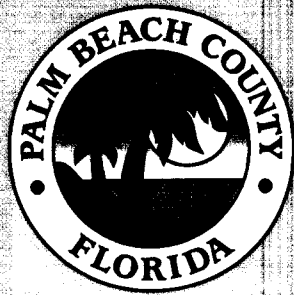
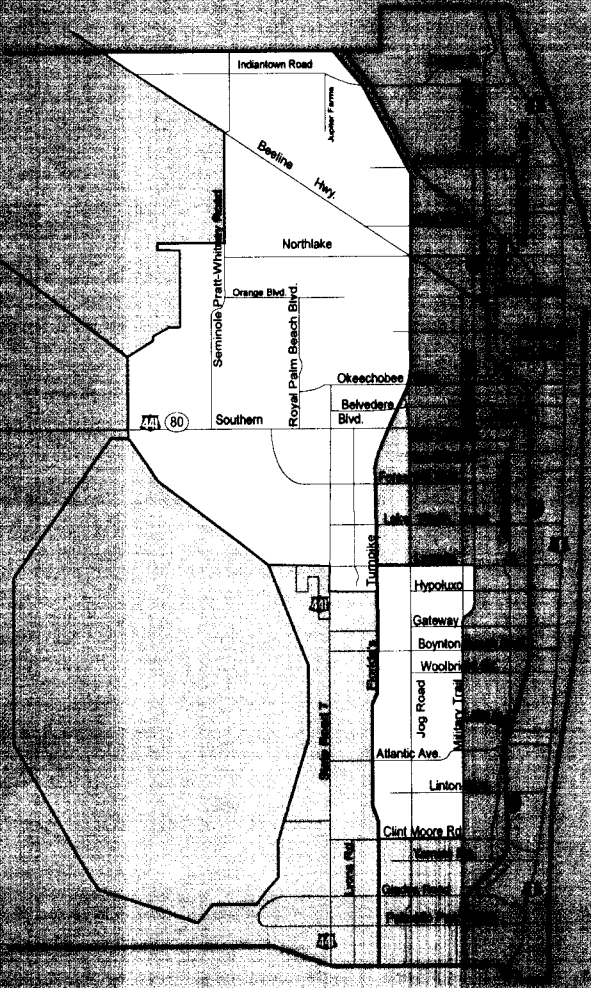


CONCEPTUAL ZONING REPORT



Planning Division
Revised December 1980

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COMMERCIAL NEEDS ASSESSMENT EXECUTIVE SUMMARY

Note: This report was revised December, 1999, as a result of a Board of County Commissioners workshop on October 26, 1999, and a Commercial Needs Assessment Steering Committee Meeting November, 18, 1999.

Introduction & Purpose

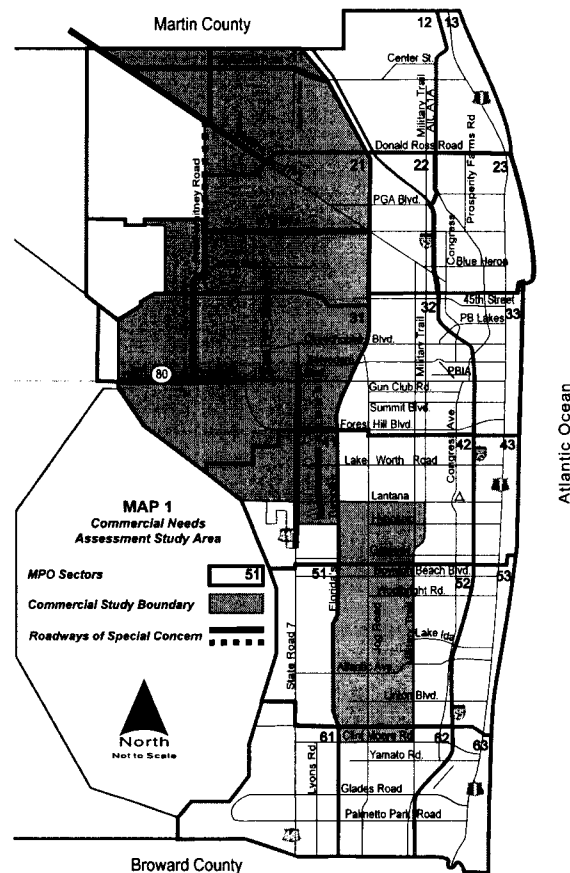
The 1989 Comprehensive Plan provided for limited commercial acreage in the western communities. Since the adoption of the 1989 Comprehensive Plan, the County has reviewed land use amendment requests on a case-by-case basis for additional commercial land use to determine need, compatibility with surrounding areas, and consistency with applicable policies in the County's Comprehensive Plan. In 1998, the Board of County Commissioners adopted a policy (LUE 2.2.2-g) which directed that a commercial needs assessment study be conducted to evaluate the need for additional nonresidential lands in the developing western portions of the county.

The goal of the study was to determine the need for additional commercial space in the study area by 2015 and provide information that will be used in the evaluation of commercial land use requests and other planning efforts. The study provides, from a regional perspective, 2015 estimates of the need for retail, office, and industrial space throughout the county and compares the need to the existing and potential supply. Additionally, the study provides recommen-

dations to address sub-areas of the county in which additional commercial and industrial acreage may be warranted.

Study Area

The study area includes the lands west of the Turnpike, east of the J. W. Corbett Wildlife Management Area and Arthur R. Marshall



Loxatachee Wildlife Refuge, from the Martin County line to just south of Lantana Road. Also included is the area between the Turnpike and Military Trail, from Lantana Road to Clint Moore Road west of Military Trail.

Public Involvement

A 10 member steering committee was appointed by the Land Use Advisory Board (LUAB) to work with staff to conduct the needs assessment. Committee membership includes a cross section of industry professionals, such as a commercial real estate broker, an economic consultant, a planning consultant, a transportation specialist, as well as community representatives from the study area.

Methodology

The committee directed staff in the development of methods to forecast demand and compare that demand to the existing and potential supply (demand versus supply). In order to determine and assess the needs in the study area, the amount and location of retail, office and industrial throughout the county was considered. To facilitate the assessment of the County's commercial need and to better organize the data for the purpose of analysis, the study area was divided into smaller distinct areas based on the Metropolitan Planning Organization (MPO) planning sectors.

The basic approach was to estimate the built and potential retail, office and industrial supply and compare it with

the 2015 forecasted demand to determine the need for additional retail, office and industrial space. The built supply was compiled from the Property Appraiser's parcel information and the potential supply estimated from commercial and industrial vacant lands.

The 2015 demand for retail, office and industrial space (square footage) was forecasted using the following methods evaluated by the committee. Two different methodologies were used to forecast total retail demand for the study in order to recognize different lifestyles and development patterns. Method 1, which was used for the Urban/Suburban Tier, forecasts demand by generating a per capita multiplier using countywide gross sales tax data and the median sales per square foot for selected retail sales categories. This method captures retail demand from households, as well as businesses, seasonal residents, visiting shoppers and tourists and results in a rate of 65 square feet per capita.

Method 2, applied outside of the Urban/Suburban Tier, forecasts demand using household income and consumer expenditure patterns. This method accounts for the full retail demand of residents in an area, but does not reflect business or tourist expenditures. The resulting per capita figure varies by sector based on average income levels for each sector and ranges from a low of 27 square feet to a high of 45 square feet per capita.

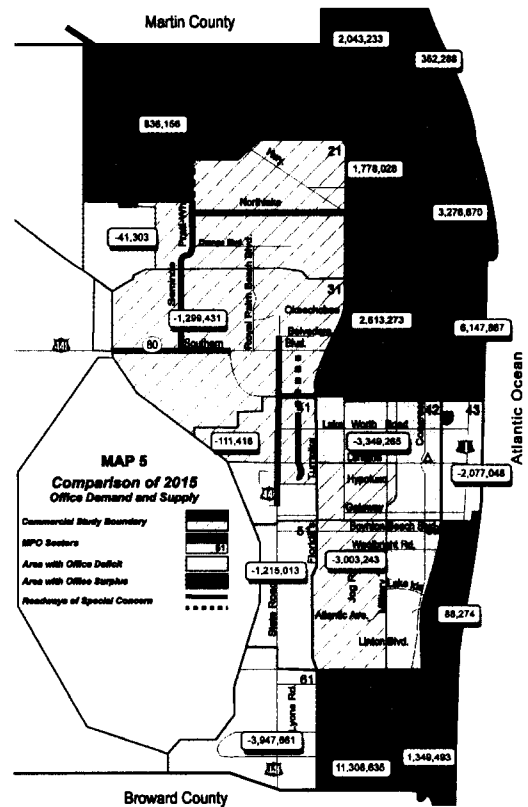
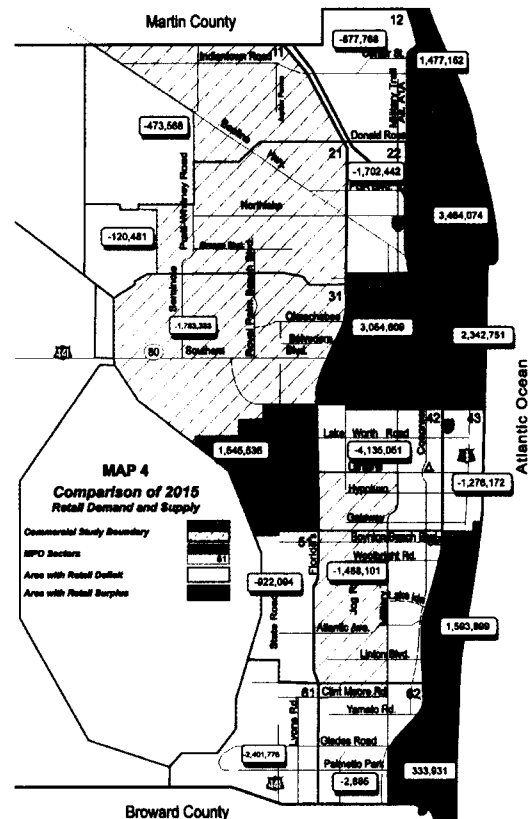
Throughout the study area, office space demand was determined by multiplying projected office employment by an average of 200 square feet per employee which was identified as an industry average nationally, as well as locally. Industrial space was projected using a ratio method based on local industrial space to population information which results in a multiplier of 50 square feet per person.

The committee's challenge was to evaluate the various areas individually, but within the context of the entire region. Factors considered by the committee included: relationships between areas; expectation of local versus regional shopping patterns, shifts in the industry, and transportation networks. The Committee also considered various planning initiatives directed by the BCC, including neighborhood plans and managed growth tier system.

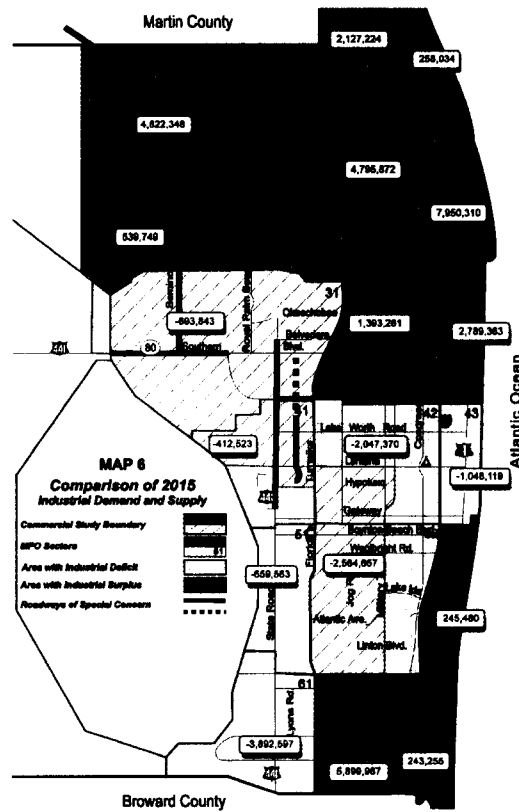
Findings

In 1997, there were 49 million square feet of retail space, 40.8 million square feet of office space, and 49.9 million square feet of industrial built space existing in Palm Beach County. The committee found that an additional 32 million square feet of retail space, 26 million square feet of office space, and 16 million square feet of industrial space will be needed from 1997-2015 to satisfy the 2015 demand in the county, above and beyond the existing built space.

The comprehensive plans for the County and all 37 local governments



within the county designate in their future land use plans future commercial and industrial lands. A review of these plans indicate that there are sufficient lands designated to accommodate the countywide 2015 demand for retail, office and industrial space. These designated lands can accommodate 31 million square feet of retail, 40 million square feet of office and 35 million square feet of industrial. Thus, the committee found that countywide sufficient lands have been designated to accommodate the 2015 demand for retail, office and industrial space. Although there is more than enough designated commercial and industrial land to accommodate the countywide 2015 demand, when looking at the sub-county level, the results indicate areas (sectors) of need and areas of potential surplus for retail, office and industrial space.



Recommendations

The steering committee weighed the numeric results, industry trends, community concerns, planning efforts and “real world” knowledge in order to interpret the results of the need assessment calculations. Based on the demand and supply information, the committee recognized that countywide there are sufficient commercial and industrial lands to accommodate the year 2015 projected demand for retail, office and industrial space. However, there are sub-areas of the county that do not have sufficient commercial and industrial lands to accommodate the sector 2015 anticipated retail, office and industrial demand and in those areas, additional commercial and industrial acreage may be warranted. For those areas, the committee made the following recommendations.

A. The committee made 2 recommendations to address the overall finding that, while there are more than sufficient lands to accommodate the 2015 retail, office and industrial demand countywide, there are sub areas (sectors) of need.

1. Explore the development of a program that allows the transfer (mitigation program) of retail, office or industrial space as a method for shifting retail, office or industrial space.
2. Explore the development of a program to allow the conversion of retail, office or industrial space to a different non-residential use (e.g., industrial to retail, or retail to industrial) to allow balancing of one use type and shortage of another.

B. The committee made 4 recommendations to address specific areas. Existing and future planning efforts were seen as opportunities to apply both the study findings and recommendations and to support existing neighborhood plans.

1. In north County (sectors 11 and 21), where a need for additional retail space was found, a conversion of existing non-residential space (i.e. industrial to retail) should be explored, using an equivalency formula so that impacts to the infrastructure and neighborhoods do not exceed the existing approvals.
2. In the north and central portions of the study area, which includes the Sector Plan area, there is a need for additional retail, office and industrial lands to accommodate anticipated 2015 demand. The bulk of this need should be met within the Urban/Suburban Tier where there are opportunities to provide the full range of retail need (neighborhood, community and regional). Within the sector plan area, the commercial need should be limited to meeting the retail demand of residents of that

area with neighborhood and community level retail facilities. In addressing these needs, the Sector Plan should be sensitive to the supply and demand findings of this report for the northern and central county area as well as on a Countywide basis.

3. In south County, additional retail, office industrial space should be provided to meet the demand for areas within the Ag Reserve (Sector 51). To avoid oversupply and recognize regional suppliers servicing a broad area, it is recommended that up to 25% of the identified total sector need (which equates to up to 250,000 square feet of retail space, up to 300,000 square feet of office space and up to 165,000 square feet of industrial space) should be provided within the Ag Reserve as part of the master planning process. Regional needs are likely to be met by existing or approved projects such as the three area regional malls (Town Center, Boynton Beach, and proposed Wellington Mall).
4. In sectors 52 and 42, the committee supports the direction of the West Boynton Area Community Plan which identifies additional retail, office and industrial space to address the area's potential demand, and supports the direction of each affected neighborhood plan to address that area's potential commercial and industrial demand.

[Note: at the October 26, 1999 workshop, the Board of County Commissioners directed that all neighborhood plans be considered in applying the results of this study.]

C. *The committee made 2 recommendations to provide flexibility to reflect market and land supply changes and to also accommodate special circumstances.*

1. Adopt the methodologies employed in the study in the County's Comprehensive Plan and update on an ongoing basis. These methods should be used to evaluate future commercial (retail), office, and industrial land use proposals and for land use studies. Adopting the methodologies will not prohibit either staff or others from exploring, evaluating, and/or using alternative methodologies or providing additional information.
2. Re-evaluate the commercial and industrial need across the County by monitoring the supply and demand of retail, office, and industrial space on an annual basis.

COMMERCIAL NEEDS ASSESSMENT STUDY

I. INTRODUCTION

At the direction of the Board of County Commissioners, the Planning Division has conducted a commercial needs assessment for the western coastal area of Palm Beach County. This assessment of commercial need will provide a countywide as well as local perspective for evaluation of site-specific commercial and industrial requests.

BACKGROUND

The 1989 Comprehensive Plan provided for limited commercial space in the western communities. The Plan directed that a commercial land allocation study be conducted to determine appropriate locations for additional commercial acreage on the 2015 future land use map. The 1989 Economic and Intergovernmental Coordination Elements contained policies identifying the need to undertake a commercial allocation study. A preliminary land allocation study was completed based on a set of long range development scenarios, but additional commercial acreage was not identified on the Future Land Use Atlas.

Since the adoption of the 1989 Comprehensive Plan, the County has reviewed requests for additional commercial land use on a case-by-case basis to determine need, compatibility, and consistency with applicable policies in the County's Comprehensive Plan. In 1997, the Board of County Commissioners adopted a policy (LUE 2.2.2-g) which directed staff to undertake a commercial needs assessment to determine the commercial need in the western portion of the coastal area, which includes the Jupiter

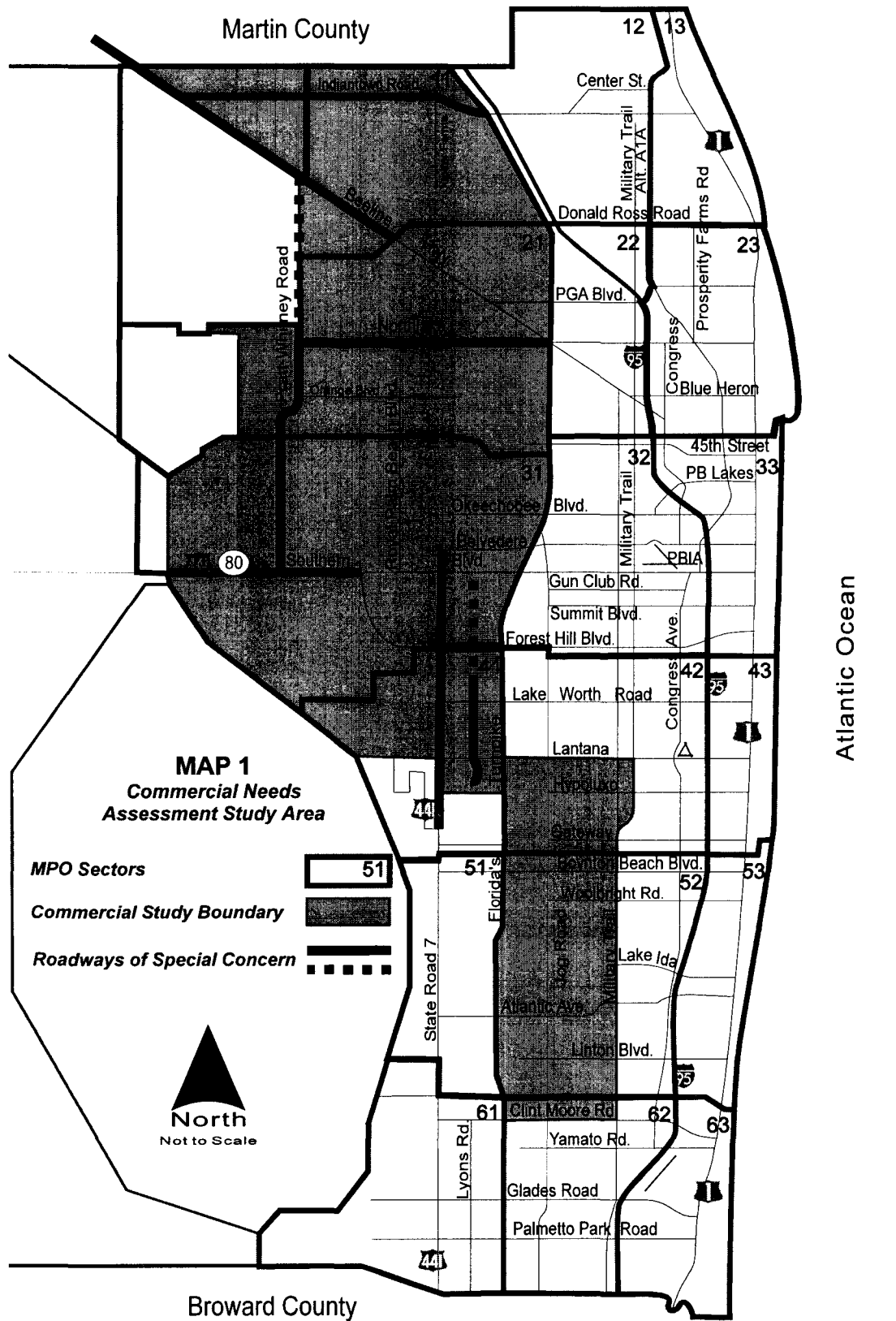
Farms region, the Acreage/Loxahatchee Groves area, and the State Road 7 corridor.

LUE Policy 2.2.2-g: *By December 31, 1999, the County shall complete a Commercial Needs Assessment/ Location Study for the Western Coastal Area of Palm Beach County, in order to identify the need for commercial land use in the area and, if appropriate, identify appropriate locations for commercial uses, with particular attention given to the following roadway segments:*

- *Indiantown Road, west of the Interstate 95/ Florida Turnpike interchange*
- *Northlake Boulevard, west of the Bee Line Highway*
- *Seminole Pratt Whitney Road, current roadway and proposed expansion*
- *Bee Line Highway, within the Unincorporated area*
- *Southern Boulevard, west of the municipal boundaries of the Village of Royal Palm Beach*
- *Forest Hill Boulevard, between the Florida Turnpike and the Wellington PUD (now the Village of Wellington municipal boundaries)*
- *US 441, from the northern boundary of the Agricultural Reserve to Belvedere Road*
- *Lyons Road, current roadway and proposed expansion, north of the Agricultural Reserve to Southern Boulevard*

In 1998, the Planning Division began the Commercial Needs Assessment study to evaluate the need for additional nonresidential lands in the developing western portions of the county. The goal of the study was to determine the need for additional commercial space by 2015 and provide information to be used in the evaluation of commercial land use requests. The study provides estimates of the need for retail, office, and industrial space throughout the county relative to supply.

The committee addressed location issues at a sector level and did not address site specific locations for additional retail, office



or industrial need. The committee determined that site specific location decisions should be handled by the private market through the land development process and/or through other area specific cooperative public-private planning efforts.

STUDY AREA

The study area includes the lands west of the Turnpike, east of the J. W. Corbett Wildlife Management Area and Arthur R. Marshall Loxatachee Wildlife Refuge, from the Martin County line to just south of Lantana Road. Also included is the area between the Turnpike and Military Trail, from Lantana Road to Clint Moore Road (see Map 1 for Study Area). *The Glades area was not addressed in the study, but will be addressed as part of the Managed Growth program. A comprehensive planning effort will be conducted that will address land use needs for the Glades.*

APPROACH TO THE STUDY / STEERING COMMITTEE

A 10 member steering committee appointed by the Land Use Advisory Board (LUAB) was established to work with staff to conduct the

needs assessment. Committee membership included; a LUAB member, a commercial real estate broker, an economic consultant, a planning consultant, a transportation specialist, a representative from the western communities, a representative from Jupiter Farms, a representative from the Coalition of Boynton West Residential Associations (COBWRA), a representative of the West Delray community and a representative from the League of Cities.

The committee directed staff in the development of the appropriate methods to forecast retail demand, determine typical commercial intensity, and evaluate the extent of vacant commercial properties throughout the eastern area of the county. The committee was asked to evaluate each study sector based on the demand/supply analysis and recommend appropriate adjustments based on the relationships between sectors, travel patterns, future roadways, traffic concurrency issues and appropriate vacancy rates, as well as to consider the intent of other BCC directed planning efforts such as Managed Growth, Ag Reserve Master Plan, along with neighborhood plans and the Burt J. Harris Private Property Rights Act.

II. METHODOLOGY AND DATA SOURCES

To facilitate the assessment of the county's commercial need and to better organize the data for the purpose of analysis, the study area was further broken down into smaller distinct areas based on the Metropolitan Planning Organization (MPO) planning sectors, hereafter referred to as sectors. These sectors are generally homogeneous in demographics. The boundaries of the study, shown on map 1, include all or portions of sectors 11, 21, 41, 42, 52, and 63 comprise the study area.

A determination was made by the steering committee that in order to conduct a reasonable assessment of the need for commercial space in the study area, the needs assessment should encompass the entire county in recognition of the relationship of the study area to regional retail and employment centers (which are primarily located within municipalities) and adjacent communities. The committee also expanded the scope of the study to look at office and industrial space in addition to commercial retail space. The committee included industrial space to address the need for employment centers as well as the need to account

for the amount of office and, to a lesser degree, retail space, which can be sited in areas of industrial use.

There are a number of approaches that could be used to evaluate future commercial and industrial need, from very simple ratios to detailed trend analyses evaluating demographic and industry information. At the base of all the approaches, however, is a comparison of forecasted demand to the existing and potential supply (demand versus supply). Forecast of demand is established using the County's Population Disaggregation Model which provides population projections at the sector level and is used in the County's other planning efforts. The model relies on the Bureau of Economic and Business Research (BEBR), University of Florida, mid-range projections for countywide population figures.

The following discussion will review in detail the demand methodologies which were used in the study, as well as assumptions used to determine the 2015 commercial and industrial supply (potential supply).

DEMAND FORECASTS

Retail Demand

Two different methodologies were used to forecast total retail demand for the study. Both methods use population as a basis for forecasting the future demand for retail space.

Method 1: Regional Sales Approach

Method 1 forecasts demand by generating a per capita multiplier using median sales per square foot for selected retail sales cat-

egories obtained from the Urban Land Institute (ULI) Publication, *1997 Dollars & Cents of Shopping Centers*, and the 1997 Palm Beach County gross sales as reported by the Florida Department of Revenue. The resulting figure is a square foot retail demand per capita (per person) multiplier of 65 square feet per capita (sqft/capita) overall. The per capita figure is multiplied by the projected population to arrive at the total retail demand.

Retail demand was further broken down into components to differentiate between regional, community and neighborhood demand using the ULI guidelines. Using this

methodology yields neighborhood retail demand of 18 sq ft/capita, community retail demand of 22 sq ft/capita, and regional retail demand of 25 sq ft/capita.

Method 2: Household Income Approach

Method 2 forecasts demand using household income and consumer expenditure patterns. Total purchasing power for each MPO sector was developed from household and household income projections. A consumer expenditure survey for the southern region of the U.S. conducted by the U.S. Department of Labor, Bureau of Labor Statistics (1995) was used to identify consumer expenditures patterns for retail goods by household. Estimated sales were calculated by multiplying the purchasing power by the percentage of disposable income spent by households in each retail category.

Each disposable income category (established by the Consumer Expenditure Survey) was attributed a sales per square foot of gross leaseable area (GLA) using the Urban Land Institute's 1997 *Dollars & Cents of Shopping Centers*. Justifiable space was calculated by dividing estimated sales for each disposable income category by the cor-

responding sales per square foot per GLA. For the purposes of this study retail need was then aggregated into three categories: Neighborhood, Community, and Regional using the ULI estimated sales equivalents. Method 2 generated varying figures per household as a result of varying household income (demand) in each MPO sector.

Comparison of the Methods

The two methods differ in the approach to forecast demand. Method 1 uses sales information and Method 2 uses disposable income. Method 1 was employed within the Urban/Surburban Tier because it encompasses the full range of retail expenditures from residents, seasonal residents, tourists and businesses. The second methodology, employed outside of the Urban/Surburban Tier, forecasts demand from permanent and seasonal residents, but does not take into account expenditures by tourist or businesses. The committee members determined that two methods should be used instead of a single method countywide because the character of development found in the county is markedly different outside of the Urban/Surburban Tier. The eastern area has more regional employment centers, and is typically more intense, while the western areas are typically suburban or rural communities with few regional employment or tourist destinations.

There was Committee consensus that method 1 is a more appropriate methodology for the purpose of reflecting the purchases from tourist, seasonal residents, businesses and visiting shoppers in the per capita multiplier. Method 2, which uses disposable income of residents, was determined to be more appropriate for projecting need for the areas lying outside of the Urban/Surburban Tier, better reflect the western communities' suburban and rural lifestyle.

Table 1
Retail Demand in the Year 2015

Sector	Population	Households	Retail Demand (in Square Feet)
11	24,548	8,024	795,468
12	57,086	24,416	3,714,586
13	20,651	12,223	1,343,761
21	34,455	12,913	1,517,927
22	65,511	30,203	4,262,801
23	86,943	39,901	5,657,381
31	118,829	44,301	7,203,248
32	120,319	52,612	7,829,157
33	79,243	34,051	5,156,342
41	26,868	10,314	1,645,467
42	188,274	85,772	12,250,989
43	58,514	27,980	3,807,506
51	24,176	8,096	949,020
52	148,278	77,062	9,648,449
53	50,749	23,909	3,302,237
61	89,556	39,482	5,683,923
62	61,952	29,459	4,031,217
63	61,886	31,725	4,026,922
Totals	1,317,838	592,444	82,826,401

Table 1 provides the 2015 retail demand results by sector.

Office Demand

Office space demand was determined by multiplying office employment by an average office space per employee. Projected

was 200 feet or less per employee (*Office Development Handbook*, 2nd edition, June 1998). Upon review of market trends and recent publications, the committee specified 200 square feet per office employee as the appropriate average for the study. The 200 square feet per employee average was also supported by information from the Business

Table 2
2015 Office Employment and Projected Demand for Palm Beach County

	Total Employment	% Office	Office Employment	Office Space (in square feet)
FIRE	37,665	100%	37,665	7,533,000
Services	276,081	50%	138,041	27,608,100
Government	78,540	85%	66,759	13,351,800
TCPU	17,908	50%	8,954	1,790,800
Trade	174,638	50%	87,319	17,463,800
Construction	33,626	10%	3,363	672,520
Manufacturing	26,785	10%	2,679	535,700
Totals	645,243		344,779	68,955,720

Employment projections-Bureau of Economic and Business Research, University of Florida, Florida Long-Term Economic Forecast, 1997.
 FIRE-Finance, Insurance, and Real Estate
 TCPU-Transportation, Communications and Public Utilities

total employment was taken from the Bureau of Economic and Business Research, University of Florida, *Florida Long-Term Economic Forecast*, 1997. Office employment figures were derived by multiplying total projected employment in each category (established by BEBR) by the percentage of office employees for each employment category. The percentage of office employees was derived from a Planning Study conducted by the Richmond Regional Planning District Commission. The steering committee found the percentages used to identify office employment reflected general industry trends and would represent Palm Beach County office employment. The sum of office employment in each employment category produces the total projected office employment for the County in a given year.

Office space was estimated by multiplying office employment by the average square feet of actual office space required for each employee. The Urban Land Institute (ULI) reported that the average office space per employee in new suburban office buildings

Development Board. Projections for the 2015 countywide office space demand are provided in Table 2.

Distribution of Office Demand Across the County

For the year 2015, dividing the total projected office employment by the total pro-

Figure 1
Office Demand Calculation for Determining Sector Needs

$$\frac{\text{Sector Population}}{1000} \times \frac{253}{\text{(Employment Ratio)}} \times \frac{200 \text{ sq. ft.}}{\text{(Office Space)}} = \text{Sector Office Space Demand}$$

jected population, a ratio was established as 253 office employees for every 1000 persons. The projected population of each sector was divided by 1000 and then multiplied by the office employment ratio to determine the number of office employment by sector (Figure 1 provides calculation). Office employment was then multiplied by 200 (office space per employee) to arrive at the office space demand for each sector. Office space by sector is included in Table 3.

Industrial Demand

Traditionally, demand calculations for industrial space were based on absorption rates or employment forecasts; however, absorption rates and employment rates have been significantly affected due to recent changes

in population and have stable industrial lands. In the ratio method, demand was assumed to be relative to the size of the community. Based on the industrial space from the two representative communities (Delray Beach and Boynton Beach), approximately 2,500,000 square feet of industrial space are

Table 3			
Retail, Office and Industrial Space Demand in the Year 2015			
Sector	retail	office <i>in square feet</i>	industrial
11	795,468	1,264,574	1,248,050
12	3,714,586	2,601,494	2,567,500
13	1,343,761	1,055,391	1,041,600
21	1,517,927	1,554,969	1,534,650
22	4,262,801	3,494,158	3,448,500
23	5,657,381	4,455,470	4,397,250
31	7,203,248	5,930,798	5,853,300
32	7,829,157	6,005,828	5,927,350
33	5,156,342	4,039,535	3,986,750
41	1,645,467	1,378,462	1,360,450
42	12,250,989	9,634,393	9,508,500
43	3,807,506	2,960,181	2,921,500
51	949,020	1,352,574	1,334,900
52	9,648,449	7,581,974	7,482,900
53	3,302,237	2,574,592	2,540,950
61	5,683,923	4,584,303	4,524,400
62	4,031,217	3,151,227	3,110,050
63	4,026,922	3,134,965	3,094,000
Totals	82,826,401	66,754,886	65,882,600

Bold, italicized rows indicate sectors within the study area

at regional employers including IBM and Pratt & Whitney. These changes affect typical predictors and would result in an assessment which may or may not adequately describe the County's industrial needs. Ron Berger, an expert in industrial real estate recommended by the National Association of Industrial Office Properties, suggested a ratio method to represent the community's need for industrial space. Delray Beach and Boynton Beach were used as representative communities to determine an appropriate square footage of industrial space per person. Both of these cities are roughly simi-

supported per 50,000 people, or 50 sq ft per capita. This would account for some regional employment needs (serving external customers) as well as local industrial needs (such as car repair and some construction industry related operations addressing local needs).

Table 3 provides space (square footage) demand for industrial uses along with the retail and office demand. These demand numbers were used in the assessment to determine need by sector. Table 3 provides the demand numbers.

THE SUPPLY

For the purposes of this study, the supply of retail, office and industrial space was reported in square feet as opposed to land acreage because different properties can yield different amounts of square footage of commercial space as a result of site conditions, government regulations, or other factors. In the following discussion, the methodologies will be presented to describe how retail, office and industrial supply was determined. A base year of 1997 was used (as a result of the availability of information) for built supply and the unbuilt potential. Properties in the early stages of development in 1997 are reported under the unbuilt space results.

Built Space

The built supply was based on the 1997 Palm Beach County Property Appraiser parcel information. Nonresidential structures were evaluated using building use codes and reported building area (square footage, or Gross Floor Area (GFA)). Several assumptions were used to revise built space square footage to estimate the amount of office space within built shopping centers and industrial areas. It was assumed that 25% of the space in built community shop-

Potential (Unbuilt) Space

The determination of potential space, or unbuilt space, involved the identification of properties with existing approvals (approved but unbuilt space/square footage) and vacant lands with a commercial or industrial designation but no approvals (vacant uncommitted lands). The future supply (commercial lands currently vacant-uncommitted, approved unbuilt, and approved partially built) was generated using the Property Appraiser's information. Approximately

Table 4
1997 Retail, Office and Industrial Built Space

Sector	Retail square feet	Office square feet	Industrial square feet
11	29,425	461,602	1,894,257
12	1,029,036	564,739	2,344,379
13	1,610,653	904,899	1,232,747
21	155,453	150,346	551,611
22	771,844	826,669	2,040,102
23	6,300,190	4,288,505	8,313,944
31	1,686,445	913,592	1,519,823
32	7,293,372	4,623,090	5,334,963
33	5,712,949	7,978,428	5,895,234
41	126,742	34,421	456,096
42	5,476,921	2,332,706	4,504,585
43	2,218,374	700,635	1,751,241
51	23,830	26,288	496,149
52	4,431,046	2,098,287	3,338,528
53	3,841,798	2,104,219	2,466,043
61	2,525,821	570,865	574,632
62	2,658,836	8,075,892	4,206,178
63	3,983,642	4,189,522	3,062,607
Total	49,876,377	40,844,703	49,983,117

Bold, italicized rows indicate sectors within the study area

ping centers, excluding the portions which are supermarket and drug stores, were used for office space (observed office uses included medical, insurance, utility, and government). A portion of the industrial space which was categorized as miscellaneous industrial space was assumed to have 35% office use based on information from the Property Appraiser's office. Table 4 provides the built retail, office and industrial space. Appendix B.1.2 shows calculations for built space reflecting the assumptions discussed above.

4,900 parcels were identified for inclusion in the potential commercial and industrial supply. Potential square footage (gross floor area) was generated by combining square footage for approved unbuilt projects and then adding an estimated future square footage from vacant uncommitted commercial or industrial parcels (obtained by multiplying the acreage by a floor-to-area-ratio (FAR)). Committee members indicated that typical FAR for retail projects is 0.22, in contrast to the 0.35 maximum FAR allowed in

most County commercial zoning districts. Industrial FARs have a greater variation, though given anticipated industrial needs (warehousing) a FAR of .35 was used for industrial space, except in special conditions where environmental considerations would limit projects.

A number of assumptions regarding how much nonresidential space will be built were used to eliminate from the calculations of projected need those properties that are unlikely to build:

- a) Approvals do not build at 100%; a 90% factor was used (based on an informal survey of existing projects).
- b) Not all vacant lands will build; for the study, it was assumed only 80% will build within the 2015 timeframe.
- c) 20% of approved commercial projects will be used for office.
- d) 25% of uncommitted commercial designated vacant lands will be used for office.

- e) 25% of approved industrial projects will be used for office.
- f) 40% of uncommitted industrial designated vacant lands will be used for office (business or office parks are found mostly within lands designated as industrial).
- g) A typical FAR of 0.22 was used to calculate potential commercial space. For industrial space, a FAR of 0.35 was used for lands within the urban service area, and .10 for properties outside of the urban service area. In some extreme cases a 0.05 FAR was used for properties which face severe development constraints due to wetlands (industrial lands in wetland areas along the Beeline Highway, for example).

Table 5 provides total space by sector. Appendices B.1.1 thru b.3.1 show detailed calculations reflecting the assumptions referenced above.

Table 5			
Total Built and Potential (Unbuilt) Supply			
Sector	Retail	Office	Industrial
	<i>square feet</i>	<i>square feet</i>	<i>square feet</i>
11	321,901	2,100,730	6,070,398
12	2,836,818	4,644,727	4,694,724
13	2,820,913	1,407,678	1,299,634
21	1,397,446	1,513,666	2,074,399
22	2,560,359	5,272,187	8,244,372
23	9,121,455	7,732,139	12,347,560
31	5,419,915	4,631,367	5,159,457
32	10,883,766	8,619,102	7,320,631
33	7,499,093	10,187,402	6,776,113
41	3,191,003	1,267,044	947,927
42	8,115,938	6,285,127	7,461,130
43	2,531,334	883,133	1,873,381
51	26,926	137,561	675,337
52	8,180,348	4,578,731	4,898,243
53	4,896,136	2,662,866	2,786,430
61	3,282,146	636,642	631,803
62	4,028,332	14,459,862	9,010,037
63	4,360,853	4,484,457	3,337,255
Total	81,474,682	81,504,421	85,608,832

Bold, italicized rows indicate sectors within the study area

III. COMPARING SUPPLY AND DEMAND

The determination of need requires the forecasting of demand and the accounting of the supply and potential supply (need = supply - demand). Generally, on a countywide basis there are sufficient lands designated to accommodate the county's projected 2015 demand for retail, office and industrial space. Retail demand in 2015 (Table 2) is forecasted at 83 million square feet of retail space. The projected built and unbuilt retail supply for 2015 (Table 4) is 81.5 million square feet. Regional based office demand was projected at 67 million square feet, versus a potential supply of 81.5 million square feet. Industrial demand is projected at 66 million square feet versus 85.6 million square feet of potential supply.

numbers indicate a surplus, while numbers in parentheses indicate need (deficit). Based on the demand and supply numbers for retail space, MPO Sectors 11, 12, 21, 22, 31, 42, 43, 51, 52, 61 and 62 show need,

Table 6
Comparison of 2015 Projected Demand to the Built and Unbuilt Supply

Sector	retail	office	industrial	Total
11	(473,568)	836,156	4,822,348	5,184,936
12	(877,768)	2,043,233	2,127,224	3,292,689
13	1,477,152	352,288	258,034	2,087,474
21	(120,481)	(41,303)	539,749	377,965
22	(1,702,442)	1,778,028	4,795,872	4,871,459
23	3,464,074	3,276,670	7,950,310	14,691,053
31	(1,783,333)	(1,299,431)	(693,843)	(3,776,607)
32	3,054,809	2,613,273	1,393,281	7,061,163
33	2,342,751	6,147,867	2,789,363	11,279,982
41	1,545,536	(111,418)	(412,523)	1,021,595
42	(4,135,051)	(3,349,265)	(2,047,370)	(9,531,686)
43	(1,276,172)	(2,077,048)	(1,048,119)	(4,401,339)
51	(922,094)	(1,215,013)	(659,563)	(2,796,669)
52	(1,468,101)	(3,003,243)	(2,584,657)	(7,056,000)
53	1,593,899	88,274	245,480	1,927,653
61	(2,401,776)	(3,947,661)	(3,892,597)	(10,242,034)
62	(2,885)	11,308,635	5,899,987	17,205,737
63	333,931	1,349,493	243,255	1,926,679
Total	(1,351,719)	14,749,535	19,726,232	33,124,048

*Bold, Italicized rows indicate sectors within the study area
Results in () indicate negative values and potential need*

The calculations result in the following:

Retail = a deficit of 1,351,719 sqft
Office = a surplus of 14,749,000 sqft
Industrial = a surplus of 19,726,00 sqft

When looking at the sector level, however, the results indicate substantial variation by sector. This variation is most dramatic for retail space: some sectors have a strong need (ability to support additional commercial acreage above what is already provided for in the existing supply and designated lands), while other sectors have areas of surplus (enough commercial acreage/square footage to accommodate expected local demand as well as some or all demand from surrounding sectors). Table 6 illustrates the results of the need calculations. Positive

whereas 13, 23, 32, 33, 41, 53, and 63 show a surplus.

Looking just at the study area, the results for sectors 11, 21, 31, 42, 52, and 62 indicate a deficit of retail space by the year 2015. Sectors 21, 41, 42, and 52 indicate a deficit of office space and sectors 31, 41, 42, and 52 indicate a deficit of industrial space.

The results of the needs calculations provide the basis for a general evaluation of need using the demand and supply figures, as well as local knowledge, industry trends, and sector relationships. These considerations and their effect on the determination of need are discussed in the next section.

IV. ADDITIONAL CONSIDERATIONS

While assessing the need for commercial office and industrial land, a number of other issues were also be considered.

Managed Growth (Tier Program):

The purpose of the managed growth tier system is to provide strategies to protect the diversity of lifestyle choices in Palm Beach County as well as enhance areas in need of assistance. Growth management strategies are intended to direct the location and timing of future development to achieve certain goals.

Eastward Ho!:

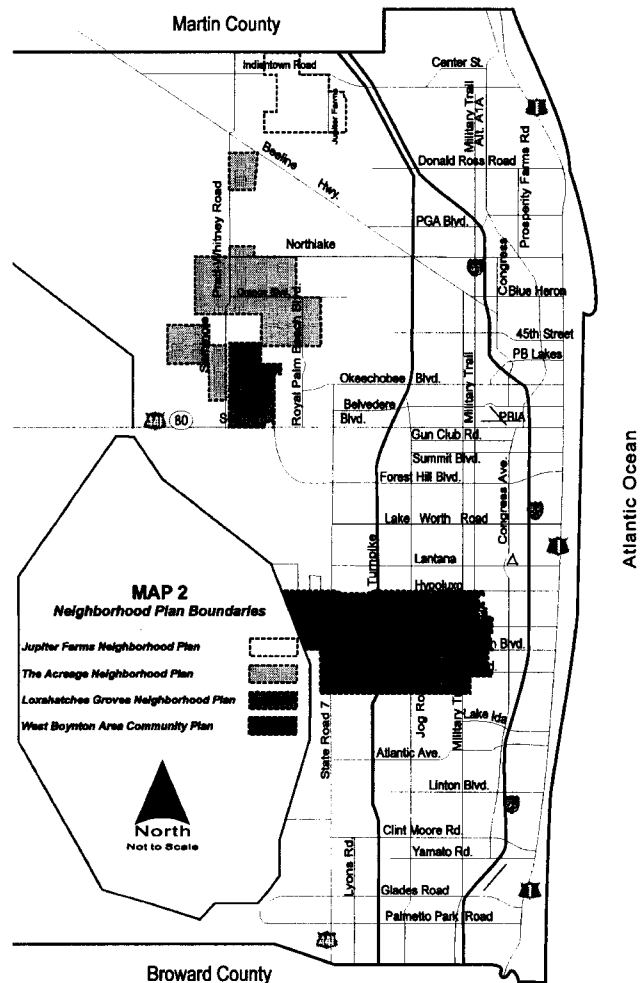
In an effort to slow the westward spread of suburban sprawl into the Everglades ecosystem, the State has sponsored an Eastward Ho! Program to spur in-fill development and redevelopment in the eastern urbanized areas. The BCC has indicated its support for eastward redevelopment and revitalization through programs such as Countywide Community Revitalization Team (CCRT) and the direction to prepare in-fill development regulations.

Agricultural Reserve:

The BCC has directed preparation of a master development plan for the Ag Reserve which will preserve and enhance agricultural activity and environmental and water resources in the Agricultural Reserve.

Neighborhood Plans:

The BCC has formally accepted several neighborhood plans developed by Planning Division and/or local residents, and directed their use as an expression of the wishes of



area residents. Neighborhood plans or special studies affecting the Commercial Needs Assessment study area include the *Jupiter Farms Neighborhood Plan*, the *Acreage Neighborhood Plan*, the *Loxahatchee Groves Neighborhood Plan*, the *West Boynton Area Community Plan* and the *Western Northlake Corridor Land Use Study*. Map 2 and 3 identify the location of the neighborhood and plan and special study areas.

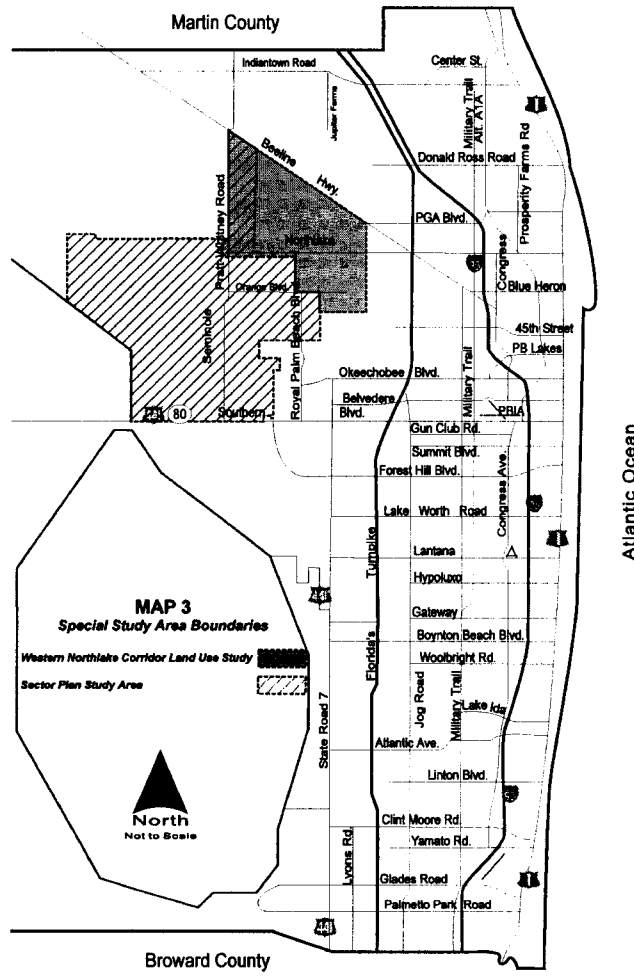
V. FUTURE CONSIDERATIONS AND TRENDS

Sector Planning

In November 1998, the BCC initiated the process to develop a sector plan for the area west of Royal Palm Beach (sectors 21 and 31). The purpose of the sector plan is to identify planning issues and develop a master plan for the area which will seek to address issues within the area. The boundaries of the proposed sector planning area include portions of the commercial needs assessment study area and are generally described as north of Southern Boulevard, west of the Royal Beach, West Palm Beach and Palm Beach Gardens city limits, south of Beeline Highway, and east of the L-40 canal and the J.W. Corbett Wildlife Management Area. The Sector Planning process is also getting underway; the commercial needs assessment would provide tools and an assessment of retail, office, and industrial need which should be used for estimating need in the sector planning process.

Commercial Trends

There is an increasing trend for on-line, TV or catalog sales as opposed to in store-retail purchases. In 1995, non-store sales accounted for 3% of all retail sales (The Retailing Revolution, Urban Land Institute 1997). This figure is anticipated to increase in the coming years. The success of QVC, proliferation of catalog companies and continuing expansion of internet services are indicators of the growing trend to forego a trip to the stores for certain goods (particularly apparel and electronics). The future impact of such sales on local markets is not known at this point and it is not anticipated that the majority of retail expenditures would be done through non-



store means. However, the trend will have an impact in determining future retail need, as this trend may result in less retail demand for local commercial space.

Office Trends

The recent trend for office employment is to have more employees in the same size buildings, which translates in less office space per employee. The current standard for office space is between 200 to 250 square feet per employee according to the

Office Development Handbook 2nd Ed., published by the Urban Land Institute. More recently however, office projects have been built with far less space per employee. The Office Development Handbook noted developments in the Chicago area where square feet per employee ranged from 54 to 147 square feet (*Office Development Handbook*, p.39). Committee members noted a similar trend in the county where new office developments had less than 200 square feet per employee.

Industrial Trends

The majority of new industrial development in Palm Beach County is typically for warehousing or distribution uses versus large scale manufacturing. According the Business Development Board, this trend is likely to continue in the foreseeable future. Based on this trend, the location for industrial lands would be most appropriate along major transportation routes such as the Turnpike, I-95 and/or other routes with good connection to air and seaports.

VI. ANALYSIS AND FINDINGS

The steering committee weighed the numeric results, industry trends, community concerns, planning efforts and “real world” knowledge in order to interpret the results of the need assessment calculations.

From a countywide perspective, the needs results indicate that the current land use plans designate sufficient lands to accommodate the 2015 demand for, office and in-

items (neighborhood) some shopping may occur at businesses (capture diversion) on route to home from work. For other items such as clothing, hardware, furniture, electronic equipment, and personal services (community and regional), a person may travel throughout the county, or to other counties, or may order items through catalogs or internet-online services. Therefore,

one sector’s need or surplus must be viewed in the context of adjacent sectors.

For example, as part of the evaluation, a sector with a surplus of retail may be able to satisfy the commercial need for an

adjacent sector with a deficit. This is especially true in sectors which house regional commercial and employment centers, which serve more than their sector’s population. Table 7 provides a regional look at the needs analysis by grouping sectors (north, central and south). Table 7 indicates regional areas of need and better identifies areas to address with specific recommendations. Map 4 provides a visual representation for retail needs assessment results.

Northern Palm Beach County

North county, from 45th Street north to the Martin County line, has sufficient retail, office and industrial space to accommodate the 2015 demand, however, at the sector level there are areas of need and surplus.

With respect to retail need, sectors 11 and 21 (Jupiter Farms, Northlake area, the Acreage, and most of the Sector Plan area), which are within the study area, were identified as having a need for additional retail space by 2015. Portions of that need are

Table 7 Regional Groupings of Sectors

Region	Retail	Office	Industrial	total
North	1,766,967	8,245,072	20,493,537	30,505,576
Central	(251,660)	1,923,978	(19,211)	1,653,108
South	(2,867,027)	4,580,486	(748,094)	965,365
Total	(1,351,719)	14,749,535	19,726,232	33,124,048

Results on () indicate negative values and potential need

dustrial space. With respect to retail space, there is a potential deficit of 1.3 million square feet, an overage of about 5% of expected demand. However, office and industrial space, there is a significant potential surplus. Countywide there is a potential for 14 and 19 million surplus square feet of office and industrial space respectively, or an overage of 18% and 30% of expected demand.

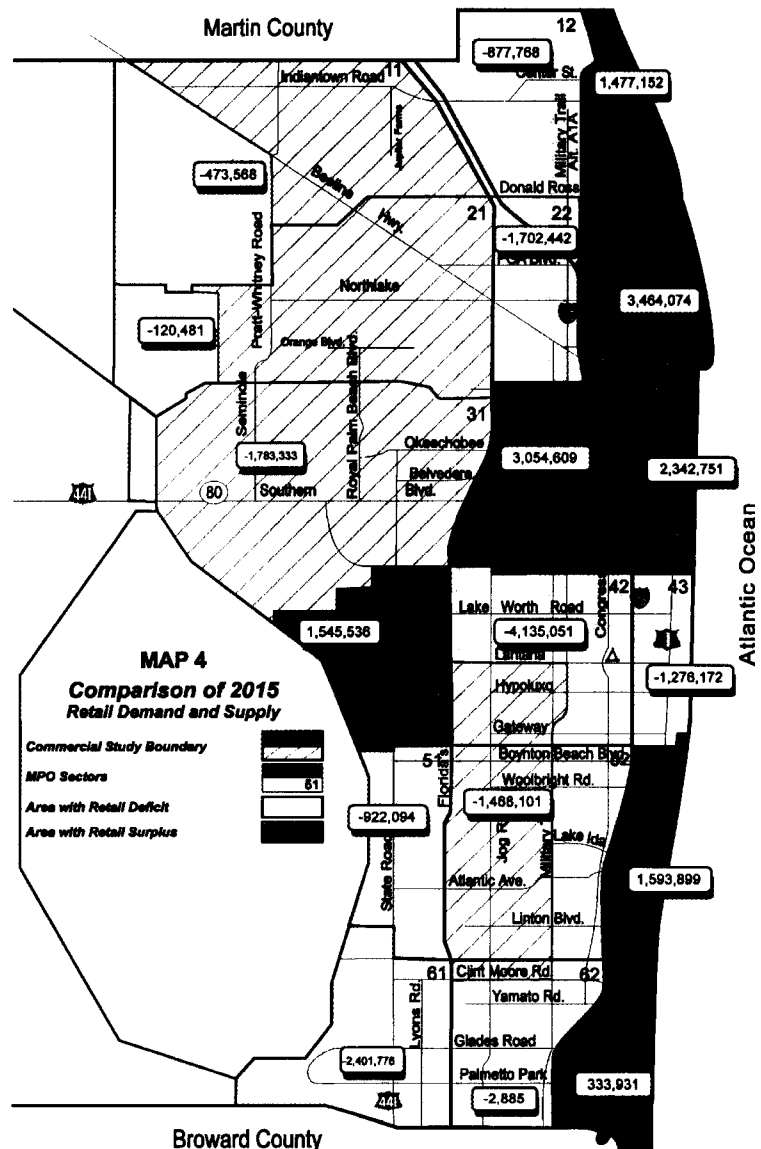
Although there is more than enough land to accommodate the countywide 2015 demand, when looking at the sub-county level, the results indicate areas (sectors) of need and areas of potential surplus for retail, office and industrial space. The committee’s challenge was to evaluate the various areas individually, but within the context of the region. Retail, office and industrial demand was projected by sector; however, a sector does not define a person’s entire travel pattern. People work and shop miles away from their homes. For instance, while a person’s usual shopping pattern may involve local trips to the nearest supermarket for grocery

addressed via regional retail centers such as the Palm Beach Gardens Mall or by Abacoa. The North county area includes the area addressed by the *Jupiter Farms Neighborhood Plan*, which establishes the community's desire to protect its rural character. In addition, policies to implement the Managed Growth Tier Program have been proposed to protect the character of the rural areas. The study area also includes the region which was the subject of the *Western Northlake Corridor Land Use Study* (Sector 21). While the needs calculations indicate a somewhat greater need for retail space than originally projected in the *Western Northlake Corridor Land Use Study* (116,000 square versus 73,000 square feet) due to differences in scope and assumptions, the studies have similar results.

North county has a substantial amount of unbuilt lands for office and industrial uses. The Abacoa project has an approval for 2.2 million square feet of office space, providing the potential for a significant regional employer. In total, the supply of potential office space in northern Palm Beach County could exceed demand by 8.2 million square feet.

With respect to industrial space, there is a potential for more than 20 million square feet in the North County. The Pratt & Whitney site has over a million square feet alone. In addition, the Palm Beach Park of Commerce has over 6 million square feet of approved but mostly unbuilt space (approved industrial and office space of 5.9 million sqft and

260,000 sqft respectively). Two important issues arise with respect to industrial space needs as a result of the needs assessment. First, there is the question of whether lands which are currently designated as industrial are in appropriate locations given transportation routes or industry trends. Secondly, there is the question of land suitability. Approximately 5,000 acres of designated industrial lands are under contract as part of the environmentally sensitive lands program. Additional lands designated industrial are similarly situated, and may present substantial hurdles when developing sites for industrial purposes.

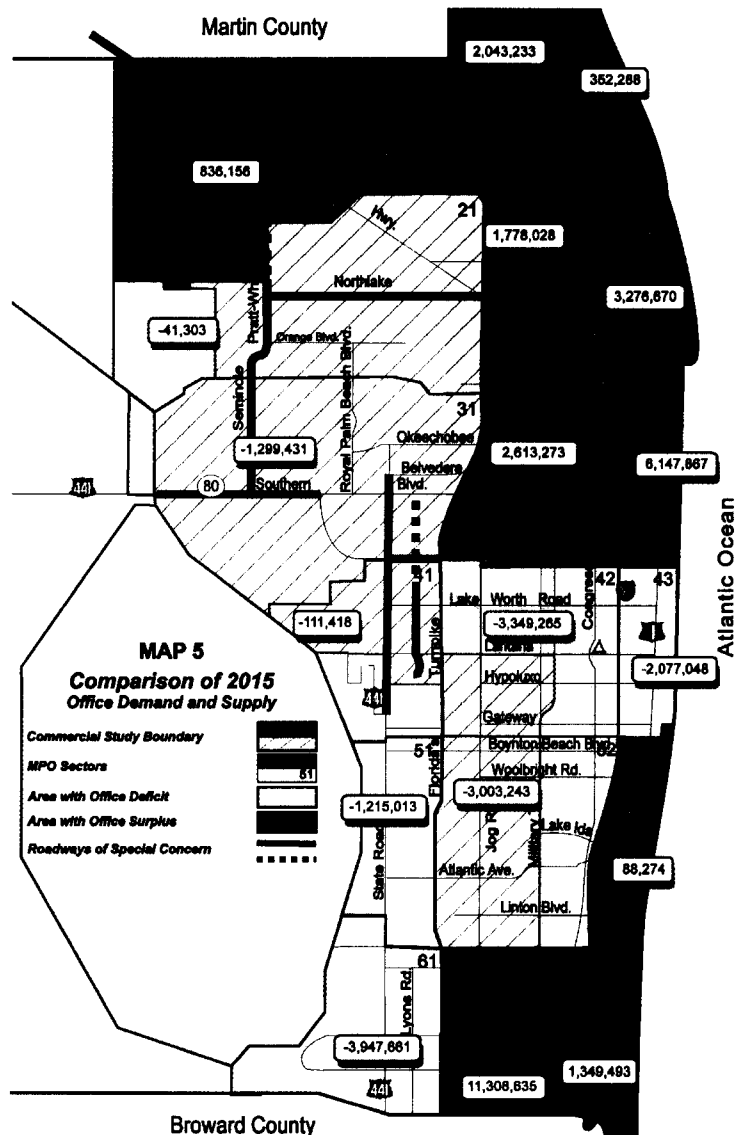


Central County

Central county, between 45th Street to just south of Gateway Boulevard, as a region appears to have a need for additional retail and industrial space. There is a projected need for additional retail space in Sector 31 and office and industrial space identified in Sectors 31 and 41.

The Acreage Neighborhood Plan and the Loxahatchee Groves Neighborhood Plan outline community desires and concerns which impact sector 31 and portions of 21 (Sector Plan area). Those plans discourage additional retail uses within the study areas, but suggest if such uses are allowed then certain requirements (size minimums and maximums, buffering, location, etc.) should be followed.

The Managed Growth Tier program/policies provide direction regarding new non-residential land uses in this area. Generally, more intensive uses should be kept within the urban service area (Urban/Suburban Tier).



Southern Palm Beach County

South county, from Gateway Boulevard south to the Broward County line sectors 51 to 63, is an area of high growth. Study results indicate a need for additional retail and industrial space by the year 2015.

The West Boynton Area Community Plan, which includes portions of sector 42 and 52, calls for the location of commercial sites at certain intersections to best locate commercial or employment opportunities for area

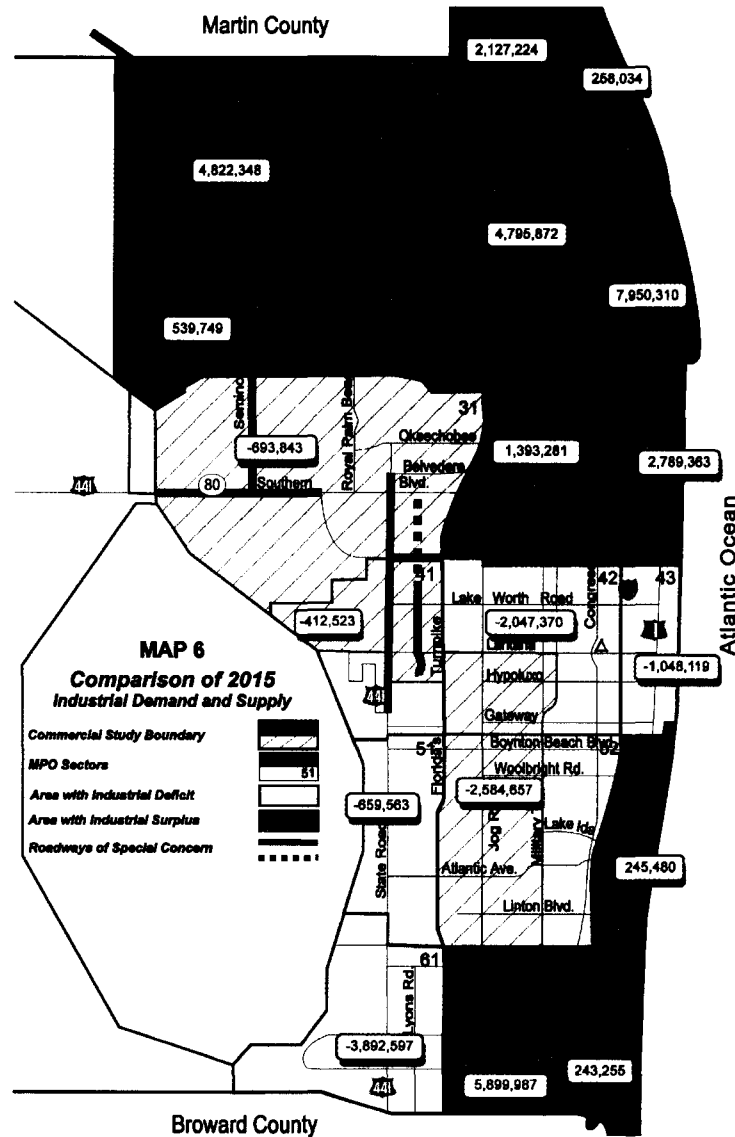
residents. The needs results support the West Boynton Plan's recommendations for additional commercial and employment sites for the area.

The Ag Reserve is another area of south county where, if development occurs as expected, there will be a need to provide additional retail, office and industrial lands. The needs analysis, utilizing projections assuming the currently allowed development pattern, identifies a need for 922,000 square feet of retail space, 1.2 million square feet of office space and 660,000 square feet of

industrial space. A portion of the demand could be addressed in neighboring sectors (proposed Wellington Mall for example); however, some retail, office and industrial sites would be justified and could be provided through the master planning process.

The committee discussed two methods for addressing sectors which have either a retail, office or industrial need, while not adding to the net amount in the existing and planned commercial and industrial land supply. The first method is a same-site nonresidential use conversion program, and the second is a mitigation-transfer of nonresidential development potential (rights) program. These programs are not currently codified in the County's "toolbox" of land use measures and would need to be evaluated in further detail to determine their feasibility.

Same-Site Nonresidential conversion program-In the same-site conversion program nonresidential lands (retail, office and industrial) would convert the approved use to another non-residential use without a site-specific land use plan amendment (example would be a conversion of industrial lands to retail use). For example, a traffic trip generation formula could be developed to "convert" uses based on the impacts of industrial development relative to retail. The program's intent is to address local needs (whether for retail, office or industrial space) without adding more commercial or industrial land to the overall nonresidential supply. Enabling policies would need to be established in the County's Comprehensive Plan and codified in the ULDC.



Mitigation program-The mitigation program would allow the transfer of retail, office or industrial development rights from one site to another. This voluntary program would assist in balancing the land use pattern by transferring commercial and industrial potentials from one area to another. Amendments which include mitigation measures (transfer) would be given more consideration than amendment proposals which lack mitigation. Utilization of this concept would require amendments to the County's Comprehensive Plan and the ULDC.

VII. RECOMMENDATIONS

Based on the demand and supply information the committee found countywide, there are sufficient commercial and industrial lands to accommodate the year 2015 projected demand for retail, office and industrial space. However, there are sub-areas of the county that do not have sufficient commercial and industrial lands to accommodate the sector 2015 anticipated retail, office and industrial demand. In those areas, additional commercial and industrial acreage may be warranted. For those areas, mechanisms should be explored to address retail, office and industrial needs. The recommendations that follow provide measures to address this overall finding. Until such time as an effective mechanism to convert or transfer commercial and industrial development rights, the identified needs should be addressed through the land use amendment process, and/or through area planning efforts.

OVERALL RECOMMENDATIONS

- a) Explore the development of a program that allows the transfer (mitigation program) of retail, office or industrial space as a method for shifting retail, office or industrial space.
- b) Explore the development of a program to allow the conversion of retail, office or industrial space to a different non-residential use (e.g., industrial to retail, or retail to industrial) to allow balancing of one use type and shortage of another.
- c) Adopt the methodologies employed in the study in the County's Comprehensive Plan and update on an ongoing basis. These methods should be used to evaluate future commercial (retail), office, and industrial land use proposals and for land use studies. The adopted methodologies will not prohibit either staff or others from exploring, evaluating, and/or using alternative methodologies or providing additional information.
- d) Re-evaluate the commercial and industrial need across the county by monitoring the supply and demand of retail, office, and industrial space on an annual basis.

SPECIFIC AREA RECOMMENDATIONS

- e) In north county (sectors 11 and 21), where a need for additional retail space appears to exist, a conversion of existing non-residential space (i.e. industrial to retail) should be explored, encouraging use of an equivalency formula so that impacts to the infrastructure and neighborhoods do not exceed the existing approvals.
- f) In the north and central portions of the study area, which includes the Sector Plan area, there is a need for additional retail, office and industrial lands to accommodate anticipated 2015 demand. The bulk of this need should be met within the Urban/Suburban Tier where there are opportunities to provide the full range of retail need (neighborhood, community and regional). Within the sector plan area, the commercial need should be limited to meeting the retail demand of residents of that area with neighborhood and community level retail facilities. In addressing these needs, the Sector Plan should be sensitive to the supply and demand findings of this report for the northern and central county area as well as on a Countywide basis.

- g) In south county, additional retail, office industrial space should be provided to meet the demand for areas within the Ag Reserve (Sector 51). To avoid oversupply and recognize regional suppliers servicing a broad area, it is recommended that up to 25% of the identified total sector need (which equates to up to 250,000 of retail space, up to 300,000 of office space and up to 165,000 square feet of industrial space) should be provided within the Ag Reserve as part of the master planning process. Regional needs are likely to be met by existing or approved projects such as the three area regional malls (Town Center, Boynton Beach, and proposed Wellington Mall).
- h) In sectors 52 and 42, the committee supports the direction of the West Boynton Area Community Plan which identifies additional retail, office and industrial space to address the area's potential demand, and supports the direction of each affected neighborhood plan to address that area's potential commercial and industrial demand.

[Note: at the October 26, 1999 workshop, the Board of County Commissioners directed that all neighborhood plans be considered in applying the results of this study.]