

Pompano Beach CRA Developer Interviews

As part of the Strategic Implementation Plan for the Northwest Pompano Beach CRA District, ERA interviewed a cross section of S.E. Florida real estate developers (in March 2004). Drawn from names provided by the City (i.e. currently or recently involved in Pompano Beach projects) and several ERA contacts, fourteen interviews were conducted. Topic areas included:

- Discuss the companies' general and Pompano Beach experience
- Opinions of the Pompano Beach current real estate environment
- Changes over past 5 years
- Changes anticipated over next 5 years
- Perceived priority development opportunities
- Appropriate development incentives
- Other comments

To maximize the value of this process, developers were assured anonymity. Survey results and their general implications for this project can be summarized as follows:

1. **Company Experience** – Almost all were major real estate development businesses with considerable experience in S.E. Florida and most had (or currently have) projects in Pompano Beach. The majority of their local projects were residential or industrial.
2. **Current Pompano Beach Real Estate Environment** – In general opinions regarding current real estate market conditions were very positive including:
 - Sales residential is major focus.
 - Limited development sites in region is causing additional interest in Pompano Beach.
 - Good access creates potential, especially for industrial/distribution uses.
 - Opportunities for urban infill (i.e. assembling sites in established areas possibly removing existing buildings).

Other comments regarding current conditions included:

- Unsophisticated market (i.e. caused by regional growth issues, new comers to region, lack of development policy consensus or priorities, etc.)
- Major change poses community issues
- Some image issues exist

3. Changes in Past Five Years – Almost all positive comments including:

- Improved image and sense of community
- Increased market demand
- Decline in land elsewhere in County has created opportunities here
- Improved infrastructure

Several interviewees said there was no major changes in past five years.

4. Changes Anticipated in Next Five Years

All were positive and generally believe Pompano Beach will have increased developer interest and opportunities. Special interest was implied for infill development on the East side (i.e. replacing existing low density development with larger new projects, specially condo projects).

5. Priority Development Opportunities – A variety of opportunities were identified including:

- Upscale residential townhouses and retail strip centers.
- Industrial near interstate.
- All types of residential market are expected to be strong during the next 5 years.
- Several innovative business development possibilities were mentioned including back office uses, call centers, etc.
- Expect new developers and investors to “discover” Pompano Beach and possibly introduce new concepts (i.e. mixed-use development). Several mentioned obvious links between local real estate markets and interest rates and general economic conditions.

6. Appropriate Development Incentives – General agreement on the need (in their opinion) to improve current development approval process in Pompano Beach. Comments ranged from generally common concerns about the timing of the process in hot real estate markets to more specific local concerns:

- Assistance with land assembly to aid larger and more economic projects.
- Need for City to clearly identify its development objectives for specific sites, especially public land.
- In established neighborhoods fragmented property ownership inhibits developers.
- Concern about too much resident input in complicated approval process.
- Some type of fast track approval process for basic development projects.
- Remove current uncertainty from approval process (i.e. provide more details).

- Provide liaison person to work with developers to avoid problems and maximize project potential.

Most thought public infrastructure was adequate and somewhat surprising based on ERA's experience, was the general attitude that current incentives (with the exception of land assembly) were generally adequate. However, when ERA mentioned possible higher density development, mixed-use or Old Downtown Pompano public incentives were quickly mentioned.

7. As Expected ERA'S Request for Other Comments – produced a range of concerns or issues:

- Major corridor sites are too narrow for development – require public assistance with land assembly.
- Community input requires a better understanding of the development process.
- Solve the reclaimed water issues.

In general developers were positive about City staff (not always about City procedures) and urged the City to better define specific development objectives and where appropriate, possible incentives.

8. ERA Comments – From a developer perspective, Pompano Beach is an excellent situation. The interviews indicate that experienced, qualified and very interested development partners are available. Considering the very strong near-term market opportunities, City decision-makers have the opportunity to enhance the economic benefits of new development (i.e. location, type of use, density, quality, neighborhood benefits, etc.) possibly through incentives and assure the long-term value to the residents of Pompano Beach.

ERA – Pompano Beach Development Context

ERA's assessment of the local real estate market and development context recommends several priorities for the Northwest Pompano Beach CRA District Strategy:

1. Opportunity – The City of Pompano Beach has a unique opportunity to maximize its available vacant and underutilized property as a result of several factors:

- High regional growth rates for all types of development, especially residential, and the rapid demise of available development sites in the county will continue to focus attention on Pompano Beach.
- As always in S.E. Florida, transportation is the key to real estate development and Pompano Beach is a hub for both existing and planned transportation links.
- The City has made an ongoing policy priority of serving residents needs by maximizing appropriate development opportunities and strengthening its essential tax base.

2. Context – The current local development potential is to some extent a one-time opportunity for local decision-makers and it occurs in a hectic local development policy environment that places excessive day-to-day demands on all the participants. The Strategic Implementation Plan is the vehicle that permits the leadership to step back, assess the opportunities and their implications and create the vision that best serves the needs of the City and its residents.

3. Priorities – From an economic perspective, the priorities should be to maximize near-term development opportunities, meet the needs of neighborhood residents and above all, preserve the key sites that will drive the City's future economy. This last point, preserving sites, is complex in that the opportunity sites:

- Will continue to increase in value and potential as new housing is developed and good sites become harder to find.
- Developers will aggressively pursue key sites with proposals that generally reflect today's market's, not future opportunities.
- Community groups will possibly propose project concepts that meet their immediate needs.
- Interim uses for key sites will be limited.

The recommended goal is to avoid a situation where a prime site is developed to meet today's markets (i.e. single family, convenience retail, recreation, etc.) and a few years from now determine that it could have been an office service or retail/commercial center. The larger-scale development would obviously better serve area resident's needs and provide the taxes and jobs the City needs.

This economic development concept to maximize key sites could involve:

- Identify and prioritize property opportunities
- Use current CRA planning process to protect and where possible, enhance the opportunity sites
- Alert developers of the City's preferred development scenarios
- Consider incentives or phasing options to facilitate projects.

Pompano Beach CRA Plan – ERA Comments

The following are general discussion points for possible incorporation (properly worded) in our report:

Priorities – Decision-makers move easily from what’s good for the City, for neighborhoods, for individual residents. For any specific project, these three will almost always have different implications as well as the fact that:

- City leaders should have as a priority-what is good for the City. This doesn’t mean they can’t negotiate with neighborhoods or protect individuals but they should put the City first.
- Neighborhoods are very poorly prepared for any policy role. The key meeting I went to had a small group of people listing what they wanted in their neighborhoods (i.e. movie theater, bakery, grocery, etc.) Also what they didn’t want – no rental housing! Which eliminates 80% of their neighborhoods hopes for a place to live.
- Individuals – the lottery mentality – if they want the place I rent I get XYZ, if they build a new mall I get free space, etc. It doesn’t work this way if new programs to have maximum benefit for City.

We could consider some type of link between desirable (by City standards) development projects and neighborhood benefits:

- Job opportunities
- Reinvestment in area housing rehab, park space or school programs
- A mini TIF agreement where a portion of new tax dollars are committed to neighborhood projects for a specific time period.

In any event, its important that all consultant recommendations are not expected to meet all City, neighborhood and individual objections.