The Washington Economics Group, Inc. ®

Financial Analysis to Evaluate the Viability of 10,000 Square Feet of Retail Space at the Multi-Modal Facility (MMF) in the Golden Glades Area of Miami, Florida

By:

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1. Summary of Findings

This Study evaluates the viability of 10,000 square feet of retail proposed to be located at a park and ride facility owned by the State of Florida in northern Miami-Dade County. This analysis includes identification of the user groups for the park and ride facility and additional potential customer base for the location; estimates of growth in each customer group for a thirty-year period; identification of the market demand for certain goods and services for each customer group; evaluating the amount of retail space that market demand at the facility can support; developing capital and operating finance plans for the proposed retail component of the facility; and assessing the financial feasibility of project success.

The purpose of this Study was to prepare an analysis to evaluate the viability of 10,000 square feet of retail space at the Golden Glades Multi-Modal Facility (MMF). As part of this analysis, we reviewed existing data, studies and plans, including parking projections for the Golden Glades park and ride, the South Florida Truck Stop Market Analysis prepared by CAP Companies, and ridership and usage information for the modes of transportation that utilize the Golden Glades facility.

National and regional trends in population growth, job growth, the retail industry and consumer spending were analyzed and evaluated. Market area and consumer behavior characteristics were identified for the various user groups of the Golden Glades MMF, as well as growth trends for each user group over a thirty-year period.

Although the facility is in use around the clock, the primary periods of activity are during the morning and afternoon peak rush hours, from 6:00 AM to 9:00 AM and from 3:00 PM until 7:00 PM. The majority of non-peak activity occurs during the day between these peak periods. Utilization of the facility is projected to grow over the next thirty years.

Pros	**Cons**
Strong user volume of transferring passengers	Poor visibility and signage from some roadways
Adjacent to roadways with high traffic counts	Time constraints of transferring passengers
Park and ride users can adjust their behavior	Truck travel center competition
	No gasoline sales on this site

From a consumer perspective, the characteristics of the Golden Glades MMF are similar to those of an airport concourse or a turnpike service plaza. The types of retail use that can reasonably be expected to have high demand at this location are the sale of fast food, beverages and snacks, coffee, personal care items, cigarettes, and reading materials such as magazines and newspapers.

An analysis of the demand factors and market areas for the Golden Glades indicates that 10,000 square feet of retail space is too large a facility for this location. The retail marketplace of the current riders that utilize this site supports a total of 50,000 square feet of restaurant uses throughout South Florida. Additionally, this ridership market only supports a total of 37,000 square feet of the high demand items identified for this site, such as fast food, coffee, personal care items, and reading materials. A retail facility of 10,000 square feet would require over 25 percent penetration into all of the spending that the current ridership engages in annually.

The primary customer market for retail at the Golden Glades MMF are consumers that are usually in a rush and will seek to limit their time to purchasing convenience goods and items that are immediate necessities. Therefore, retail facilities at this location are similar to those provided on airport concourses and in Turnpike service plazas. The primary goods/services that we believe are most appropriate for this location, and which can be successful at this location, are food and beverage (especially coffee), convenience items (personal care items), and reading materials. Convenience items, including reading materials can be provided by a vendor similar to Paradies Shops, which are found in many airports.

One of the key tasks of this assignment was to identify the type of retail development that can be supported at this site; the amount of retail space, the hours of operation, site visibility and other services such as automotive services. We believe the primary retail operations that should be targeted for the Golden Glades MMF are:

1. A quick service restaurant (2-3,000 sq. ft.) that specializes in coffee such as a Dunkin Donuts, or Starbucks, or a fast food operator such as McDonalds which has a strong coffee/breakfast customer base.

2. A convenience store (1-4,000 sq. ft.) similar to those located in airport terminals and Turnpike service plazas which sells convenience personal items, snacks and reading materials, as well as expanded c-store models that include coffee and fresh food options.

3. Vending machines which sell beverages, snacks and other food items, especially during hours that the other retail services are not operating.

4. A hand car wash/detail operation which is located in the parking area (3-5 spaces, either surface or under cover in a garage).

There is the possibility that the convenience store can also serve as the quick service restaurant, or include a branded franchise operation within it. C-stores pay the highest rent, are expanding their footprints, have added fresh food options and can have high lottery sales as well.

A 5,000 square foot commercial facility is the appropriate size to accommodate retail services at this facility. This size meets the size standards of the types of retail recommended, and it provides sufficient space to serve the existing and future customer market. It provides opportunity for the retail tenants to experience customer growth which will stabilize their operations and provide revenue growth. The primary hours of operation of this facility should be 6:00 AM to 7:00 PM.

Each of these scenarios is financially viable and could attract developer interest; however, the scenarios differ in terms of potential revenue to the Department, sufficient developer return on investment to attract private-sector interest and service to the facility users.

There are three scenarios for development of the site that are discussed in detail in the Financial Assessment Section; development and capital financing plans, as well as conservative and optimistic operating plans were developed for each.

1. Stand-alone 5,000 sq. ft. commercial structure with a drive-thru for the food and beverage establishment;
2. Stand-alone 5,000 sq. ft. commercial structure without a drive-thru;
3. Inclusion of 5,000 sq. ft. of commercial retail space within the MMF proposed parking garage.

Stand-alone 5,000 sq. ft. commercial structure with a drive-thru for the food and beverage establishment:

- Provides highest revenue to the Department
- Provides highest potential of return to the developer
- Can be located in the most convenient location to maximize patronage by MMF users
- Can attract additional customers from adjacent roadways
- Highest construction cost

Stand-alone 5,000 sq. ft. commercial structure without a drive-thru:

- Provides positive revenue stream to the Department
- Provides strong potential return on investment to developer
- Can be located in the most convenient location to maximize patronage by MMF users

- Difficult to attract customers from adjacent roadways

Inclusion of 5,000 sq. ft. of commercial retail space within the MMF proposed parking garage:

- Provides positive revenue stream to the Department, but lowest of the three scenarios
- Provides adequate return on investment to the developer
- Difficult to locate in the most convenient location for all MMF users
- Very difficult to attract customers from adjacent roadways
- Lowest and most efficient construction cost due to inclusion in the parking garage

2. Scope of Work

This Study was requested by the State of Florida Department of Transportation to determine the feasibility of 10,000 square feet of retail space as part of a Multi-Modal Facility (MMF), for which the Department is exploring public-private opportunities. The Scope of Work is as follows:

1. Inventory Competing Sites – identify and compare three to five comparable MMF's with retail operations located within metropolitan areas of the United States.

2. Assessment of Market Demand.
   - 2.1. National and regional trends that may affect the MMF.
   - 2.2. Current and future user trends.
   - 2.3. Minimum requirements to meet demand for retail and other services such as automotive services.

3. Financial assessment of the retail services detailed in 2.3, including capital investment, revenues and expenditures.
   - 3.1. Capital Finance Plan
   - 3.2. Operating Finance Plan

3. Project Location

The Golden Glades Interchange is located at the intersection of I-95, Florida's Turnpike, SR 826, SR 7, and SR 9, as well as NW 163rd Street in Miami-Dade County. The interchange includes two parcels of land: a 10-acre parcel proposed for a truck-travel center, and the park and ride lot, a 15-acre site designated as a MMF.

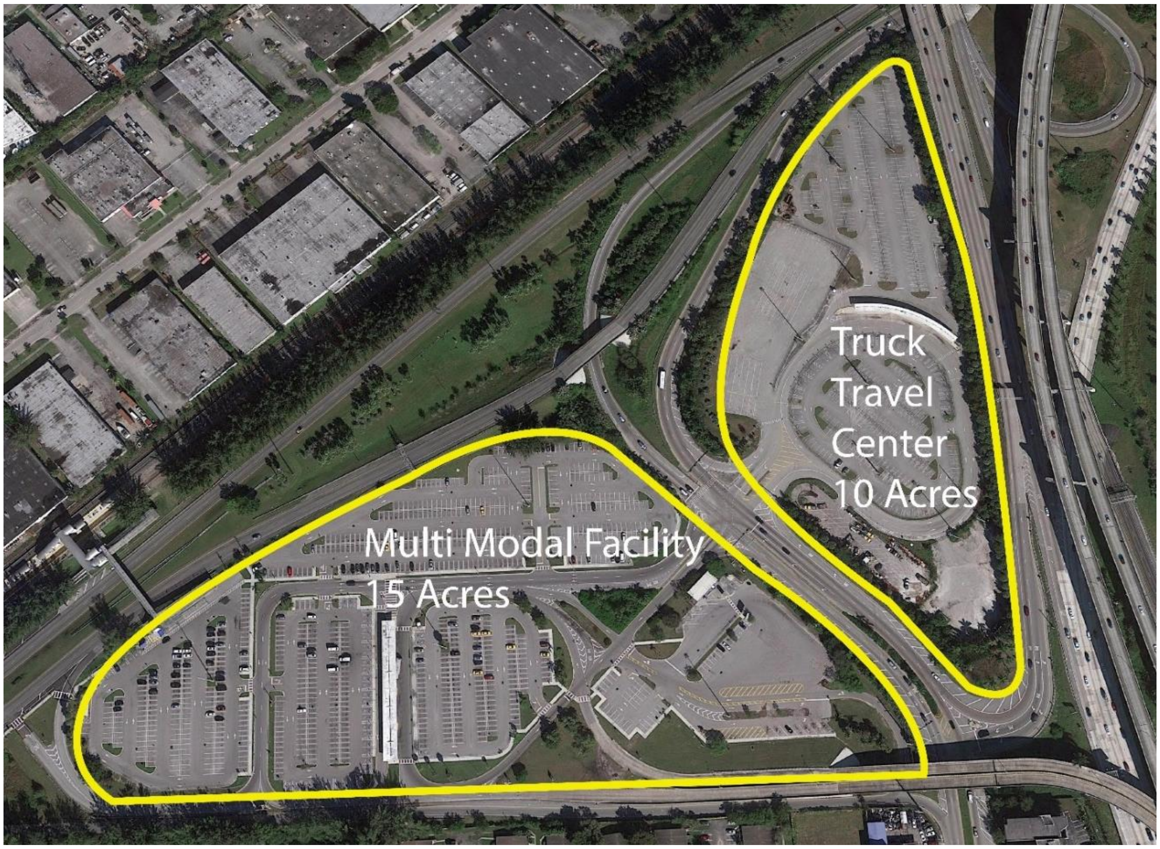


Figure 1: Golden Glades Interchange Site.

The Golden Glades MMF provides direct access to Tri-Rail service, Miami-Dade Transit local and express bus service as well as Broward County Transit express bus service. The facility also provides a park and ride lot for regional and carpool users because of its proximity to I-95 HOV lanes. The Golden Glades parking lot has 1,542 available parking spaces and is currently being used at a rate of 856 cars per day or 56 percent of available spaces.

- **Broward County Transit (BCT)**

The Golden Glades MMF is serviced by three Broward County Transit routes. Route information, including schedules and maps are included in Appendix A.

Route 102- University Breeze: Located at the corner of N. University and Westview Drive in Coral Springs. Route 102 makes 12 daily trips to and from the Golden Glades Facility. Other points of interest for travelers on this route include: Coral Square Mall, University Hospital, Westfield Mall, NSU/SFEC Campus and Memorial Pembroke Hospital. Hours of operation are 5:30-9:46 AM and 3:30-8:05 PM Monday-Friday.

Route 18- State Road 7 Lauderhill Mall: Located at the Lauderhill Mall along State Road 7/441. Route 18 makes 50 trips to and 54 trips from the Golden Glades facility. Saturday's there are 56 trips to and 64 from the facility. Sunday's there are 41 trips to and from the facility. Hours of operation are 5:00-12:45 AM Monday-Friday.

Route 441- 441 Breeze: Located at the corner of Turtle Creek Drive and 441 in Coral Springs. 441 Breeze makes 40 trips to and from the Golden Glades Facility. Other points of interest for travelers on this route include: Lauderhill Mall, Plantation General Hospital, Central Broward Regional Park, Coconut Creek Casino, Seminole Hard Rock Hotel & Casino, Seminole Indian Bingo & Casino. Hours of operation are 5:15 AM-7:58 PM Monday-Friday.

- **Miami-Dade County Transit (MDT)**

The Golden Glades MMF is serviced by six Miami-Dade Transit routes. Route information, including schedules and maps are included in Appendix B.

Route 22: Route 22 starts at the 163rd Street Mall in North Miami Beach and has stops at NW 22 Avenue, Earlington Heights Metrorail station, clinics, Coconut Grove Metrorail station, Sunshine State Industrial Park. Route 22 makes 40 trips to and from the Golden Glades facility Monday-Friday and 30 on Saturday and Sunday. Hours of operation at Golden Glades are 4:51-12:28 AM on weekdays and 5:15-12:16 AM on weekends.

Route 77: Route 77 begins at SR7 and 199th street and has stops at Golden Glades Park & Ride Lot, NW 7 Avenue, Liberty City, Culmer Metrorail station, Government Center Metrorail station, Main Library, Historical Museum of South Florida, Miami Art Museum, Downtown (Miami) Bus Terminal. Route 77 makes 97 trips to and from the Golden Glades facility Monday-Friday, 59 on Saturday and 35 on Sunday. Hours of operation at Golden Glades are nearly 24 hours on weekdays and weekends.

Route 95 Express: 95 Express Route is for weekday rush hour service only and encompasses Golden Glades Park & Ride Lot, Civic Center, Veterans Hospital, Jackson Memorial Hospital, Norwood, Earlington Heights Metrorail station, Downtown Miami and Brickell. Route 95x makes 54 stops to and from the Golden Glades facility Monday-Friday. Hours of operation are 5:40-10:12 AM and 2:23-7:01 PM.

Route 105 E: Route 105 E has stops at Golden Glades Park & Ride Lot, Jackson North, The Mall at 163rd Street, City of North Miami Beach, Eastern Shores, Winston Towers, Aventura Mall, Turnberry Isle, Diplomat Mall/Hallandale. Route E makes 23 stops to and from the

Golden Glades facility Monday-Friday and 14 on Saturday and Sunday. Hours of operation at Golden Glades are 5:55 AM-10:40 PM on weekdays and 7:40 AM-10:00 PM on weekends.

Route 246 Night Owl: Route 246 Night Owl has stops at The Mall at 163rd Street, Golden Glades Park & Ride, Downtown Miami, Government Center Metrorail station, Overtown, Civic Center Metrorail station, University of Miami/Jackson Memorial Hospitals and clinics, Allapattah Metrorail station. Route 246 makes 5 stops daily at the Golden Glades facility. Hours of Operation are 12:00-5:06 AM.

Route 277: Route 277 NW 7th Ave Max is for weekday rush hour service only and encompasses Downtown Miami, Government Center Metrorail station, Culmer Metrorail station, NW 7 Ave., Lindsey Hopkins, Edison Center, North Miami, Biscayne Gardens, Golden Glades Park & Ride Lot. Route 277 makes 19 stops at the Golden Glades Facility Monday-Friday. Hours of operation are 5:05-9:46 AM and 3:00-7:34 PM.

- ## Tri-Rail

Tri-Rail is a commuter rail line linking West Palm Beach, Fort Lauderdale and Miami. The train runs north to south from Magnolia Park in West Palm Beach to the Miami Airport, stopping at the Golden Glades facility along the way. Tri-Rail features 25 southbound and northbound trains during weekdays and 30 on weekends and holidays. Hours of operation at Golden Glades are 4:35 AM-10:10 PM on weekdays and 5:39 AM-10:30 PM on weekends.

- ## Park and Ride

Golden Glades MMF also features a park and ride that allows commuters to park for free and connect with transit or tri-rail transportation. The majority of park and ride users are located in Southern Broward county and Northern Miami Dade county that are commuting to downtown Miami, Civic Center, PortMiami and the Miami Airport.

- ## Other / Drop-Offs

Additional utilization of the site is by transit passengers that are dropped off at the site by several other modes of transportation, including by personal-owned vehicles driven by acquaintances, carpool, rideshare, or other individuals; Greyhound buses; and more recently by services such as Uber and Lyft.

4. Competing Sites Inventory

Comparable MMF's throughout the United States were identified and five (5) were selected for further comparison to the Golden Glades MMF. WEG initially identified eight (8) potential park and ride facilities that may have similar characteristics to the Golden Glades location but after an initial evaluation of these eight sites was conducted, five sites were identified that warranted further investigation. Generally, the proposed inclusion of 10,000 square feet of retail at the Golden Glades MMF is unlike the retail offerings at the various locations that were researched. Most of the sites provided vending machines as the only form of retail offering, while the sites with more significant retail were located in areas of higher urban density such as the St. Louis Gateway Transit Center and Mockingbird Station in Dallas, located in a large Transit-Oriented Development (TOD).

1. Cornwell Heights Transit Center-Philadelphia, PA

<u>Assessment of Overall Site Suitability</u>

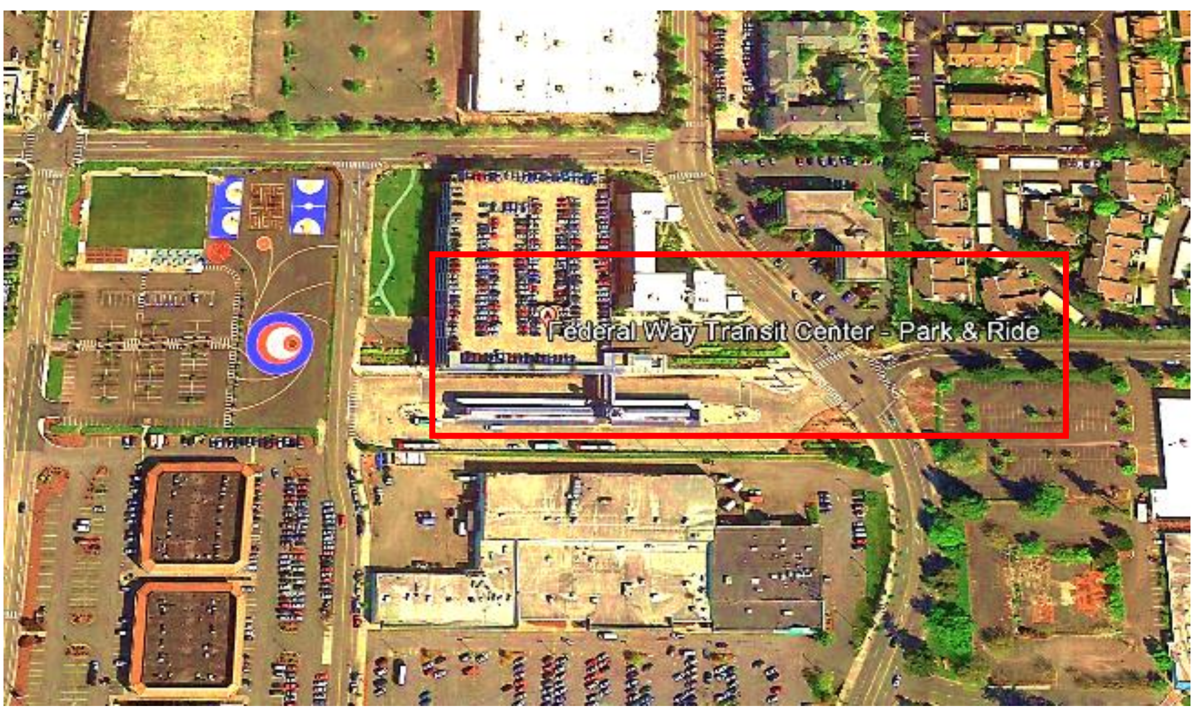
Cornwell Heights Station is relative to Golden Glades in terms of parking, usage, facilities, size and distance (highway, downtown, and urban edge). In addition to park and ride, Cornwell Heights is serviced by South Eastern Pennsylvania Transportation Authority (SEPTA) commuter rail line. This station offers no retail services.

- Facilities Included: Shelter, lighting, restrooms.
- Facility Size: 800,000 square feet.
- Services Offered: Park and ride, commuter rail.
- Fees Charged: $1/day
- Usage Figures: Parking 725 (43% of capacity). 2,271 average rail ridership.
- Number of Parking Spaces: 1,600 (surface)
- Annual Gross Revenue of Any Retail Space: $122,150
- Contractual Arrangements of the Construction & Operation of the MMF Retail Space: N/A
- Type of Retail Development: Vending Machines
- Amount of Retail Space Provided: <500 Square Feet

2. *Federal Way Transit Center- Seattle, WA*

Assessment of Overall Site Suitability

Federal Way Transit Center features a 929 space parking garage for riders. This site offers less parking than Golden Glades but sees a higher usage number. This site is located 22 miles from the city's central business district (Golden Glades is 12). This site offers no retail, however, there is private retail property directly across the street from the center.



- Facilities Included: Shelter, lighting security, bicycle racks.
- Facility Size: 194,000 square feet.

- Services Offered: Park and ride, transit.
- Fees Charged (if available): Free
- Usage Figures: Parking 929 (100% of capacity). Average daily bus ridership- 1,657.
- Number of Parking Spaces: 894 (garage)
- Gross Revenue of Any Retail Space: N/A
- Contractual Arrangements of the Construction & Operation of the MMF Retail Space: N/A
- Type of Retail Development: N/A
- Amount of Retail Space Provided: N/A

3. *South Hub Transit Center- Dayton, OH*

<u>Assessment of Overall Site Suitability</u>

Dayton South Hub Transit Center features a surface lot much smaller than that of Golden Glades (150 spaces). It is similar to Golden Glades in terms of distance to downtown, highway, and urban edge. This site features food and beverage vending machines.

- Facilities Included: Shelter, lighting, security, restrooms, kiss-and-ride-spaces, bicycle racks.
- Facility Size: 182,600 square feet.
- Services Offered: Park and ride, transit.
- Fees Charged (if available): Free
- Usage Figures: Parking 75 (50% of capacity). Average daily bus ridership- 450.

- Number of Parking Spaces: 150 (surface)
- Gross Revenue of Any Retail Space: N/A
- Contractual Arrangements of the Construction & Operation of the MMF Retail Space: N/A
- Type of Retail Development: Vending Machines
- Amount of Retail Space Provided: <500 sq. ft.

4. *Mockingbird Station- Dallas, TX*

Assessment of Overall Site Suitability

Mockingbird Station has similar features, facility size and location to Golden Glades. This site has 750 garage and surface parking spaces. Located on the facility is mixed-use residential, retail and office space development. Several restaurant and shopping options are available to travelers.

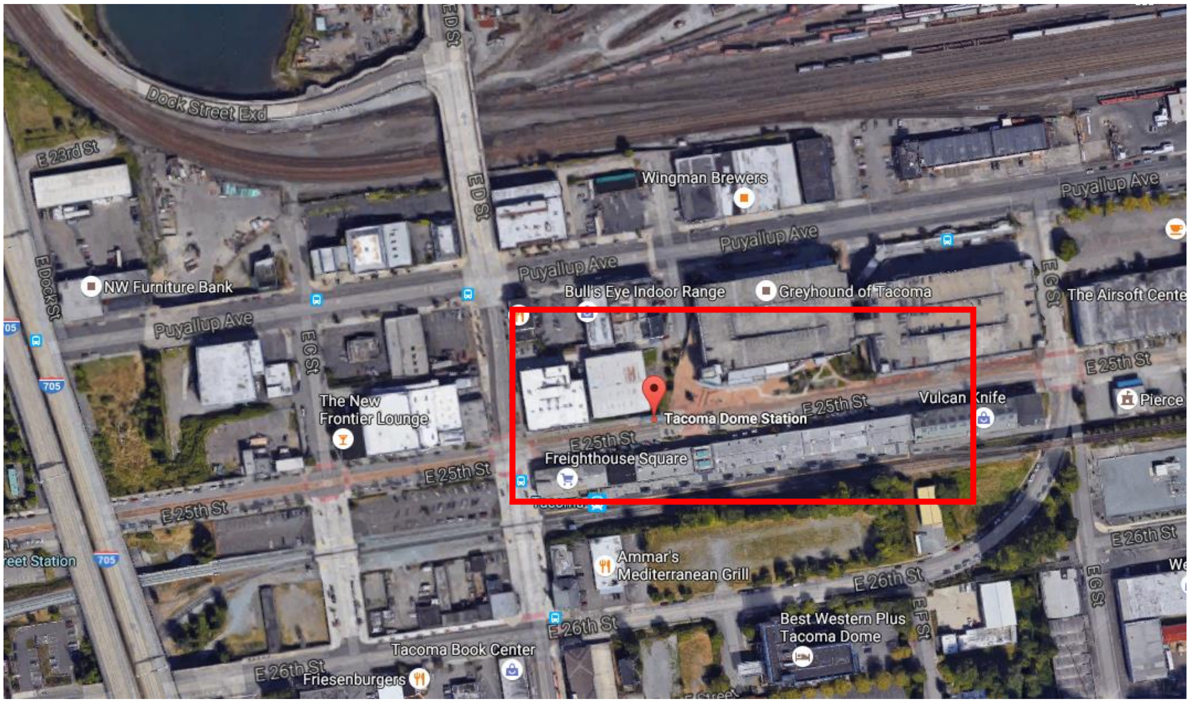
- Facilities Included: Shelter, lighting, kiss-and-ride-spaces, bicycle racks.
- Facility Size: 560,000 square feet.
- Services Offered: Light rail, park and ride.
- Fees Charged (if available): Surface parking is free
- Usage Figures: Parking 750 (100% of capacity). Total ridership daily average- 325.
- Number of Parking Spaces: (Surface). There is a private garage that is not available to Dallas Area Rapid Transit (DART) passengers.
- Gross Revenue of Any Retail Space: Unavailable

- Contractual Arrangements of the Construction and Operation of the MMF Retail Space: The project was constructed as a public-private partnership. Management is provided by DTZ. In July 2016 DART approved a contract with Cushman Wakefield to provide real estate brokerage services for the commercial component of the Mockingbird Station Mixed-Use TOD.
- Type of Retail Development: Shopping mall with retail, restaurant, residential and office space.
- Amount of Retail Space Provided: 180,000 square feet

5. *Tacoma Dome Station- Tacoma, WA*

<u>Assessment of Overall Site Suitability</u>

Tacoma Dome Station is located only 1 mile from the city's downtown. The site has more parking and higher overall usage than Golden Glades. There is no retail available at this station.



- Facilities Included: Shelter, covered parking, lighting, security, restrooms, kiss-and-ride-spaces, bicycle racks.
- Facility Size: 650,000 square feet.
- Services Offered: Commuter rail, light rail, park and ride.
- Fees Charged (if available): Free
- Usage Figures: Parking- 1,600 (66.7% of capacity). Total ridership daily average- 324.
- Number of Parking Spaces: 2,400 (Garage)

- Annual Gross Revenue of Any Retail Space: $5,165,806.
- Contractual Arrangements of the Construction & Operation of the MMF Retail Space: N/A
- Type of Retail Development: N/A
- Amount of Retail Space Provided: N/A

Additional Sites Not Researched Further

St Louis Gateway Transit Center- St. Louis Gateway Center features dining options (KFC & Taco Bell), but the site is located downtown and is therefore incomparable with Golden Glades in terms of location characteristics. The Gateway transit center also has a much higher usage rate with over 300,000 riders annually.

Troy Multi Modal Transit Center- Troy MMF is an unmanned train station in Troy, Michigan. This station was left out of the analysis due to its low usage (61 riders daily) compared with Golden Glades. This site is also further from downtown (16 miles to Detroit). Troy MMF features food and beverage vending machines. Estimated annual station revenue is $1,040,315.

San Diego Old Town Transit Center- Old Town Transit Center is much smaller in size comparison to Golden Glades (550 parking spaces). The site is located 5 miles from the city's downtown and 30 from the urban edge. This facility features a Metro PCS retail store as well as food and beverage concession stand. Old Town has high annual ridership (238,288) and annual revenues ($7,634,793).

5. Assessment of Market Demand

This section evaluates the market demand for retail offerings at the Golden Glades MMF. There are three potential customer markets for this site.

1. Primary Market

   Transit users transferring between Tri-Rail and the other modes of transportation servicing the site (Broward County Transit, Miami-Dade Transit, park and ride customers, and drop-off's).

2. Secondary Market

   Drivers that pass by or through the site on State Road 9 and State Road 7 (US 441).

3. Tertiary Market

   Drivers that are southbound on Florida's Turnpike which are seeking retail goods or services that will not be available at the truck travel center on the east side of the Golden Glades Interchange.

While there are 8,700 households within a five-minute drive of the facility, it is unlikely that retail at this location will attract shoppers from those households that are not part of one of the markets identified above.

5.1 National and Regional Trends

This section analyses regional economic trends and their impact on the Golden Glades Multi-Modal Facility (MMF). These broader (regional) trends were reviewed for the entire South Florida MSA, which includes Miami-Dade, Broward and Palm Beach Counties, as well as for the areas within Miami-Dade and Broward Counties that are connected to the Golden Glades MMF through either bus or rail transportation. Data used in this analysis was provided by a variety of private, academic and official sources, including the U.S. Census Bureau, the U.S. Bureau of Labor Statistics (BLS), the University of Florida Bureau of Economic and Business Research (BEBR), the Florida Department of Economic Opportunity (DEO), the University of Central Florida (UCF) Institute for Economic Competitiveness, and the Metropolitan Planning Organizations (MPOs) for both Miami-Dade and Broward Counties.

These broader and area-specific economic trends are important in assessing the feasibility of retail space in the MMF both the near and the long term. Trends in population growth as well as employment will affect demand and thus the profitability of the approximately 10,000 square feet of proposed retail establishments to be included at the MMF. Population growth within the Golden Glades market area will create a bigger potential market for retail, and trends in employment growth assist assessments of market demand as more work commuters use the public transportation facilities connected to Golden Glades. In addition, real personal income growth trends in the area are also important to analyze, as personal income growth is one of the primary factors driving retail sales and the demand for retail space.

Based on this analysis, WEG has concluded that both broader and area-specific economic trends within the South Florida region served by the Golden Glades MMF are positive for the viability of retail space. The South Florida region is estimated to experience sustained population growth through the next 30 years as well as steady employment growth within the next 10 years. Both population and employment growth are projected to be higher than the national average. The South Florida economy’s specialization in the trade, transportation and tourism industries, as well as the influx of international visitors to the region, will positively affect demand for public transportation to and from the Golden Glades MMF. Real Personal Income is forecasted to expand at a moderate pace over the next 30 years. The housing market is also expected to continue expanding on a longer term basis, driven by population growth, foreign investors and projected growth of employment.

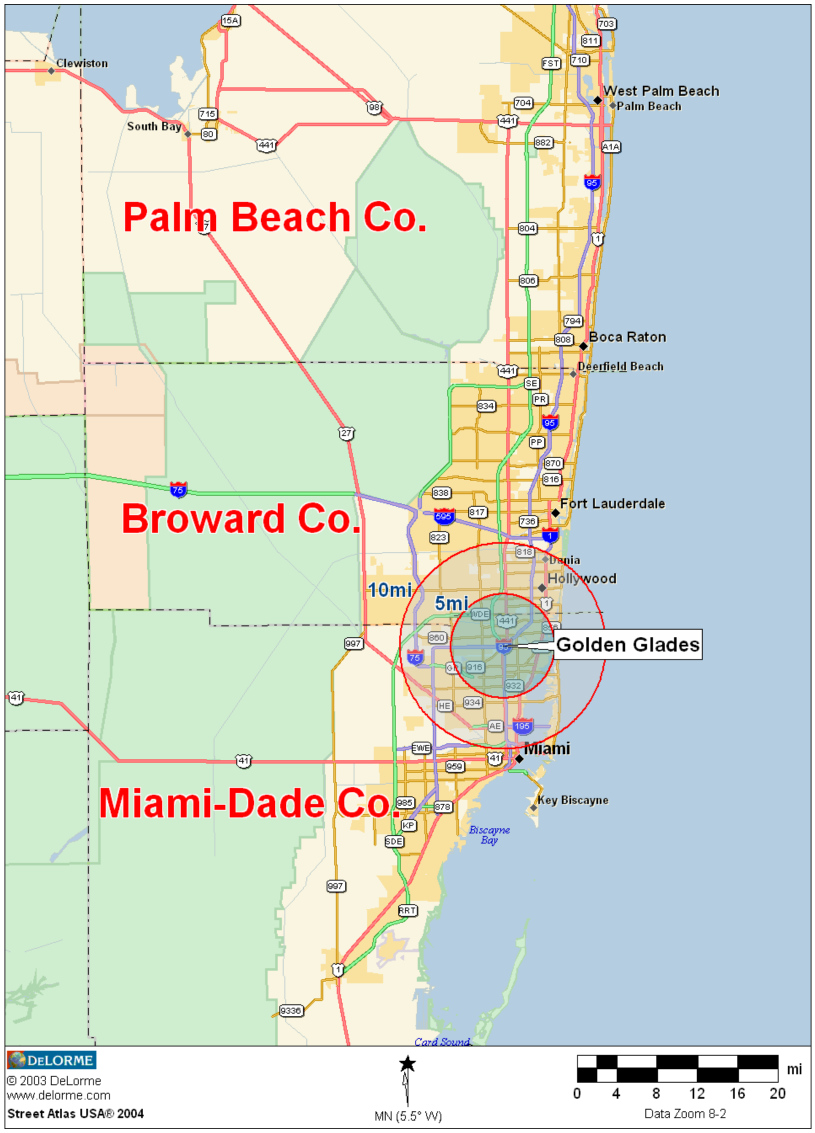
Within the areas that are directly connected to Golden Glades through either Miami-Dade Transit services, Broward County Transit services, or the South Florida Tri-Rail, there will be slightly larger population growth as compared to the Miami-Dade and Broward County regional total, as well as slightly lower employment growth compared to the two-county total. However, both population and employment growth within the areas directly connected to Golden Glades will significantly outpace the national average. Thus, the Golden Glades MMF is expected to experience growing commuter traffic over the forecast period, based on regional and area-specific population, employment and other economic trends.

a. The Regional Context Impacting the Golden Glades Multi-Modal Facility (MMF)

Recognizing the economic linkages and demographic patterns that transcend jurisdictional boundaries of Southeast Florida’s tri-county area (Miami-Dade, Broward and Palm Beach Counties), the U.S. Office of Management and Budget following the 2000 Census consolidated the three counties into a single redefined Metropolitan Statistical Area[1]. Regional context is particularly significant to market viability of retail space at the Golden Glades site due to its

[1]Throughout this report, the term “South Florida MSA” refers to the Metropolitan Statistical Area comprised of Miami-Dade, Broward and Palm Beach Counties.

regional transportation linkages as well as its location near the border of Miami-Dade and Broward Counties.



The map above presents the regional context for the Golden Glades MMF. It is located approximately at the intersection of I-95 and Florida's Turnpike, and due to its close proximity to Broward County, it is served by Broward County Transit and the South Florida Tri-Rail in addition to Miami-Dade County Transit. With the exception of the Tri-Rail service, which extends south from Palm Beach County, the majority of the public transportation described connects to Golden Glades from within a 10-mile radius.

b. Growth of Population in the Golden Glades MMF Market Area (2010-2045)

The tri-county Metropolitan Statistical Area (MSA) current estimated total population of more than 5.8 million makes it one of the largest MSAs in the U.S. Official projections of future population indicate a total population exceeding 6.5 million by 2025. Close to 4.5 million (or 76 percent) of the MSA's current total population is in Miami-Dade and Broward Counties.

Miami-Dade County's population, which is estimated at over 2.6 million, accounts for nearly 60 percent of the two-county Miami-Dade/Broward area. Current projections from the University of Florida Bureau of Economic and Business Research (BEBR), which publishes long-term population projections for all counties in Florida, indicate that the population of the two-county area will increase by about 510,000 persons during the next 10 years. (See Figure 2 below.)

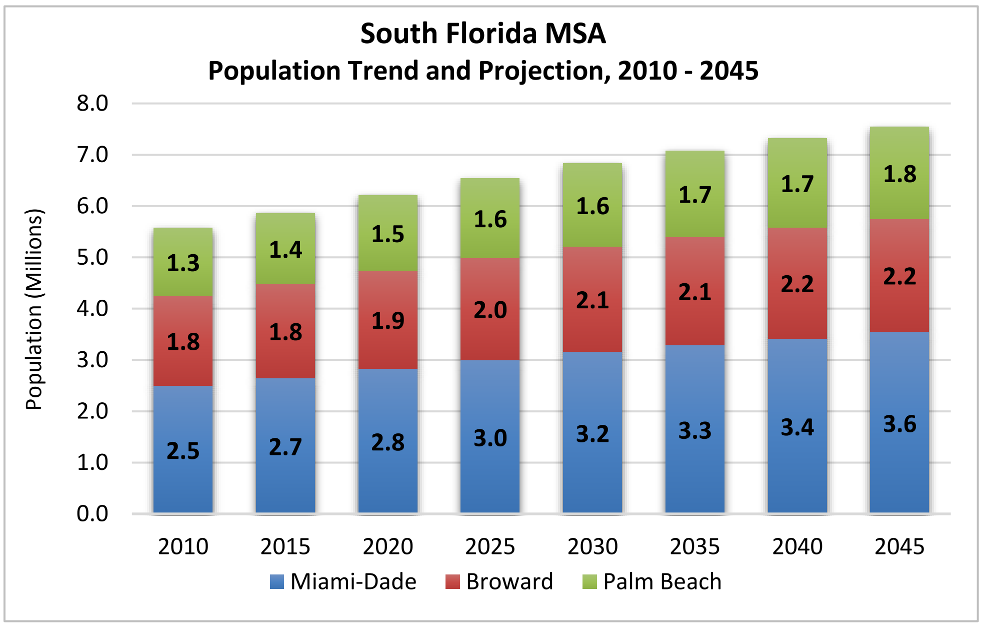


Figure 2.
Sources: U.S. Census Bureau 2010 and UF, Bureau of Economic and Business Research (BEBR).

According to the most recent population projections from the U.S. Census Bureau, the U.S. population is expected to increase from 309.3 million in July 2010 to approximately 389.4 million in July 2045, a 25.9 percent increase. During this same period, the population of both the South Florida MSA and the two-county Miami-Dade/Broward area is expected to increase by approximately 35.5 percent. This indicates that the South Florida MSA will likely experience sustained population growth through 2045 that is significantly higher than the national average, and will positively affect demand for retail offerings at the Golden Glades MMF.

Over the past 4 years, the total population of the South Florida MSA grew at an average annual rate of about 1.3 percent compared to 1.5 percent statewide and 0.8 percent nationally, as presented in Figure 3 below. Annual population growth is also expected to continue growing at a very similar pace for all three areas through 2019, according to the University of Central Florida (UCF) Institute for Economic Competitiveness. In essence, the South Florida MSA is projected to have a population growth rate through 2019 that exceeds the national average, which will add to the large base of potential commuters to the Golden Glades MMF.

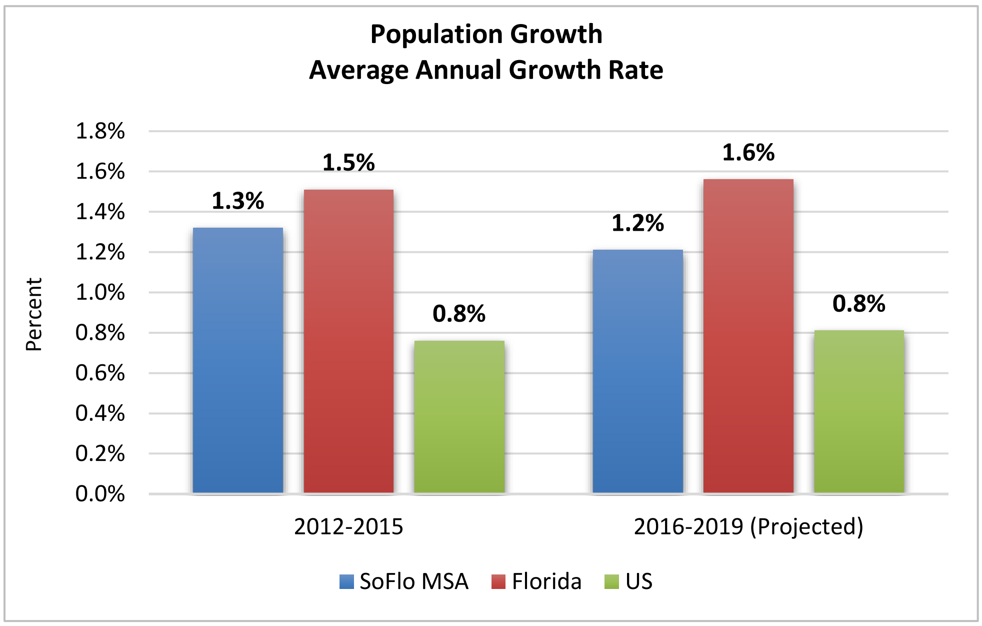


Figure 3.
Sources: U.S. Census Bureau 2010 and UCF, Institute for Economic Competitiveness.

As shown in Figure 4 on the next page, population growth for the South Florida MSA has significantly outpaced the national average beginning in 2010, and is expected to continue to outpace population growth on the national scale. The same is true for the State as a whole.

Beginning in 2014 and beyond, Florida is expected to have a population growth rate slightly higher than that of the South Florida region, but both the MSA and the State as a whole are projected to have much higher relative population change than the national average. Retail establishments at the Golden Glades MMF will be positively impacted by the sustained high population growth of both the State and the South Florida MSA.

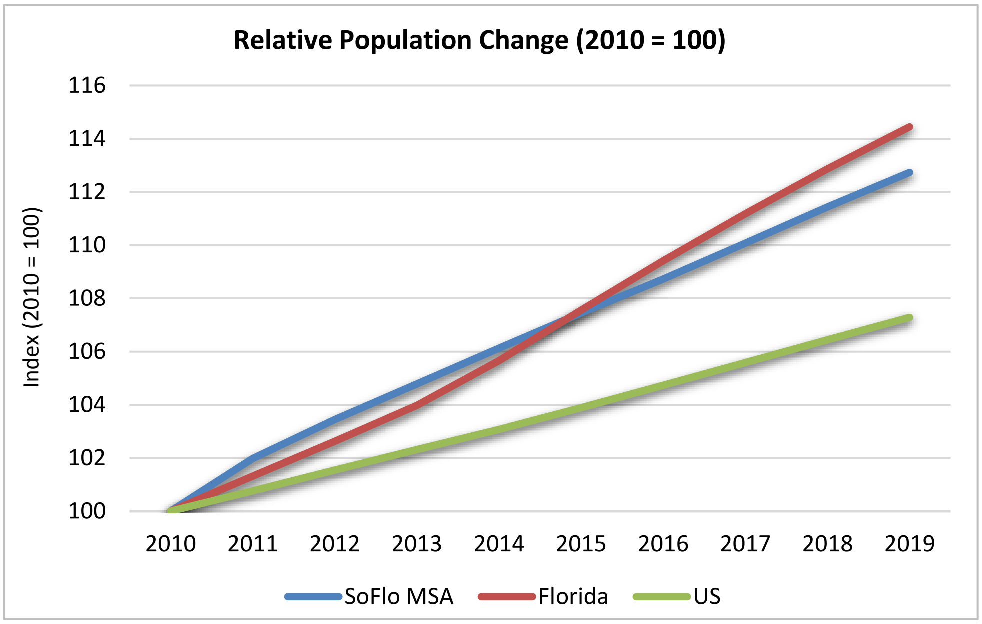


Figure 4.
Sources: U.S. Census Bureau 2010 and UCF, Institute for Economic Competitiveness.

c. Employment Projected to Increase, Adding to the Golden Glades MMF Demand

The long-term employment growth outlook for the South Florida region is positive and is expected to maintain a pattern of growth consistent with recent trends. Average annual employment growth in the South Florida MSA between 2010 and 2015 was around 2.7 percent or over 62,000 jobs per year. The latest employment growth projections by the State agencies responsible for statewide economic analysis and forecasting indicate sustained employment expansion in the South Florida region through 2045, with gains **averaging** over 32,800 jobs annually.

Between 2015 and 2025 the South Florida MSA is projected to add approximately 393,000 jobs, an increase of approximately 15.7 percent. During this same timeframe the U.S. economy as a whole is projected to add close to 7.85 million jobs, which is an increase of 5.0 percent, according to projections from the U.S. Bureau of Labor Statistics (BLS). Thus, within the next 10 years South Florida is projected to have much higher employment growth than average, which is a positive indicator for both retail demand at the Golden Glades MMF as well as the South Florida economy as a whole. (See Figure 5 on the next page.)

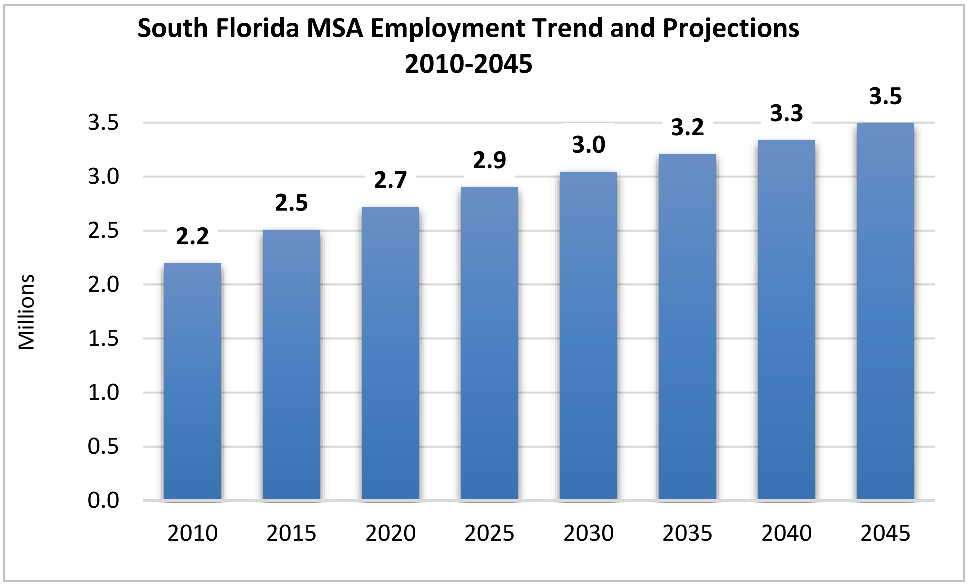


Figure 5.
Sources: Florida DEO and UCF Institute for Economic Competitiveness.

Over the past four years, total nonfarm employment in South Florida (Miami-Dade, Broward and Palm Beach Counties) grew at an average annual rate of about 2.9 percent compared to 2.8 percent statewide and 1.8 percent nationally. Annual nonfarm employment growth for both the South Florida MSA and the State as a whole is expected to slow to 1.7 percent and 2.1 percent respectively within the next four years, according to UCF. (See Figure 6 below.)

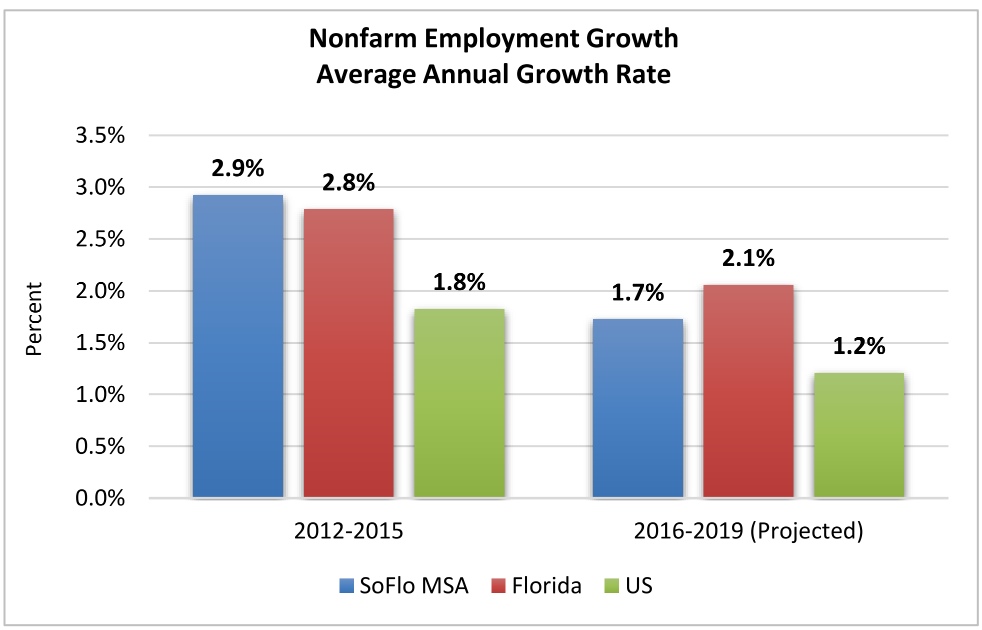


Figure 6.
Sources: Bureau of Labor Statistics, Florida DEO, UCF Institute for Economic Competitiveness.

However, the South Florida MSA as well as the State as a whole will continue to have an employment growth rate through 2019 that exceeds the national average. Although the long-term employment growth rate is expected to decrease from its current level, the overall employment base is expected to be much larger in the long term due to corresponding high-population growth, increasing demand for potential retail offerings at the MMF.

As shown in Figure 7 below, employment growth for the South Florida MSA significantly outpaced the national average in 2010 and beyond, while employment growth for the entire State outpaced the national average beginning in 2012. Beginning in 2016 and beyond, the South Florida region is expected to have an employment growth rate very similar to that of the entire State, with both the MSA and the State as a whole having a much higher relative employment change than the national average. In our assessment, higher employment levels will lead to more commuters using transportation services that connect to the MMF.

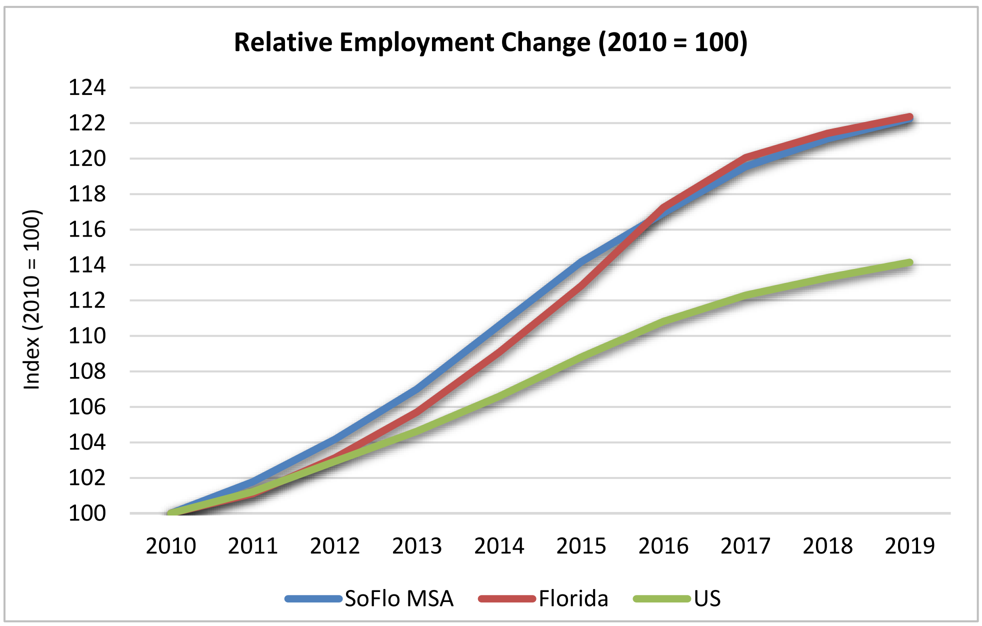


Figure 7.
Sources: Bureau of Labor Statistics and Florida DEO.

The Construction, Professional and Business Services, and Leisure and Hospitality sectors experienced the biggest growth in employment in South Florida during the last 5 years, with all sectors growing more than 20 percent. This bodes well for the economic growth of South Florida as the region is relatively well-specialized in these industries. This information is shown graphically in Figure 8 on the next page.

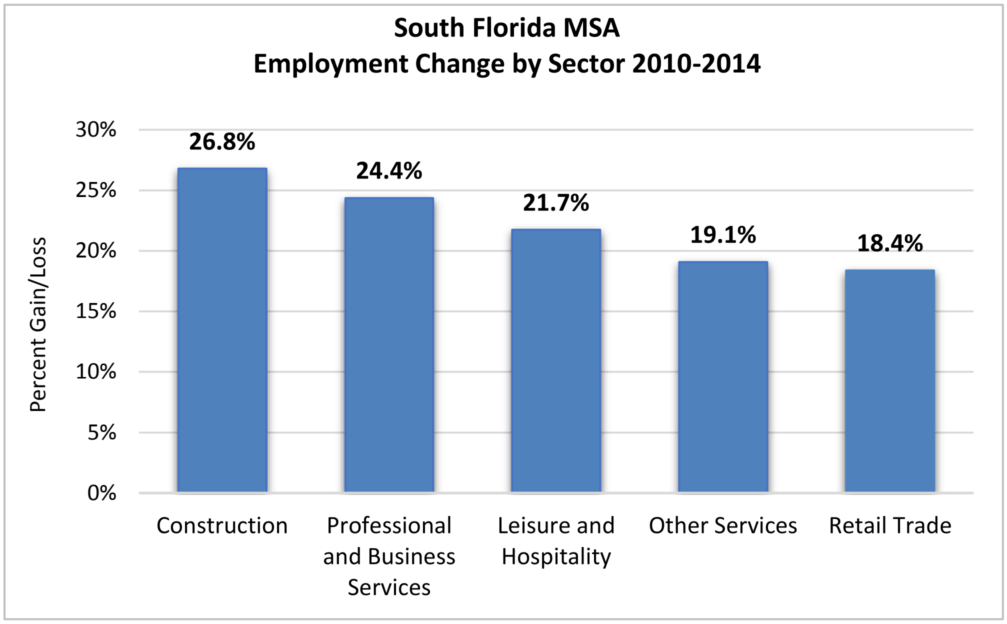


Figure 8.
Sources: Bureau of Labor Statistics and Florida DEO.

The Miami-Dade and Broward County economies were also analyzed using Location Quotient[2] (LQ) analysis. Location Quotients are a measure of the degree of economic specialization a particular industry has within the analysis region; in this case the regions analyzed are Miami-Dade and Broward Counties. A Location Quotient of greater than 1 indicates higher-than-average economic specialization in a regional industry, while an LQ of less than 1 indicates lower-than-average specialization. Economic specialization is important as regional economies will be more competitive in areas in which they are more specialized.

Based on LQ analysis, the Miami-Dade and Broward County economies are primarily driven by Trade, Transportation and Utilities and Financial Activities. The Professional and Business Services and Information sectors are also major components of the area's economic base, varying by degree among the individual counties. Leisure and Hospitality and Other Services are also major sectors in the Miami-Dade and Broward County area, exceeding the significance of these sectors on a national basis.

The South Florida MSA is dominated by service-producing industries as compared to goods-producing industries in terms of both LQ analysis and total employment. In addition, all of the

[2]Location quotient is calculated as the percentage of each standard industrial code (North American Industry Classification System-NAICS) employment category in a city (MSA) divided by percentage for the overall U.S. Thus, manufacturing employment of 10% for an MSA divided by the U.S. average of 8% yields a location quotient of 1.25. Source: Economy.com.

leading sectors of the Miami-Dade and Broward County areas are linked to and heavily influenced by international trade, commerce and tourism, all industries that will add to demand for transportation to and from the MMF. In addition, the entire region's economy benefits from Latin America trade flows through both the sea and air ports as well as the influx of foreign tourists. The global economy adds to the flow of traffic through the Golden Glades MMF.

Table 1. Primary Industries by Location Quotient (LQ)

Industry	Miami-Dade	Broward
Trade, Transportation and Utilities	1.30	1.16
Information	0.81	1.17
Financial Activities	1.18	1.22
Professional and Business Services	0.94	1.18
Leisure and Hospitality	1.11	1.07
Other Services	1.17	1.22

Source: Bureau of Labor Statistics (BLS).

d. Housing and Personal Income Growth in the Golden Glades MMF Regional Area

Household and personal income growth are some of the primary factors driving retail sales and retail space demand. UCF's measurement of annual housing starts[3] from 2010 through 2045 is expected to increase from the low of 5,000 per year in 2010 to almost 39,000 per year in 2020 as the South Florida economy recovers from the housing crisis, which significantly affected the local real estate market. During this period, real personal income growth[4] reached a high of 4.7 percent annually in 2015, before tapering off to 3 percent annually in 2020 and an average of 2.4 percent between 2025 and 2045. These metrics indicate a positive long-term recovery in the real estate market, along with more moderate but consistent growth in personal income through 2045. Figure 9 on the following page graphically represents these two metrics, with Housing Starts being represented on the left side of the axis and Real Personal Income being represented on the right side.

[3] "Housing starts" is an economic indicator that reflects the number of privately owned new housing units on which construction has been started in a given period. UCF's housing starts metric measures housing starts within the past year.
[4] Real personal income is measured in 2005 dollars.

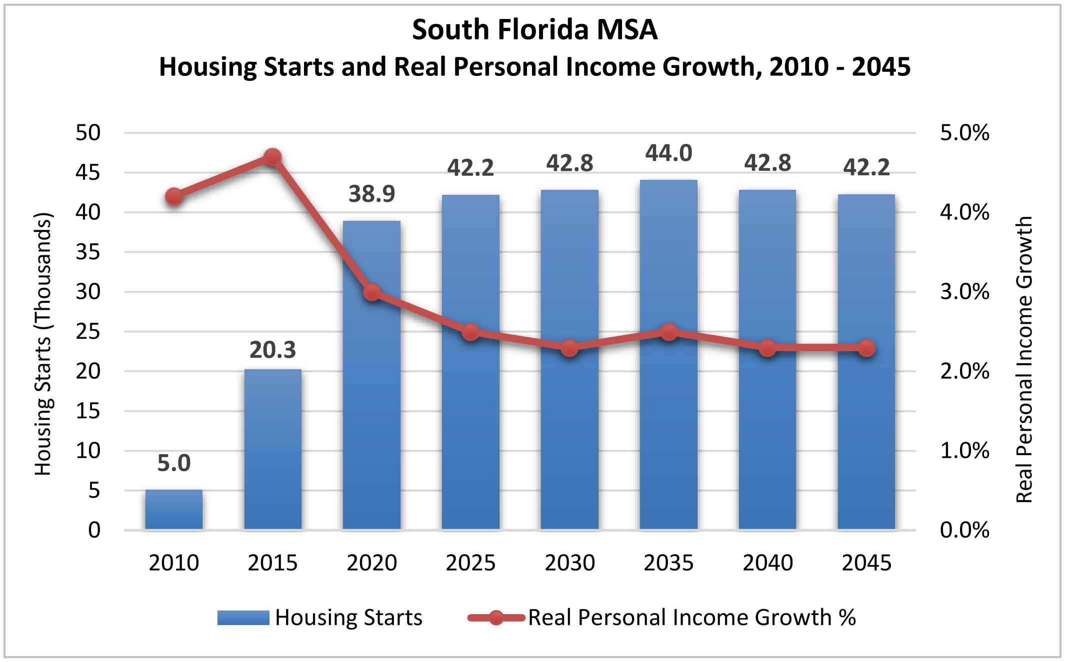


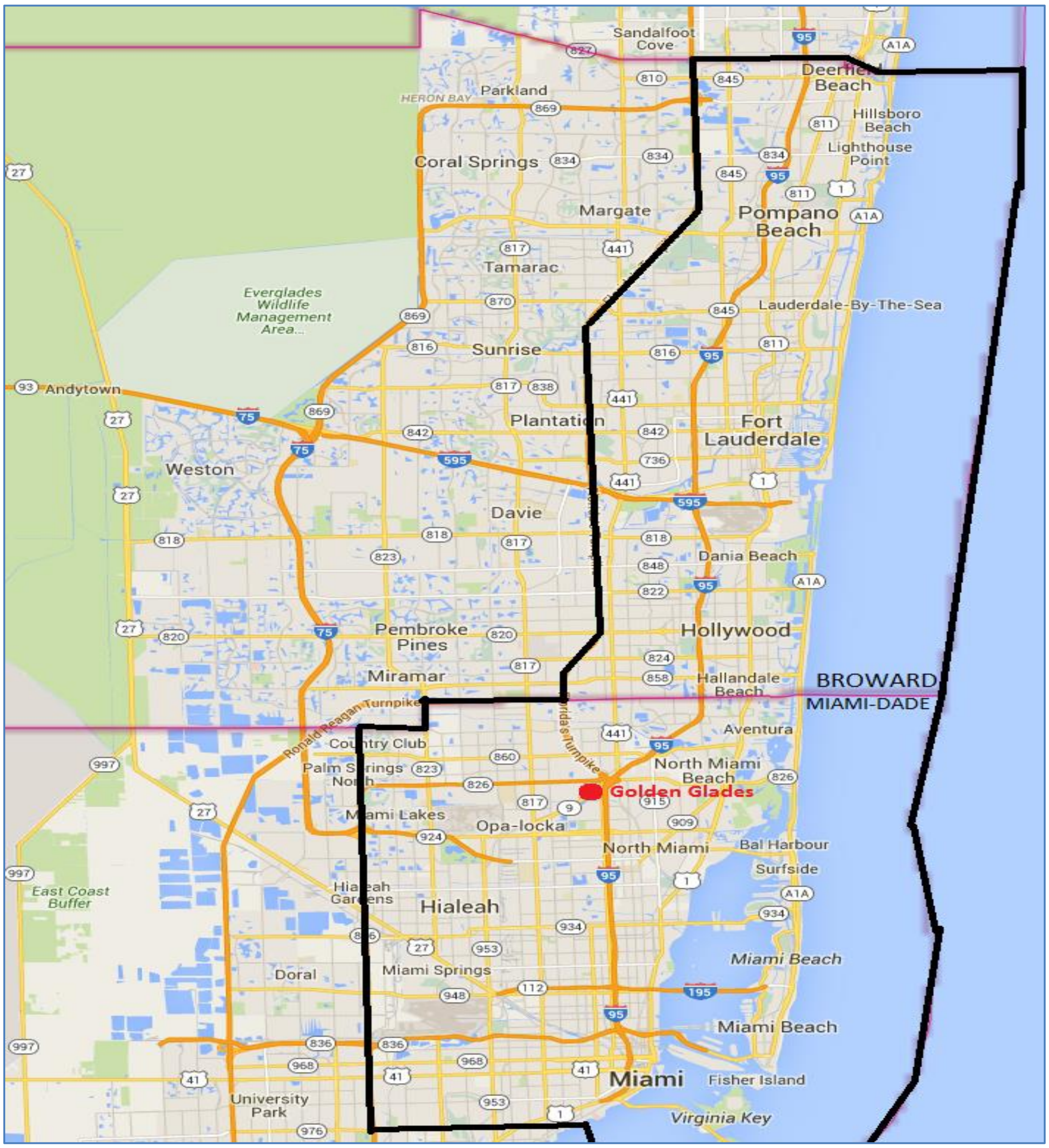
Figure 9.
Source: UCF, Institute for Economic Competitiveness.

e. Context and Methodology

The Golden Glades Multi-Modal Facility (MMF) is a regional multimodal transfer facility strategically located on a parcel of land, approximately 25 acres, owned by the Florida Department of Transportation (FDOT) in northern Miami-Dade County. The area is bordered by the South Florida Rail Corridor (SFRC) to the north, SR 9A (I-95) to the east, and NW 157th Street to the south. The facility currently provides direct access to Tri-Rail service, Miami-Dade Transit's local and express bus service as well as Broward County Transit's express bus service. All of these modes of transportation are likely to experience growing demand for MMF.

According to the Florida Department of Transportation, the Broward County Transit (BCT) bus routes serving Golden Glades are 18, University Breeze and 441 Breeze. The Metrobus (Miami-Dade County) routes serving Golden Glades are 22, 77, 95x, 105E, 246 and 277. Within Miami-Dade and Broward Counties, the Tri-Rail service extends from the Deerfield Beach station in northeastern Broward County to the Miami Airport station in Miami-Dade.

To define the geographic area served by the Golden Glades facility (also referred to as the Golden Glades Service Area) and best estimate future population and employment growth within this area, WEG obtained population and employment data from the Metropolitan Planning Organizations (MPOs) of Miami-Dade and Broward Counties. This data was separated by TAZ (Traffic Analysis Zone) and included estimates for 2010 and 2040. The areas that do not connect to Golden Glades through either bus or rail were excluded from the population and employment totals for the two counties. Generally, the areas excluded within Miami-Dade County include all TAZ's west of NW 77th Avenue (parallel to State Road 826), as well as all TAZ's south of SW 40th Street (Bird Road). The areas excluded within Broward County include all areas west of Florida's Turnpike. The map below displays the total area included in this analysis, which is enclosed in a black border[5].



[5] Key Biscayne is not shown in the Figure, but was included as part of the Golden Glades Service Area analysis.

f. Population and Employment Trends in the Golden Glades MMF Service Area

The percentage change in population and employment from 2010 through 2040 within the Golden Glades Service Area differs slightly from the percentage change for the Miami-Dade and Broward County totals. WEG's analysis indicates that the Golden Glades Service Area will experience slightly **higher population growth** than the two counties as a whole (a difference of 3.3 percent), as well as slightly **lower employment growth** (a difference of 2.1 percent). However, both population growth and employment growth for the MMF Service Area are expected to increase steadily through 2040, exceeding the national average.

These differences in growth rates can be explained by examining what areas are encompassed by the service areas in the two counties: relative employment levels in Miami-Dade are expected to increase faster in the areas in the county that are excluded from the Golden Glades Service Area, such as the southern and western parts of the county. However, population growth within Miami-Dade will continue to be concentrated within the urban core and Miami Beach areas that are connected to the MMF. Within Broward County there is little difference in relative employment growth between the areas served by Golden Glades and the areas in Broward that are not, but relative population growth is projected to be much higher in the parts of Broward that are east of the Turnpike and also within the Golden Glades Service Area. The percent changes for the regional totals are graphically displayed in Figure 10 below.

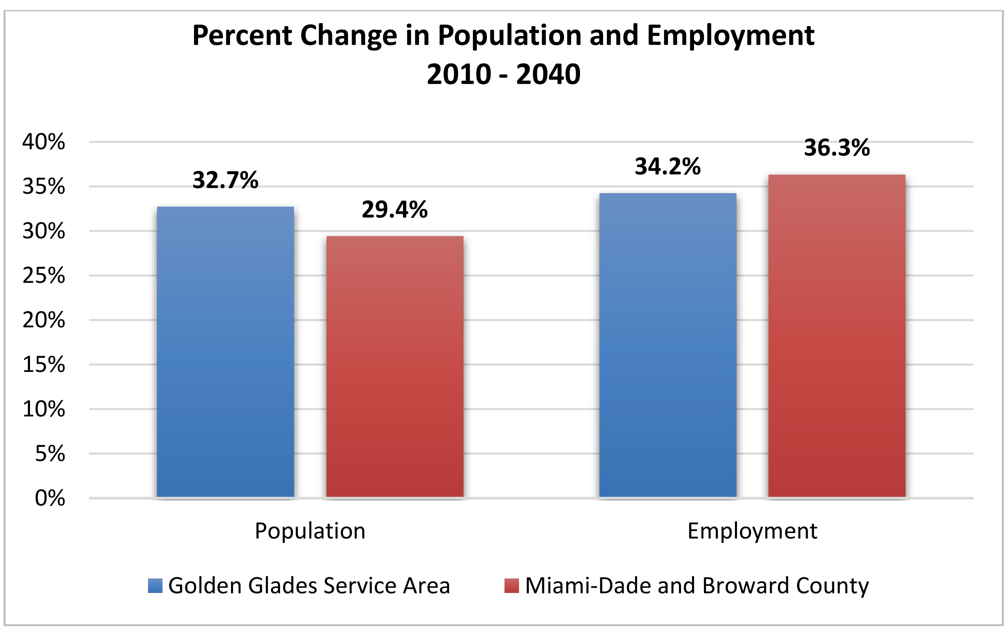


Figure 10.
Source: UCF Institute for Economic Competitiveness.

As shown in Table 2 below, the Golden Glades Service Area includes approximately 49 percent of the total population of Miami-Dade and Broward Counties as of 2010, as well as 59 percent of total employment within these counties. The area served by the Golden Glades Park and Ride facility is expected to include a population of 2.76 million by 2040 with a corresponding employment of 1.57 million, up from a 2010 population and employment level of 2.08 million and 1.17 million respectively.

Table 2. Population and Employment, 2010 and 2040[6]

Data Point	Golden Glades Service Area 2010	Golden Glades Service Area 2040	Miami-Dade & Broward Counties 2010	Miami-Dade & Broward Counties 2040
Population	2,077,314	2,756,042	4,227,605	5,469,249
Employment	1,172,167	1,573,143	1,992,335	2,715,903

Sources: Miami-Dade and Broward Counties MPOs and UF-BEBR.

In conclusion, the broader (regional) and area-specific economic and demographic environment of the MMF is positive, indicating long-term growth in population, employment, housing and personal income. This is true both for the areas directly connected to the MMF as well as the tri-county South Florida MSA as a whole. South Florida's economy is well specialized in service industries such as trade and transportation, which is a positive indicator for transportation to and from the Golden Glades facility.

Although some economic indicators are projected to show more moderate growth in the long term beyond 2025, the overall outlook is still positive beyond that timeline, exceeding the national average. Based on projected regional and area-specific economic and demographic trends, the MMF could be a viable location to develop retail services that can serve the economy of both Miami-Dade and Broward Counties.

5.2 Retail Sector Trends

Our review of national and regional trends of retail industry models includes convenience stores that have expanded into food-service providers, and quick service, fast casual restaurants.

[6] Maps illustrating the 2010 and 2040 employment projections in the TAZ's along the routes that service the Golden Glades MMF are included in Appendix C.

Convenience Stores

Convenience stores offer speed of service to time-starved consumers who want to get in and out-of-the store quickly. These shoppers recognize this channel of trade for its convenient locations, extended hours of operation, one-stop shopping, grab-and-go foodservice, variety of merchandise and fast transactions. Today's consumers expect convenience-driven foodservice providers to integrate into their lifestyle seamlessly. The noncommercial sector is responding with online ordering and mobile apps that expedite ordering and payment processes, new delivery tools and increased self-service options-such as upscale grab and go and vending fare, as well as pour-your-own beer and wine.

The U.S. convenience store count increased to a record 154,195 stores as of December 31, 2015, a 0.9 percent increase (1,401 stores) from the year prior, according to the latest NACS/Nielsen Convenience Industry Store Count. While convenience stores have offered fresh, prepared foods for years, it is only over the last decade that the trend has accelerated.

Today's convenience stores usually offer an array of products and services arranged in departments, and include bakery items, sit-down restaurant areas or a pharmacy. A minimum of 500 SKU's is typical in today's convenience store, and product mix includes grocery type items and also items from the following groups: beverages, snacks, print media and tobacco.

According to NACS Constitution and Bylaws, the NACS Definition of a Convenience Store is:

> *"...a retail business with primary emphasis placed on providing the public a convenient location to quickly purchase from a wide array of consumable products (predominantly food or food and gasoline) and services."*

Facts and trends about top in-store merchandise categories and services of the convenience and fuel retailing industry include the following:

- Beer Sales: Nearly 80 percent of convenience stores sell beer, accounting for more than 30 percent of all beer purchased in the United States.
- Coffee Sales: With competition for consumers' hot dispensed beverage dollars at an all-time high, convenience stores are one of the preferred destinations for coffee drinkers who want a quality "cup of Joe" quickly.
- Lottery Sales: Convenience stores sell approximately half of all lottery tickets sold in the United States.

Convenience stores offer speed of service to time-starved consumers who want to get in and out of the store quickly. These shoppers recognize this channel of trade for its convenient locations, extended hours of operation, one-stop shopping, grab-and-go foodservice, variety of merchandise and fast transactions.

Retailers recognize the importance of creating destinations within the store that require additional space — whether coffee islands, foodservice areas with seating or financial services kiosks. Convenience stores also have expanded their offerings over the last few years, with stores becoming part supermarket, restaurant, bank, and/or drugstore.

Convenience stores have an unmatched speed of transaction: the average time it takes a customer to walk in, purchase an item and depart is between 3 and 4 minutes. Here's the breakdown: 35 seconds to walk from the car to the store, 71 seconds to select item(s), 42 seconds to wait in line to pay, 21 seconds to pay and 44 seconds to leave store[7]. The convenience store industry is a destination for food and refreshments. With falling revenues from fuels and tobacco products, foodservice sales are increasingly becoming convenience stores' most profitable category. Convenience store foodservice is roughly a $61 billion industry contributing 21.2 percent to in-store sales in 2015[8].

According to recent research of the NPD Group, "food-forward" convenience stores have increased their share of visits to 17 percent of all convenience stores, rising from 12 percent in 2009. NPD groups into this category regional chains such as WAWA, Cumberland Farms, Maverik, QuikTrip and 7-11. When surveyed, customers indicated that when evaluating their intent to revisit, visit frequency and customer satisfaction, these convenience stores received better scores than traditional fast food restaurants, fast casual restaurants and traditional convenience stores.

In the firm's most recent survey, 15 percent and 10 percent of respondents said they prefer to visit c-stores or grocery stores, respectively, for late-night meals, compared with 44 percent who prefer fast food. During the 2016 July national political conventions, WAWA's late night food offerings were the subject of discussion among the talk show hosts, including Sean Hannity who was very vocal about the excellent food service provided. This particular

> *Consumers also are visiting retailers more frequently for their late-night and snacking needs — and those purchases are poised to grow.*
>
> AlixPartners| Consulting and Business Advisory Services.

[7]NACS State of the Industry data.
[8] Ibid.

segment of the industry is showing advancement in sales and penetration of local markets and is well-suited for this particular location and consumer demographic profile.

Quick Service /Fast Casual Restaurant

Location, access and visibility are three key determining factors for quick service restaurant locations. Franchised operations are preferred by developers as they provide the developer with a safer investment. In conjunction with other providers, the quick service restaurant, especially concepts such as Dunkin Donuts, Krispy Kreme, McDonald’s, Chick-Fil-A, and KFC, can provide the day traveler with food options that are compatible with the customer’s desires and pocketbook, and this type of restaurant fulfills the developer’s need for a nationally recognized tenant.

While nationally, overall restaurant performance deteriorated in May, and operators’ expectations fell with it, according to the latest Restaurant Performance Index from the National Restaurant Association, the decline did not slow operators from expanding, especially in the Florida market, and South Florida in particular. With new concepts opening daily, the demand for quality locations is strong. Attraction of a top-tier quick service restaurant will require that excellent access and signage be provided.

As a subset of the restaurant industry, the fast casual industry is growing at a steady rate and outranking its counterparts, according to a 2015 Technomic Report. In year-over-year results, cumulative sales for the top 250 fast-casual chains were up 11.6 percent, a moderate decrease from the 13.5 percent growth rate observed in 2014. Aggregate unit growth also clocked in at 9.6 percent, compared to last year's 9.5 percent, according to the report. Of the 250 chains featured in the report, more than 90 had year-over-year sales and unit growth rates both in the double digits.

A recent survey by ULI indicates that after years of waiting to see where the Millennial generation will settle down, suburbs are now one of the preferred choices for living. However, great public transit and proximity to city centers are factors that will influence the attractiveness of suburbs, factors which are satisfied at this location.

Quick service or fast casual restaurant also fits the demographic profile of the area and the ridership defined in this Study.

5.3 Current and Future User Trends

The primary modes of transportation served by the Golden Glades MMF are Tri-Rail, Miami-Dade Transit, Broward County Transit, Park and Ride Users, and Vehicular Drop Off's. In order to conduct this analysis, certain assumptions have been made about the transfer behavior of the various user groups taking into account the various system and transportation efficiencies that transit riders will seek.

- An assumption is made that the majority of the park and ride users who drive to the Golden Glades park and ride facility are transferring to Tri-Rail. It is unlikely that an individual that owns and drives a car would drive to that location to transfer to a transit bus, although there may be some park and ride users that transfer to the 95 Express.
- Similarly, users of Miami-Dade and Broward County Transit are unlikely to be transferring back to their own private vehicle; however, there may be limited cases where a rider transfers from a bus to a private vehicle that is picking them up.
- Based on ridership numbers, the majority of the riders of Miami-Dade and Broward Counties transit are most likely transferring to Tri-Rail rather than to one of the other modes of transportation that services the facility.
- There is little statistical record regarding the number of drop offs that take place at the facility. Drop offs are primarily those individuals that arrive at the facility by personal vehicles driven by family, friends or acquaintances. They may also be arriving at the facility through ride share and services such as Uber and Lyft. Tri-Rail ridership figures indicate that the majority of the drop offs are transferring to Tri-Rail.

In summary, this Study assumes that Broward County Transit, Miami-Dade Transit, the Park and Ride users and the Drop Offs are feeding Tri-Rail ridership at this station. This allows us to estimate the number of drop offs and arrivals by any other mode (including pedestrian and bicycle, however limited) to ensure that the full user market is accounted for. Tri-Rail on/off numbers represent a total customer universe for the MMF; however, consumer spending and retail demand for these customers is analyzed based on their originating market areas.

- **Tri-Rail**

At the Golden Glades station, there are a total of 8,160 riders getting either on or off in the morning, and 8,651 that get on or off in the afternoon, resulting in average peak-time utilization of the Golden Glades Station by 8,406 riders. These riders are either going to, or coming from one of the other modes of transportation. There are an additional approximately 3,000 riders that use this station during off-peak times; however, for the purpose of assessing market potential this report evaluates the peak AM and PM ridership.

Tri-Rail Riders			
Time	**Boarding**	**Alighting**	**Total**
AM	5,286	2,874	8,160
PM	3,398	5,253	8,651

Source: South Florida Regional Transportation Authority.

- **Park and Ride**

Golden Glades MMF features 1,542 commuter parking spaces. In 2015, the facility sustained a total parking occupancy rate between 52 and 61 percent. Parking demand was highest in April (944), and lowest in January (673).

Months/ Years	West Lot Totals (1,007 Total Spaces)		East Lot Totals (535 Total Spaces)		Both Lots (1,542 Total Spaces)	
	Total Occupancy	Occupancy Rate	Total Occupancy	Occupancy Rate	Total Occupancy	Occupancy Rate
Jan-2015	648	64%	151	28%	799	52%
Feb-2015	652	65%	163	30%	815	53%
Mar-2015	703	70%	174	33%	877	57%
Apr-2015	751	70%	193	36%	944	61%
May-2015	664	75%	185	35%	849	55%
Jun-2015	664	66%	189	35%	853	55%
Jul-2015	666	66%	163	30%	829	54%
Aug-2015	689	66%	172	32%	861	56%
Sep-2015	702	68%	171	32%	873	57%
Oct-2015	713	70%	174	33%	887	58%
Nov-2015	686	68%	152	28%	838	54%
Dec-2015	670	67%	171	32%	841	55%
Jan-2016	673	67%	188	35%	836	54%
Feb-2016	715	71%	169	32%	821	53%

Source: Florida Department of Transportation.

- **Broward County Transit (BCT)**

BCT has three bus routes leading to the Golden Glades service plaza. Route 18 and 441 run along State Road 7 leading to the Golden Glades. These are the heaviest used routes run with daily on and off averages of 524 (Route 18) and 378 (Route 441). Total average of BCT on/off's at the Golden Glades service plaza is 965. University Breeze Route 102 averages 63 daily on and offs. Route 102 maintains AM/PM peak of 30 while Route 18 and 441 have an AM/PM peak of 20.

Broward County Transit (BCT)		
Routes	**Daily Ons**	**Daily Offs**
18	519	529
441	414	341
102	63	63
Total	**996**	**933**
Source: Broward County Transit (BCT).		

- **Miami Dade Transit (MDT)**

MDT provides service to the Golden Glades MMF through routes 22, 77, 95x, E, 246, and 277. The 95 express is the most heavily used route for travelers heading to Golden Glades (958 average daily on/offs) followed by 77 (714), and 22 (418). The total average of MDT passenger on and offs at Golden Glades MMF is 4,854. AM/PM peaks are as follows:

Miami-Dade Transit (MDT)		
Route	**Daily Ons**	**Daily Offs**
22	431	405
77	756	672
95 (West Lot)	710	637
95 (East Lot)	336	232
E	161	171
246 Night Owl	11	9
277	147	176
Total	**2,552**	**2,302**
Source: Miami-Dade Transit (MDT).		

- **Drop-Offs**

Quantifiable information for the number of drop off's at the Golden Glades facility does not exist. However, it is possible to approximate the number of drop off's based on the utilization of the other modes. With an assumption that Tri-Rail ridership at this station is fed by the other modes, and that there is not a significant amount of transfers between the other modes, an estimate is possible.

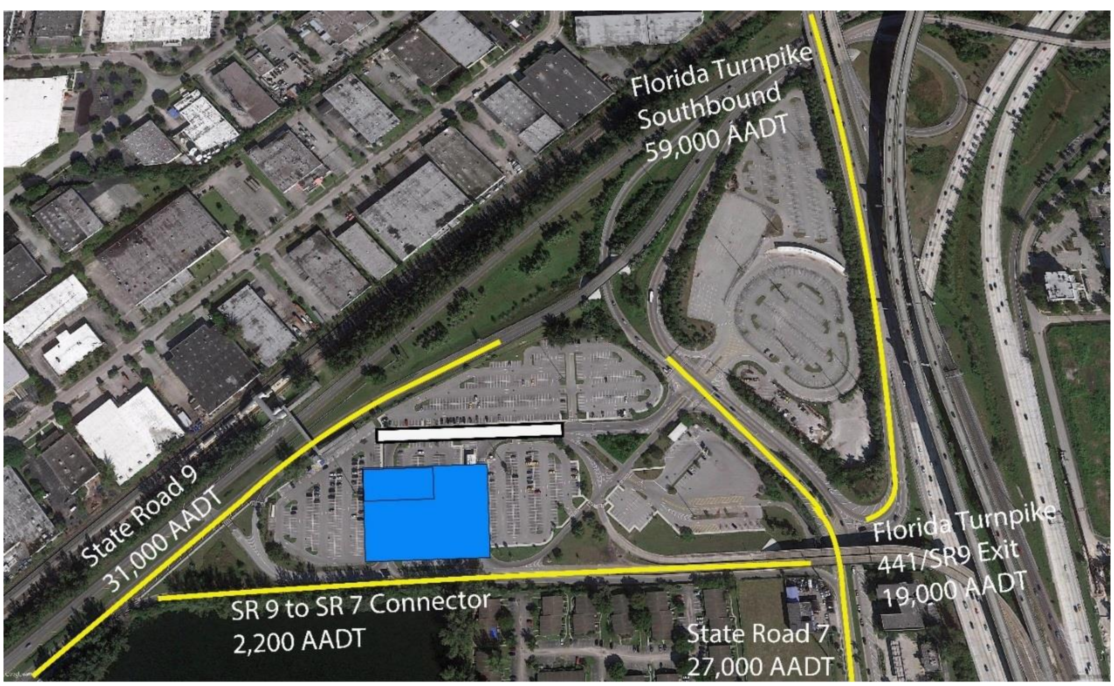
Average daily Tri-Rail on/off's at Golden Glades	**8,406**
Average daily Broward County Transit on/off's	965
Average daily Miami-Dade Transit on/off's	2,427
Average daily Park and Ride users	856
Average daily transit and parking users	4,248

Average Tri-Rail (8,406) minus Average Transit/Parking (4,248) = Average of "Other" (4,158)

Assuming that the ridership and on/off statistics provided by the agencies are accurate and reliable, an average of 4,158 users transfer to and from Tri-Rail at the Golden Glades station by a mode of transportation other than Broward County Transit, Miami-Dade Transit and the park and ride. These "Drop Off's" may be arriving via a private vehicle driven by a friend, family member or acquaintance; by a ride share service or carpool; by Greyhound bus; by Uber or Lyft, by bicycle, or maybe even as a pedestrian.

- **Pass-By Traffic**

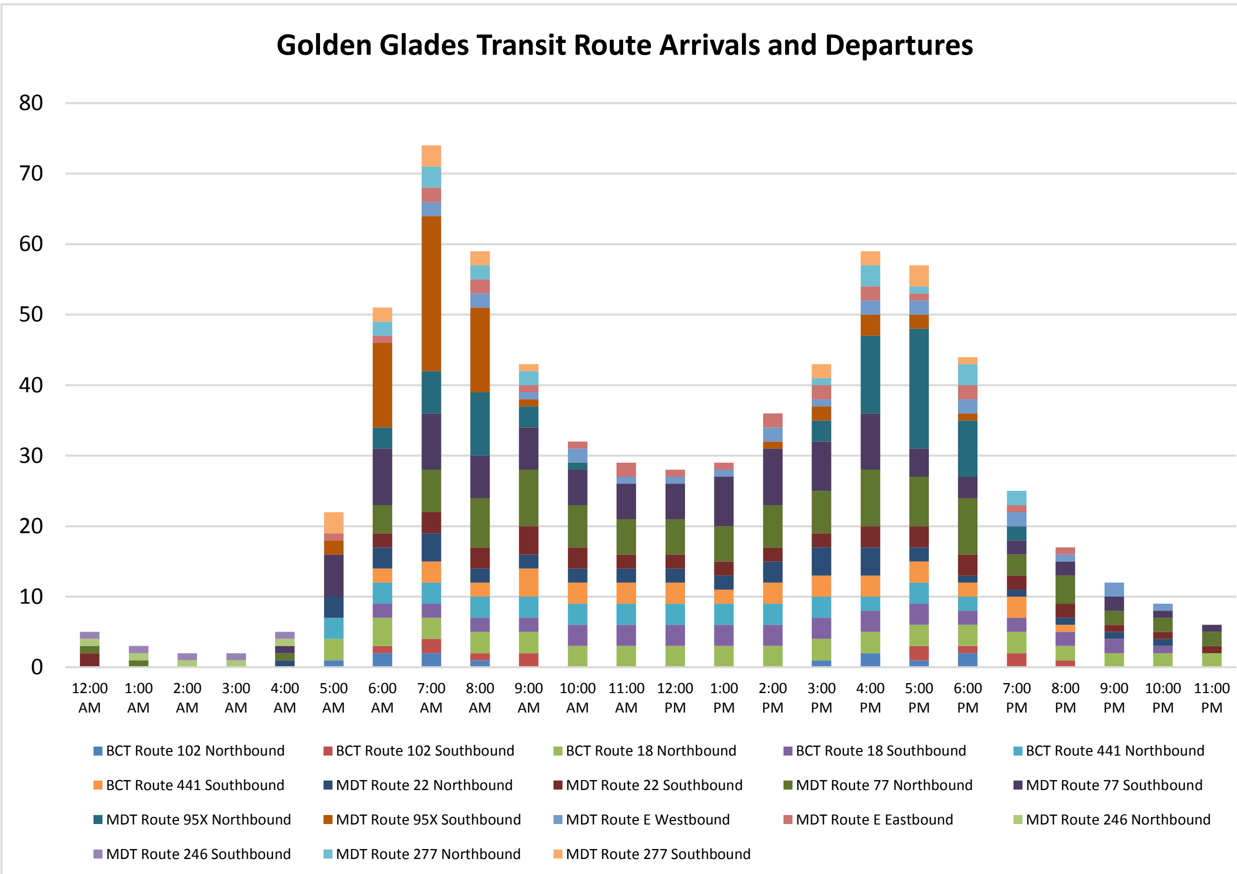
There are three primary roadways that have reasonable access to the Golden Glades MMF that may support some level of retail development at the site. These include: Florida Turnpike, State Road 9 and US 441, with significant average daily traffic as shown in the Figure below.



Note: Adjacent Roadway Traffic Counts.

- **Activity by Time of Day**

The period that the site is the most active is during commuting hours, 7:00 AM and 8:00 AM and 4:00 PM and 5:00 PM, with moderate utilization of the site by Miami-Dade Transit and Broward County Transit between the two peak times. There are a total of 692 arrivals and departures by the two transit agencies; 84 percent occur between 6:00 AM and 6:00 PM. Thirty-three (33) percent take place between 6:00 AM and 9:00 AM, and 33 percent occur between 3:00 PM and 7:00 PM. (See Figure 11.)



Note: Number of arrivals and departures at the Golden Glades MMF is included in Appendix D.
Figure 11.
Source: RMA.

5.4 Future User Trends

As previously discussed, utilization will be driven by population and job growth, as well as other influences that include convenience, technology and behavior and lifestyle preferences. For this section, growth projections have been utilized based on information provided by either FDOT or the transit system, either provided directly or found in the plans and reports of the responsible agency. Additionally, generational growth will influence certain modes more than others. For example, it has been well researched and reported that millennials prefer public transportation over personal vehicles, provided that public transportation options are convenient, reliable and timely. Utilization of services such as Uber and Lyft, which were recently legalized in Miami-Dade and Broward Counties, to connect to the Golden Glades facility, will likely increase at a higher rate than the other modes in the near term. Figure 12 below shows the growth rates for each mode of transportation.

Table 6. Golden Glades Utilization by Mode of Transportation

	2016	2017	2018	2019	2020	2021	2022	2027	2032	2037	2042	2047
Park and Ride	856	913	974	1,039	1,108	1,146	1,185	1,384	1,583	1,793	2,018	2,272
Broward County Transit	965	1,007	1,053	1,101	1,151	1,183	1,216	1,383	1,555	1,738	1,936	2,157
Miami-Dade Transit	2,427	2,459	2,491	2,523	2,556	2,589	2,623	2,798	2,984	3,183	3,396	3,622
Other	3,749	3,933	4,123	4,397	4,682	5,039	5,414	5,594	5,855	6,159	6,481	6,803
Uber Drop Off	409	429	451	487	526	568	613	775	911	1,046	1,200	1,378
Tri Rail	8,406	8,742	9,091	9,546	10,023	10,524	11,051	11,934	12,888	13,918	15,031	16,233

Source: Redevelopment Management Associates (RMA).

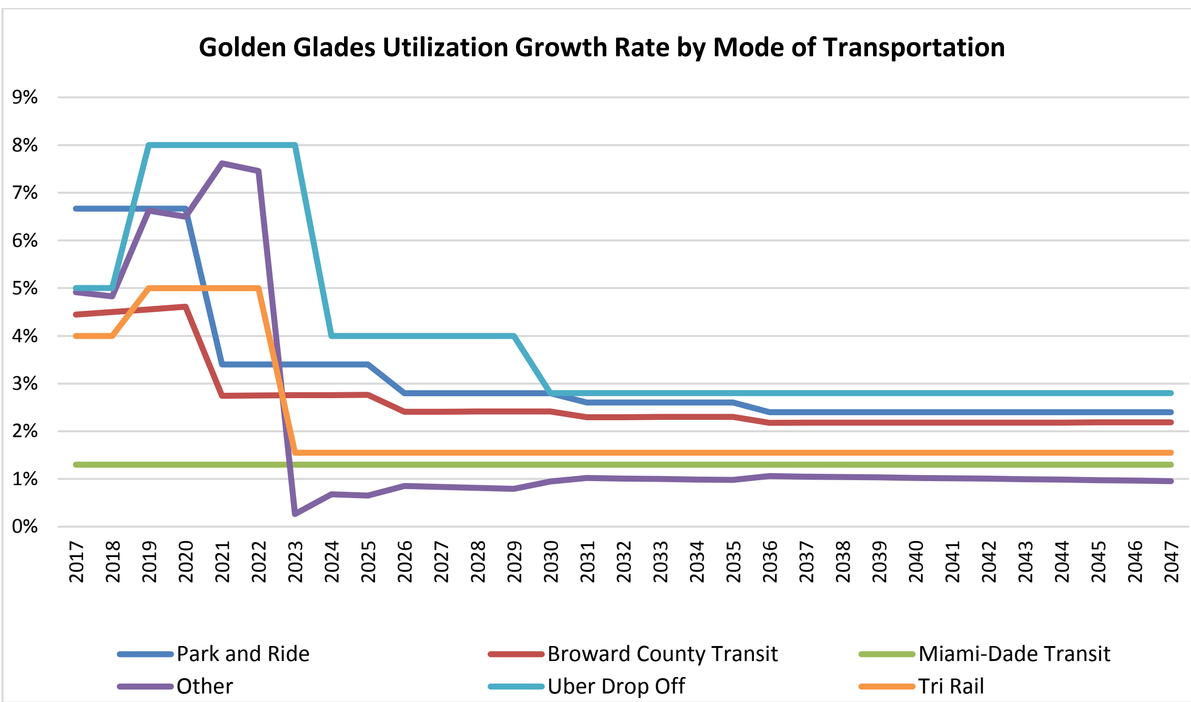


Figure 12.
Source: Redevelopment Management Associates (RMA).

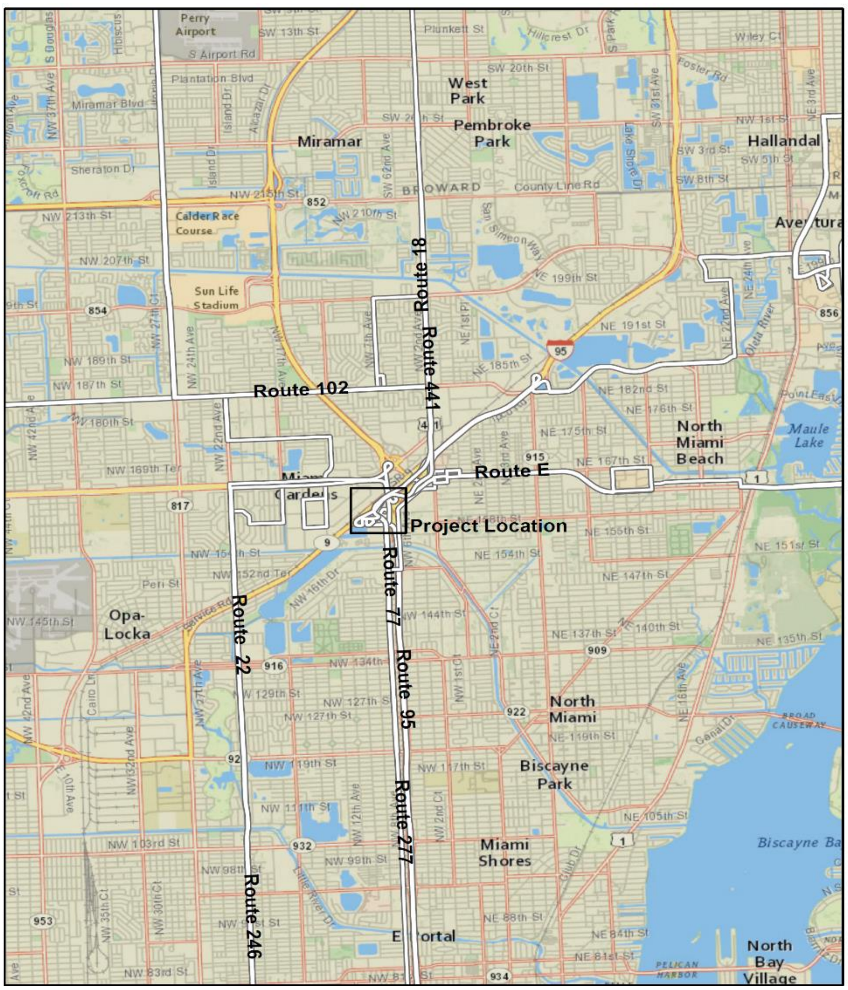
5.5 Market Analysis and Minimum Requirements to Meet Demand

To assess the viability of retail at the Golden Glades MMF, WEG analyzed demographic and consumer spending data for travelers passing through the interchange. An individual market area was created for each form of transportation based on the individual routes and areas supporting the facility. The Study includes macro-consumer spending trends in addition to trend in specific spending categories specific to retail, food and beverage. WEG assessed the

Market Potential Index (MPI) and Spending Potential Index (SPI) for each spending category to compare each market area to nationwide trends. The MPI measures the relative likelihood of the adults in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average. The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100.

- **Park and Ride and Drop Off's**

Travelers utilizing the Golden Glades Park and Ride and Golden Glades Tri-Rail Station typically drive or ride from southern Broward and northern Miami-Dade County. These travelers use the Golden Glades Facility to park or get dropped off and connect with another form of transportation to reach their ultimate destination. The market area for the Park and Ride and Drop Off customers generally covers the area from Griffin Road South to NW 135th St.



Park and Ride and Drop Off

Demographic Summary	2016
Golden Glades MMF Usage	5,014
Market Area Population	945,186
Population 18+	742,289
Households	345,921
Families	232,123
Median Age	39.1
Median Household Income	$47,890
Average Expenditures	$57,674
Food Away from Home	$2,066.06

Source: U.S. Census, ESRI Inc.

- **Broward County Transit (BCT)**

Based on reports, nearly 89 percent of individuals in the BCT market areas have visited a fast food restaurant in the past 6 months, close to the national average with an MPI of 99. The area features high MPI's for the following restaurants; CiCi's Pizza (138), Denny's (130), T.G.I. Fridays (138), Checkers (180), Church's Chicken (199) and Popeye's Chicken (186). Consumers in the market areas on average spend annually $79.09 on reading material, $284.35 on personal care products, $266.32 on smoking products, $647.39 on vehicle maintenance and repairs, and $2,028.75 on food away from home.

BCT market areas feature a higher than average total expenditure rate ($47,250.93 median annually). Nearly 90 percent of residents visited a fast food restaurant in the past month, and 43 percent visit more than 9 times per month. The area had an MPI of 93 for Starbucks and 95 for Dunkin Donuts. In the past 6 months, 54 percent of adults shopped at a convenience store, 14 percent bought coffee, 69 percent drank bottled water and nearly 50 percent drank regular cola. Additional information on Broward County market area spending trends is included in Appendix F.

Route 18 and 441

Demographic Summary	2016
Golden Glades MMF Usage	902
Market Area Population	46,304
Population 18+	35,583
Households	16,791
Families	11,080
Median Age	36.5
Median Household Income	$45,285
Average Expenditures	$42,238
Food Away from Home	$2,028.75

The market area for **Routes 18 and 441** covers a one-mile east/west radius around State Road 7 from I-595 to the Golden Glades interchange. Although the routes stretch North of Interstate 595, these areas were not analyzed due to more efficient transit options to Golden Glades for residents in the area. The total market area covers 6.7 square miles.

Source: U.S. Census, ESRI Inc.

Route 102

Demographic Summary	2016
Golden Glades MMF Usage	64
Market Area Population	79,572
Population 18+	60,468
Households	26,653
Families	18,905
Median Age	34.2
Median Household Income	$45,285
Average Expenditures	$52,263
Food Away from Home	$2,501.83

The market area for **Route 102** University Breeze covers a one-mile east/west radius around University Drive to the Golden Glades. The route stretches further north to the intersection of University and Westview road, however this section was not analyzed due to more efficient transit options available. The total market area covers 6.5 square miles.

Source: U.S. Census, ESRI Inc.

- **Miami-Dade Transit (MDT)**

Within the MDT market areas, 88 percent of residents visited a fast food restaurant within the past month. Highest visited restaurants include Checkers (209), and Boston Market (137). Consumers spent on average annually $84.22 on reading materials, $2,115.98 on food away from home, $298.58 on personal care products, $272.82 on smoking products, and $686.33 on vehicle maintenance and repairs. Additional information on Miami-Dade County market area spending trends is included in Appendix G.

Median household income in the market area is $39,487, and household expenditures totals $45,631. Eighty-eight (88) percent of residents have visited a fast food restaurant in the past month, and 40 percent have visited more than 9 times per month. On average monthly, 48 percent of consumers shop at a convenience store, 14 percent buy coffee, 13 percent buy cigarettes, 71 percent drink bottled water, and 52 percent drink regular cola.

Route 22

Demographic Summary	2016
Golden Glades MMF Usage	418
Market Area Population	52,171
Population 18+	40,018
Households	15,563
Families	11,577
Median Age	36.2
Median Household Income	$37,843
Average Expenditures	$45,087
Food Away from Home	$2,115.98

The market area for **Route 22** covers a one mile east-west radius over the route from NW 79th Street and NW 22nd Avenue, and east along 163rd Street to the 163rd Street Mall. Its southern stop at up to the intersection of 79th St and NW 22 Ave. The route stretches further south to Coconut Grove Metro Rail station, however, this section was not analyzed due to more efficient transit options for riders to reach their destinations than through the Golden Glades MMF.

Source: U.S. Census, ESRI Inc.

Route 77

Demographic Summary	2016
Golden Glades MMF Usage	714
Market Area Population	72,104
Population 18+	54,323
Households	21,523
Families	15,872
Median Age	35.1
Median Household Income	$35,291
Average Expenditures	$43,490
Food Away from Home	$2,046.10

Source: U.S. Census, ESRI Inc.

The market area for **Route 77** covers a 1-mile east/west radius along NW 7th Ave from 199th street south to NW 58th St. The route stretches further South to NE 1st Street (Culmer Station), however, this section was not analyzed due to more efficient transit options to the Downtown area. The total market area spans 9.25 miles.

Route 95 Express

Demographic Summary	2016
Golden Glades MMF Usage	958
Market Area Population	945,186
Population 18+	742,289
Households	345,921
Families	232,123
Median Age	39.1
Median Household Income	$47,890
Average Expenditures	$57,674
Food Away from Home	$2,727.66

Source: U.S. Census, ESRI Inc.

Passengers traveling on the **Route 95 Express** are typically either transferring from other transit routes or driving personal vehicles to the Golden Glades MMF and therefore are drawn from a wider area. The market for Route 95 Express route covers the area from Griffin Road south to NW 135th St. The market area spans 126 square miles.

Route E

Demographic Summary	2016
Golden Glades MMF Usage	166
Market Area Population	10,373
Population 18+	7,965
Households	3,076
Families	2,302
Median Age	36.0
Median Household Income	$39,385
Average Expenditures	$43,774
Food Away from Home	$2,066.06

Source: U.S. Census, ESRI Inc.

The market area for **Route E** covers a 1-mile north-south radius along 163rd street from the Golden Glades interchange east to NE 22nd Ave. The route stretches further north to Hallandale Beach Boulevard, however, that section is not part of the primary market area for the Golden Glades MMF, and was not analyzed.

Route 246- Night Owl

Demographic Summary	2016
Golden Glades MMF Usage	10
Market Area Population	52,171
Population 18+	40,018
Households	15,563
Families	11,577
Median Age	36.2
Median Household Income	$37,843
Average Expenditures	$45,087
Food Away from Home	$2,115

The market area for **Route 246** covers a 1-mile east-west radius over the route from its southern stop at the Government Center Metro Rail station up to the intersection of 79th St and NW 22 Ave. The route stretches further north to the 163rd street mall, however, that section is not part of the primary market area for the Golden Glades MMF and was not analyzed. The market area stretches 7.33 square miles.

Source: U.S. Census, ESRI Inc.

Route 277

Demographic Summary	2016
Golden Glades MMF Usage	162
Market Area Population	53,578
Population 18+	40,241
Households	16,080
Families	11,637
Median Age	35.0
Median Household Income	$30,329
Average Expenditures	$38,671
Food Away from Home	$1,816.90

The market area for route 277 covers a one mile east-west radius along NW 7th Ave from Golden Glades south to 54 St. The route reaches further south to the Government Center Transit Stop at SW 2nd St, however, this section was not analyzed due to more efficient transit options for riders to reach their destinations.

Source: U.S. Census, ESRI Inc.

- **Tri-Rail**

Tri-Rail draws commuters traveling north and south throughout the South Florida region. The market area analyzed for Tri-Rail passengers is all of Dade, Broward and Palm Beach Counties.

Tri-Rail

Demographic Summary	2016
Golden Glades MMF Usage	8,406
Market Area Population	5,900,856
Population 18+	4,695,929
Households	2,205,620
Families	1,437,689
Median Age	40.8
Median Household Income	$49,948
Average Expenditures	$63,846
Food Away from Home	$2,028.75

Source: U.S. Census, ESRI Inc.

5.6 Market Area Retail Demand

The characteristics of the Golden Glades MMF from a retail consumer perspective is not dissimilar from that of an airport concourse or a turnpike service plaza. The primary convenience items that can be reasonably expected to have a high demand profile include fast food, beverages including coffee, personal care items, snacks, cigarettes and reading materials including books, magazines and newspapers. The Golden Glades MMF ridership marketplace represents a total of more than $400 million in annual household spending. This spending includes all of the mandatory and discretionary items that households budget for, from housing costs to toothpaste.

	Users	Household Spending Power
Park and Ride	856	$ 49,369,244
Broward County Transit	965	$ 41,370,298
Miami-Dade Transit	2,427	$ 119,084,358
Drop Offs/Pick Ups/Other	4,158	$ 205,402,654
Total	**8,406**	**$ 415,226,553**

A portion of this spending takes place in all different types of restaurants, including full-service white tablecloth restaurants, casual dining restaurants, fast food establishments, coffee shops and specialty food service locations. The Golden Glades MMF location characteristics are best suited for fast food, or quick service restaurants, and coffee products.

	Users	Total Restaurant Spending	Total Fast Food Spending	Fast Food Drive Thru Spending	Fast Food Walk-In Spending
Park and Ride	856	$ 2,334,877	$ 789,721	$ 543,600	$ 246,121
Broward County Transit	965	$ 1,986,533	$ 839,124	$ 577,944	$ 261,180
Miami-Dade Transit	2,427	$ 5,614,685	$ 4,993,522	$ 3,383,567	$ 1,609,955
Drop Offs/Pick Ups/Other	4,158	$ 9,726,729	$ 3,277,218	$ 1,204,575	$ 2,072,643
Total	**8,406**	**$ 19,662,824**	**$ 9,899,586**	**$ 5,709,686**	**$ 4,189,900**

	Users	Population that Reported that They Buy Coffee Away from Home		Total Annual Coffee Spending
Park and Ride	856	32.8%	281	$ 203,810
Broward County Transit	965	29.1%	281	$ 204,146
Miami-Dade Transit	2,427	28.7%	697	$ 506,590
Drop Offs/Pick Ups/Other	4,158	29.6%	2,492	$ 895,275
Total	**8,406**	**44.6%**	**3,751**	**$ 1,809,821**

	Personal Care Spending	Spending on Reading Materials
Park and Ride	$ 328,798	$ 95,025
Broward County Transit	$ 278,300	$ 77,420
Miami-Dade Transit	$ 794,659	$ 226,737
Drop Offs/Pick Ups/Other	$ 1,372,220	$ 512,765
Total	**$ 2,773,977**	**$ 911,946**

5.7 Type of Retail Development

There are several pros and cons regarding the Golden Glades MMF as a retail location. The location has a good volume of users transferring between transportation modes; it is adjacent to roadways with good traffic counts; and the users of the park and ride will have the ability to adjust their arrival times to take advantage of the retail offerings at the facility.

The site does have some drawbacks. It has poor visibility and signage, which must be addressed in order to have successful retail operations, and especially to capture some of the pass-by traffic. There may be significant time constraints of transferring passengers, especially those arriving by bus and transferring to Tri-Rail; and the truck travel center on the east side may limit the ability of the site to attract commuting traffic from US 441.

The primary customer market for retail at the Golden Glades MMF are consumers that are usually in a rush and will seek to limit their time to purchasing convenience goods and items that are immediate necessities. Therefore, retail facilities at this location are similar to those provided on airport concourses and in Turnpike service plazas. The primary goods/services that we believe are most appropriate for this location, and which can be successful at this location, are food and beverage (especially coffee), convenience items (personal care items), and reading materials. Convenience items, including reading materials can be provided by a vendor similar to Paradies Shops, which are found in many airports. The primary retail operations that should be targeted for the Golden Glades MMF are:

1. A quick service restaurant that specializes in coffee such as a Dunkin Donuts, or Starbucks, or a fast food operator such as McDonalds which has a strong coffee/breakfast customer base.
2. A convenience store similar to those located in airport terminals and Turnpike service plazas which sells convenience personal items, snacks and reading materials, as well as expanded c-store models that include coffee and fresh food options.
3. Vending Machines which sell beverages, snacks, and other food items, especially during hours that the other retail services are not operating.

4. A hand car wash/detail operation, which is located in the parking area (either surface or under cover in a garage).

- **Amount of Retail Space**

The analysis of the appropriate amount of retail space that can be accommodated at this location is determined by first evaluating the total amount of retail/restaurant space that the user market supports. This is done by applying the sales per square foot amounts that are expected by the types of establishments that are being considered. For example, the Golden Glades MMF ridership market spends a total of $19.7 million per year on restaurants, which supports approximately 50,000 square feet of restaurant space throughout the market area.

Total Sales ($19,662,824) / Sales per Sq Ft ($400.00) = Supported Sq Ft (49,157 sq ft)

For the convenience items that have been identified as most appropriate for this facility, the total annual spending by the ridership market for the Golden Glades MMF supports almost 37,000 square feet of retail space. **This is the amount of space supported by the total spending by this customer group, not the amount of space that can be supported at this site.** The recommended amount of retail space for each of the identified services are:

Type of Service	Retail Space Sq. Ft.
Food and Beverage/Coffee Shop (Dunkin Donuts, Starbucks, McDonalds)	2,000-3,000
Convenience Store	1,000-4,000
Vending Machines	100
Car Wash (parking spaces, not in commercial structure)	540-900

A 5,000 square foot commercial facility is the appropriate size to accommodate retail services at this facility. This size meets the size standards of the types of retail recommended; it provides sufficient space to serve the existing and future customer market, and provides opportunity for the retail tenants to experience customer growth which will stabilize their operations and provide revenue growth.

Ridership Market for Coffee

	Total Spent on Coffee	Total Coffee Shop SF Support
Park and Ride	$203,810	371
Broward County Transit	$204,146	371
Miami-Dade Transit	$506,590	921
Drop Offs/Pick Ups/Other	$95,275	1,628
Total	**$1,809,821**	**3,291**

Ridership Market for Reading Materials

	Total Spent on Reading Materials	Total Reading Materials SF Support
Park and Ride	$95,025	173
Broward County Transit	$77,420	141
Miami-Dade Transit	$226,737	412
Drop Offs/Pick Ups/Other	$512,765	932
Total	**$911,946**	**1,658**

Ridership Market for Personal Care Items

	Total Spent on Personal Care Items Materials	Total Personal Care SF Support
Park and Ride	$328,798	598
Broward County Transit	$278,300	506
Miami-Dade Transit	$794,659	1,445
Drop Offs/Pick Ups/Other	$1,372,220	2,495
Total	**$2,773,977**	**5,044**

Ridership Marketplace for Fast Food

Fast Food	**Marketplace Indoor/ Carry Out**	**Marketplace Drive Thru**	**Total Marketplace**	**Total Sq. Ft. Support NO Drive Thru**	**Total Sq. Ft. Support WITH Drive Thru**
Park and Ride	$246,121	$543,600	$789,721	492	1,579
Broward County Transit	$261,180	$577,944	$839,124	522	1,678
Miami-Dade Transit	$1,609,955	$3,383,567	$4,993,522	3,220	9,987
Drop Offs/Pick Ups/Other	$2,072,643	$1,204,575	$3,277,218	4,145	6,554
Total	**$4,189,900**	**$5,709,686**	**$9,899,586**	**8,380**	**19,799**

Total Ridership Market – All Realistic Uses (non-automotive)

	Without Drive Thru	**With Drive Thru**
Park and Ride	2,769	3,494
Broward County Transit	2,540	3,311
Miami-Dade Transit	9,607	14,118
Drop Offs/Pick Ups/Other	15,090	16,696
Total	30,005	37,618

- **Visibility and Walk Through Traffic at the Retail Sites**

View from Northbound State Road 9.

The Golden Glades MMF site has good access from State Road 9 and State Road 7. Access from the I-95 Northbound Express Lane is also good. The site can be easily accessed from the southbound lanes of Florida's Turnpike; however, currently there is no signage directing southbound drivers to the park and ride facility. The site is also accessible to southbound I-95 drivers that take the State Road 9 exit. However, the site is inconvenient to southbound I-95 drivers that are not already taking that exit and are regular users of State Road 9.

Site location for the commercial space is critical to its success. Placement along the key pedestrian pathway(s) between the entrance to Tri-Rail and the park and ride as well as the bus stops will be critical to ensuring that the retail tenants have the opportunity for maximum penetration of the primary market. Convenient dedicated parking for car wash operations is also critical, although it does not necessarily have to be immediately adjacent to the wash operations themselves.

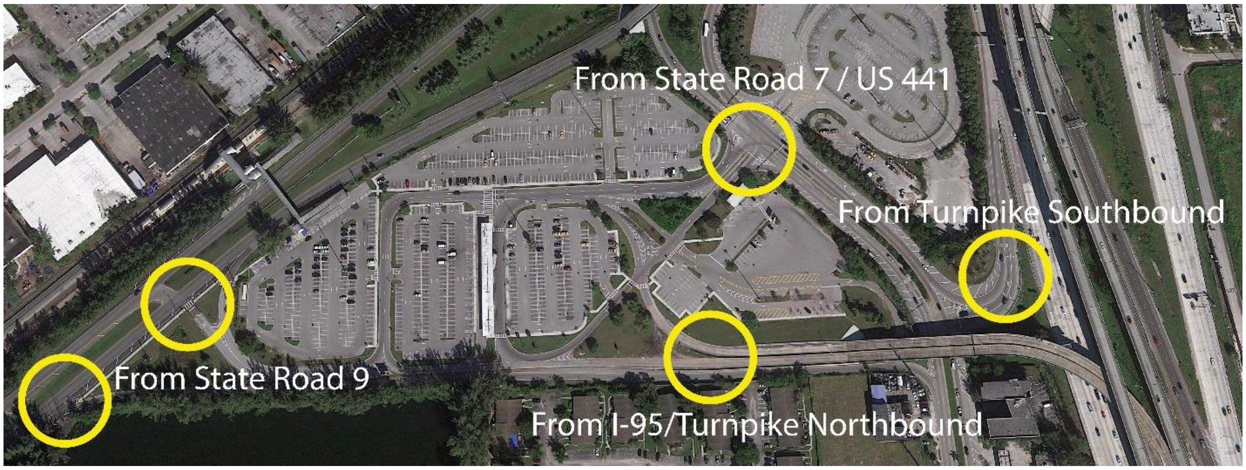

Views from Southbound State Road 9.

Visibility from the adjacent roadways, especially State Road 9, will be critical to attracting additional customers to the location. These will primarily be commuters that are seeking convenient coffee and fast food items. While adequate parking for walk-in customers is necessary, a drive thru will be critical to attracting this transient segment to the location. Visibility and signage along the roadways with access to the site are critical to attracting this commuter market and expanding the customer base for the facility beyond the users of the MMF. Additionally, inclusion of the commercial space in a large parking structure, rather than in a stand-alone commercial structure, will negatively affect the ability to attract non-MMF users due to the difficulty in providing a drive-thru and adequate signage on the facility itself.

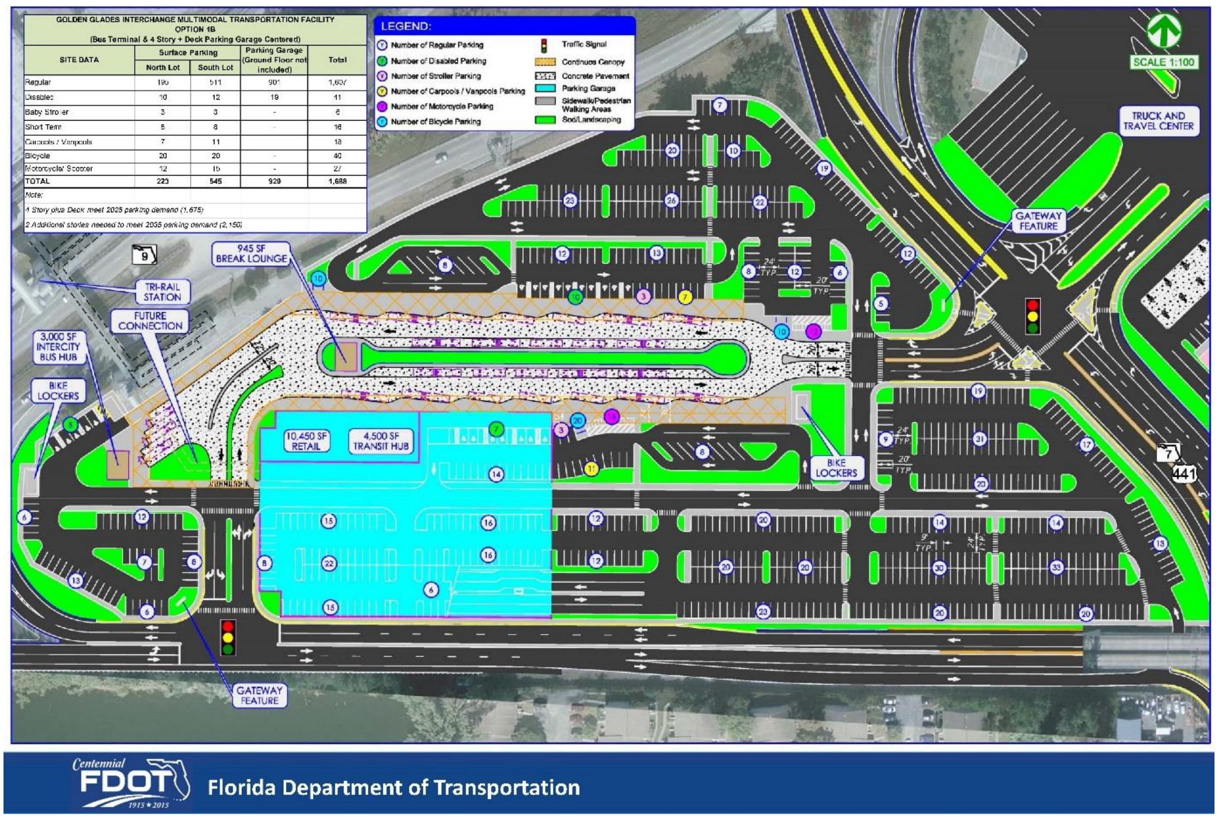
View from Northbound SR 7 / 441.

View from SR9 and SR7 Connector Road

While the location identified in the photos on the next page is superior to attracting customers that are transferring between the transit routes and Tri-Rail, it is an inconvenient location for riders that are parking or that are being dropped off.



Vehicular Access Points



Site Plan Options

- **Hours of Operation**

Eighty-four (84) percent of the Broward County and Miami-Dade Transit routes serving the facility arrive and depart between 6:00 AM and 6:00 PM. The hours that the proposed retail space for the site that will generate the most revenue are during the peak transit and transfer times, between 6:00 AM and 9:00 AM and 3:00 PM and 7:00 PM. The hours of operation of the retail facility should be between 6:00 AM and 7:00 PM, with vending machines available for the users of the facility overnight from 7:00 PM until 6:00 AM.

- **Other Services**

There is currently an average of 856 users of the park and ride facility that leave their vehicle at the facility for a period of time each day. These users report spending approximately $890 per year on vehicle maintenance and repairs; however, only 36 percent have had an oil change in the last twelve months, and only 23 percent have had a tune up during the same time.

From a consumer convenience perspective, the Golden Glades MMF may present an opportunity for vehicle servicing by an establishment such as Jiffy Lube, Pep Boys, etc. Since users already leave their car at the facility for an extended time each day, this service may provide the customer with the ability to schedule a convenient time for auto service, and for service to be performed during times that the customer is engaged in other activity, thus eliminating the need to wait for service during more inconvenient times.

There are three primary downsides of this location for this type of activity.

1. An operator must significantly penetrate the market of park and ride users for this location to be profitable. This may be a challenge due to the fact that less than half of the current users are having their car serviced at least one time per year. Additionally, some consumers may have strong loyalty to and a long-term relationship with a mechanic and are unlikely to use this service.

2. The location is unlikely to attract significant patronage from the surrounding neighborhoods and the pass-thru traffic on State Road 9 and US 441, due to the site's primary use as a MMF and the lack of other amenities at the site.

3. Inclusion of quick lube services for vehicles other than large trucks at the truck stop on the east side of the Golden Glades MMF would negatively impact the viability of similar services at this location.

One automotive-related use that may be considered for the Golden Glades MMF is car wash and detailing. This use can be accommodated with little capital investment.

6. Financial Assessment: Capital and Operating Finance Plan

Following are the capital and operating finance plans for proposed retail services at the Golden Glades MMF for development and operation of retail space which is both an independent commercial structure and which is included as commercial space within a parking garage. This includes the financial investment and the equity and debt components of the financing, as well as the operating finance plan, which demonstrates revenue and expense projection. Additionally, the financial assessment includes conservative and optimistic projections and a discussion of sensitivities and issues.

WEG have developed capital and operating finance plans for three scenarios for the development of 5,000 square feet of retail at the Golden Glades MMF, which the market analysis indicates is the appropriate size. In addition, we evaluated the financial feasibility of 10,000 square feet of retail space within the MMF parking garage.

1. Appendix H: Stand-alone 5,000 sq. ft. commercial structure with a drive-thru for the food and beverage establishment;
2. Appendix I: Stand-alone 5,000 sq. ft. commercial structure without a drive-thru;
3. Appendix J: Inclusion of 5,000 sq. ft. of commercial retail space within the MMF proposed parking garage.

The financial assessment of 10,000 square feet of retail within the MMF parking garage was analyzed in two scenarios: 1) without a base ground lease payment to FDOT, and 2) with a $10 per square foot base ground lease payment to FDOT. These assessments are included in Appendix K. The consumer marketplace for retail at the Golden Glades MMF does not change based on the size of the commercial space that is constructed. The key issue to consider is which would be the most efficient way to service successfully the retail demand such that it provides sufficient return on investment for a developer, and in a manner that provides stabilization and revenue growth opportunity to the retailers.

Additionally, the unique and untested nature of retail development at this site may cause it to be viewed with a higher level of risk than other retail projects in this area by potential developers, who will seek a higher return on their investment. This financial assessment demonstrates that the potential return on investment for a developer is much lower than that projected for the inclusion of only 5,000 square feet of retail, either within the parking garage or in a stand-alone commercial structure. Figure 13 on the next page illustrates the estimated return on equity for 10,000 square feet of retail space for the scenario in which there is not a base ground lease payment to FDOT. This scenario does include percentage rent, but it is not triggered until the out years of the lease, and only generates $16,572 in 2016 dollars.

Growth of potential revenue that can be generated by the growth of utilization does not appear to make 10,000 sq. ft. feasible in the future; however, each developer is different and has different approaches, goals, and investment strategies. If the Department moves forward with retail space within the MMF parking garage, a discussion with the selected developer regarding an option to expand retail within the facility at a future date should take place.

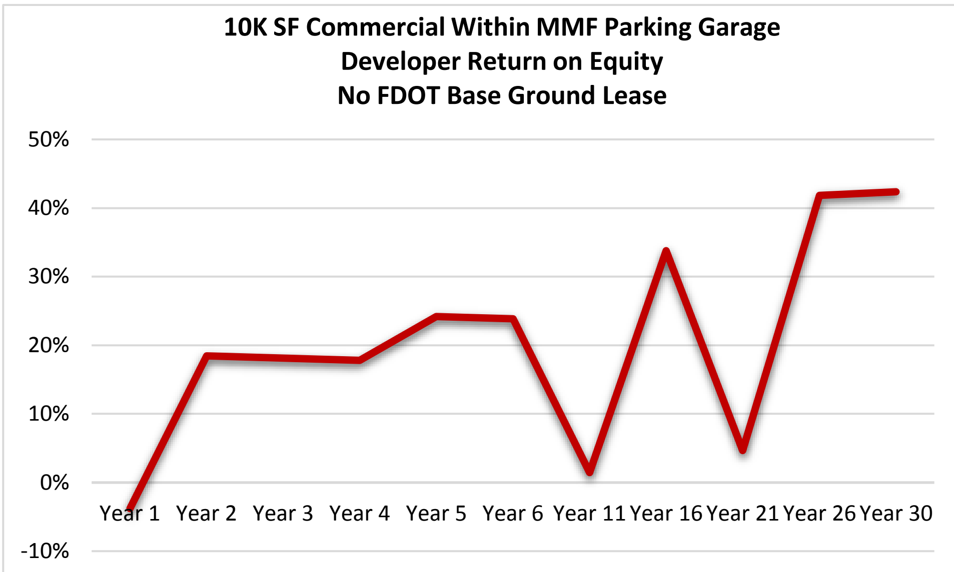


Figure 13.
Source: Redevelopment Management Associates (RMA).

In this assessment, the inclusion of a $10 per square foot base ground lease renders the projected unfeasible for a private developer from a financing perspective. (See Figure 14.)

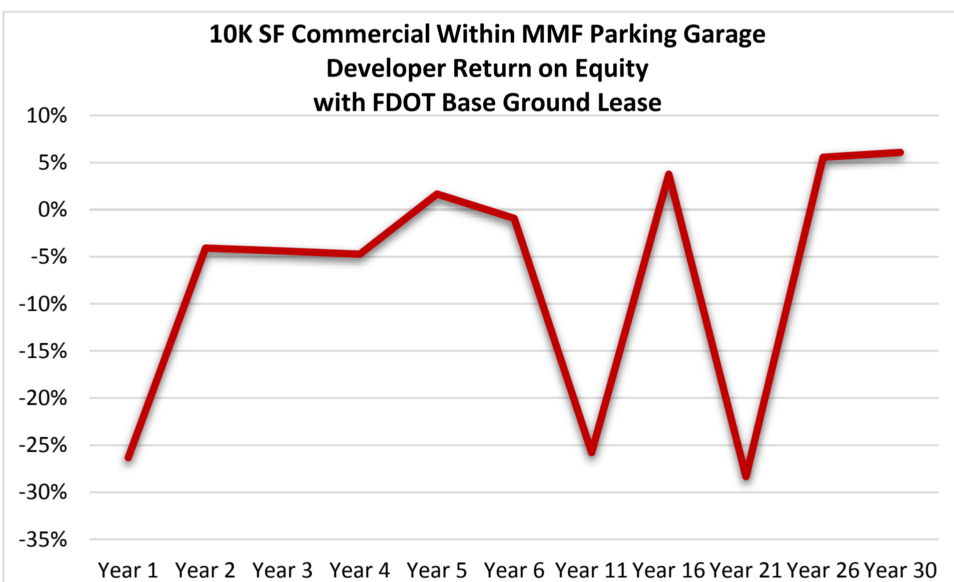


Figure 14.
Source: Redevelopment Management Associates (RMA).

6.1 Sensitivity Analysis and Discussion of Key Issues

This financial analysis is based on retail rent structure that estimates retail rents per square foot as a percentage of sales. Since developer revenues are derived from retail rent paid by tenants, revenue per square foot for each tenant determines the market for retail rents, and impacts to tenant revenues directly impacts both the market rents for the site as well as each tenant's ability to pay the rent consistently.

Different types of retail generate different levels of income per square foot, based on their business lines and space requirements. Retail rents generally range between 10 percent and 15 percent of gross sales. For this analysis, the baseline has been established that the convenience and car wash rents are 10 percent of gross sales, while the rents for the food and beverage establishments are 15 percent.

The inclusion of a drive-thru for a food and beverage establishment has a significant impact on revenue. Different types of fast food restaurants generate between 38 percent and 57 percent of their revenue from a drive thru. With the exception of downtown locations with high numbers of pedestrian traffic, the ability to have a drive thru can be a deal breaker for many fast food tenants.

Since the drive thru is a convenience for customers that are in their personal vehicles, the decision to include or not include a drive thru will primarily impact the restaurant's ability to attract customers from the park and ride facility and commuters that pass by on the adjacent roadways. Passengers transferring between transit buses and Tri-Rail, as well as some drop-off customers will not be affected. Business at the convenience store will also be impacted, although not to the extent that the restaurant is. The primary customers for the convenience store are the MMF users; exclusion of the drive thru will limit the ability of the c-store to attract customers from the pass-by commuter market. Vending machines and hand car wash activities will not be impacted by the presence (or lack thereof) of a drive thru.

Finally, the sensitivity analysis of the following factors includes discussion of impacts that are not quantifiable and are more subjective, but which may be deal breakers and items that impact the viability of retail at this location. A realistic approach to determining retail viability is an analysis of all factors, including market analysis, industry standards and experience.

"Not everything that counts can be counted; and not everything that can be counted, counts."

-Albert Einstein

- **Market Factors**

Market factors determine the initial baseline of revenue generation for the conservative and optimistic projections for each scenario. The optimistic scenarios are based on market averages for similar stores with similar customer demographic profiles and may be difficult to achieve, especially during the initial years that the retail is in operation. Market factors impact consumers' ability to engage in commerce, and sensitivity analysis is utilized to establish the impact on the proposed retail operations at the Golden Glades MMF and to identify conservative estimates based on negative market impacts.

Negative market conditions will impact fast food restaurant operations, however, not to the extent that other types of restaurants are impacted. This segment of the industry responds quickly to market demand with affordable products that are designed to maintain customer traffic to the stores. Convenience stores can be impacted by negative economic and market conditions, especially for items that are not immediately necessary which consumers believe can be purchased at a lower price elsewhere. Vending machines at a location such as the Golden Glades MMF can withstand negative market conditions better than most business types, provided that the pricing of the items is such that consumers perceive value. During a downturn, hand car wash operations may be considered as a luxury by many users of the facility, and revenues may feel a significant impact from negative market conditions.

Annual Sales Per Square Foot Projections

5,000 SF Stand-Alone Commercial Structure

	With Drive Thru		Without Drive Thru	
	Optimistic	**Conservative**	**Optimistic**	**Conservative**
Fast Food Establishment	$340	$272	$260	$210
Convenience Store	$785	$550	$700	$490
Vending Machines	$1,000	$800	$1,000	$800
Hand-Car Wash	$230	$150	$230	$150

5,000 SF Commercial Retail Space on Ground Floor of MMF Parking Garage

	Optimistic	**Conservative**
Fast Food Establishment	$225	$180
Convenience Store	$550	$385
Vending Machines	$850	$680
Hand-Car Wash	$275	$179

Source: RMA, U.S,

- **Roadway Access to the Site**

Good roadway access to the site is critical to ensure maximum utilization of the Golden Glades MMF by users of the park and ride and by passengers that are being dropped off by other means. Roadway access is also critical to attracting additional customers from the adjacent roadways to the retail offerings, and its issues will have the largest impact on food and beverage establishment (with drive thru) revenues.

The largest impact by poor roadway access will be on a fast food establishment with a drive-thru, since poor access will serve as a deterrent for non-MMF customers to enter the facility, which may impact up to 50 percent of the establishment's revenues and jeopardize its viability. Similarly, poor roadway access will negatively impact sales at the c-store, but not to the extent of the fast food establishment. Since vending machines and the hand car wash are targeted to the users of the MMF, negative roadway impacts to those businesses will be limited, and will likely be due to any delays that the poor roadway access causes which places time constraints on these customers. Similar to the situation in an airport when a flight is late, if these customers feel rushed or delayed they may bypass a purchase to ensure that they do not miss their connection.

If the retail space is within a parking garage, customers may feel similarly pressed for time if they must search out a parking space, which may especially impact fast food sales if the customer perceives long lines in the establishment. The hand car wash may not be as impacted in the parking garage, since some customers might see dropping their car at the car wash stand as more convenient than seeking out a parking space within the garage, especially if they must make up time due to a roadway delay.

The roadway access impacts identified in this section are also applicable to signage of the retail. Adequate signage within and around the site on adjacent roadways is critical to the success of the project's retail, and may be viewed as a deal breaker by many potential tenants. This includes wayfinding signage to the retail throughout the site, directional signage to the tenants on the adjacent roadways and the retail establishment building signage.

Impact to Establishment Sales of Poor Roadway Access

5,000 SF Stand-Alone Commercial Structure

	With Drive Thru		**Without Drive Thru**	
	Low Impact	**High Impact**	**Low Impact**	**High Impact**
Fast Food Establishment	-30%	-60%	-20%	-35%
Convenience Store	-20%	-30%	-15%	-20%
Vending Machines	-10%	-20%	-10%	-20%
Hand-Car Wash	-10%	-35%	-10%	-35%

5,000 SF Commercial Retail Space on Ground Floor of MMF Parking Garage

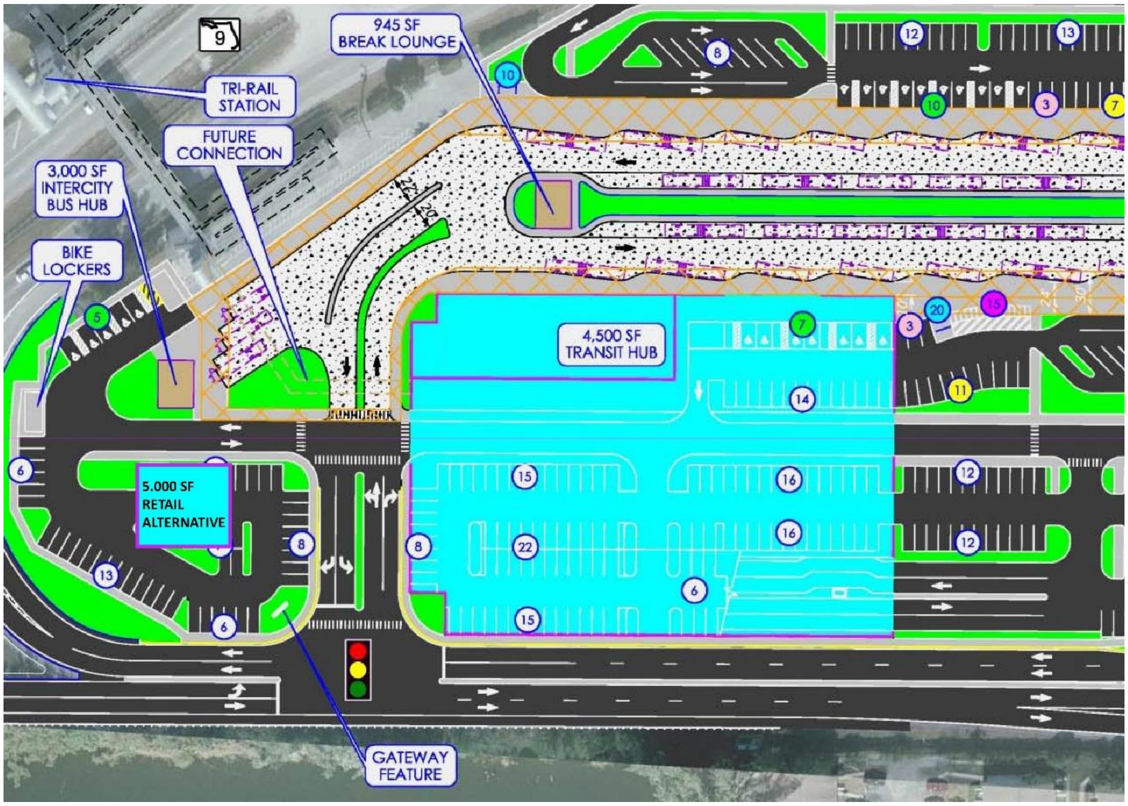
	Low Impact	**High Impact**
Fast Food Establishment	-25%	-40%
Convenience Store	-15%	-20%
Vending Machines	-10%	-20%
Hand-Car Wash	-10%	-20%

Source: RMA, U.S.

- **Traffic in the Area of the Site**

Pedestrian and vehicular traffic in the site is critical to the success of the retail program. The ideal placement of the retail in the site will provide easy access to and from the retail, and good visibility from the various locations. Inclusion of the retail within the parking garage, as identified by the figure below, will limit the ability of the retail tenants to maximize patronage by all customer groups. This placement provides ideal visibility and access to the retail by the riders of Broward and Miami-Dade Transit; however, it is not visible to riders that disembark at the intercity bus hub. Access may be convenient to the users of the parking garage, depending on where they exit after parking their car. This site is not convenient for drop-off passengers nor for some of the users that will park in surface parking. Retail space in this location also has poor visibility to the adjacent roadways and will have difficulty attracting commuters to the site. This location is not visible from northbound SR 9, northbound SR7, and the SR 7 to SR 9 Connector Road. Southbound SR9 visibility is poor, due to blockages from the pedestrian crossover and landscaping. The success of 5,000 sq. ft. of retail at this location will require an aggressive signage program along with marketing assistance from the developer and FDOT.

Development of 5,000 sq. ft. as a stand-alone retail structure will provide much better visibility and access by Golden Glades MMF users. The site plan below identifies an alternative, ideal location for the retail to be developed as a stand-alone commercial building. This site provides convenient vehicular access, has good visibility from the Tri-Rail pedestrian bridge, is in the line of sight for passengers transferring between buses and Tri-Rail, is easily accessible by drop-off passengers and the intercity bus hub, and is generally along the pedestrian path that users of the parking garage will take to get to the Tri-Rail station. This location will still require adequate signage, both internal wayfinding as well as signage to the adjacent roadways



- **Signage**

As previously stated, signage is critical to the success of retail at this location. Adequate signage includes internal and external wayfinding signs, as well as self-identifying, promotional building signage for the businesses, especially those that must attract customers that are not MMF users from the adjacent roadways. One challenge that must be managed is competing signage from a gas station/convenience store on the east side of SR 7. The market analysis for that site identified the cars parked in the lots on the west side of SR 7 as a positive for a gas station/convenience store on that site. While that site provides a convenient option for gas purchases by the users of the MMF, signage on the west side of SR 7 should direct drivers to the c-store at the MMF, not at the truck travel center. Successful management of this signage issue will mitigate any potential tenant issues and complaints from the c-store.

6.2 Optimal Lease Arrangement

One of the key elements to ensuring a successful retail project is design of an optimal lease arrangement which 1) provides sufficient opportunity for return on investment to a private party, and 2) provides adequate compensation to the public agency. Each public agency determines, based on its own policy objectives, how adequate compensation is defined, definition which can be both financial and non-financial outcomes.

In the case of the Golden Glades MMF, three scenarios were evaluated:

1. A stand-alone 5,000 sq. ft. commercial structure with a drive-thru for the food and beverage establishment (detail in Appendix H);
2. A stand-alone 5,000 sq. ft. commercial structure without a drive-thru (Appendix I); and
3. Inclusion of 5,000 sq. ft. of commercial retail space within the MMF proposed parking garage (Appendix J).

In all three scenarios, a preferable lease structure was evaluated, which consists of a base ground lease to the developer, with a percentage rent payable from the developer to FDOT if certain net revenue milestones are achieved. In all of these structures the developer will manage the retail space including maintenance, replacement and refurbishment and leasing.

During the evaluation of these scenarios, a base Ground Rent of $10.00 per square foot of land was identified as a rate that provides revenue to the landowner (FDOT), while providing adequate opportunity for the developer to realize sufficient return on investment to consider developing the project. A percentage rent to the ground lease was also included. The percentage rent that was evaluated for the site in this assessment is a rate of 20 percent on net revenue above $150,000, after debt service.

It is important to note that each developer has its own determination of return on investment and equity that is sufficient to consider deploying their capital, and not all developer models will fit these scenarios. The ultimate base-ground rent and percentage rent for the project may very well be higher, and will be one of the key business terms between the Department and the selected developer.

For the scenarios that have a stand-alone commercial building, a ground lease vs. ownership is not typically as attractive to a developer since the lease of a parcel of land is exclusive and separate from the improvements of the land. However, since the tenant may be a national credit tenant, this should not be a problem. Additionally, most retail developers understand that agreements with public agencies are different from private-sector deals, and many developers have grown accustomed to ground leases with public entities, which can also (at times) help secure favorable financing terms.

If the commercial space is constructed in the parking garage as part of larger public-private partnership, then the developer builds it (which it will bring down the per foot construction cost for the retail component), and the developer leases it to the tenants and manages the facility. Additionally, there may be terms and conditions in an overall development agreement for a larger public-private partnership, which were not analyzed during this assessment, but which may have a positive (or negative) impact on the financial viability of the overall project, including the retail space.

Figure 15 below demonstrates the estimates of return on investment for a developer partner for each scenario for the construction and operation of the retail facility, including the ground-lease terms identified above. The projections indicate that is the optimistic and conservative projections for the three 5,000 sq. ft. scenarios are financially feasible and should attract developer interest.

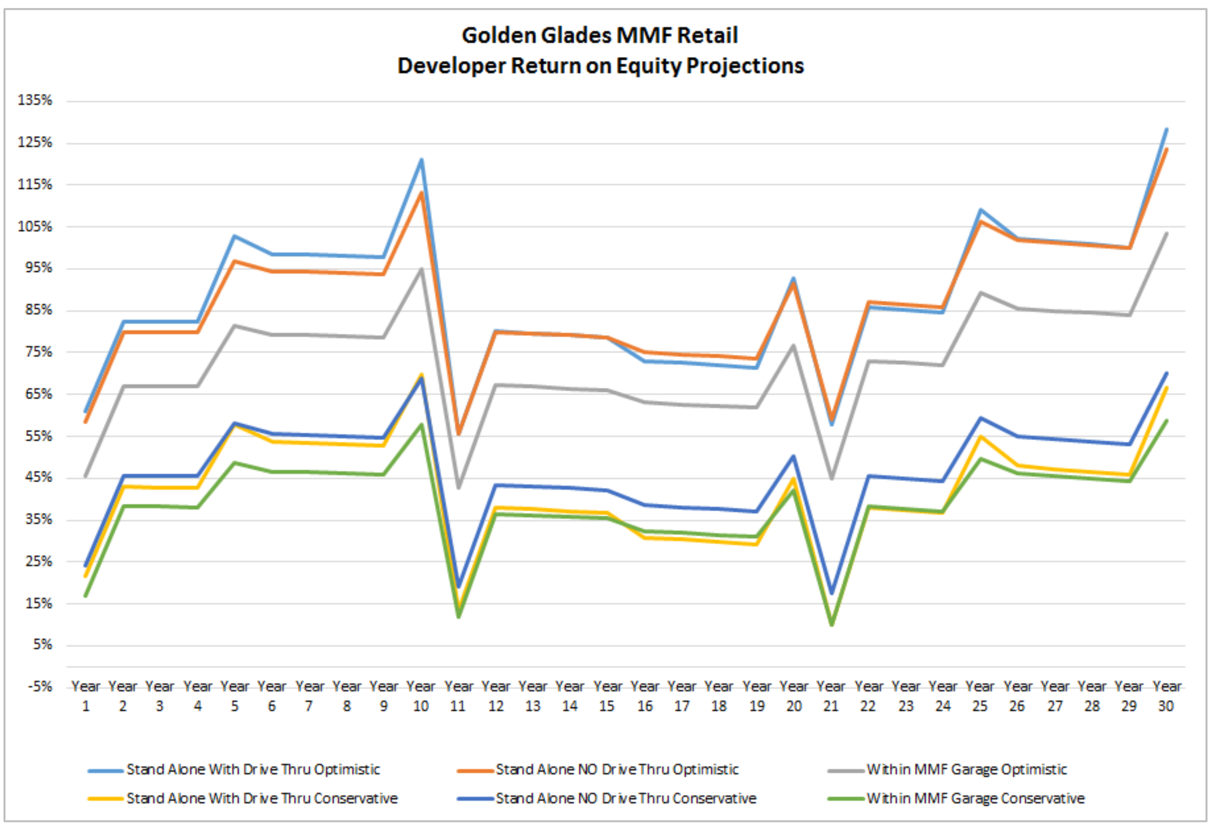


Figure 15.
Source: RMA, U.S.

6.3 Revenue to the Department

As previously mentioned, a base ground lease rate of $10.00 per square foot of land was evaluted as a rate that provides revenue to the landowner (FDOT), while providing adequate opportunity for the developer to realize sufficient return on investment to consider developing the project. A percentage rent to the ground lease was also included. The percentage rent that was evaluated for the site is a rate of 20 percent on net revenue above $150,000, after debt service. Each scenario provides the opportunity for FDOT to also participate in percentage rent. (See Figure 16 below.)

	Building Sq. Ft.	Footprint Sq. Ft.	Lease Rate Per Sq. Ft.	Base Lease Payment/Yr
Stand-alone commercial facility with drive thru	5,000	10,000	$10.00	$100,000
Stand-alone commercial facility NO drive thru	5,000	6,000	$10.00	$60,000
Commercial space in MMF parking garage	5,000	5,000	$10.00	$50,000

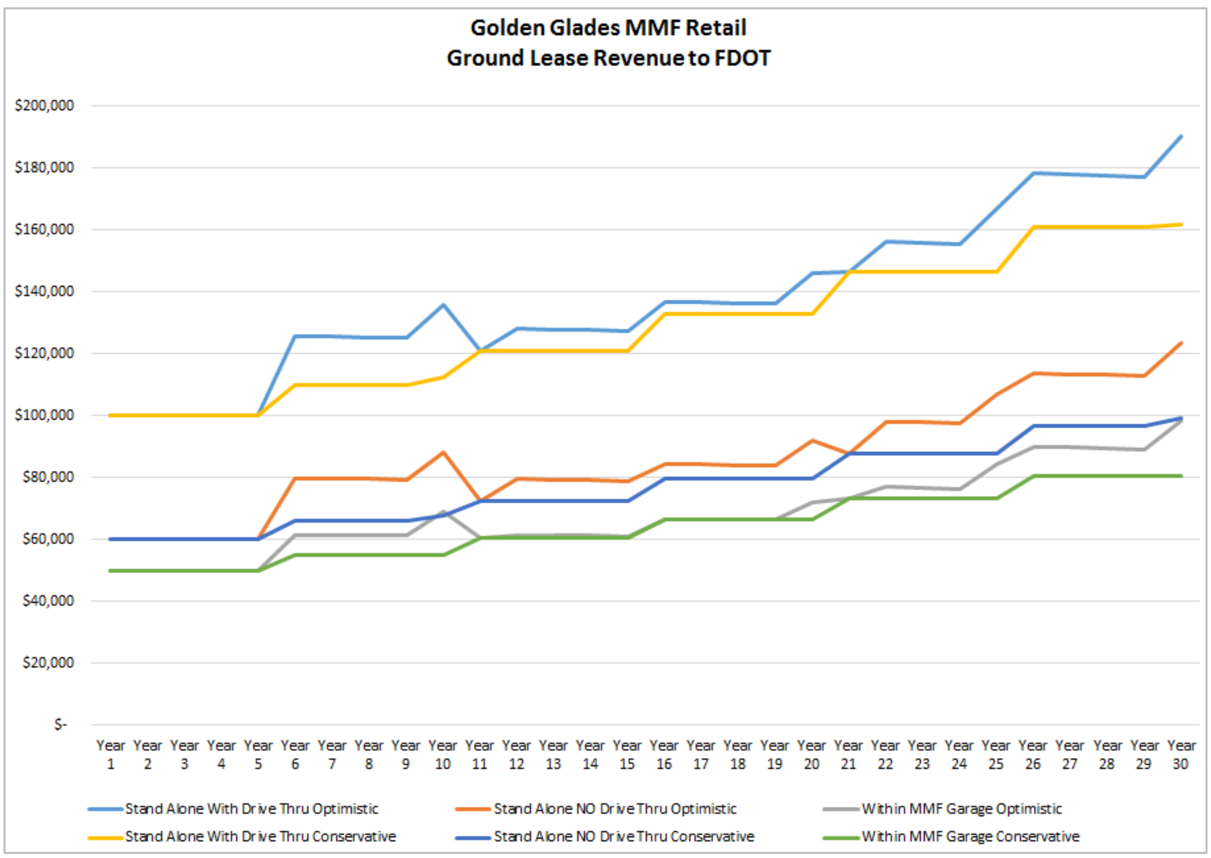


Figure 16.
Source: RMA, U.S.

The projected thirty-year Net Present Value (at 3.5%) revenue to FDOT is as follows:

	Optimistic	Conservative
Stand-alone commercial facility with drive thru	$2,411,097	$2,257,540
Stand-alone commercial facility NO drive thru	$1,501,422	$1,355,591
Commercial space in MMF parking garage	$1,193,132	$1,127,795

6.4 Length of Lease

The scenarios for development of the retail at the project site were analyzed with a 30-year amortization. Some developers may seek to amortize the construction of the facility over a shorter period of time. The ground lease should be consistent with the term of the debt attached to the retail facility. Additional lease extensions, at the discretion of the Department, may be considered and negotiated with the developer.