

**COMMUNITY REDEVELOPMENT AGENCY
BOARD OF DIRECTORS
SPECIAL MEETING**

**JANUARY 3, 2011
MONDAY, 6:30 P.M.
COUNCIL CHAMBERS**

**THIS SPECIAL MEETING OF THE COMMUNITY REDEVELOPMENT
AGENCY – BOARD OF DIRECTORS – WILL CONVENE AT THE
CONCLUSION OF THE REGULAR CITY COUNCIL MEETING**

ACTION AGENDA ITEM:

- A. Discussion and Action Regarding the Economic Impact of Bridge Replacement Project.

If any person decides to appeal any decisions made with respect to any matter considered at this meeting or public hearing, such person may need to insure that a verbatim record of the proceedings is made, which record includes the testimony and any evidence upon which the appeal is to be based.

The public is invited to comment on matters before the City Council upon seeking and receiving recognition from the chair.

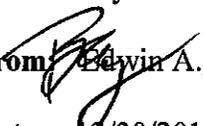


City of Gulf Breeze

OFFICE OF THE CITY MANAGER

Memorandum

To: Mayor and City Council

From:  Edwin A. Eddy, City Manager

Date: 12/30/2010

Subject: Economic Impact of Bridge Replacement Project

One of the critical aspects of the pending replacement of the Pensacola Bay Bridge is the economic impact on the City. We have retained consultants recently to help us analyze the physical impacts and to monitor the evaluation and planning process undertaken by the Florida Department of Transportation.

Our primary consultant on the bridge project, Billy Hattaway, has recommended that we consider retaining a consultant to help analyze the impact the bridge replacement project on the City overall and by focusing specifically on certain parcels. Mr. Hattaway has worked with Thomas Lavash on similar projects in the past. Staff met with Mr. Lavash in early December. Mr. Lavash's bio is attached.

The estimated cost of the first phase of his study is \$17,400 plus reimburseables. Funding for this project can come from the CRA.

RECOMMENDATION:

THAT THE CITY COUNCIL MEET ON JANUARY 3, 2011 AS THE BOARD OF DIRECTORS OF THE COMMUNITY REDEVELOPMENT AGENCY AND APPROVE THE HIRING OF CONSULTANT THOMAS LAVASH FOR AN ECONOMIC STUDY OF PROPERTY WITHIN THE CRA.

W. Thomas Lavash, Managing Principal

Selected Qualifications in Florida

WTL +associates is a new firm created in 2010 that brings 25 years of experience in real estate and economic development consulting on behalf of public and private clients. W. Thomas Lavash, a former principal/partner with ERA (now AECOM Economics) directs market, financial feasibility and cost/benefit studies for downtown and waterfront redevelopment, neighborhood revitalization studies, land planning strategies, and repositioning studies of underperforming assets across the United States. WTL +a serves as a key advisor on market and financial analysis, multi-component land development programming, and modeling and phasing strategies for large sites that often dovetail environmental, planning and preliminary site engineering.

For the past five years, Mr. Lavash led ERA's practice in urban real estate and economic planning throughout Florida. More detailed qualifications of selected projects completed by Mr. Lavash in Florida during his 15 years at ERA include:

- Examining transit-oriented development potentials for seven future rail stations across Hillsborough County with Renaissance Planning Group on behalf of the Hillsborough MPO (2009)
- Leading the economic analyses of two major master plans in Osceola County adjacent to Orlando—South and East Lake Toho—comprising almost 20,000 acres of land. Economic studies include: market potentials, target industries, and financing mechanisms (2008-current)
- Serving in a multi-year effort as real estate advisors to FDOT to examine joint development opportunities and revenue yields surrounding 60+ potential station sites along the FEC rail corridor in South Florida (2006-2009)
- Advising Sarasota County on market and financial feasibility of redevelopment of several sites in Sarasota (2007-08);
- Advising Treasure Coast Regional Planning Council on redevelopment and revitalization strategies in its service area: transit-oriented development at multiple station sites in Jupiter, Palm Beach Gardens and West Palm Beach; market potentials and redevelopment strategies in Lake Worth and Margate; and an economic development strategy for the 40-mile Intracoastal Waterway in Palm Beach County (2005-present)
- Examined redevelopment opportunities for a 22-acre waterfront site in Tampa's Channelside district (2007-08)
- Evaluating redevelopment and revitalization potentials for multiple Community Redevelopment Agency (CRA) districts across the state (Boynton Beach, Daytona Beach, Delray Beach, Ft. Lauderdale, Ft. Myers, Hallandale Beach, Jacksonville, Jupiter, Lake Worth, Margate, Miami, Miami Springs, Ocala, Riviera Beach, Sarasota, Tampa, West Palm Beach) (1995-present)
- Analyzed appropriate economic strategies for Sarasota County's Major Employment Center (MEC) areas to determine whether sufficient land exists to accommodate future workplace growth (2007)
- Served as senior manager on a multi-disciplined team to prepare a master plan for the Miami Downtown Development Authority (2005-06)

- Tested financial feasibility of transit-oriented development (TOD) on 36 acres in downtown West Palm Beach for the Treasure Coast Regional Planning Council (2005)
- Examined market potentials as part of commercial revitalization strategies for Davie Boulevard (2004-05) and Central Beach (2007-08) in Ft. Lauderdale
- Assisted the City of Sarasota in reviewing developer proposals, measuring economic impacts, and advising on TIF funding mechanisms for a key downtown redevelopment project (2003-04)
- Prepared market recommendations and phasing strategies, identified implementation and funding measures, and led developer solicitation strategies for the Miami Intermodal Center, a proposed 1.4 million-sq. ft. transportation center adjacent to Miami Airport (1994-95, 1998, 2000-02; 2007-09)
- Tested market and financial feasibility of Dolphin Mall, a 1.4 million-sq. ft. retail and entertainment project in Miami for the Swerdlow Group. Report used for institutional financing and tenant recruitment, and center opened in 2000 (1997)
- Evaluated market potentials, phasing strategies, and financial feasibility associated with restoration and redevelopment of 420 Lincoln Road in South Beach, an historic Art Deco property and other holdings comprising a full city block (1999)
- Tested market feasibility for commercial uses and created long-term development strategy for the 70-acre Westchase Town Center, on Tampa's West Shore (1996)

From 1992-1994, he completed 40 property valuations throughout the Northeast Corridor with the Washington, D.C. office of RCDH. He has appraised all sectors, focusing on Class A properties in urban locations for numerous institutional investors such as Bank of America, Wells Fargo Realty, and others. He advised on acquisition and disposition strategies and operating metrics. From 1986-1991, he completed 65 market assessments of residential and commercial projects across the United States for Halcyon Ltd. He was an urban planner with EDAW Inc. from 1984-1986.

Selected public clients include numerous levels of government, the General Services Administration, Florida Department of Transportation and the Massachusetts Port Authority. Selected private clients include General Growth Properties, Hines Interests, Icahn Enterprises, Michael Swerdlow Companies, Prudential Realty and Terrabrook.

He is a member of the Urban Land Institute, active in the District Council, Washington, D.C., and is listed in *Who's Who in the East*. He has served on multiple ULI advisory services and AIA panels across the United States.

Mr. Lavash holds a Master of City Planning degree from the University of Pennsylvania with a Certificate in Real Estate Development from its Wharton School of Business (1983), and a Bachelor of Arts in Urban Studies, *cum laude*, from the University of Massachusetts (1980).

Firm Profile & Select Project Experience in Florida

WTL +associates is a new firm created in 2010 that brings 25 years of experience in real estate and economic development consulting on behalf of public and private clients. W. Thomas Lavash, a former principal/partner with ERA (now AECOM Economics) directs market, financial feasibility and cost/benefit studies for downtown and waterfront redevelopment, neighborhood revitalization studies, land planning strategies, and repositioning studies of underperforming assets across the United States. WTL +a serves as a key advisor on market and financial analysis, multi-component land development programming, and modeling and phasing strategies for large sites that often dovetail environmental, planning and preliminary site engineering.

For the past five years, Mr. Lavash led ERA's practice in urban real estate and economic planning throughout Florida. More detailed qualifications of selected projects completed by Mr. Lavash in Florida during his 15 years at ERA are provided below:

South & East Lake Toho Development Studies

Osceola County, FL

Client: Osceola County

Between 2008 and 2009 collaborated with EDAW, Inc. to prepare land development plans for two major areas of Osceola County, a rapidly-growing county in the Orlando metropolitan area. These areas comprise almost 20,000 acres of land. Economic analysis focused on 2040 market potentials across multiple land uses; target industry studies to define appropriate economic development strategies and business recruitment efforts of the county's economic development department; and potential financing mechanisms as a means of funding required transportation and utility infrastructure and public realm improvements, including the use of tax increment financing, impact fees, and creation of community development districts.

FEC Rail Corridor TOD Studies

Palm Beach—Broward—Miami-Dade Counties, FL

Client: Gannett/Fleming, Inc. on behalf of FL Department of Transportation

Since 2006, advising FDOT District IV on joint development potentials surrounding potential station location sites along a proposed 82-mile commuter rail corridor in three counties across south Florida. Our initial effort focused on translating long-term demographic forecasts into general real estate demand models. As part of the project's second phase, which commenced in 2008, evaluated numerous demographic indices and real estate market and land use factors to inform where approximately 60 stations could be located in 28 communities on this route, which currently serves as the dominant freight rail line along the East Coast of Florida. The route passes through multiple CRA districts in numerous communities.

Several critical components of the study include: measuring transit-oriented development potentials at each station site; quantifying the premiums in land and building values that could translate into additional tax revenues generated by proximity to rail station sites; and, calculating fiscal impacts and economic benefits accruing to specific locations and municipalities from investments in transportation infrastructure.

Central Beach Master Plan

Fort Lauderdale, FL

Client: Sasaki Associates, Inc.

In 2007-08 worked with Sasaki Associates, Inc. on behalf of the City of Ft. Lauderdale to prepare a master plan for the city's famous beachfront along Route A1A. The study area is bounded by the Atlantic Ocean on the east, the Intracoastal Waterway on the west, Sunrise Boulevard at the north, and Harbor Drive at the south, and is defined in the city's Comprehensive Plan as a Regional Activity Center, a land use designation that allows for a variety of uses and densities. Portions of the study area are also located in a CRA.

Prepared a market analysis and implementation strategy for the plan, focusing on resort hotel and lodging, residential, and supporting services such as retail and restaurants. The implementation strategy included a detailed profile of potential funding mechanisms that could be used to offset the cost of public realm improvements and initiatives designed to leverage private investment. We also estimated the economic benefits accruing to the city, Broward County and/or the state as a result of new private investment.

Margate Town Center Development Strategy

Margate, FL

Client: Treasure Coast Regional Planning Council

As part of our track record of projects with the Treasure Coast Regional Planning Council, in early 2008 examined market potentials for "Margate Town Center", a proposed mixed-use urban district to

Agency (CRA). Key issues examined in this analysis included: testing market potentials for housing, retail and restaurants, and commercial office space; identifying strategies to position the site and prospective uses in light of South Florida's severe housing downturn; and recommending potential roles of the city/CRA and incentives to enhance the project's overall marketability.

Lake Worth Redevelopment Charrette

Lake Worth, FL

Client: Treasure Coast Regional Planning Council

In 2008, the City of Lake Worth asked Treasure Coast Regional Planning Council to examine redevelopment potentials in its downtown core through a charrette process. TCRPC assembled a

comprising roughly 18 acres, and include a former public housing project, Auburn Trace, a tax-credit multi-family rental community, and the King Marble site.

Prepared a market analysis to identify residential and mixed-use development potentials on each of these sites. We also prepared a financial feasibility analysis of the recommended development program to understand overall investment viability, estimate the amount of tax increment revenues that could potentially be created, and identify appropriate implementation strategies to guide potential roles for the Housing Authority and the City, and examined economic impacts generated by redevelopment.

Joint Development Strategies for the Miami Intermodal Center

Miami, FL

Client: Florida Department of Transportation

Served as the market and real estate advisors to Earth Tech (formerly ICF Kaiser Engineers) on behalf of the Florida Department of Transportation (FDOT) District VI region since 1994 on real estate market analysis and development programming and planning for the Miami Intermodal Center (MIC). The MIC is a 1.4 million sq. ft., multi-modal transportation center proposed for a site adjacent to Miami International Airport. Multiple market analyses have been prepared over the past 14 years to quantify the extent of supportable joint commercial development for the MIC core and associated outparcel (off-site) development for this strategic location in central Miami-Dade.

The market analyses have identified the project's highest and best use opportunities within the context of the MIC's primary function as a transportation center. A key objective has been to test appropriate commercial uses to generate a recurring revenue stream and yields for FDOT in the form of ground leases or other mechanisms as a means of offsetting some portion of the costs associated with the MIC. Market analysis updates have been prepared in 1995, 1998, 2001-03, and 2007-08. In 2001, conducted a series of interviews with local and national developers to inform subsequent preparation of a developer Request for Proposals (RFP). In 2003, tested hypothetical revenue yields to FDOT from a range of uses identified in previous program planning models.

In 2008-09, retained to assist AECOM Transportation on behalf of the Miami-Dade Expressway Authority (MDX) to determine whether MDX can operate the facility. Updated its 2007 market analysis and prepared a financial feasibility analysis to test revenue potentials accruing from joint development that could be used to offset annual operations and maintenance costs of the MIC.

Palm Beach County Intracoastal Waterway Development Study

Palm Beach County, FL

Client: Treasure Coast Regional Planning Council

The Treasure Coast Regional Planning Council has retained former ERA on numerous redevelopment projects in several municipalities and counties under its purview over the past five years. In 2008, TCRPC was asked by Palm Beach County to examine the economic, environmental, physical, recreational, and regulatory issues along the Intracoastal Waterway (ICWW), which serves a critical role as a navigable inland waterway as it traverses a 40-mile route throughout the County. The study area is located in a number of CRA districts across the County, including: Lake Worth, Delray Beach, Boynton Beach, downtown West Palm Beach, Riviera Beach, and Jupiter.

Measured long-term potentials of various growth indicators (population, households, employment, etc.) and other economic indices as a means of guiding both an appropriate long-term planning framework and economic development strategies. Assembled a GIS-based land use inventory based on available data and secondary information on real estate market conditions across specific land

uses, and subsequently translated demographic characteristics and market conditions into preliminary growth forecasts for those sectors of the County's economy relevant to the ICWW.

Hallandale Beach Master Plan & Implementation Strategy

Hallandale Beach, FL

Client: EDAW, Inc.

In August 2007 retained by EDAW, Inc on behalf of the City of Hallandale Beach to complete a citywide master plan with strategies focused on balancing economic development with public realm enhancements such as open space to encourage and sustain economic growth. The citywide master plan was precipitated by a moratorium on development enacted by the city generated by a number of pending, large-scale development projects.

Completed a demographic profile and real estate market analysis of multiple uses to understand factors informing growth potentials, and identified potential implementation and funding strategies. These recommendations will guide priority, short-term projects to be completed by both the public and private sectors.

Downtown CRA Master Plan

Boynton Beach, FL

Client: EDAW, Inc.

In 2007 retained by EDAW, Inc. on behalf of the City of Boynton Beach, FL to assist in preparation of a master plan for the downtown portion of the Community Redevelopment Area (CRA). Over the past five years, Boynton Beach, a community of 70,000 residents in southern Palm Beach County, has experienced spillover redevelopment pressures along the Federal Highway corridor from neighboring Delray Beach, including a number of new high-rise condominium projects along the Intracoastal Waterway. A key element of the downtown plan is to forge a clearer identity and economic role for the downtown area to strengthen its competitive position in the marketplace.

Building on our previous project experience in Boynton Beach, focused our analysis on CRA bonding capacity generated by tax increment revenues and other funding mechanisms to fund public-sector improvements in the CRA.

Central Park CRA Strategic Action Plan

Tampa, FL

Client: EDAW, Inc.

In 2007 retained by EDAW, Inc. on behalf of the City of Tampa to prepare a strategic action plan for the Central Park Community Redevelopment Area (CRA), a 140-acre inner-city neighborhood located to the east of downtown Tampa. The decision to prepare an action plan resulted from significant redevelopment pressure in adjacent neighborhoods (Ybor City, Channelside) as well as redevelopment of a former public housing project as part of a joint venture between the Tampa Housing Authority and Bank of America.

The economic analysis focused on appropriate implementation strategies, including specific public and private actions as well as an analysis of potential funding mechanisms, including tax increment revenues to fund public-sector improvements in the CRA.

Market & Financial Feasibility Analysis of Seacrest Village

Boynton Beach, FL

Client: Treasure Coast Regional Planning Council (TCRPC)

Retained by the Treasure Coast Regional Planning Council (TCRPC) of Stuart, FL on behalf of the City of Boynton Beach Community Redevelopment Agency (CRA) to analyze the market and financial feasibility of a redevelopment project proposed by Intown Partners LLC on a 26.3-acre site in the Boynton Beach CRA known as Seacrest Village. The market and financial feasibility analyses were integrated into a full planning review of the project and site plan conducted by TCRPC.

Our feasibility studies indicated that significant public investment would be required to ensure the project's overall viability. Weakened market conditions, combined with the site's problematic locational characteristics (particularly for retail uses) informed specific recommendations on the overall development program and residential pricing strategies.

Transit Oriented Development Financial Analysis

West Palm Beach, FL

Client: Treasure Coast Regional Planning Council

In January 2005 participated in a workshop sponsored by the Treasure Coast Regional Planning Council to examine a transit-oriented development on 36 acres surrounding the downtown West Palm Beach Tri-rail station in the City's Downtown Community Redevelopment (CRA) district. Prepared detailed financial pro formas testing various development scenarios that included multi-family rental and for-sale housing, office and supporting retail uses as well as a series of best practices in TOD projects and workforce housing.

Asked to join a team of allied consultants in March 2006 to prepare additional financial analyses to assist TCRPC and participating public agencies to evaluate a public-private partnership structure to implement the project based on the program requirements of each user, including the State of Florida, Palm Beach County, and the City of West Palm Beach. The financial analysis examined the "value for value" exchange (supportable land values) of those parcels that could be assembled in a land swap between public agencies and developers, reasonable and acceptable measures of return sufficient to attract private participation, and potential Tax Increment Financing (TIF) revenues sufficient to offset the costs of meeting specific public policy objectives such as workforce housing. In September 2008, asked by the City's CRA to update the financial feasibility analysis in anticipation of issuance of a developer RFP.

Financial Analysis of Harbor Village CRA Redevelopment Plan

Riviera Beach, FL

Client: Republic Properties, Inc.

Building upon previous project experience in Riviera Beach, in June 2005, retained by Republic Properties of Washington, D.C. to prepare a detailed financial analysis of their submission in response to the City's request for proposals for redevelopment of approximately 300 acres in its community redevelopment (CRA) district.

This historic and diverse community of 28,000 residents is located in Palm Beach County adjacent to West Palm Beach. The CRA redevelopment area encompasses acreage along Route A1A, a large portion of which is strategically located on the Lake Worth waterfront offering superb views of the Intra-Coastal Waterway and Atlantic Ocean.

Prepared 19 financial models for this complex mixed-use project comprising eight phases and 12 redevelopment zones. We also calculated the potential Tax Increment Financing (TIF) revenue streams over each phase and zone to understand the change in assessed values and net bond proceeds available to fund critical infrastructure improvements.

Cleveland Avenue CRA Redevelopment Plan

Ft. Myers, FL

Client: Ft. Myers Community Redevelopment Agency

Retained by EDAW, Inc., in November 2005 on behalf of the City of Ft. Myers, to analyze redevelopment opportunities along a three-mile portion of Cleveland Avenue/U.S. Route 41, to the south of downtown Ft. Myers. Cleveland Avenue has historically served as the city's primary retail corridor and continues to serve as the location of the city's primary medical center and associated facilities. However, significant population growth in outlying portions of Lee County, and an aging and obsolete building stock have resulted in a loss of competitive market position of many businesses lining the corridor.

Examined existing market conditions for workplace, housing, and supporting services such as retail and lodging, and is working with a multi-disciplinary planning team to identify redevelopment opportunities and appropriate implementation strategies. In July 2006, asked by the CRA to prepare a financial feasibility analysis for redevelopment of two sites on the corridor, including estimates of the Tax Increment Financing (TIF) revenues generated by proposed redevelopment.

Downtown Master Plan

Miami, FL

Client: Miami Downtown Development Authority

In 2005, the Downtown Development Authority (DDA) in Miami selected a multi-disciplined team of consultants to assist them in preparation of a downtown master plan. The master plan will focus on implementing strategies designed to strengthen Downtown Miami's position as a world-class destination for residents, tourists, commerce and culture.

Retained by the DDA to develop a clear understanding of downtown's competitive position within the regional economy; identify specific economic activities that will add value; measure short- and long-term market support for housing, offices, retail, and lodging; identify strategic development opportunities; and prepare a market-supportable, sustainable retail positioning strategy for critical sub-areas, including Flagler Street, the waterfront, and Biscayne Boulevard. In addition, subsequent phases of work will measure the fiscal impacts of alternative development scenarios.

Daytona Beach Vision Plan

Daytona Beach, FL

Client: Anton Nelessen & Associates/City of Daytona Beach

In July 2005, the City of Daytona Beach retained Anton Nelessen & Associates (ANA) of New Jersey to prepare a Vision Plan as a means of directing growth and development in the City over the next 20 years. As the market and economic analyst, we focused on translating these growth potentials into demand for various land uses—such as housing, supporting commercial uses such as general retail, and workplace uses such as office and industrial.

Davie Boulevard Revitalization

Fort Lauderdale, FL

Client: City of Fort Lauderdale

In 2004, selected by the City of Fort Lauderdale to work with EDAW, Inc. on a corridor revitalization study of Davie Boulevard. The study focused on that portion of Davie Boulevard between I-95 and State Route 7, an area of approximately two miles. Land use patterns are comprised of a mix of residential and aging, strip commercial development on narrow lots. A key challenge was protection of adjacent single-family neighborhoods as well as consideration of the financial challenges associated with assembling parcels that would be sufficiently attractive to investors to consider redevelopment. We also examined market potentials for a mix of uses and identified a series of recommendations related to implementation and appropriate city roles.

Palm Avenue CRA Redevelopment

Sarasota, FL

Client: City of Sarasota

The City of Sarasota Community Redevelopment Agency was seeking financial services regarding the redevelopment of 2.25 acres of land currently used for surface parking on Palm Avenue adjacent to the Sarasota Opera Company in downtown Sarasota. The CRA wanted to enter into a redevelopment partnership with a qualified developer to develop a mixed-use project with public parking in a structure of up to 10 floors.

Retained to evaluate the financial aspects of four developer proposals and in negotiating a development agreement with the top-ranked developer, and assisted the City and the CRA in evaluating development economics, market feasibility, and in negotiating complex development agreements involving public-private partnerships.

City of Ocala Downtown/CRA Master Plan

Ocala, FL

Client: City of Ocala

In May 2003, retained by Moore Iacofano & Goltsman (MIG) Planners on behalf of the City of Ocala to develop a downtown master plan. The primary objective of the economic analysis element of the Downtown Master Plan is to provide a "roadmap" that will help guide future investment and development efforts in the CRA as a whole, and to identify revitalization opportunities for specific areas and sites within the downtown. The first stage was a diagnostic stage designed to fully understand the development context and issues facing the creation of market supportable revitalization strategies for downtown Ocala. The second stage of the market analysis documented the downtown's competitive position and tested its economic potential for a variety of land uses. Through this process, the planning team established an "envelope" of supportable development for downtown Ocala, identified opportunities to expand and retain existing businesses, identified potential new business opportunities, and outlined the conditions necessary to position specific sites to support uses envisioned by both the City and private-sector interests.

Riviera Beach Housing Market Analysis

Riviera Beach, FL

Client: City of Riviera Beach

Retained by the City of Riviera Beach and the non-profit Community Financing Consortium in January 2003 to examine opportunities for housing development in the non-CRA (Community Redevelopment Area) portions of the City of Riviera Beach. This housing study is a component of a larger development strategy to be implemented for that portion of the City located outside of the CRA boundaries.

Commercial District Redevelopment Analysis

Miami Springs, FL

Client: The City Of Miami Springs

In 1996, retained by the City of Miami Springs to evaluate redevelopment opportunities in two of the City's commercial business districts. Miami Springs is a fully developed, aging suburb of 14,000 residents located to the immediate north of Miami International Airport. The lack of available land for development and a declining commercial property tax base has fueled concern about the city's future. A key component of this analysis built upon the districts' strategic proximity to the airport for aviation-related commercial uses. Prepared growth projections by specific industry sectors, created three development scenarios under various assumptions regarding growth, and identified sites for short- and long-term redevelopment. Findings and recommendations were presented to the Miami-Dade County Board of County Commissioners as part of the City's request for designation as a Community Redevelopment Area (CRA). Subsequently, one site on N.W. 36th Street was developed consistent with a key recommendation of our study—aviation- and trade-related uses.