

ITEM # 48

**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM**

**SUBJECT:** ANALYSIS OF THE HIGHER INTENSITY PLANNED DEVELOPMENT-TARGET INDUSTRY (HIP-TI) DISTRICTS ASSOCIATED WITH THE NORTH INTERSTATE 4 CORRIDOR

**DEPARTMENT:** Planning & Development **DIVISION:** Planning

**AUTHORIZED BY:** Donald S. Fisher **CONTACT:** Tom Tomerlin <sup>ATT</sup> **EXT.** 7430

**Agenda Date:** 09/26/2006    **Regular**     **Consent**     **Work Session**     **Briefing**   
**Public Hearing – 1:30**                       **Public Hearing – 7:00**

**MOTION/RECOMMENDATION:**

Direct staff to begin the adoption process for the proposed text amendments to the Comprehensive Plan.

Countywide Tom Tomerlin, Principal Planner

**BACKGROUND:**

The purpose of the Higher Intensity Planned Development – Target Industry (HIP-TI) Future Land Use designation is to attract target industry uses that typically include Class A office, corporate headquarters, or high-tech industry. The goals of the HIP-TI are provided in Comprehensive Plan policies under FLU Policy 5.9.

HIP-TI lands in the North I-4 (from CR 46A to SR 46) area are intended to provide a location for target businesses that are typically associated with the creation of a wage base and provide for a mix of uses that will transition from existing residential subdivisions to target businesses within 0.5 miles of I-4. In turn, property uses that increase the supply of jobs will help increase the contribution of non-residential properties to the tax base, help diversify the local economy, and better capitalize on the substantial public investments made in the area (\$23 million in infrastructure). In recent years, however, a number of development applications and inquiries have proposed primarily residential uses on HIP-TI lands in the North I-4 corridor, that would otherwise contribute to the residential tax base.

**Reviewed by:** KL  
**Co Atty:** \_\_\_\_\_  
**DFS:** \_\_\_\_\_  
**OTHER:** AB  
**DCM:** \_\_\_\_\_  
**CM:** OC  
**File No.** bpdp01

The Board directed Staff to analyze the viability of the HIP-TI Future Land Use designation, which was originally incorporated into the Comprehensive Plan in 1995. Staff prepared a memorandum, dated February 3, 2006, which presented research and findings in regard to the HIP-TI Future Land Use designation (Attachment 1). On March 28, 2006, the Board was briefed on the memorandum's analysis and this presentation is included as Attachment 2.

As a result of the March 28, 2006 briefing, the Board directed Staff to conduct a small area study for HIP-TI with the goal of examining whether the Future Land Use designation is being used in the manner intended and performing as expected. Consistent with this direction, the objective of this study is to further examine HIP-TI in a manner that builds upon prior research. Both qualitative and quantitative approaches are utilized in this study in order to better inform future decisions related to these districts including the possible review and revision of existing Comprehensive Plan goals, objectives, and policies for the HIP-TI. This phase of the analysis is focused primarily on the North I-4 HIP-TI Corridor, west of I-4 and south of SR 46, with a Future Land Use designation of HIP-TI, generally associated with International Parkway. The results of the new HIP-TI study are included as Attachment 3.

**STAFF FINDINGS:**

Conclusions presented in the attached study (Attachment 3) identify the importance of master planning development in the Corridor, the need for intensive use of HIP-TI lands, and recognition that multiple use product is performing well in regard to absorbing target industry. Taken together, indicators support that the north I-4 HIP-TI corridor should continue to develop with a multiple use approach. Given this, text amendments to the Comprehensive Plan are needed in order to better focus on the intent to attract target industry uses and to clearly identify high density residential as an ancillary use within the Corridor.

**STAFF RECOMMENDATIONS:**

Recommend that the Board direct staff to process amendments to Comprehensive Plan policies dealing with the HIP-TI Future Land use Designation. These proposed changes are presented in Attachment 4.

## ATTACHMENTS

ATTACHMENT TITLE	EXPLANATION
1. HIP-TI Analysis (February, 2006)	Previously Submitted HIP-TI Study
2. HIP-TI Powerpoint Presentation (March, 2006)	Previously Submitted HIP-TI Presentation
3. North I-4 HIP-TI Study (July, 2006)	New Study Addressing HIP-TI
4. Proposed Comprehensive Plan HIP Language Revisions	Proposed Comprehensive Plan Text Amendments
5. Economic Impact Statement	Seminole County EIS Form

**ATTACHMENT 1**

**HIP-TI Analysis (February 3, 2006)**



*Planning & Development Department*

# Memorandum

**To:** Board of County Commissioners

**From:** Dan Matthys, AICP, Director

**Copy:** Donald S. Fisher, Acting County Manager  
Sally Sherman, Deputy County Manager  
Tony Walter, Planning Manager  
Dick Boyer, AICP, Senior Planner

**Date:** February 3, 2006

**Re:** **HIP-TI Analysis**

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To further improve the County's long term economic viability by both increasing the number of high paying jobs located in the County and by better balancing the tax base between residential and non-residential revenue sources, the Board of County Commissioners (BCC) amended the Future Land Use Map of the Comprehensive Plan (Plan) in 1995 to accommodate the development of High Intensity Planned Development-Target Industries (HIP-TI) on approximately 2,086 acres along I-4 from the St. Johns River to the Lake Mary Boulevard interchange. Four years later, 34 additional acres were added west of I-4 and south of State Road 46, bringing the total to 2,120 acres (*Please refer to Map A*).

Over the past few years, the County has appeared to experience an increase in the number of development applications in the HIP-TI area for primarily residential, Class B office and commercial/retail uses. The intent behind the policies governing the HIP-TI land use was to attract target industries, such as high-paying Class A and light industrial uses (*Please refer to attached FLU Exhibit 23 – Target Industry Uses*). Recently, applications requesting multi-family and townhouse projects have generated discussion regarding the success of the HIP-TI area to the County and its feasibility as a Future Land Use designation.

The Planning & Development Department was directed to analyze the effectiveness of the HIP-TI goals, review recent development activity and analyze the results of recent studies addressing the appropriate mix of residential and non-residential land uses with respect to the importance that location plays in evaluating the potential success of a development. The analysis specifically addresses the areas along the north I-4 Corridor and north of State Road 46 within the HIP-TI Future Land Use designation.

The North I-4 Corridor and north State Road 46 area was selected due to its large amounts of available land and proximity to one of the State's major transportation routes. To encourage the development of target industries, the County and adjacent cities invested \$23 million in infrastructure improvements in the area and programmed an additional \$262 million (according to the 1996 North I-4 Master Plan) for future improvements including the construction of Rinehart and Grantline Roads with associated water, sewer and reuse lines. These expenditures were made with the anticipation that the targeted industries would generate a significant return on revenue.

In addition to the infrastructure investment, the County adopted goals, objectives, policies, maps and tables in the Future Land Use and Economic Development Elements of the Comprehensive Plan detailing the intended purpose and uses of the HIP-TI designated lands.

- Policy FLU 5.6 states that the HIP land use designation is designed as a mixed use category which “combines an aggressive strategy to attract specific ‘target industry’, minimize urban sprawl, provide affordable housing opportunities, and alternative transportation strategies”.
- Policy FLU 5.9 is directed at maintaining “...adequate lands for target industry in close proximity to and high visibility from major interchanges...” and defines the recommended target business and industry in *Exhibit FLU : Target Industry Uses*. The list of uses within the policy indicates the intent of a mixed development scenario for the HIP-TI area, with emphasis on target business and industry, allowance of high density residential and commercial infill.
- Policy FLU 5.9(A)(6) notes the importance of location stating that “Low to medium density residential uses and lower intensity office uses may only be located adjacent to existing subdivisions as a buffer from future target industry development”.
- Policy ECM 4.2(B) notes the importance of target industries by stating “Strengthen related policies to ensure that lands dedicated as economic zones are not underutilized. Investigate the use of incentives to promote owner-based residential and redevelopment outside target areas”.
- Policy ECM 5.2 states “The County shall evaluate and propose or revise as necessary, comprehensive plan policies during the Evaluation and appraisal Report process to preserve HIP land use for the location of target industries to expand the economic capacity of the County”.

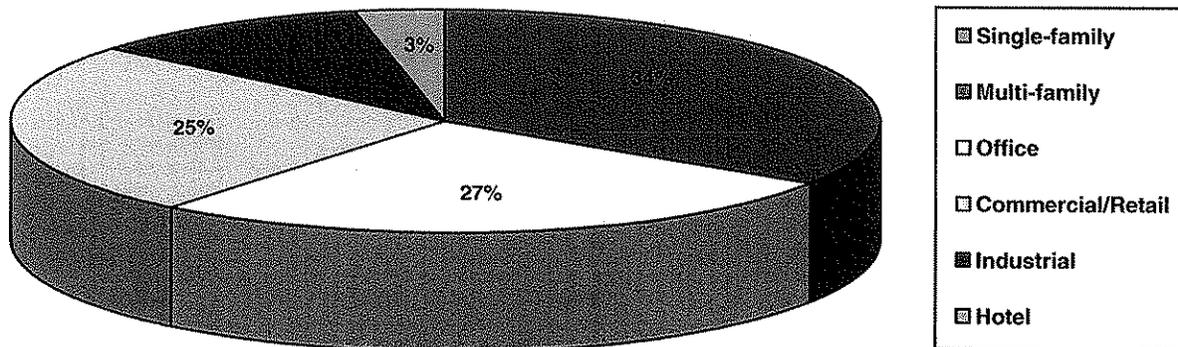
Since the 1995 Plan amendments, the amount of HIP-TI acreage has been reduced through the loss of land to rights-of-way, city annexations and Future Land Use amendments to Industrial (I) and Planned Development (PD). Currently, approximately 57% of the designated HIP-TI lands retain such designation. The following table, which corresponds with Map B (attached), depicts the change in HIP-TI acreage since 1995:

Change in Acreage	Acres	Percent
Original HIP-TI Acreage (1995)	2,086	
HIP-TI Added in 1999	34	100%
Loss to right-of-way	437	21%
Loss to City annexations	352	17%
Loss to Future Land Use amendments	100	5%
Remaining HIP-TI land	1,231	57%

Development to date within the HIP-TI area includes approximately 190 acres as built (structures or dedicated uses such as retention areas, common areas), 307 acres approved and under construction (including Oakmont PD) and 120 acres recently approved for development or are in some stage of the approval process. This leaves 614 acres of vacant HIP-TI remaining. The following table, which corresponds with Map C (attached), depicts the development patterns of the HIP-TI Future Land Use designation:

Use	Acres	Percent	SF	MF	Office (square feet)	Com/Retail (square feet)	Industrial (square feet)	Hotel (rooms)
Built	190	15%	0	1,014	1,744	330,982	209,315	0
Committed	307	25%	0	796	1,359,381	655,713	41,000	570
In Process	120	10%	0	436	139,562	20,002	101,580	0
Vacant	614	50%	0	0	0	0	0	0
Total	1,231	100%	0	2,246	1,500,687	1,006,697	351,895	570

The following table depicts the approximate percentage of acreage, by use, for projects built, committed or are in the approval process within the HIP-TI Future Land Use designation:



In late 2004 and early 2005, the County began testing a fiscal impact analysis model (FIAM) developed by the Florida Department of Community Affairs and customized by Real Estate Research Consultants (RERC). This financial model allows various development scenarios on a piece of property to be evaluated on their fiscal impact to the County and their contribution to the area's economy in terms of jobs, earnings and sales. Results of the modeling have confirmed the strong economic return associated with target industry uses, such as Class A office space,

compared to uses such as housing, as well as the strong fiscal return from higher-end housing compared to lower-end housing. These results, when used in conjunction with other planning criteria and established economic policies and goals, will assist decision makers to better evaluate development options to advance the County's economic stability, and do so in the most appropriate and effective manner.

In addition, the County retained a local economist to provide an assessment of long-term sustainability for Seminole County, focusing in particular on the HIP-TI and North I-4 Corridor area. In brief, the results of that assessment confirmed the importance of location criteria when considering various development scenarios. Whereas housing is economically feasible and suitable in almost any location, successful non-residential development is more contingent upon the location. The assessment pointed out that the County has a limited amount of prime, Class A office development properties, that these are generally located within one mile either side of I-4 and that this location should be protected from encroachment by other uses. Copies of these studies are available upon request.

### **Overall Staff Analysis**

Staff has analyzed the effectiveness of the HIP-TI policies and concludes that there are certain areas where the Goals, Objectives and Policies of the HIP-TI Future Land Use designation should be encouraged or strengthened. The HIP-TI designation is split into two general areas; the North I-4 Corridor and north State Road 46. The area along north SR 46 has primarily developed as light industrial or multi-family and continues to experience annexation pressures from the City of Sanford. Several factors, such as lack of direct access, visibility and pressures of annexation severely limit the ability for Class A office space along this corridor. Staff believes that the intent and overall viability of the HIP-TI Goals and Objectives for the North State Road 46 Corridor should be amended to permit a more commercial and industrial corridor, including multi-family products.

In contrast, Staff feels strongly that the Goals and Objectives behind the overall intent of the HIP-TI Future Land Use designation should remain, or even be strengthened through additional policies, for the North I-4 Corridor. The North I-4 Corridor HIP-TI district has been extremely successful and continues to provide great potential for strong economic development opportunities which enhances Seminole County's goal to reach a more balanced tax base. Staff also recognizes that there are certain parcels within the corridor where site characteristics do not promote Class A office space or other target industries and that a simple "one size fits all" approach is not appropriate. Where possible, Staff recommends the Board continue to further the economic viability of Seminole County by promoting targeted industries within the North I-4 Corridor through the continued enforcement, and even enhancement, of HIP-TI Goals, Objectives and Policies.

Should you have any questions, comments, or desire a detailed briefing, please do not hesitate to contact me at extension 7397.

Attachments:   Map A (HIP-TI Future Land Use designation)  
                  FLU Exhibit 23 (Target Industry Uses)  
                  Map B (Change in HIP-TI since 1995)

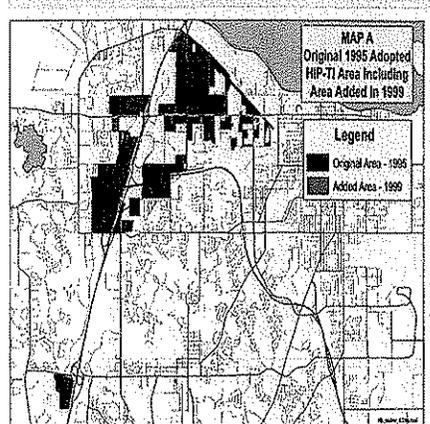
## **ATTACHMENT 2**

**HIP-TI Powerpoint presentation (March, 2006)**

## HIP-TI Analysis

## History of HIP-TI

- Added to the Future Land Use Map in 1995 to increase the number of high paying jobs, further long term economic viability and balance the tax base between residential and non-residential revenue sources.
- Originally included 2,068 acres along I-4 between the St. John's River and Lake Mary Boulevard, and along North SR 46 between International Parkway and the railroad.
- 34 acres added in 1999 west of I-4, south of SR 46, bringing the total acreage to 2,120.
- Policies in the Comprehensive Plan written to attract target industries, such as Class A office space, high-tech industries, etc.



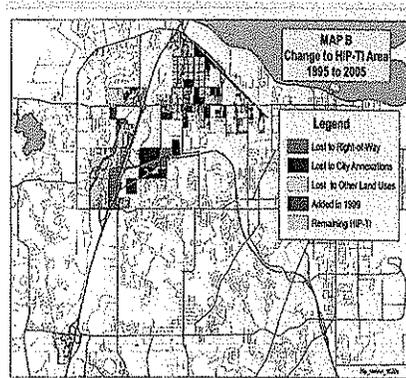
## Investments Made

- To encourage the development of target industries, the County and adjacent cities invested **\$23 million** in infrastructure improvements along International Parkway.
- An additional **\$262 million** (1996 North I-4 Master Plan) for future improvements including the construction of Rinehart and Grantline Roads with associated water, sewer and reuse lines.
- These improvements were made with the anticipation that the targeted industries would generate a significant return on revenue.

## Decreasing Available HIP-TI Land.

- Since the 1995 Plan amendments, a total of **889 acres** of HIP-TI Future Land Use designation has been **reduced** by the following:

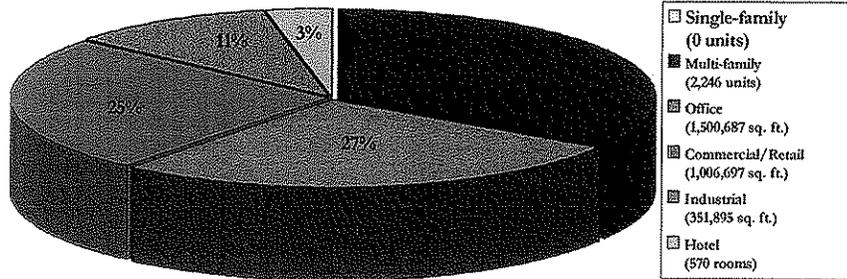
Change in acreage	Acres	Percent
Total HIP-TI	2,120	100%
Loss to ROW	437	21%
Loss to annexations	352	17%
Loss to FLU amendments	100	5%
Remaining HIP-TI	1,231	57%



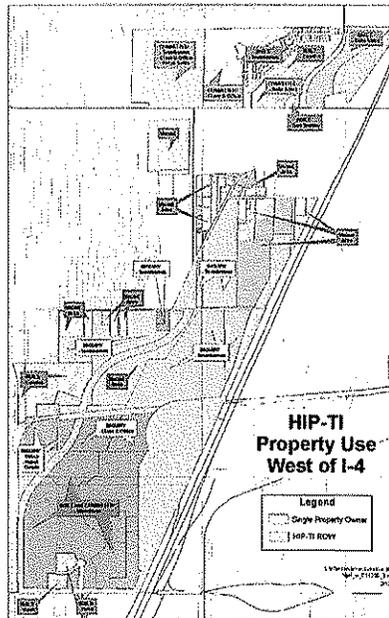


## Current Status of HIP-TI

- Of the 617 acres built, committed or in process, the following includes a breakdown of their existing or proposed development:

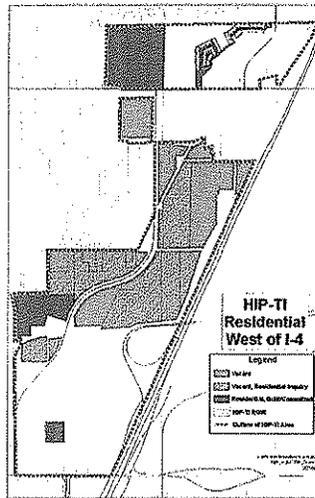


## International Parkway Activity

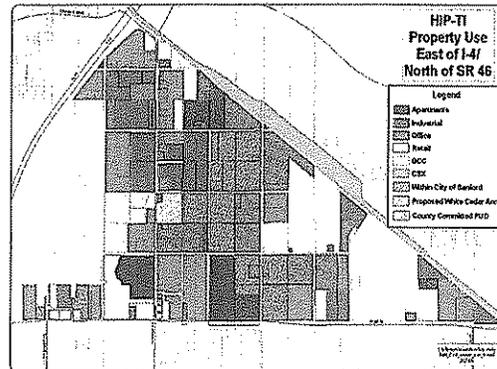


# HIP-TI Built, Committed or In Progress

International Parkway



North SR 46



## Fiscal Impacts

- Results of the Fiscal Impact Analysis Model (FIAM), which is run for every Future Land Use amendment and rezoning request in the HIP-TI confirm the **strong economic return associated with target industry uses**, such as Class A office space, compared to uses such as housing, as well as the strong fiscal return from higher-end housing compared to lower-end housing.
- In addition, Seminole County retained a local economist, which confirmed the County has a **limited amount of prime, Class A office development properties**, that these are generally located within one mile either side of I-4 and that this location **should be protected** from encroachment by other uses.

## Return on Investment

- 70+ Cost of Community Services studies nationwide
- For every dollar a government invests, the return is as follows:
  - Residential:\$0.87
  - Commercial: \$1.41
- For every dollar a government receives, the cost is as follows:
  - Residential: \$1.12
  - Commercial: \$0.80
- “Virtually all of the studies show that ... residential land is a net drain on local government budgets”. Mixed-use developments are beneficial in balancing a government’s fiscal impacts.

Source: University of Illinois study (2005)

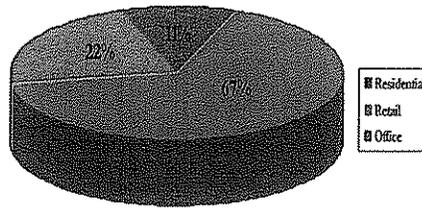
## What is the right formula for mixed-use?

- “There is no unique formula for any mixed use development scheme. **Every project is different** in format and content. The only uniform attribute is the inclusion in one scheme of different property uses, any combination of commercial, residential, leisure and any other property use”.

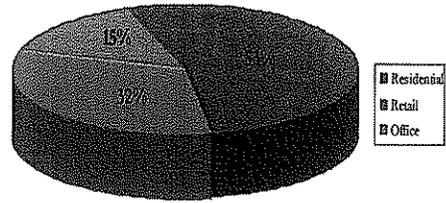
- Greenbook Group

# Mixed-Use Developments

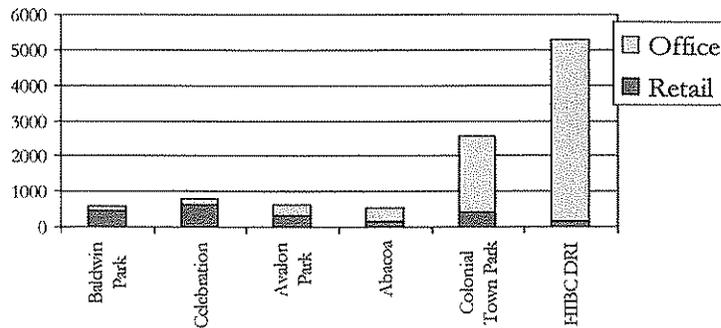
Winter Park Village, Florida



Crocker Park, Colorado



## Square Feet of Non-Residential Uses per Single Residential Unit



## Staff Recommendation

- The HIP-TI Goals and Objectives for the North State Road 46 Corridor should be amended to permit a more commercial and industrial corridor, including multi-family products.
- Continue to further the economic viability of Seminole County by promoting targeted industries within the North I-4 Corridor through the continued enforcement, and even enhancement, of HIP-TI Goals, Objectives and Policies.
- The Board consider contracting a consultant to perform small area studies for each of the two HIP-TI areas (I-4 and North SR 46) to study the overall impacts of these economically important areas.

## Staff Recommendation (North 46)

- Focus on attracting target industrial development and medium to high density residential uses.
- Limit commercial uses to appropriate intersections and along SR 46.

## Staff Recommendation (I-4)

- Permit residential units between I-4 and International Parkway only as ancillary (i.e. 3-10%) to Class A office or other target industry.
- Increase residential densities, where permitted, to maximize the use of land.
- Require any residential development within the HIP-TI district to provide amenitized pedestrian links to adjacent commercial/retail/office if not integrated into a single building.
- Prohibit single-family, low and medium density residential unless immediately adjacent to existing, established single-family platted subdivisions.
- Develop incentive programs for a more flexible approach to creative and innovative products that maximize internal capture and encourage vertically mixed-use developments.

## Benefits of a Small Area Study

- Evaluate goals to sustain existing local businesses
- Address the needs of, and prescribe land uses, for target industry areas, such as Class A office
- Address the needs of residential units for employees
- Encourage a greater mix of uses
- Address traffic conditions
- Reduce crosswalk distances and improving pedestrian mobility
- Improve transit services
- Define new limits on building heights and densities that will provide for more sensitive transitions to surrounding neighborhoods and create a variation in the International Parkway and Interstate 4 skylines
- Provide opportunities for small, infill projects
- Create implementation strategies

Questions / Comments

## **ATTACHMENT 3**

### **North I-4 HIP-TI Study (July, 2006)**

## **North I-4 HIP-TI Study (July, 2006)**

This study investigates the viability of the HIP-TI Future Land Use through:

1. Empirical identification of size and location factors that are most highly correlated with the successful location of target industries within county portions of the subject HIP-TI corridors
2. Development of forecasts for office space needs
3. Mapping area land use clusters for purposes of identifying significant patterns and intensities
4. Discussion of market factors influencing the availability of appropriate real estate

Through addressing the four points above, it will be possible to better gauge the current state of the HIP-TI as well as better inform future strategies for the land use. Remaining sections of this report are arranged according to these four subject headings:

### **1. Size and location factors correlated with target industry within the north I-4 HIP-TI Area**

In order to better understand what factors influence the absorption of target industry uses along the North I-4 HIP-TI corridor, a correlation analysis was conducted. A correlation analysis examines the direction and magnitude of influence between two observed variables. The study area for this analysis encompassed all HIP-TI designated lands north of CR 46A, West of I-4, and south of SR 46. HIP-TI lands to the north of SR 46 and West of I-4 were excluded from the analysis because these parcels are already built or committed to being built. Moreover, none of these HIP-TI lands (north of SR 46, west of I-4) are being built with Class A office space typically associated with target industry. Data shown in Table 1 was gathered for each of the 72 parcels with the HIP-TI land use designation located between CR 46A and SR 46, generally located adjacent to International Parkway (See Map 1).

**Table 1. Parcel variables used in correlation analysis**

Variable Code	Explanation	Units	Hypothesized direction of influence (how each variable affects TISF)
TISF	Square feet of target industry use on parcel	Square feet class A office space	N.A.
ACRES	Size of parcel	Acres	(+) the larger the parcel, the more TISF
DI4	Parcel distance to I-4	Straight-line distance (in feet) of parcel center to middle of I-4 right-of-way	(-) the greater the distance from I-4, should mean less TISF
DIA	Parcel distance to I-4 on/off ramp	Straight-line distance (in feet) of parcel center to closest I-4 interchange (i.e., Hwy 46A or SR 46)	(-) the greater the distance from I-4 ramps, should mean less TISF
RESDDES	Whether or not parcel is designated for residential	Yes/No variable	(-) residential designations should negatively influence TISF
DAMR	Whether or not parcel is directly accessible from a major road (i.e., International Parkway, CR 46A, SR46)	Yes/No variable	(+) direct access onto a major road should positively influence TISF
MPD	Whether or not parcel is part of a master planned development	Yes/No variable	(+) being part of a master planned development should positively influence TISF

Next, the degree of association between Table 1 variables was calculated by estimating correlation coefficients<sup>1</sup>. For this analysis, the dependent variable (variable of interest) is TISF and the independent variables include ACRES, DI4, DIA, RESDES, DAMR, and MPD. That is, the direction and magnitude of how the independent variables affect the dependent variable (TISF) is of most interest in this analysis. A correlation coefficient ranges from -1 to +1, where a value of +1 describes a perfect positive relationship and a

<sup>1</sup> The equation for the correlation coefficient is:

$$Correl(X, Y) = \frac{\sum (x - \bar{x})(y - \bar{y})}{\sqrt{\sum (x - \bar{x})^2 \sum (y - \bar{y})^2}}$$

score of -1 describes a perfect negative relationship. A correlation coefficient of 0 indicates that TISF does not move in tandem with the tested variable and there is no relationship between TISF and the tested independent variable. Results for the analysis are presented in Table 2:

**Table 2. Correlation coefficients between variables**

<i>Variable</i>	<i>Correlation with TISF</i>	<i>Strength Rank</i>
<b>TISF</b>	1.00	Tested Variable
<b>ACRES</b>	0.07	6
<b>DI4</b>	-0.12	4
<b>DIA</b>	-0.28	2
<b>RESDDES</b>	-0.26	3
<b>DAMR</b>	0.12	5
<b>MPD</b>	0.63	1

The closer the coefficient lies to +1 or -1, the more highly correlated the variable is with TISF

Table 2 results indicate that all independent variables influence TISF in the expected direction as hypothesized in Table 1 (column 4). However, several interesting observations can be deduced from the estimated coefficients' magnitudes. First, the variable most highly correlated with a parcel's TISF is MPD – whether the site is part of a master planned development. This finding indicates that the likelihood of absorbing additional TISF in the corridor is largely dependent on the subject parcel being located in a master planned development. It is important to note that this finding does not necessarily imply that the master planned development needs to consist of any certain land use mix or style, although it is recognized that the Colonial Town Park PUD , as currently built, influenced this finding. Anecdotally, this finding lends support to the common practice of advertising leasable office space as being located within a 'campus', mixed use center', or 'research park' environment. Indeed the Heathrow International Business Center (HIBC) DRI is also evidence of this factor's importance.

Consistent with the original intent of the North I-4 HIP-TI Corridor, distance to an interstate access point (DIA) is the second highest ranking influence on TISF. This finding reinforces the original intent behind locating the HIP-TI land use in the North I-4 Corridor and provides empirical support to consultant statements regarding proximity to I-4 as a key site selection criterion. Straight line distance to I-4 (DI4) was not as highly correlated with TISF since the entire study area generally lies within 1 mile of the I-4 right-of-way centerline by design. Therefore, within this pre-selected study area, distance to the actual interchange becomes the dominant factor relative to location.

Perhaps the most surprising finding is that a site's acreage (ACRES) is not highly correlated with TISF. This finding should be interpreted in tandem with the MPD

parameter in that TISF needn't be located on a large parcel within the master planned development. However, the ability to master plan a development will likely require a sizable acreage threshold. This finding provides interesting insight into the possibility of being able to build substantial amounts of TISF on individual, relatively small, parcels within larger master planned developments. This finding also explains the low importance of DAMR, which indicates that it is not critical for office uses to front a major road. Once again, the small correlation between DAMR and TISF is likely influenced by master planning a site in a manner that does not necessarily require TISF to directly front a major road. This flexibility is limited by maximum floor area ratio (FAR) requirements (1.0 on HIP-TI lands) which may serve as a ceiling on the ability to more intensively utilize land.

*Conclusions:*

- According to current parcel data, TISF is most highly correlated with being a part of a larger master planned development.
- Distance to I-4 is an important factor in the location of TISF.

**2. Forecasts of future TISF needs**

The goal of attracting additional target industry was the driving force behind the establishment of the HIP-TI land use classification. Therefore, the HIP-TI designation was applied over a physical area believed to be of adequate size to accommodate target industry goals. In effort to re-test the HIP-TI size allotment, forecasts of future TISF needs are presented. Rather than conduct yet another forecasting effort, recent Seminole County consultant reports from RERC and KeyInSites provide recent forecasts. The following forecast is provided within the KeyInSites consultant report entitled "Assessment of Long-Term Sustainability in Seminole County" (April, 2005):

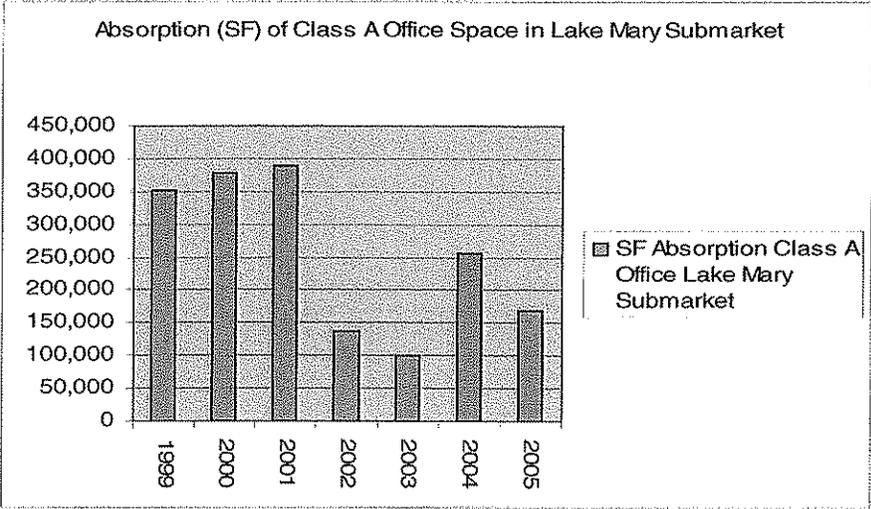
**Table 3. Office SF Forecast (from KeyInSites Report, April 6, 2005)**

(1) Office space needs (forecast) for the North I-4 Corridor by year 2020 (based on job growth)	9,740,000 SF
(2) Existing office space inventory year 2000	5,264,000 SF
Additional office space needs by year 2020 = (1) – (2)	4,476,000 SF

Since 2000, over 500,000 SF of new class A office space has been developed on Seminole County HIP-TI lands according to Property Appraiser records, which brings this forecast need below 4,000,000 sq. ft. by year 2020. Moreover, the office market research firm *Cushman & Wakefield* reports that the Lake Mary/Heathrow Submarket had the highest Class A leasing activity at 205,641 sq. ft. as of mid-year 2006.

Additionally, the largest lease of 2006Q2 took place on Colonial Town Park, where approximately half of the 149,487 sf of Colonial Center 300 was leased to the Bank of New York (Cushman & Wakefield, Mid-Year Orlando MarketBeat, 2006). Figure 1 presents year-end new Class A office space absorption within the Lake Mary Submarket. From this series, it is evident that the Lake Mary Submarket, which includes the subject HIP-TI areas, is a major office submarket.

**Figure 1.**



In effort to ensure conservative forecasts, the amount of acreage needed to absorb 4.0 million square feet of office depends on how intensely the land is developed. As presented in Table 4, a floor area ratio (FAR) of 0.45 would yield the need for an additional 200 acres.

**Table 4. Acreage needs to absorb 4,000,000 SF office based on floor area ratio (FAR)**

<b>Target Industry (TISF) Acreage Needs</b>	
Forecast office square feet (TISF) needs, 2020	4,000,000
<u>FAR</u>	<u>Acreage Needs</u>
0.30	306
0.40	230
0.45	204
0.50	184
0.60	153
0.70	131
0.80	115
0.90	102
1.00	92

These projections serve little purpose other than providing one barometer as to whether the HIP-TI land use is appropriately sized. The need for an additional 200 acres (utilizing a FAR=0.45, seen on several area sites) does not recognize factors such as the land's physical constraints, ownership patterns, residential uses, and job growth goals intended to accelerate target industry employment. For this reason, on the surface, the remaining vacant HIP-TI acreage of 614 acres appears to be within an acceptable range.

*Conclusions:*

- Further reduction of HIP-TI acreage should be avoided in order to maintain a functional supply (providing adequate market choice) of HIP-TI land for future needs.
- Recent leasing activity for Class A office space indicates that office product located within mixed use development is performing well.

### **3. Mapping land use clusters and patterns**

From the correlation analysis above, it was shown that I-4 access was an important parameter for TISF. The purpose of this section is to present a qualitative mapping assessment encompassing the general areas surrounding the three I-4 interchanges at Lake Mary Blvd, CR 46A, and SR 46. The goal of the exercise is to identify patterns with respect to land use and intensity through the production of a generalized *current* land use map for the area (Map 1). The analysis is built around recognizing commonalities between land use and intensity at major interchanges. Identification of these larger patterns can help inform how the still underutilized area associated the North I-4 HIP-TI Corridor should be steered. In fact, with the exception of the north I-4 HIP-TI Corridor, the development pattern around and between the three interchanges (i.e., Lake Mary Blvd., CR 46A, and SR 46) is largely established. Study of these development patterns provides useful information on how the North I-4 HIP-TI Corridor can regionally interact with these associated areas. Of particular note is that non-residential uses line the I-4 corridor almost without exception. Additionally, natural linkages exist between office uses and retail/commercial uses in the form of lunch hour traffic and after work errands. The environs immediately surrounding each interchange are most likely established with a mix of commercial office and retail uses. Of particular note for the CR 46A interchange, is that the Colonial Town Park DRI mixed use development incorporates both commercial retail and office and multi-family residential on the same master planned site, thereby taking advantage of the natural linkage between these uses.

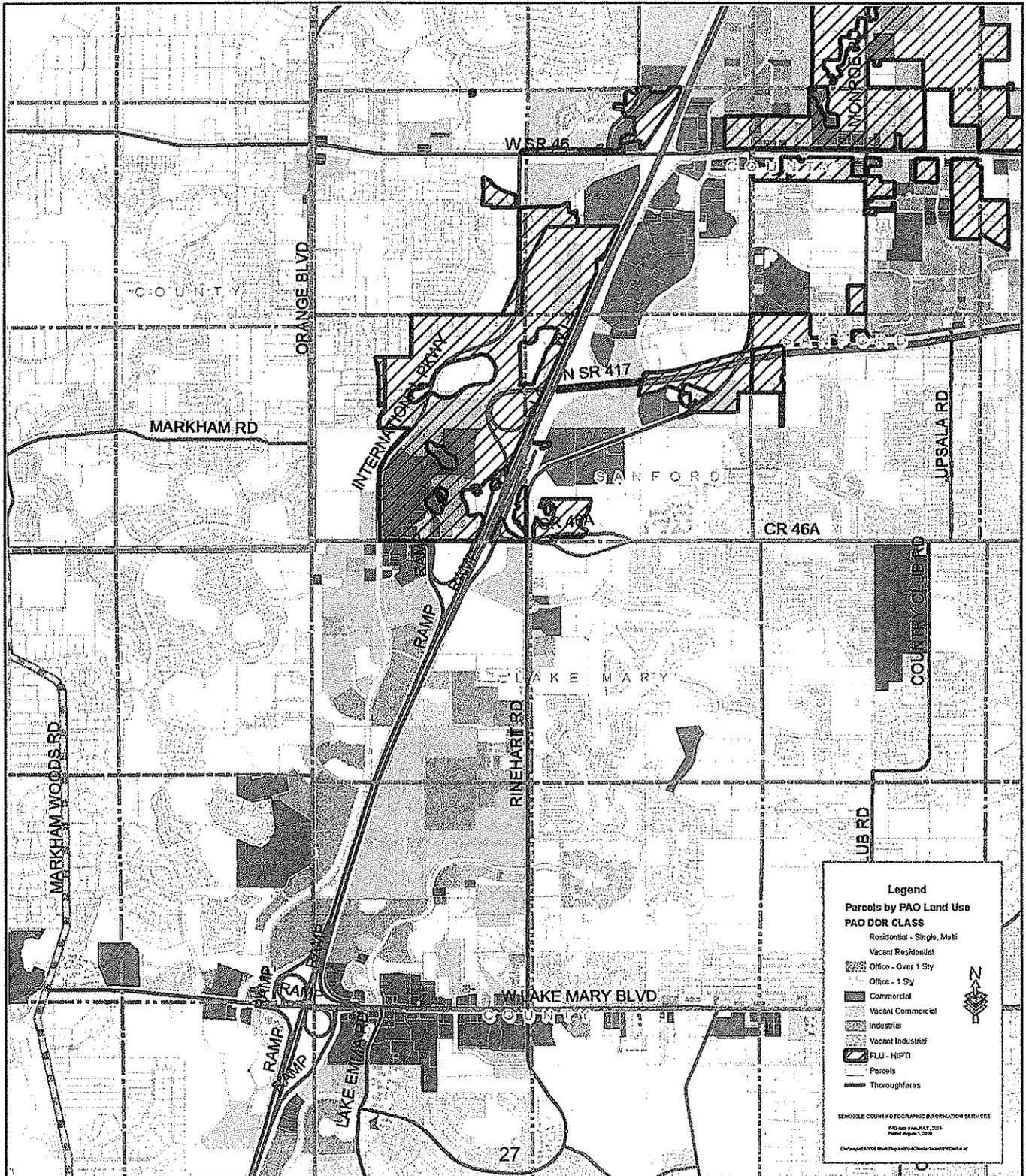
*Conclusions:*

- Interchange development patterns suggest that the north I-4 HIP-TI area should be used at a higher intensity than residential use alone.

# Map 1

## SEMINOLE COUNTY I-4 CORRIDOR Current Property Uses

Generalized based upon Best Available Data from Property Appraisers Office



- The course of development within the North I-4 HIP-TI will be influenced by effective mixed use development.

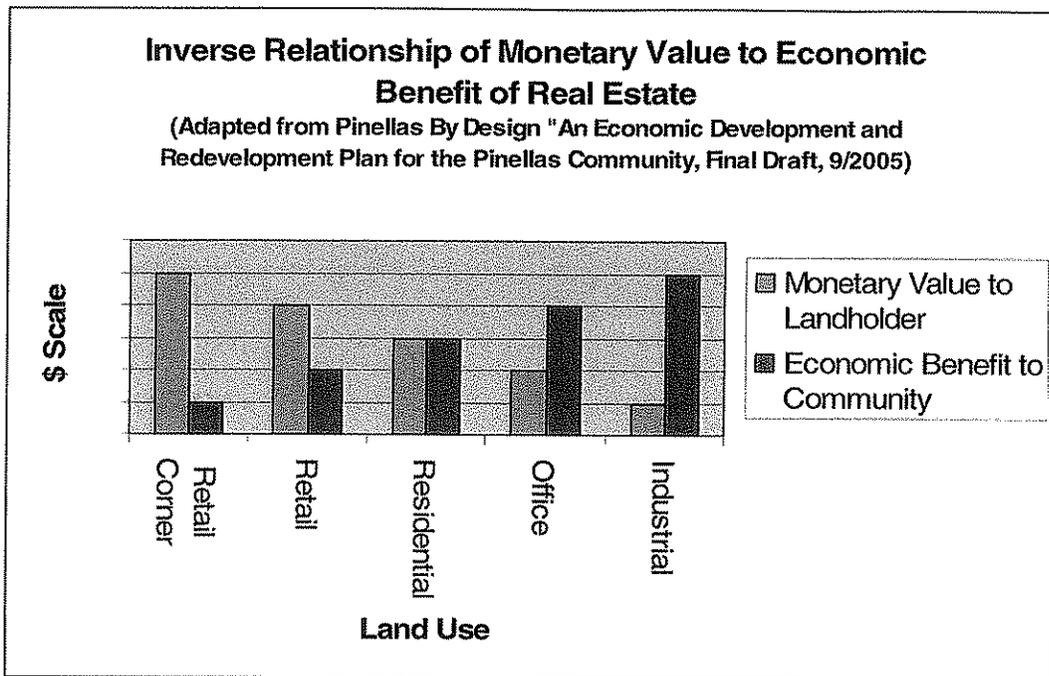
#### **4. Market factors influencing the availability of appropriate real estate**

Seminole County is not the only community struggling with the dilemma of building a target industry base while still maintaining an adequate supply of housing for current and future employees and their families. For example, Pinellas County represents another Florida community struggling with a shrinking supply of land available to both target industry employers and residential users. This real estate dilemma is summarized in Figure 1, where the monetary value and economic return to various land uses are compared. The figure depicts economic benefit to a community is highest with office and industrial uses which are typically associated with target industry. Economic benefit is highest with these uses as they demand less public services and are primary (or basic) employers that bring new money into the community. For instance, a previously conducted Fiscal Impact Analysis for Seminole County showed that Class A office, compared to uses such as housing, yielded higher fiscal returns to County budgets.

On the other hand, the *short term* monetary value to the landowner is typically maximized with retail and residential uses, which are typically associated with lower wages and high consumption of public services, respectively. As stated in "An Economic Development and Redevelopment Plan for the Pinellas Community" (Pg. 29, 2005):

*"So what is that real estate dilemma? It is the fact that the short-term monetary value of real estate to its owners is inversely related to its long-term economic benefit to the community ... Market forces will continue to drive landowners to position their properties for the highest possible monetary value. But if left unchecked, this trend could result in widespread conversion of industrial and office land to other uses, to the detriment of the local economy."*

**Figure 2.**



The situation summarized in Figure 2 provides a pictorial explanation for the residential requests being sought on HIP-TI lands. In short, landholders are understandably acting in their own best monetary interest in the short run. Figure 2's abstraction shows us that this natural market drive may not always coincide with maximizing the community's long run economic benefit.

*Conclusions:*

- A long run economic development goal to sustain a dynamic robust local economy requires an adequate supply of aptly designated real estate. At times, this may require that the County's longer term economic goals take precedent over a landholder's short term monetary gain.

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Conclusions presented in this study point to the importance of master planned development, the need for intensive use of HIP-TI lands, and recognition that mixed use product is performing well in regard to absorbing target industry. Moreover, the divergence between private monetary gain and community economic benefit provides a theoretical nexus in support of Seminole County's HIP-TI Future Land Use. Taken together, indicators support that the North I-4 HIP-TI corridor should continue to develop with a mixed use approach, but with a clearly stated focus towards Class A Office use. Indeed, Comprehensive Plan Policy FLU 5.6 states that the HIP land use designation is

designed as a mixed use category. The Colonial Town Park site has already established the mixed use approach at the southern end of the corridor.

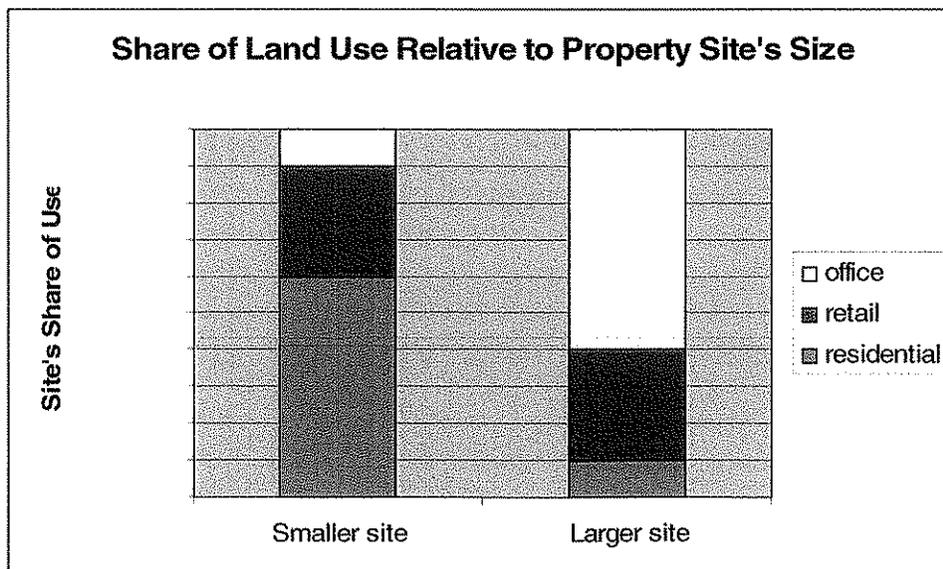
The Urban Land Institute's (ULI) long standing definition of mixed use revolves around three points:

- Three or more significant revenue-producing uses
- Significant functional and physical integration of project components
- Development in conformance with a coherent plan

Typically associated with the first point are residential, office, and retail uses. The term 'mixed use' typically infers some level of residential use. For this reason, it is recommended that the term "multiple use" be employed for the HIP-TI land use designation.

Unique challenges exist within the north I-4 HIP-TI district with respect to points two and three. More specifically, ownership patterns and parcel size complicate the ability to realize a multiple use product that maximizes the office (i.e., target industry) use. Given successful mixed use projects require a "functional" relationship between components, smaller parcels may find it difficult to realize the economies of scale that enable cultivation of a functional relationship. For this reason, piecemeal proposals to develop smaller tracts (< 5 acres) within HIP-TI will likely be weighted heavily towards residential uses. This point is depicted in Figure 3. Outside of being able to develop a greater amount of any use with more land, the ability to realize functional integration on a mixed use site is positively related to parcel size. That is, a greater *share* of target industry use could be supported on larger tracts developed in conformance with a coherent plan. This tendency can be tempered by encouraging vertical integration of uses that would enable very intensive use of relatively small properties.

**Figure 3. Hypothetical Share of Respective Land Use Mix Relative to Parcel Size**



The third point in the ULI definition, regarding development in conformance with a coherent plan, touches on several aspects of this study including the correlation between master planned development (MPD) and office absorption (TISF).

Staff recommends changes to HIP Comprehensive Plan language to better reflect target industry goals while clearly identifying residential uses as ancillary uses (Attachment 4). In addition to these comprehensive plan text changes, the recommendations presented below address administrative procedure in regard to evaluating future HIP-TI proposals within the North I-4 HIP-TI Corridor:

- To the greatest extent practicable, require that new development within the North I-4 HIP-TI Corridor be developed as part of a coherent multiple use master plan consistent with Comprehensive Plan Policy FLU 5.6.
- To the greatest extent practicable, require new proposals to maximize the allocation of office uses on-site consistent with HIP-TI policies.
- Investigate incentives towards having property owners aggregate and/or cooperatively plan for development across separate parcels.
- Utilize the County's Fiscal Impact Analysis Model (FIAM) as a general tool to evaluate HIP-TI proposals.

## **ATTACHMENT 4**

### **Proposed Comprehensive Plan HIP Language Revisions:**

- **Policy FLU 5.6**
- **Policy FLU 5.7**
- **Policy FLU 5.9**
- **Future Land Use Element Definition of Future  
Land Use Designations**
  - **Policy HSG 1.5**

**Policy FLU 5.6**

**Higher Intensity Planned Development (HIP) – Purpose**

The Higher Intensity Planned Development (HIP) land use designation is designed as a ~~mixed-use~~ multiple use category which combines an aggressive strategy to attract specific "target industry," and minimize urban sprawl. There are four (4) types of HIP land use designations: (1) HIP Transitional; (2) HIP-Core; (3) HIP-Target Industry; and (4) HIP-Airport. ~~and alternative transportation strategies.~~

~~This~~ These HIP land uses ~~is~~ are specifically designed to:

- ~~A~~ Provide high density residential development and affordable housing in close proximity to employment centers;
- A Maintain compatibility by providing a transition of land use types, densities, intensities, and heights to buffer existing neighborhoods from nonresidential areas;
- B Discourage urban sprawl by clustering economic development activities along growth corridors;
- C Promote the development of target industries that will provide jobs in close proximity to the County's existing residential areas, support future mass transit systems and make the most efficient use of the County's substantial investment in infrastructure and services;
- D Promote target business development in close proximity to the regional road network providing high visibility and convenient access;
- E Ensure sufficient availability of land to realize the economic development goals of the County set forth in the Economic Element of this Plan; and
- F Provide for higher intensity mixed use development that is compatible with the operation and expansion of the Orlando Sanford Airport.
- G Allow housing supportive of the target industries associated with each particular HIP Type. Provide residential development in close proximity to target industry employment centers consistent with standards for each HIP type.

**Policy FLU 5.7**

**Higher Intensity Planned Development (HIP) – General Uses and Intensities**

The Higher Intensity Planned Development (HIP) designation is designed to provide a variety of land uses, development intensities, and residential uses in association with attracting target industries. ~~and target industry development.~~ There are four (4) types of HIP land use designations: (1) HIP Transitional; (2) HIP-Core; (3) HIP-Target Industry; and (4) HIP-Airport. Allowable zoning classifications in the HIP designations are Planned Unit Development, Planned Commercial Development, Target Industry, and Public Lands and Institutions. In the HIP-Airport designation only, Mixed Residential Office, Mixed Residential Office Commercial and Mixed Residential Office Commercial Industrial are also allowed. Allowable uses vary according to each HIP designation.

Policy FLU 5.9 Higher Intensity Planned Development – North I-4 Corridor Target Industry (HIP-TI) Permitted Uses and Locational Standards

A Uses

The North I-4 Corridor HIP-TI Area is comprised of all HIP-TI designated lands in the northwest area of the County (see: *Exhibit FLU: North I-4 HIP Development Area*). To maintain adequate lands for target industry in close proximity to and high visibility from major interchanges, the HIP-TI area shall be comprised of:

1. Target businesses and industries as defined in *Exhibit FLU: Target Industry Uses*;
2. Manufacturing, distribution, industrial, and rail dependent uses located in the Rand Yard Area. Permitted uses in the Rand Yard Area may be, but are not required to be, target industries;
3. High density residential uses, subject to the following conditions:
  - a. Residential uses in the HIP-TI shall be ancillary to target industry uses and must be functionally and physically integrated into project components:
    1. Residential uses that are “functionally integrated” into a project are residential uses that are supportive of the project. Examples may include multi-family housing units that are targeted toward the income ranges of workers anticipated to be employed within the project, in order to enable internal “capture”, or attraction, of automobile trips; or housing that is located within easy access of, and connected to, retail shopping areas within a project. Housing that is not functionally integrated within a project includes stand-alone residential uses that access the other uses within a project via a main highway, and does not encourage any internal capture of commuting or shopping trips.
    2. Residential uses that are “physically integrated” within a project need not be contained within the same structures as nonresidential uses (although this is strongly encouraged), but are linked to the nonresidential portions of a project by internal mobility options, such as local streets, internal trolleys or shuttle services, bicycle paths and pedestrian walkways, and also share common space elements, such as public plazas, pocket parks, parking structures and greenways.

4. Commercial uses located adjacent to the Seminole Towne Center Mall, at major roadway intersections, which are defined as, collector and arterial intersections or as an accessory use located within a principal office structure;
5. Infill commercial uses along major collector and arterial roads when commercial uses are the predominant existing use along the roadway in both directions from the project site, and therefore the proposed commercial development represents infill development; and
6. ~~Low to m~~Medium density residential uses and lower intensity office uses may only be located adjacent to existing subdivisions as a buffer for the existing subdivisions from future target industry development. As a condition of this use, ~~low to~~ medium density development shall provide adequate areas on the development site to buffer the residential uses from future target industry development.

B Compatibility Standards

Existing residential communities should be protected from the encroachment of target industry uses through the use of design standards to the maximum extent possible.

C Development Phasing

Ultimate development for the North I-4 Corridor Target Industry HIP-TI area is predicated on the facility improvements described in *Exhibit FLU: HIP North I-4 Development Area*.

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**NOTE: The changes proposed above will carry over into the 'Definitions of Future Land Use Designations' Section of the Future Land Use Element.**

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**Policy HSG 1.5 (Higher Intensity Planned (HIP) Development Affordable and Workforce Housing Opportunities**

The County shall ~~continue to~~ provide incentives for building a variety of affordable and workforce housing types and appropriate densities intensities on lands with Low Density, Medium Density, High Density, Planned Development and Mixed Use land use designations, and on lands with HIP land use designations other than HIP-TI, through the use of HIP districts.

**ATTACHMENT 5**  
**Seminole County**  
**ECONOMIC IMPACT STATEMENT**

<b>Date:</b>	09/26/2006	<b>Dept/Div:</b>	P&D/Planning Division
<b>Contact:</b>	Tom Tomerlin	<b>Phone Ext:</b>	407-665-7430
<b>Action:</b>	Amend Comprehensive Plan HIP-TI Future Land Use Policies		
<b>Topic:</b>	HIP-TI Future Land Use Designation		

**Describe Project/Proposal**

The proposed amendments are intended to more clearly establish the purpose and use of the HIP-TI land use designation. More particularly, the proposed amendments clarify that residential uses are to be ancillary and eliminates affordable housing goals for the HIP-TI designation. The amendments help ensure that the County's long term goal of attracting target industries remains possible by retaining an adequate supply of land that is aptly situated and serviced.

**Describe the Direct Economic Impact of the Project/Proposal upon the Operation of the County**

A more thorough discussion of the economic impact associated with the HIP-TI land use designation was presented in the "North I-4 HIP-TI Study (July, 2006)". In short, reserving HIP-TI lands for multiple use (target industry) development is expected to yield positive economic returns to Seminole County. It is commonly recognized that, all else being equal, the economic returns associated with target industry (basic) uses exceed the returns associated with most alternative (e.g., residential, retail) uses. It is important to recognize, however, that development timing (i.e., when will development occur?) obviously plays a role in any economic impact assessment. Nevertheless, for these reasons, the direct economic impacts of the proposed amendments are expected to be positive for the County.

**Describe the Direct Economic Impact of the Project/Proposal upon the Property Owners/Tax Payers/Citizens who are Expected to be Affected**

Several variables will affect the economic impact to HIP-TI property owners. By designating residential uses as ancillary, it is possible that development of HIP-TI lands may be slowed in order to achieve the goal of focusing the HIP-TI district on attraction of target industry uses.

**Identify Any Potential Indirect Economic Impacts, Positive or Negative, Which Might Occur as a Result of the Adoption of the Ordinance**

Eventual development of HIP-TI lands with target industry uses are expected to produce substantial positive indirect impacts in the form of spending by firms that do business with target industry and through the expenditures of target industry employees in the community.