



The Metropolitan Center

DRAFT

**MIAMI SPRINGS 36th STREET
COMMERCIAL CORRIDOR ASSESSMENT
*MAY 2003***

Executive Summary

The following study is an assessment of the existing market conditions and economic development opportunities within the City of Miami Springs' NW 36th Street Commercial Corridor. The purpose of the study is to devise economic development strategies that will promote and enhance the locational advantages of the NW 36th Street Corridor, while developing an attractive and economically viable "gateway" to Miami Springs. The assessment was based on an analysis of current economic and market data collected by Florida International University (FIU) Metropolitan Center's study team. The findings conclude that Miami Springs is well positioned to take advantage of substantial economic development investment currently planned or underway in the vicinity of Miami International Airport (MIA). The City is strategically located to take advantage of projected cargo and passenger growth at MIA, due in part to the anticipated growth of Greater Miami's Western Hemispheric trade base and its economic impact on the local and regional economy. The study recommends that Miami Springs consider establishing a commercial gateway into the City defined by aesthetic entrance ways and streetscapes and higher intensity, mixed-uses composed of existing and expanding business clusters associated with international trade and tourism.

Based on the economic market analysis and physical assessment of the NW 36th Street Corridor it is recommended that the City of Miami Springs consider economic development strategies that would take advantage of the prevailing and niche markets identified in this study and initiate steps to improve the physical image of the corridor. The sustained and anticipated growth in international trade and the business clusters that have developed in the vicinity of Miami International Airport (MIA) provide a compelling basis for this economic development rationale. As such, the following strategies are proposed:

1. Create a "NW 36th Street Commercial Gateway" for Miami Springs

The City of Miami Springs has a unique opportunity to claim NW 36th Street as its southern gateway. The visual impact of a NW 36th Street Commercial Corridor with vibrant buildings and aesthetically developed entrance ways and streetscapes would not only attract business to the area, but would also create a positive physical image that would become distinctly Miami Springs.

2. Create a Mixed-use Corridor that targets and promotes business clusters associated with international trade and tourism

The City of Miami Springs should initiate an economic development marketing strategy that focuses on the retention and recruitment of businesses associated with international trade and tourism.

3. Develop an appropriate land use strategy that will provide an incentive for new investment activity

In order to attract redevelopment activity, the City should consider land use and zoning changes that will allow existing property owners and prospective developers to maximize the highest and best use of their land and buildings. The current MUB, B2 and B3 zoning classifications for the corridor are limiting both in terms of intensity and depth.

4. Expand the City's Economic Development Management Capacity

In order for the City to effectively implement its economic development strategies, it will be vital for an expanded management capacity to be in place. The economic development strategies outlined above will require administrative, marketing, grant writing, business partnering and other economic development management functions and activities that the City will need to undertake.

I. PRIOR ECONOMIC DEVELOPMENT AND PLANNING STUDIES

The following section summarizes and highlights recent economic development and planning studies prepared for the City of Miami Springs. The purpose of this summarization is to provide the reader with a chronological perspective and a reference point as the City considers the recommendations put forth in the following study.

COMMERCIAL REDEVELOPMENT MARKET POTENTIAL STUDY CITY OF MIAMI SPRINGS, APRIL 1997

Prepared by: Economics Research Associates, Washington, DC

Purpose of the Study

The study was intended to forecast data to the year 2010 of employment projections and associated demand for land and commercial building floor area for selected industries near the Miami International Airport generally, and in the City's redevelopment areas in particular. The two defined redevelopment areas in the City of Miami Springs are: 1) the N.W. 36th Street redevelopment area; and 2) the Central Business District redevelopment area.

Office space

At the time of the 1997 study, Miami Springs contained approximately 799,600 square feet of office space, which accounted for about 16 percent of the Airport/West Dade submarket's inventory. ERA estimated this inventory based on the City's identification of standard land use classifications. It included: Single- and Multi-story Offices; Professional Services; Mixed Use; and part of Financial Institution categories.

The existing vacant space and any planned space in the study area were netted (absorbed) out of the total available space (i.e., tenants looking for office space would have to fill existing vacant space first before new construction takes place). At the time of the study, the Airport/West Dade submarket contained 511,400 square feet of vacant commercial/office space.

Under the following scenarios, Miami Springs could expect demand for office and flex-tech space based on selected employment growth.

Scenario 1 -No Public Intervention

TIME PERIOD	OFFICE (Sq. Ft.)	FLEX-TECH
1998-2000	78,408	29,519
2001-2005	77,166	34,124
2006-2010	65,901	38,334
<i>TOTAL SCENARIO #1</i>	<i>221,475</i>	<i>101,978</i>

Scenario 2 -Moderate Public Intervention

TIME PERIOD	OFFICE (Sq. Ft.)	FLEX-TECH
1998-2000	99,293	105,839
2001-2005	108,854	98,471
2006-2010	71,987	79,020
<i>TOTAL SCENARIO #2</i>	<i>280,134</i>	<i>283,329</i>

Scenario 3 -CPR Intervention

TIME PERIOD	OFFICE (Sq. Ft.)	FLEX-TECH
1998-2000	123,017	105,839
2001-2005	143,290	157,716
2006-2010	87,990	113,728
<i>TOTAL SCENARIO #3</i>	<i>354,297</i>	<i>377,283</i>

The analysis in the study resulted in approximately 225,900 square feet of total unallocated demand (i.e., office space that will be demanded by the marketplace somewhere in the Airport/West Dade submarket) over the three-year period between 1998 and 2000. Also, the study sited projected office demand (using a similar methodology) for 2001 to 2005 and 2006 to 2010; the total office space that will be demanded would be approximately 218,600 square feet and 152,400 square feet of office space, respectively.

*Based on these findings no recommendations were made to supply office space and flex-tech space for the expected demand.

Retail/Commercial Space

A retail market potential study was prepared for the City of Miami Springs in 1994. Therefore, retail potential was not the focus of the analysis in this study.

Hotels/Lodging

The study sited an ERA survey of 15 business-caliber hotel properties surrounding Miami International Airport (MIA) including six properties in or

near the NW 36th Street Corridor in Miami Springs. Under a break-even occupancy rate of 67 percent, ERA estimated there was an excess available demand of approximately 432,000 room nights. According to the study, on an annual basis this would support an additional 1,183 hotel rooms in the Airport/West Dade submarket.

The study assumed that under a fair share analysis, Miami Springs could capture 25.5 percent of the additional room demand of 1,183 or approximately 302-rooms.

Redevelopment Challenges

The study listed the challenges of redevelopment in Miami Springs as followed:

- There is the perception that elected officials and the City's residents are highly resistant to change; this rigidity and fear serve as a major stumbling block to progress and to doing business in the City. Leadership was deemed critical.
- Lack of understanding in the community about the advantages that progress and change can bring; education is considered critical to changing these perceptions.
- Involve the community at all levels to participate in the planning process.
- Address the problems associated with a declining commercial tax base.
- Define the future vision of Miami Springs for residents and businesses.
- Enhance the City's overall competitive position by committing the leadership and resources necessary for commercial redevelopment and business recruitment.

NW 36 Street Corridor

Several participants in the focus groups recommended: 1) that the City consider assembling sites adjacent to the MUB zone to expand the depth of this zone along 36th Street. This would create larger and (presumably) more marketable sites for redevelopment (especially for office buildings); 2) provide land area to establish sufficient setbacks, improve visibility and circulation; and 3) add landscaped buffers or other design guidelines/control that would enhance the corridor's overall physical attractiveness.

The findings also stated that the 1) commercial development opportunities must be market-driven; 2) the City consider developing a business and tenant recruitment strategy that identifies prospective candidate industries and businesses; and 3) the City should examine its

zoning code to identify appropriate changes in zoning in certain locations.

CITY OF MIAMI SPRINGS, FLORIDA COMPREHENSIVE PLAN, 1998

Prepared by: Robert K. Swarthout, Incorporated with the assistance of Mr. Steve Johnson, City Planner and Mr. Jackson Ahlstedt, PE

Purpose of the Plan

The plan involved the following aspects:

- Future land use element
- Population element
- Transportation data and analysis
- Responses to community affairs objections and recommendations
- Housing inventory and analysis
- Sanitary sewer, solid waste, drainage, potable water and natural groundwater aquifer recharge element
- Conservation element
- Recreation and open space
- Recreation inventory and analysis
- Intergovernmental coordination and major opportunities
- Capital improvements element

The Plan was divided in two parts:

- Part I -provided the data and analysis which supported part II
- Part II -consisted of goals, objectives, and policies adopted by Miami Springs City Council on June 23, 1997 and September 28, 1998.

Office, Retail and/or Commercial Space

The City of Miami Springs Comprehensive Plan from December 1998 does not include any relevant information, under its land use element, regarding office, retail, and commercial space. The following is the land use distribution according to the plan.

City of Miami Springs Land Use

LAND USE	ACRES	PERCENT
Single Family	815.00	45 %
Duplex	8.00	0 %
Multi-Family	49.00	3 %
Commercial	66.00	4 %
Public Facilities	98.00	5 %
Recreation & Open Space	231.00	13 %
Parking	13.00	1 %
Vacant	63.00	3 %
Streets & Water	483.00	26 %
Totals	1,826.00	100 %

Hotels/Lodging

There is not any information regarding hotels and/or lodging in this plan.

Housing (Single Family, Duplex, Multi-Family)

The plan refers to the Shimberg Center Study that cited a 1995 surplus of housing units for owner-households with incomes between \$37,000 and \$57,000, and a surplus of units for renter-households with an income between \$12,500 and \$27,500. The same study stated that there was a 1995 shortage of housing units for owner-households with incomes between \$37,000 and a shortage of units for renter-households with an income up to \$12,500. The Shimberg Center methodology projects these same surpluses and shortages as holding virtually steady through the year 2010.

Under the housing element, the Miami Springs Comprehension Plan recommends creation of affordable housing for all current and anticipated future residents. In particular facilitate development of 335 additional renter-occupied units and 671 owner-occupied units affordable for households earning 80 percent or less of county median income.

“OUR TOWN” CITY OF MIAMI SPRINGS, FLORIDA, DOWNTOWN REVITALIZATION PLAN, 2001

Prepared by: Dover, Kohl & Partners, Town Planning

Purpose of the Plan

This report represented the revitalization plan for Downtown Miami Springs. The ideas presented in this plan were based on community input gathered during a series of public meetings. The plan identified ways to get started and suggested many implementation ideas. It also summarized action steps and strategies in the revitalization process.

Office, Commercial Space, Residential

Under the policy section, the following recommendations were given to decision-makers:

- Help business leaders promote the downtown and attract new businesses
- Help diversify housing and commerce in the downtown area
- Work on the appearance of City's entrances, (LeJeune Rd or NW 36th Street)
- Support incentives such as: 1) No parking requirements for residential units in mixed-use buildings in areas around downtown; 2) Free use of the sidewalk for outdoor dining; and 3) Tax incentives to attract new businesses to the area.
- Change and update the Comprehensive Plan and the Zoning Code. Some of the suggested changes were: 1) A change in the Future Land Use Map, where Single Family Residential should be changed to Multi-family Residential; 2) The Multi-family Residential category should be revised; 3) Buildings should be allowed to mix uses within the same building vertically and horizontally; 4) Townhouses should be allowed anywhere in the downtown area; and 5) Parking should be shared to reduce overall numbers of spaces.

*This report did not have any specific recommendations regarding hotels or lodging space.

CITY OF MIAMI SPRINGS DOWNTOWN REVITALIZATION PLAN MARKET ANALYSIS, 2001

Prepared by: Lambert Advisory, LLC

Purpose of the analysis

As part as the revitalization planning effort for Downtown Miami Springs a market assessment was conducted by Lambert Advisory, in order to inform the planning process by providing an analysis of the economic and real estate parameters. There are three important aspects considered in the analysis:

- Regional economic and demographic trends
- Inherent strengths and weaknesses of the downtown area
- Competitive implications for commercial real estate activity in and around Miami Springs.

Office space

The City of Miami Springs should capture around 10 percent of the County's projected office development based on the NW 36th Street Corridor's estimated new development during the past five years (e.g. the corridor's 250,000 square feet out of the sub-market's total 3 million square feet).

City of Miami Springs Estimated Office Space Demand -Five-Year Projection

	2001	2002	2003	2004	2005	Total
Airport West						
Estimated Office Employment Growth						
Moderate	1,500	1,500	1,500	1,500	1,500	7,500
Aggressive	2,500	2,500	2,500	2,500	2,500	12,500
Estimated Net Absorption –Sq. Ft. (@ 200 sq. ft./employee)						
Moderate	300,000	300,000	300,000	300,000	300,000	1,500,000
Aggressive	500,000	500,000	500,000	500,000	500,000	2,500,000
City of Miami Springs – Net Absorption Sq. Ft. Capture (@10% of Area)						
Moderate	30,000	30,000	30,000	30,000	30,000	150,000
Aggressive	50,000	50,000	50,000	50,000	50,000	250,000

Overall, the analysis shows that a steady growth in the regional office market provides an opportunity for Miami Springs to attract some of the small-and mid-size local tenants. Also, the key to this opportunity is to position the downtown area as a viable location with adequate access to major thoroughfares, but comprises a commercial core that will provide adequate parking and supporting commercial services.

Residential

The analysis found that overall, the housing market in Miami Springs and surrounding markets continues to strengthen both in the for-sale and rental market. With a limited supply of rental housing throughout the County, there appears to be immediate demand for quality rental inventory. Similarly, sales trends in the surrounding housing market (both single family and condominium/townhouse)

Proposed programs for rental and for-sale:

For-Rent

- 125 to 150 total units
- Three-to four-story buildings, with mix of 1 or 2 bedrooms units.
- Units ranging in size from 800 to 1,000 sq. ft.
- Project amenities (fitness/recreation room, and secure parking)
- Unit amenities including washer/dryer, alarm and standard appliances.
- Average rental rates ranging from \$850 for one-bedroom units to \$1,050 for two bedroom units.

For-Sale

- 75 to 125 total units
- Mix of two-story town homes and/or three-story condominium buildings.
- Units ranging in size from 1,200 to 1,700 sq. ft.
- Project amenities (fitness/recreation room, and secure parking)
- Unit amenities including washer/dryer, alarm and standard appliances.
- Sales price not to exceed \$150,000

* Financial analysis will need to be completed to support these rents/sales prices.

Retail/Commercial Space

According to the analysis Miami Springs downtown can absorb 70,000 to 80,000 square feet of gross retail space over the next five years. There are two ways in which the retail sector will be strengthened in Downtown Miami Springs:

- Management groups seeking to invest in the area should concentrate in consumer goods (e.g. grocery, restaurant, and pharmacy). A well-utilized performance space will only enhance the ability to attract these retailers.
- Other users, such as office or residential will spur investment in retail.

It is understood by the study that both strategies can and should be dually employed to create a strong and viable retail based downtown.

MIAMI INTERMODAL CENTER (MIC)

<http://www.micdot.com>

The Florida Department of Transportation is spearheading the Miami Intermodal Center (MIC) to address Miami-Dade County's rapidly growing

population transportation needs. Projections show a population growth increase of 70% to over 3 million residents by 2020. Passenger traffic at Miami International Airport (MIA) in 1999 was 33.8 million and is expected to grow to 39 million by 2015. Cruise line passenger activity at the Port of Miami in 1999 was 2.9 million and is projected to be 6.2 million by 2020.

Miami-Dade's rapid population growth has led to the development of the MIC that will be similar in function to New York City's Grand Central Station and to other multimodal facilities found in major cities around the world. The MIC will be located immediately east of the Miami International Airport. The MIC will: 1) provide efficient transfers for users of various rail systems, buses, taxis, privately-owned automobiles, bicycles and for pedestrians, 2) absorb vehicular traffic that presently congests MIA terminal roadways, 3) increase terminal curbside capacity at the airport, and 4) Consolidate rental car functions.

In the FEIS and PE Report, the capital cost of the MIC Program has been estimated at approximately \$1.9 billion (in 1995 dollars). Major components of the MIC Program not included in this cost were the:

- MIC/MIA Connector (included in the Miami-Dade Aviation Department's MIA Capital Improvement Program),
- Rental Car Facility (the cost of which will be borne by a transaction surcharge from the participating rental car companies) and
- Other rail facilities serving the MIC (excluding Tri-Rail).

This program will be developed in phases. The entire program is scheduled for completion within the next fifteen to twenty years.

- Right-Of-Way Acquisitions (ROW)
- Access Improvements (Roadways)
- Consolidated Rental Car Facility
- MIC/MIA Connector
- Central Station (MIC Core) - Phase I
- Joint Development

The first phase is scheduled for completion within the next five years at an estimated cost of \$1.35 billion. Currently the project is conducting Right-of-Way acquisition and roadway/facility design in progress. Expected completion is for June 2006.

Joint development opportunities are expected over the next twenty years. Proposed development includes: 1) 700 to 900 hotel rooms, 2) 500,000 to 800,000 square feet of office space, 3) 100,000 square feet of ancillary retail, and 4) 4,500 to 5,000 parking spaces.

II. EXISTING ECONOMIC CONDITIONS

A. THE FLORIDA ECONOMY

Florida's economy began to slow down in 2001 at a later stage than the larger U.S. economy. Post 9/11 had a direct effect on Florida's economy, particularly its air transportation system, the tourist and hospitality sector and trade. According to Enterprise Florida's "Florida Economic Bulletin," published in June 2002, "the pace and timing of each region's and state's economic recovery will largely depend on their exposure to specific industries." The forecast for Florida's economy calls for a steady recovery. Florida's economic structure and orientation toward global markets are the basis for its resiliency. Air travel and hospitality have begun to rebound and the business and health sectors continue to perform well. Enterprise Florida reports "despite the disruption in transportation links, security concerns, and adverse economic conditions in some of Florida's major trading partners in the Americas, cross-border commercial activity continued even in the toughest times." The overall economic outlook is optimistic despite the US recession and further deterioration of many overseas markets. Estimates point to a 2.5% growth in the third quarter of 2003.

Competitiveness in Services and the export of services are particularly important for Florida since they are expected to account for 90% of new jobs between 1998-2008 (Source: The New World of Services, FIU, 2001). Business and health care services alone account for close to 65% of these new jobs. Trade and services are the leading drivers of job growth in Florida.

Table 1: Job Growth in Florida 1998-2008

INDUSTRY	GROWTH
Trade	19.8%
Agriculture	5.8%
Mining	- 13.8%
Construction	13.3%
Manufacturing	2.7%
Transportation	23.1%
Finance, Real Estate and Insurance	20.75%
Services	36.9%
Government	18.9%

Sources: *The New World of Services*, FIU, 2001; Florida Agency for Workforce Innovation, 1999

Florida did not lose any jobs in the recession of 2001 on an average annual basis. However, just like the recovery from the 1990-91 recession, the current recovery is not generating large numbers of new jobs. Job growth in 2003 is expected to be around 170,000 jobs, a gain that is still far below job growth in the mid to late 1990s when gains averaged 215,000 per year. Population growth has fallen with new jobs not expected to draw in-migrants to the state in the short term. Despite the recent recession and overall decline in job growth, certain industrial sectors are expected to perform well. The table below illustrates the fastest-growing industries in Florida:

Table 2: Fastest-Growing Industries in Florida 1998-2008

INDUSTRY	1998		2008	% CHANGE
Business Services	644,030	1,017,730		58.03%
Engineering and Management Services	184,089	209,687		35.63%
Health Services	577,320	750,580		30.01%

Source: Florida Agency for Workforce Innovation, 1999

Services encompass all types of economic activities other than agriculture, manufacturing and mining. They include transportation, education, health, business and professional services, information technology, banking and telecommunications. Services are considered "enablers" of economic performance leading to technological leadership and skilled jobs. Nationally, the service sector accounts for close to 78% of US Gross Domestic Product (GDP) and 83% of private US employment.

B. THE LOCAL AND REGIONAL ECONOMY

1. Trends

Consistent with the State of Florida's short-term economic outlook, the local and regional economies of South Florida are performing at considerably beneath their capacity. However, South Florida's economy has and will continue to be strongly influenced by the growth of the Western Hemispheric trade base and the economic impact of international trade on the local and regional market place. The economy of South Florida has become increasingly reliant on international trade arriving and departing from Miami International Airport (MIA) and the associated passenger traffic. Virtually all of the new public capital investment, amounting to approximately \$7 billion, is based on a presumption of long-term airport growth. Miami International Airport in

cooperation with American Airlines is investing nearly \$5 billion for expansion and improvement of the terminal. An additional \$2 billion in public funds are being spent on the Miami Intermodal Center (MIC), a public-funded rail, bus and automobile transportation center located on LeJeune Road directly east of the airport. Both of these substantial capital investment projects, which also include expanded access to the airport via LeJeune Road, should improve the overall operations and competitive position of MIA.

Table 3: Miami International Airport Economic Impact

ECONOMIC IMPACT AND EMPLOYMENT	
Estimated impact	\$13 Billion
Direct/Indirect jobs in South Florida	196,000
Direct Employment	
Aviation Department	1,500
Other	32,442
Total	33,942
2001 Total Passengers	31.6 Million

Source: Miami International Airport

AIRPORT RANKINGS	
US Rankings	
1st in US	International Freight
3rd in US	International Passengers
3rd in US	Total Freight
3rd in US	Total Cargo (Freight and mail)
11th in US	Total Number of Operations
12th in US	Total Passengers
World Rankings	
6th in World	International Freight
5th in World	Total Freight
5th in World	Total Cargo (Freight and mail)
19th in World	Total Passengers
19th in World	International Passengers

Source: Miami International Airport

2001 FREIGHT	TONS
International	1,344,650
Domestic	384,402
Total	1,729,053

*MIA handles 93% of the dollar value of Florida's total air imports and exports.

VISITOR ARRIVALS	2001	2002*	% Change
<i>Miami International Airport</i>			
International	6,462,878	5,928,088	-8.3
Domestic	6,955,628	6,532,504	-6.1
Combined	13,418,506	12,460,592	-7.1
<i>Ft. Lauderdale/Hollywood Airport</i>			
International	598,953	485,704	-18.9
Domestic	6,296,033	6,538,555	3.9
Combined	6,894,986	7,024,259	1.9

*Totals did not include the months of November and December.

Source: Greater Miami Convention and Visitors Bureau

TOP INTERNATIONAL MARKETS for MIA (Ranked by Number of Visitors)			
Country	2000	2001	% Change
Canada	630,000	585,000	-7.1
Brazil	497,100	437,448	-12.0
Germany	391,886	336,400	-14.2
Venezuela	357,560	320,500	-10.4
Argentina	334,700	314,620	-6.0
Colombia	328,300	311,885	-5.0
England	316,662	258,100	-18.5
Bahamas	240,000	223,200	-7.0
France	189,314	162,810	-14.0
Ecuador	156,100	148,295	-5.0

Source: Greater Miami Convention and Visitors Bureau

TOP DOMESTIC MARKETS for MIA (Ranked by Number of Visitors)			
City	2000	2001	% Change
New York	1,263,300	1,152,700	-8.8
Chicago	353,000	350,600	-0.7
Philadelphia	280,800	279,000	-0.6
Atlanta	222,300	228,300	2.7
Boston	213,500	210,500	-1.4
Dallas/Ft Worth	156,200	160,200	2.6
Detroit	145,000	148,000	2.1
Washington	135,000	131,600	-2.5
Houston	115,000	110,500	-3.9
Denver	93,000	94,700	1.8

Source: Greater Miami Convention and Visitors Bureau

EXPENDITURES of OVERNIGHT VISITORS		
	2000	2001
International	8,065,454,100	6,840,392,800
Domestic	8,530,050,000	7,158,496,000
Combined	16,595,504,100	13,998,888,800

Source: Greater Miami Convention and Visitors Bureau

While it is reasonable in the short-run to question many growth forecasts given declining passenger revenues of major airlines and increasing operational costs, the long-term projections for the airport and its surrounding locations are far more optimistic. In spite of the overall distress in the travel industry, the local and global airline industry will have a different appearance and organization by the time the MIC and improvements to MIA are completed.

In May, 2003, the *Miami Herald* cited an economic forecast by Anoop Singh, the International Monetary Funds Western Hemisphere Director that Latin American economies are expected to grow 1.5% in 2003 and 4% in 2004. The optimistic scenario relies on several reasonable and realistic economic assumptions. The first assumption utilizes the projected aggregate growth of the population base of Latin America and the Caribbean and presumes a continued demand and desire for US products. The second assumption, based on South Florida's geographic proximity to these markets and the strength of social and cultural ties, is that South Florida's trade activities with its Latin American and Caribbean partners will be constant and reinforced. Should Latin American population growth coincide with average per capita personal income growth, these modest increases could be surpassed.

Also of prime importance to Miami Springs, are the growth assumptions provided by the Miami-Dade Department of Planning and Zoning. They conclude that at the current average absorption rate of 265 acres of land annually, Miami-Dade County will run out of vacant commercial land by the Year 2014.

C. INTERNATIONAL TRADE

Economic data from the United States Department of Commerce and extrapolated by Florida International University indicates that for the past 25 years (1978-2003) nearly 40% of total United States product exports to the Caribbean Basin region were shipped to that area from South Florida's airports and seaports. Furthermore, over 80% of all exports shipped from South Florida were sent to the nations and territories of Latin America and the Caribbean.

Since geography is a constant, other variables that need to be considered are the strength and durability of trade to and from South Florida and its importance to the region's economic development. Although there is substantial and increasing competition for Miami-Dade's share of Latin and Caribbean trade from such places as Atlanta, Dallas, Houston, Mobile, New Orleans, Fort Lauderdale, Orlando and Tampa, as well as other more distant cities, the basic infrastructure for international trade that exists in Miami-Dade will be difficult to replicate in any other U.S. market even though many possess more modern physical infrastructure at their airports than MIA. However, the factors involved in international trade involve much more than physical assets. The key factors that have contributed to Miami's dominant position in Latin and Caribbean trade are numerous and include: 1) the availability of international banking and finance, 2) diplomatic assistance, as reflected in the sizable Miami-based Foreign Consular and service agencies, and 3) intangible factors including the social, economic and cultural

connections of the population of South Florida are vital and strategic ingredients to successful vitality.

The international banking and finance sector of the local economy is still significant, despite some consolidation from its peak in the 1980s when more than 40 international banks and another 40 Edge Act banks (those US banks not chartered in the State of Florida) conducted their international finance operations in Miami. The current value of trade - approximately \$20 billion, makes South Florida the leading business center for financial activities involved in international trade with Latin America and the Caribbean.

More than 40 different nations and territories, each with their own economies, social and political concerns have complex regulations and administrative procedures and requirements for import and export activities consistent with their own sovereignty. Administrative control of trade activities in Miami-Dade is the responsibility of the Miami-based diplomatic Consular Corps, which is comprised of both career diplomats and honorary consuls representing almost all of the nations of the Western Hemisphere as well as representatives from the major economies of Europe and Asia. The consulates and trade assistance agencies provide a vital and necessary administrative mechanism in expediting and facilitating international trade with their countries. This concentration of hemispheric diplomacy is a valuable element in fostering trade. Miami is currently competing for the secretariat of the Free Trade Area of the Americas (FTAA), a "home office" of a proposed trade area that could eliminate quotas and tariffs among 34 Western Hemisphere nations from Canada to Argentina. If headquartered in Miami, the FTAA would dramatically increase and ultimately solidify the region's global position as the center of north-south Western Hemispheric trade. However, even without the expected benefits of an FTAA treaty, international trade revenue in Florida is expected to reach \$130 billion by 2005.

The next level of administrative support that is large both in size and economic magnitude is the high level of human capital or infrastructure vested in the skilled professionals that support the facilitation of international trade. This group consists of staffs of lawyers, accountants, financiers and economists who facilitate international trade and serve as a bridge between the nations and territories of Latin America and the Caribbean and the North American and global companies or corporations. Many of these businesses have specific knowledge of the rules, regulations, incomes, spending habits, and culture of their foreign customers who provide them constant and potential new markets for their products.

Another critical element of international trade activity in Miami-Dade are those businesses who are literally involved in the heavy lifting of international trade. These are the importers and exporters, freight

forwarders, custom brokers and cargo expeditors who are directly involved with the hourly operation of the airport 24 hours per day and 365 days per year. These businesses move goods directly on and off cargo planes and assure that the products arrive at their proper destinations in a timely, business-like manner. For the most part, these small business entrepreneurs tend to specialize in the trade activity and affairs of a specific country, handling imports and exports from Ecuador, for example, or specialize in a particular product usually manufactured exclusively in the United States and employed or utilized throughout Latin America and the Caribbean. Airplane brake shoes and farm equipment replacement components are examples of these types of products. These businesses tend to be small, but deal in diverse products and quantities.

III. INDUSTRY ANALYSIS

The Summer 2002 Florida Economic Bulletin published by Enterprise Florida pointed to growth in the health, financial, real estate, professional and construction services industries. Miami-Dade's diversified service-oriented economy relies on trade in services, such as business, legal and medical services.

The following table provides an industry comparison by zip code including Miami Springs (33166) and a selective sub-market area consisting of Coral Gables (33134), Blue Lagoon/Airport South (33126), Virginia Gardens/Airport North (33122), Airport West/Doral (33172).

Table 4: Miami Springs Sub-market Industry Comparison by Zip Code

Industry Code Description	33122		33126		33134		33166		33172	
	Total Estabs	%	Total Estabs	%	Total Estabs	%	Total Estabs	%	Total Estabs	%
TOTAL	863	100.0%	1988	100.0%	3000	100.0%	4064	100.0%	1498	100.0%
AGRICULTURAL SERVICES, FORESTRY, AND FISHING	0	0.0%	3	0.2%	10	0.3%	11	0.3%	1	0.1%
MINING	0	0.0%	0	0.0%	2	0.1%	0	0.0%	1	0.1%
CONSTRUCTION	15	1.7%	88	4.4%	70	2.3%	193	4.7%	60	4.0%
MANUFACTURING	44	5.1%	48	2.4%	48	1.6%	260	6.4%	41	2.7%
TRANSPORTATION AND PUBLIC UTILITIES	188	21.8%	271	13.6%	126	4.2%	681	16.8%	206	13.8%
WHOLESALE TRADE	397	46.0%	532	26.8%	223	7.4%	1582	38.9%	517	34.5%
RETAIL TRADE	70	8.1%	242	12.2%	369	12.3%	329	8.1%	233	15.6%
FINANCE, INSURANCE, AND REAL ESTATE	16	1.9%	187	9.4%	486	16.2%	206	5.1%	150	10.0%
SERVICES	122	14.1%	593	29.8%	1628	54.3%	732	18.0%	268	17.9%
UNCLASSIFIED ESTABLISHMENTS	11	1.3%	24	1.2%	38	1.3%	70	1.7%	21	1.4%

Source: U.S. Census Bureau of Economics, 1997

The above table denotes a concentration within each zip code of three related industries - Services, Wholesale Trade and Transportation. A further analysis and sub-categorization of the Professional Services and Wholesale Trade industries within the sub-market area indicates a clustering and an overall growth pattern of businesses within these industrial classifications. The following table provides a breakdown of these leading industrial classifications by business type:

Table 5: Concentration and Growth of Professional Services within Miami Springs Sub-Market 1994-2000

PROFESSIONAL SERVICES	1994	1997	2000
Miami Springs			
Total/%	730	732	777
Business Services	63/9%	49/7%	54/7%
Accounting	26/4%	32/4%	37/5%
Computer	21/3%	58/8%	47/6%
Engineering	17/2%	19/3%	18/2%
Legal	13/2%	14/2%	16/2%
Coral Gables			
Total/%	1494/53%	1628/54%	1587/52%
Legal	373/25%	421/26%	418/26%
Medical Office	210/14%	182/11%	170/11%
Accounting	96/6%	118/7%	114/7%
Blue Lagoon			
Total/%	614/31%	593/30%	640/31%
Legal	67/11%	65/11%	66/10%
Accounting	53/9%	52/9%	51/8%
Medical Office	51/8%	59/10%	48/8%
Virginia Gardens			
Total/%	122/14%	130/12%	142/13%
Computers	20/16%	20/15%	10/7%
Business Services	14/11%	14/11%	16/11%
Management Services	8/7%	8/6%	5/4%
Airport West			
Total/%	206/17%	268/18%	342/21%
Accounting	11/5%	25/9%	21/6%
Business Services	12/6%	15/6%	24/7%
Engineering	5/2%	17/6%	21/6%

Table 6: Concentration and Growth of Wholesale Trade within Miami Springs Sub-Market 1994-2000

WHOLESALE TRADE	1994	1997	2000
Miami Springs			
Total/%	1441	1582	1419
Durable Goods	98/7%	112/7%	139/10%
Industrial Machinery	110/8%	120/8%	133/9%
Computers	89/6%	103/7%	82/6%
Electronics	78/5%	99/6%	78/5%
Coral Gables			
Total/%	189/7%	223/14%	190/6%
Computers	8/4%	13/6%	18/9%
Durables	14/7%	12/5%	15/8%
Drugs	5/3%	16/7%	14/7%
Electronics	12/6%	13/6%	11/6%
Industrial Machinery	12/6%	12/5%	11/6%
Medical Products	7/4%	17/8%	7/4%
Blue Lagoon			
Total/%	501/25%	532/27%	482/24%
Computers	50/10%	57/11%	47/10%
Clothing	34/7%	50/9%	40/8%
Virginia Gardens			
Total/%	397/46%	498/46%	489/43%
Computers	52/13%	85/17%	61/12%
Electronics	17/4%	47/9%	45/9%
Durable Goods	21/5%	24/5%	52/11%
Flowers	43/11%	43/9%	51/10%
Airport West			
Total/%	414/35%	517/35%	528/32%
Computers	31/7%	50/10%	47/9%
Electronics	28/7%	38/7%	47/9%
Durable Goods	23/6%	25/5%	41/8%

Source: County Business Patterns, 1994-2000.

The sustained growth and diversification in Professional and Technical Services and Wholesale Trade in the Miami Springs sub-market has clear economic development implications. A key reason for the agglomerative tendencies of business clusters is their need and desire to avail themselves of supporting and complementary industries. The above table provides definition to the organization of trade and services within the vicinity of MIA.

Miami Springs has an opportunity to take advantage of the International Trade industry based on its strategic geographic location and the

synergistic tendencies of these industries. Miami Springs has the only land near MIA that has yet to be developed to its full potential. As previously noted, commercial land to the east, west and south of MIA is either developed or projected to be absorbed within the next ten years.

IV. DEMOGRAPHIC AND ECONOMIC PROFILE OF MIAMI SPRINGS

The following section provides an update to the study and plans summarized and highlighted in Section I. This section provides a demographic profile of Miami Springs and an assessment of the current physical and economic conditions of the NW 36th Street Corridor.

HOUSING AND POPULATION

The feasibility of economic development strategies are dependent on supply/demand factors in a given market area. While supply/demand relationships for the NW 36th Street Corridor are largely dependent on international trade and tourism, local population and economic profiles are also important in estimating demand for goods and services in the Miami Springs economic market. On the supply side, production and distribution/marketing costs need to be weighed in determining how profitable a good or service can be produced or provided in a market area. This is particularly relevant in retail and housing.

The following tables provide basic population and economic data for the City of Miami Springs in relation to Dade County:

Table 7: Miami Springs Demographics Comparative Analysis County Total

RACE & ETHNICITY	MIAMI SPRINGS		MIAMI-DADE COUNTY TOTAL	
	#	%	#	%
Total Population	13,712	100.0	2,253,362	100.0
One Race	13,347	97.3	2,167,940	96.2
White	12,452	90.8	1,570,558	69.7
Black/African American	280	2.0	457,214	20.3
American Indian/ Alaska Native	30	0.2	4,365	0.2
Asian	163	1.2	31,753	1.4
Native Hawaiian/ Other Pacific Islander	5	-	799	-
Some Other Race	417	3.0	103,251	4.6
Two or More Race	365	2.7	85,422	3.8
Hispanic/Latino (of any race)	8,173	59.6	1,291,737	57.3
Mexican	110	0.8	38,095	1.7
Puerto Rican	500	3.6	80,327	3.6
Cuban	4,364	31.8	650,601	28.9
Other Hispanic/Latino	3,199	23.3	522,714	23.2
Not Hispanic/Latino	5,539	40.4	961,625	42.7
White alone	5,073	37.0	465,772	20.7

Source: US census Bureau, Census 2000, Demographic Profile

- Represents zero or round to zero

EDUCATIONAL ATTAINMENT	MIAMI SPRINGS		MIAMI-DADE COUNTY TOTAL	
	#	%	#	%
Population 25 Years and Over	9,576	100.0	1,491,789	100.0
Less than 9th Grade	706	7.4	219,066	14.7
9th to 12th Grade, No Diploma	973	10.2	260,287	17.4
High School Grad (includes equivalency)	2,550	26.6	332,997	22.3
Some College, No Degree	1,999	20.9	262,157	17.6
Associates Degree	790	8.2	93,883	6.3
Bachelor's Degree	1,551	16.2	183,978	12.3
Graduate or Professional Degree	1,007	10.5	139,421	9.3
% High School Graduate or Higher	82.5	n/a	67.9	n/a
% Bachelor's Degree or Higher	26.7	n/a	21.7	n/a

Source: US census Bureau, Census 2000, Demographic Profile

HOUSEHOLD INCOME	MIAMI SPRINGS		MIAMI-DADE COUNTY TOTAL	
	#	%	#	%
Households	5,030	100.0	777,378	100.0
Less than \$10,000	351	7.0	107,901	13.9
\$10,000 to \$14,999	242	4.8	58,409	7.5
\$15,000 to \$24,999	681	13.5	111,649	14.4
\$25,000 to \$34,999	441	8.8	100,833	13.0
\$35,000 to \$49,999	800	15.9	121,780	15.7
\$50,000 to \$74,999	1,131	22.5	129,533	16.7
\$75,000 to \$99,999	685	13.6	63,132	8.1
\$100,000 to \$149,999	383	7.6	48,253	6.2
\$150,000 to \$199,999	180	3.6	15,222	2.0
\$200,000 or more	136	2.7	20,666	2.7
Median Family Income (Dollars)	50,000	n/a	35,966	n/a

Source: US census Bureau, Census 2000, Demographic Profile

EMPLOYMENT	MIAMI SPRINGS		MIAMI-DADE COUNTY TOTAL	
	#	%	#	%
Population 16 years and over	10,840	100.0	1,758,374	100.0
In labor Force	6830	63	1,010,965	57.5
Civilian labor force	6830	63	1,009,456	57.4
Employed	6475	59.7	921,208	52.4
Unemployed	355	3.3	88,248	5
% of civilian labor force	5.2	(x)	8.7	(x)
Armed Forces	-	-	1,509	0.1
Not in labor force	4010	37.0	747,409	42.5

Source: US census Bureau, Census 2000, Economic Characteristics

(x) Not applicable

- Represents zero or round to zero

EMPLOYMENT BY INDUSTRY	MIAMI SPRINGS		MIAMI-DADE COUNTY TOTAL	
	#	%	#	%
Employed civilian population 16 years and over	6,475	100.0	921,208	100.0
Agriculture, forestry, fishing, hunting and mining	25	0.4	6,635	0.7
Construction	446	6.9	63,135	6.9
Manufacturing	501	7.7	65,041	7.1
Wholesale Trade	435	6.7	55,398	6
Retail Trade	649	10.0	113,333	12.3
Transportation and warehousing, and utilities	800	12.4	69,072	7.5
Information	172	2.7	28,890	3.1
Finance, insurance, real estate, and rental and leasing	438	6.8	73,893	8
Professional, scientific, management, administrative, and waste management services	694	10.7	106,641	11.6
Educational, health and social services	1,117	17.3	165,357	18
Arts, entertainment, recreation, accommodation and food services	519	8.0	84,129	9.1
Other services (except public administration)	317	4.9	51,737	5.6

Public administration	362	5.6	37,947	4.1
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Source: US census Bureau, Census 2000, Economic Characteristics

(x) Not applicable

- Represents zero or round to zero

EXISTING CONDITIONS NW 36TH STREET CORRIDOR

1. Physical Conditions

Public infrastructure can serve to unify dissimilar elements and land uses, while providing coherence and rhythm to a streetscape. Public infrastructure can also enhance vehicular and pedestrian circulation, establish order and help manage a city's development design strategy for a particular area. The challenge for a city is to harness its roadway capacity and accessibility to maximize economic and social activity and to improve its overall image. Existing conditions along NW 36th Street strongly suggest the need to target public infrastructure improvements to the area to help stimulate private investment activity.

With the exception of a few commercial office buildings and hotel properties, the NW 36th Street Corridor represents an aesthetically displeasing appearance that tends to discourage new private investment. Field observation reveals NW 36th Street as an incongruent collection of offices, restaurants, gasoline stations, motels and other commercial activities that are only tangentially related to airport activities. While some of these businesses may have thrived during Miami's peak-period in the aviation industry, when MIA was home to the now defunct Eastern, National and Pan American Airlines, the 36th Street Corridor seems to have denigrated, at least physically, from those days of regulated Miami-based airlines when Miami was a prime destination for domestic tourism.

An assumption of this study is that the physical deterioration of the NW 36th Street Corridor is a reflection of the economic decline of the old economic base. The FIU Metropolitan Center's analysis suggests without aggressive redevelopment marketing and promotion of Miami Springs's, the NW 36th Street Corridor will not experience a heightened level of economic investment without clear economic strategies that take advantage of the new Miami Intermodal Center (MIC), LeJeune Road and additional highway and streetscape improvements.

2. Economic Conditions

A. Hotels and Lodging

As previously noted, forecasts by MIA indicate significant increases in destination-Miami passenger traffic based on projected passenger-base growth originating from Latin America. Airport expansion plans at MIA are predicated to a large degree on forecasts of increasing passenger traffic. American Airlines has already announced ambitious expansion plans with Miami serving as hub to Latin America and the Caribbean. However, expansion does not necessarily benefit the surrounding hotel and lodging market because with more efficient airline scheduling most airline passengers only change planes in the airport. Also, the airline passenger market is especially competitive in the Miami area because desirable tourist destinations such as Miami Beach, Key Biscayne, Coconut Grove and even Downtown Miami are relatively close to the airport and easily reached in a short driving time. These destinations offer more amenities and fewer distractions than airport area locations. However, there is a niche market served by airport area hotels, particularly in Miami. Increased airport security, resulting in longer advanced check-in times are a growing rationale for a convenient airport hotel market. Similarly, evening and late arrivals also lure travelers who desire ready convenience upon arrival. And, an increasing number of businesses prefer airport hotels for meetings for the convenience of their business travelers, customers and guests.

With the MIC construction and LeJeune Road improvements a substantial number of hotels in the airport area were displaced. These hotels ranged from physically dilapidated properties to recently constructed three-star properties. The segment of the hotel industry that is closely dependent on airport activities attempted to find and develop new properties to replace and increase the number of rooms lost due to the MIC construction. The majority of these business, tourist and family-oriented hotels were part of well-respected national and global hotel chains. They have constructed aesthetically pleasing and secure properties in more remote and less accessible locations south of the Blue Lagoon Office Park and west of Miami Springs on the Doral and Doral County Club sections of Miami-Dade.

Consistent with the standard and homogenized mix of national chain airport hotels are a group of national chain franchise restaurants that appeal to business travelers who desire certainty and standard fare. There is currently a paucity of these restaurant types in the airport area. The inclusion of national chain, franchise restaurants within a commercial mixed-use development pattern along NW 36th Street would appear to be a viable market attracting business travelers, office workers and drive-bys.

BUSINESS LIST—NW 36TH STREET TARGET AREA

Name	Address #	Phone	Census Track	Year*	Employees**	SIC TITLE/INDUSTRY
MIAMI SUBS GRILL	4159	(305) 888-0881	4703	1993	40	Restaurants
C T SERVICES INC	4200	(305) 871-1727	4703	1996	-	-
BURGER KING RESTAURANTS	4201	(305) 888-3136	4703	1985	40	Restaurants
POLLO TROPICAL MIAMI SPRINGS	4211	(305) 884-2268	4703	1994	22	Restaurants
CLAIRCOM COMMUNICATIONS	4299	(305) 884-5760	4703	1995	-	-
DADE PUBLIC EDUCATION FUND THE	4299	(305) 884-2172	4703	1995	20	Foundation-Educ Philanthropic Research
FIRST UNION NATIONAL BANK	4299	-	4703	-	26	Banks
JONES LANG LASALLE AMERICAS IN	4299	(305) 885-0083	4703	1995	-	Real Estate
TECHNICAL CAREER INSTITUTE	4299	(305) 863-1818	4703	1997	35	Schools-Universities & Colleges Academic
AERO HARDWARE & SUPPLY INC	4301	(305) 883-8424	4703	1989	20	Hose Couplings & Fittings (Wholesale)
GREEN MANUFACTURING CO	4301	(305) 888-2415	4703	1978	29	Hydraulic Equipment & Supplies (Whol)
Hydraulic Supply Co	4301	-	4703	-	30	Hydraulic Equipment & Supplies (Whol)
ADAMS MAX	4349	(305) 887-1710	4703	1998	-	-
CITY OF MIAMI RETIRED EMPLOYEE	4349	(305) 863-8623	4703	1995	-	Community Organizations
DISTRICT 141 IAMAW THE	4349	(305) 805-9919	4703	2000	-	Community Organizations
INTERNATIONAL ASSOCIATION OF M	4349	(305) 884-0318	4703	1991	5	Labor Organizations
M A FINANCIAL GROUP	4349	(305) 887-9060	4703	1998	0	Office Supplies
UNITED LABOR OF AMERICA	4349	(305) 888-6100	4703	1997	-	Community Organizations
AIRBUS SERVICE COMPANY INC	4355	(305) 871-3655	4703	2002	-	-
JET BLUE CORPORATION	4355	(305) 599-1532	4703	2002	-	-
TAM AIRLINES	4355	(305) 884-9750	4703	2002	-	Travel and Transportation > Airlines
ISIS UNION SEVENTY-SIX REPAIR	4401	(305) 887-0353	4703	1967	-	-
REYES EDGAR AUTO RPR	4401	(305) 863-3231	4703	2002	-	Auto Repair
MIKES LOUNGE	4427	(305) 888-7876	4703	1987	3	Cocktail Lounges
CHUS GARDEN ORIENTAL RESTAURANT	4441	(305) 887-6020	4703	1999	-	Restaurants

ADF COMPUTER CTR INC	4451	-	4703	-	5	Computers-Service & Repair
AGENCY RENT-A-CAR	4451	(305) 883-7111	4703	1996	-	Service Automobile Rental
DOTSON GROUP INC THE	4451	(305) 887-2719	4703	1995	3	Accountants
ELDERLY HEALTH HOME CARE INC	4451	-	4703	-	3	Home Health Service
JULIOS TV & VCR SERVICES	4451	(305) 863-7157	4703	1997	-	-
SISTO INTERNATIONAL SHIPPING	4451	(305) 888-9108	4703	1996	4	Freight-Forwarding
TOURS & TICKETS INC	4451	(305) 888-7738	4703	1995	2	Travel Agencies & Bureaus
A P C NET	4471	(305) 883-9133	4703	1995	5	Computers-Service & Repair
AERO SPACE CENTER	4471	(305) 889-2700	4703	1995	-	-
AIR CHARTER NETWORK INC	4471	(305) 885-6665	4703	2002	-	-
AIR ENTERPRISES INC	4471	(305) 884-0305	4703	1996	1	Aircraft Charter Rental & Leasing Svc
AIRCRAFT MECHANIC GROUP	4471	(305) 887-2828	4703	2002	-	-
AIRCRAFT MODIFICATIONS & ENGINEERS	4471	(305) 863-8638	4703	1995	102	Aircraft Modifications (Manufacturers)
AIRPORT EXECUTIVE LIMO	4471	(305) 889-2115	4703	2002	-	-
AMERI TOURS INC	4471	-	4703	-	1	Limousine Service
AMERICA AIRCRAFT PARTS INC	4471	-	4703	-	4	Exporters
AMERICAN ELECTRONIC CORP	4471	(305) 887-3335	4703	1998	-	-
AVIATION SOLUTIONS INC	4471	(305) 885-1889	4703	2000	-	-
BERMAN SANDY TXTL BROKR	4471	(305) 885-9964	4703	1995	-	-
CAMPOS TOOLS SUPPLIES	4471	-	4703	-	1	Tools-New & Used
DAILY QUALITY SERVICE INC	4471	(305) 805-1534	4703	2002	-	-
EFI SYSTEMS INC	4471	(305) 884-4001	4703	1997	2	Computer & Equipment Dealers
ELDERLY HEALTH HOME CARE INC	4471	(305) 884-6137	4703	2002	-	-
EMEX INC	4471	(305) 863-3104	4703	1999	-	-
EMEX INC	4471	(305) 863-3329	4703	1999	2	Exporters
EXTRA EXPRESS COURIER	4471	(305) 863-8800	4703	2002	-	Air Courier Services
FAST MONEY FINANCIAL CORP	4471	(305) 885-1868	4703	1999	-	-
FLORIDA SUPER COMPUTER	4471	(305) 883-6611	4703	2002	-	-
FORT GILBERTO V LAW OFFICE	4471	(305) 884-6633	4703	2000	-	-
FRESH BLUE	4471	(305) 885-0100	4703	2002	-	-
GO SERVICIOS ESPECIALES	4471	(305) 883-6006	4703	2002	-	-

HEAVY EQUIPMENT & PARTS	4471	(305) 884-3566	4703	1995	-	-
IMMIGRATION NEWS INC NEWSPAPER	4471	(305) 887-6543	4703	2002	-	-
INTERNATIONAL AIRCRAFT PARTS	4471	-	4703	-	1	Aircraft Equipment Parts & Supplies
INTERNATIONAL CARGO EXPRESS	4471	(305) 885-4959	4703	2002	-	-
INTERNATIONAL ORGANIZATION FOR MIGRATION	4471	(305) 885-5426	4703	1995	1	Social Service & Welfare Organizations
INTERNATIONAL PROMOTIONS GROUP	4471	(305) 805-3317	4703	2000	-	-
JNE NATURAL HEALTH INSTITUTE	4471	(305) 888-0108	4703	2002	-	-
JOURNAL OF COMMERCE	4471	(305) 863-2260	4703	2002	-	-
KASSAM COURIER SVC INC	4471	-	4703	-	1	Air Courier Services
KRISTALS CONSULTING AGENCY	4471	(305) 888-2345	4703	2002	-	-
MAR FIANCIAL SVC	4471	(305) 889-5300	4703	2002	-	-
MEDICAL GRADUATED PHYSICIAN AS	4471	(305) 888-8437	4703	2002	-	-
MIRANDA CARMEN	4471	(305) 887-7020	4703	1999	-	-
PHOENIX PSYCHOLOGICAL ASSOCIAT	4471	(305) 888-1004	4703	1999	4	Psychologists
PIC ENTERPRISE INC	4471	(305) 887-9419	4703	2002	-	-
PILYS HAIR DESIGN	4471	(305) 883-4421	4703	1998	-	-
Q B ACCOUNTING SOLUTIONS	4471	(305) 805-2002	4703	2002	-	-
RVD ARCHITECTS INC	4471	(305) 884-8512	4703	2002	-	-
SPRINGS ROOFING CORP	4471	(305) 889-3269	4703	2002	-	-
TIME TO GO	4471	(305) 885-8505	4703	1996	1	Tours-Operators & Promoters
UNIVERSAL CARGO SYSTEM	4471	(305) 883-5328	4703	2002	-	-
VALLE INTERNATIONAL EQUIPMENT	4471	(305) 885-5013	4703	1995	2	Exporters
VOK PROTECTED SERVICES INC	4471	(305) 888-8378	4703	2002	-	-
VOYAYER CORPORATION	4471	(305) 882-8662	4703	1998	-	-
XPRESS MEDICAL SERVICE INC	4471	(305) 863-0555	4703	2002	-	-
WASHINGTON MUTUAL BANK LOCATION	4475	(305) 883-5697	4703	1998	15	Banks
ALLSTAR MESSENGER	4483	(305) 888-7575	4703	1998	3	Messenger Service
BISCAY REALTY MANAGEMENT INC	4483	(305) 887-5002	4703	1999	-	-
CONDOR COURIER INC	4483	(305) 863-9727	4703	1999	3	Delivery Service
DOLSEY RICHARD L MD	4483	(305) 884-5599	4703	2002	-	Physicians & Surgeons
JULIOS TV & VCR SERVICES	4483	(305) 871-7157	4703	1997	2	Television & Radio-Service Repair

MIAMI FINEST INC	4483	(305) 883-8484	4703	2002	-	-
OILO JACQUELINE	4483	(305) 863-9400	4703	2002	-	-
OM MANAGEMENT	4483	(305) 888-4050	4703	1999	-	Science and Technology > Laboratories
R R MEDICAL EQUIPMENT	4483	(305) 887-2846	4703	1995	1	Physicians & Surgeons Equip & Supls- Whol
SORIANO CARLOS	4483	(305) 863-9400	4703	2002	-	-
EL FARO NEWSPAPER OF DADE COUNTY	4485	(305) 888-1372	4703	1998	-	Other Professional Services > News and Media > Newspapers
SKYMASTER MIAMI	4485	(305) 884-4884	4703	1998	3	Aircraft Equipment Parts & Supplies
GE COMPANY OTHER OPERATIONS	4490	(305) 870-8000	4703	2000	-	-
A & B TRAVEL INC	4491	(305) 883-0088	4703	2000	-	Travel Agencies & Bureaus
AIRCRAFT REPAIR CONTRACTORS IN	4491	(305) 882-7008	4703	2002	-	-
ALL COURIER FLORIDA EXPRESS	4491	(305) 889-1756	4703	2002	-	Shipping-Courier Services
ARC	4491	(305) 882-7008	4703	2002	-	-
B K BROKER	4491	(305) 805-4185	4703	2000	-	-
FAMILY EYE ASSOCIATES INC	4491	(305) 884-9973	4703	1998	3	Optical Goods-Retail
MARA IMPORT INC	4491	(305) 884-0503	4703	2000	-	-
OHI EDDIE M JR ATTY	4491	(305) 885-3380	4703	2000	-	-
SOUTHEASTERN UNION INSTITUTE	4491	(305) 887-1081	4703	1999	-	-
TRANSFLORIDA EXPRESS	4491	(305) 887-8280	4703	1998	4	Delivery Service
X PRESS LUGGAGE	4491	(305) 885-4441	4703	2002	-	-
AIRLINE CHEVRON	4501	(305) 885-0890	4703	1979	3	Service Stations-Gasoline & Oil
AIRPORT DINER	4545	(305) 887-0886	4703	1997	10	Restaurants
FIELD SHOPS INC UNIFORMS	4551	(305) 887-4112	4703	1968	9	Uniforms
PERU PLACE	4579	(305) 863-7233	4703	2000	-	-
EASTERN MOTEL	4585	(305) 882-1212	4703	1987	2	Hotels & Motels
PATIO TIPICO RESTAURANT	4591	(305) 805-0855	4703	2002	-	Restaurants
DAYS INN AIRPORT NORTH	4767	(305) 888-3661	4703	1997	103	Hotels & Motels
NIKOS RESTAURANT	4767	(305) 885-8085	4703	1995	-	-
BISCAYNE AUTO RENTALS	4801	(305) 888-0721	4703	1973	5	Automobile Renting & Leasing
EXOTIC TOYS CAR RENTAL	4801	(305) 888-8448	4703	2002	-	-

NEG AIR PARTS CORP	4853	(305) 863-2001	4703	2002	-	-
ARMY-NAVY SURPLUS VARIETY STOR	4861	(305) 883-1240	4703	1986	-	-
VARIETY ARMY SURPLUS	4861	(305) 883-1240	4703	1986	1	Army & Navy Goods
SUBWAY SANDWICHES & SALADS	4889	(305) 887-6855	4703	1986	0	Restaurants
HONG KONG GARDEN RESTAURANT	4901	(305) 888-6189	4703	1973	2	Restaurants
PILOT HOUSE BAR AND COCKTAIL L	4909	(305) 888-4376	4703	-	7	Cocktail Lounges
MCDONALDS RESTAURANTS	4999	(305) 885-7698	4703	1974	26	Restaurants
CORPORATE EXPRESS	5000	(305) 871-6951	4703	1992	-	-
AIRWAYS AIRPORT INN & SUITES	5001	(305) 883-4700	4703	1992	-	-
AIRWAYS MOTEL	5001	(305) 883-4700	4703	1992	48	Hotels & Motels
GRENTNER CHARLES	5001	(305) 885-3913	4703	1988	-	-
TOMS NFL CLUB	5001	(305) 884-8344	4703	1986	9	Bars
HOLIDAY INN EXPRESS	5125	(305) 887-2153	4703	1999	26	Hotels & Motels
INTERNATIONAL HOUSE OF PANCAKE	5175	(305) 863-3100	4703	2002	-	-
ALVARADO CLARK INSURANCE AGENCY	5209	(305) 887-9543	4703	1998	5	Insurance
STATE FARM INSURANCE COMPANIES	5209	(305) 887-9543	4703	1998	-	-
BEE JAY SALES OF FLORIDA	5245	(305) 887-3353	4703	1999	-	-
CENTRAL FLORIDA EQUIPMENT RENT	5245	(305) 805-7122	4703	2002	-	-
ENQUIRY AGENTS INC	5245	(305) 888-6772	4703	1992	-	-
GEN BRKRGE SERVICES INC CORPRT	5245	(305) 887-9988	4703	1997	-	-
						Home and Garden > Hardware and Tools
ILLANES INTERNATIONAL CORP	5245	(305) 884-6294	4703	2002		
LERA CONSULTING GROUP INC	5245	(305) 885-0575	4703	2002	-	-
RRR CORP	5245	(305) 888-0467	4703	1988	1	Office Buildings & Parks
SUPER PROFESSIONAL COURIER	5245	(305) 883-8889	4703	1991	6	Messenger Service
						Electric Equipment & Supplies-
TECHNICAL RESOURCES INTERNATIONAL	5245	(305) 885-8554	4703	1993	5	Wholesale
OSHKOSH PILOT SHOP	5249	(305) 882-2720	4703	1999	-	-
AVIATION CARGO LEASING CORP	5253	(305) 871-5183	4703	1996	-	-
GENERAL BROKERAGE SERVICES INC	5253	(305) 871-7888	4703	1996	6	Customs Brokers
AMERICAN ROAD COLLECTION	5275	(305) 871-1040	4703	2002	-	Automotive > Motorcycles > Dealers
CLASSIC WINDOW FASHIONS	5275	(305) 871-5562	4703	1998	-	Retail Clothing

COMPUCOL	5275	(786) 265-8080	4703	2002	-	-
EXPRESS RENT-A-CAR	5275	(305) 876-9700	4703	2002		Service Automobile Rental
F A NETWORK	5275	(305) 526-5669	4703	2002	-	-
FIRESTOP SPECIALTIES INC	5275	(305) 871-2320	4703	1998	-	-
KATZ AVIATION INC	5275	(305) 871-7651	4703	2002		Manufacturing > Aircraft > Parts
KELLAIR	5275	(305) 871-2774	4703	1999		Shipping and Transportation>
MALDONADO & ASSOCIATES	5275	(305) 871-0114	4703	2002	-	Freight>Cargo Services>Air
MEMORIAL MERCHANDISE AND SERVICES	5275	(305) 871-7606	4703	2000		Funerals and Memorials
MGM TRADING INC	5275	(786) 265-0889	4703	2002		Computers and Electronics- Manufacturers
MIAMI RESPIRATORY CARE INC	5275	(305) 871-5566	4703	2002	-	-
MUNDITOUR INC	5275	(305) 871-5006	4703	2000	-	-
SAETA CARGO	5275	-	4703	-	1	Air Cargo Service
UNITED CONSTRUCTION OF MIAMI I	5275	(786) 265-0339	4703	2000	-	-
CLARION SUITES	5301	(305) 871-6000	4702	1998	-	Hotels & Motels
COMFORT INN & SUITES	5301	(305) 871-6000	4702	1998	91	Hotels & Motels
SAMS RENT A CAR	5301	(305) 871-1100	4702	2002	-	Service Automobile Rental
LEOS AUTOMOTIVE 2	5305	(786) 265-0057	4702	2002	-	-
MIAMI SPRINGS SHELL SERVICE ST	5305	(305) 871-8499	4702	-	5	Service Stations-Gasoline & Oil
PING HOUSE THE	5315	(305) 871-6144	4702	1982	5	Restaurants
TALLY-HO AIRLINE TAILORS	5391	(305) 871-6200	4702	1986	9	Uniforms
TRNSPRT WORKERS UN OF AMER AFL	5395	(305) 874-2788	4702	1998	6	Labor Organizations
AIRCRAFT ADVISORY SVC	5399	-	4702	-	1	Aviation Consultants
AMERICAN AVIONICS SYSTEMS	5399	-	4702	-	7	Aircraft Equipment Parts & Supplies
DAVILA TERESITA ESQ	5399	(305) 888-7830	4702	2002	-	Law firm
DESTINATION ATLANTIS	5399	(305) 871-6530	4702	1993	-	-
MITRANI COMPANY RL EST	5399	(786) 265-0777	4702	2002	-	Real Estate
TICKET FINDERS SERVICE	5399	(786) 265-0997	4702	2002	1	Ticket Service
UNIVERSAL MARKET MORTGAGE	5399	(786) 265-7065	4702	2002	-	Real Estate
BRANIFF INTERNATIONAL AIRLINE	5400	(305) 526-4218	4702		-	Schools- Universities/Colleges Academic

AERO SYSTEMS ADMINISTRATION DE	5415	(305) 871-1300	4702	1995	79	Aircraft Equipment Parts & Supplies
U S AIRMOTIVE AVIATION SALES	5439	(305) 885-4991	4702	1984	39	Aircraft Equipment Parts & Supplies
LATIN AMERICA MISSION	5465	(305) 884-8400	4702	1987	29	Religious Organizations Food and Agriculture > Livestock > Services
FLORES CRISTOBAL	5553	(305) 470-9313	4702	2000	-	
Global Aviation Distributors	5553	-	4702	-	4	Aircraft Equipment Parts & Supplies
AVIATION INTERNATIONAL CORP(AVICO)	5555	(305) 888-6486	4702	1967	51	Aircraft Equipment Parts & Supplies
AVTECH COPR	5575	(305) 884-2333	4702	2002	-	Aircraft Equipment Parts & Supplies
KENBOURNE AVIATION SERVICES	5575	(305) 887-9885	4702	1999	-	Aircraft Servicing & Maintenance
APEX INSTRUMENTS SERVICE INC	5595	(305) 884-0554	4702	1988	10	Aircraft Instruments (Wholesale)
ARC AVIONICS CORP	5595	(305) 884-0224	4702	2002	-	Aircraft Equipment Parts & Supplies Manufacturing and Industrial Supplies>
SANDERSON INTERNATIONAL IMPORT	5595	(305) 884-8364	4702	1988	-	Importers
ACTION AMERICA CORP	5643	(305) 883-8288	4702	1987	-	-
AERO-NAUTICAL ELECTRONICS INC	5643	(305) 883-8288	4702	1987	11	Aircraft Avionics-Sales & Service (Whol)
AIRSKY CARGO INC	5643	(305) 888-6111	4702	2002		Shipping and Transportation> Freight>Cargo Services
TRANSPORTICO S A	5643	(305) 885-0032	4702	1998	2	Exporters
STOP N SHOP	5665	(305) 883-1822	4702	1996	4	Convenience Stores
EL CAPITANS SEAFOOD RESTAURANT	5667	(305) 887-6041	4702	1996	4	Restaurants
LC INVESTMENT GROUP INC	5687	(305) 887-3892	4702	1994	-	Retail Shopping > Convenience Stores
BARINAS BARON IRS ENROLLED AGE	5701	(305) 871-0889	4702	1997	-	Legal and Financial > Accounting and Bookkeeping
LA CITGO	5701	(305) 871-8181	4702	1988	8	Service Stations-Gasoline & Oil
MI TIERRA RESTAURANT	5721	(305) 870-9902	4702	1995	8	Restaurants
U-HAUL CO INDEPENDENT DEALERS	5721	(786) 265-8726	4702	2002	-	-

Notes: Data list from Claritas, Inc., 1999; Bresser's Cross-Reference Directory 2002; and Yahoo Yellow pages during January 2003.

* "Year" indicates the year the establishment first listed it's phone number.

** Number of employees indicates approximate number of employees during 1999. Source: Claritas, Inc.

A survey of hotels in the Miami Springs/Airport Area performed for this study revealed a general pattern consistent with the aforementioned analysis. The key findings include:

- ◆ More than half the hotels surveyed noted that upwards of 80 percent of their guests are business travelers.
- ◆ Half the hotels surveyed responded that the typical length of stay was 1-2 nights
- ◆ Over half the hotels surveyed cited occupancy rates at 80 percent or higher. The remainder were between 70-78 percent occupancy.
- ◆ The average room night stay starts at \$108.00 with a median of \$110.00.

Although Miami Springs has not yet maximized its assets and superior location to capture this market, this study suggests that opportunities to secure a position in these hotel markets do exist.

B. Commercial Offices

According to Lambert Advisory's 2001 market study, it was estimated that Miami Springs could capture approximately 10 percent of Miami-Dade's projected office development. The analysis indicated that a steady growth in the regional office market could provide an opportunity to attract some of the areas small-and mid-size tenants. This analysis is supported by the FIU/MC study despite an existing "soft" office market according to Cushman & Wakefield's 2003 first quarter assessment. The report cites an 18.6% vacancy rate up by 2.4% from the previous year. As the overall vacancy rate continues to climb, subleases have also risen, while the demand for space as noted by net absorption remains negative. The report states that the "once-burgeoning" Airport West area is currently at 21.6% vacancy with more than 2.1 million square feet of available space.

It should be noted that the Airport West sub-market is where the larger blocks of space are available. This space has been impacted by a lessening in demand in the distribution and manufacturing of consumer goods. These industries have been the traditional users of large blocks of space. Other sub-markets are performing much stronger including Kendall/South Dade with a vacancy rate of only 6% and Coconut Grove at 12%. Both sub-markets compete price-wise with Airport West with space leasing on average around \$25 per square foot.

A survey of selected Miami-Dade businesses indicates that Miami Springs is not maximizing its prime location for quality hotels and office space. This limitation is a result of several factors. With the exception of one office

building that may provide a decent or acceptable quality and quantity of office space, the NW 36th Street Corridor does not provide the quality and quantity of desirable commercial office space needed to lure the airport-related industries in finance, law and hospitality away from the competing locations of Doral, Coral Gables and Blue Lagoon. A change in the commercial mix along the NW 36th Street Corridor may be necessary if Miami Springs is to obtain a requisite share in the growth of office and hotel space that is expected.

As previously noted, market projections for 2014 indicate that Miami-Dade will be built-out with little or no land remaining for new commercial development. This condition should stimulate tremendous market pressures for land use changes even in more remote and less accessible areas of South Florida in order to make adjustments to accommodate "perceived" or "real" projected market demands. Recent studies show decentralization in the South Florida office market intensifying. The outlying regions of West Dade and the I-75 Corridor and Fort Lauderdale to the north will be changing and developing in order to meet this office space market demand. By contrast, the NW 36th Street Corridor of Miami Springs with superior location and existing public infrastructure could garner considerable interest from commercial office

The NW 36th Street Corridor could compete for new, mid-sized office development similar to the Blue Lagoon and Doral areas. If developed in phases over a ten (10) year period, the NW 36th Street Corridor could absorb an additional 800,000 square feet of office space or less than 10 percent of the aggregate for Miami-Dade. This would occur in growth spurts in the economy rather than allocated in a predetermined time period. New office space should be created as part of a mixed-use development pattern combined with hotel, retail and market rate rental housing.

V. ECONOMIC DEVELOPMENT STRATEGIES

Based on the above economic market analysis and physical assessment of the NW 36th Street Corridor it is recommended that the City of Miami Springs consider economic development strategies that would take advantage of the prevailing and niche markets identified in this study and initiate steps to improve the physical image of the corridor. The sustained and anticipated growth in international trade and the business clusters that have developed in the vicinity of Miami International Airport (MIA) provide a compelling basis for this economic development rationale.

As such, the following strategies are proposed:

5. Create a "NW 36th Street Commercial Gateway" for Miami Springs

The City of Miami Springs has a unique opportunity to claim NW 36th Street as it's southern gateway. The visual impact of a NW 36th Street Commercial Corridor with vibrant buildings and aesthetically developed entrance ways and streetscapes would not only attract business to the area, but would also create a positive physical image that would become distinctly Miami Springs.

6. Create a Mixed-use Corridor that targets and promotes business clusters associated with international trade and tourism

The City of Miami Springs should initiate an economic development marketing strategy that focuses on the retention and recruitment of businesses associated with international trade and tourism.

7. Develop an appropriate land use strategy that will provide an incentive for new investment activity

In order to attract redevelopment activity, the City should consider land use and zoning changes that will allow existing property owners and prospective developers to maximize the highest and best use of their land and buildings. The current MUB, B2 and B3 zoning classifications for the corridor are limiting both in terms of intensity and depth.

8. Expand the City's Economic Development Management Capacity

In order for the City to effectively implement its economic development strategies, it will be vital for an expanded management capacity to be in place. The economic development strategies outlined above will require administrative, marketing, grants writing, business partnering and other economic development management functions and activities that the City will need to undertake.

VI. ECONOMIC DEVELOPMENT IMPLEMENTATION TOOLS

The following section provides several financing tools that the City of Miami Springs will need to consider in order to successfully implement the proposed economic development strategies for the NW 36th Street Corridor.

A. Business Improvement District (BID)

A Business Improvement District is a method used to finance and manage commercial area improvements in designated districts in order to restore or promote business activity. The BID is a specifically designed geographic district established to provide additional and supplemental services such as business retention and recruitment, professional management, marketing, improved maintenance, enhanced safety and security, and physical improvements to streetscapes in the district. The municipality collects the assessed funds and provides them to the BID, which directs them to enhanced or additional services that are not traditionally offered by the municipality.

There are three primary advantages of a BID. The first is the ability to provide additional and enhanced services that improve the business environment. The second advantage is the capability of professional management of retail and commercial services, much like those offered at a mall that enhance the district and strengthen a municipality's economic capacity. The third primary advantage is the predictable and reliable source of funding that a BID offers. In short, BIDs allow for organized and professional implementation of competitive business practices and services developed and maintained cooperatively at the local level.

The BID concept of private assessment for common improvements is not unlike a betterment district where property owners pay for specific utility benefits. It has also been compared to the common charges assessed to all shopping mall tenants that are used for maintenance, security, and promotions. A BID can provide all of these services to compete more equitably with shopping malls. This can be extremely beneficial for designated commercial corridors and downtown centers that need to compete with large regional malls within their market area.

B. Tax Increment Financing (TIF)

Tax Increment Financing utilizes the incremental increase in ad valorem tax revenue within a designated geographic area to finance redevelopment projects within that area. As property values rise above an established aggregate valuation (the "frozen" tax base), tax increment

is generated by applying the millage rate to that increase in value and depositing in a trust fund an amount equal to such increased tax revenue. The trust fund is the source for repayment of indebtedness.

Florida redevelopment activities are initiated by the governing body of a city or county adopting a resolution finding the existence of one or more slum or blighted areas or a shortage of housing affordable to low or moderate income persons within its jurisdiction. The resolution must also find that the "rehabilitation, conservation, or redevelopment, or a combination thereof," of the area is necessary. The governing body must further find the need for a community redevelopment agency ("CRA") to function within that local government's boundaries to carry out the purposes of the Redevelopment Act. The governing body by resolution may designate itself as the CRA, create a separate CRA by ordinance, or designate a pre-existing downtown development entity. The next step in the redevelopment process is to prepare a plan for redevelopment within the designated slum or blighted area (referred to as a "community redevelopment area").

The community redevelopment plan, in accordance with Chapter 163 S. 362, shall include the following contents:

1. A legal description of the boundaries of the community redevelopment area and the reasons for establishing such boundaries shown in the plan.
2. Show by diagram and in general terms:
 - a) The approximate amount of open space to be provided and the street layout.
 - b) Limitations on the type, size, height, number, and proposed use of buildings.
 - c) The approximate number of dwelling units.
 - d) Such property as intended for use as public parks, recreation areas, streets, public utilities, and public improvements of any nature.
3. If the redevelopment area contains low or moderate income housing, contain a neighborhood impact element which describes in detail the impact of the redevelopment upon the residents of the redevelopment area and the surrounding areas in terms of relocation, traffic circulation, environmental quality, availability of community facilities and services, effect on school population, and other matters affecting the physical and social quality of the neighborhood.
4. Identify specifically any publicly funded capital projects to be undertaken within the community redevelopment area.
5. Contain adequate safeguards that the work of redevelopment will be carried out pursuant to the plan.

6. Provide for the retention of controls and the establishment of any restrictions or covenants running with land sold or leased for private use for such periods of time and under such conditions as the governing body deems necessary to effectuate the purposes of this part.
7. Provide assurances that there will be replacement housing for the relocation of persons temporarily or permanently displaced from housing facilities within the community redevelopment area.
8. Provide an element of residential use in the redevelopment area if such use exists in the area prior to the adoption of the plan or if the plan is intended to remedy a shortage of housing affordable to residents of low or moderate income or if the plan is not intended to remedy such shortage, the reasons therefore.
9. Contain a detailed statement of the projected costs of the redevelopment, including the amount to be expended on publicly funded capital projects in the community redevelopment area and any indebtedness of the community redevelopment agency, county, or the municipality proposed to be incurred for such redevelopment if such indebtedness is to be repaid with increment revenues.
10. Provide a time certain for completing all redevelopment financed by increment revenues. Such time shall occur no later than 30 years after the fiscal year in which the plan is approved, adopted, or amended pursuant to 163.361(1).

C. Community Development Block Grant (CDBG) Program

For over 25 years, HUD's Community Development Block Grant Program has provided a comprehensive and flexible source of funding to address local housing, economic and community development needs. Best practice case studies have shown that CDBG funds are most successful when leveraged with private capital resources. It is also important that CDBG resources be targeted to clearly defined revitalization areas.

Eligible activities:

Acquisition of Real Property

The statute and regulations authorize the use of CDBG funds by a grantee or a public or private nonprofit entity to acquire real property by purchase, long-term lease or donation. Real property to be acquired includes land, air rights, easements, right-of-ways and buildings. Costs that may be paid for with CDBG funds include the costs of surveys, appraisals, the preparation of legal documents, recordation fees, and other costs that are necessary to effect the acquisition. CDBG funds may also be used to cover certain property management and disposition costs.

From an economic development standpoint, the acquisition of real property must meet a national objective of the CDBG program. To meet the national objective of "creating low and moderate income jobs" the acquisition would qualify if the property is to be used for an economic development project that will create or retain permanent jobs at least 51 percent of which will benefit L/M income persons. An example would be acquiring vacant property that is planned to be used for a commercial purpose, and will be made available for that purpose, only if the business commits to provide at least 51 percent of the new permanent jobs that will be created to L/M income persons. To meet the national objective of "removing a slum or blighted area" the acquired property must be used in a manner that addresses one or more of the conditions that contributed to the deterioration of the area. An example would be the use of CDBG funds to acquire several deteriorated buildings located in a slum/blighted area for rehabilitation or demolition.

Public Facilities and Improvements

CDBG funds may be used by the grantee or other public or private nonprofit entities for the acquisition, construction, reconstruction, rehabilitation or installation of public improvements or facilities (except for buildings for the general conduct of government). Neither the statute nor the regulations define the terms "public facilities" or "public improvements." However, in the CDBG program these terms are broadly interpreted to include all improvements and facilities that are either publicly owned or that are traditionally provided by the government, or owned by a nonprofit, and operated so as to be open to the general public. This would include neighborhood facilities, firehouses, public schools and libraries. Public improvements include streets, sidewalks, curbs and gutters, parks, playgrounds, water and sewer lines, flood and drainage improvements, parking lots, utility lines, and aesthetic amenities on public property such as trees, sculptures, pools of water and fountains, and other works of art.

Special Economic Development Activities

As a consequence of changes to the CDBG program legislation in 1992, significant alterations were made to the program regulations to facilitate the use of CDBG funds for economic development purposes, both in terms of eligibility and national objectives. An economic development project in the CDBG program may be supported by a range of CDBG-funded activities, including both special economic development activities and other categories of basic eligibility, each of which must meet a national objective of the CDBG program.

CDBG funds may be used for the following **special economic development** activities:

- Commercial or industrial improvements carried out by the **grantee** or a **nonprofit sub-recipient**, including:

- Acquisition
 - Construction
 - Rehabilitation
 - Reconstruction, or
 - Installation of commercial buildings or structures
 - And other related real property equipment and improvements
- Assistance to private for-profit entities for an activity determined by the grantee to be appropriate to carry out an economic development project. This assistance may include, but is not limited to:
 - Grants
 - Loans
 - Loan guarantees
 - Technical assistance, or
 - Any other form except for those specifically described as ineligible

Examples of special economic development activities include: a low interest loan to a business as an inducement to locate a branch store in a redeveloping blighted area; financial assistance to a business to demolish a decayed structure it owns in order to assist the business in constructing a new building on the site; and financial assistance to a manufacturer for the expansion of its facilities which is expected to create permanent jobs, at least 51 percent of which will be taken by Low/Moderate income persons.