Economic and Competitive Advantage Analysis

Citywide Economic Development Strategy

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CITY-WIDE ASSESSMENT

Population and Households

Population Change

According to recent 2009-2013 5-Year American Community Survey (ACS) estimates, the City of Deerfield has a current population of 76,330 residents. The City's population has increased by 18 percent (11,614 residents) since 2000 and by 1.4 percent (1,054) since 2010. The population growth rate of the City has more than doubled that of Broward County during this period.

There are currently 31,711 households in the City which represents a 1.0 percent increase since 2000. Significantly, the number of households in the City has decreased by 2.2 percent (727) since 2010. However, increases in household and family size and households with children under 18 years of age resulted in the slight population gain. Family households comprise 55 percent of all occupied units in the City.

In comparison, Broward County experienced a 1.3 percent increase in households since 2000, but a 1.0 percent decrease (7,014) in total households since 20109. The County also had a slight decrease (756 households) in family households since 2010. Family households comprise 63.1 percent of the County's total occupied households.

Age

According to 2009-2013 ACS estimates, the current median age of the City of Deerfield population is 43.6 down slightly from 44.6 percent in 2000. The City's prime age worker population (20-44) comprises 31.9 percent of the population down from 34 percent in 2000. The City's fastest growing (36 percent) age group is the under 20 population.

Broward County's median age of 39.8 is significantly lower than the City of Deerfield Beach. However, the County has also experienced a decrease of 0.6 percent (3,862 persons) in the prime age (20-44) worker population. Broward County's fastest growing population (40.7 percent) is the 45-69 age group.

Demographic Characteristics				
Deerfield Beach and Broward County				
	Deerfield Beach		Broward County	
Total Population		76,330		1,784,889
Age				
Under 5 years	3,982	5.2%	105,197	5.9%
5 to 19 years	11,085	14.5%	332,298	18.6%
20 to 34	15,277	20.0%	342,629	19.2%
35 to 54 years	19,870	26.0%	529,461	29.7%
55 and over	26,116	34.2%	475,304	26.6%
18 and over	62,285	62,285		1,390,222
65 and over		17,070		259,166
Educational Attainment				
Population 25 years and over		56,739		1,238,034
Less than 9th grade	3639	6.4%	64,861	5.2%
9th to 12th, no diploma	5,165	9.1%	86,097	7.0%
High school graduate (includes equivalency)	20,163	35.5%	344,248	27.8%
Some college, no degree	11,119	19.6%	260,424	21.0%
Associate's degree	3,916	6.9%	112,440	9.1%
Bachelor's degree	8,972	15.8%	238,066	19.2%
Graduate or professional degree	3,765	6.6%	131,898	10.7%

Source: U.S. Census ACS 2013 5-year estimates

Educational Attainment

According to 2009-2013 ACS estimates, 48.9 percent of the population of Deerfield Beach 25 years of age and over have some college or an associate’s degree with 22.5 percent having a Bachelor’s, graduate or professional degree. Significantly, the City’s 25+ population with less than a high school diploma has decreased since 2000.

The City's overall educational attainment is significantly less than Broward County with respect to the percentages of the 25+ population with some college or higher degrees including a Bachelor's, graduate or professional degree. The percentages of the City's 25+ population with less than a high school diploma are significantly higher than the County, as a whole.

Economic Characteristics				
	Deerfield Beach		Broward County	
Total Population		76,330		1,784,889
Poverty Rate				
Total Households		31,711		663,458
Families & people whose income in the past 12 months is below the poverty level	5,438	17.1%	89,759	13.5%
Percentage in Labor Force				
Total Population 16+		63,711		1,437,782
Population in Labor Force	38,855	61.0%	966,642	67.2%
Income				
Median Household Income	$	38,353	$	51,251
Occupations				
Total Civilian employed population 16+		34,502		850,199
Management, business, science, and arts occupations	8,861	25.7%	299,856	35.3%
Service occupations	9,147	26.5%	168,237	19.8%
Sales and office occupations	9,298	26.9%	247,698	29.1%
Natural resources, construction, and maintenance occupations	3,842	11.1%	67,974	8.0%
Production, transportation, and material moving occupations	3,354	9.7%	66,434	7.8%
Commute to Work				
Workers 16 years and over		34,009		832,065
Car, truck, or van -- drove alone	26,887	79.1%	662,569	79.6%
Car, truck, or van -- carpooled	4,362	12.8%	81,530	9.8%
Public transportation (excluding taxicab)	818	2.4%	24,388	2.9%
Walked	656	1.9%	10,901	1.3%
Other means	508	1.5%	15,842	1.9%
Worked at home	778	2.3%	36,835	4.4%

Source: U.S. Census ACS 2013 5-year estimates

Race and Ethnicity

The racial and ethnic composition of the City of Deerfield Beach has been gradually changing since 2000. Following the County trend, the City's "White alone" population decreased for 71.8 percent of the population to 54.8 percent between 2000 and 2013. The percent of the City's Black or African American and Hispanic or Latino populations increased by 9.7 percent and 7.1 percent, respectively, during this time span.

	Deerfield Beach							Broward County						
	2000	2010	2011	2012	2013	Percentage Change		2000	2010	2011	2012	2013	Percentage Change	
						2000-10	2010-13						2000-10	2010-13
Total:	64,716	74,919	75,454	76,352	77,267	15.8%	3.1%	1,623,018	1,753,578	1,780,172	1,815,137	1,838,844	8.0%	4.9%
White alone	46,393	44,031	44,630	43,019	42,335	-5.1%	-3.9%	940,692	764,305	764,990	755,005	746,144	-18.8%	-2.4%
Black or African American alone	10,098	17,644	16,798	19,242	19,545	74.7%	10.8%	322,516	453,171	462,879	475,124	495,686	40.5%	9.4%
American Indian and Alaska Native alone	59	89	103	107	68	50.8%	-23.6%	2,912	3,618	4,270	3,328	2,092	24.2%	-42.2%
Asian alone	632	893	1,201	935	1499	41.3%	67.9%	36,148	55,991	58,963	59,222	62,430	54.9%	11.5%
Native Hawaiian and Other Pacific Islander alone	59	0	0	0	0	-100.0%	#DIV/0!	570	918	363	913	786	61.1%	-14.4%
Some Other Race alone	341	184	129	186	398	-46.0%	116.3%	6,638	5,552	3,403	9,996	10,095	-16.4%	81.8%
Two or More Races	1,617	937	640	1,118	1375	-42.1%	46.7%	42,019	28,174	25,921	31,025	26,161	-32.9%	-7.1%
Hispanic or Latino (of any race)	5,517	11,141	11,953	11,745	12,047	101.9%	8.1%	271,523	441,849	459,383	480,524	495,450	62.7%	12.1%
White alone	71.7%	58.8%	59.1%	56.3%	54.8%	*	*	58.0%	43.6%	43.0%	41.6%	40.6%	*	*
Black or African American alone	15.6%	23.6%	22.3%	25.2%	25.3%	*	*	19.9%	25.8%	26.0%	26.2%	27.0%	*	*
Hispanic or Latino (of any race)	8.5%	14.9%	15.8%	15.4%	15.6%	*	*	16.7%	25.2%	25.8%	26.5%	26.9%	*	*

SOURCE: ACS data 2000,2010,2011,2012,2013 / 2008-2010,2009-2011,2010-2012,2011-2013

Household and Family Income

According to 2009-2013 ACS estimates, the median household income of the City of Deerfield Beach is $38,353 which is 25 percent less than Broward County, as a whole. The City's median family income of $50,119 is approximately 19 percent less than the County. The City's median household and family incomes have decreased by 6 percent and 4 percent, respectively, since 2010.

Employment by Occupations

According to 2009-2013 ACS estimates, 34,502 (45percent) of the population of the City of Deerfield Beach are employed. The City's civilian employed population 16 years and older work in a variety of occupations and industries. The leading occupation groups include sales and office occupations (9,298 workers/26.9 percent), service occupations (9,127 workers/26.5 percent) and management, business, science and arts occupations (8,861 workers/25.7 percent).

Economic Base

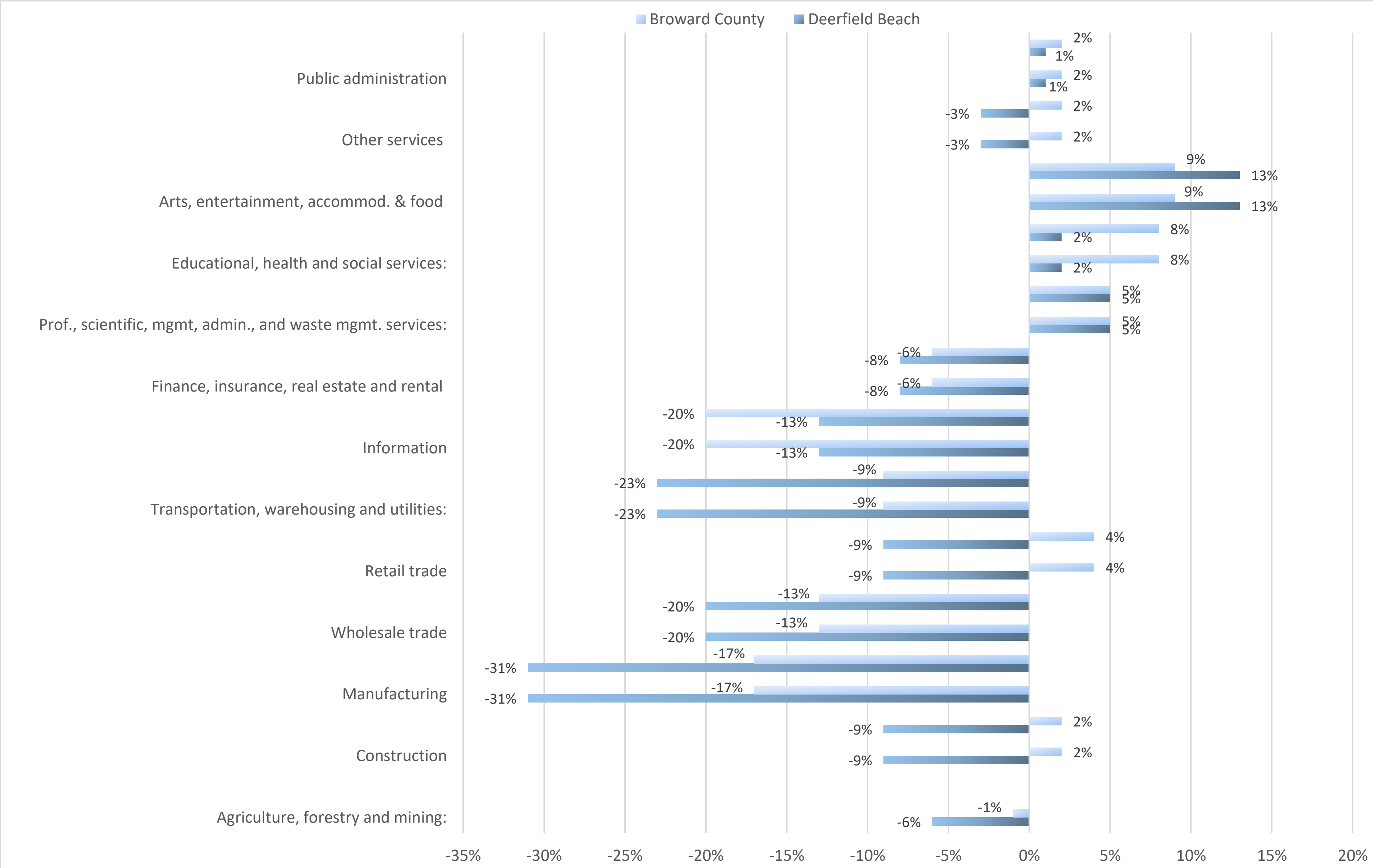
The economic base of both Broward County and the City of Deerfield Beach is largely supported by the non-durable service-providing industries. These industries currently comprise nearly 90 percent of the employment base. The majority of these jobs are directly related to South Florida's tourism industry. However, recent employment growth in Professional, Management, Administration and Waste Management Services and Education and Health Services are indicative of growing economic diversification.

The civilian workforce of Broward County and the City of Deerfield Beach was significantly impacted by the economic recession. However, in the past year notable employment growth has occurred in a number of industries including Professional, Management, Administration and Waste Management Services, Education and Health Services and Arts, Entertainment, and Accommodation and Food Services.

Employment by Industry in Broward County and the City of Deerfield Beach

KL	Deerfield Beach							Broward County		
	2000		2010	2013	Percent Change			2010	2013	Percent Change
					2000-10	2010-13				2010-13
Civilian employed population 16 years+	28,174		36,570	34,502	30%	-6%		850,849	850,129	-1%
Agriculture, forestry and mining:	208		104	95	-50%	-9%		2,070	2,102	2%
Construction	2,507		4,275	2,952	71%	-31%		62,140	51,397	-17%
Manufacturing	1,874		1,961	1,776	5%	-9%		44,572	41,667	-7%
Wholesale trade	1,231		1,232	982	1%	-20%		36,309	31,739	-13%
Retail trade	3,960		5,253	4,794	33%	-9%		111,712	116,214	4%
Transportation, warehousing and utilities:	1,229		1,577	1,209	28%	-23%		48,683	44,095	-9%
Information	960		823	720	-14%	-13%		24,961	19,878	-20%
Finance, insurance, real estate and rental	2,561		3,219	2,963	26%	-8%		78,319	73,473	-6%
Prof., scientific, mgmt, admin., and waste mgmt. services:	3,299		4,528	4,771	37%	5%		109,471	114,881	5%
Educational, health and social services:	3,861		5,607	5,696	45%	2%		165,958	178,935	8%
Arts, entertainment, accommod. & food	3,199		4,571	5,181	43%	13%		82,267	89,346	9%
Other services	1,936		2,401	2,335	24%	-3%		47,084	48,270	2%
Public administration	995		1,018	1,028	2%	1%		37,303	38,202	2%

Source: U.S Census, 2000; American Community Survey, 2006-2010; 2009-2013



Broward County
Deerfield Beach
Public administration
Other services
Arts, entertainment, accommod. & food
Educational, health and social services:
Prof., scientific, mgmt, admin., and waste mgmt. services:
Finance, insurance, real estate and rental
Information
Transportation, warehousing and utilities:
Retail trade
Wholesale trade
Manufacturing
Construction
Agriculture, forestry and mining:
2%
1%
2%
1%
2%
-3%
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-3%
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10%
15%
20%

A current analysis of the major industry sectors and businesses in the City of Deerfield Beach according to the North American Industrial Classification System (NAICS) shows a significant level of economic diversification in a range of industry sectors including Construction, Retail Trade, Health Care and Social Assistance, and Professional, Scientific and Technical Services.

Industry Sector	Number of Establishments	Local Employees	Total Employees	Local Sales	Total Sales
11- Agriculture, Forestry, Fishing and Hunting	3	12	10,702	$672,000	$5,820,185,000
21 - Mining, Quarrying, and Oil and Gas Extraction	3	12	12	$2,084,000	$2,084,000
22 - Utilities	3	106	49,837	$75,384,000	$23,286,350,000
23 - Construction	603	5,001	608,145	$1,590,345,000	$115,558,863,000
31-33 - Manufacturing	208	4,145	370,049	$973,763,000	$185,082,850,000
42 - Wholesale Trade	256	4,337	447,186	$9,013,511,000	$229,533,982,000
44-45 - Retail Trade	762	8,468	11,375,709	$1,918,559,000	$5,083,442,800,000
48-49 - Transportation and Warehousing	108	1,149	2,333,469	$125,718,000	$21,946,422,000
51 - Information	127	1,294	753,662	$412,199,000	$398,617,597,000
52 - Finance and Insurance	385	7,058	4,208,764	$2,018,617,000	$1,035,204,045,000
53 - Real Estate and Rental and Leasing	354	2,192	1,797,815	$443,532,000	$461,750,203,000
54 - Professional, Scientific, and Technical Services	561	6,967	666,498	$1,112,525,000	$119,870,675,000
55 - Management of Companies and Enterprises	11	35	35	$24,479,000	$24,479,000
56 - Administrative and Support and Waste Management and Remediation Services	343	2,645	1,152,683	$233,074,000	$238,978,038,000
61 - Educational Services	57	1,329	15,260	$14,763,000	$146,932,000
62 - Health Care and Social Assistance	613	7,496	1,060,799	$852,425,000	$193,959,440,000
71 - Arts, Entertainment, and Recreation	94	1,306	71,220	$81,680,000	$3,647,870,000
72 - Accommodation and Food Services	284	3,864	10,806,291	$246,303,000	$790,044,285,000
81 - Other Services (except Public Administration)	590	2,798	851,440	$167,491,000	$68,093,907,000
92 - Public Administration	48	1,326	613,229	$0	$3,449,202,000

Unclassified	252	545	545	$446,000	$446,000

TOP 20 EMPLOYERS BY SALES VOLUME				
Company	**NAICS**	**Description**	**Local Employees**	**Local Sales**
PUBLIX DISTRIBUTION CTR	42399004	OTHER MISCELLANEOUS DURABLE GOODS MERCHANT WHLSRS	1,500	$3,865,880,000
WORLD OMNI FINANCIAL CORP	52229103	CONSUMER LENDING	2,000	$1,530,000,000
REPUBLIC NATIONAL DISTRIBUTING	42482003	WINE & DISTILLED ALCOHOLIC BEVERAGE MRCHNT WHLSRS	300	$681,781,000
CAPITAL SCRAP METAL LLC	42393017	RECYCLABLE MATERIAL MERCHANT WHOLESALERS	275	$560,790,000
FIDELITY WARRANTY SVC INC	54187005	ADVERTISING MATERIAL DISTRIBUTION SERVICES	2,000	$446,009,000
VIRTUAL IMAGING INC	42345037	MEDICAL, DENTAL/HOSPITAL EQUIP/SUPLS MRCHNT WHLSRS	100	$224,500,000
G B INSTRUMENTS INC	42369015	OTHER ELECTRONIC PARTS & EQUIPMENT MERCHANT WHLSRS	70	$172,034,000
NORTH BROWARD MEDICAL CTR	62211002	GENERAL MEDICAL & SURGICAL HOSPITALS	1,000	$171,540,000
LANZO LINING SYSTEMS	23622005	COMMERCIAL & INSTITUTIONAL BUILDING CONSTRUCTION	200	$139,939,000
RUPARI FOOD SVC	31161103	ANIMAL (EXCEPT POULTRY) SLAUGHTERING	300	$123,459,000
GLOBAL SAFE CORP	42342031	OFFICE EQUIPMENT MERCHANT WHOLESALERS	50	$116,646,000
ANDERSEN MATERIAL HANDLING	42383050	INDUSTRIAL MACHINERY & EQUIPMENT MERCHANT WHLSRS	48	$110,782,000
CLOSET FACTORY	42322011	HOME FURNISHING MERCHANT WHOLESALERS	40	$97,896,000
MILNER DOCUMENT PRODUCTS INC	42342015	OFFICE EQUIPMENT MERCHANT WHOLESALERS	40	$93,316,000
HOERBIGER COMPRESSOR TECH	42383006	INDUSTRIAL MACHINERY & EQUIPMENT MERCHANT WHLSRS	40	$92,318,000
CARDINAL HEALTH	42421014	DRUGS & DRUGGISTS' SUNDRIES MERCHANT WHOLESALERS	30	$77,317,000
TOYOTA OF DEERFIELD BEACH	44111001	NEW CAR DEALERS	105	$75,891,000
CAMPBELL PROPERTY MANAGEMENT	53121003	OFFICES OF REAL ESTATE AGENTS & BROKERS	400	$75,270,000
AERIALE AIR CLEANER LTD	44314132	HOUSEHOLD APPLIANCE STORES	250	$74,628,000
US JOURNAL HEALTH COMM	45411101	ELECTRONIC SHOPPING	100	$74,526,000

The Dynamics of Deerfield's Economy

In addition to static measures of the current economy of the City of Deerfield Beach, it is helpful to understand trend lines and the direction of change experienced by the City over time. Understanding the direction of change in key components of the local economy highlights the direction of where the economy is going, and provides the basis for developing strategies to move the City's economy in new directions.

Key Findings

Labor Force and Employment Cycles

A key measure of the health of a local economy is its resistance to cyclical swings in the regional and national economies. Local economies that undergo fewer or shallower fluctuations in local employment retain more local income and wealth, and experience less economy-wide "shock" in other sectors, including housing. With its heavy reliance on tourism, hospitality and construction, many cities across Florida experienced large-scale drops in employment during the last recession with damaging effects throughout their economies. Many smaller cities are still struggling to recover.

Over the last fifteen years, the City of Deerfield Beach has enjoyed steady and relatively stable employment growth, growing from just under 30,000 total employed in 2000 to 38,702 jobs in December 2006. However, from its peak in 2006 to its employment low point in January 2010, the City lost over 5,400 jobs, or 14 percent of its employment base. Importantly, the local economy has yet to fully recover - as of June 2015, the City's economy employs 37,879 persons which is just shy of its 2006 peak employment.

Employment loss in the City of Deerfield Beach was comparable to the rest of Florida, which experienced a 14 percent loss of jobs from the State's high in April 2007 to its trough in July 2010. Overall, Broward County fared slightly better during the last recession, experiencing a 12.9 percent loss of total employment from its peak employment in March 2007 to its lowest point in January 2010. Additionally, as of June 2015 the Florida economy has yet to fully recover the total number of jobs in the state, while total employment in Broward County (as a whole) has surpassed the County's peak employment in March 2007.

Average Wage and Income Decline

Healthy economies generally experience steady growth in wages and income. However, reflecting national and statewide trends, wage growth in the City of Deerfield Beach has been sluggish. In real terms, wages in Deerfield Beach have been flat and in decline since 2009. The City's changing wage and income structure is an area of considerable concern. Four issues are particularly noteworthy:

- The City's median income is considerably below that of the U.S. and the rest of the County. The City's current median household income is over 25 percent less than that for the County and over 27 percent less than that for the U.S. (Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey);

- The City's median household income in 2000 was $34,041 and grew to $40,689 by 2009. However, The City's median household income in 2013 shrank to $38,353. ***Adjusted for inflation (in 2015 dollars), median household income in Deerfield Beach declined over 15 percent from 2009 to 2013 and is 18 percent less than in 2000;***

- Of particular concern, is the City's change in income structure. While gaining population, the City lost 143 households from 2009 to 2013 largely due to shrinking average household size and outmigration. The City has experienced rapid shifts in its household income structure. From 2009 to 2013 the largest loss of households by income were those earning $75,000 to $99,000 per year and those earning $35,000 to $49,999 per year. The City lost 956 households alone in these two middle and upper income segments. The largest increase (458) was households earning $25,000 to $34,999 per year. While there were smaller gains in households earning at the upper range (above $100,000), this indicates a considerable decline in the relative structure of household income, as indicated by the City's wage rate declines;

- The data indicates that even while the City added back jobs (to near its peak employment) the new jobs being created since 2009 are in a combination of lower wage sectors and are paying less than they were in 2009. Overall employment growth has not resulted in increasing wages for a large segment of the City's population.

Business Establishment Formation Rate

The City of Deerfield Beach has experienced a dramatic slowdown in the number of business establishments and firms created within or locating to the City. From 2000 to 2009, in the three zip codes covering the City and a portion of northern Pompano Beach (33441, 33442 and 33064), 735 (net) new business establishments were created***. From 2009 to 2013, only 27 net new business establishments were created in the same area. The slowdown in the annual rate of net new business establishments is significant, shrinking from an annual average of 82 new establishments per year from 2000 to 2009 to only 27 per year from 2009 to 2013.***

Accompanying the slowdown in the rate of new business establishments created the local economy has shifted in terms of its establishment size structure. The City's employment recovery has been led by new establishments at both ends of the size spectrum. From 2009 to 2013, the local economy (zip codes 33441, 33442 and 33064) added 98 establishments employing 1 to 4 persons, and added 15 more (net) employing more than 50 persons. During the same period, the local economy experienced a significant decline in mid-size establishments, with a net loss of 84 business establishments employing between 5 and 50 employees. ***While not conclusive, the data indicates that the Deerfield economy has grown significantly through expansion of its existing businesses and key new business locations, adding new employment without a significant increase in new business establishments.***

Percentage of Self-Employed in the Local Economy

The number of people who are self-employed in a local economy can be an indicator of the flexibility and capacity of its residents to add employment, create new business and jobs and innovate. South Florida in general (Miami-Dade and Broward Counties) is a particularly strong in the percentage of workers who are self-employed, and has been an engine of growth over the last decade. A strong presence of entrepreneurs and business owners represent an important pillar of future economic development.

- Across the rest of the U.S., 9.4 percent of all workers are self-employed. Over 14 percent of workers in the City of Deerfield Beach are self-employed, well above the national and Broward County average. This percentage, in fact, declined from over 16 percent in 2009

The Advanced Industry Sector in Deerfield Beach

The Brookings Institution, among others, has developed the concept and extensive analysis of what it has termed the *U.S. Advanced Industry Sector*. Brookings has identified 50 industries across manufacturing, energy, and services that may be critical in the development of regional economies across the US. The Institution's analysis has sparked broad thinking regarding the development of these key sectors as important ways to improve American global economic competitiveness, lead the nation's economic revitalization, build on regional economic strengths, create new employment post-recession, and provide badly needed high-skill, high paying employment opportunities.

According to Brookings, the Advanced Industry Sector are important regional core industries that concentrate in, and drive many of the nation's best performing regional economies. The Sector is composed of 50 industries identified at the 4-digit NAICS level, and include manufacturing industries chemicals, pharmaceuticals, advanced metals, industrial machinery, medical equipment manufacture, energy development and distribution, software design, data processing and hosting, and medical and diagnostic labs. Industries in the Advanced Industries Sector has three important characteristics:

- Each of the industries in the sector have high relative levels of technology development and research and development spending, well above averages for the rest of the economy. The Advanced Industries Sector both drives and relies on relies on constant innovation, technology advances, and new service business models to expand and grow;
- As a sector, the Advanced Industries employ 12.3 Million workers, or 9 percent of total employment. ***However, the Sector produces $2.7 trillion in value added annually, or 17 percent of all U.S. gross domestic product;***
- The Advanced Industries Sector employs 80 percent of the nations' engineers, funds 90 percent of private-sector R&D, accounts for 85 percent of all U.S. patents; and 60 percent of U.S. exports. The Sector and its component industries are crucial foundations of extensive supply chains and third party employment in a wide range of support industries outside the sector;
- Output and employment of the Advanced Industries Sector has been far greater than the economy as a whole. From 1980 to 2013 advanced industry output expanded at a rate of 5.4 percent annually - 30 percent faster than the rest of the US economy. Since 2010 the sector has added nearly one million jobs. Employment and economic output of the Sector has been 1.9 and 2.3 times higher than their respective national averages since 2010;
- The Sector provides high skilled and high-wage employment. Workers in advanced industries generate over $210,000 in annual value added per worker compared with $101,000 for workers outside the Sector. Workers within the Sector, unlike the remainder of the U.S. economy, are experiencing rapidly rising wages. The average advanced industries worker earned $90,000 in total compensation in 2013, twice as much as workers outside of the sector. Absolute earnings in advanced industries grew by 63 percent from 1975 to 2013, compared with a 17 percent increase outside the Sector.

The City of Deerfield Beach has a high proportion of business firms and establishments in the Advanced Industries Sector. An analysis of the current database of Nielson Inc. corporate data for the City indicates that it is home to 388 establishments and firms within the Advanced Industries Sector. **These business locations employ 4,178 workers, or just over 7 percent of the City's jobs base. The total employment of the local firms in the Sector and their parent companies is over 1.2 million workers. In addition, the City's Advanced Industries Sector generates over $1.1 billion in local sales, and if the parent companies of the local establishments are added generate over $569 billion in sales**

worldwide.

Given that regional employment in the Advanced Industries Sector is under 4 percent, and Advanced Industries employment represents only 3 percent of the state's total employment, Deerfield Beach has growing potential as a leading, high-concentration Florida location for the Advanced Industries Sector. Given the City's competitive advantage in these sectors, their leading position of growth and wage income, the supply chains they drive, and the extensive size of the parent companies that many of these establishments are connected to, this feature of the local economy need to be strongly considered in the development of new development strategies and warrants further detailed study.

COMPETITIVE ADVANTAGE ANALYSIS

A. Background

The competitive advantage analysis weighs the economic development capacity of the City by assessing certain factor conditions that either enhance or diminish economic opportunity and investment. The enhancement of a city's factor conditions or inputs including the workforce, land use, inventory of industrial and commercial buildings and public infrastructure is considered an important requisite for gaining competitive advantage in the regional economy.

- Coastal Community
- Vibrant A1A
- Strategic Location
- Diversified Economic Base
- Significant Labor Force with Range of Occupations
- Industrial Inventory
- International Trade, Life Sciences and Creative Design Cluster Firms
- Advanced Industry Sectors
- City Economic Development and Planning Professional Expertise

- Declining Household and Family Incomes
- Negative Shifts in Household Income Structure
- Low Wage Job Growth
- Underdeveloped Commercial Corridors and Plazas
- Lack of a Town Center
- Undefined and Improved Gateways

B. Key Findings

The City's competitive advantage analysis is based on an environmental scan of the City with a specific focus on the major commercial corridors, an analysis of the economic base, including the City's industrial, commercial and retail inventories and the previous demographic assessment. The analysis found significant strengths (advantages) based largely on the City's population, economic base and economic development capacity, but also significant shortcomings (disadvantages) resulting primarily from the recent economic recession and the general appearance and "underdevelopment" of major commercial corridors including Hillsboro Boulevard, Dixie Highway and Federal Highway.. The following is a summary of the key findings:

1. City Demographics

The City of Deerfield Beach is the tenth largest city in Broward County with a population of 76,330 residents. The City has the ninth largest number of households (31,711). Importantly, the City has the tenth largest civilian population (34,502) in Broward County 16 years of age and older in the labor force which represents 61 percent of the total population.

While the City's educational attainment levels are below that of Broward County, there has been significant improvement in recent years. The City's 25+ year old population has shown increased percentages of residents with bachelor's degrees and overall college attainment levels.

2. Location

One of the most important competitive advantages that a City can have is strategic location. The City of Deerfield Beach is strategically located in Broward County and centrally located the larger Tri-County region. The City has excellent highway access to its commercials and industrial corridors with two interchanges on I-95 and direct access to the Florida Turnpike from SW 10th Street.

3. Economic Base

The economic base of the City is largely supported by the non-durable service-providing industries. These industries currently comprise nearly 90 percent of the employment base. The majority of these jobs are directly related to South Florida's tourism industry. However, employment growth in professional and business services, education and health services and retail trade is directly related to the population growth during the past decade. Significantly, the City has an established manufacturing sector with growth potential in several subsectors related to Broward County's targeted industry clusters including international trade, life sciences and creative design. The City manufacturing sector is comprised of over 25 different industry groups that account for over 6,000 jobs. The City's leading manufacturing subsectors include Printing (586 jobs), Machinery (563 jobs), Apparel (521 jobs), Fabricated Metals (386 jobs) and Medical Equipment (343 jobs). The analysis also found that the city is well represented in several of Broward County's established industry clusters including Life Sciences, Marine, International Trade & Logistics and Creative Design. The City also has a high proportion of business firms and establishments in the Advanced Industries Sector**.** As previously noted, the City is home to 388 establishments within the Advanced Industries Sector employing approximately 4,178 workers.

4. Industrial and Commercial Inventory

The City has a significant inventory of both industrial (881.01 acres) and commercial (898.11 acres) land. An additional 41.42 acres is designated as office park. According to the city's Comprehensive Plan, Industrial land uses are generally those which are connected with manufacturing, assembly, processing and/or storage of products. Industrial land accounts for 9.43 percent of the City's land area. Commercial land uses are generally those which are connected with the sale or rental of products, or the performance of services. Commercial activities occupy approximately 7.5 percent of the total acreage of the City. This commercial acreage is primarily located along Hillsboro Boulevard, west side of Dixie Highway, Sample Road, and Federal Highway. The City's Commercial 2 land uses are those primarily associated with building trades, repair shops, fabricating, assembly, distribution, and storage. These uses are primarily located along the east side of Dixie Highway and along Northwest 1st Street. Office Park areas are planned office complexes and corporate headquarters. Office Park areas consist of a campus-like atmosphere with substantial buildings and ample open space. The one Office Park designation in the City, North Broward Regional Medical Center, is located east of I-95 on Sample Road.

Significantly, the City has 355.60 vacant, undeveloped acres, of which, 126+ acres are industrial and 78+ acres commercial land uses. The vacant land is scattered throughout the City with the several small lots west of Dixie Highway and larger portions in industrial areas in the western part of the City.

According to Cushman & Wakefield's 2Q 2015 *Marketbeat,* the Broward County industrial market continued to enjoy strong market fundamentals characterized by declining vacancies, rising rents and a strong development pipeline. Current trends are expected to prevail over the next several quarters with further employment gains fueling demand. The City of Deerfield Beach has a current inventory of 8,254,436 square feet of industrial space with a vacancy rate of 4.7 percent. Recording a 6.6 percent overall vacancy rate, the industrial market continues to remain tight in Broward County. Persistent hikes in asking rental rates along with low vacancy rates is expected to spur new construction. Investors are attempting to acquire land and existing developments to capitalize on historically low cap rates which are also spurring a significant increase in construction activity. According to Cushman & Wakefield, local municipalities are working diligently to provide the necessary infrastructure, zoning, and incentives to keep pace with the demand for industrial ground for big-box tenants while 2015 saw the emergence of the mid-size user as the market's most active tenant base.

The City of Deerfield Beach has a competitive industrial rental rate of $6.25 psf for manufacturing space compared to the $6.89 psf County average. The City's $8.07 psf rental rate for warehouse and distribution is higher than the $7.36 psf County rate. Significant recent activity in Deerfield Beach includes the lease of 24,027 sf of warehouse/distribution on S. Powerline Road by Polenghi.

5. Underdeveloped Commercial Corridors

An environmental scan of the City's major commercial corridors found large stretches of Hillsboro Boulevard, Dixie Highway and Federal Highway corridor unremarkable. This term could also be used to describe significant sections of these corridors from a physical or aesthetic perspective and from a land use perspective. Also, absent from the corridors are "gateway improvements" that can denote and distinguish the City's key entrance points and give a sense of city ownership to these important roadways.

BUSINESS CLUSTER ANALYSIS

I. What is an Industry Cluster?

Industry clusters are concentrations of interrelated businesses, suppliers, and support institutions that locate within close proximity to one another. The geographic scope of clusters ranges from a region, a state, or even a single city. Companies operating in the same field often cluster together to increase productivity, access a broader base of talent, reduce transportation costs, and share research and knowledge.

Key Characteristics of an Industry Cluster:

- geographically concentrated in a particular city or region;
- Gain a competitive advantage because of their proximity to each other in the city or region;
- Share specialized supplier and buyer advantages because of their location, and
- Are supported by advantageous infrastructure in the region, such as educational and research advantages (community colleges, universities, "think tanks"), physical advantages (seaport access, freight rail service, major highways), financial institutions (venture and equity capital) and labor advantages (formalized workforce development programs)

Groupings of cluster industries do not strictly conform to the North American Industrial Classification System (NAICS) as linkages are formed across industries. More than single industries, clusters encompass an array of linked industries and other entities important to competition. They include, for example, suppliers of specialized inputs such as components, machinery, and services as well as providers of specialized infrastructure. The birth and growth of companies can create a concentration of talent and complementary firms, including producers, suppliers and support businesses. A critical mass of clusters creates demand for more talent, ideas, and infrastructure, producing a reinforcing cycle that stimulates a region's prospects for competitive advantage. Therefore, sustainable economic development strategies focus on growing clusters of firms, not just individual firms.

II. Why Focus on Industry Clusters?

Cluster analysis can provide a better understanding of the key wealth drivers of a community or a region. Cluster-based economic development strategies can improve local economic performance by addressing the common needs of local businesses. Addressing the needs of existing businesses is crucial because it is much more efficient to retain existing businesses than to recruit new ones.

Cluster strategies permit the integration and targeting of resources in ways that are consistent with the multiple goals of economic development programs: business recruitment, retention, expansion and new-business creation.

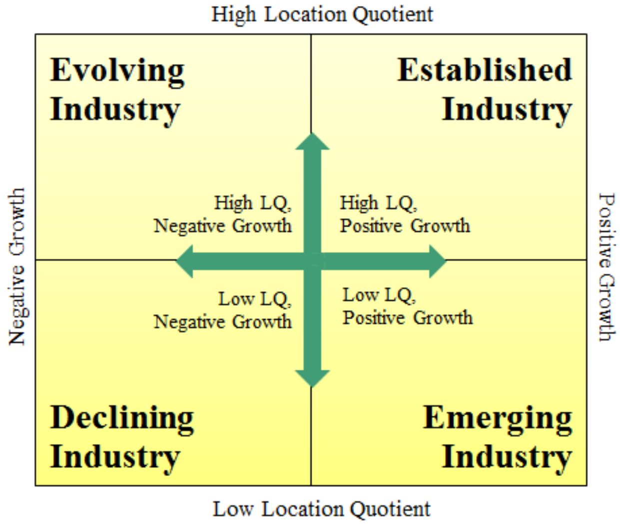
III. Cluster Analytical Techniques

The objective of a cluster analysis is to identify a grouping of interrelated industries comprised of businesses that have competitive advantages because they are concentrated in a particular geographic area. In addition to identifying existing industry clusters, another objective of a cluster analysis for economic development purposes is to identify emerging clusters of businesses that may not yet have sufficient size to show up strongly in the standard quantitative analysis.

Highly concentrated and competitive industries are the building blocks of a cluster. Therefore, the first step in identifying existing industry clusters is to examine the growth and competitiveness of all major industries in Broward County. Growth is measured by the rate of new employment over time by industrial sector. Competitiveness is measured by the location quotients (LQs) for each major industry. The location quotient is a technique used to identify the concentration of an industrial sector in a local economy relative to a larger reference economy. The LQ is shown as a ratio between the percentage of employment in an industry locally to the percentage of employment in the same industry found in the reference economy, typically the nation. An LQ of 1.0 means that the local economy and the reference economy are on par with employment generation in the same industrial sector. An LQ of 1.5 indicates that the local economy has 50 percent more jobs per capita in that industry than witnessed at the national level. An LQ below 1.0 indicates a below-average concentration.

The example diagram below plots industries as in a typical bubble graph on an X-Y axis where the industry's LQ is on the vertical axis and growth rates are on the horizontal axis. The size of the bubble indicates the local employment base of the sector. Each of the four quadrants provides a different industry growth perspective and potential for cluster groupings. Each quadrant is characterized in detail as follows:

- **Top-Right (growing established industries):** Industries in the upper right quadrant are concentrated and competitive and should be priorities for initial assessment as potentially *established* clusters. Large clusters in this quadrant are both important and high performing, which means they will have increasing workforce demand. Small clusters in this quadrant may have high-potential export capabilities and should be developed further.
- **Lower-Right (emerging industries):** Industries in the bottom right quadrant have below-average concentrations but are becoming more competitive and concentrated over time. These industries may be part of *emerging* clusters, having the potential to contribute more to the County's economic base. They can be new sectors of the economy, or support sectors that are historically under-represented in the County such as professional services or the life sciences.
- **Top-Left (evolving industries):** Industries in the upper left quadrant contains industries that are more concentrated in the County than average, but whose competitiveness is declining. Industries in this quadrant are a significant part of the County's export base but are transforming into potential *evolving* clusters that will require attention to avoid the continue loss of competitiveness and job loss.
- **Bottom-Left (declining industries):** Industries in the lower left quadrant are less important regionally than nationally and are also declining in employment. Industries in this quadrant indicate a lack of concentration and competitiveness and should not generally be targeted for industrial development. However, these industries may still be important to the local economy which means there may be a need to attract more businesses in those industries in order to maintain an economy that is sufficiently balanced and diversified in comparison to the national economy.



IV. Broward County Industry Analysis

Manufacturing

In Broward County, manufacturing continues to decline as a whole though there are industry groups that have shown significant growth in recent years. According to 2013 statistics from *County Business Patterns,* employment growth has occurred in NAICS 3345 - Navigational, measuring, electromedical, control instruments manufacturing, NAICS 3323 - Architectural & structural metals manufacturing , and NAICS 3261 - Plastics product manufacturing. Though employment has decreased slightly in recent years, NAICS 3254 – Pharmaceutical and medicine manufacturing had significant growth in the past decade with continued growth in new establishes through 2013.

Manufacturing											
NAICS	**Description**	**# Emp. 2000**	**# Emp. 2010**	**# Emp. 2013**	**Change 2000-2010**	**Change 2010-2013**	**# Est. 2000**	**# Est. 2010**	**# Est 2013**	**Change 2000-2010**	**Change 2010-2013**
3231	Printing and related support activities	3,674	1,918	1,690	(48%)	(12%)	314	244	212	(22%)	(13%)
3391	Medical equipment and supplies manufacturing	1,346	1,982	1,443	47%	(27%)	112	110	94	(2%)	(15%)
3254	Pharmaceutical and medicine manufacturing	222	1,419	1,394	540%	(2%)	10	18	21	80%	17%
3345	Navigational, measuring, electromedical, and control instruments manufacturing	867	920	1,209	6%	31%	27	28	27	4%	(4%)
3323	Architectural & structural metals manufacturing	1,531	838	1,040	(42%)	24%	67	45	46	(33%)	2%
3261	Plastics product manufacturing	1,777	783	815	(56%)	4%	57	35	38	(39%)	9%
3273	Cement and concrete product manufacturing	1,671	1,032	730	(38%)	(29%)	45	42	37	(7%)	(12%)
3366	Ship and boat building	574	636	513	11%	(19%)	56	55	53	(2%)	(4%)
3371	Household and institutional furniture and kitchen cabinet manufacturing	1,367	345	327	(75%)	(5%)	132	100	86	(24%)	(14%)

Source: County Business Patterns, 2000, 2010, 2013

Professional, Scientific and Technical Services

Professional, Scientific & Technical Services was one of the fastest growing industrial sectors in Broward County and South Florida during the past decade. Employment growth since 2010 has slowed but remains strong in NAICS 5416 - Management, scientific, and technical consulting services and NAICS 5412 - Accounting, tax preparation, bookkeeping, and payroll services. Growth in new establishments has been strong among all the leading Professional, Scientific & Technical Services industry groups including NAICS 5416 - Management, scientific, and technical consulting services, 5415 - Computer systems design and related services and NAICS 5412 - Accounting, tax preparation, bookkeeping, and payroll services.

Professional, Scientific, and Technical Services											
NAICS	Description	# Emp. 2000	# Emp. 2010	# Emp. 2013	Change 2000-2010	Change 2010-2013	# Est. 2000	# Est. 2010	.# Est 2013	Change 2000-2010	Change 2010-2013
5411	Legal services	9,504	15,142	15,014	59%	(1%)	1,978	2,574	2,623	30%	2%
5412	Accounting, tax preparation, bookkeeping, and payroll services	5,525	6,871	7,140	24%	4%	1,033	1,385	1,462	34%	6%
5416	Management, scientific, and technical consulting services	4,117	5,499	6,120	34%	11%	1,030	2,118	2,321	101%	10%
5415	Computer systems design and related services	4,899	8,980	7,391	83%	(18%)	783	1,014	1,073	30%	6%
5413	Architectural, engineering, and related services	5,042	4,416	4,084	(12%)	(8%)	673	735	773	9%	5%

Source: County Business Patterns, 2000, 2010, 2013

Health Care and Social Assistance

Health Care and Social Assistance is one of the fastest growing industrial sectors in Broward County and South Florida. As shown in the table below, all but one of the leading Health Care & Social Assistance industry groups have experienced growth in both employment and new establishments since 2000. The largest employment increases occurred in NAICS 6216 - Home health care services and NAICS 6211 - Offices of physicians, and NAICS 6213 - Offices of other health practitioners. Recent growth in new Health Care and Social Assistance business establishments has also been strong with significant increases 6216 - Home health care services, and 6213 - Offices of other health practitioners.

Health Care and Social Assistance											
NAICS	**Description**	**# Emp. 2000**	**# Emp. 2010**	**# Emp. 2013**	**Change 2000-2010**	**Change 2010-2013**	**# Est. 2000**	**# Est. 2010**	**.# Est 2013**	**Change 2000-2010**	**Change 2010-2013**
6221	General medical and surgical hospitals	22,504	22,890	17,500	2%	(24%)	20	20	16	0%	(20%)
6211	**Offices of physicians**	**12,571**	**14,079**	**16,333**	**12%**	**16%**	**1,667**	**2,096**	**2,128**	**26%**	**2%**
6216	**Home health care services**	**7,486**	**7,657**	**9,299**	**2%**	**21%**	**179**	**283**	**325**	**58%**	**15%**
6244	Child day care services	3,818	6,066	6,210	59%	2%	283	365	368	29%	1%
6231	Nursing care facilities	4,337	4,929	5,080	14%	3%	52	57	59	10%	4%
6212	Offices of dentists	4,248	4,809	4,953	13%	3%	755	913	946	21%	4%
6213	Offices of other health practitioners	3,473	4,444	4,906	28%	10%	962	1,400	1,486	46%	6%
6233	Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	2,857	5,483	4,669	92%	(15%)	101	135	141	34%	4%

Source: County Business Patterns, 2000, 2010, 2013

Finance and Insurance

Broward County's Finance & Insurance sector experienced decline during the post-housing bubble period, but has undergone some growth in recent years. Industry Groups NAICS 5239 - Other financial investment activities, NAICS 5221 - Depository credit intermediation, and NAICS 5223 - Activities related to credit intermediation all showed employment growth since 2010. Significant growth (20 percent) in new business establishments occurred in NAICS 5231 - Securities and commodity contacts, intermediation & brokerage.

Finance and Insurance											
NAICS	**Description**	**# Emp. 2000**	**# Emp. 2010**	**# Emp. 2013**	**Change 2000-2010**	**Change 2010-2013**	**# Est. 2000**	**# Est. 2010**	**.# Est 2013**	**Change 2000-2010**	**Change 2010-2013**
5221	Depository credit intermediation	7,278	7,847	8,386	8%	7%	484	637	621	32%	(3%)
5242	Agencies, brokerages, and other insurance related activities	6,269	8,836	8,090	41%	(8%)	1,100	1,309	1,292	19%	(17%)
5241	Insurance carriers	5,715	7,136	6,900	25%	(3%)	319	255	210	(20%)	(18%)
5223	Activities related to credit intermediation	2,556	2,602	2,786	2%	7%	237	281	258	19%	(8%)
5222	Nondepository credit intermediation	8,644	2,461	2,,402	(72%)	(2%)	439	362	295	(18%)	(19%)
5239	Other financial investment activities	1,451	1,969	2,162	36%	10%	235	429	407	83%	(5%)
5231	**Securities and commodity contacts, intermediation & brokerage**	**2,380**	**1,613**	**1,603**	**(32%)**	**(1%)**	**217**	**256**	**308**	**18%**	**20%**
5242	Agencies, brokerages, and other insurance related activities	6,269	8,836	8,090	41%	(8%)	1,100	1,309	1,292	19%	(17%)

Source: County Business Patterns, 2000, 2010, 2013

Administration and Support and Waste Management and Remediation Services

The Administration and Support and Waste Management and Remediation Services sector in Broward County has shown a mix of employment gains and losses in its leading industry groups since 2000. Recent employment growth has occurred in NAICS 5617 - Services to Buildings and Dwellings, NAICS 5613 -Employment services, NAICS 5614 -Business support services, and NAICS 5616 – Investigation and Security Services. Growth in new business establishments occurred NAICS 5615 - Travel Arrangement and Reservation Services. The largest growth in new business establishments occurred in NAICS 5613 -Employment services, and NAICS 5615 - Travel arrangement and reservation services

Administration and Support and Waste Management and Remediation Services											
NAICS	**Description**	**# Emp. 2000**	**# Emp. 2010**	**# Emp. 2013**	**Change 2000-2010**	**Change 2010-2013**	**# Est. 2000**	**# Est. 2010**	**# Est. 2013**	**Change 2000-2010**	**Change 2010-2013**
5617	Services to buildings and dwellings	10,209	11,977	**17,699**	**17%**	48%	1,371	1,542	1,611	12%	4%
5613	Employment services	30,202	11,774	15,880	(61%)	35%	349	391	441	12%	24%
5614	**Business support services**	**7,153**	**6,902**	**8,738**	**(4%)**	**27%**	**460**	**469**	**494**	**2%**	**5%**
5616	**Investigation and security services**	**6,662**	**7,434**	**8,030**	**12%**	**8%**	**267**	**335**	**347**	**25%**	**4%**
5615	Travel arrangement and reservation services	4,645	6,290	4,494	35%	(29%)	372	344	389	(8%)	13%
5611	Office administrative services	5,184	3,383	2,578	(35%)	(24%)	387	382	355	(1%)	(7%)

Source: County Business Patterns, 2000, 2010, 2013

Transportation and Warehousing

Broward County's Transportation & Warehousing sector has experienced significant growth in both employment and new business establishments in several industry groups including NAICS 4885 Freight transportation arrangement, 4831 - Deep sea, coastal and great lakes water transportation, NAICS 4883 - Support activities for air transportation, and 4881 - Support activities for air transportation.

Transportation and Warehousing											
NAICS	**Description**	**# Emp. 2000**	**# Emp. 2010**	**# Emp. 2013**	**Change 2000-2010**	**Change 2010-2013**	**# Est. 2000**	**# Est. 2010**	**# Est 2013**	**Change 2000-2010**	**Change 2010-2013**
4811	Scheduled air transportation	3,448	3,957	4,495	15%	14%	43	33	29	(23%)	(12%)
4921	Couriers and express delivery services	2,117	3,010	3,275	42%	9%	63	90	73	43%	(19%)
4881	Support activities for air transportation	1,418	1,534	2,453	8%	60%	74	117	119	58%	2%
4931	Warehousing and storage	n/a	2,678	1,897	n/a	(29%)	35	71	68	101%	(4%)
4883	**Support activities for water transportation**	**1,059**	**1,906**	**1,750**	**80%**	**(8%)**	**67**	**102**	**131**	**52%**	**28%**
4841	General freight trucking	1,494	1,573	1,504	5%	(4%)	183	228	284	25%	25%
4842	Specialized freight trucking	1,520	1,287	1,375	(15%)	7%	214	219	195	2%	(11%)
4831	**Deep sea, coastal and great lakes water transportation**	**1,106**	**1,033**	**1,143**	**(7%)**	**11%**	**29**	**42**	**42**	**31%**	**0%**
4885	**Freight transportation arrangement**	**473**	**916**	**1,098**	**94%**	**20%**	**103**	**165**	**189**	**60%**	**15%**

Source: County Business Patterns, 2000, 2010, 2013

Wholesale Trade

The Wholesale Trade sector in Broward County and South Florida experienced significant employment and business loss during the economic recession. However, significant employment and new business growth has occurred since 2010 in several industry groups including NAICS 4234 - Professional and commercial equipment and supplies merchant wholesalers, 4239 - Miscellaneous durable goods merchant wholesalers, and NAICS 4242 -Drugs & druggists' sundries merchant wholesalers. Recent business growth has also occurred in NAICS 4236 -Household appliances and electrical and NAICS 4244 - Grocery and related product merchant wholesalers.

Wholesale Trade											
NAICS	**Description**	**# Emp. 2000**	**# Emp. 2010**	**# Emp. 2013**	**Change 2000-2010**	**Change 2010-2013**	**# Est. 2000**	**# Est. 2010**	**# Est. 2013**	**Change 2000-2010**	**Change 2010-2013**
4238	Machinery, equipment, and supplies merchant wholesalers	4,656	5,124	4,823	10%	(6%)	576	554	600	(4%)	10%
4234	Professional and commercial equipment and supplies merchant wholesalers	5,963	3,516	4,692	(41%)	33%	502	395	463	(21%)	17%
4244	Grocery and related product merchant wholesalers	5,050	4,798	4,228	(5%)	(12%)	407	303	323	(26%)	7%
4236	Household appliances and electrical and electronic goods merchant wholesalers	5,098	3,396	3,647	(33%)	7%	462	388	423	(16%)	9%
4239	Miscellaneous durable goods merchant wholesalers	3,072	2,370	3,064	(23%)	29%	511	408	478	(20%)	17%
4251	Wholesale electronic markets and agents and brokers	Na	3,142	2,584	na	(18%)	na	800	659	na	(18%)
4242	Drugs & druggists' sundries merchant wholesalers	2,510	2,299	2,533	(8%)	10%	138	134	162	(3%)	21%

Source: County Business Patterns, 2000, 2010, 2013

Retail Trade

The Retail Sales sector underwent significant employment loss in Broward County since the economic recession but has shown growth in several industry groups since 2010. The largest employment increases occurred in NAICS 4481 - Clothing Stores, NAICS 4441 - Building material & supplies dealers, and NAICS - 4461 Health & Personal Care Stores. Growth in new businesses also occurred in NAICS 4411 - Automobile dealers, and NAICS 4541 - Electronics and appliance stores.

Retail Trade											
NAICS	**Description**	**# Emp. 2000**	**# Emp. 2010**	**# Emp. 2013**	**Change 2000-2010**	**Change 2010-2013**	**# Est. 2000**	**# Est. 2010**	**# Est 2013**	**Change 2000-2010**	**Change 2010-2013**
4451	Grocery stores	22,303	17,547	17,721	(21%)	1%	653	667	719	2%	8%
4481	Clothing stores	6,722	9,595	12,590	43%	31%	726	793	752	9%	(5%)
4411	Automobile dealers	9,895	8,936	9,757	(10%)	9%	234	251	276	7%	10%
4461	Health and personal care stores	8,277	7,139	7,939	(14%)	11%	639	777	803	22%	3%
4441	Building material & supplies dealers	6,173	5,357	6,289	(13%)	17%	366	314	315	(14%)	1%
4521	Department stores	10,610	7,472	6,170	(30%)	(17%)	55	49	39	(11%)	(20%)
4541	Electronics and appliance stores	2,335	3,220	3,212	38%	(2%)	286	385	400	35%	4%

Source: County Business Patterns, 2000, 2010, 2013

Retail real Estate Market Analysis

Overview

Retail development is driven in response to local and regional income, wages, and consumer confidence. Retail development is therefore a trailing indicator, responding to the more general health of the local economy and its wage earners. A precise forecast of retail demand at this pint in the study is not possible, however, the key conclusion of the preliminary research, reflected by recent market performance, is that demand for, and construction of new retail space in Deerfield Beach will remain constrained for the foreseeable future. A number of national and local trends are impacting the development of the local retail real estate market, detailed as follows.

Region and County-Wide Land Availability

Across all sectors, the availability of land will drive pricing and location of new development. Broward County is approaching full build-out — it has less than 2,000 acres that are privately owned vacant land. Metrostudy, a real estate analysis firm, has determined that Broward is virtually out of land suitable for residential development, and is one of the most land-constricted counties in the US. Parcels throughout South Florida larger than 4 or 5 acres are at a premium, and development is quickly shifting to shifting to infill development, higher densities, and smaller building footprints. Prices for raw land are increasing quarterly, and according to market reports, retail developers are increasingly competing with multifamily residential developers for land.

E-Commerce and the Future of Retail

The future of retail in the region is being dramatically affected by the rapid growth of E-Commerce. According to Deutsche Bank's RREEF Global Real Estate Research Group, although e-commerce accounts for a relatively small share of total retail sales, it is capturing a significant share of sales in commodity items. E-commerce sales are pervasive and have grown 40% since 2007, in sharp contrast to less than 5% overall retail sales growth. Excluding auto-related purchases (which don't sell on-line) e-commerce grew 53.0% from 2007 to 2012, seven times the overall retail sales growth rate.

According to Deutsche Bank, the growing shift to online shopping has significant real estate implications. E-Commerce is diverting a rapidly growing percentage of shoppers and the industry away from bricks-and-mortar sales locations and development. The amount of e-commerce retail sales in 2012 ($157 B) would equal between 350 million and 500 million square feet of leased retail space based on sales volumes, about a third of the vacant retail space in US shopping centers and retail districts. The direct effects on the national retail market include:

- Portfolio Rationalization through store elimination: chains are rapidly closing significant portions of their physical store locations, including Abercrombie & Fitch, the Gap, Best Buy, and Radio Shack. E-Commerce has all but killed the physical bookstore already.

- Fewer and smaller Stores, and a business focus on productivity (sales per square foot) over growth. Commodity retailers, especially big-boxes, will be especially vulnerable to online sales loss, and shopping centers not anchored by stores with items that can't be sold easily online (grocery stores, etc.) will also be hard hit with shrinking sales. Best Buy is closing 50 full-line stores (generally 40,000+ square feet) at the same time they are testing new, smaller "connected" prototypes and opening 100 new 1,000- square-foot Best Buy Mobile stores that focus on smartphones and tablets. Their goal is a 20% reduction in floor space. Meanwhile, the Gap and Abercrombie have affirmed their goals to enhance store productivity over "growth at any cost," focusing on the best locations for their stores.
- Using and "Urban" Strategy — moving stores closer to urban consumers, with smaller footprints. Wal-Mart is rolling out its Wal-Mart Express format at just 15,000 square feet, compared to its normal prototype of close to 200,000 square feet. Similarly, Target developed a new CityTarget format, sized at 60,000 to 100,000 square feet, compared to over 130,000 for its typical suburban stores. Other brands are following suit — Office Depot is downsizing its warehouse stores to 15,000 – 18,000 sf, and is developing a smaller 5,000 sf prototype ideally for urban areas. The same for OfficeMax — from 23,000 down to 2,000 square feet, and Staples, from 18,000 down to 10,000 square feet.
- Flagship Stores in high-end and high rent locations, designed to market the brand, often at boutique scale size.
- Multi-Brand Stores, bringing multiple brands under one roof. The Gap and Toys R Us are both adopting prototypes in which their multiple flags (e.g., Banana Republic, Baby Gap and Old Navy for the Gap) in order to encourage cross shopping across their brands and reduce restocking costs and rent for the combined flags. Another strategy is the "store-within-a-store" format in which one retailer co-locates within others.

Regional and Local Retail RE Market Trends

Regional and local market performance in the retail sector are reflecting employment growth, flat wage growth, and the broader impacts of e-commerce consolidation effects. Vacancy rates across the County continue to drop — now at 6.8% at the end of Q2 2015, and rents have slowly climbed over the last 3 years, to an average asking rate of $20.36 per square foot (NNN).

However, absorption, completions, and new construction remain significantly lower than historic levels, particularly prior to 2010. Only 197,000 square feet of new retail was built in all of Broward County, for all of 2014, the lowest amount in seven years. According to CBRE Research, total retail absorption for the County for the first two quarters of 2015 was 320,842 square feet. However, retail net absorption was actually negative 136,026 square feet compared to the first Quarter, and negative 85,286 (net) for the previous four quarters. All of the current new retail construction — 440,000 square feet — is being built as shopping centers in central and southeast Broward County. New constriction represents an addition of only .67% new space to the County retail inventory.

The local retail real estate market, including Deerfield Beach and Pompano Beach, is similarly sluggish. Although vacancy rates continue to decline (6%), total absorption for the local market is 198,031 square feet year to date, and no new retail construction is currently proposed. Average asking retail rents for Deerfield Beach and Pompano Beach is at $128.55 per square foot (NNN). (Source: CBRE Research, *Broward County Retail Q2*, 2015; Marcus & Milchap, *Q2 2015 Broward County Retail Research Market Overview*)

The Regional Office Market

The office sector was the hardest hit commercial real estate sector in the last recession, and has been the slowest to recover. While improving over the last three years, the office market faces numerous challenges.

At the close of Q4 2014, Miami-Dade had Countywide vacancy rates are close at 14.9%, while Broward hovers at 19%. Vacancies across the region's office sub-markets vary widely from a low of 4.7% in Coral Way, to 20% Downtown and 37.7% vacancy rate in the Biscayne Corridor.

New office construction has dropped dramatically in Miami-Dade, shrinking from over 2 Million square feet delivered in 2010, to just over 260,000 square feet for all of 2014. Office construction in Broward has been larger, at 600,000 square feet, but 450,000 of that total was for one user.

Six significant trends are continuing to shape office demand across the County and District 11. They are:

- Miami's office market was overbuilt relative to the number of office workers in the regional economy, and construction of new office space continued unabated through 2010, two years after the recession took hold. The subsequent employment crash left a large oversupply of office space throughout the County, which lingers today. However, even as total employment in the County increases, the number of office workers as a percentage of the total employment base is growing slower than it was prior to the recession. Although the region has had large growth in legal employment, more jobs are being created in occupations that do not require office space.
- Average asking rents should improve, but mostly because new development is not expanding office space supply (only a .3% growth in inventory in 2014).
- After the recession, U.S. companies are rethinking their use of office space, and restructuring, consolidating and re-engineering their business practices, and finding ways to shrink and share office space, including outsourcing non-core functions, such as IT, accounting, human resources, marketing and legal to lower cost providers.
- Across the US, employers are aggressively shrinking the amount of square footage per employee. According to the CoreNet Global Corporate Real Estate 2020 survey, square feet per employee in the office sector shrank from 225 square feet in 2010 to 176 in 2012, and is projected to reach 151 or less in 2017.
- Corporations are adopting ***workshift*** strategies, placing talent closer to their customers and away from the central office. Aided by technologies such as Skype and GoToMeeting***, telecommuting is not only a way to save on office space, but is ranked by 46% of***

corporate leaders in a recent Deloitte survey as second only to compensation as the best way to attract talent. From 1997 to 2010, there was a 35% increase in the number of people working from home (13.4 million people now work at least one day per week from home).

- Leading corporations are using more informal office space, moving satellite offices into neighborhoods, and using shared office space in main offices. PricewaterhouseCoopers has a desk reservation system. CBRE is moving to an unassigned workplace environment called CBRE Workplace 360.
- Office less development?: Even as the County economy improves and adds jobs, the combination of existing oversupply and changed business practice means that economic expansion will take place with much less new office space development than has been historically required in the past.

Accommodation and Food Services

Broward County's Accommodation and Food Services sector showed significant employment growth in the last decade but has slowed since 2010. Slower but significant employment growth has occurred in NAICS 7225 - Full-service restaurants and NAICS 7211 - Traveler accommodation. Significant growth in both employment in new business establishments (19 percent growth) was most observable in NAICS 7223 – Special food services

Accommodation and Food Services											
NAICS	**Description**	**# Emp. 2000**	**# Emp. 2010**	**# Emp. 2013**	**Change 2000-2010**	**Change 2010-2013**	**# Est. 2000**	**# Est. 2010**	**# Est 2013**	**Change 2000-2010**	**Change 2010-2013**
7225	Full-service restaurants	46,973	54,715	54,828	17%	2%	2,817	3,250	3,053	15%	(6%)
7211	Traveler accommodation	10,553	13,683	14,367	30%	5%	324	303	289	(6%)	(5%)
7223	**Special food services**	**2,027**	**3,244**	**3,269**	**60%**	**1%**	**153**	**189**	**225**	**24%**	**19%**
7224	Drinking places (alcoholic beverages)	1,824	2,192	2,031	29%	(7%)	200	196	173	(2%)	(12%)

Source: County Business Patterns, 2000, 2010, 2013

Information

Broward County's Information sector has shown significant growth in employment and new business establishments in two industry groups, NAICS 5112 - Software publishers and NAICS 5182 - Data processing, hosting and related services. While showing slower gains in employment and new business establishments, NAICS 5121 - Motion picture and video industries remains an important industry group and integral to Broward County's Creative Design Cluster.

Information											
NAICS	Description	# Emp. 2000	# Emp. 2010	# Emp. 2013	Change 2000-2010	Change 2010-2013	# Est. 2000	# Est. 2010	# Est 2013	Change 2000-2010	Change 2010-2013
5112	**Software publishers**	**1,316**	**3,750**	**5,665**	**185%**	**51%**	**55**	**55**	**72**	**0%**	**13%**
5171	Wired telecommunication carriers	6,651	5,496	5,200	(17%)	(5%)	286	184	150	(36%)	(18%)
5182	**Data processing, hosting and related services**	**737**	**1,807**	**3,469**	**145%**	**92%**	**54**	**102**	**110**	**89%**	**8%**
5111	Newspaper, periodical, book, and directory publishers	3,340	2,108	1,899	(37%)	(10%)	124	168	141	35%	(16%)
5121	**Motion picture and video industries**	**2,241**	**1,270**	**1,124**	**(55%)**	**(11%)**	**139**	**154**	**147**	**11%**	**(5%)**

Source: County Business Patterns, 2000, 2010, 2013

Construction

Broward County's Construction sector experienced significant decline during the post-housing bubble period, but has undergone some growth in recent years. NAICS 2361 - Residential building construction, NAICS 2382 - Building equipment contractors, and NAICS 2383 -Building finishing contractors all showed growth in both employment and new business establishments since 2010.

Construction											
NAICS	Description	# Emp. 2000	# Emp. 2010	# Emp. 2013	Change 2000-2010	Change 2010-2013	# Est. 2000	# Est. 2010	# Est 2013	Change 2000-2010	Change 2010-2013
2382	**Building equipment contractors**	**na**	**10,354**	**10,770**	**na**	**4%**	**na**	**1,196**	**1,243**	**na**	**4%**
2383	Building finishing contractors	na	4,305	4,326	na	1%	na	905	929	na	3%
2381	Foundation, structure, and building exterior contractors	na	5,127	4,268	na	(17%)	na	461	383	na	(17%)
2361	**Residential building construction**	**5,671**	**2,535**	**3,197**	**(55%)**	**26%**	**644**	**649**	**723**	**1%**	**11%**
2383	Nonresidential building construction	3,776	2,394	2,520	(33%)	5%	229	308	295	(34%)	(4%)

Source: County Business Patterns, 2000, 2010, 2013

V. Broward County Industry Clusters

The Greater Fort Lauderdale Alliance, Broward County's official public/private partnership for economic development, has identified seven (7) what the Alliance refers to as "established, strong and growing industry clusters" in Broward County. These industry clusters include:

- Advanced Materials & High Tech Manufacturing
- Aerospace and Aviation
- Cloud Technology and Mobile Communications
- Corporate Headquarters
- Life Sciences
- Marine
- International Trade and Logistics

As previously noted, groupings of cluster industries do not strictly conform to the North American Industrial Classification System (NAICS) as linkages are formed across industries and can encompass an array of linked industries. The following section identifies each of the cluster industry groupings by their respective NAICS definition. The 4-digit NAICS definition is provided for each industry, where available, while 5- and 6-digit NAICS definitions are used where more detailed industry descriptions are offered.

Cluster: Advanced Materials & High Tech Manufacturing

3261: Plastics Product Manufacturing

This industry group comprises establishments primarily engaged in processing new or spent (i.e., recycled) plastics resins into intermediate or final products, using such processes as compression molding; extrusion molding; injection molding; blow molding; and casting. Within most of these industries, the production process is such that a wide variety of products can be made.

327310: Cement Manufacturing

This industry comprises establishments primarily engaged in manufacturing portland, natural, masonry, pozzolanic, and other hydraulic cements. Cement manufacturing establishments may calcine earths or mine, quarry, manufacture, or purchase lime.

327320: Ready-Mix Concrete Manufacturing

This industry comprises establishments, such as batch plants or mix plants, primarily engaged in manufacturing concrete delivered to a purchaser in a plastic and unhardened state. Ready-mix concrete manufacturing establishments may mine, quarry, or purchase sand and gravel.

32733: Concrete Pipe, Brick, and Block Manufacturing

This industry comprises establishments primarily engaged in manufacturing concrete pipe, brick, and block

327390: Other Concrete Product Manufacturing

This industry comprises establishments primarily engaged in manufacturing concrete products (except block, brick, and pipe).

3262: Rubber Product Manufacturing

This industry group comprises establishments primarily engaged in processing natural, synthetic, or reclaimed rubber materials into intermediate or final products using processes, such as vulcanizing, cementing, molding, extruding, and lathe-cutting.

4246: Chemical and Allied Products Merchant Wholesalers

This industry group comprises establishments primarily engaged in the merchant wholesale distribution of chemicals, plastics materials and basic forms and shapes, and allied products

Cluster: Aerospace & Aviation

4881: Support Activities for Air Transportation

This industry group comprises establishments primarily engaged in providing services to the air transportation industry. These services include airport operation, servicing, repairing (except factory conversion and overhaul of aircraft), maintaining and storing aircraft, and ferrying aircraft.

33641: Aerospace Product and Parts Manufacturing

This industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing complete aircraft, missiles, or space vehicles; (2) manufacturing aerospace engines, propulsion units, auxiliary equipment or parts; (3) developing and making prototypes of aerospace products; (4) aircraft conversion (i.e., major modifications to systems); and (5) complete aircraft or propulsion systems overhaul and rebuilding (i.e., periodic restoration of aircraft to original design specifications).

336412: Aircraft Engine and Engine Parts Manufacturing

This U.S. industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing aircraft engines and engine parts; (2) developing and making prototypes of aircraft engines and engine parts; (3) aircraft propulsion system conversion (i.e., major modifications to systems); and (4) aircraft propulsion systems overhaul and rebuilding (i.e., periodic restoration of aircraft propulsion system to original design specifications

336411: Aircraft Manufacturing

This U.S. industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing or assembling complete aircraft; (2) developing and making aircraft prototypes; (3) aircraft conversion (i.e., major modifications to systems); and (4) complete aircraft overhaul and rebuilding (i.e., periodic restoration of aircraft to original design specifications).

Cluster: Cloud Technology/Mobile Communication

334210: Telephone Apparatus Manufacturing

This industry comprises establishments primarily engaged in manufacturing wire telephone and data communications equipment. These products may be standalone or board-level components of a larger system. Examples of products made by these establishments are central office switching equipment, cordless telephones (except cellular), PBX equipment, telephones, telephone answering machines, LAN modems, multi-user modems, and other data communications equipment, such as bridges, routers, and gateways.

334220: Radio and Television Broadcasting and Wireless Communications Equipment Manufacturing

This industry comprises establishments primarily engaged in manufacturing radio and television broadcast and wireless communications equipment. Examples of products made by these establishments are: transmitting and receiving antennas, cable television equipment, GPS equipment, pagers, cellular phones, mobile communications equipment, and radio and television studio and broadcasting equipment.

334290: Other Communications Equipment Manufacturing

This industry comprises establishments primarily engaged in manufacturing communications equipment (except telephone apparatus, and radio and television broadcast, and wireless communications equipment). Illustrative examples included fire detection and alarm systems manufacturing and Intercom systems and equipment manufacturing.

517210: Wireless Telecommunications Carriers (except Satellite)

This industry comprises establishments engaged in operating and maintaining switching and transmission facilities to provide communications via the airwaves. Establishments in this industry have spectrum licenses and provide services using that spectrum, such as cellular phone services, paging services, wireless Internet access, and wireless video services. Illustrative examples include cellular telephone services, wireless Internet service providers, except satellite paging services, except satellite, and wireless telephone communications carriers, except satellite

Cluster: Life Sciences

32541: Pharmaceutical and Medicine Manufacturing

This industry comprises establishments primarily engaged in one or more of the following: (1) manufacturing biological and medicinal products; (2) processing (i.e., grading, grinding, and milling) botanical drugs and herbs; (3) isolating active medicinal principals from botanical drugs and herbs; and (4) manufacturing pharmaceutical products intended for internal and external consumption in such forms as ampoules, tablets, capsules, vials, ointments, powders, solutions, and suspensions

33911: Medical Equipment and Supplies Manufacturing

This industry comprises establishments primarily engaged in manufacturing medical equipment and supplies. Examples of products made by these establishments are surgical and medical instruments, surgical appliances and supplies, dental equipment and supplies, orthodontic goods, ophthalmic goods, dentures, and orthodontic appliances

5417: Scientific Research and Development Services

This industry group comprises establishments engaged in conducting original investigation undertaken on a systematic basis to gain new knowledge (research) and/or the application of research findings or ot her scientific knowledge for the creation of new or significantly improved products or processes (experimental development). The industries within this industry group are defined on the basis of the domain of research; that is, on the scientific expertise of the establishment

Cluster: Marine

33451: Navigational, Measuring, Electromedical, and Control Instruments Manufacturing

This industry comprises establishments primarily engaged in manufacturing navigational, measuring, electromedical, and control instruments. Examples of products made by these establishments are aeronautical instruments, appliance regulators and controls (except switches), laboratory analytical instruments, navigation and guidance systems, and physical properties testing equipment.

33661: Ship and Boat Building

This industry comprises establishments primarily engaged in operating shipyards or boat yards (i.e., ship or boat manufacturing facilities). Shipyards are fixed facilities with drydocks and fabrication equipment capable of building a ship, defined as watercraft typically suitable or intended for other than personal or recreational use. Boats are defined as watercraft typically suitable or intended for personal use. Activities of shipyards include the construction of ships, their repair, conversion and alteration, the production of prefabricated ship and barge sections, and specialized services, such as ship scaling. Illustrative examples include barge building, boat yards (i.e., boat manufacturing facilities), cargo ship building, drilling and production platforms, floating, oil and gas, building, inflatable plastic boats, heavy-duty, manufacturing, inflatable rubber boats, heavy-duty, manufacturing, passenger ship building, rigid inflatable boats (RIBs) manufacturing and rowboats manufacturing.

4412: Other Motor Vehicle Dealers

This industry group comprises establishments primarily engaged in retailing new and used vehicles (except automobiles, light trucks, such as sport utility vehicles, and passenger and cargo vans)

441222: Boat Dealers

This U.S. industry comprises establishments primarily engaged in (1) retailing new and/or used boats or retailing new boats in combination with activities, such as repair services and selling replacement parts and accessories, and/or (2) retailing new and/or used outboard motors, boat trailers, marine supplies, parts, and accessories. Illustrative examples include boat dealers (e.g., powerboats, rowboats, sailboats), outboard motor dealers and marine supply dealers.

48311: Deep Sea, Coastal, and Great Lakes Water Transportation

This industry comprises establishments primarily engaged in providing deep sea, coastal, Great Lakes, and St. Lawrence Seaway water transportation. Marine transportation establishments using the facilities of the St. Lawrence Seaway Authority Commission are considered to be using the Great Lakes Water Transportation System

488310: Port and Harbor Operations

This industry comprises establishments primarily engaged in operating ports, harbors (including docking and pier facilities), or canals.

488320: Marine Cargo Handling

This industry comprises establishments primarily engaged in providing stevedoring and other marine cargo handling services (except warehousing).

Cluster: International Trade & Logistics
4234: Professional and Commercial Equipment and Supplies Merchant Wholesalers
This industry group comprises establishments primarily engaged in the merchant wholesale distribution of photographic equipment and supplies; office, computer, and computer peripheral equipment; and medical, dental, hospital, ophthalmic, and other commercial and professional equipment and supplies.
423610: Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers
This industry comprises establishments primarily engaged in the merchant wholesale distribution of electrical construction materials; wiring supplies; electric light fixtures; light bulbs; and/or electrical power equipment for the generation, transmission, distribution, or control of electric energy.
4238: Machinery, Equipment, and Supplies Merchant Wholesalers
This industry group comprises establishments primarily engaged in the merchant wholesale distribution of construction, mining, farm, garden, industrial, service establishment, and transportation machinery, equipment and supplies
488510: Freight Transportation Arrangement
This industry comprises establishments primarily engaged in arranging transportation of freight between shippers and carriers. These establishments are usually known as freight forwarders, marine shipping agents, or customs brokers and offer a combination of services spanning transportation modes.

VI. Broward County Cluster Analysis

An analysis of these established clusters in Broward County was performed to determine their recent performance and current growth potential. The analysis provides a 4-digit NAICS growth calculation for each of the industries that have been identified under their respective industry cluster (analysis excludes the general "corporate headquarters" cluster).

Three benchmarks are used to identify cluster groupings that may have a competitive advantage. The criterion includes employment/business growth, location quotients, and wage levels.

- **Employment and New Business Growth** in a 10-year trend analysis provides a good indication that the industry has grown over a period of years and has withstood downward cycles such as the recent economic recession. Average annual growth is also analyzed to identify industries that in the seven year period are growing faster in the region when compared to average national growth. This indicates that the industry is active and growing to meet increasing demand:

- **Location Quotient** is a ratio that compares employment in a particular industry in the region to the employment in that same industry in the nation. If the location quotient exceeds 1.0 the region's share exceeds the national share and is thus more concentrated. The analysis focused on industries and clusters with concentrations of 1.25 of higher which indicates the county has a concentration 25% or greater than that found in the United States as a whole;

- **Wage Levels** are an important indicator of a sustainable economy. Wage levels place a value on production of goods and services thereby attracting talented workers and expanding economic opportunity for local residents.

Employment and new business growth was determined for each cluster industry sector for the period 2000 to 2013. The analysis found significant employment and new business growth in several of the established industry clusters including the Life Sciences and Marine clusters and specific industry sectors within the Aerospace & Aviation, Cloud Technology and International Trade & Logistics clusters.

Broward County Location Quotients by Industry

NAICS: Industry	LQ
NAICS 11 Agriculture, forestry, fishing and hunting	0.12
NAICS 21 Mining, quarrying, and oil and gas extraction	0.02
NAICS 22 Utilities	0.33
NAICS 23 Construction	1.06
NAICS 31-33 Manufacturing	0.39
NAICS 42 Wholesale trade	1.27
NAICS 44-45 Retail trade	1.21
NAICS 54 Professional and technical services	1.06
NAICS 55 Management of companies and enterprises	0.63
NAICS 56 Administrative and waste services	1.45
NAICS 61 Educational services	1.34
NAICS 62 Health care and social assistance	0.78
NAICS 48-49 Transportation and warehousing	0.92
NAICS 51 Information	1.16
NAICS 52 Finance and insurance	1.03
NAICS 53 Real estate and rental and leasing	1.73
NAICS 71 Arts, entertainment, and recreation	0.94
NAICS 72 Accommodation and food services	1.11
NAICS 81 Other services, except public administration	1.24
NAICS 99 Unclassified	0.67

Source: Bureau of Labor Statistics, 2014

Broward County Industry Clusters

NAICS	Industry Cluster	# Emp. 2010	# Emp. 2013	% Growth 2000-2010	% Growth 2010-2013	#Est. 2010	# Est. 2013	LQ 2010	LQ 2014
Advanced Materials & High Tech Manufacturing									
3261	Plastics Products	783	815	(56%)	4%	35	38	0.25	0.18
3262	Rubber Products	205	175	51%	(15%)	7	6	0.08	0.10
3273	Cement, Concrete Products	1,032	730	38%	(29%)	42	37	0.64	0.65
4246	Chemical, Allied Products Wholesalers	490	744	25%	52%	90	95	1.19	1.09
Aerospace & Aviation									
3364	Aerospace Product & Parts	532	471	(34%)	(11%)	20	21	0.34	0.43
4881	Air Transportation Support	1,534	2,453	8%	60%	117	118	2.34	2.53
Cloud Technology/Mobile Communication									
3342	Communication Equipment	425	479	(90%)	13%	21	21	3.85	3.26
5172	Wireless Telecommunication Carriers	1,578	1,247	118%	(21%)	58	82	0.84	0.88
Life Sciences									
3254	Pharmaceutical & Medicine	1,419	1,394	539%	(2%)	18	21	0.43	0.65
3391	Medical Equipment & Supplies	1,982	1,443	47%	(27%)	110	94	1.04	1.48
5417	Scientific Research & Development	804	575	136%	(4%)	57	70	0.13	0.18
Marine									
3345	Navigational, Measuring Instruments	920	1,209	6%	31%	28	27	0.33	0.32
3366	Ship & Boat Building	636	513	11%	(19%)	55	53	0.82	1.03
4412	Boat Dealers	946	1,486	(8%)	57%	199	244	2.42	2.55
4831	Sea, Coastal Water Transportation	1,033	1,143	(6%)	11%	42	42	3.53	4.12
4883	Water Transportation Support	1,906	1,750	80%	(8%)	102	131	3.64	1.56
International Trade & Logistics									
4234	Professional & Commercial Equipment Wholesalers	3,516	4,692	(41%)	33%	395	463	1.68	1.86
4236	Electronic Goods Wholesalers	3,396	3,647	(33%)	7%	388	423	1.94	1.70
4238	Machinery Equipment & Supplies Wholesalers	5,124	4,823	10%	(6%)	554	600	1.20	1.17
4885	Freight Transportation Arrangement	916	1,098	93%	20%	165	189	0.92	1.04

Source: County Business Patterns, 2000, 2010, 2103, Bureau of Labor Statistics, 2014

VII. Deerfield Beach Cluster Opportunities

An analysis of the City's industrial base by the four-digit NAICS determined that many of the industrial subsectors identified in the above cluster analysis are currently located in the City of Deerfield Beach. The presence of these industries provides an opportunity for the City to expand and enhance its industrial base by strengthening the linkages within each cluster grouping and targeting these industries for retention and expansion.

The analysis shows the City of Deerfield Beach has established industries within each of the cluster groupings. The City is particularly strong within the following clusters: International Trade & Logistics (118 establishments/1,359 employees) and Life Sciences (27 establishments/445 employees).

International Trade and Logistics

The International Trade and Logistics Industries in Deerfield Beach consists primarily of three industry groups: 1) Wholesalers of professional and commercial equipment and supplies, 2) Wholesalers of household appliances and electrical and electronic goods, and 3) Wholesalers of machinery, equipment and supplies. There are 46 professional and commercial equipment wholesalers in the City which employ 449 workers with total annual sales estimated at $1.025 billion. The largest professional and commercial equipment wholesalers in the City are Zimmer Inc. (medical supplies) located on West Newport Center Drive, Benco Dental Supply (medical supplies) located on East Newport Center Drive and C. E. Safes & Security Products (office supplies) located on Powerline Road. There are 37 household appliances and electrical and electronic goods wholesalers in the City which employ 339 workers with annual sales estimated at $465.1 million. The City's largest household appliances and electrical and electronic goods wholesalers include G B Instruments, Inc. (electronic equipment and supplies) located at West Newport Center Drive and Arrow Electronics Inc. (electronic equipment and supplies) located on Fairway Drive. There are 28 machinery, equipment and supplies wholesalers in the City which employ 343 workers with total sales estimated at $658.2 million. The City's largest machinery, equipment and supplies wholesalers include Anderson Material Handling (material handling equipment) located on SW 32nd Way and Hoerbiger Compressor Tech (Compressors Air & Gas) located at West Newport Center.

Life Sciences

The Life Sciences Industry in Deerfield Beach consists primarily of two industry groups: 1) Manufacturers of medical instruments supplies, and 2) Scientific research and development services. There are 11 medical instrument supply manufacturers in the City which employ 348 workers with total annual sales estimated at $81.7 million. The largest medical instrument supply manufacturer in the City is Cell Science Systems (surgical & medical instruments) located on S. Military Trail and Chemtec (surgical & medical instruments) located on SW 12th Avenue. There are 15 scientific research and development services establishments in the City which employ 93 workers. The largest scientific research and development services establishments in the City include PSC (environmental & ecological services) located on SW 15th Street and Advanced Aquatic (lake management services) located on S. Military Trail.

Deerfield Beach Industry Clusters

NAICS	Description	Establishments	Employees	Sales
Life Sciences				
3254	Pharmaceutical and Medicine Manufacturing	1	4	*
3391	Medical Equipment and Supplies Manufacturing	11	348	$81,763,000
5417	Scientific Research and Development Services	15	93	*
Marine				
3345	Navigational, Measuring, Electromedical, and Control Instruments	3	58	$15,295,000
4412	Other Motor Vehicle Dealers (Boat Dealers)	13	47	$20,318,000
4883	Support Activities for Water Transportation	1	2	$708,000
International Trade				
4234	Professional and Commercial Equipment and Supplies Merchant	46	449	$1,025,498,000
4236	Household Appliances and Electrical and Electronic Goods Merchant	37	339	$465,125,000
4238	Machinery, Equipment, and Supplies Merchant Wholesalers	28	343	$658,250,000
4885	Freight Transportation Arrangement	7	228	$9,221,000
Advanced Materials and High Tech				
3261	Plastics Product Manufacturing	5	88	$19,348,000
3273	Cement and Concrete Product Manufacturing	2	300	$58,794,000
4246	Chemical and Allied Products Merchant Wholesalers	1	6	$14,552,000
Aerospace & Aviation				
4881	Support Activities for Air Transportation	3	86	$4,785,000
Cloud Technology/Mobile Communication				
3261	Plastics Product Manufacturing	5	88	$19,348,000
3342	Telephone Apparatus Manufacturing	2	27	$8,644,000
5172	Wireless Telecommunications Carriers (except Satellite)	27	114	$78,432,000
3342	Radio and Television Broadcasting and Wireless Communications	2	46	$12,198,000

Source: Accudata/The Nielsen Company, 2015. Analysis by FIU Metropolitan Center

Creative Design

Creative design industries in the City of Deerfield Beach include four industry groups: 1) architectural and engineering services, 2) specialized design services, 3) computer systems design and related services and 4) motion picture and video Industries. There are 63 architectural and engineering firms in the City which employ 425 workers. The total annual sales of the City's architectural and engineering industry group is estimated at $80.4 million. The largest architectural and engineering firms in the City include Kamm Consulting located on Newport Center Road and Rimkus Consulting Group located on SW 12th Avenue. There are 43 specialized design services firms in the City which employ 115 workers. The vast majority of these firms are either interior or graphic designers. The total annual sales of the City's specialized design services industry group is estimated at $14.6 million. The City's largest specialized design services firms include Decorators Mart Furniture located on North Federal Highway and Studio Graphics located on Goolsby Boulevard. There are 22 computer systems design firms in the City which employ 157 workers. Most of these firms provide custom computer programming design services. The total annual sales of the City's computer systems design industry group is estimated at $30.2 million. The largest computer systems design firms in the City include Coding Brains located on SW 15th Street and ISYS located on NE 21st Avenue. There are 14 motion picture and video industry firms in the City which employ 141 workers. The total annual sales of the City's motion picture and video industry group is estimated at $62.4 million. The City's largest motion picture and video establishment is Quorum Productions located on Powerline Road.

Creative design establishments are typically small with under 5 employees. Significantly, nearly 60 percent of the City's creative design firms have appeared since 2010.

City of Deerfield Beach Creative Design Cluster Analysis

NAICS	Description	Establishments	Employees	Sales
5121	Motion Picture and Video Industries	14	141	$62,446,000
5413	Architectural, Engineering, and Related Services	63	425	$80,412,000
5414	Specialized Design Services	43	115	$14,665,000
5415	Computer Systems Design and Related Services	22	157	$30,283,000

Source: The Nielsen Company, 2015. Analysis by FIU Metropolitan Center