
MEMORANDUM

DATE: March 25, 2021

TO: Ms. Melissa Zornitta, Executive Director
Hillsborough County Planning Commission

CC: Mr. Jay Collins, AICP
Ms. Tatiana Gonzalez, Planning Commission

RE: **Revised Task 6 Summary Memorandum: Planning Consultant Studies
Review & Analysis**

Introduction

Subsequent to completion of the WTL+a WVR-2 & RP-2 Future Land Use Market Study and Wimauma Village Community Character Profile as well as our presentation on January 13, 2021 to the Hillsborough County Board of County Commissioners (BOCC), WTL+a, with support from Retail & Development Strategies LLC, was asked to review and analyze the elements included in multiple planning documents for the Balm/RP-2 and Wimauma Village/WVR-2 planning areas. These documents incorporated comments and edits by Hillsborough County City—County Planning Commission (the Planning Commission) staff.

In January and February 2021, WTL+a reviewed the following five documents:

- **2A Hillsborough County: HC/CPA 20-11-Future Land Use Element Text Amendment**
(Residential Planned-2 Future Land Use Element)
- **2B Hillsborough County: Land Development Code Amendment-21-0288 (RP-2)**
- **2C Hillsborough County: HC/CPA 20-12 Livable Communities Element Amendment**
(Wimauma Village Community Plan Update)
- **2D Hillsborough County: HC/CPA 20-13 Future Land Use Element Text Amendment**
(Wimauma Village Residential-2 Future Land Use Study)

WTL +a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

-
- **2E Hillsborough County: Land Development Code Amendment-21-0289 (WVR-2)**

Our review of these documents has several purposes:

- To assess the consistency of each document's planning recommendations as they compare to market data and findings from the WTL+a reports;
- To consider how recommended planning concepts and potential outcomes relate to broader planning and development policy objectives outlined in the planning reports;
- To identify how planning concepts and guidelines compare to market conditions in the Wimauma/WVR-2 and Balm/RP-2 planning areas; and
- To analyze the implications of larger planning goals against market and economic realities and goals as expressed by stakeholders participating in the planning process.

Overview of Current Requirements

The WVR-2 and RP-2 Real Estate Market Study and Wimauma Community Character Profile reports were scheduled to be completed before the consultant land use studies. WTL+a review of the land use study recommendations was identified by the County as an optional task to be completed after the conclusion of the land use studies. However, changing timeframes did not allow WTL+a to follow that initial workflow. It is therefore not unexpected that there were different conclusions about strategies emerging from the real estate market study and the planning documents. Planning criteria are not always measured against real estate market and economic conditions, and are often intended to address different, if inter-related, public policy issues.

The planning documents included initial explorations of several valuable tools to be considered for Plan amendments and regulating processes for both the WVR-2 and RP-2 study areas. The recommendations for use of Community Benefits as a basis for considering incremental density and/or reallocation in future planned areas is a proven way to generate public benefits as part of a development process. The planning documents suggested the use of negotiated public benefits such as:

- Provision of open space;

WTL +a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

-
- Varying density levels to reinforce the study area’s rural character, including requiring larger parcels with lower densities at the edges while allowing moderate clustering in the less visible central portions of those larger parcels); and
 - Increased density to mitigate revenue offsets of affordable housing, etc.

This policy approach to leverage public benefits is a proven method to encourage developer contributions, and should ideally be integrated with larger area and regional goals as well as calibrated to demonstrated market conditions. For example, provision of a trails network within a subdivision site as part of the open space requirement should also be required to link to larger regional trails systems, providing benefits beyond the boundaries of a single project.

In addition, the policy requirements for employment and retail square footage based on population densities and planned growth should be reconsidered. As noted in the WVR-2 & RP-2 Future Land Use Market Study, WTL+a suggests that while these policies were well-intended tools to improve retail services and add employment opportunities to the study areas, **formulaic requirements for employment and retail are not practically enforceable**. These goals are externally affected by existing land uses and property rights, competitive supply (particularly of retail) and other factors that make mandated square footages and employment requirements complicated and impossible to implement. The proposed planning approaches explore different mechanisms to address employment and retail opportunities; **WTL+a recommends that the current retail and employment requirements should be changed**.

WTL+a also notes that a number of the planning elements presented (e.g., site orientation layouts, examples of road sections, and building plans and sections) are defined as ‘conceptual’, rather than grounded in actual site-specific conditions in Wimauma and Balm. **The difference between planning concepts and more exacting development conditions** (e.g., market/land valuations of TDRs, allowable densities resulting from planning goal calculations, or other measures) **may not always be in synch with resulting recommendations**. These planning ‘test-fits’ are to be undertaken in future work for the WVR-2 and RP-2 study areas by the planning consultants. WTL+a suggests that these efforts can inform the benefits of potential policy changes, consistent with economic conditions detailed in the market analysis.

Finally, WTL+a notes that the Wimauma Village/WVR-2 and Balm/RP-2 study areas reflect development pressures that can result in conversion of agricultural land into higher density land use patterns. Because most of the Wimauma Village study area and all of RP-2 are located *outside of* Hillsborough County's Urban Services Area/USA (only the West Downtown section of the study area is within the USA), the findings reflect only these conditions and possible planning outcomes.

There has been significant interest in the potential use of TDRs as a mitigating tool to shift densities in the study area, but in our view a more workable outcome will likely involve not just the recommended 'receiving' areas in the RP-2 and WVR-2 planning areas, but potentially many more potential density 'receiving' areas incorporating locations both inside *and* outside the entire USA and elsewhere in Hillsborough County. **Real estate market pressures for increased densities are a result of population growth patterns in Hillsborough County indicating that over the past 20 years, the County's population has increased at a *sustained* pace of 22,300 new residents annually every year since 2000** (source: US Census, 2000 and University of Florida Bureau of Business & Economic Research, official State of Florida estimate 4/1/19).

It is therefore critical that this remarkable growth rate be addressed through planning policies, but (in our view) **allocating new growth to the county's undeveloped areas should involve a county-wide planning resolution, not focused solely within the WVR-2 and RP-2 study areas**. The purpose of raising this concern is to suggest that countywide growth policies should be considered within the broader context of countywide redevelopment areas, and not limited to selected areas such as South County. Issues relating to these conditions are detailed in the analytical comments which follow.

Review & Analysis Comments

The multiple documents identified above represent an evolution of the original planning recommendations over time. The Planning Commission and BOCC provided comments and asked to eliminate the following components: the adopted policy on wetland density credits and the proposed affordable housing density bonus in the WVR-2. WTL+a understands that the wetland density credits are currently under review for amendment. Whether these credits are eliminated or retained, the resulting densities allowed by transferring unused wetland density

WTL + a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

elsewhere on the site could have the effect of compounding concerns about suburban-type residential densities immediately proximate to agricultural land. The potential to shift this unused density to other sites could contribute to the success of a re-structured TDR program in Hillsborough County, providing a mechanism to better identify sending-site potentials to other TDR receiving zones and providing value for already entitled development, but relocated to keep net densities within guidelines.

While WTL+a recognizes that the changes identified by the Planning Commission and BOCC have already been proposed, we are providing comments on selected planning concepts (and others) to both identify and reinforce differences between planning recommendations and findings as well as to accommodate planning recommendations and conclusions provided by the two planning studies (i.e., mixed-use development, concentrations of commercial land uses into more pedestrian-friendly contexts, identification of future growth areas at compatible scales with current densities, etc.).

Allowed Densities & Market Potentials

WTL+a understands that allowed densities of one (1) dwelling unit per five (5) acres is by-right and that densities of two (2) units per one (1) acre will be by application in both WVR-2 and RP-2 categories. The two (2) units per acre is permitted on 160+ acre properties in the RP-2 South Sub-Planning Area. These densities are permitted only by complying with Comprehensive Plan policies and intent. However, in the proposed North Village planning area in Balm, the minimum site size to be considered for two (2) dwelling units per acre is 50 acres.

The market analysis found that there is a significant number of fully entitled, but as yet unbuilt residential units in both the RP-2 (1,355 units) and WVR-2 (2,393 units) planning areas. **The market study also recommended that any additional units should not be entitled until infrastructure, pace of absorption and Comprehensive Plan and zoning policies (such as requirements for retail and job creation) are resolved.**

The findings of the real estate market study indicate that the 2,393 units in approved/entitled Planned Development projects in WVR-2/Wimauma and the 1,355 entitled units in RP-2/Balm both **exceed the number of market-supportable units** in the 10-year forecast period (i.e., either growth would need to continue *beyond* the 10-year forecast period to absorb these units,

WTL +a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

or forecast growth rates would need to *double* to support construction of previously approved PD units over the next 10 years).

In addition, the amount of developable land is more than sufficient to accommodate future growth in both WVR-2 and RP-2. For example, **WVR-2 includes 4,940 developable acres that would allow more than 9,360 new dwelling units** under current land use regulations. (There are another 2,181 acres of developable land in the Wimauma planning area located *outside* of WVR-2). In Balm, there are **1,951 acres of net vacant developable land that could potentially accommodate up to 3,900 new dwelling units** assuming densities of two units per acre. According to Planning Commission staff, this does not account for properties that are not eligible for aggregation, so the total number of potential units (3,900) is actually lower. It was unclear if a comprehensive analysis has been conducted to determine the number of potential units that could come from all possible aggregation scenarios because of the complexities and characteristics of individual sites. If this analysis has not been conducted, WTL+a suggests that this review be completed to fully inform the maximum potential buildout if all possible aggregated sites are included.

Clustering, Projected Capacity & Planning Overlays

Clustering is in the adopted policies for RP-2/Balm and WVR-2/Wimauma, but is not explicitly stated in the proposed policies. In order to understand the full impact of proposed developments, it may be useful to create a comparative summary of maximum allowed densities under current zoning and planning guidelines, and to separately summarize proposed density calculations if all bonuses are used. Depending upon how benefit valuations are calculated, the differences between currently allowed densities and proposed increased densities can serve as a basis for how development proposals would be measured, quantified and implemented. In WVR-2, clustering would be increased from 3.5 units to 4.0 units per net acre.

In order to test the implications of these 160-acre density and planning ‘break points’, WTL+a suggests that, at some point, **all parcels within the RP-2 study area should be mapped and overlaid to understand how many parcels and development units would be allowed/incentivized through the clustering and other bonus proposals.** WTL+a supports the broad consideration of considering community benefits as a basis for density increases, but

to gain maximum public benefit, some mechanism to quantify the costs and value-additions from those allowed increases should also be employed. The community benefits proposed in the planning documents (such as streetscape and open space enhancements, etc.) are proven mechanisms to negotiate for developer agreements, but to quantify those benefits, a level of analysis beyond the broader planning goals they reference should be carried to a different level of detail. To understand market implementation potentials, **total acreage and allowed densities and use of open-space/agricultural land incentives (whether direct financing, subsidy of ‘gap’ financing, policy-based density increases or provision of public-benefit projects) and controls should be** referenced (and if possible, representationally illustrated) in the planning documents, along with **total unit and development square footage allocations at full allowed capacity**. The clustering concept could work well in balancing focused development and open space, but total capacities and balances should be documented/demonstrated in total. According to County staff, the Comprehensive Plan and Land Development Codes do not typically include summaries of all possible entitled residential development. Therefore, WTL+a suggests that a comprehensive summary illustrating how these planning concepts translate into total units and densities could be a helpful component of planning policy and analysis in the future.

Wetland Density Allowances

The WVR-2 & RP-2 Future Land Use Market Study documents public comment and concern about subdivision densities resulting from transfer of density allocated in wetlands to other parts of the same sites, sometimes resulting in small lot subdivisions immediately adjacent to agricultural and low-density land. **WTL+a does not recommend that wetland densities should not be considered as part of development project reviews.** However, we do *strongly* suggest that those entitlements should either 1) be transferred off-site, or 2) accommodated in some other way to prevent the types of sharp contrasts in densities and land planning which have resulted in the past.

Infrastructure Systems, Development Incentives & Timing

In Hillsborough County, development dynamics and availability of infrastructure and public services are very different between the Urban Services Area and the Rural Services Area. The

WTL + a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

recommendations in the planning documents have been based on a policy approach that requires that new developments “be on public water and wastewater systems to be provided by the developers”.

Since there have been delays in provision of roadways, sewer and water capacity (reportedly resulting in periodic inadequacies in water pressure in existing areas of south Hillsborough County) and fully entitled (but as yet unbuilt) residential developments not yet linked to existing networks, WTL+a recommends that planning policies include the following additional requirements:

- Developer-provided water and sewer infrastructure should continue to be funded and provided/in place before building permits and/or occupancies can be approved, and
- Similar requirements for police/fire/public school needs should be incorporated into future planning and zoning approvals, with committed funding in place (whether through impact fees, developer proffers and/or funded public Capital Improvement Plans/CIPs) and clear infrastructure completion and delivery timelines for infrastructure.

Transfers of Development Rights/TDRs

Use of the County’s Transfer of Development Rights (TDRs) was a significant proposed land use tool in the planning documents. The goal is to better manage density allocations, to encourage shifting base density value from more rural parts of Hillsborough County to more rapidly densifying areas like the proposed North Village in Balm (near Riverview) in the northern portion of the RP-2 study area. A TDR exchange ratio of 1:2 development rights has been proposed between WVR-2 and downtown Wimauma transfers; in RP-2, a TDR exchange ratio is 1:1. The rural-to-urban exchange ratio of 1:2 is consistent with patterns shown in other TDR programs across the U.S. The suggested TDR exchange areas are all located within the study area, which assumes that all market potentials for use of TDRs is contained within the study areas alone.

WTL+a understands that, under current regulations, all properties in sending and receiving zones would have the ability to transfer development rights. As described above, consideration of a larger geography of potential density receiving zones could offer more options (and potentially greater leverage) for density transfers. Limiting density transfers to the two study

WTL + a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

areas alone will not likely provide the same level of ‘developer value’ as would a more comprehensive set of potential receiving zones.

As a planning principle and development management tool, TDRs can be useful. But based on our analysis of how easily TDRs can be implemented as currently structured in Hillsborough County, significant gaps exist. The market study suggested that the current County program is more conceptual than fully developed; Hillsborough County TDRs have only very recently been used for the first time despite being available for many years. The mechanics and effectiveness of the program are not yet proven.

The current TDR program in Hillsborough County:

- Isn’t staffed or separately budgeted;
- Does not clearly define locations and capacities of potential ‘sending’ and ‘receiving’ zones;
- Provides no mechanism for a ‘TDR bank’, in which development rights can be held if ‘sending’ sites are not linked to ‘receiving’ sites; and
- Hasn’t proven to be effective given the very limited use of the program.

WTL+a suggests that this condition requires a broader view of how TDRs can be used beyond the geographic boundaries of the RP-2 and WVR-2 study areas. Since the underlying assumption is that the value of ‘sending area’ densities will require a higher yield when applied in a ‘receiving area’ to increase development value, the policy implications of TDRs should extend beyond the RP-2 and WVR-2 planning areas (we recognize that this was probably not part of the planning consultants’ scope).

Presumably, recommended density increases within the downtown planning districts in Wimauma should also benefit current property owners in addition to future owners. For example, the substantial holdings by the Church of God in downtown Wimauma would provide considerable value potential to the church if there is a demonstrated market to shift/sell that density for transfer to another site in a receiving zone.

For a TDR program to work well in this part of Hillsborough County, WTL+a recommends that a **more comprehensive TDR assessment and management plan should be completed**. This assessment should also include an analysis of total sending capacity based on both existing

properties (and their specific sizes and densities) as well as for use in redevelopment project incentives.

Planning Concepts & Existing Site Conditions

The Wimauma Village plans included a series of street sections, illustrative site set-back and location plans for new 'infill' buildings, and building sections that suggest 'street-wall' conditions that would improve both pedestrian safety and establish/strengthen a 'commercial village' center character for Wimauma. The principles are all proven and based on successful low-scaled urban design characteristics to achieve planning and design objectives.

We understand that the planning objectives identified in the documents are considered more conceptual than site-specific. However, densities implied in the planning principles may require more detailed 'test fits' against existing conditions in Wimauma to better match the real estate economics of low-scaled mixed use, a more site-specific urban design plan and the targeted use of incentives to achieve the final planning product.

Supportable Commercial Square Footage

The proposed Wimauma Community Plan for Wimauma Village, prepared by the Florida Center for Community Design and Research at the University of South Florida, cites a 'rule of thumb' stating that (paraphrased) "1,000 to 2,000 households are required to support a block of village commercial development".

Unfortunately, this 'rule of thumb' does not recognize the realities of several factors in commercial real estate. First, retail development (whether retail by itself or a combination of retail and workplace/office or retail/office/residential mixed use) is based on achieved sales and rents. As detailed in the analysis of retail demand potentials in Section 5 (pp. 107-112) of the WVR-2 & RP-2 Future Land Use Market Study, **new commercial retail buildings in Wimauma Village will require significantly greater population densities (far more than 1,000 to 2,000 households) and spending power than is available in the near- to mid-term future.**

There are a number of factors which affect how much retail space is "supportable" in a planning area, including the overall competitive context, the quality and quantity of existing retail space and the economics of leasing new-construction retail space.

WTL + a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

WTL+a notes that Wimauma is generally undersupplied in professional services, food & beverage (estimated at 9,500 sq. ft. of existing), consumer services, general retail and grocery stores (estimated at 19,000 sq. ft. located in older structures needing repair or replacement).

There is no well-established retail core/downtown area in Wimauma.

Including these factors, a reasonable “rule of thumb” would be to plan for 4 to 7 square feet of retail for each new resident (1,275 new residents translates into 5,000 to 9,000 sq. ft. of supportable retail space) plus a recovered share of lost sales/sales leakage (assuming recapture of approximately 15% to 20% of the \$16.9 million in annual leakage). Incorporating these assumptions and careful planning guidelines, **Wimauma can support an additional 15,000 to 25,000 sq. ft. of retail space.**

Notably, Wimauma’s residents have significantly lower average household incomes with far less disposable/discretionary spending power available than households across Hillsborough County. This means they have less to spend on household essentials like groceries and other specialty spending. The proximity of a large Walmart at the edge of the West Downtown sub-area is both an effective discounter with a large range of offerings and a powerful competitive force for the smaller retailers who might consider space in the Village Core area. Use of second floors for commercial/office space can benefit by ‘doubling up’ on the shared costs per surface foot of land, and can also be a potential location for the complementary social/professional and business services that Wimauma’s residents do not have today.

The market study identified a limited amount of supportable retail space for Wimauma Village, but the comprehensive planning process does not typically require site-specific capacity analysis. The planning concept is to locate mixed-use buildings along 4th Street as a long-range master planning objective. However, WTL+a also suggests that, at some point, a capacity test-fit be considered to carry street section concepts into specific site recommendations. These recommendations could include: scale and height of commercial ‘street-wall’ buildings; setbacks and sidewalks; parking demand; and connections to proposed street-grid patterns.

Mixed-Use Building Concepts

The Wimauma Village planning concepts illustrate a series of building sizes and multi-floor development projects incorporating two (2) to four (4) floors of retail/office commercial uses and upper floor residential units.

The economics and operations of mixed-use development complicate this planning recommendation; one- and two-story buildings are both easier to finance and lease than taller structures and mixed-uses. While desirable as a planning objective, the concept of adding residential uses on third and fourth floors may result in substantial increases in construction costs. Multi-story, mixed-use buildings require elevators due to the need for ADA accessibility and fire-rated secondary egress requirements for multi-tenant commercial/multi-unit residential projects within the same structure.

While the power of planning imagery is great, it may affect expectations by Wimauma residents that are not readily implementable due to construction costs, complexity of financing mixed-use projects, and the potential to partner with commercial developers. Most developers are focused and have experience in only one land-use category (i.e., residential, retail, workplace/office, industrial, hotel/hospitality, etc.). There are far fewer experienced developers who can successfully create mixed-use buildings, especially in lower-income, lower-density areas like Wimauma Village.

In order to better understand the magnitude of the space required to meet this urban design/planning goal as it compares to the actual amount of supportable space identified in the market study, WTL+a recommends that a more detailed design plan for Wimauma Village's Main Street Commercial Core sub-area be completed. Particularly for Wimauma's four-block 'commercial' section of State Road 674, these types of planning analyses might typically include: site-based street sections (traffic lanes, on-street parking, streetscape and sidewalks, building setbacks, building height, transparency of ground-floor space, loading and servicing requirements, and overall parking requirements).

We recognize that this more detailed level of planning was not included in the planning consultants' scope of work identified by Hillsborough County. WTL+a understands that the next phase of work by the planning consultants will explore these policy options to link the goals to specific site conditions in Balm and Wimauma.

WTL + a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

While WTL+a agrees that the broad concepts in the Wimauma planning documents are valid, the specifics of implied densities should also be balanced against identified market potentials. Implied design densities are framed by elements such as building height and depth, parcel widths, and access to loading/servicing among other factors. Design densities based on market potentials are affected by market demand (by use), financing and underwriting criteria, potential differences in structural framing and vertical circulation by land use, code requirements by land use and other factors. WTL+a anticipates that this balance would be tested and reconciled during the site-specific ‘test-fit’ design process.

Main Street Core District & 4th Street Clarifications

The Wimauma Village planning documents illustrate four (4) sub-areas (Downtown West, Downtown Center, Downtown East and the Main Street Commercial Core). The planning documents also recognized the market study findings that market potentials for commercial retail uses is limited. However, the need to create a more cohesive village center was also cited in the documents, a planning concept that should add value to selected sub-areas over the long-term. In addition to 4.5 blocks along State Road 674 (from Sheffield Street to mid-block between 4th and Railroad Streets), the Wimauma Village planning documents identified another four blocks of 4th Street (north and south of State Road 674) in the Main Street Commercial Core.

Conclusion

Completing a Comprehensive Plan update in a rapidly growing market like Hillsborough County is a complex undertaking; it is further complicated by growth and development pressures, evolving public policy goals, timing/funding of infrastructure and wide-ranging public opinions and developer objectives. The WVR-2 and RP-2 planning and real estate analysis process has analyzed market and real estate conditions, implications of previous planning and development policies and identified market-based trends as they might affect future decisions.

WTL+a appreciates the complexity of these conditions, along with the specific characteristics of Wimauma, Balm Village and the WVR-2 and RP-2 planning areas as they are incorporated into the Land Development Code and Comprehensive Plan Update. The measures and strategies employed in this joint effort between planning and market/real estate economic consultants are

WTL + a

Real Estate & Economic Advisors
Washington, DC—Cape Cod, MA
301.502.4171 508.214.0915

further complicated by the ‘rezoning moratorium’ imposed (and extended) to allow enough time for thoughtful response to a broad list of opportunities and challenges. As the planning documents are finalized, it is assumed that the findings of the real estate market study are incorporated, as appropriate, to address the prospects for continued growth and enhanced character of Wimauma/WVR-2 and Balm/RP-2 planning areas and their economic roles in southern Hillsborough County.