

Sunbeam NBV Economic & Fiscal Impact Report.

NEW DATA ANALYSIS AND RESEARCH ON THE POSITIVE ECONOMIC IMPACT OF THE SUNBEAM SPECIAL AREA PLAN IN NORTH BAY VILLAGE, FLORIDA.

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Contents

Contents.....	2
Executive Summary.....	3
Part 1: Market Assessment.....	4
Overview	4
Land (Real Estate)	5
Labor (Workforce).....	9
Capital	10
Markets	12
Part 2: Economic Impact	17
Development Program.....	17
One Time Impacts (during construction)	18
Recurring (Annual) Impacts	20
Part 3: Fiscal Impact.....	23
Ad Valorem (Property) Taxes.....	23
One Time Fees.....	25
About BusinessFlare®	26

Executive Summary

Sunbeam NBV is a vision that will create a new “iconic” destination in North Bay Village, through a vibrant mixed-use project consisting of 1,936 luxury apartments, a 300-room upscale hotel, Class A office space, and commercial uses that include restaurants, entertainment, and retail. The total 7.3 million square foot project will be located on three sites on both sides of the John F. Kennedy Causeway and include a marina and a small production studio, civic and public open space, and the island walk.

This study provides a market overview of the project’s main uses, along with estimates of the one-time and recurring economic development benefits to the community and the positive fiscal impacts to the Village. This includes the future taxable value of the project and estimated tax revenues that the development may contribute to the Village and other taxing authorities such as the School District and Miami-Dade County.

BusinessFlare® reviewed the real estate, labor, financial, and consumer market conditions of North Bay Village and the surrounding area to assess the viability of the proposed uses and develop economic and fiscal impact estimates for the project. The project will provide much needed new commercial and residential space and provide opportunities for new businesses that serve the existing and future residents of the Village with both goods and services as well as job opportunities near their homes. The Village’s economic fundamentals are strong, but the limited real estate availability limits the community’s economic opportunities. For example, on average out of the \$34,500 that Village households spend in retail stores and at restaurants, \$23,300 is spent at establishments that are not in North Bay Village.

BusinessFlare® quantified the direct, indirect and induced economic impacts on North Bay Village in terms of Employment, Earnings, and Total Economic Output that will be generated from the increased activity during both the construction phase (one-time impacts) and the operational phase (recurring impacts). The quantification of these impacts utilized the widely recognized input-output methodology to generate estimates that are specific to North Bay Village.

The total one-time economic impact during construction of the up to approximately \$1.7 billion project is estimated at \$2.9 billion and will result in the generation of \$1.14 billion in household earnings and support up to 17,384 jobs. Following completion of the project, the recurring (annual) economic impact from the operation of the uses located in the project is estimated to be \$332 million, supporting up to 4,190 jobs. The projects customers, including residents and tourists, are projected to spend more than \$70 million annually in the economy.

Following completion of construction, the project’s estimated taxable value may approach one billion dollars, a value which will grow as the project stabilizes and grows its business. This may generate an estimated \$5.7 million for the Village’s General Fund, an approximate 48% increase compared to the \$11.9 million FY 2021/22 General Fund and an approximate 14% increase to the Village’s total FY 2021/22 budget of \$39.4 million. The project is also projected to generate approximately \$12 million in one-time permits and fees.

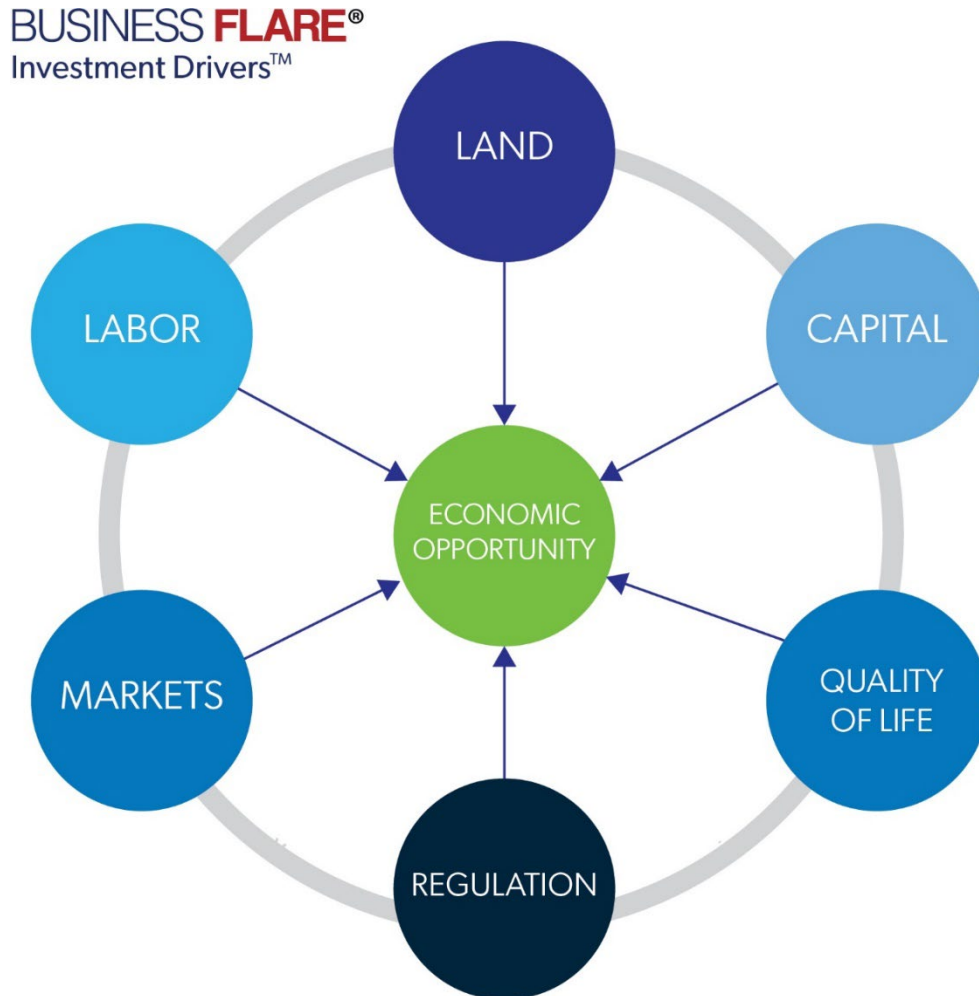
Part 1: Market Assessment

Overview

In order to identify and determine the market conditions and assumptions that will be utilized to estimate the economic and fiscal impacts of the project, a market assessment was conducted. This assessment focused on four (4) of the six (6) drivers of investment and economic development:

1. Land (real estate)
2. Labor (workforce)
3. Capital (money)
4. Markets (customers)

The additional two drivers, regulation and quality of life, are as important to the project's feasibility as the first four, but do not directly provide quantifiable inputs for the impact analysis.



Land (Real Estate)

For the real estate market assessment, three market segments were evaluated utilizing CoStar and the Multiple Listing Service (MLS).

1. Office
2. Commercial (retail, restaurant)
3. Multifamily (rental apartments)
4. Hotel

These market segments were evaluated in five (5) geographies to analyze the market conditions that are relevant to the project.

1. North Bay Village – the subject municipality.
2. Bay Harbor Islands – a similarly situated municipality, located in Biscayne Bay along a causeway connecting the mainland to the barrier islands, with bayfront, but without oceanfront property.
3. Miami Beach – the dominant market.
4. A 2.5 mile radius – the primary market area for the subject property.
5. Miami-Dade County – the broader market in which the project is located.

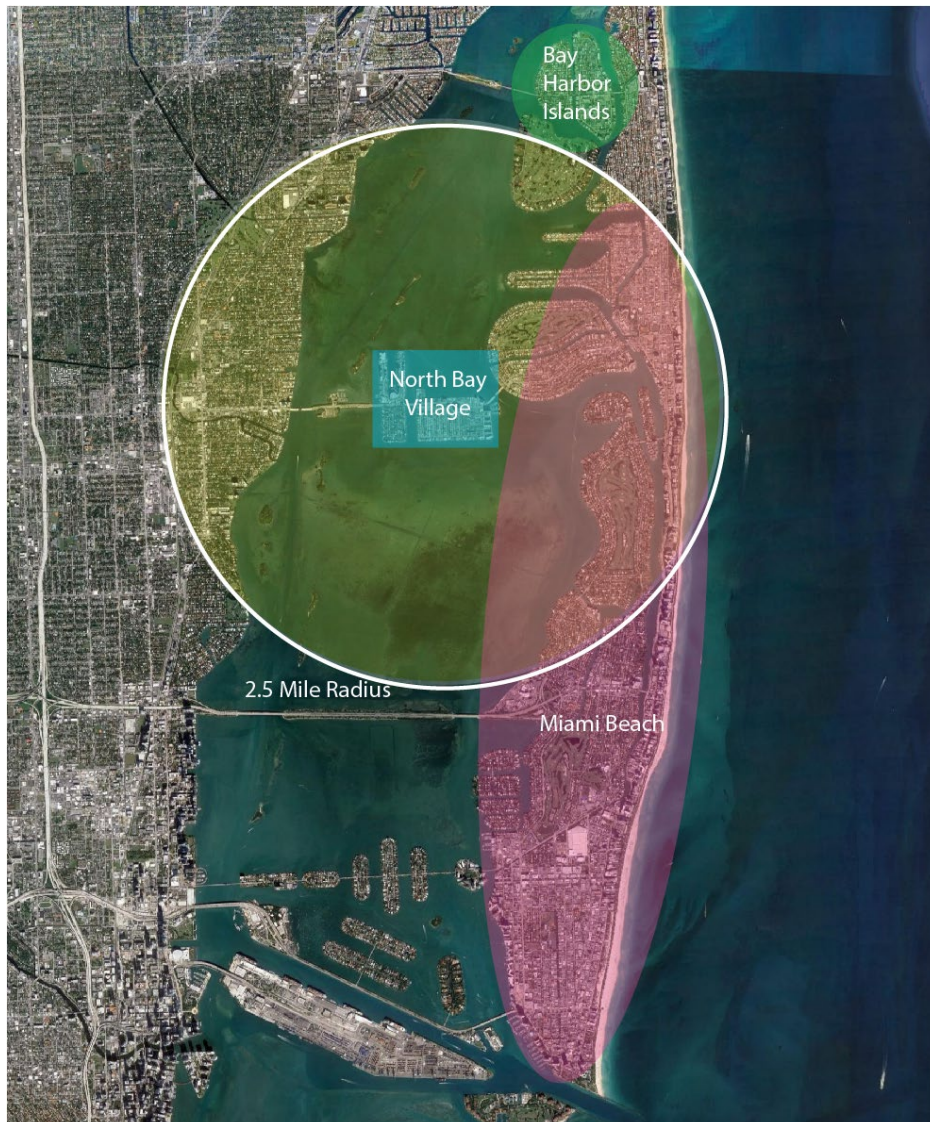


Figure 1: Study Areas

Office – With only 155,000 square feet, North Bay Village is a boutique, niche office market. Among the study areas, square foot market rents for office space range from \$36 to \$50 and asking rents for available space are approximately 10% higher than the market rents, indicating continued strong demand for office space in desirable submarkets. Vacancy is below 15%, which is our benchmark of office market health, with a vacancy rate of 5.6% within a 2.5-mile radius of the project site.

The continued demand for new, class A office space, combined with the Village’s accessible location compared to nearby submarkets such as in Miami Beach with higher congestion and parking challenges, supports new office space in North Bay Village as an attractive alternative for both smaller niche and boutique users and for larger, established firms.

Table 1: Office Market

	NBV	Miami Beach	Bay Harbor	2.5 Mile Radius	Miami-Dade
Office Market Rent	37.67	49.64	40.03	35.97	41.07
Office Asking Rent		54.69	46.00	40.93	45.20
Office Sale	243	442	371	299	343
Office Cap	6.3%	5.7%	5.9%	5.8%	6.1%
Office Inventory	155,000	4,200,000	185,000	1,500,000	110,000,000
Office Vacancy	11.6%	13.6%	0.0%	5.6%	10.1%

Commercial – Retail and restaurant space in North Bay Village is limited. Asking rents in the market area are currently lower than market rents, but investors have a positive view of retail property, demonstrated by Cap Rates¹ in the 5% range. Retail vacancy is below 5%, and the limited inventory means that opportunities for new businesses to enter the market are limited.

The trend of low availability of commercial space in North Bay Village and limited opportunity to attract new businesses will continue without the development of new space that retail and restaurant users can occupy. Consumer spending and foot traffic data will be discussed later in the report which demonstrates the significant demand for additional retail and restaurant uses in the Village.

Table 2: Retail Market

	NBV	Miami Beach	Bay Harbor	2.5 Mile Radius	Miami-Dade
Retail Rent	40.21	87.58	38.15	37.35	40.73
Retail Asking Rent		73.33		32.73	40.35
Retail Sale	408	763	451	448	401
Retail Cap	5.6%	5.0%	5.5%	5.3%	5.5%
Retail Inventory	88,400	8,400,000	76,800	2,800,000	139,000,000
Retail Vacancy	0.0%	6.7%	4.3%	4.5%	3.4%

¹ The Capitalization Rate (Cap Rate) is the rate of return on a real estate investment property based on the income that the property is expected to generate.

Multifamily – Although North Bay Village has a high level of renter occupied housing (55%), a portion of that inventory is located in condominiums and single family homes; the true multifamily apartment inventory is only one part of the overall rental market. Nevertheless, consistent with the rest of South Florida, demand continues to increase while availability declines significantly. This strong demand has driven vacancy rates and the amount of time to lease vacant units to the lowest points observed in recent history, as market rents increase.

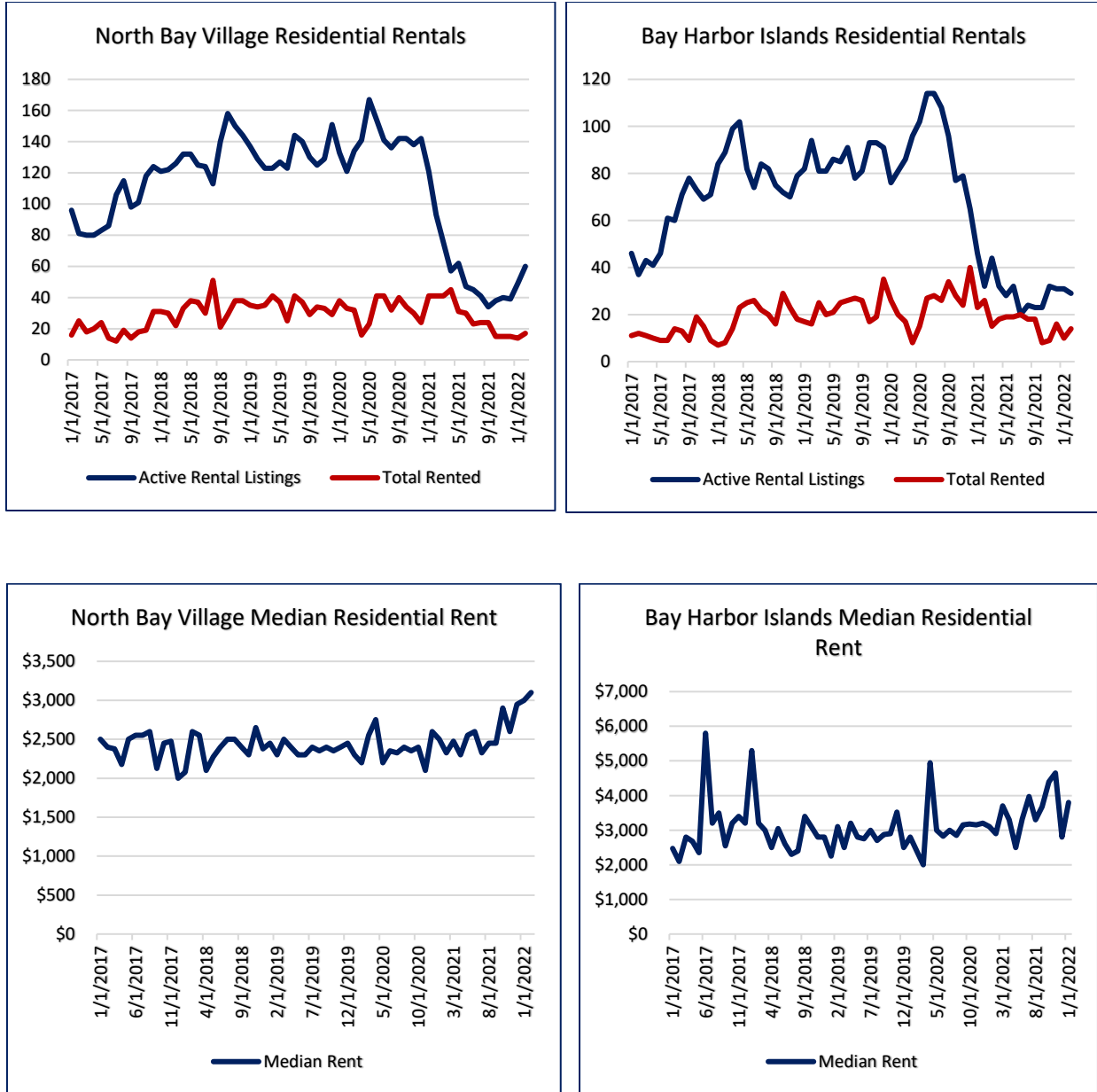
Compared to neighboring submarkets, North Bay Village rents are the market leader for 1, 2 and 3 bedroom units, and Cap Rates that are in the 4% range indicate very strong investor confidence in the Village’s residential rental market.

Table 3: Housing Stock

Housing Stock		
Housing Units	5,024	
Owner Occupied	1,085	21.6%
Renter Occupied	2,768	55.1%
Vacant	1,171	23.3%
Median Home Value	397,198	

Table 4: Apartment Market

	NBV	Miami Beach	Bay Harbor	2.5 Mile Radius	Miami-Dade
Multifamily Inventory	687	16,194	282	12,463	244,822
Multifamily Vacancy	2.9%	3.3%	2.6%	3.4%	2.8%
Multifamily Market Rent	2,548	1,808	1,564	1,627	1,839
Multifamily Asking 1Br Rent	2,014	1,609	1,192	1,429	1,589
Multifamily Asking 2Br Rent	3,125	2,657	1,940	2,307	2,061
Multifamily Asking 3Br Rent	2,996	4,156	2,076	2,091	2,223
Multifamily Cap	4.5%	4.7%	4.7%	4.8%	2.8%
Multifamily Price per Unit	376,000	277,000	342,000	250,000	273,000
Multifamily Asking Rent / SF	2.82	2.58	1.57	2.29	2.15



Source: Beaches MLS

Summary – The North Bay Village real estate market demonstrates strong supply and demand drivers for the market segments that are proposed with this project, with limited inventories in the primary market area and especially in North Bay Village. The local market has strong investor confidence and demonstrates a key opportunity to introduce newly constructed product to the market in a location that offers a sense of place and enhances quality of life, with amenities and convenience.

Based on our review of the data, the project should achieve commercial and residential rents that are higher than the current market conditions.

Labor (Workforce)

With an overall population of less than 10,000 residents, the Village’s resident workforce is not significant in terms of numbers, and an industry sector mismatch between the resident workforce and local jobs results in a situation where residents’ opportunities to live and work in North Bay Village are limited. The vast majority of residents leave the Village for work; in fact, twice as many residents leave the Village for work as there are non-residents coming to the Village for their employment.

The North Bay Village residential population is highly employed, with 71.6% labor force participation and low unemployment of 3.2%. The development of additional commercial and office space will provide additional opportunities for Village residents to work closer to home, and the addition of new multifamily units will enhance Village employers’ access to talent and the workforce.

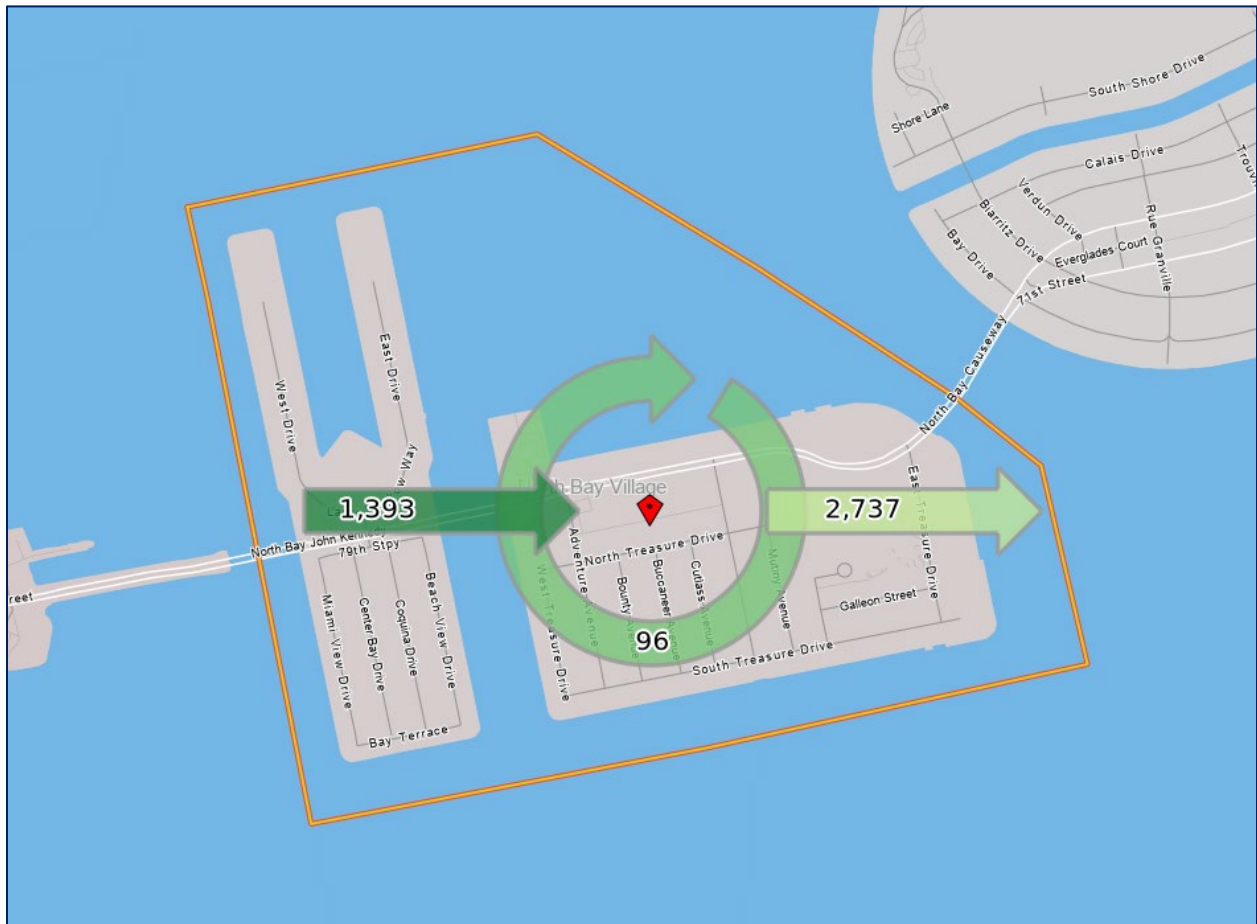


Figure 2: Workforce Inflow and Outflow. Source: US Census Bureau, On The Map.

Capital

The project site is comprised of ten parcels located on the north and south sides of the JFK Causeway, with a total land area of 13 acres. The total taxable value of the properties is \$44.5 million, and the taxable value recently increased 6.9% from 2019 to 2020 and 7.0% from 2020 to 2021. The total amount of ad valorem taxes paid on all parcels is \$1.15 million, of which \$297,821 was to the Village's operating budget and \$29,248 was contributed to the Village's debt service millage.

Table 5: Parcel Information²

Folio	Lot SF	Lot Acre	Adjusted	2019	2020	2021
23-3209-000-0010	1,000	0.023	-	\$ 30,000	\$ 33,000	\$ 35,000
23-3209-000-0201	145,490	3.340	17,426	\$ 11,848,318	\$ 13,033,149	\$ 13,194,100
23-3209-000-0200	94,379	2.167	40,687	\$ 7,191,071	\$ 7,587,204	\$ 8,345,924
23-3209-000-0020	36,000	0.826	-	\$ 3,060,000	\$ 3,366,000	\$ 3,702,600
23-3209-000-0030	47,700	1.095	-	\$ 4,054,693	\$ 4,460,102	\$ 4,906,112
23-3209-000-0031	10,800	0.248	-	\$ 929,258	\$ 1,022,183	\$ 1,124,401
23-3209-000-0040	36,000	0.826	12,269	\$ 3,160,000	\$ 3,476,000	\$ 3,823,600
Sub-Total North Side	371,369	8.525	70,382	30,273,340	32,977,638	35,131,737
23-3209-000-0161	118,417	2.718	75,295	\$ 9,760,000	\$ 9,788,350	\$ 10,500,000
Sub-Total South Side - West	118,417	2.718	75,295	9,760,000	9,788,350	10,500,000
23-3209-010-0240	48,125	1.105	15,102	\$ 2,869,625	\$ 3,041,875	\$ 3,346,062
23-3209-010-0270	24,543	0.563	6,461	\$ 1,608,031	\$ 1,768,834	\$ 1,945,717
Sub-Total South Side - East	72,668	1.668	21,563	4,477,656	4,810,709	5,291,779
GRAND TOTAL	562,454	12.91	167,240	\$44,510,996	\$47,576,697	\$50,923,516

² Miami-Dade County Office of the Property Appraiser

Table 6: Parcel Information

Folio	2021 Total Tax	2021 Village Operating	2021 Village Debt	2021 Value/SF
23-3209-000-0010	\$ 788	\$ 205	\$ 34	\$ 35.00
23-3209-000-0201	\$ 297,168	\$ 77,164	\$ 12,760	\$ 90.69
23-3209-000-0200	\$ 187,974	\$ 48,810	\$ 8,071	\$ 88.43
23-3209-000-0020	\$ 83,393	\$ 21,654	\$ 3,581	\$ 102.85
23-3209-000-0030	\$ 110,499	\$ 28,693	\$ 4,745	\$ 102.85
23-3209-000-0031	\$ 25,325	\$ 6,576	\$ 1,087	\$ 104.11
23-3209-000-0040	\$ 86,118	\$ 22,362	\$ 3,698	\$ 106.21
Sub-Total North Side	791,265	205,464	33,976	\$ 94.60
23-3209-000-0161	\$ 236,489	\$ 61,408	\$ 10,155	\$ 88.67
Sub-Total South Side - West	236,489	61,408	10,155	\$ 88.67
23-3209-010-0240	\$ 75,363	\$ 19,569	\$ 3,236	\$ 69.53
23-3209-010-0270	\$ 43,823	\$ 11,379	\$ 1,882	\$ 79.28
Sub-Total South Side - East	119,186	30,948	5,118	\$ 72.82
GRAND TOTAL	\$1,146,940	\$297,821	\$49,248	\$ 90.54

Table 7: 2021 Parcel Purchases³

2021 Sales Activity	Sale Price	Price/SF
23-3209-000-0201	\$ 29,000,000	\$ 199.33
23-3209-000-0020	\$ 14,000,000	\$ 167.26
23-3209-000-0030		
23-3209-000-0031	\$ 13,500,000	\$ 288.46
23-3209-000-0040		
23-3209-010-0240	\$ 13,900,000	\$ 191.28
23-3209-010-0270		

In addition to this project, another entity has plans to develop 2.8 acres at the eastern end of the causeway. The project will include a 36,000 square foot Publix, a 21-story, 327 luxury apartment building, and approximately 6,000 square feet of food and beverage oriented commercial space. The residential units will range from 324 square foot micro studios to 1,400 square foot three bedroom apartments and will include some units reserved for workforce housing.

³ Miami-Dade County Office of the Property Appraiser

Markets

Table 8: Population Characteristics⁴

Population	
Population	8,365
Households	3,855
Average Household Size	2.17
Median Household Income	\$ 65,551
Median Age	39.9

The population of the Village is slightly above 8,300 persons, residing in almost 3,900 households. The median household income is increasing and was estimated to be \$65,551 in 2021, and the median age of the Village’s population was 39.9 years.

Table 9: Household Spending

There is significant purchasing power in the Village’s residential community, however, there are few places for residents to shop and dine, resulting in high retail and restaurant ‘leakage’. Of an average of \$31,000 in annual retail and restaurant spending, more than \$22,000 is spent outside of North Bay Village.

Household Spending	
Retail Spending per Household	30,959
Restaurant Spending per Household	3,520
Unmet Household Retail Demand	22,641
Unmet Household Restaurant Demand	705

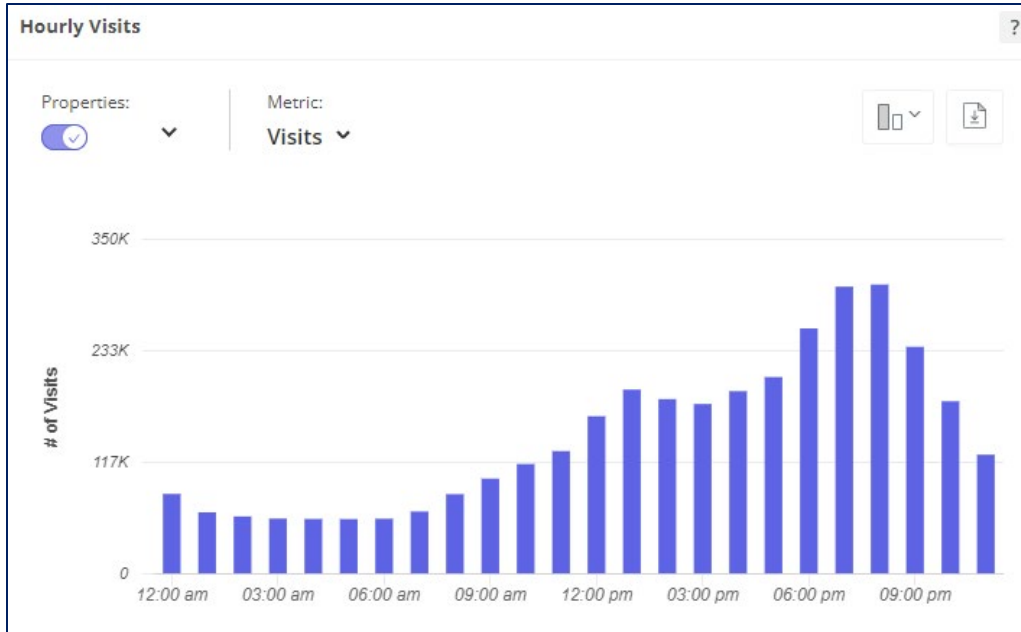
Table 10: Consumer Spending and Leakage

Total Consumer Spending	
Total Retail Demand (Spending)	\$ 119,348,238
Total Restaurant Demand (Spending)	\$ 13,569,547
Total Retail Supply (Sales)	\$ 32,065,991
Total Restaurant Supply (Sales)	\$ 10,851,368
Total Retail Unmet Demand	\$ 87,282,247
Total Restaurant Unmet Demand	\$ 2,718,179

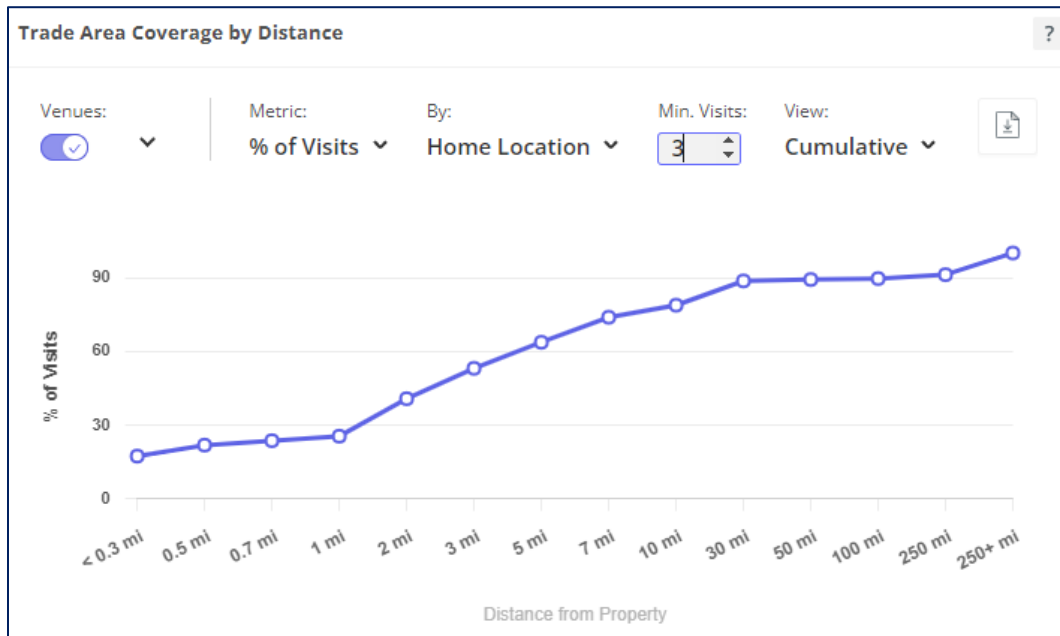
This spending alone could support the development of an additional 180,000 square feet of commercial space, without considering the additional purchasing power and demand by the Village’s additional consumers including daily employees, day-trippers and tourists.

⁴ Source for all tables on this page: ESRI

According to customer foot traffic information from Placer.ai, customers of North Bay Village’s shops and restaurants also often visit Midpoint Shopping Center at 79th Street and Biscayne and the Publix at 68th and Collins Avenue, and these two destinations are also the primary shopping destinations for North Bay Village residents. Furthermore, this data indicates that restaurants drive customer visits to the Village, based on customer visits peaking at 7 and 8 p.m.



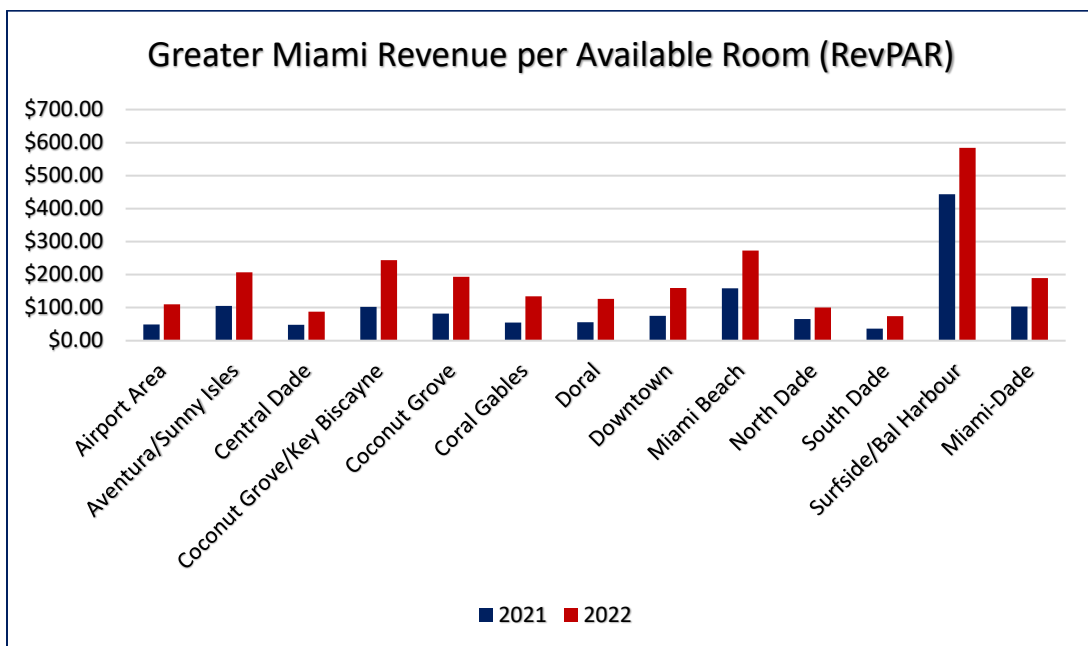
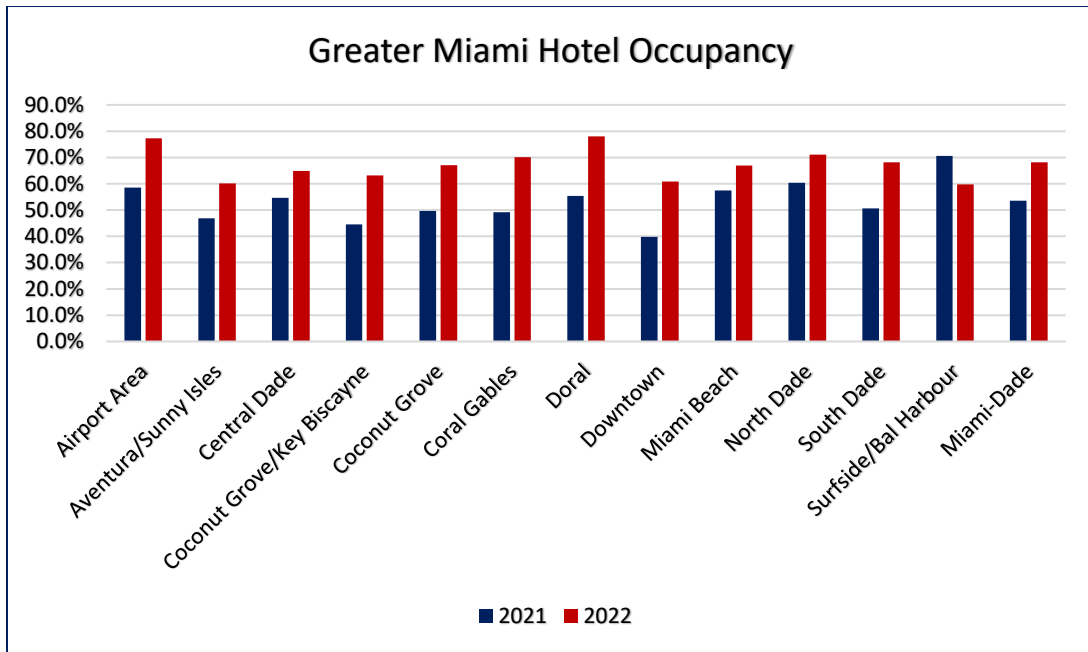
Twenty-five percent of the Village’s customers live within 1 mile, 52% within 3 miles and 75% live within 7 miles. 9% of customers live more than 250 miles away (tourists).⁵



⁵ Placer.ai

The tourism and hotel market in Miami-Dade County, and especially in the Greater Miami Beach area continues to grow and exceed pre-pandemic levels. Out of almost 62,000 hotel rooms countywide, 39% are in Miami Beach. There is an opportunity to position new hotel product in North Bay Village as a niche, upscale submarket within the Greater Miami Beach area.

Air travel, hotel room sales, and restaurant and bar revenues have recovered and hotel Occupancy Rates, Average Daily Rates (ADR), and Revenue per Available Room (RevPAR) continue to demonstrate year over year increases, and Greater Miami is the leading U.S. destination for tourism recovery from the pandemic.



Assumptions - Based on the Market Assessment, the following assumptions will be utilized for the economic and fiscal impact assessment of the project.

- The Market Value of land is \$201.92 per square foot.
- Taxable land value of \$125 per square foot.

- Office Market Rent per Square Foot of \$45.
- Retail Market Rent per Square Foot of \$50.
- Multifamily Rents per Square Foot of \$2.82-\$3.25.
- Hotel Revenue per Available Room (RevPAR) of \$159.
- Office Vacancy of 10%.
- Retail Vacancy of 5%.
- Multifamily Vacancy of 8% (3% market vacancy plus 5% allowance).

- Average Annual Household retail spending of \$30,959.
- Average Annual Household restaurant spending of \$3,520.
- Per Visit Overnight Visitor Spending of \$708.

- Commercial Construction Costs of \$175 per square foot.
- Residential and Hotel Construction Costs of \$500 per square foot.
- Civic Space Construction Costs of \$50 per square foot
- Structured Parking Construction Costs of \$75 per square foot.

Part 2: Economic Impact

Development Program

The Sunbeam NBV SAP development program contemplates a mix of uses that are currently being considered to include retail and restaurant space, office space, residential apartments including workforce housing, a 300-key hotel, civic space and parking. Square feet as currently proposed are approximate based on full build out and may fluctuate in the final program.

Table 11: Development Program and Densities

Development Program	Proposed
Lot Size	562,454
Commercial SF	550,000
Residential SF	3,388,000
Office SF	570,000
Hotel SF	112,500
Civic Space SF	30,000
Parking SF	2,000,000
Parking Spaces	5,000
# Units	1,936
# Workforce Housing Units	97
# Hotel Keys	300
Gross SF	7,300,000
Avg Unit SF	1,400
Avg Hotel SF	300

The development and operation of this project will generate significant economic and fiscal benefits for the Village and the community's economy. These benefits will be realized as one-time benefits that occur during the construction phases of the project, followed by annual recurring benefits once the project is completed and its various elements are operating.

The project will serve unmet local and regional demand and will include a traditional mix of retail and restaurant uses, with a focus of food and beverage uses along the island walk.

The one-time and recurring estimates were evaluated through the input/output model developed by Emsi to estimate total job creation, earnings generated, and total economic output. Additionally, the model provides estimates on job creation by industry and by occupation.

One Time Impacts (during construction)

The following tables provide the estimated development costs based on a review of current market conditions for similar projects in South Florida.

Table 12: Construction Costs per Square Foot

Development Costs per SF	
Commercial	175
Residential	500
Office	175
Hotel	500
Civic Space	50
Parking	75

Table 13: Total Construction Cost Estimate

Project Development Costs	
Commercial	43,750,000
Residential	1,355,200,000
Office	79,800,000
Hotel	45,000,000
Civic Space	1,500,000
Parking	120,000,000
Total	1,645,250,000

Table 14: Summary of One Time Economic Impacts

	Direct	Indirect	Induced	Total
Jobs Supported	10,796	1,046	5,542	17,384
Earnings	784,234,367	54,469,334	300,736,785	1,139,440,486
Value Added	1,256,833,568	90,293,318	475,296,523	1,822,423,409
Total Output	2,041,067,935	144,762,652	776,033,308	2,961,863,895

Table 15: Jobs Supported by Industry

Industry	Change in Jobs
Agriculture, Forestry, Fishing and Hunting	50
Mining, Quarrying, and Oil and Gas Extraction	32
Utilities	17
Construction	8,979
Manufacturing	527
Wholesale Trade	417
Retail Trade	1,046
Transportation and Warehousing	758
Information	123
Finance and Insurance	459
Real Estate and Rental and Leasing	588
Professional, Scientific, and Technical Services	763
Management of Companies and Enterprises	88
Administrative and Support and Waste Management and Remediation	755
Educational Services	231
Health Care and Social Assistance	1,104
Arts, Entertainment, and Recreation	122
Accommodation and Food Services	459
Other Services (except Public Administration)	599
Government	266

Table 16: Jobs Supported by Occupation

Occupation	Change in Jobs
Management Occupations	2,191
Business and Financial Operations Occupations	906
Computer and Mathematical Occupations	158
Architecture and Engineering Occupations	202
Life, Physical, and Social Science Occupations	58
Community and Social Service Occupations	93
Legal Occupations	75
Educational Instruction and Library Occupations	244
Arts, Design, Entertainment, Sports, and Media Occupations	301
Healthcare Practitioners and Technical Occupations	436
Healthcare Support Occupations	319
Protective Service Occupations	124
Food Preparation and Serving Related Occupations	437
Building and Grounds Cleaning and Maintenance Occupations	544
Personal Care and Service Occupations	320
Sales and Related Occupations	1,699
Office and Administrative Support Occupations	1,704
Construction and Extraction Occupations	5,552
Installation, Maintenance, and Repair Occupations	483
Production Occupations	377
Transportation and Material Moving Occupations	1,102
Unclassified Occupation	22

Recurring (Annual) Impacts

The following tables provide the factors that help estimate the recurring (annual) economic benefits derived from the project following its completion. There are two primary sources that generate recurring revenue in the economy.

1. Revenue generated by the operation of the business activities that take place on the premises, including the leasing of commercial and residential space, and sales to consumers for hotel room stays, shopping, and dining on site. It is this spending that provides the direct, recurring impact.
2. Spending in the local and regional economy by the users of the project, including the new residents and visitors. Most of this spending will not occur on site, rather it will occur in other establishments locally and throughout the region, as these customers shop and dine in South Florida.

Table 17: Financial Inputs

Recurring Inputs	
Retail Spending per Household	\$30,959
Restaurant Spending per Household	\$3,520
Residential Vacancy	8%
Per Visit Per Person Visitor Spending	\$708.00
Commercial Rent per SF	\$50.00
Residential Rent per SF	\$3.00
Office Rent per SF	\$45.00
Hotel RevPAR	\$159.00
Civic Space	-
Parking Revenue	
Gross Commercial Sales per SF	\$485.00

Table 18: Operating Revenue

Recurring Project Revenues	
Commercial Rent	12,000,000
Residential Rent	102,453,120
Office Rent	20,520,000
Hotel Revenue	17,392,980
Onsite Gross Commercial Sales	116,517,717
Total Annual Operating Revenue	268,883,817

Table 19: Summary of One Time Economic Impacts

	Direct	Indirect	Induced	Total
Jobs Supported	2,888	293	1,009	4,190
Earnings	127,622,623	14,834,202	56,257,262	198,714,087
Value Added	87,626,253	7,776,485	38,303,206	133,705,944
Total Output	215,248,876	22,610,687	94,560,468	332,420,031

Table 20: Additional Spending

Recurring Customer Spending	
Resident Retail Spending	39,875,624
Resident Restaurant Spending	6,269,518
Total Overnight Visitor Spending	25,842,000

Table 21: Jobs Supported by Industry

Industry	Change in Jobs
Agriculture, Forestry, Fishing and Hunting	10
Mining, Quarrying, and Oil and Gas Extraction	1
Utilities	9
Construction	121
Manufacturing	34
Wholesale Trade	42
Retail Trade	570
Transportation and Warehousing	113
Information	26
Finance and Insurance	120
Real Estate and Rental and Leasing	999
Professional, Scientific, and Technical Services	163
Management of Companies and Enterprises	31
Administrative and Support and Waste Management and Remediation Services	435
Educational Services	43
Health Care and Social Assistance	190
Arts, Entertainment, and Recreation	39
Accommodation and Food Services	1,037
Other Services (except Public Administration)	116
Government	93

Table 22: Jobs Supported by Occupation

Occupation	Change in Jobs
Management Occupations	347
Business and Financial Operations Occupations	181
Computer and Mathematical Occupations	34
Architecture and Engineering Occupations	22
Life, Physical, and Social Science Occupations	11
Community and Social Service Occupations	19
Legal Occupations	20
Educational Instruction and Library Occupations	63
Arts, Design, Entertainment, Sports, and Media Occupations	117
Healthcare Practitioners and Technical Occupations	79
Healthcare Support Occupations	57
Protective Service Occupations	51
Food Preparation and Serving Related Occupations	805
Building and Grounds Cleaning and Maintenance Occupations	367
Personal Care and Service Occupations	102
Sales and Related Occupations	1,125
Office and Administrative Support Occupations	301
Farming, Fishing, and Forestry Occupations	9
Construction and Extraction Occupations	106
Installation, Maintenance, and Repair Occupations	123
Production Occupations	57
Transportation and Material Moving Occupations	184
Unclassified Occupation	8

Part 3: Fiscal Impact

Following completion of construction, the project's estimated taxable value may approach one billion dollars, a value which will grow as the project stabilizes and grows its business. This may generate an estimated \$5.7 million for the Village's General Fund, an approximate 48% increase compared to the \$11.9 million FY 2021/22 General Fund and an approximate 14% increase to the Village's total FY 2021/22 budget of \$39.4 million. The project is also projected to generate approximately \$12 million in one-time permits and fees.

For this assessment, the project was evaluated with two different methodologies. Following completion of the project, the Office of the Property Appraiser will reassess the taxable value based on the estimated cost of new construction. Once the project is operating and stabilized, it may be assessed utilizing an income approach to valuation. Both models are similar in estimated taxable value.

Ad Valorem (Property) Taxes

Table 23: Estimate of Property Values (Construction Cost)

	Commercial	Residential	Office	Hotel	Parking	Total
Year 1	42,000,000	1,355,200,000	79,800,000	45,000,000	72,000,000	985,200,000
Year 2	25,200,000	813,120,000	47,880,000	27,000,000	74,160,000	1,014,756,000
Year 3	25,956,000	837,513,600	49,316,400	27,810,000	76,384,800	1,045,198,680
Year 4	26,734,680	862,639,008	50,795,892	28,644,300	78,676,344	1,076,554,640
Year 5	27,536,720	888,518,178	52,319,769	29,503,629	81,036,634	1,108,851,280
Year 6	28,362,822	915,173,724	53,889,362	30,388,738	83,467,733	1,142,116,818
Year 7	29,213,707	942,628,935	55,506,043	31,300,400	85,971,765	1,176,380,323
Year 8	30,090,118	970,907,803	57,171,224	32,239,412	88,550,918	1,211,671,732
Year 9	30,992,821	1,000,035,037	58,886,361	33,206,594	91,207,446	1,248,021,884
Year 10	31,922,606	1,030,036,089	60,652,951	34,202,792	93,943,669	1,285,462,541

Table 24: Estimate of Ad Valorem Taxes (Construction Cost)

	Village Operating	Village Debt	School Board	State and Other	County	Total
Year 1	5,761,844	952,787	6,934,823	777,520	7,762,489	22,189,463
Year 2	5,934,699	952,787	6,934,823	777,520	7,762,489	22,189,463
Year 3	6,112,740	981,371	7,142,867	800,845	7,995,364	22,855,146
Year 4	6,296,122	1,010,812	7,357,154	824,871	8,235,225	23,540,801
Year 5	6,485,006	1,041,136	7,577,868	849,617	8,482,282	24,247,025
Year 6	6,679,556	1,072,370	7,805,204	875,105	8,736,750	24,974,436
Year 7	6,879,943	1,104,541	8,039,360	901,359	8,998,853	25,723,669
Year 8	7,086,341	1,137,677	8,280,541	928,399	9,268,818	26,495,379
Year 9	7,298,931	1,171,808	8,528,957	956,251	9,546,883	27,290,240
Year 10	7,517,899	1,206,962	8,784,826	984,939	9,833,289	28,108,947

Table 25: Estimate of Property Values (Income Approach)

	Commercial	Residential	Office	Hotel	Total
Year 1	77,142,857	658,627,200	131,914,286	111,812,014	979,496,357
Year 2	79,457,143	678,386,016	135,871,714	115,166,375	1,008,881,248
Year 3	81,840,857	698,737,596	139,947,866	118,621,366	1,039,147,685
Year 4	84,296,083	719,699,724	144,146,302	122,180,007	1,070,322,116
Year 5	86,824,965	741,290,716	148,470,691	125,845,407	1,102,431,779
Year 6	89,429,714	763,529,438	152,924,811	129,620,769	1,135,504,733
Year 7	92,112,606	786,435,321	157,512,556	133,509,392	1,169,569,875
Year 8	94,875,984	810,028,380	162,237,932	137,514,674	1,204,656,971
Year 9	97,722,263	834,329,232	167,105,070	141,640,114	1,240,796,680
Year 10	100,653,931	859,359,109	172,118,223	145,889,318	1,278,020,580

Table 26: Estimate of Ad Valorem Taxes (Income Approach)

	Village Operating	Village Debt	School Board	State and Other	County	Total
Year 1	5,728,486	947,271	6,894,675	773,019	7,717,550	22,061,001
Year 2	5,900,341	975,689	7,101,515	796,209	7,949,076	22,722,831
Year 3	6,077,351	1,004,960	7,314,561	820,095	8,187,549	23,404,515
Year 4	6,259,672	1,035,109	7,533,997	844,698	8,433,175	24,106,651
Year 5	6,447,462	1,066,162	7,760,017	870,039	8,686,170	24,829,850
Year 6	6,640,886	1,098,147	7,992,818	896,140	8,946,755	25,574,746
Year 7	6,840,112	1,131,091	8,232,602	923,025	9,215,158	26,341,988
Year 8	7,045,316	1,165,024	8,479,580	950,715	9,491,613	27,132,248
Year 9	7,256,675	1,199,974	8,733,968	979,237	9,776,361	27,946,215
Year 10	7,474,376	1,235,974	8,995,987	1,008,614	10,069,652	28,784,602

Table 27: Millage Rates (per \$1,000 of Value)

Taxing Authority	Rate
Village Operating	5.84840
Village Debt Service	0.96710
School Board	7.03900
State and Other	0.78920
County	7.87910
Total	22.52280

Table 28: Assumptions

Assumptions	
Construction Cost Valuation	60%
Annual Growth Rate	3%
Operating Expenses	55%
Cap Rate	7%
Discount Rate	5%

One Time Fees

Table 29: One Time Fees

One Time Fees	Amount
Total Parks Impact Fee	3,662,912
Water Impact Fee	315,568
Sewer Impact Fee	2,470,063
Building Permit	5,475,000
Total One Time Fees	11,923,543

About BusinessFlare®

Kevin Crowder founded Neighborhood Equity Strategies LLC (NES) in 2012 after a successful 17-year career as the City of Miami Beach Economic Development Director, and trademarked BusinessFlare® at that time as a creative yet realistic approach to economic development. In 2018 Kevin Crowder rebranded NES as BusinessFlare® and established BusinessFlare LLC.

The BusinessFlare® Approach is a trademarked, proven approach to economic development analysis, planning and successful implementation, providing positive economic growth that will extend to surrounding areas and help lift the overall economy, improving the economic conditions and quality of life for the area's constituents and stakeholders.

BusinessFlare® integrates market reality into a strategic plan, annual budget process, day-to-day operations and partner relationships. It is practical methodology we use to identify an effective strategy that efficiently and successfully utilizes limited resources.

At BusinessFlare® we have embraced and made significant investments in new technologies and systems that are cutting edge and continually evolving and improving. In today's economy we need actionable data and communities cannot afford to wait months and sometimes years for new information like in the past. In some cases, especially during times of economic change (such as during the pandemic), traditional lagging data such as Census Bureau information and workforce and consumer spending data were stale and no longer relevant by the time they became available.

Our data partners have developed new technologies that in some cases provide us up-to-date trends that are only 7-10 days old. These systems are especially relevant for projects such as economic development strategic plans because they not only allow us to identify the current trends, but they also allow us to explore what is happening with competitors and identify unique, sometimes hidden opportunities. We often work with these partners to provide feedback to their internal development teams and beta test their new services.

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