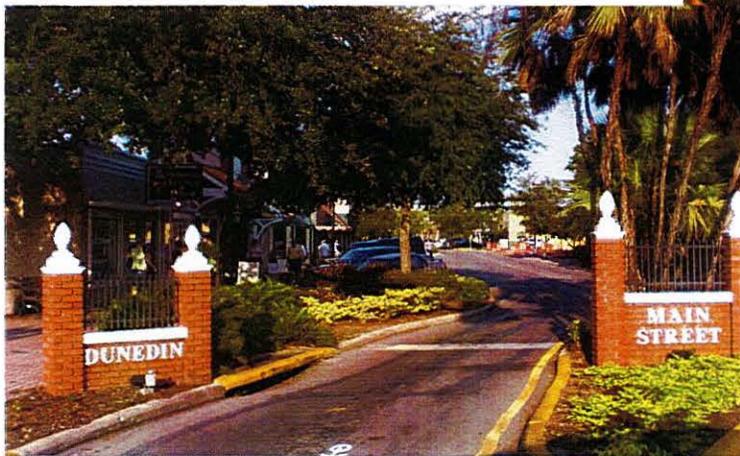
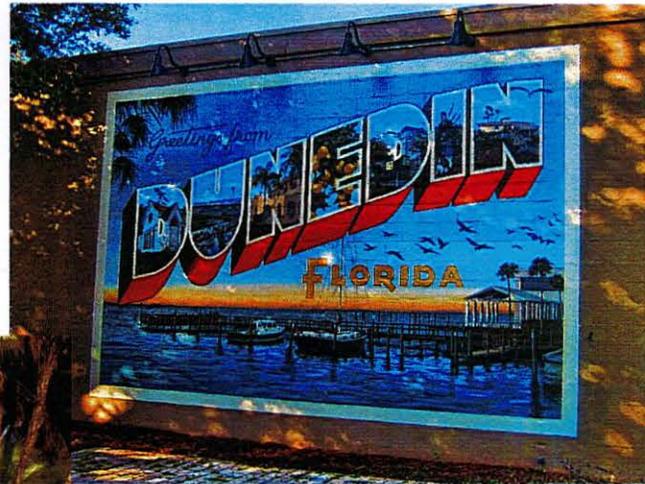


Key Findings: Economic Impacts—Dunedin CRA



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Advisors**

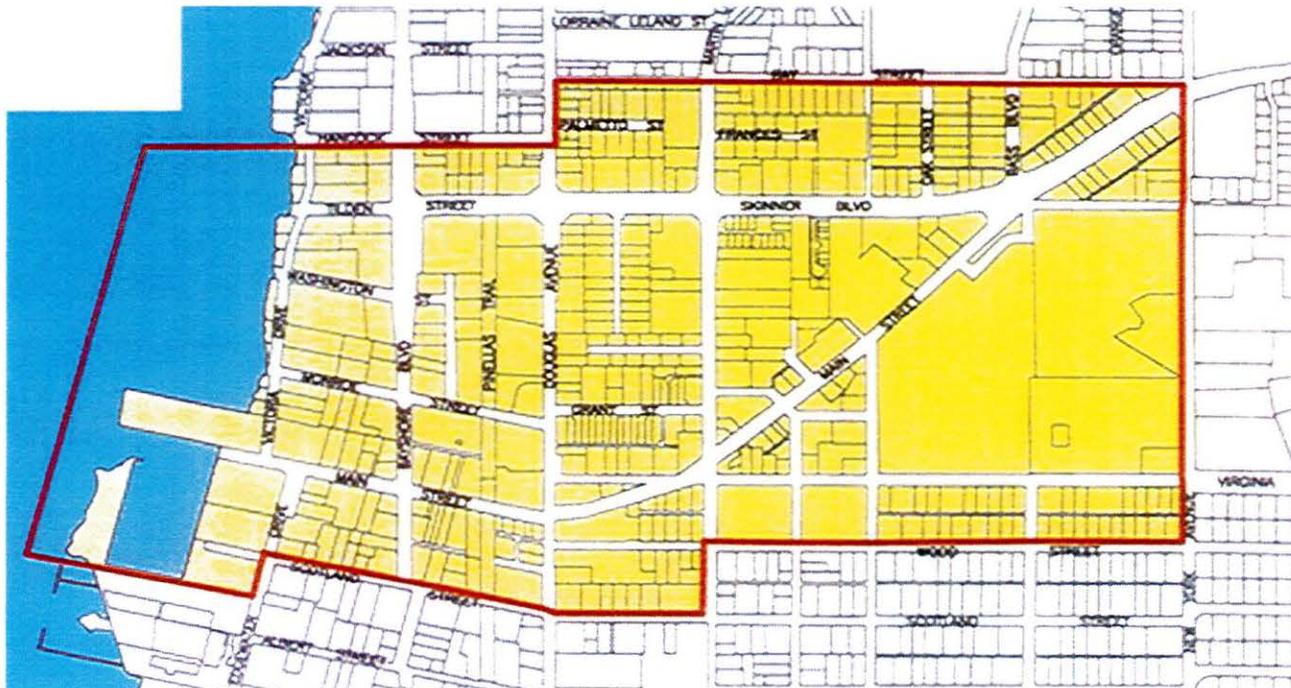
Washington, DC &
Provincetown, MA

Prepared for:
City of Dunedin

May 11, 2017

Objective: Measure Economic Impacts

- Understand broader effects of downtown's improving business climate
- Measure impacts generated by specific activity:
 - Ad Valorem (property) tax base
 - Job growth in key sectors
 - Commercial real estate performance metrics
 - Business & retail sales tax receipts



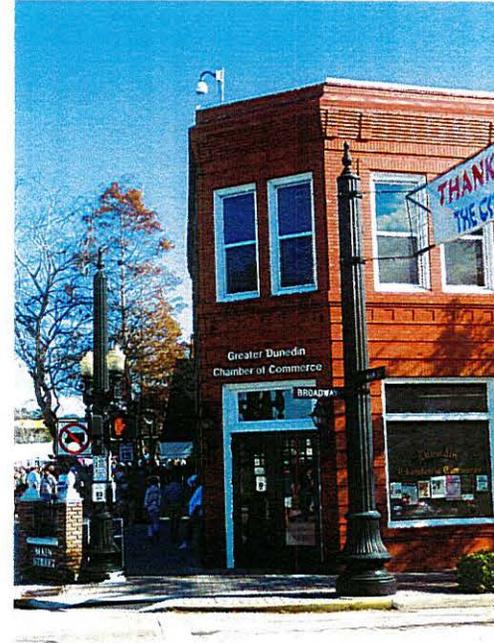
Impacts: Ad Valorem (Property) Taxes

- Significant increase in taxable values:
 - 2000: \$44.8 million
 - 2016: **\$98.5 million**
- Growth in values generating sizable increases in annual tax increment (TIF):
 - 2000: \$90,300
 - 2016: **\$567,600**
- The “Great Recession” resulted in a **49% decline** in TIF (2007—2012)
- Since 1988, CRA has generated \$7.5 million in TIF from County & City



Impacts: Job Growth

- 2016 Dun & Bradstreet: 2,600+ jobs in downtown (23% of all jobs in City)
- Downtown is an employment magnet: for every resident there are...
 - **2.16 jobs in CRA**
 - 0.31 jobs Citywide
 - 0.52 jobs Countywide
- **460 new jobs created** in CRA over past 10 years
- Strongest sectors: Finance, Professional/Business Services & Accommodations/Food Service
- Diversified mix of jobs
 - 45% Services (includes Healthcare)
 - 25% Retail



Impacts: Commercial Real Estate Performance

Office—Citywide

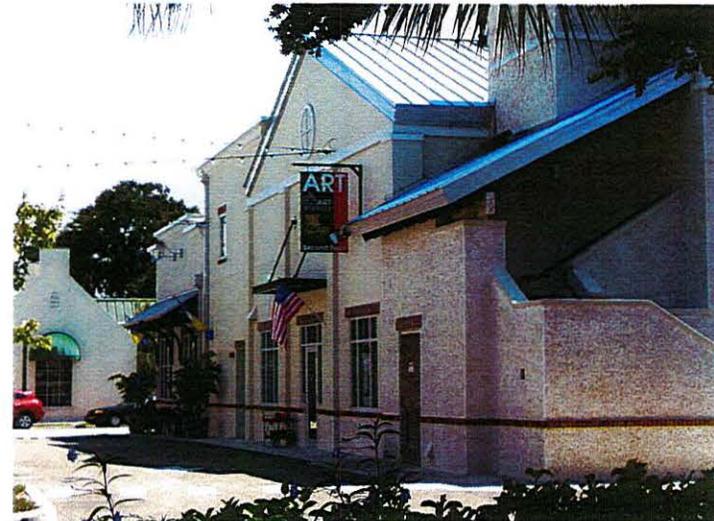
- Inventory: 750,000 SF (<2% of County's 41 million SF)
- Vacancies peaked at 26% before demolition of Nielsen buildings; today: <6%
- Slow, steady leasing: **12,100 SF per year** since 2012
- Pace will require ± 3 years to achieve stabilized occupancies of 93%
- Challenges of declining office rents citywide—
 - 2007: \$16+
 - 2016: \$12+



Impacts: Commercial Real Estate Performance

Office—CRA

- 206,300 SF (28% of City)
- 1,000+ office jobs downtown
- Lack of product has capped leasing activity: **1,200 SF per year** past 10 years
- *Very low vacancies (1.3%) suggests opportunity for office as a supporting use in new mixed-use development*
- Challenges of low office rents affects feasibility for new office construction: risk reduced with mixed-use



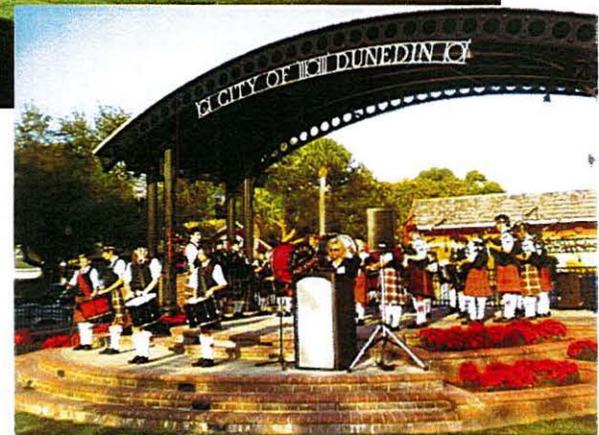
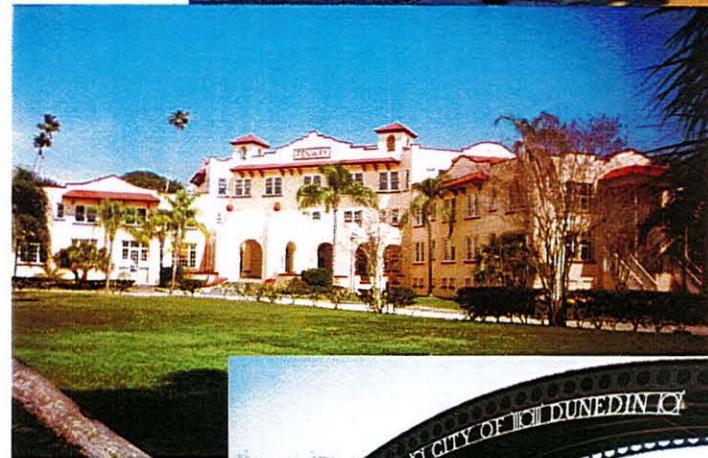
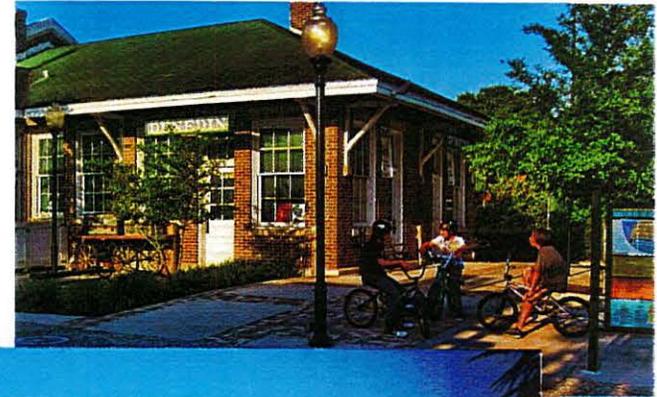
Impacts: Tax Receipts

Retail Sales

- Citywide estimate: \$462 million/year
- Solid investment-grade performance
- Impact of recession: sales declined by \$90 million (2007—2012)
- CRA estimate: \$47 million

Business Tax Revenues

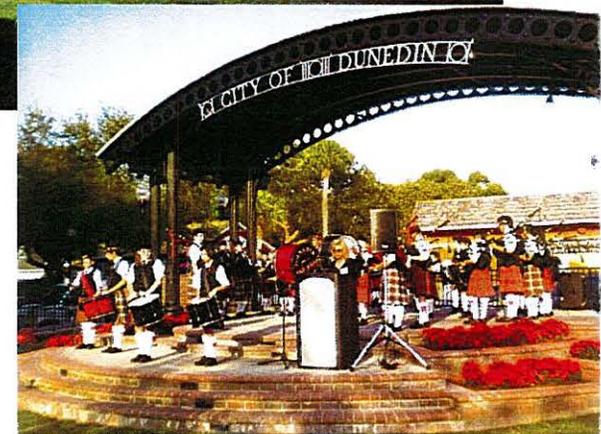
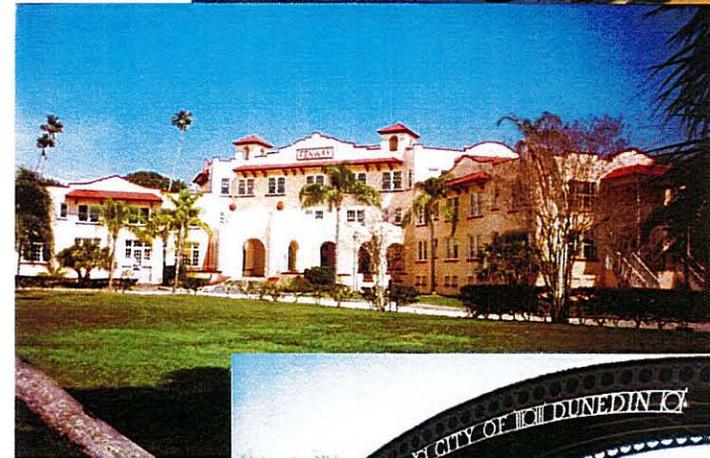
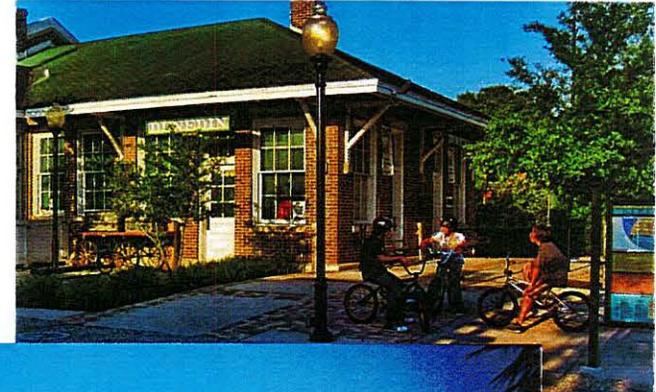
- Citywide BTRs generate \$117,000 per year
- BTRs have **declined 23%** since 2013
- Citywide losses offset by new retail & restaurants opening in CRA
- CRA generates **\$25,000-\$27,000** in annual BTRs



Impacts: Tax Receipts

Selected Other Taxes

- Citywide population losses (2010-2015) *decreased* sales & use taxes by the equivalent of **(\$508,700)**
- Measured selected tax categories—
 - Municipal revenue sharing
 - Communications services
 - Local discretionary sales
- 2016: these 3 generated **\$6.7 million citywide**
- Downtown 'engine' also contributes to citywide revenues
 - 1,200 CRA residents = \$227,000 in annual tax revenues in these 3 categories



Key Findings

- 278% increase in taxable values:
 - 1988: \$35.4 million
 - 2016: \$98.6 million
- **\$567,600** in annual TIF
- Very high jobs-to-pop. ratio: **2.16**
- 1% office vacancy rate
- **\$47 million** in annual retail sales = **\$235,000** in Half-Cent Sales taxes
- Job growth should support opportunities for new office space
- Continued growth in downtown retail & restaurants increases BTRs
- Downtown residents comprise 3% of City; target 5% to 7%



Thank You!

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