

**CITY OF PALM BEACH GARDENS  
COMPREHENSIVE PLAN**

**ECONOMIC DEVELOPMENT ELEMENT  
SUPPORT DOCUMENT**

**The City of Palm Beach Gardens  
June 2008**

## I. INTRODUCTION



Photo: Palm Beach Community College Bioscience Complex offering a new A.S. Bioscience Degree Program. City of Palm Beach Gardens.

Recent economic conditions have affected most everyone in the public and private sector on local, state and national levels, and the City of Palm Beach Gardens has been no exception to this trend. Although Palm Beach Gardens has taken great strides to provide economic opportunities, one of the most important current challenges is to have the strength and endurance to maintain the level of service with reduce capital and operating revenue in the City's budget.

The continued slow pace of growth in Palm Beach County's economy as of the second half of 2007 has primarily resulted from the decline in the local, state and national housing markets that were characterized by over-building and over lending during the investor driven boom of 2002-2005. This economic downturn has reduced consumer's ability to purchase new homes, vehicles and boats. The affects of the downturn has rippled through business, household and government, and overall had a crushing impact on the local economy characterized by:

- Decline in consumer confidence;
- Severe contraction in the real estate, mortgage, and construction sectors;
- Weaker demand for office and industrial space;
- Tighter credit climates

*(Source: Palm Beach Quarterly Economic Report 2007).*

The Economic Development Element in the City's Comprehensive Plan has a single goal; to achieve sustainable economic development through a balanced and diversified economy. The proposed EAR-based amendment has essentially promoted mass transit to consolidate the City's position as a regional destination. Proposed amendments have also placed an emphasis on the need to consider transit and housing in the economic development formula. Finally, minor modifications have been included as part of this EAR-based amendment to "clean-up" certain language in the Objectives and Policies.

## II. Trends and Challenges

### State Legislation/Amendment 1:

In November 2007, Amendment 1 was approved by a State Wide referendum, and has significantly impacted local governments in the State of Florida. The Legislation allows for the following to occur:

- Allows property owners to transfer up to \$500,000 of their Save Our Homes benefits to their next homestead (known as portability).
- Save Our Homes caps the annual increase in assessed value for homestead property to 3% or the percentage change in the Consumer Price Index, whichever is less.
- Caps the annual increase in assessed value for non-homesteaded property (businesses, industrial property, rental property, second homes, etc.) to 10%.
- Provides \$25,000 exemption for tangible personal property.
- Effective 10/1/2008, with the exception of the 10% assessment cap on non-homesteaded property which becomes effective 1/1/2009.

At present, there is no accurate way to determine the impact of portability and assessment cap on non-homesteaded property provisions in terms of potential loss of property tax revenues. The estimated loss in revenue to the City based on this rule is \$1.98 million dollars.

The 2007 statutory cuts required the City to reduce its millage to 5% below the rollback rate to a “capped” operating millage rate of 5.105. The cuts also required the City to reduce its initial proposed 2008 Operating and Capital Improvements Budget by \$2.7 million dollars. Specifically, the following measures were applied to account for this reduction:

- Eliminated thirteen (13) full-time positions
- Downgraded one (1) position
- Eliminated 7,198 hours of part-time staffing
- Eliminated Employee Recognition Programs
- Employee contributions increased for HMO and PPO family coverage an average of 30.4%
- Eliminated Economic Development Program
- Reduced staff travel, training and seminars by 30%
- Reduced Parks, Grounds & Recreation Services

- Decreased other operating line items in all departments

Fortunately, because of the recent years of responsible fiscal management, the City has been able to utilize reserves as of 9/30/07 totaling \$15.7 million to assist in the 22.54% of expenditures for the FY '08. Table 1 on the following page shows a cost comparison between the City of Palm Beach Gardens and other surrounding Cities in Palm Beach County. When comparing the surrounding cities, the City of Palm Beach Gardens remains the lowest in terms of annual costs to residents and businesses including ad-valorem, non ad-valorem and other potential taxes (*Source: Finance Department City of Palm Beach Gardens 2008*).

City	City Ad Valorem	Other Ad Valorem	Utility Tax	CST	Solid Waste	Storm Water	PBC Fire	Total
P.B. Gardens	1,576	4,211	0	36	0	0	0	5,823
Jupiter	799	4,682	342	125	84	49	444	6,525
Royal Palm Beach	602	5,044	558	125	92	0	834	7,255
North Palm Beach	1,859	4,048	438	125	104	0	0	6,574
Wellington	771	5,045	420	125	146	129	834	7,470
W. Palm Beach	2,409	4,047	618	130	192	56	0	7,452
Riviera Beach	2,613	4,047	498	125	151	54	0	7,488

*Table 1: Ad Valorem taxes are calculated using a property value of \$325,000 with a \$25,000 homestead exemption (Source: City of Palm Beach Gardens Finance Department 2008)*

As illustrated in Table 1, despite the recent economic hardships, the City still remains competitive to residents and business because of its ability to provide for municipal services while maintaining the lowest cost on ad-valorem and non ad-valorem taxes. This factor is important when marketing economic development opportunities.

### **Long Term Economic Vision**

The City of Palm Beach Gardens continues to provide opportunities for a diversified tax base that promotes a strong economic environment within the City that provides a job

base for residents and a sustainable economy. As part of this, sound planning practices are being implemented to strive to create sustainability in a community, which incorporates all of the elements of living, working, playing, and learning.

Currently, the City's land-use base is pre-dominantly residential (46%), which places a heavy burden on residential tax payers to maintain all of the City's level of service standards. Sustainable economic growth will be achieved by supporting retail, restaurant, office personnel that need to work in the City; increasing property values and tax base to provide as much opportunity for mobility as possible; assisting and promoting bioscience clusters; remaining competitive in the regional market; expanding the need of Class A offices that require access to large markets; and focusing growth in the Regional Center.

### **Recent Action toward Economic Sustainability**

In April 2005, the Economic Development Element of the Comprehensive Plan was amended. The Element included the following initiatives:

- The need for a balanced and diversified economy for a sustainable municipality;
- Identified targeted industry sectors based upon a demographic analysis of Palm Beach Gardens' residents with the understanding that global trends indicate that intellectual knowledge-based industries are the future (including research and development);
- Outlined a Targeted Expedited Permitting Program to fast-track companies through the planning, zoning, and building process so that the goal of job creation could be realized at a faster pace; identified the need to stabilize seasonal employment fluctuations in the retail and service sectors;
- Underscored the importance of education; and recognized that quality-of-life is a delicate balance of live, learn, work, and play – all equally important to make a whole person and a whole community.

See Appendix Section for the supporting documents that provide key facts and figures on the importance of diversifying the City's tax base toward long term sustainable economic growth.

The Targeted Expedited Permitting Program was effectuated through Ordinance 1, 2006 adopted in December of 2005 and provided for a streamlined expedited review process for those qualifying projects (See Appendix Section for additional information). WM Thies



Photo: WM Thies & Sons. Utilized the TEPP program in 2007 and received zoning approvals within 49 working days. City of Palm Beach Gardens

& Sons, a distribution warehouse center, utilized this process and was approved in 49 business days. The project consisted of 40,000 square feet of office with a projected 454 employees, including 150 value-added jobs.

On February 14, 2006, the Palm Beach County Commission designated the Abacoa FAU/Briger site as the alternative site for the Scripps Florida development, which required a hundred acres with the potential for two (2) million square feet for Scripps Florida and additional opportunities for up to six (6) million square feet of available land to accommodate the creation of a bioscience research/biotechnology industry cluster within a five (5) mile radius of the Scripps Florida campus on the Abacoa FAU/ Briger site. In order to accommodate the second condition, the City, in partnership with the Town of Jupiter, the City of Riviera Beach, the Town of Lake Park, and the Town of Mangonia Park, provided an inventory of properties that could be used for bioscience research/ biotechnology users within their respective boundaries. As part of the alternate site proposal, each municipality committed to amend its respective comprehensive plan to create an overlay that would provide for and encourage the cluster of the bioscience research / biotechnology industry uses within its community.

On December 21, 2006, the City Council adopted Ordinance 17, 2006, Ordinance 18, 2006, Ordinance 19, 2006, and Ordinance 20, 2006, which amended the City's Future Land Use Map and Comprehensive Plan text to create a Bioscience Research Protection Overlay (BRPO). The BRPO encourages the use of incentives on behalf of the City to promote the development of Bioscience Users within a close proximity to Scripps Florida, located on the FAU Abacoa Campus and the Briger Site. The State's expedited permitting program is an incentive consistent with the City's intent in creating the BRPO, as it will expedite the review process for Bioscience/Life Science Projects within the Bioscience Overlay.

On August 16, 2007, a Memorandum of Agreement (MOA), the City Council of the City of Palm Beach Gardens approved that created a specific expedited permitting review process, which requires the Office of Tourism Trade and Economic Development (OTTED) to create regional permit action teams (RPATs) and certify projects eligible to use this process. The RPATs will consist of signatory agencies and other agencies which have agreed to participate and have jurisdiction over a certified project. The City of Palm Beach Gardens will be a participating agency of the RPATs. The process does not modify, qualify, or otherwise alter existing state or regional agency or County non-procedural standards.

### **Transit, Housing, Land Use and its link to Economic Sustainability**

One of the important new Policies of the City's EAR based amendment is the inclusion of the following Policy:

**Policy 13.1.1.9.: By 2010, the City shall assess land use, transportation and business patterns and trends to identify areas that are suitable for redevelopment to provide business retention, expansion, relocation and development incentives for those areas.**

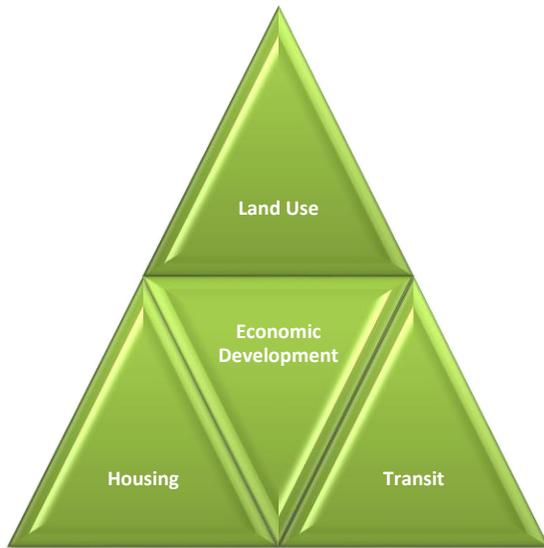


Figure 1: A Balanced Economy

Figure 1 represents the balance between land use, transit and housing. Economic development remains strong only with these other supporting components. This concept is crucial when examining such decisions as Future Land Use Changes to the provision of affordable housing to the consideration of additional public transit facilities.

The City has recently experienced a high volume of growth in the retail and restaurant service sector, particularly along the PGA Corridor. New developments including Downtown at the Gardens, PGA Commons, the Gardens Mall, and Midtown provide approximately 65% of the City's retail base, and plays an integral part of the City's local economy.

Affordable housing opportunities and transit systems must be in place to provide the necessary support systems to sustain this service employment base in the local area. As fuel prices continue to increase (See Figure 2 next page), the demand for public transit is increasingly critical. An additional policy is further discussed on page 10 that addresses the importance of the City's role in its current position to be a regional destination center.

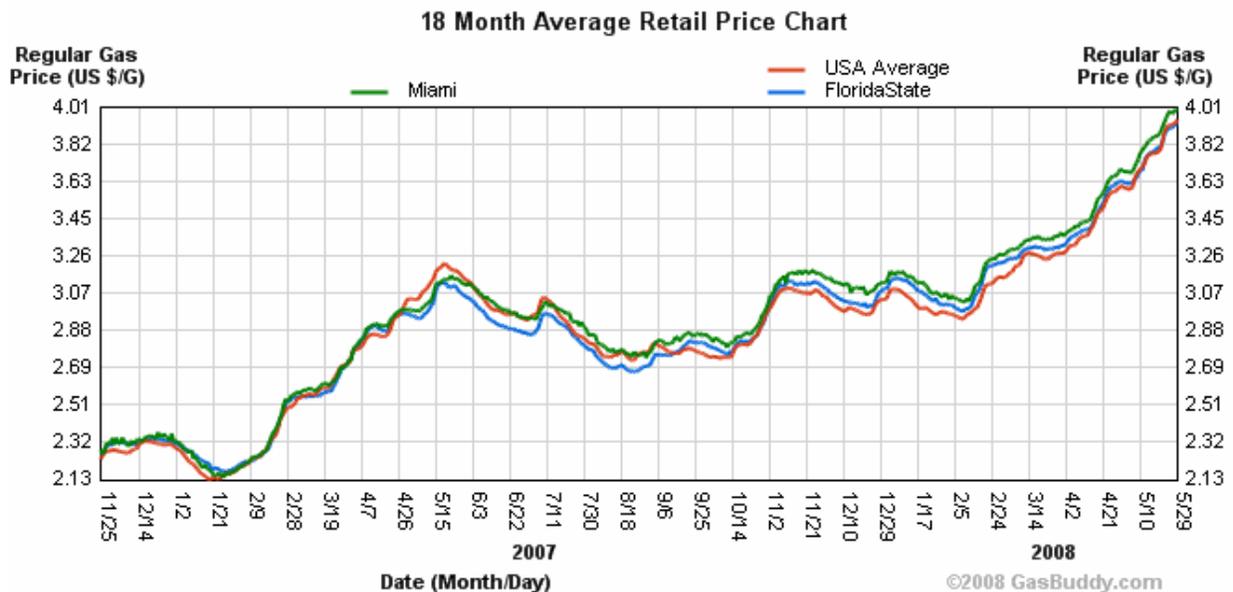
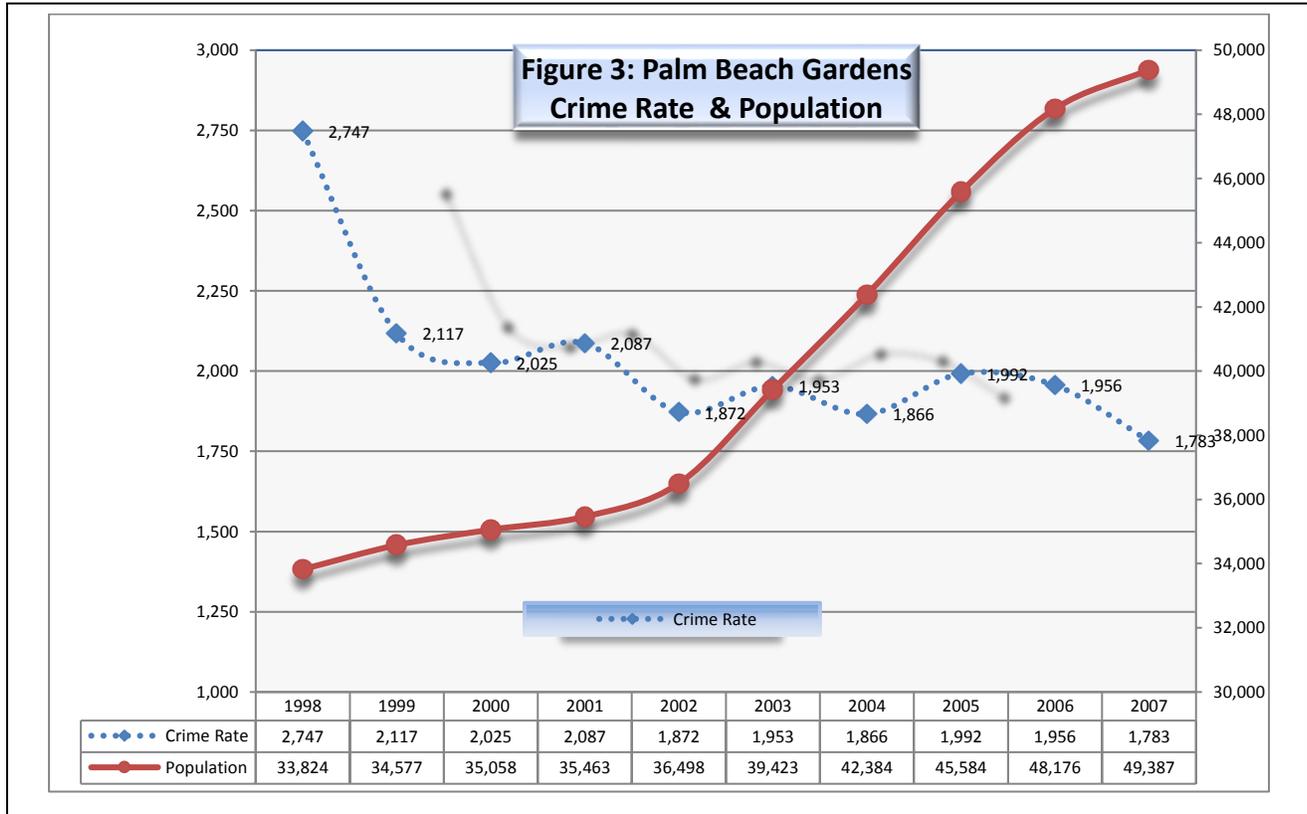


Figure 2: The rising cost of fuel. Source May 2008. www.gasbuddy.com

## Public Safety:

Another component to maintaining sustained economic growth is the importance of public safety in the City. Figure 3 illustrates that although population has grown in the City of Palm Beach Gardens, the rate of crime has consistently declined (*Source: City of Palm Beach Gardens Police Department 2008*).



Low crime rates are another crucial factor when marketing a City's economic development opportunities. The City is committed to providing the highest levels of police and fire rescued services for the public, health safety and welfare of the residents and businesses. See additional information on the EAR based amendments on Public Safety.

## Business Friendly Environment

The City continues to be a Partner with several existing Organizations and Affiliates including Palm Beach Community College, Palm Beach Gardens Medical Center, North Palm Beach County Chamber of Commerce, the Honda Classic, local charities, and the Department of Veteran Affairs' Hospital. Through these Partnerships, the City provides more opportunity for economic growth and a business friendly environment.

Economic Development Element  
City of Palm Beach Gardens



Several value added employment and educational facilities have recently emerged in the City of Palm Beach Gardens including the PBCC Bioscience Complex, a 92,000 sq. ft. facility that provides for an A.S. Bioscience degree program and state of the art labs. Anspach, WM Thies & Sons, The Bascom Palmer Eye Institute, BioMet, 3i, Implant Innovations Inc, Seacoast National Bank Headquarters, and The Wackenhut Corporation.

One of the important new additions to the Economic Element is Policy 13.1.1.9, which promotes more opportunity for redevelopment:

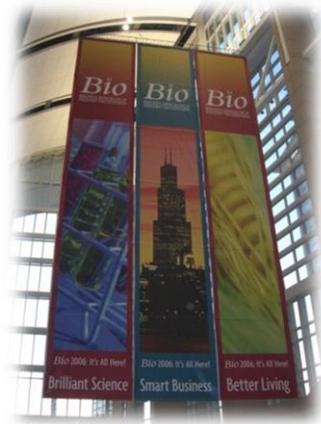
**Policy 13.1.1.9.: By 2010, the City shall assess land use, transportation and business patterns and trends to identify areas that are suitable for redevelopment to provide business retention, expansion, relocation and development incentives for**

Since most of the City is built-out, much of the future growth in non-residential development will be primarily infill development located in the eastern area of the City. This Policy is not only important because it promotes redevelopment, but is also references the need to address land use and transportation trends. See Figure 1.

### **The Scripps Research Institute and the Bio-Science Industry Sector**

Currently the first phase of Scripps is under construction on the FAU Campus in Jupiter, immediately north of the City. Once complete, it will include three new buildings totaling 365,000 square feet on 30 acres. The Grand Opening at new campus February 2009, and will provide for several local educational opportunities, including but not limited to:

- K-12 Student and Teacher programs
- Undergraduate research opportunities
- Graduate Studies and Degrees



Scripps Florida at FAU/Abacoa

Scripps Florida brings to this community a core group of world renowned scientists who will help to re-invent the way drugs are discovered in this country and contribute to mankind's knowledge of human biology.

As part of the ongoing effort to promote the Bioscience Industry two new additional Policies are being included as part of this EAR-based amendment that will be added to the existing goals, objectives and policies of the Economic Development Element. These are:

***Policy 13.1.5.7.:*** *The City shall encourage developers of property within and adjacent to the Bioscience Research Protection Overlay (BRPO) to plan for this infrastructure linkage with known propane gas easements.*

***Policy 13.1.5.8.:*** *By 2011, the City shall identify sites that foster the development of wet laboratories and other research facilities that are location sensitive and require extensive public agency coordination and private investment.*

### **The Importance of Wi-Fi**

As the City of Palm Beach Gardens emerges as a 'signature city', it continues to strive to promote a business friendly environment and economic development. One need identified to provide for this is the importance of a Wi Fi network throughout the City. A Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was conducted in 2003 by the Economic Development Advisory Board to garner private sector input to develop a strategy to diversify the economic base in Palm Beach Gardens. The work of the EDAB won National awards in 2004 for citizen involvement. In April 2007, the EDAB re-examined the SWOT analysis and updated the work. As part of this re-examination, the lack of Wi-Fi was identified by the EDAB as a weakness, and they indicated that there should be efforts made to be part of the County Program.

The purpose of Wi-Fi is to hide complexity by enabling wires access to applications and data, media and streams. The main aims of Wi-Fi are to facilitate access to information; to ensure compatibility and coexistence, eliminate cabling and wiring, eliminate switches, adaptors, plugs and connectors.

***Policy 13.1.5.6.:*** *By 2010, the City shall provide developers an incentive to opt into a Wi-Fi program and enable industry with infrastructure beneficial to attracting valued growth. The City encourages a public-private partnership for providing a city-wide Wi-Fi network.*

There is currently no commuter rail transportation in the City, but County bus service has been expanded to include many new routes. Some bike paths and pedestrian pathways are available, but need to be expanded in existing neighborhoods. Bike and pedestrian paths have been included with all recent road widening projects using state funds, and the City's parkway system has been designated as an urban component of Florida's Greenway's System.

In recognition that mass transit is a key component to economic development, a new Policy is being added to the Economic Development to acknowledge its central location and the potential to become a regional destination center:

The City is currently in dialogue with the Treasure Coast Regional Planning Council regarding future Tri-Rail station locations in Palm Beach Gardens. Some of the benefits of Tri-Rail are as follows:

**Policy 13.1.4.5.:** *The City shall acknowledge its strategic location and promote mass transit to consolidate its position as a regional destination center.*

- To provide alternative means of transportation for residents and work personnel that commutes to Palm Beach Gardens
- To encourage sustainable economic growth
- To improve aesthetics of redevelopment/infill areas

The City has been identified to be an ideal location for a multi-model transit hub because of its proximity to employments centers, restaurants, retail services and a mix of housing types.

### III. RECOMMENDATION AND SUMMARY

Despite recent economic hardships from the slow economy, the City has been able to maintain its quality level of service due to responsible budget management in recent years. The collective effort the City has made toward long term economic growth clearly signals the City's commitment to economic sustainability. From the Targeted Expedited Permitting Process to the Partnerships with Chamber and BDB, the City has clearly taken action to promote Economic Development as a key goal.

This EAR amendment has provided the opportunity to once again review the existing Goals, Objectives and Policies to ensure the current goals of the City are aligned and consistent with the City's Comprehensive Plan. The additional policies will provide for the updates necessary to reflect the recent progress the City has made since the last amendment to the Economic Development Element done in 2006.



#### Initiatives and Studies

- Maintain and expand a diversified economy by encouraging growth in targeted cluster industries that provide high-wage employment. (*Objective 13.1.1., Page 13-1, Existing*)

- Support efforts to increase the number, viability and growth of small enterprises to further strengthen and diversify the economy. (*Objective 13.1.2., Page 13-2, Existing*)
- Provide leadership to the ongoing efforts to improve the public education system (*Objective 8.1.3., Page 13-3, Existing*)
- Maintain the quality of the City's balance between man-made and natural environment as a means of attracting target industries. (*Objective 13.1.4., Page 13-3, Existing*)

As part of these initiatives, the following study/plan/actions are proposed:

COMPLETION YEAR	STUDY/PLAN/ACTION
2009	Land use study and adopt city-wide preferred percentage range of land uses (Policy 13.1.1.8., Page 13-2)
	Adopt regulations and provide incentives for bioscience uses within the Bioscience Research Protection Overlay (BRPO) (Policy 13.1.1.7., Page 13-2)
2010	Assess land use, transportation and business trends to identify areas suitable for redevelopment to provide business retention, expansion and development incentives (Policy 13.1.1.9., Page 13-2)
2011	Identify sites that foster development of wet labs and other research facilities (Policy 13.1.4.7., Page 13-4)