

I. INTRODUCTION:

- A. General. The importance of economic development activities as a component of the overall comprehensive planning process has increased as communities realize that their ability to grow in a controlled and balanced fashion has a dramatic impact on future land use, the demand for municipal services, and other important aspects of the health and vitality of a community.

The Economic Development Element includes principles and guidelines for commercial and industrial development, employment and manpower utilization within Coral Springs, and identifies any adjacent market areas that significantly impact the City's jurisdiction. This element includes analysis comparing the types of existing commercial and industrial development and sets forth methods by which a balanced and stable economic base can be achieved.

This element is an optional element of the Comprehensive Plan that was adopted by the City and certified by the State in 1991, two years after the Comprehensive Plan was adopted. The Economic Development Element is consistent with all elements of the Comprehensive Plan. The initial economic development effort was led by an appointed advisory board and by City staff. In 1993, the City Commission shifted the economic development effort to a private, not-for-profit corporation, the Economic Development Foundation (EDF), on the advisory board's recommendation. The Commission also approved a financial incentives package in 1993 after voters approved a property tax abatement referendum. City funds supplement the budget of the EDF and the current City Manager serves as the EDF Financial Advisor.

The adopted goals, objectives and policies need to be amended to reflect five years of experience. Some of the data necessary to measure the objectives were never collected because of changes in personnel and the shift in control of the economic development effort to the EDF. Most of the data that exists were collected by the EDF after it began operations in late 1993. Staff and the EDF believe most of the objectives are still valid and will work to create formal data collection methods to ensure all the necessary information is tracked.

The data that have been collected show that the economic development efforts have been extremely successful. The EDF data indicate the City has added 1,763 new jobs and retained 526 jobs in 1993-95. More than 809,000 square feet of office and industrial space have been developed or absorbed in the two years the EDF has led the economic development effort. This commercial and industrial growth exceeds the measures set forth in the adopted objectives.

II. CONDITION OF ECONOMIC DEVELOPMENT ELEMENT AT TIME OF ORIGINAL ADOPTION (JUNE 1989):

- A. Population: In 1991, Coral Springs was one of the fastest growing cities in Broward County and was the 13th largest city in Florida.

The 1991 population was estimated at approximately 83,000, more than double the City's population of 37,349 in 1980. This represented a compound annual average growth rate of 6.8% over that 11-year period.

The population was projected to reach 138,099 by the year 2016, the assumed year of build-out. The projected growth would represent a 2.4% compound annual average growth rate.

Coral Springs was characterized as a community of young families because the City had the lowest median age of all municipalities in Broward County, and it ranked first in the percentage of households that contain families, at 86%, and first in number of persons per household, at 3.27.

Table 1 lists population trends by age group.

Florida is known as a major tourist destination with a significant number of seasonal residents during the winter months. However, the seasonal population of the City was relatively small compared to other south Florida communities and was expected to remain approximately 2% of the total population of the city.

The geographic distribution of the City's population can be measured by changes in the population per census tract. Table 2 shows population projections by census tract. As expected, the data indicated that the population would be increasing most in the tracts that contain the majority of the remaining developable residential land.

- B. Labor Force Characteristics: The City's labor force constituted approximately 44% of the City's population in 1980, which is comparable to a 45% figure for Broward County for the same year. 1990 figures were not available at the time this element was written.

Because the City's population was projected to increase at over twice the rate of Broward County during the 1980's, the City's labor force was expected to have experienced considerable growth during the 1980's and to continue that trend into the 1990's.

Table 3 lists employment in the City and Broward County, categorized by occupation and projected to the year 2000. Table 4 lists employment by SIC code.

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Coral Springs had a considerably greater percentage of executive/administrative and professional occupations than Broward County as a whole and relatively fewer production workers and laborers. This was a reflection of Coral Springs' service industry orientation.

Employment projections by SIC code/industry showed the same trend. Service industries had grown from 22.6% of industries employment in 1980 to 28.5% in the year 1990, and growth was projected to continue through the year 2000 in Broward County.

Since service industries were expected to grow at higher rates than other industries, it was recommended that economic development strategies focus on efforts to diversify the City's economy from a dependence on this segment of the economy.

Table 5 is a comparison of the unemployment rates of Broward County, Florida and the United States from 1987-1990. During this period, Broward County had stayed at levels at or below both Florida and the total U.S. labor force.

C. Current Conditions Analysis:

Table 6 contains a list of the percentage of Coral Springs businesses for each SIC code. Health services accounted for 26.5% of all companies, business services were 19.6%, technical services were 14% and personal services were 10.6%. No other category exceeded 7% of all businesses.

The City's economy was heavily oriented toward service industries, with over 600 service establishments of the 649 business establishments surveyed for the element.

One commercial establishment had over 450 employees. Approximately 14% of the City's property tax base was from commercial/industrial properties, compared to 20% for Broward County.

Coral Springs got 56.3% of its property tax base from single family residential homes compared to 38.5% for Broward County.

The dominance of residential property in the City's assessed value base indicated the historical development character of the City as a residential community.

Table 7 is a summary of land uses by acreage. Coral Springs contained approximately 14,560 acres. Approximately 1,000 acres of land designated for commercial/industrial use were vacant. 650 acres were considered prime properties of sufficient size to have potential for major development.

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Table 8 describes the location of these 650 acres. Map 1 shows the location of the prime properties.

The remaining 350 acres should become more desirable as recognizable employers become corporate citizens of Coral Springs.

The 1991 supply of vacant land zoned for commercial and industrial uses was considered adequate for meeting the goal of doubling the non-residential tax base by build out. The largest industrial tract was the Park of Industry. The Park of Industry included approximately 340,000 square feet under roof in 1991.

The Park of Industry was estimated to be approximately 35% - 40% developed. Overall, the City contained approximately 3.5 million square feet of office space, with a vacancy rate of approximately 27%. Additionally, the City contained about 1.5 million square feet of retail space.

The element included summarized results of surveys of local employers and competitive office/industrial projects. The respondents perceived the City as a beautiful community with an abundance of middle and upper-income housing. However, the City did not have a reputation as a location for industrial and office uses. Improvements to the physical appearance of the Park of Industry and the provision of technical assistance, including a guide to city services, were suggested.

Coral Springs was compared to 15 cities to analyze business location factors. These factors are traditionally examined by facility locators in their initial screening of communities to determine potential locations for their companies or clients. These 8 factors are listed below:

General economic indicators Local business/government climate Existing manufacturing environment Labor force
Transportation linkages Real estate factors Cost of utilities Quality of life
Coral Springs had advantages or was competitive in all these factors with the exception of existing manufacturing environment. The City did not have a significant concentration of existing manufacturing firms to attract other firms.

Target Industry Analysis:

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Target industries, those types or groups of industries that should be encouraged to locate and/or grow in the City in an effort to diversify and expand the local economy, were defined using a two-step process: 1) identify growth industries using historical and projected industry growth by industry type (SIC code) and 2) identify locational preferences to find industries with a strong local presence.

Local leaders and the Economic Development Task Force identified a smaller number of industries for particular strategic targeting. These industries held the most promise for compatibility between the characteristics of the City and locating firms.

Table 9 is the final 1991 target industry list.

Many of the targeted industries involved electronic data transmission or other networked information services. At the time of element adoption, the City's lack of the most advanced form of telecommunication links to national networks was seen as a problem the City would have in competing with other communities' corporate parks.

- C. Economic Development Strategies: The Coral Springs mission statement for economic development was "to create and implement a program through careful planning and public/private sector cooperation to diversify our economic base, consistent with the high quality of life we now enjoy."

The ability to create an effective public/private partnership between the community and its business interests was emphasized. Because most of the available land in Coral Springs was owned by Coral Ridge Properties, or a limited number of other investors, the success of the initiative would be greatly dependent on their commitment to the effort.

Principal strategies for economic development were:

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Attraction - bringing new employers and jobs into a community

Creation - providing the assistance necessary to create new companies

Retention/expansion - emphasize efforts that help companies grow and prosper

ATTRACTION:

Three main strategies were identified in the area of attracting new businesses: 1) prospect identification; 2) development of incentives; and 3) marketing program.

Specific strategies to increase the number of successful prospects were to 1) improve the City's ability to handle "cold calls" from prospects for information about the community, 2) undertake a marketing effort for the target industries identified in Table 9, 3) target suppliers and support services of existing south Florida industries, and 4) begin a process to convince executives who live in Coral Springs but do not work here to consider moving to, or expanding in, Coral Springs.

Table 10 lists recommended development incentives to aid in attracting new employers. These incentives were based, in part, on the findings of comparative fiscal impact analyses, cash flow impacts on the City's general fund and incentives offered by competing cities.

A combined special assessment district and tax increment financing district for the Park of Industry was proposed to help reposition the Park as a prime location for office and industrial development. Table 11 is a suggested Capital Improvements Program for the Park as of 1991.

An Economic Development Overlay District was proposed for all areas up to 400 acres zoned industrial or commercial. It was proposed that property in this district would be available for development incentives on a first-come, first-served basis.

The three main forms of incentive qualifying development activity were: 1) new industrial/commercial uses occupied at opening; 2) new speculative buildings; and 3) existing buildings.

New uses would have to be a minimum of 50,000 square feet (25,000 in the Park of Industry) for tenants: with a minimum 10,000 square feet and 50 jobs, from outside of Coral Springs, with a five-year lease, and at least 50% of space occupied by qualified tenants. Incentives would terminate if the tenant vacated the premise during the incentive period.

New speculative buildings would be eligible for incentives when 50% or more of the space was occupied by tenants meeting the characteristics described above. Existing buildings of 25,000 square feet or more would receive a property tax abatement for two years. Other incentives would be based on the percent of the building occupied by tenants meeting the above characteristics.

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CREATION:

The element recommended encouraging support for creation activities, such as business incubators, which encourage small-scale "start up" facilities.

The high cost and absence of other key characteristics necessary to develop a successful creation effort did not suggest this as a priority strategy for Coral Springs economic development efforts.

RETENTION/EXPANSION:

Suggested strategies for retention/expansion of existing businesses included conducting periodic surveys of the needs of local companies, incentives for existing companies undergoing major expansion, redevelopment of the Park of Industry, and review of the administrative procedures effecting economic development.

The following criteria were suggested as incentives for existing companies:

1) establish a level of financial support based on the number of primary jobs created or assessed value created, 2) granting of an incentive should be determined by a review committee in a public hearing, and 3) the company must agree to remain in Coral Springs for a set time period or repay the incentive.

Several respondents to a survey considered the City a "tough town to do business in". However, the element recommended continuing the standards and procedures that resulted in the City's favorable current character.

Interviews conducted as research for the element indicated a concern with the "seemingly arbitrary application of procedures and difficult to interpret rules" that might have been discouraging development from occurring or even considering Coral Springs. The element suggested this issue be addressed through concerted City action.

The element recommended the following initiatives to support retention and expansion of City businesses as part of a "buy in our city" campaign: the production of a reference book outlining local services offered in Coral Springs and conducting a market study to determine if the City is doing an effective job in circulating and capturing revenues or if there was a significant leakage of Coral Springs' income outside of the City.

D. CONDITION OF ECONOMIC DEVELOPMENT ELEMENT AT THE DATE OF THE EAR (1995):

Population: Coral Springs continues to be one of the fastest growing cities in Broward County and is the 13th largest city in Florida.

The year-end 1994 population was estimated to be approximately 93,711. This represents a compound annual average growth rate of 3.43% over the past 5 years. The current population estimate (Coral Springs Projection Methodology: March 31,

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1995) is 94,410.

The population is now projected to reach 121,953 by the year 2010, the effective year of build-out. The projected growth would represent a 2.24% compound annual average growth rate.

Coral Springs can still be characterized as a community of young families because the City has the second lowest median age of all municipalities in Broward County at 31.6, and it ranks third in the percentage of households that contain families, at 78%, and third in number of persons per household, at 2.94.

Table 12 contains new estimates of population trends by age group through anticipated build out in 2010. These projections were created during the preliminary research for a potential Growth Management Element using the same assumptions used with the 1988 data. The projected total population in each year reflects current land use and zoning patterns. These projections have not been officially adopted as part of the Comprehensive Plan.

The geographic distribution of the City's population can be measured by changes in the population per census tract. Table 13 shows that the population grew in the expected areas and is expected to continue to grow in those areas with extensive undeveloped land designated residential.

Labor Force Characteristics:

The City's labor force constituted approximately 55% of the City's population in 1990, which is comparable to a 53% figure for Broward County for the same year.

Tables 3,4, and 6 described employment trends in the City and Broward County at the time of plan adoption. The data contained in these tables was compiled from several sources by a consultant. Updates for some of this information is available on the state and county level. The City has not updated the local level information since the plan was adopted. The data in these tables was used to determine which industries should be the focus of the City's economic development efforts. Because employment trends do not change dramatically in the very short term, the City considers the existing target industries list to be valid. Additional data will need to be collected in the future.

According to data published by the Florida Department of Labor and Employment Security (FDD in December 1994, trade and service industries will generate more than two-thirds of the new jobs in Florida. Professional, paraprofessional, and technical occupations will be the second fastest-growing occupational division and will add the greatest number of new jobs to the work force.

FDL states that, between 1992 and 2005, more jobs will be generated by economic

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growth than by job replacement due to death and retirement.

Table 14 is a comparison of the unemployment rates of Broward County, Florida and the United States from 1990-1993. After years of being at or below the rate of the total U.S. labor force, Broward County unemployment, reflecting a statewide trend, exceeded the U.S. rate in 1991 and 1992. However, the County unemployment rate returned to approximately the national rate in 1993.

Current Conditions Analysis:

Coral Springs now has one commercial establishment with 600 employees, two with 250 employees and one with 100 employees. The addition of more major commercial employers is anticipated.

Approximately 15.6% of the City's property tax base is from commercial/industrial properties.

Coral Springs gets 60% of its property tax base from single family residential homes. The dominance of residential property in the City's assessed value base indicates the continuing historical development character of the City as a residential community.

Table 15 is a summary of land uses by acreage. Coral Springs contains approximately 14,980 acres. Approximately 751 acres of land designated for commercial/industrial use are currently vacant.

The majority of the original 650 acres, considered prime properties of sufficient size to have potential for major development are still available. The land use for approximately 20 acres was changed to accommodate a public school and 16 acres became part of the Regional Park. An additional 38 acres was developed as a retail shopping center anchored by Builders Square and Sam's. There are still 570 acres of prime undeveloped commercial or industrial land. Table 16 describes the location of the remaining prime sites and Map 2 shows the location of these sites.

Seven of the nine original prime commercial/industrial areas were unplatted in 1991. In preparation for development, four of these areas have now been platted. Only the areas along Coral Ridge Drive, the south side of Sample Road at State Road 7 and portions of the Park of Industry (now called the Corporate Park of Coral Springs) remain unplatted.

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Because there has been an increase in commercial land and only a 10 acre net loss of industrial land through land use changes, the supply of vacant land zoned for commercial and industrial uses is still adequate for the purposes of doubling the non-residential tax base by build out.

The largest industrial tract is the Corporate Park of Coral Springs. The Corporate Park now includes approximately 1,200,000 square feet under roof.

The Corporate Park is now estimated to be approximately 45% - 50% developed. Overall, the City contains approximately 3.5 million square feet of office space, with a vacancy rate of approximately 12%. Additionally, the City contains about 1.5 million square feet of retail space.

Conceptual designs for new and improved entrances, landscaping and identification signs for the Corporate Park will completed by the end of the summer of 1995.

Target Industries Analysis:

The City continues to seek the target industries identified in Table 9. However, the City has successfully secured businesses that were not on the initial list including manufacturing assemblers and steel fabricators as well as entertainment services

Many of the targeted industries involve electronic data transmission or other networked information services. Southern Bell and Coral Springs Cable have improved the city's telecommunication links since the adoption of the Economic Development Element. These enhancements, including digital switching and fiber optic transmission, benefit the City's efforts to recruit the target industries. The on-going telecommunications improvements mean the City has advantages or is competitive in this area.

Economic Development Strategies:

The City's initial economic development initiative was led by an economic development advisory board and a budgeted department of City staff.

After a series of community workshops, the economic advisory board recommended the formation of a not-for-profit economic development organization to be run as a public/private partnership between the City, the Chamber of Commerce and the economic development organization.

The Coral Springs Economic Development Foundation (EDF) was incorporated as a not-for-profit corporation in March 1993.

Also in March 1993, the voters of Coral Springs approved a referendum permitting property tax abatement as an incentive. The City Commission also approved an

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additional incentive package including waiver or deferral of certain impact fees, inspection fees and development fees.

The Coral Springs Economic Development Foundation mission statement for economic development is only slightly different from the original City mission. The fiscal year 1996 Business Plan mission is "to implement a program which, through careful economic planning and public/private sector cooperation, will diversify our economic base, consistent with the City's quest to become the premier city in Florida to live, work and raise a family."

The ability to create an effective public/private partnership between the community and its business interests is still emphasized. Because most of the available land in Coral Springs is owned by Coral Ridge Properties (now called Coral Ridge Communities), or a limited number of other investors, the success of the initiative is still greatly dependent on their commitment to the effort. An employee of Coral Ridge Communities serves on the EDF Board of Directors.

Principal strategies for economic development continue to be attraction and retention/expansion. Creation of new businesses continues to be a low priority because of the high cost and the absence of other key characteristics necessary to develop a successful creation effort.

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ATTRACTION:

The City continues to support the three general strategies for attracting new businesses:

1) prospect identification; 2) development of incentives; and 3) a marketing program. The EDF is focusing on the "Resident Executive Initiative", a process to convince executives who live in Coral Springs but do not work here to consider moving to, or expanding in, Coral Springs, as the primary strategy to increase the number of successful prospects. This strategy resulted in the addition of two new businesses and 700 jobs to Coral Springs in 1994.

The EDF estimates at least 60% of the business relocations can be attributed to community resources (executives who lived in Coral Springs or who new knew someone who lived in Coral Springs).

The EDF has also trained staff and delineated responsibilities to improve the City's ability to handle "cold calls" from prospects for information about the community. The EDF has not begun any efforts to target suppliers and support services of existing south Florida industries.

The EDF is now looking to the Florida Department of Commerce and the Broward Economic Development Council to lead the national marketing effort to attract new businesses to the area.

The EDF will be increasing reliance on the Broward Economic Development Council and Enterprise Florida to fund and provide marketing and corporate recruitment services. The marketing/advertising initiatives will be concentrated within south Florida. The list of recommended development incentives from the 1991 Element (Table 10) is still valid. These incentives are now determined on a case by case basis.

The City did not create a special assessment district and tax increment financing district to help reposition the Corporate Park as a prime location for office and industrial development. Instead, financing for this project came from the Series 1994 Franchise Revenue Bond. One million dollars has been allocated for this project but no specific capital improvements plan has been created pending finalization of design.

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The City did not create an Economic Development Overlay District to define eligibility for development incentives. The creation of the EDF and privatization of the economic development effort made granting of incentives on a case by case basis the most efficient method. The EDF uses a Fiscal Impact Model to determine eligibility for and amount of incentives for each prospect. Due diligence is completed by the EDF and approved by the Financial Advisory Board. City Commission approval is only necessary if public incentives are offered. The City is considered a "lender of last resort". Property tax abatement is only available for new development projects.

RETENTION/EXPANSION:

Continuing strategies for retention/expansion of existing businesses include conducting periodic surveys of the needs of local companies, incentives for existing companies undergoing major expansion, redevelopment of the Corporate Park, and review of the administrative procedures effecting economic development.

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The EDF, in cooperation with the Chamber of Commerce, conducts an "Early Warning" business survey to alert the City to potential loss of businesses. This strategy has saved 276 jobs through the retention of two businesses.

As with attraction strategies, the creation of the EDF and privatization of the economic development effort made granting of incentives on a case by case basis the most efficient method. The EDF uses a Fiscal Impact Model to determine eligibility for and amount of incentives for each prospect. Due diligence is completed by the EDF and approved by the Financial Advisory Board. City Commission approval is necessary if public incentives are offered.

The City has processed several code amendments to streamline the development process including revisions to general zoning regulations, additional permitted uses, signs, and landscaping. The City has also instituted a "one-stop" shopping of development services in which the City guides EDF prospects through the development process.

The Chamber of Commerce publishes a Relocation Guide, outlining local services offered in Coral Springs, and a Retail Survey to determine if the city is doing an effective job in circulating and capturing revenues or if there is a significant leakage of Coral Springs' income outside of the City.

The EDF will be increasing reliance on the Chamber of Commerce to program and fund the Business Retention Program and the Early Warning System. The EDF will implement the International Affairs Program to assist local corporations in protocol matters relating to their international efforts.