Mobility in the Gardens

Palm Beach Gardens ~ Station Area TOD Plan

FACILITATED BY TREASURE COAST REGIONAL PLANNING COUNCIL

Agency Partners include City of Palm Beach Gardens, Tri-Rail/SFRTA,
FDOT, FTA and South Florida & Treasure Coast RPCs
Workshop Sponsorship from PGA Corridor Association

TOD DESIGN UPDATE ~ OCTOBER 2018

Palm Beach Gardens Station Area

½ Mile Radius

Tri-Rail Coastal Link System Segments

Miami-Dade
Broward
Palm Beach

1. Miami-Link Segments

1A: Service into Downtown Miami

Begins Fall 2019

1B: Downtown Miami to Aventura

Planning Underway

2. Jupiter Extension Segment

West Palm Beach to Jupiter

Planning 2019?

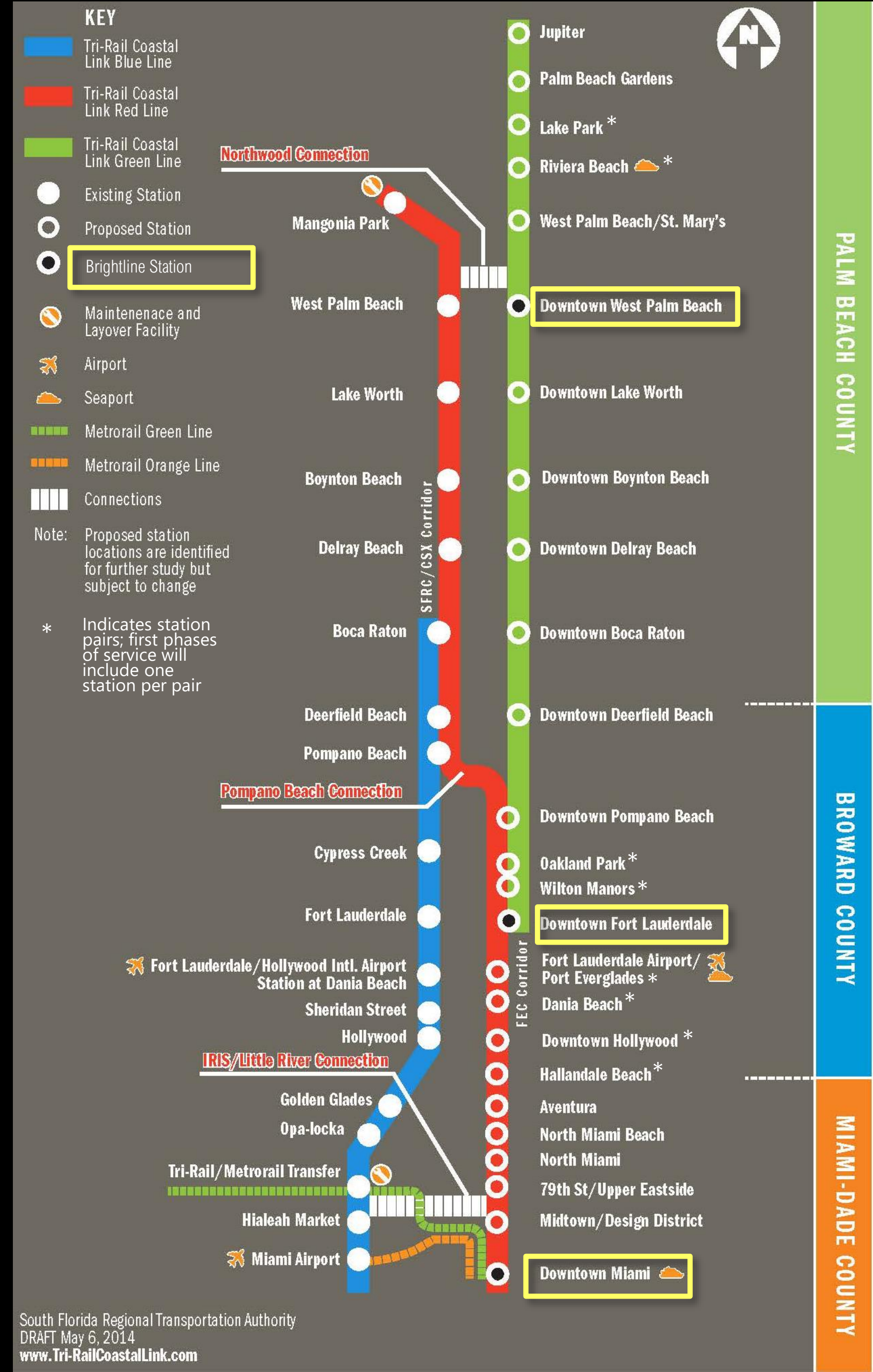
Needs Local Financial Commitment

3. Central Segment(s)

West Palm Beach to Aventura

Planning TBD

Needs Local Financial Commitment



What is Transit Oriented Development (TOD)?

TOD is …

- Development within ¼ to ½ mile of Station or along Transit Corridor (10-minute walk)
- Mixed-Use with Higher Density & Intensity than Surrounding Area
- Pedestrian & Bike-Friendly
- Controlled Parking
- Streetscapes & Site Design focused on Pedestrian Flow

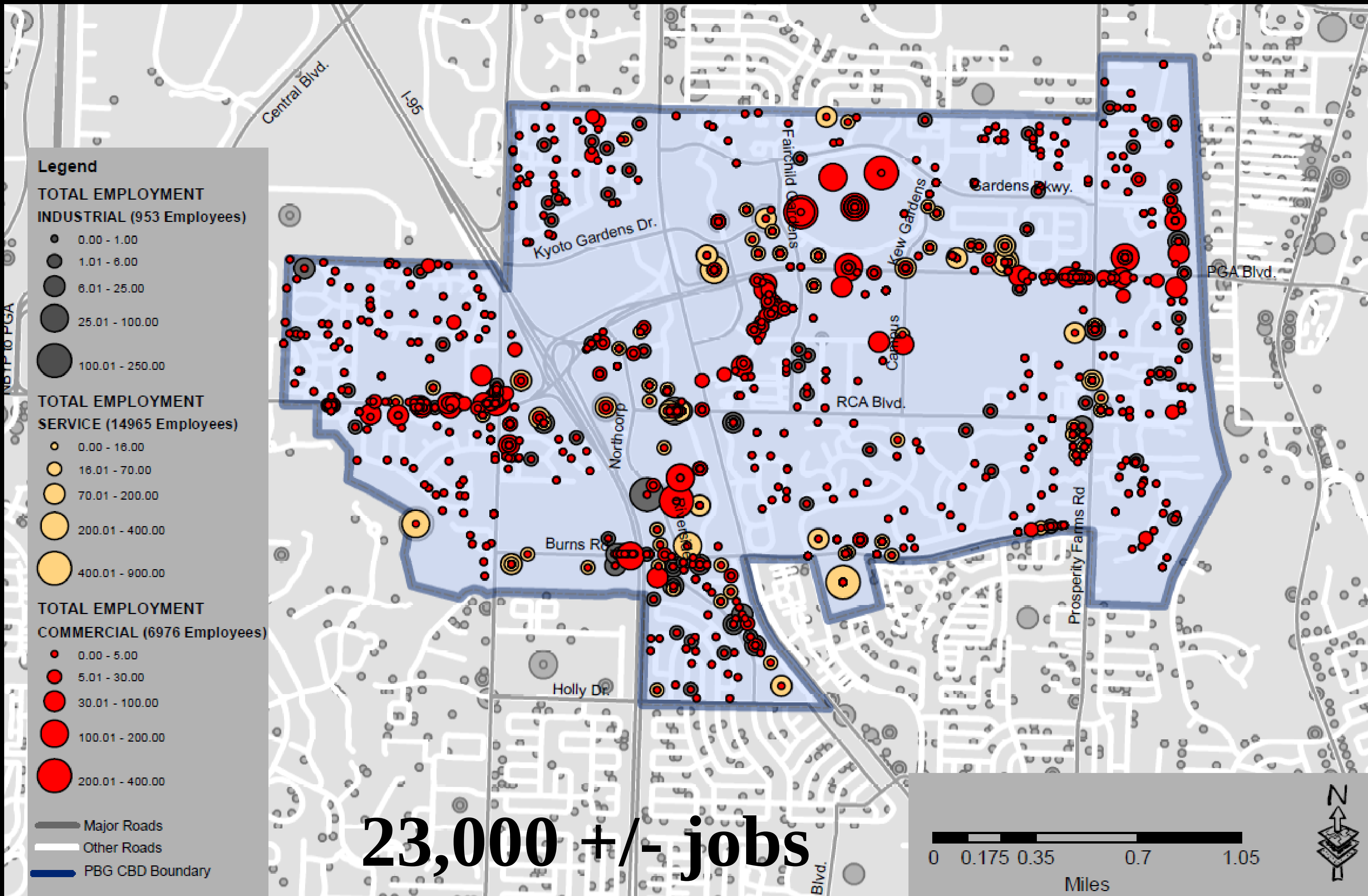
TOD vs. TAD

- Transit <u>Oriented</u> Development

vs.

- Transit <u>Adjacent</u> Development
  - *Auto-oriented uses*
  - *Large surface parking lots*
  - *Disconnected from adjacent sites; internally focused*
  - *Pedestrian unfriendly*
    - *Suburban office campuses*
    - *Big-box format retail*
    - *Storage facilities & industrial*

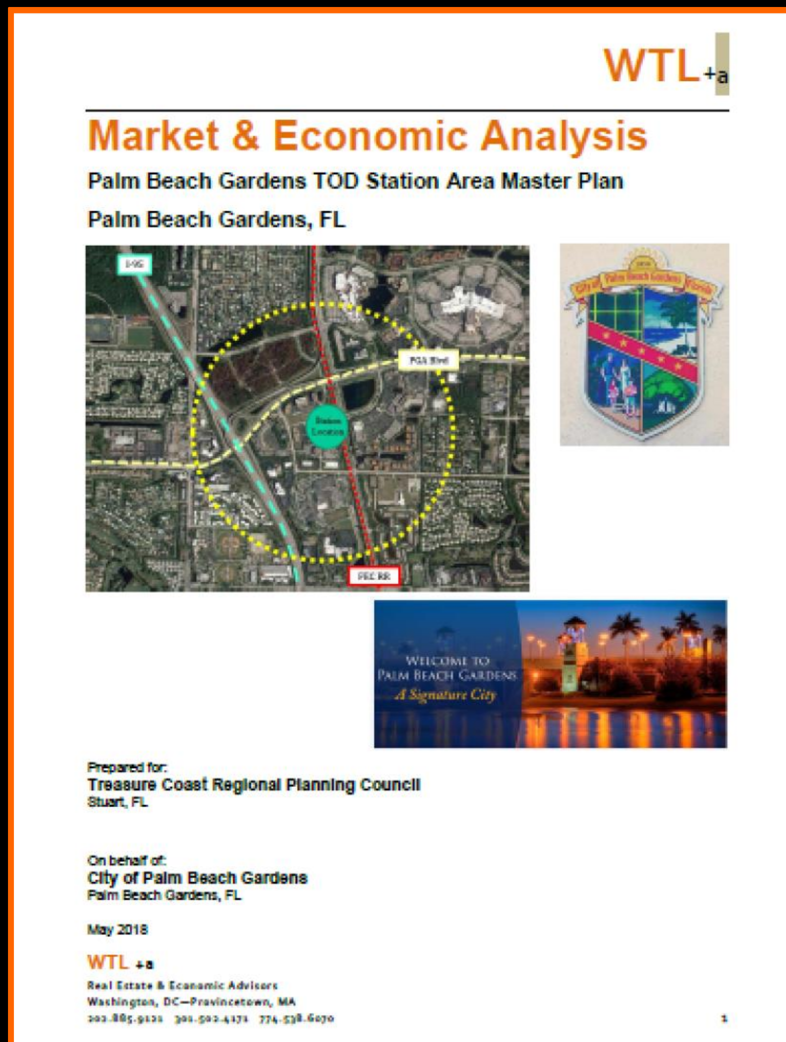
Palm Beach Gardens Central Business District



Source: InfoGroup 2013. Map prepared by Palm Beach MPO (Rev.2/5/2014)

Mobility in the Gardens

Palm Beach Gardens TOD Market Study



WTL+a

Market & Economic Analysis

Palm Beach Gardens TOD Station Area Master Plan

Palm Beach Gardens, FL

Prepared for:
Treasure Coast Regional Planning Council
Stuart, FL

On behalf of:
City of Palm Beach Gardens
Palm Beach Gardens, FL

May 2018

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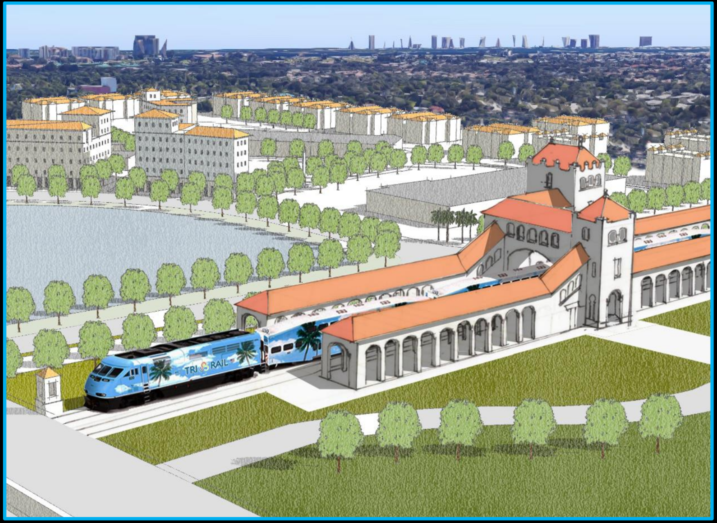
In association with:

RDS
Retail & Development Strategies

Arlington, VA

Why a Market Study?

- Analyze demographic trends & real estate market conditions
- Translate growth forecasts into supportable uses for sites in TOD study area:
    - Housing
    - Hotel rooms
    - “Workplace”—office, R&D/flex
    - Supporting services—retail
- Ensure TOD planning concepts are grounded in economic & market realities
- Inform decisions related to public policies that support TOD



City of Palm Beach Gardens Florida 1959

Demographics: 'Drivers' of Demand

- Palm Beach Gardens in 2017:
  - 54,700 residents
  - 25,700 households
- Since 2000, the City added 19,000 new residents in **10,100 new HHs**
- Forecast growth will be strongest in two age cohorts:
  - 65 to 74 & 75+
- Median age is increasing:
  - City 50.6 → 51.8
  - County 45.5 → 46.2
- **Forecasts suggest growth will moderate**; how will it translate into *demand* for new housing?
  - 2022 **1,960 new HHs**

The Gardens is **one of the fastest-growing communities** in the County

Understanding the City's Economy

- Average annual HH incomes well-above County:

	City	County
2017	$110,700	$85,900
2022	$123,400	$96,900

- HHs spend $25,400 per year on retail
- Significant retail *in-flow* into PBG:

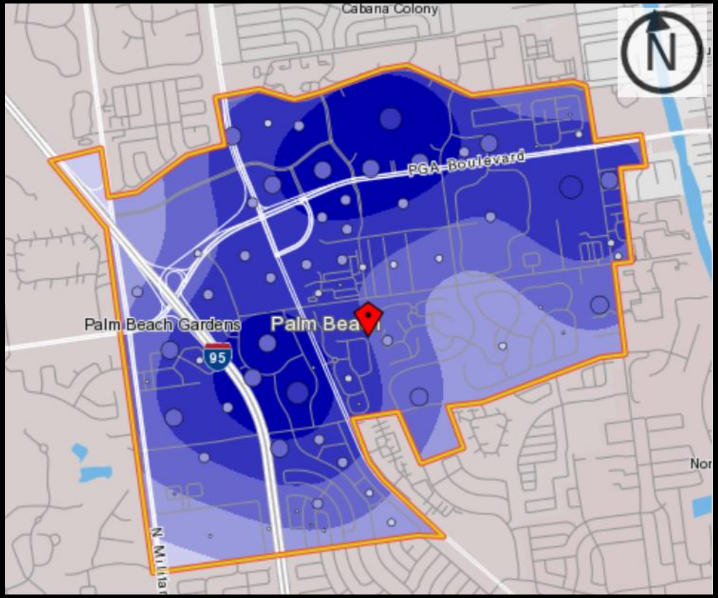
Annual Store Sales	$1.38 billion
HH Spending	$ 906 million
Annual Retail In-flow:	**$ 470 Million**

- 39,600 jobs in 3,100 businesses
  (6% *share* of County)
- Jobs-to-population ratio reflects strong economy:
  - City 0.72
  - County 0.46

Understanding the City's Economy

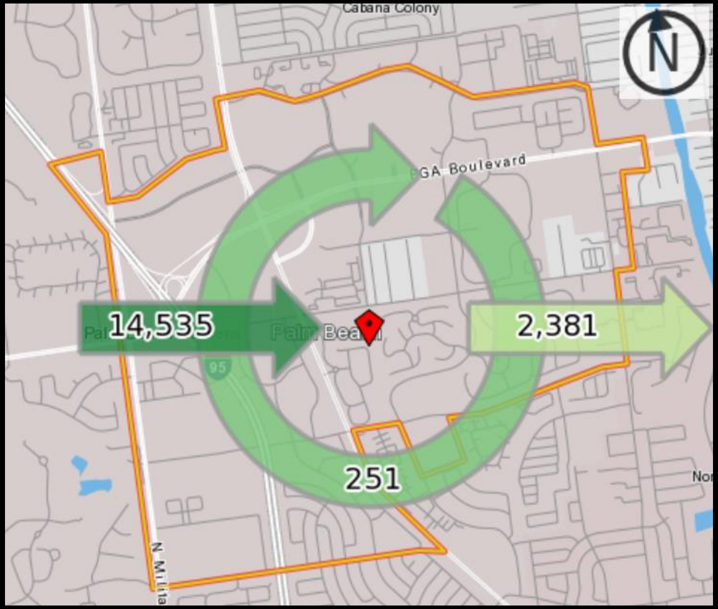
- U.S. Census data indicate *declines* in employees in two key age groups:

Age Cohort	2006	2015	Amount
City			
29 or Younger	9,554	7,185	**(2,369)**
30 to 54	17,703	15,711	(1,992)
55 & Older	5,158	6,968	1,810
Subtotal:	**32,415**	**29,864**	**(2,551)**



- ***Core Area*** comprises **50% of all jobs** in the Gardens

Age Cohort	2006	2015	Amount
Core Area			
29 or Younger	5,119	3,729	**(1,390)**
30 to 54	8,150	7,730	(420)
55 & Older	2,478	3,327	849
Subtotal:	**15,747**	**14,786**	**(961)**



Your Housing Market

Market Conditions: Housing

- 30,500 housing units includes 2,700 units for "seasonal" use
- Significant recovery from recession—stabilized market conditions since 2010:
  - 2010: 5.1%
  - 2017: 5.2%
- Average housing value: **$429,800**
- Annual housing starts past 18 years:
  - 2000-2008 907 units/year
  - Recession 135
  - 2009-2017 404
- 69% of all new housing is single-family

NEW CONSTRUCTION in Palm Beach Gardens

Your Office Market

Market Conditions: Office

- Citywide office inventory: 2.5 million SF (11% of County):
  - Declining vacancies—from 13.5% (2014) to **10.3%** (2017)
  - Average annual net absorption—**76,700 SF/year**
- At this pace, 4 years required to achieve stabilized occupancies
- Core Area office metrics:
  - 1.1 million SF in 26 buildings
  - Declining vacancies—from 20% (2012) to **15.6%** (2017)
  - Average annual net absorption—**13,925 SF/year**
- Core Area comprises 43% of City's office inventory but 54% of vacancy

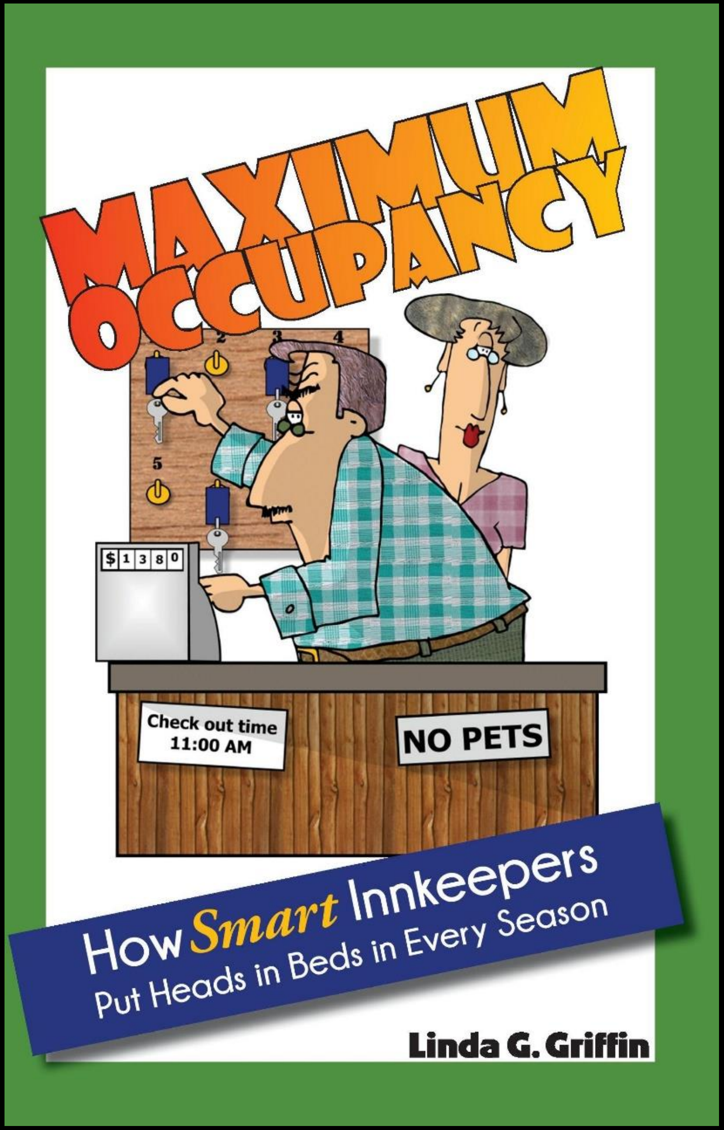
Market Conditions: Office

- Significant entitlements of **3.2 million SF** approved citywide:
  - Alton 500,000 SF
  - Avenir 2,000,000 SF
  - Core Area 615,900 SF
- Approved projects in Core Area:
  - Gardens Corp. Center—223,940 SF (2019/2020)
  - PGA Station PUD—227,000 SF
  - 4 others with unknown dates
- **How strong is market response in *pre-leasing*?**
- Pending FPL project likely to impact Core Area:
  - 250,000 SF built to "Cat 5"
  - 1,000 employees
  - Secure campus

Your Hotel Market

Market Conditions: Hotel

- 16,900 rooms in Palm Beach County
  - **1,625 rooms** in the Gardens in 9 properties
  - 9.6% share of County inventory
- Mix of hotel levels (as defined by STR): Midscale, Upper Midscale, Upscale & Upper Upscale
- Other competitive market supply adds 594 rooms:
  - North Palm Beach
  - Jupiter
  - Juno Beach
- Total competitive inventory: **2,219 rooms**

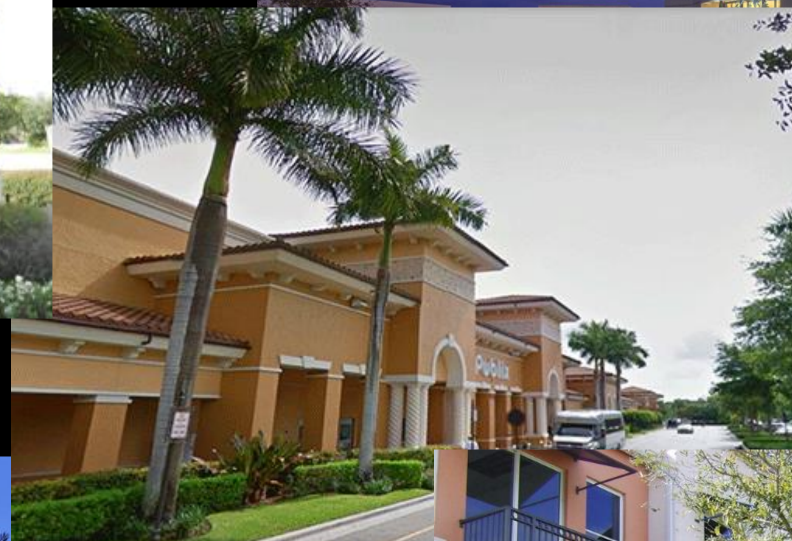


Market Conditions: Hotel

- Key market performance metrics as tracked by STR:
  - Average annual occupancy (6 years)
  - Average daily rates (ADRs)
  - Revenue per available room (RevPAR)
  - Growth in competitive supply

- To finance new hotels, the capital markets require:
  - *Sustained* annual occupancies of **65% to 72%**
  - Stable or increasing ADRs

Your Retail Market



Market Conditions: Retail

Palm Beach Gardens is a powerful regional shopping destination, with over **2.3 Million SF of retail in the Core Area alone**

The Gardens Mall—
1.4 million SF

Downtown at the Gardens—
340,000 SF

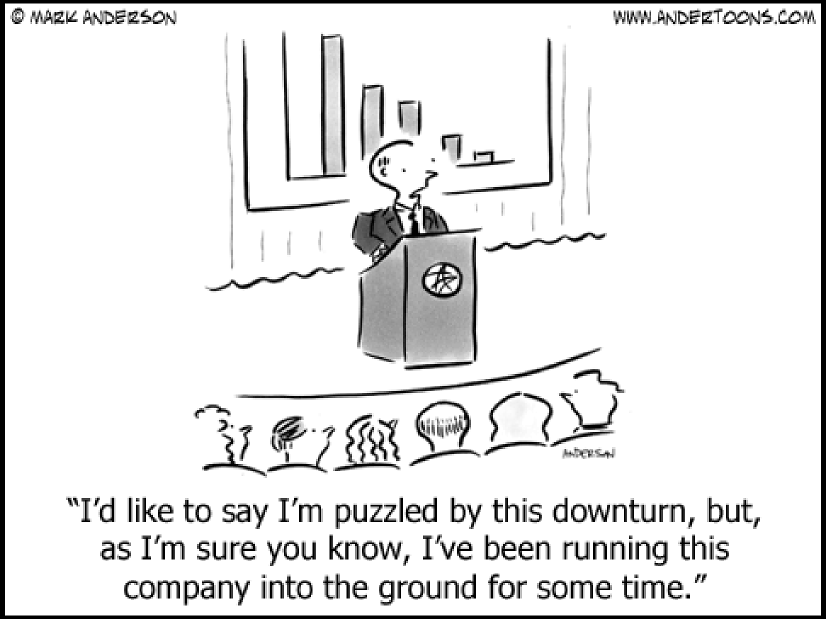
Legacy Place—500,000 SF

Palm Beach Gardens
Center—45,000 SF

Retail: A Changing Industry

The U.S. retail industry is in a period of major change:

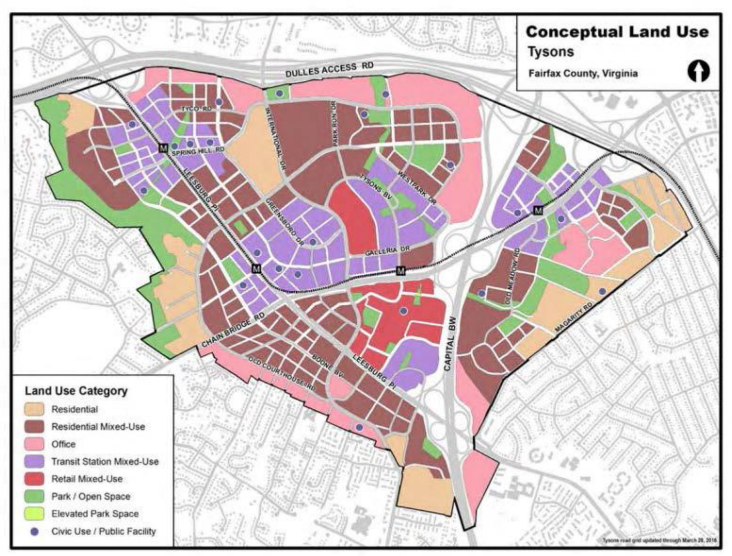
- Significant oversupply:
  - U.S.—26 SF per capita
  - Europe—2.6 SF per capita
- Traditional suburban retail planning is evolving:
  - Enclosed malls with surface parking converting to mixed-use, walkable places
  - Gardens Mall has 7,000 surface spaces
- Changing consumer markets:
  - Boomers & Millennials
  - Retail chains closing or evolving in response
- Impact of on-line shopping vs. "sticks & bricks"



Case Study: Tysons Corner

- Grew from a rural/farm crossroads in 1950s to a suburban destination based on malls, sprawl & highways
- **5 Million SF** in 2 malls:
  - Tysons Corner Center
  - Tysons Galleria (Tysons II)
- Phase 1 of Washington Metrorail's extension to Dulles Airport completed in 2016—will provide 4 stations in area
- Entire district is being re-planned:
  - TOD, major infill (both malls & older office buildings
  - Walkable linkages, open space
  - New office buildings & housing

Case Study: Tysons Corner



Planning Changes (Fairfax County):

- Revised Comprehensive Plan
- Land uses directed toward TOD
- De-emphasize auto domination
- Link sub-areas for pedestrians, bikes
- Green network, new street grid

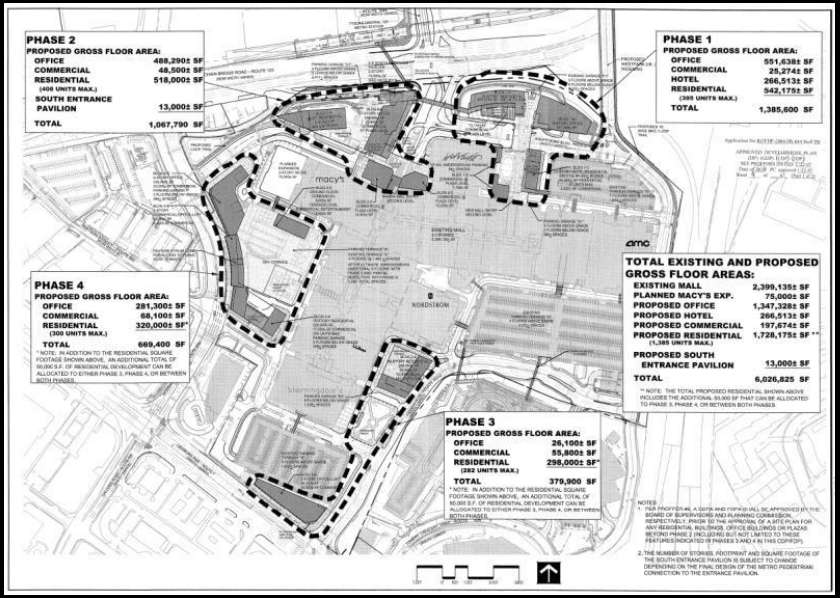
New Building & Site Designs

- Greatest height & density at Metro
- Green site planning, stormwater mgmt.
- Req. LEED Standards for bldgs/sites
- Convert surface to structured parking
- Create great public realm: outdoor cafes, activated street edges, parks

Case Study: Tysons Corner

In-fill Surrounding Tysons Corner Center

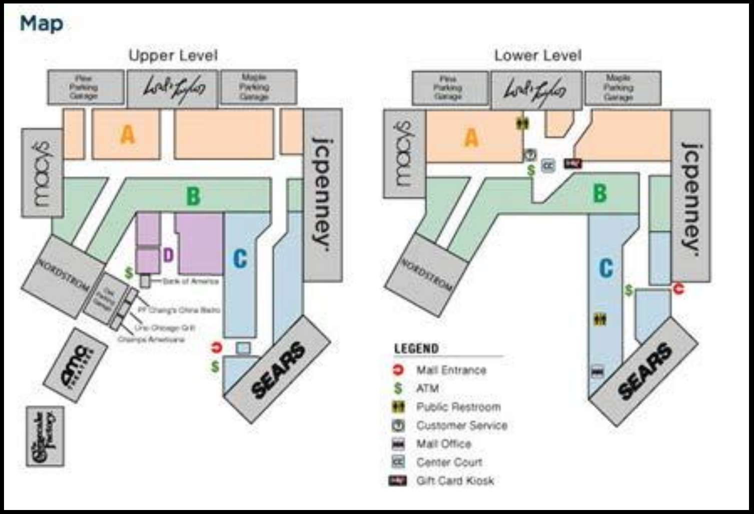
- Existing retail mall: 2.4 million SF
- Surface parking transitioned to structured
- 4 phases of in-fill development
- Redevelopment program:
  - Retail—75,000 SF
  - Hotel—300 room (266,000 SF) Hyatt Regency Hotel connected to mall
  - Other Commercial—200,000 SF
  - Housing—1,385 units (1.78 million SF)
  - Office—1.73 million SF



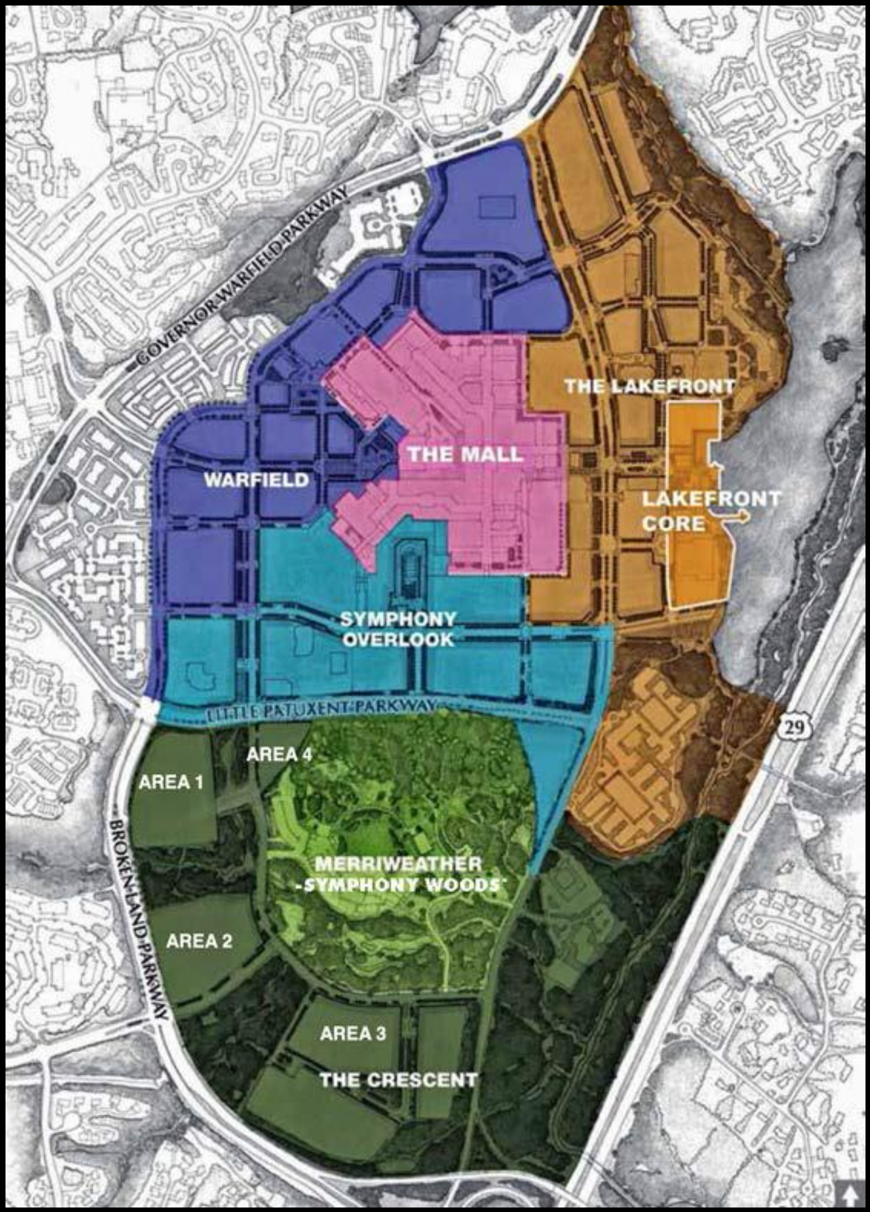
Case Study: Mall at Columbia, MD

1.4 M SF super-regional mall

- Built as part of Columbia, a 14,000-acre, 50 year-old planned community by the Rouse Company located between Washington, DC & Baltimore
- 220 stores & 5 anchors (including Sears)
- Affluent, underserved population (100,000 residents in 36,000 units)
- Howard Hughes Corporation & General Growth Properties are redeveloping Downtown Columbia
- Regional destination: Merriweather Post Pavilion



Case Study: Mall at Columbia, MD



Case Study: Mall at Columbia, MD

- Development pattern changed from suburban to urban
- Mall redevelopment part of larger revised land-use plan, allows for up to 13 million SF of new uses in mixed-use formats:
  - Housing—6,200 units in downtown core
  - "Street Retail"—1.25 million SF
  - Office—4.3 million SF
  - Hotel—640 rooms (phased)
- Development MOU proposes 30-year TIF for:
  - Roads, stormwater mgmt.
  - New library & emergency services
  - Open space
- Allows for TDRs if transit system is created

Case Study: Independent Art House/Cinema

- Cinema industry segmenting by format: large multi-screen cineplex, individual venues, drive-ins
- U.S. screen inventory:
  - 39,798 indoor screens
  - 593 seasonal drive-ins
- Recent growth in smaller specialty independent/art house cinemas
- Oriented toward niche audiences, films do not work in mass market venues
- Documentaries, independent/non-studio films, foreign films or selected studio films are viable, but past peak volumes
- Upgraded experience: 3-D, sound systems, F&B, plush seats, smaller theaters

Case Study: Independent Art House/Cinema

Both new & established operators:

- iPic Theaters (Boca Raton):
  - 16 theaters, 121 screens, 10 states
- Angelika Film Centers:
  - 5 theaters, 4 states
  - International affiliations & live performances
- Alamo Draft House:
  - 29 theaters, 300 screens
  - Craft beers, local chefs
- Violet Crown Theaters:
  - 3 theaters in 3 states
  - Reserved seats, bar & food
- Landmark Theaters:
  - 56 theaters, 269 screens, 29 U.S. markets

Market Potentials

Market Potentials: Housing

- Significant entitlements approved citywide:
  - Core Area 595 units
  - Outside Core 5,600 units

- Buildout depends on growth:
  - **10 years** IF City's historic growth continues (2000-2017) of ±600 HHs/year

- May require in-fill strategies to accelerate new construction in Core Area

TOD Program:

Up to 1,900-2,400 Units

25 to 30+ year buildout

Market Potentials: Office

- Significant entitlements approved citywide:
  - Core Area 615,900 SF
  - Outside Core 2.6 Million SF
- DEO forecasts 81,600 new jobs in Palm Beach County next 8 years
  - **4,600 new jobs** IF City *maintains* its 5.6% share
- Does *not* include potential impacts of owner/user projects: FPL, UTC
- May require focused **economic development strategies** to increase demand in Core Area
- Growth in office-using sectors translates into 343,600 SF of gross demand
- **Citywide Net Demand (2016—2024): 282,000 SF**

Market Potentials: Hotel

- **STRONG** market performance (2011-3Q/2017):
  - Average annual occupancy increased from 73.4% (2013) to **77.6%** (2017)
  - ADRs increased from $117 to almost $143 per room per night
  - RevPAR increased from $86 to over $110 per room per night

- **Potential for additional hotels, BUT…**

- **900+ new rooms planned or proposed:**
  - Downtown at the Gardens—180 rooms
  - PGA Station PUD—121 rooms
  - Alton—300 rooms
  - Avenir—300 rooms

- Potential impacts on demand generated by FPL project & sporting events not fully documented

Implementation & the Market

TOD Realities:

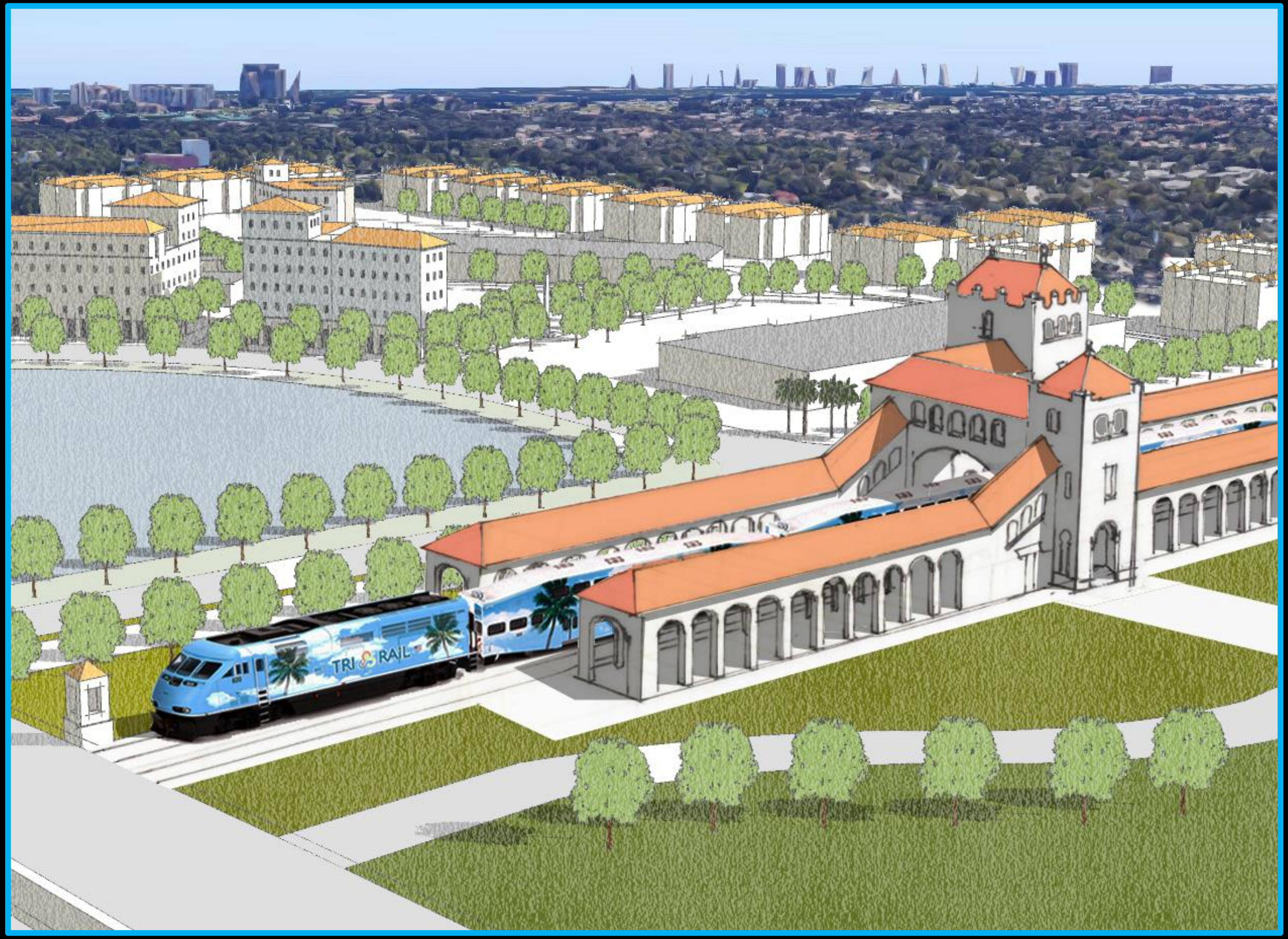
- Transit ***does*** add value
- Markets can take years to respond to transit
- Strongest Florida impacts to-date are in housing
- Density doesn't always mean height
- TOD benefits from density
- Great urban design can change consumer responses to TOD
- Change can mean 'better'

Case Study Applicability

- Changing from suburban to urban planning patterns creates value
- Surface parking is a development opportunity
- Don't be afraid to modify your Comprehensive Plan
- Projected markets want a walkable context
- De-emphasize the automobile in favor of connectivity

Mobility in the Gardens

Palm Beach Gardens ~ Station Area TOD Plan



Station Area "Opportunity Tour"

PGA Station - Transformation (looking west)

PGA Station - Transformation (looking west)

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PGA Station - Transformation (looking west)

Concept Details

- **Introduces Hotel, Residential & Other Uses to Highly Visible Site**
- **Maximizes Benefit of Station to City**
- **Enhances FPL, Core City Uses**
- **Utilizes Internal Roadway Connections**

PGA Station - Transformation (looking west)

Loehmann's Plaza - Transformation (looking west)

Loehmann's Plaza - Transformation (looking west)

Concept Details

- Introduces Hotel, Residential & Other Uses to Highly Visible Site
- Largest Potential Hotel Footprint (with meeting space & supporting uses)
- Complements Station, FPL, City Core
- Captures Regional Traffic Close to I95

Loehmann's Plaza - Transformation (looking west)

East End of The Gardens Mall - Transformation (looking east)

East End of The Gardens Mall - Transformation (looking east)

Concept Details

- **14 +/- acres (+/- 1000 parking spaces)**
- **Land Use Mix of Residential, Retail, Office, Arts/Theatre, Food/Beverage**
- **New Uses Parked with Garages**
- **Improves Mall Competitiveness**
- **Consistent with National Mall Redevelopment Trends**

East End of The Gardens Mall - Transformation (looking east)

A Focus on Connectivity

A Focus on Connectivity

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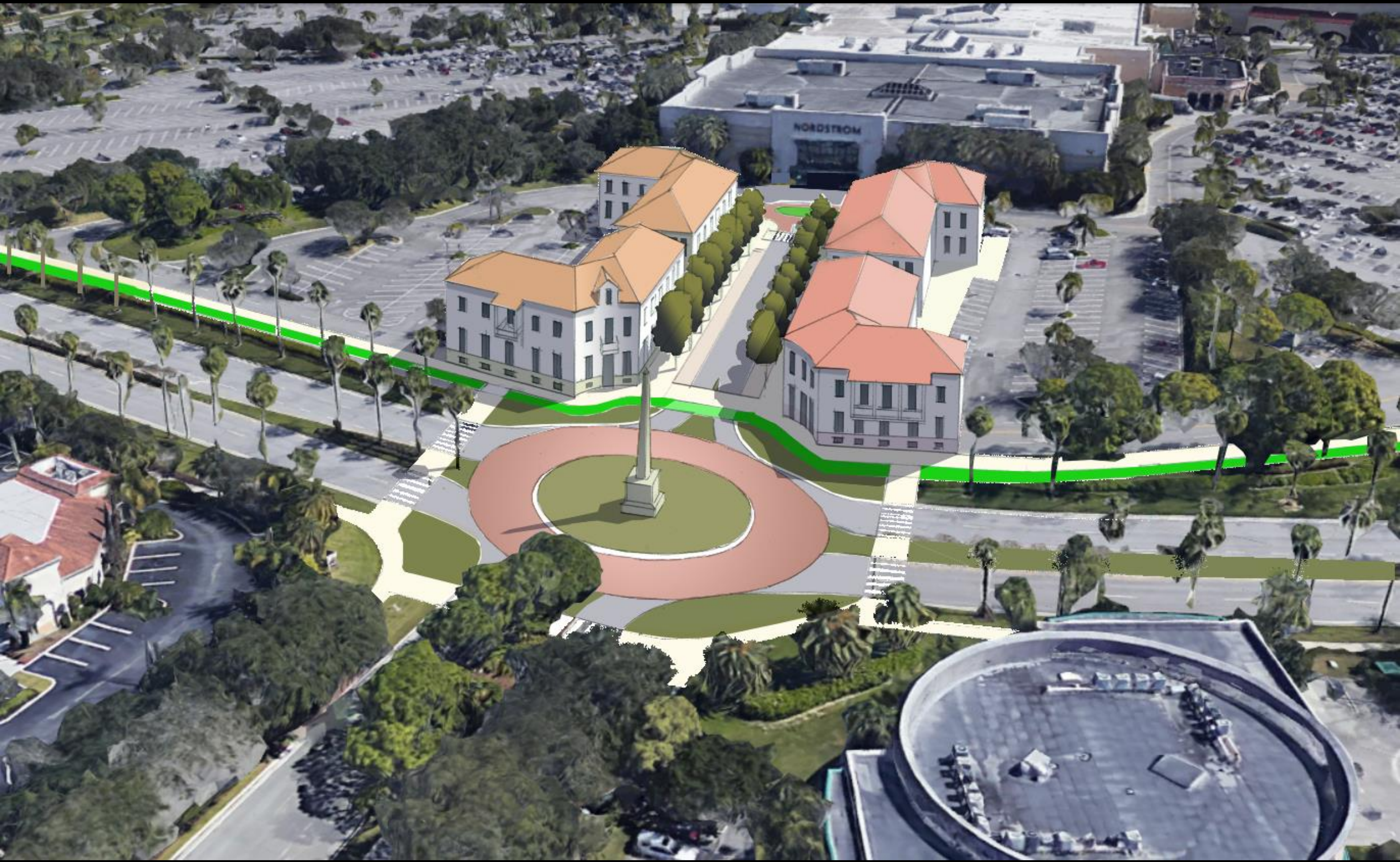
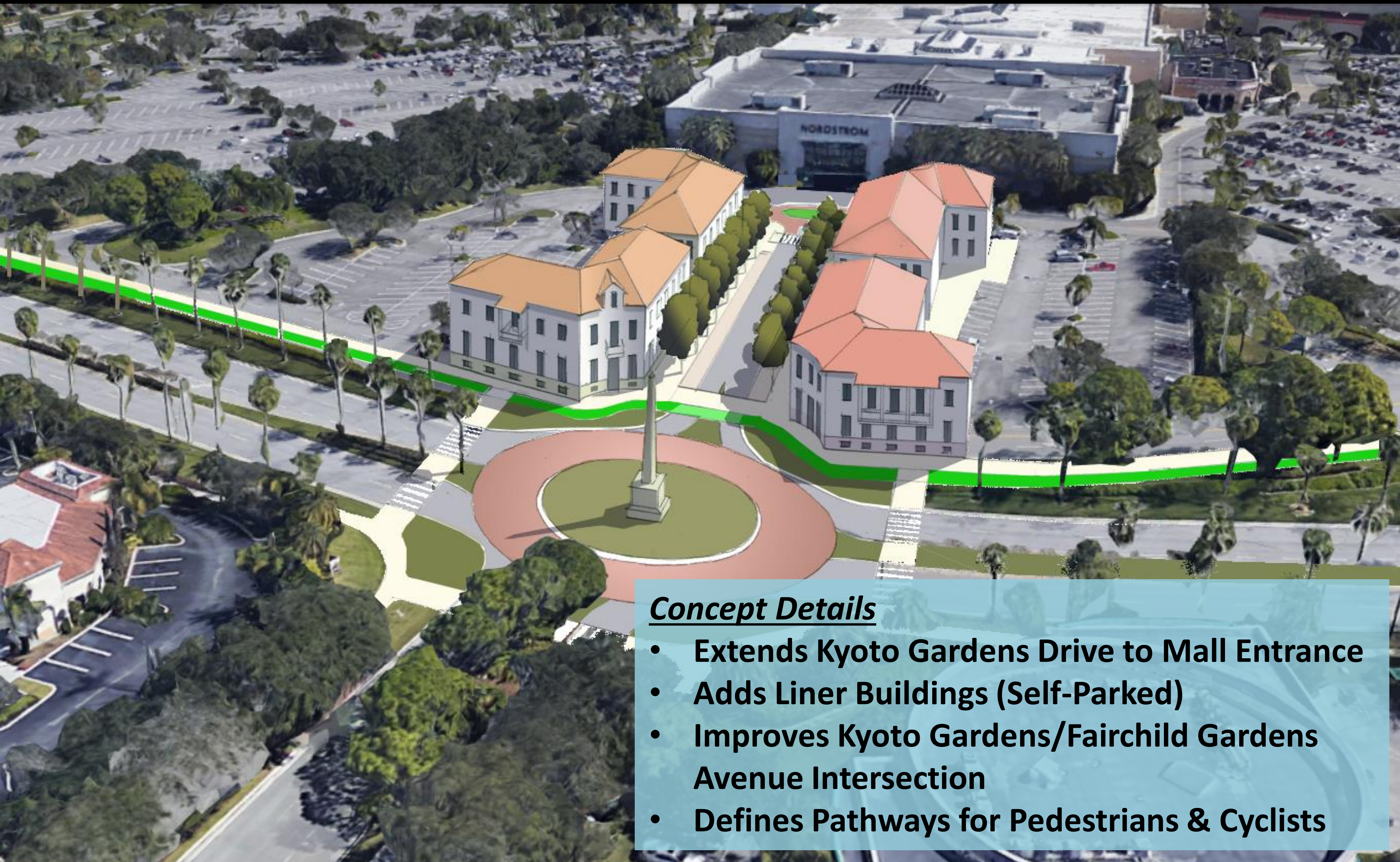
Kyoto Gardens Drive Extension – Transformation (looking east)



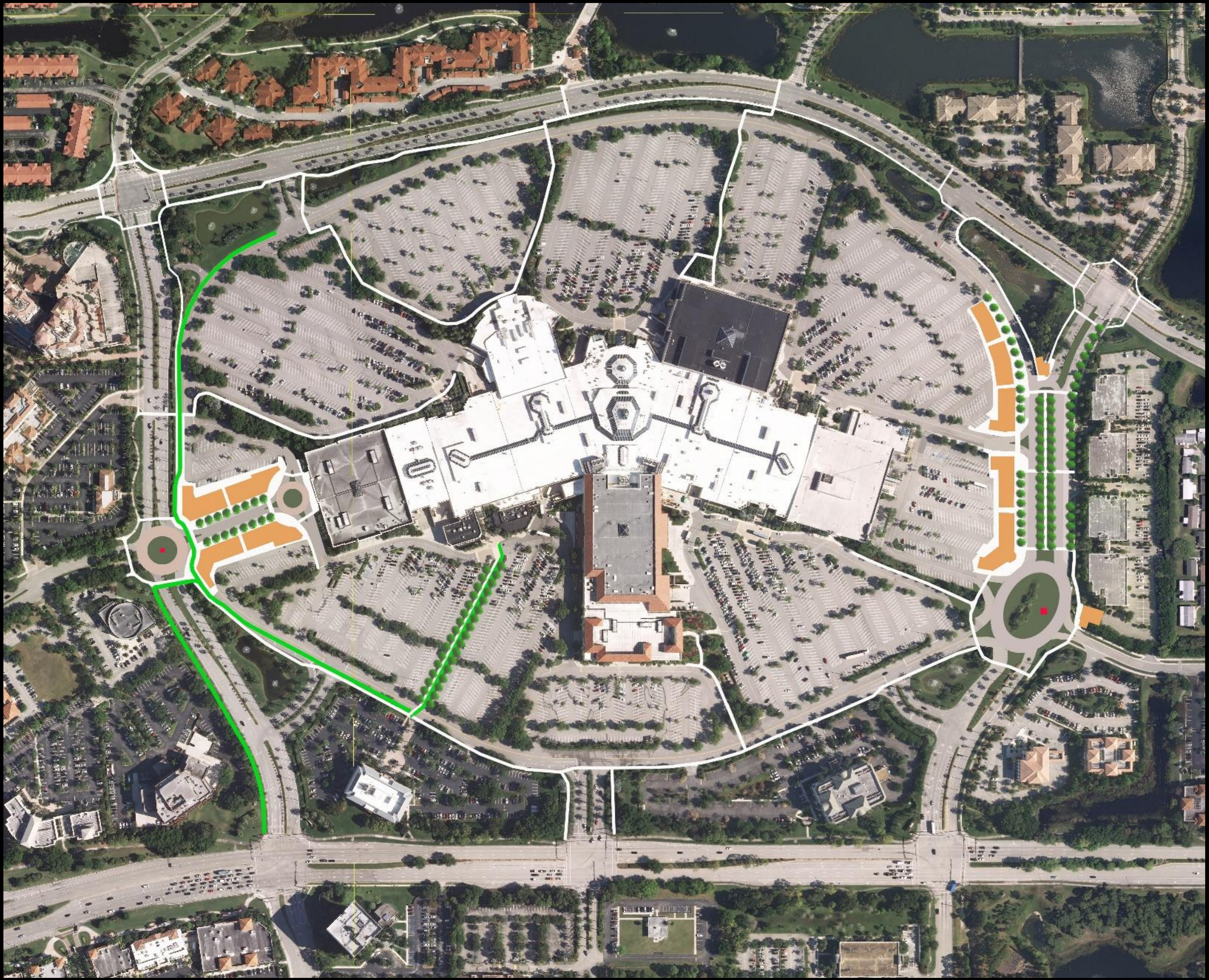
Kyoto Gardens Drive Extension – Transformation (looking east)



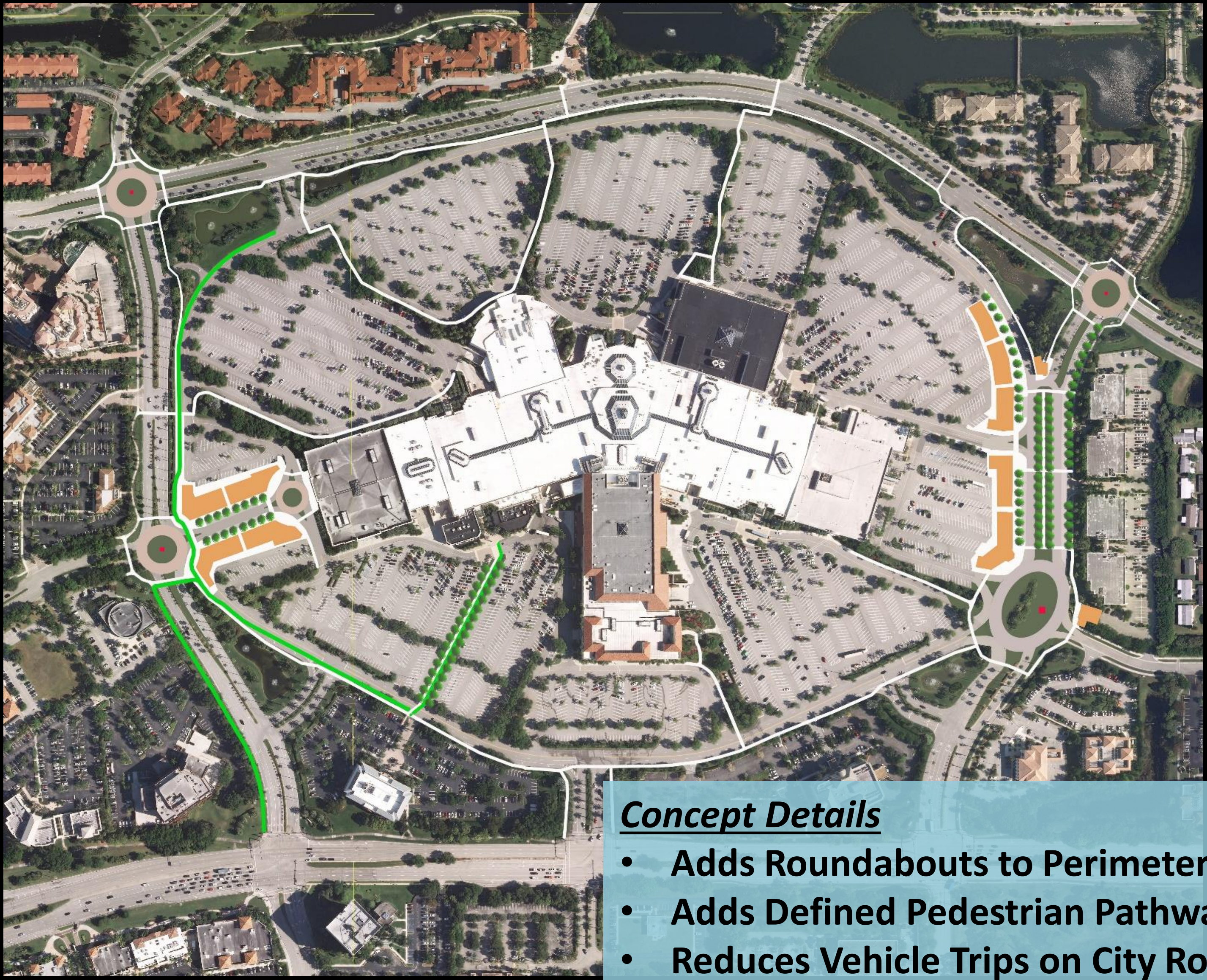
Concept Details

- **Extends Kyoto Gardens Drive to Mall Entrance**
- **Adds Liner Buildings (Self-Parked)**
- **Improves Kyoto Gardens/Fairchild Gardens Avenue Intersection**
- **Defines Pathways for Pedestrians & Cyclists**

Kyoto Gardens Drive Extension – Transformation (looking east)



The Gardens Mall Access - Transformation

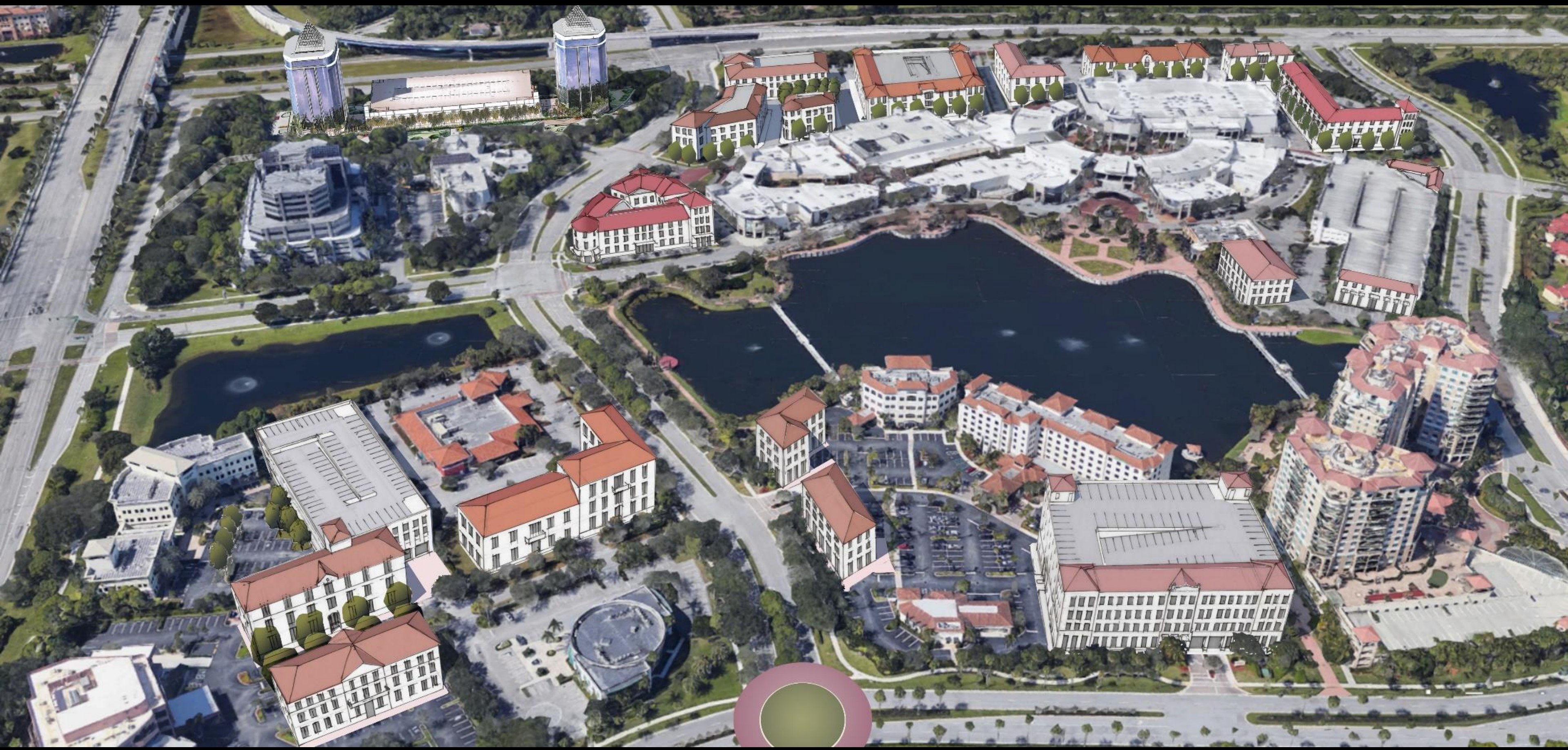


Concept Details

- Adds Roundabouts to Perimeter Road
- Adds Defined Pedestrian Pathways
- Reduces Vehicle Trips on City Roads
- Improves Connections to Adjacent Sites

The Gardens Mall Access - Transformation

Kyoto Gardens Drive (looking west) – Transformation



Kyoto Gardens Drive (looking west) -- Transformation

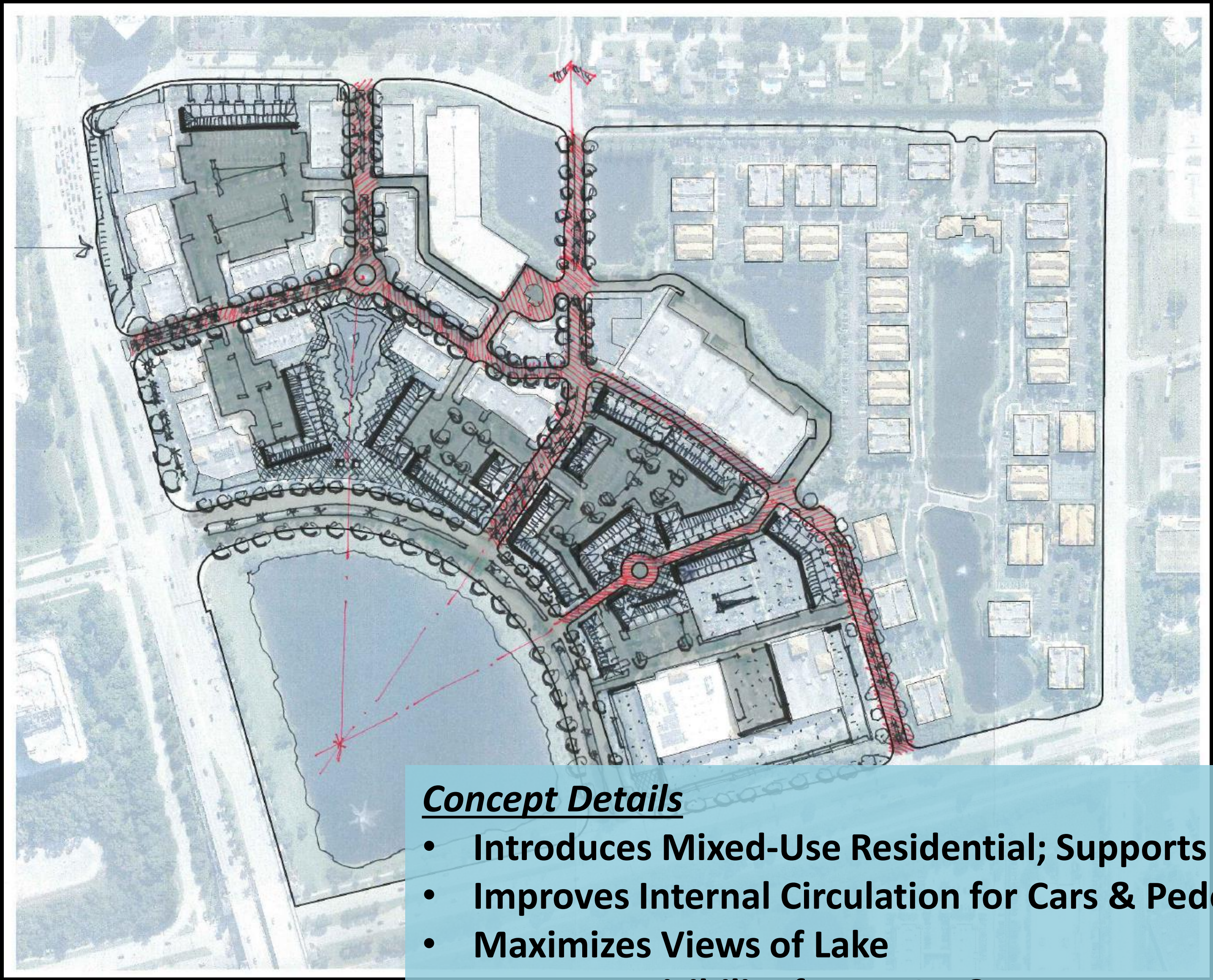
Concept Details

- **Addition of Hotel, Residential, Retail & Office**
- **Uses Internal Roadway Network**
- **Improves Pedestrian Connections for Adjacent Sites**
- **Adds Roundabout for Perimeter Road**
- **Adds Parking Structures to Address Demand**

Kyoto Gardens Drive (looking west) -- Transformation

Legacy Place - Transformation

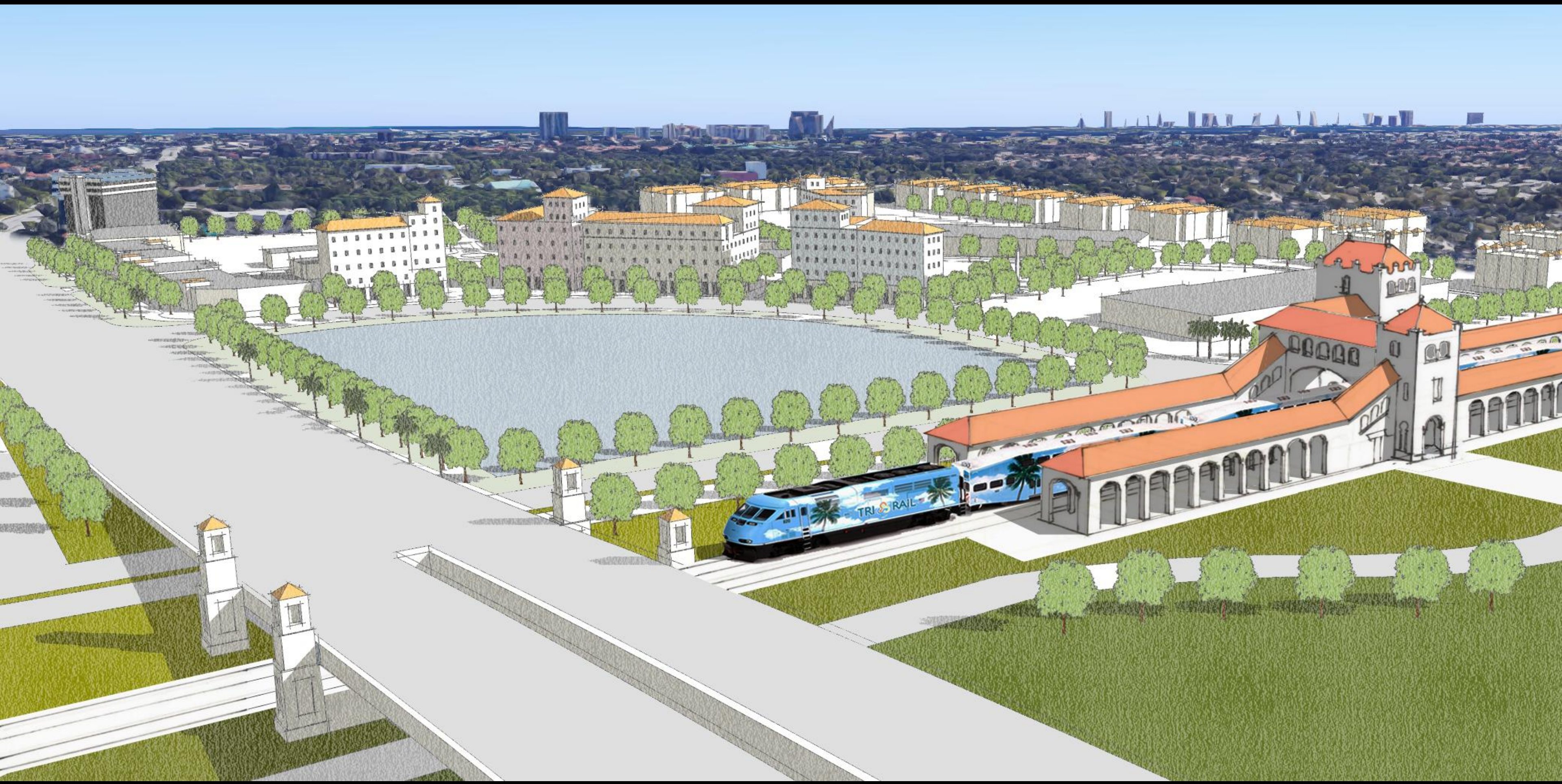
Legacy Place - Transformation



Concept Details
- **Introduces Mixed-Use Residential; Supports Retail**
- **Improves Internal Circulation for Cars & Pedestrians**
- **Maximizes Views of Lake**
- **Improves Visibility from PGA & A1A**

Legacy Place - Transformation

Legacy Place - Transformation



Legacy Place - Transformation

FOR MORE INFORMATION:

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