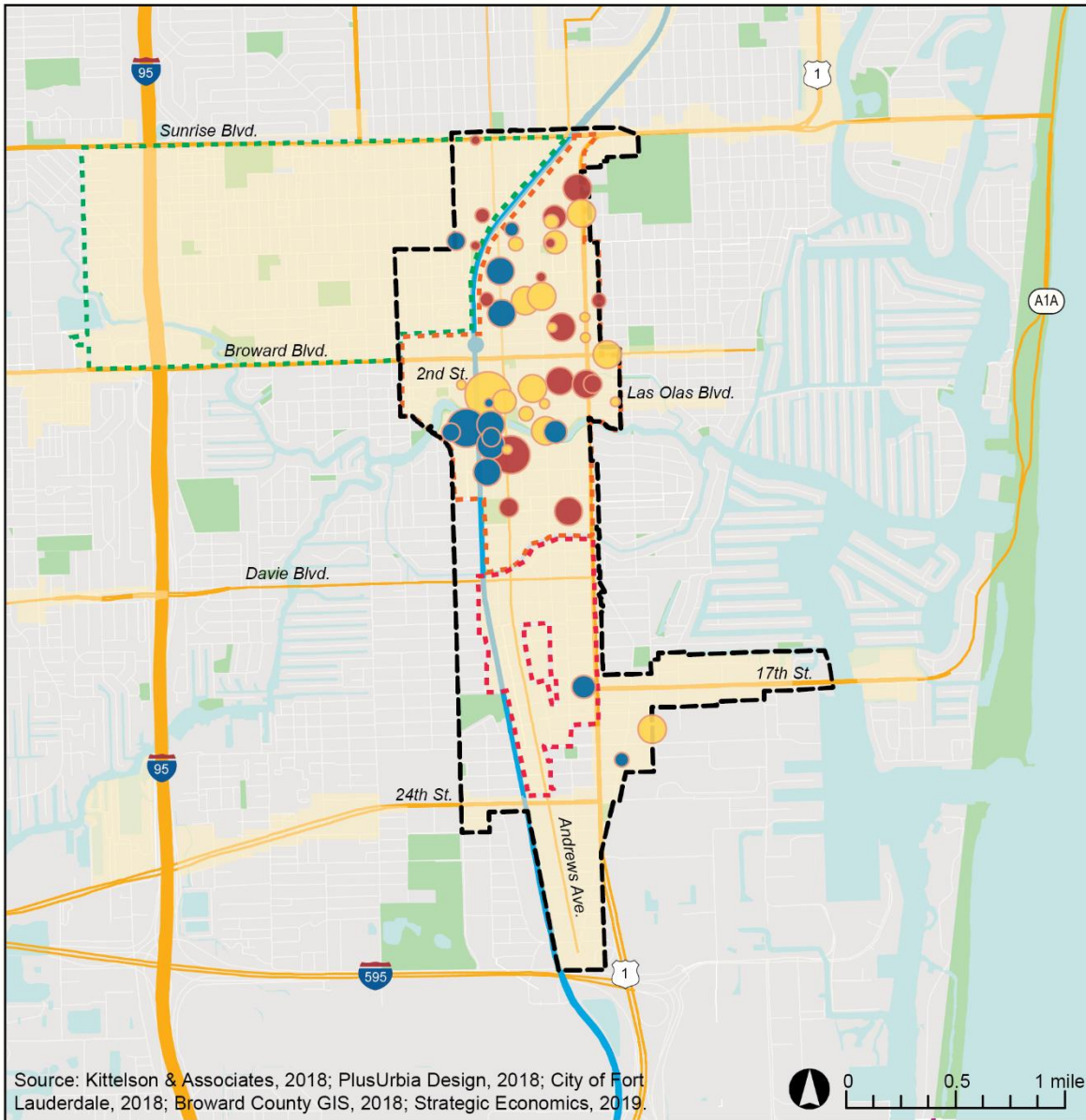
Source: Kittelson & Associates, 2018; City of Fort Lauderdale, 2018; Broward County GIS, 2018; Strategic Economics, 2019.

Planning Area: Regional Activity Centers and Neighborhood Subareas

- Northwest RAC
- Downtown RAC
- South RAC
- Flagler Village
- Brightline Station Area
- Central Business District
- South of River
- Planning Area
- Brightline



FIGURE 22. RESIDENTIAL PROJECTS IN PLANNING AND UNDER CONSTRUCTION, BY UNIT COUNT, NOV. 2018



Source: Kittelson & Associates, 2018; PlusUrbia Design, 2018; City of Fort Lauderdale, 2018; Broward County GIS, 2018; Strategic Economics, 2019.

Planning Area: Proposed, Approved, and Under-construction Housing Units, as of November, 2018

- | | | |
|----------------|----------------------|---------------------|
| ○ Under 100 | ● Under construction | ○ Northwest RAC |
| ○ 100 - 200 | ● Approved | ○ Downtown RAC |
| ○ 200 - 300 | ● Proposed | ○ South RAC |
| ○ 300 - 450 | | ■ Unified Flex Zone |
| ○ 450 - 700 | | ○ Planning Area |
| ○ 700 to 1,000 | | ● Brightline |
| ○ Over 1,000 | | |



FIGURE 23: RESIDENTIAL HOUSING UNITS IN THE PIPELINE, BY SUB-AREA AND PROJECT STATUS, AS OF NOV. 2018

Project Status	Downtown RAC				NW RAC	South RAC	Unified Flex Zone (a)	Planning Area Total
	CBD	Brightline	Flagler Village	South of River				
Proposed	853	615	658	1,670	84	-	-	3,880
Approved	406	626	484	2,227	142	243	12	4,140
Construction	2,683	386	929	-	-	-	310	4,308
Total	3,942	1,627	2,071	3,897	226	243	322	12,328

Source: PlusUrbia Design, 2018; Strategic Economics, 2019.

(a) Projects that fall in a Unified Flex Zone but not in any RAC.

Figure 24 summarizes the retail square footage in pipeline projects, including ground-floor retail in residential and commercial office buildings, as well as stand-alone retail development. The projects are also mapped in Figure 25. As shown, there is more than 700,000 square feet of retail in the pipeline for the planning area, equivalent to about 50 square feet of new retail area per new housing unit added.

The pipeline retail inventory includes 213,000 square feet in construction, nearly 300,000 square feet in approved projects, and almost 200,000 square feet in proposed projects. The sub-areas with the highest degree of retail development activity are expected to receive the greatest number of new residential units. They include the Brightline station area, with 192,000 square feet of retail in the pipeline; South of River, with 184,000 square feet in the pipeline, and the CBD, with 122,000 square feet in the pipeline. Some of the largest retail projects in the pipeline are the ground-floor component of mixed-use towers like FAT City, New River Central, and Riverpark Square.

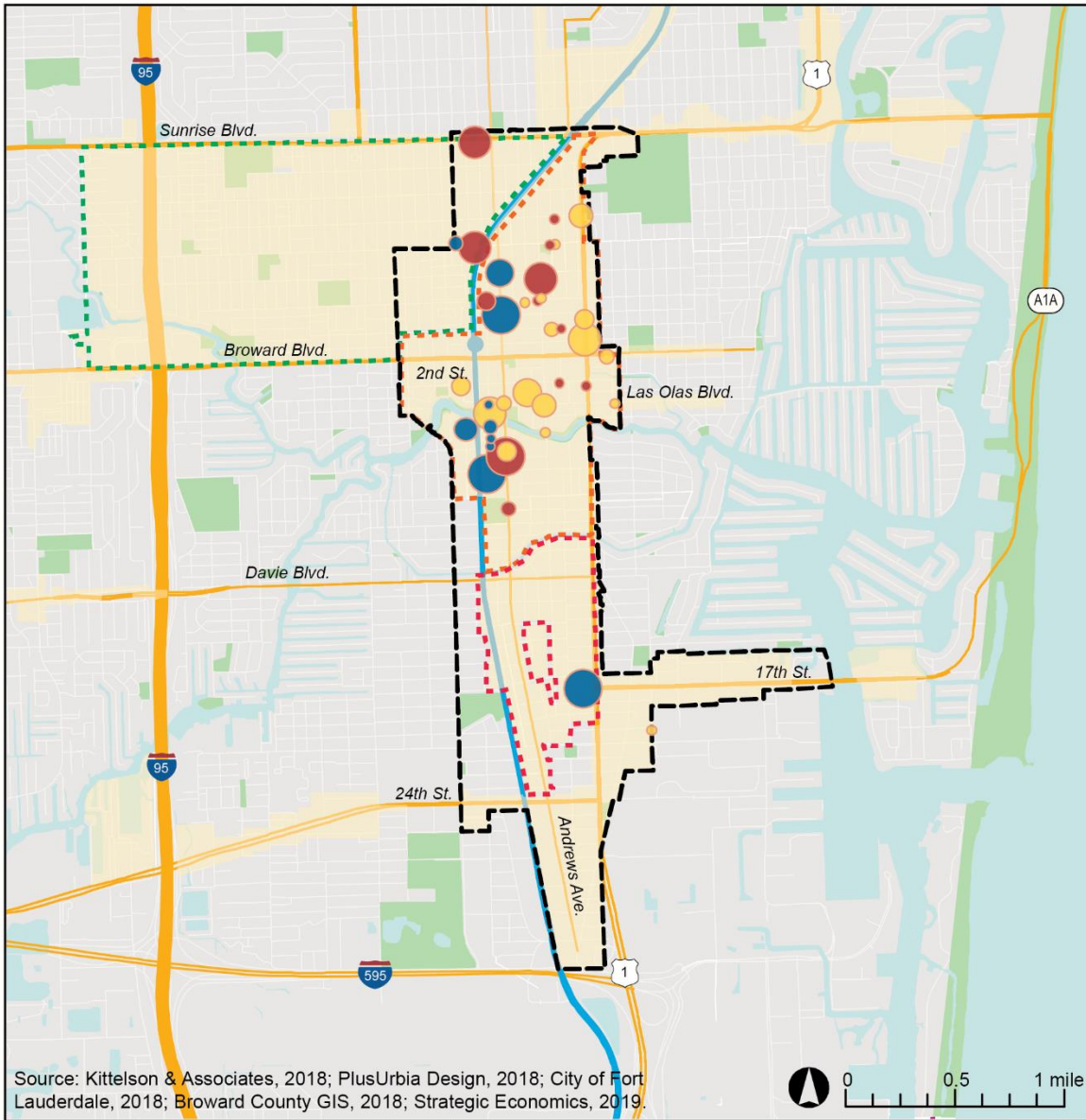
FIGURE 24: RETAIL SQUARE FOOTAGE IN PIPELINE PROJECTS, BY SUB-AREA AND PROJECT STATUS, AS OF NOV. 2018

Project Status	Downtown RAC				NW RAC	South RAC	Unified Flex Zone (a)	Planning Area Total
	CBD	Brightline	Flagler Village	South of River				
Proposed	5,933	40,011	16,329	59,300	74,239			195,812
Approved	2,227	96,002	26,757	111,153	8,300	48,212		292,651
Construction	114,135	55,544	26,892	14,000			2,500	213,071
All Projects	122,295	191,557	69,978	184,453	82,539	48,212	2,500	701,534

Source: PlusUrbia Design, 2018; Strategic Economics, 2019.

(a) Projects that fall in a Unified Flex Zone but not in any RAC.

FIGURE 25. RETAIL PROJECTS IN PLANNING AND UNDER CONSTRUCTION, BY SQ. FT., NOV 2018



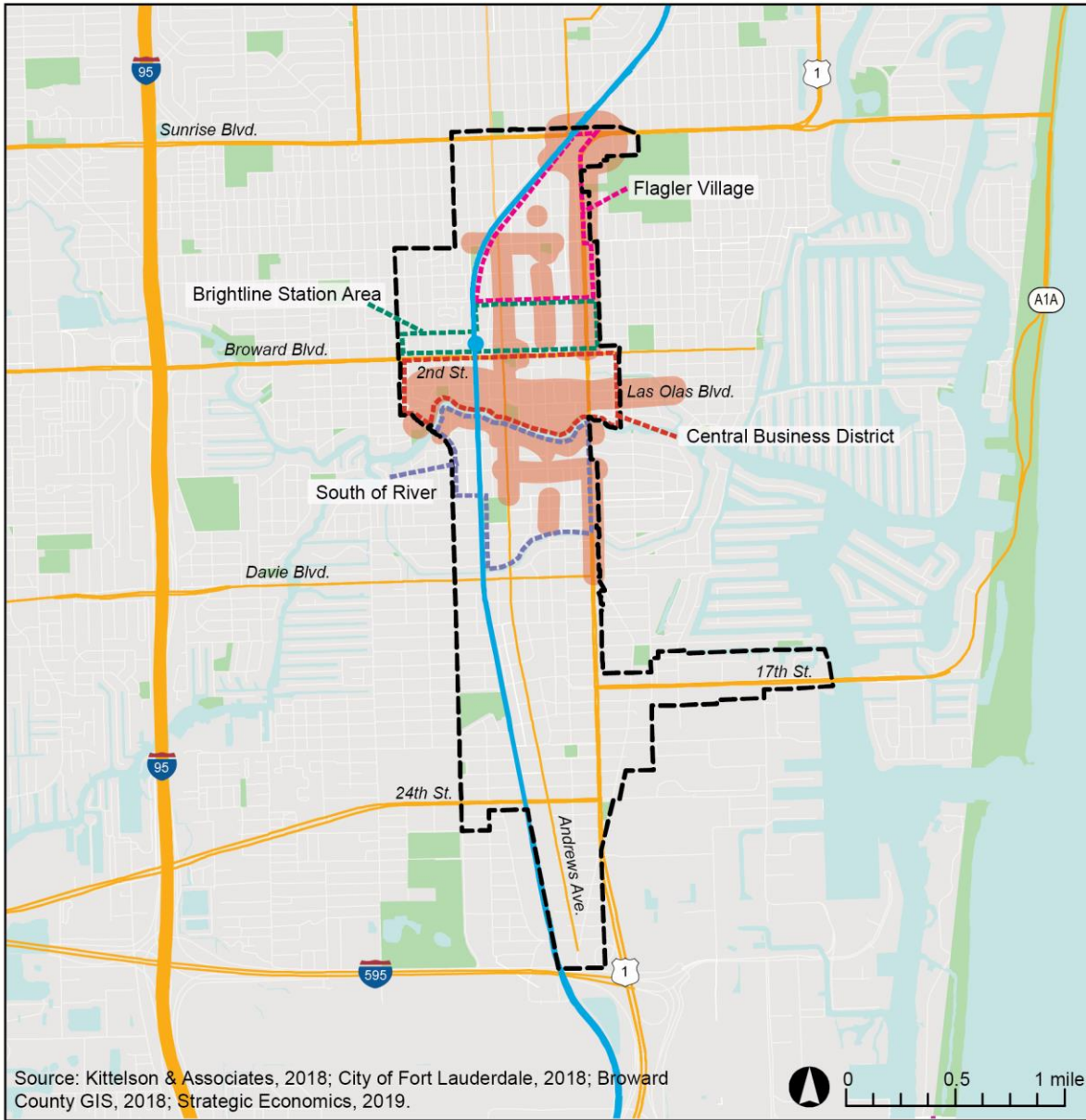
Source: Kittelson & Associates, 2018; PlusUrbia Design, 2018; City of Fort Lauderdale, 2018; Broward County GIS, 2018; Strategic Economics, 2019.

Planning Area: Proposed, Approved, and Under-construction Retail Sq. Ft., as of November, 2018




- | | | |
|-------------------|----------------------|---------------------|
| ○ Under 5,000 | ● Under construction | ▭ Northwest RAC |
| ○ 5,000 - 10,000 | ● Approved | ▭ Downtown RAC |
| ○ 10,000 - 15,000 | ● Proposed | ▭ South RAC |
| ○ 15,000 - 20,000 | | ▭ Unified Flex Zone |
| ○ 20,000 - 30,000 | | ▭ Planning Area |
| ○ 30,000 - 45,000 | | ▭ Brightline |
| ○ Over 45,000 | | |



FIGURE 26. FORT LAUDERDALE DOWNTOWN MASTER PLAN RETAIL CORRIDORS AND NEIGHBORHOOD SUBAREAS



Planning Area: Retail Corridors Identified in Downtown Plan, and Neighborhood Subareas

-  Preferred ground-floor retail corridors identified in 2007 Fort Lauderdale Downtown Master Plan
-  Planning Area
-  Brightline

Opportunities and Constraints

The West Central Business District (CBD) has potential to become a more successful retail area with the introduction of new housing and commercial development, as well as improvements to the pedestrian realm and urban design. Bounded by Broward Boulevard, Andrews Avenue, Federal Highway, and the Tarpon River, the west CBD sub-area is a car-centric district that has traditionally been less competitive than East Las Olas for retail. The West CBD commands retail rents of approximately \$50 to \$60 per square foot per year. Historically, this area has been dominated by office buildings, with little residential population, making it difficult to attract evening and weekend patrons for retail businesses. Furthermore, many of the existing ground-floor retail spaces in the office buildings lack the design characteristics that are required for successful retail. For example, buildings are often set back far from sidewalks, with poor visibility and limited pedestrian engagement. The influx of new residential projects – many of which contain ground-floor retail – to the West CBD could help to establish a more significant retail node in the area.

Thanks to the addition of many new residential buildings, Flagler Village has become a more established retail destination in the planning area. In the past, investors had viewed ground-floor, pedestrian-oriented retail as riskier than traditional formats. However, the new ground-floor retail spaces and shopping centers at Flagler Village are performing well, according to brokers. Retail in this area is now commanding healthy rents of between \$45 and \$50 per square foot. New centers on Federal Highway near Flagler Village have leased quickly with tenants like Cyclebar, Colada Cuban Coffee House, and Source Salon. According to brokers, new development projects that are slated to come online in Flagler Village will continue to support pedestrian-oriented retail in this area. The Federal Highway area (south US-1) is well positioned to accommodate some of the new retail development potential as the area continues to grow.

Consolidated property ownership helps to create a more cohesive retail district. Fort Lauderdale's most successful retail area - East Las Olas - benefits from the fact that the property ownership has been consolidated for decades, with most key properties held by the Las Olas Company. The consolidated ownership allows for the retail to be managed at a district scale, creating a more cohesive approach to tenanting buildings, and creating a better mix of restaurants, independent retail, and national chains.

Slower traffic speeds and complete streets are more supportive of retail than high-speed one-way arterials. One-way streets tend to be seen as more efficient for peak hour movement of traffic, but as downtowns all over the country have resumed their roles of residential, cultural, and entertainment centers, downtown streets' function of moving commuter traffic is now being balanced with other objectives such as business retention, pedestrian convenience, and community revitalization. Complete or "context-sensitive" street improvements – such as reduced speed limits, narrowed lanes, wider sidewalks, more frequent pedestrian crossings, and new bike lanes – have been shown to increase retail sales and, in some cases, commercial rents.⁵ Some examples are listed below:

- A 2007 study by real estate strategists identified that speed is widely perceived as the single most important transportation factor impacting retail performance. Additionally, friction, traffic direction, street width, and parking were also identified as other elements impacting the

⁵ G. Hack, "Business Performance in Walkable Shopping Areas" (Princeton, NJ: Active Living Research, a National Program of the Robert Wood Johnson Foundation, 2013), <http://activelivingresearch.org/business-performance-walkable-shopping-areas>.
(footnote continued)

success of retail establishments in urban corridors.⁶ This same research suggests that the improved pedestrian safety and comfort afforded by a two-way environment encourages shoppers to patronize adjacent businesses by foot, creating economic synergy.

- A 2007 white paper analyzing the revitalization of Center City in Philadelphia established that retailers, especially those dependent on pass-by traffic, prefer a location on a two-way street than a one-way street because of the accessibility benefits. In addition, one-way streets also affect the visibility of businesses; when only one direction of travel is allowed along a street, one side of every cross street is partially ‘eclipsed’ from view.⁷
- A 2013 study by the New York City Department of Transportation compared business performance in retail districts where the Department had recently implemented sustainable streets improvements, with nearby retail districts that had experienced no improvements. In most instances, the study found that districts with sustainable street improvements saw sales improvements above and beyond either comparison areas or borough averages, with sales in some districts improving by up to 102 percent in three years.⁸
- A 2012 study of neighborhoods in the Washington D.C. metropolitan area found that more walkable places (with features including pedestrian amenities, strong connectivity, higher densities, and attractive pedestrian environments) had higher retail sales and retail rents, after controlling for local household incomes.⁹

There are opportunities to create pedestrian-oriented retail nodes along Andrews Ave. and 3rd Ave, which connect many of the key subareas that are poised for redevelopment. These corridors connect many of the sub- areas within the planning area that are receiving new investment and development.

Improved pedestrian, bike, and scooter connections between the existing activity nodes and the Brightline station area would enhance the performance of the retail. Brokers, developers, and stakeholders have identified the need to create better last-mile connections between the retail nodes at East Las Olas, Flagler Village, the CBD, and the Brightline station. Enhanced pedestrian, bicycle, and other non-motorized transit options (scooters and e-bikes) between the Brightline station and East Las Olas, for example, would help generate more sales activity in that retail district. Flagler Village would also benefit from better first-last mile improvements to the Brightline station. Focusing on the linkages between the planning area’s key destinations may also help support new, smaller storefront retail along those connecting streets.

There are opportunities to transform aging and obsolete shopping centers into mixed-use, walkable environments. One example of a potential redevelopment opportunity is Searstown, located at the northern tip of the planning area. With the recent bankruptcy announcement from Sears, it is likely that the store will likely close in the short term, offering a unique opportunity to transform the store

⁶ Leland Consulting Group, “The Impact of Traffic Patterns on Corridor Retail”, 2007, https://nacto.org/wp-content/uploads/2015/04/impacttraffictatternsoncorridorretail_leland.pdf

⁷ Glattig Jackson Kercher Anglin, “Advantages and Disadvantages of One-Way Streets”, 2007, http://planphilly.com/sites/planphilly.com/files/Glattig_One%20Way%20Streets.pdf

⁸ New York City Department of Transportation, “Economic Benefits of Sustainable Streets,” New York City Department of Transportation, 2013.

⁹ Christopher B. Leinberger and Mariela Alfonzo, “Walk This Way: The Economic Promise of Walkable Places in Metropolitan Washington, D.C.” (Brookings Institution, May 2012), <http://www.brookings.edu/research/papers/2012/05/25-walkable-places-leinberger>.

and large surface parking lots in the area into residential or mixed-use development. The success of nearby Flagler Village has generated interest from developers to explore redevelopment of this site.

Certain neighborhoods in the planning area may lack nearby grocery and drug stores. While the planning area seems generally well-served with nearby convenience retail, the neighborhoods of Croissant Park and along the north Andrews corridor may require more grocery and drug store options within walking distance. The intersection of 24th Street and Andrews could be a potential location for new retail options, given the traffic volumes, visibility, and lack of existing neighborhood retail options in the vicinity.