



**SOUTH FLORIDA EAST COAST (FEC)  
ALTERNATIVES ANALYSIS**

**F.M. NO. 417031-1-22-01**

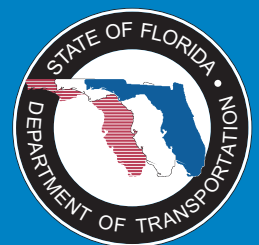
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***Preliminary Value Capture Tech Memo***

***Prepared by:***



***Gannett Fleming***



***May 2010***

## Memorandum

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**Date:** August 2010  
**To:** Gannett Fleming, Inc.  
**From:** AECOM Economics (Formerly ERA-AECOM)  
**Subject:** SFECC Corridor Preliminary Value Capture Analysis

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### Introduction

In July 2009, ERA-AECOM's Washington, D.C. office was retained by Gannett Fleming, Inc. to conduct a preliminary "value capture" analysis on the 82-mile FEC rail corridor as part of our ongoing economic studies of alternative commuter rail alignments on the South Florida East Coast Corridor (SFECC). The SFECC rail corridor encompasses existing FEC rail right-of-way in Palm Beach, Broward, and Miami-Dade Counties in South Florida. This preliminary analysis is designed to assist Gannett-Fleming, FDOT District IV, and the SFECC Corridor Coalition working group in understanding potential funding streams generated by value capture enhancement.

Value capture refers to a type of public financing in which increases in private land values generated by new public investment are "captured", through various mechanisms, to pay for that investment or other public projects. Transportation projects, for example, can increase adjacent land values, and thus generate added value for private landowners. Public agencies can capture a portion of that value using any of the following methods: 1) local improvement districts; 2) public-private development of adjacent land; 3) traffic impact fees; 4) tax increment financing districts; or 5) buying privately held land near transportation hubs zoned for low-density uses on the open market, increasing the designated use density, then selling the land back to private developers on the open market, thus capturing the capital gain resulting from both the increase in designated use density and the presence of a transportation-related improvement.

ERA-AECOM examined current land use patterns and 2008-2009 assessed property values in one-half and one-mile study areas in each of the three counties along the corridor based on Geographic Information System (GIS) land use and assessment data provided by each jurisdiction. We further developed several valuation scenarios to test the potential magnitude of value captured within these study areas in each of the three counties. ERA reviewed previous FEC value capture studies as well as best practices regarding the economic impacts and value premiums generated by various transit systems in a number of cities across the United States. ERA-AECOM presented the results of this preliminary analysis to the SFECC Corridor Coalition's finance subcommittee in Fort Lauderdale in August 2009.

## Value Capture Generated by TOD Development

ERA-AECOM has significant experience in analyzing transit-oriented development (TOD) potentials for numerous rail systems and municipalities across the United States, including: Bay Area Rapid Transit (BART) in San Francisco; Dallas Area Rapid Transit (DART) in Dallas; the Washington, D.C. Metropolitan Area Transportation Authority (WMATA); Capital Transit in Austin, TX; the MAX and Banfield lines in Portland, OR; Hillsborough County, FL (Tampa); and several other systems.

Generally, rail-based transit generates positive impacts on property values and real estate development potentials for transit systems across the country. Commuter rail is considered highly desirable due to its overall reliability, avoidance of highway congestion for commuters, and reductions in both travel time and cost. Furthermore, transit also benefits employers by providing improved access for prospective employee recruitment, clients, and existing employees. Retail businesses surrounding rail stations can generate higher sales through improved visibility and increased foot traffic, and residential property values are typically higher when located proximate to commuter rail stations.

More specifically, ERA-AECOM has reviewed numerous studies regarding the economic impacts of existing transit systems. Notably, **commuter rail service has a positive impact on property values within one-quarter mile of stations**, although the degree of price premiums (in land and real estate) varies by land use and station location relative to the central city. Several examples of value premiums are highlighted below:

- In Dallas, the DART light-rail system has a positive influence on land and building values in immediate station areas. Residential and office property values have increased by 12 and 13 percent, respectively, over a four-year evaluation period<sup>1</sup>
- A study of rail transit in San Diego indicates heavy commuter rail resulted in major value increases for owner-occupied housing units in station areas, including a 17 percent premium for single-family units. **Commercial properties in established commercial districts experienced an average price premium of up to 25 percent**<sup>2</sup>
- Additional literature reviews conducted by ERA on behalf of Capital Transit in Austin, TX determined that the largest value increases occurred within one-quarter mile of a station location, with benefits declining as distances increase from the station
- As a rule, parcels within one-quarter mile of a station exhibit value increases ranging from **three percent to 13 percent**

Further, achieving increases in property values is dependent not only on the quality and efficiency of the rail system but also on public policies and real estate dynamics which shape station area development potentials.

**Policies promoting mixed-use, walkable development through density increases and zoning changes**

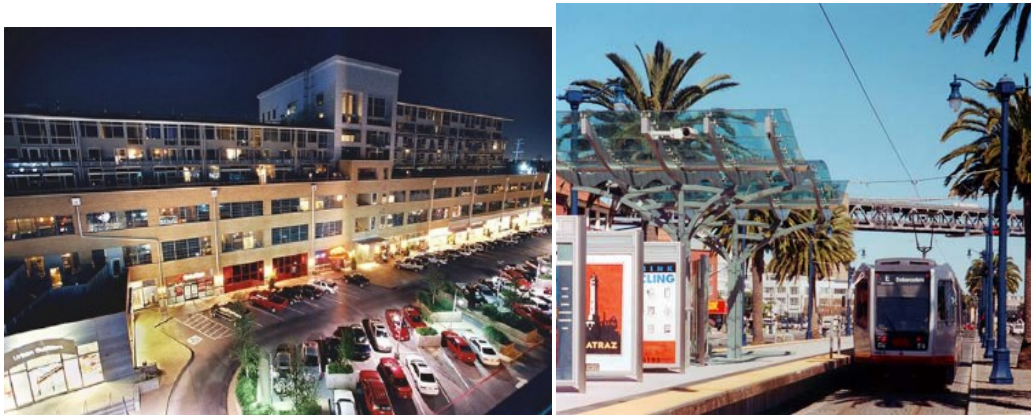
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<sup>1</sup> “An Assessment of the DART LRT on Taxable Property Valuations & Transit Oriented Development”, by Bernard L. Weinstein and Terry Clower, 2002.

<sup>2</sup> “Land Value Impacts of Rail Transit Services in San Diego County”, by Robert Cervero and Michael Duncan, 2002.

**have contributed to value premiums in numerous locations.** In addition, real estate market dynamics—such as residential and commercial absorption/leasing—must be sufficiently strong to generate the scale of development required to: 1) be financially viable, and 2) induce construction away from areas of lower land values to more optimal station locations (i.e., to locations that typically have higher land values and require price premiums to enhance overall development feasibility).

In Phase 3 of the SFECC study, ERA-AECOM will test overall market/development potentials for TOD development at specific station locations. Based on that analysis, estimates of value capture revenues generated by TOD development can be measured.



## **Study Methodology**

As noted, GIS-based land use and 2008-2009 assessed property value data from Broward, Palm Beach, and Miami-Dade Counties served as the primary sources of information to conduct this analysis. GIS data (or “layers”) included every parcel located within a one-half and one-mile study area in each of the three counties. As illustrated in the tables that follow, the one-half mile corridor includes more than 121,400 parcels and the one-mile corridor contains over 215,000 parcels.

**Table 1: Total Parcels, One-half Mile, 2009**

	<b>Broward</b>	<b>Miami-Dade</b>	<b>Palm Beach</b>	<b>Study Area Total</b>
Single-Family	22,086	11,591	41,570	75,247
Multifamily	6,481	4,296	5,708	16,485
Condominium	1	4	1	6
Mobile	52	177	143	372
Retirement	-	-	4	4
Commercial	3,184	2,307	3,395	8,886
Industrial	2,145	856	1,316	4,317
Agricultural	11	-	12	23
Other Uses	1,525	1,148	2,964	5,637
Vacant	3,835	3,496	3,102	10,433
<b>Total:</b>	<b>39,320</b>	<b>23,875</b>	<b>58,215</b>	<b>121,410</b>

**Table 2: Total Parcels, One-Mile, 2009**

	<b>Broward</b>	<b>Miami-Dade</b>	<b>Palm Beach</b>	<b>Study Area Total</b>
Single-Family	47,078	27,830	72,008	146,916
Multifamily	10,328	6,953	6,984	24,265
Condominium	2	7	3	12
Mobile	176	235	144	555
Retirement	-	-	8	8
Commercial	4,989	3,595	4,145	12,729
Industrial	2,682	1,222	1,709	5,613
Agricultural	14	1	14	29
Other Uses	2,442	2,041	4,519	9,002
Vacant	5,495	5,687	4,720	15,902
<b>Total:</b>	<b>73,206</b>	<b>47,571</b>	<b>94,254</b>	<b>215,031</b>

Key data included: land use classification; current zoning; property millage (i.e., property tax rates for either 2008 or 2009 as available); parcel size (in acres); current market values; and assessed values for the available assessment year. To account for potential discrepancies in zoning district classifications between each of the three counties, ERA-AECOM grouped parcels into the following 10 categories:

- Single-Family Residential
- Multi-Family Residential
- Condominium
- Mobile Home
- Retirement Home
- Commercial
- Industrial
- Agricultural
- Other
- Vacant

Data points were obtained for all individual parcels whose center point is located within a one-half mile and one-mile of the proposed SFECC rail line. (If the center point of a specific parcel was located outside of the one-half or one-mile boundary, that parcel was excluded from the analysis). In total; these distances correspond with a one-mile and a two-mile corridor on either side of the rail line, respectively. In addition, parcels were further grouped by county as well as municipality for more detailed analysis of potential value capture. The overall corridor was analyzed instead of radii around individual station locations, since this analysis was completed prior to identification of stations. Actual potential value capture may be lower when confined to the areas surrounding the potential future station locations.

As noted, ERA examined three potential scenarios based on similar FEC studies performed in 2006. In each case, these scenarios seek to capture a portion of the growth in assessed property values generated by the introduction of rail transit to mitigate construction and/or operating costs associated with the system. "Lump sum" tax rates were utilized for each county in each scenario (i.e., the analysis was not conducted by individual taxing district). Each scenario is described below:

- **Fixed Special Assessments:** Potential value capture revenues were measured based on a fixed annual special assessment on property values for all uses. For each parcel located within the one-half mile and one-mile geographies from the rail line, total revenues were estimated using fixed annual special assessments of \$100 per \$100,000 of market value.
- **Dedicated Funding Streams:** Potential value capture revenues were measured based on uniform, incremental growth in assessed property values for all uses. For each parcel located within the one-half mile and one-mile geographies from the rail line, dedicated funding streams equivalent to three percent annual growth in assessed property values were tested.
- **Variable Special Assessments:** Potential value capture revenues were measured based on a special annual assessment that varies by land use type. For each parcel located within the one-half mile and one-mile geographies from the rail line, total revenues were estimated based on the following special assessments:

**Table 3: Variable Special Assessments**

Assessment / Parcel	Land Use
\$ 100	Single-family
\$ 1,000	Multi-family
\$ 100	Condominium
\$ -	Mobile
\$ -	Retirement
\$ 1,000	Commercial
\$ -	Industrial
\$ -	Agricultural
\$ -	Other Uses
\$ -	Vacant

## Key Findings

### Parcel & Value Characteristics

As illustrated in Table 4 and Table 5 below, of the 120,400 parcels located within one-half mile and 215,000 parcels located within one-mile of the rail line, residential parcels account for over 75 percent of the total in both study areas and 50 percent of assessed values. The majority of residential properties are classified as single-family detached units. Notably, property records suggest that there are few retirement communities and condominium units within the rail corridor, although condominium units may be classified as “multi-family” given the large number of moderate- and high-density condominium towers constructed over the past 10 years in specific locations such as downtown Fort Lauderdale and West Palm Beach.

Interestingly, commercial and industrial parcels account for only 10 percent of the total land use classification but 25 percent of total assessed values. This is likely due to the fact that such parcels/uses generally have larger sites and more significant building improvements than residential properties.

Not surprisingly, the greatest densities in the corridor are located in the cities of Miami, Fort Lauderdale and West Palm Beach, which account for over 25 percent of total parcels in both study area geographies. Moreover, these municipalities include high value properties and account for 35 percent and 30 percent of total market value in the one-half mile and one-mile corridors, respectively.

## **TOD Development Potentials**

The ability to capture significant value from transit-oriented development along the SFEECC system will be driven by opportunities for redevelopment (at higher densities) of appropriate sites, infill of vacant or underutilized properties/parcels, and increasing market values of remaining properties. Notably, there are 10,400 parcels classified by county property appraisers as “vacant” and located within one-half mile of the SFEECC line; an additional 5,000 vacant parcels are located within the one-mile corridor. Interestingly, the number of vacant parcels is generally consistent across the three counties—ranging from 3,100 vacant parcels in Palm Beach County to 3,800 vacant parcels in Broward County.

Based on ERA-AECOM's TOD experience across the United States, vacant and underutilized parcels located within one-quarter mile of a potential station site are likely to represent the strongest TOD opportunity in those jurisdictions with the highest property values—such as Miami, Fort Lauderdale, and West Palm Beach. By contrast, station sites located in jurisdictions where development momentum may be lower but with available vacant or underutilized parcels may represent mid-term opportunities for transit-oriented development. However, this may necessitate changes in public policies that encourage new, higher-density development in those locations surrounding potential station sites that can accommodate such growth.

Few, if any, infill opportunities will materialize in the short-term due to the current real estate market. The likelihood of a slow real estate market recovery will likely affect the pace of redevelopment for the next few years as well.

## **Potential Value Capture Revenues**

As noted above, ERA-AECOM prepared three value capture scenarios to estimate value capture revenues that could potentially be achieved by the provision of rail transit along the SFEECC corridor: Fixed Special Assessments, Dedicated Funding Streams, and Variable Special Assessments. For each scenario, revenues were estimated for a one-half mile and one-mile corridor on each side of the FEC rail line.

These findings are summarized below and illustrated in the accompanying tables:

**Table 4: Total Assessed Value, One-half Mile, 2008-09**

	<b>Broward</b>	<b>Miami-Dade</b>	<b>Palm Beach</b>	<b>Study Area Total</b>
Single-Family	\$ 5,349,094,930	\$ 4,222,345,420	\$ 12,098,151,550	\$ 21,669,591,900
Multifamily	\$ 2,208,857,710	\$ 2,065,755,754	\$ 1,772,467,552	\$ 6,047,081,016
Condominium	\$ 19,792,200	\$ 359,314	\$ 84,000	\$ 20,235,514
Mobile	\$ 42,602,470	\$ 19,312,402	\$ 6,933,417	\$ 68,848,289
Retirement	\$ -	\$ -	\$ 21,293,424	\$ 21,293,424
Commercial	\$ 3,172,551,470	\$ 5,043,631,484	\$ 4,177,473,217	\$ 12,393,656,171
Industrial	\$ 1,157,765,400	\$ 769,028,682	\$ 995,179,068	\$ 2,921,973,150
Agricultural	\$ 10,457,350	\$ -	\$ 1,866,397	\$ 12,323,747
Other Uses	\$ 2,074,518,580	\$ 3,061,430,935	\$ 3,292,979,947	\$ 8,428,929,462
Vacant	\$ 463,649,120	\$ 1,232,975,667	\$ 786,150,822	\$ 2,482,775,609
<b>Total:</b>	<b>\$ 14,499,289,230</b>	<b>\$ 16,414,839,658</b>	<b>\$ 23,152,579,394</b>	<b>\$ 54,066,708,282</b>

**Table 5: Total Assessed Value, One-Mile, 2008-09**

	<b>Broward</b>	<b>Miami-Dade</b>	<b>Palm Beach</b>	<b>Study Area Total</b>
Single-Family	\$ 13,089,621,410	\$ 10,560,957,357	\$ 28,875,103,685	\$ 52,525,682,452
Multifamily	\$ 3,779,457,950	\$ 3,187,340,095	\$ 2,480,559,644	\$ 9,447,357,689
Condominium	\$ 20,970,840	\$ 533,897	\$ 61,160,300	\$ 82,665,037
Mobile	\$ 79,746,100	\$ 23,249,133	\$ 6,994,123	\$ 109,989,356
Retirement	\$ -	\$ -	\$ 61,313,602	\$ 61,313,602
Commercial	\$ 6,085,233,970	\$ 8,164,031,460	\$ 6,008,532,599	\$ 20,257,798,029
Industrial	\$ 1,846,867,660	\$ 1,082,751,399	\$ 1,555,713,407	\$ 4,485,332,466
Agricultural	\$ 12,944,880	\$ 408,972	\$ 2,279,356	\$ 15,633,208
Other Uses	\$ 3,072,163,210	\$ 4,317,073,769	\$ 5,366,770,414	\$ 12,756,007,393
Vacant	\$ 771,871,100	\$ 2,094,775,851	\$ 1,696,582,591	\$ 4,563,229,542
<b>Total:</b>	<b>\$ 28,758,877,120</b>	<b>\$ 29,431,121,933</b>	<b>\$ 46,115,009,721</b>	<b>\$104,305,008,774</b>

Total market value (at current lump sum mil rates) in the three counties ranges from \$54.1 billion to \$104.3 billion.

### **Fixed Special Assessment Scenario**

Potential value capture revenues were measured based on a fixed annual special assessment on property values for all uses. For each parcel located within the one-half mile and one-mile geographies, total revenues were estimated using fixed annual special assessments of \$100 per \$100,000 of market value. Key findings are illustrated in Tables 6 and 7 below:

**Table 6: Fixed Special Assessment Revenues, One-half Mile**

Tax Per \$100,000 Market Value:	\$ 100			
	Broward	Miami-Dade	Palm Beach	Study Area Total
Single-family	\$ 5,349,095	\$ 4,222,345	\$ 12,098,152	\$ 21,669,592
Multi-family	\$ 2,208,858	\$ 2,065,756	\$ 1,772,468	\$ 6,047,081
Condominium	\$ 19,792	\$ 359	\$ 84	\$ 20,236
Mobile	\$ 42,602	\$ 19,312	\$ 6,933	\$ 68,848
Retirement	\$ -	\$ -	\$ 21,293	\$ 21,293
Commercial	\$ 3,172,551	\$ 5,043,631	\$ 4,177,473	\$ 12,393,656
Industrial	\$ 1,157,765	\$ 769,029	\$ 995,179	\$ 2,921,973
Agricultural	\$ 10,457	\$ -	\$ 1,866	\$ 12,324
Other Uses	\$ 2,074,519	\$ 3,061,431	\$ 3,292,980	\$ 8,428,929
Vacant	\$ 463,649	\$ 1,232,976	\$ 786,151	\$ 2,482,776
<b>ANNUAL TOTAL:</b>	<b>\$ 14,499,289</b>	<b>\$ 16,414,840</b>	<b>\$ 23,152,579</b>	<b>\$ 54,066,708</b>
Average per Parcel:				\$ 445

**Table 7: Fixed Special Assessment Revenues, One Mile**

Tax Per \$100,000 Market Value:	\$ 100			
	Broward	Miami-Dade	Palm Beach	Study Area Total
Single-family	\$ 13,089,621	\$ 10,560,957	\$ 28,875,104	\$ 52,525,682
Multi-family	\$ 3,779,458	\$ 3,187,340	\$ 2,480,560	\$ 9,447,358
Condominium	\$ 20,971	\$ 534	\$ 61,160	\$ 82,665
Mobile	\$ 79,746	\$ 23,249	\$ 6,994	\$ 109,989
Retirement	\$ -	\$ -	\$ 61,314	\$ 61,314
Commercial	\$ 6,085,234	\$ 8,164,031	\$ 6,008,533	\$ 20,257,798
Industrial	\$ 1,846,868	\$ 1,082,751	\$ 1,555,713	\$ 4,485,332
Agricultural	\$ 12,945	\$ 409	\$ 2,279	\$ 15,633
Other Uses	\$ 3,072,163	\$ 4,317,074	\$ 5,366,770	\$ 12,756,007
Vacant	\$ 771,871	\$ 2,094,776	\$ 1,696,583	\$ 4,563,230
<b>ANNUAL TOTAL:</b>	<b>\$ 28,758,877</b>	<b>\$ 29,431,122</b>	<b>\$ 46,115,010</b>	<b>\$ 104,305,009</b>
Average per Parcel:				\$ 485

### Dedicated Funding Stream Scenario

In this scenario, potential value capture revenues were measured based on uniform, incremental growth in assessed property values for all uses. For each parcel located within the one-half mile and one-mile geographies from the rail line, dedicated funding streams equivalent to three percent annual growth in assessed property values were tested. Key findings are illustrated in Tables 8 and 9 below:

**Table 8: Dedicated Funding Revenues, One-half Mile**

Annual Growth in AV:		3%		
	Broward	Miami-Dade	Palm Beach	Study Area Total
Single-family	\$ 1,844,713	\$ 1,552,703	\$ 4,982,883	\$ 8,380,298
Multi-family	\$ 1,178,238	\$ 1,297,373	\$ 959,443	\$ 3,435,054
Condominium	\$ 12,249	\$ 230	\$ 50	\$ 12,529
Mobile	\$ 25,791	\$ 12,477	\$ 2,028	\$ 40,296
Retirement	\$ -	\$ -	\$ 7,017	\$ 7,017
Commercial	\$ 1,615,182	\$ 3,267,393	\$ 2,367,413	\$ 7,249,988
Industrial	\$ 685,964	\$ 507,093	\$ 597,994	\$ 1,791,050
Agricultural	\$ 600	\$ -	\$ 164	\$ 763
Other Uses	\$ 100,719	\$ 2,063,732	\$ 677,412	\$ 2,841,863
Vacant	\$ 251,699	\$ 812,455	\$ 461,819	\$ 1,525,972
<b>ANNUAL TOTAL:</b>	<b>\$ 5,715,154</b>	<b>\$ 9,513,455</b>	<b>\$ 10,056,222</b>	<b>\$ 25,284,831</b>
Average per Parcel:				\$ 208

**Table 9: Dedicated Funding Revenues, One-Mile**

Annual Growth in AV:		3%		
	Broward	Miami-Dade	Palm Beach	Study Area Total
Single-family	\$ 4,542,257	\$ 3,835,609	\$ 11,724,787	\$ 20,102,654
Multi-family	\$ 2,007,400	\$ 1,982,978	\$ 1,344,548	\$ 5,334,927
Condominium	\$ 12,977	\$ 354	\$ 34,776	\$ 48,107
Mobile	\$ 46,328	\$ 14,764	\$ 2,048	\$ 63,140
Retirement	\$ -	\$ -	\$ 27,337	\$ 27,337
Commercial	\$ 3,089,670	\$ 5,391,453	\$ 3,339,305	\$ 11,820,427
Industrial	\$ 1,060,125	\$ 700,877	\$ 928,722	\$ 2,689,724
Agricultural	\$ 703	\$ 228	\$ 283	\$ 1,214
Other Uses	\$ 160,099	\$ 2,889,024	\$ 1,078,135	\$ 4,127,258
Vacant	\$ 401,298	\$ 1,390,449	\$ 948,696	\$ 2,740,443
<b>ANNUAL TOTAL:</b>	<b>\$ 11,320,856</b>	<b>\$ 16,205,735</b>	<b>\$ 19,428,639</b>	<b>\$ 46,955,230</b>
Average per Parcel:				\$ 218

## Variable Special Assessment Scenario

In the third scenario, potential value capture revenues were measured based on a special annual assessment that varies by land use type. For each parcel located within the one-half mile and one-mile geographies from the rail line, total revenues were estimated based on the special assessments illustrated in Table 3 above. Key findings are illustrated in Tables 10 and 11 below:

**Table 10: Variable Special Assessment Revenues, One-half Mile**

Assessment / Parcel		Broward	Miami-Dade	Palm Beach	Study Area Total
\$ 100	Single-family	\$ 2,208,600	\$ 1,159,100	\$ 4,157,000	\$ 7,524,700
\$ 1,000	Multi-family	\$ 6,481,000	\$ 4,296,000	\$ 5,708,000	\$ 16,485,000
\$ 100	Condominium	\$ 100	\$ 400	\$ 100	\$ 600
\$ -	Mobile	\$ -	\$ -	\$ -	\$ -
\$ -	Retirement	\$ -	\$ -	\$ -	\$ -
\$ 1,000	Commercial	\$ 3,184,000	\$ 2,307,000	\$ 3,395,000	\$ 8,886,000
\$ -	Industrial	\$ -	\$ -	\$ -	\$ -
\$ -	Agricultural	\$ -	\$ -	\$ -	\$ -
\$ -	Other Uses	\$ -	\$ -	\$ -	\$ -
\$ -	Vacant	\$ -	\$ -	\$ -	\$ -
<b>ANNUAL TOTAL:</b>		<b>\$ 11,873,700</b>	<b>\$ 7,762,500</b>	<b>\$ 13,260,100</b>	<b>\$ 32,896,300</b>
Average per Parcel:					\$ 271

**Table 11: Variable Special Assessment Revenues, One-Mile**

Assessment / Parcel		Broward	Miami-Dade	Palm Beach	Study Area Total
\$ 100	Single-family	\$ 4,707,800	\$ 2,783,000	\$ 7,200,800	\$ 14,691,600
\$ 1,000	Multi-family	\$ 10,328,000	\$ 6,953,000	\$ 6,984,000	\$ 24,265,000
\$ 100	Condominium	\$ 200	\$ 700	\$ 300	\$ 1,200
\$ -	Mobile	\$ -	\$ -	\$ -	\$ -
\$ -	Retirement	\$ -	\$ -	\$ -	\$ -
\$ 1,000	Commercial	\$ 4,989,000	\$ 3,595,000	\$ 4,145,000	\$ 12,729,000
\$ -	Industrial	\$ -	\$ -	\$ -	\$ -
\$ -	Agricultural	\$ -	\$ -	\$ -	\$ -
\$ -	Other Uses	\$ -	\$ -	\$ -	\$ -
\$ -	Vacant	\$ -	\$ -	\$ -	\$ -
<b>ANNUAL TOTAL:</b>		<b>\$ 20,025,000</b>	<b>\$ 13,331,700</b>	<b>\$ 18,330,100</b>	<b>\$ 51,686,800</b>
Average per Parcel:					\$ 240

## Summary

In conclusion, this preliminary analysis suggests that the Fixed Special Assessment scenario will generate the greatest value capture—in this example, roughly **\$54.1 million to \$104.3 million could be generated on an annual basis** with a fixed special assessment of \$100 per \$100,000 of assessed value. As illustrated in Table 12, this would necessitate an **annual charge of \$445 to \$485 per parcel**. Of course, on those parcels with higher-density uses, this annual assessment could be amortized over multiple uses (such as residential units or square feet of commercial office space), thus the incremental charge (such as per housing unit) is likely to be lower.

**Table 12: Summary of Revenue Scenarios**

Taxing Scenario	1/2-Mile	1-Mile
<b>Fixed Special Assessment</b>	<b>\$ 54,066,708</b>	<b>\$ 104,305,009</b>
- Average Annual, Per Parcel	\$ 445	\$ 485
<b>Dedicated Funding Stream</b>	<b>\$ 25,284,831</b>	<b>\$ 46,955,230</b>
- Average Annual, Per Parcel	\$ 208	\$ 218
<b>Varying Special Assessment</b>	<b>\$ 32,896,300</b>	<b>\$ 51,686,800</b>
- Average Annual, Per Parcel	\$ 271	\$ 240

Generally, the other two scenarios could potentially generate between \$25 and \$52 million in value capture revenues—requiring an annual charge ranging from \$208 to \$271 per parcel based on current assessed values in the corridor.

As noted in our response to Comment #6 above, a multitude of factors will affect value capture potentials. From an economic perspective, these include, among others:

- Economic recovery (and the real estate and capital markets' response to that recovery);
- Demographic forecasts, such as household growth generating demand for new housing units and job growth generating demand for new workplace uses;
- Availability of developable land;
- Ability of developers to assemble parcels proximate to station locations;
- Macro-economic unknowns such as the price of gas and annual inflation factors;
- Municipal response to TOD proposals seeking approvals as well as other public policies such as zoning/allowable densities;

- Traffic congestion, particularly in the I-95 corridor in South Florida, which is expected to increase significantly; and
- The reliability and frequency of transit service, especially premium service on the FEC corridor, as well as other transit service improvements planned by all three MPOs in their LRTPs.

These, and other uncertainties unknown at this time, could be expected to affect the degree to which value premiums are generated over time.