



**Florida Job Growth Grant Fund
Public Infrastructure Grant Proposal**

Proposal Instructions: The Florida Job Growth Grant Fund Proposal (this document) must be completed by the governmental entity applying for the grant and signed by either the chief elected official, the administrator for the governmental entity or their designee. Please read the proposal carefully as some questions may require a separate narrative to be completed.

Governmental Entity Information

Name of Governmental Entity: City of Hialeah

Government Federal Employer Identification Number: [REDACTED]

Contact Information:

Primary Contact Name: Annette Quintana

Title: Director of Grants and Human Services

Mailing Address: 501 Palm Avenue
1st floor Grants Department

Phone Number: 305-883-8040

Email: Aquintana@hialeahfl.gov

Public Infrastructure Grant Eligibility

Pursuant to section 288.101, F.S., the Florida Job Growth Grant Fund was created to promote economic opportunity by improving public infrastructure and enhancing workforce training. Eligible governmental entities that wish to access this grant fund must submit public infrastructure proposals that:

- Promote economic recovery in specific regions of the state, economic diversification or economic enhancement in a targeted industry. (View Florida's Targeted Industries [here](#).)
- Are not for the exclusive benefit of any single company, corporation or business entity.
- Are for infrastructure that is owned by the public and is for public use or predominately benefits the public.



1. Program Requirements:

Each proposal must include the following information describing how the project satisfies eligibility requirements listed on page 1.

A. Provide the title and a detailed description of the public infrastructure improvements.

See Attachment 1.A.

B. Is this infrastructure owned by the public?

Yes No

C. Is this infrastructure for public use or does it predominately benefit the public?

Yes No

D. Will the public infrastructure improvements be for the exclusive benefit of any single company, corporation or business entity?

Yes No

E. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current or future businesses.

See Attachment 1.E.

F. Provide a detailed description of, and quantitative evidence demonstrating, how the proposed public infrastructure project will promote:

- Economic recovery in specific regions of the state;
- Economic diversification; or
- Economic enhancement of a Targeted Industry (View Florida's [Targeted Industries here.](#))
 - As part of this response, describe how the project will promote specific job growth. Include a description of the number of jobs that will be retained or created, the average wages of such jobs, and in which industry(ies) the jobs will be created using the North American Industry Classification System ([NAICS](#)) codes. Where applicable, you may list specific businesses that will retain or grow jobs or make capital investment.
 - Further, include the economic impact on the community, region, or state and the associated metrics used to measure the success of the proposed project.

See Attachment 1.F.



2. Additional Information:

A. Is this project an expansion of an existing infrastructure project?

Yes No

B. Provide the proposed commencement date and number of days required to complete construction of the public infrastructure project.

Commencement: January 2018 Complete: 365 days (See Attachment 2.B.)

C. What is the location of the public infrastructure? (Provide the road number, if applicable.)

See Attached 2.C.

D. Who is responsible for maintenance and upkeep? (Indicate if more than one are applicable.)

Federal State County City Other _____

E. What permits are necessary for the public infrastructure project?

See Attachment 2.E.

F. Detail whether required permits have been secured, and if not, detail the timeline for securing these permits. Additionally, if any required permits are local permits, will these permits be prioritized?

See Attachment 2.E.

G. What is the future land use and zoning designation on the proposed site of the infrastructure improvements, and will the improvements conform to those uses?

Landuse: Industrial

Zoning: BDH

The proposed public infrastructure project conforms to those uses.

H. Will an amendment to the local comprehensive plan or a development order be required on the site of the proposed project or on adjacent property to accommodate the infrastructure and potential current or future job creation opportunities? If yes, please detail the timeline.

Yes No

If additional space is needed, attach a word document with your entire answer.

I. Is the project ready to commence upon grant fund approval and contract execution? If no, please explain.

Yes No

If additional space is needed, attach a word document with your entire answer.

J. Does this project have a local match amount?

Yes No

If yes, please describe the entity providing the match and the amount.

The developer of Countyline Corporate Park will contribute \$5,212,187.98 towards the development of the roadway network and water infrastructure.

K. Provide any additional information or attachments to be considered for this proposal.

See attached articles and letters of support.



3. Program Budget

Estimated Costs and Sources of Funding: Include all applicable public infrastructure costs and other funding sources available to support the proposal.

A. Public Infrastructure Project Costs:

Construction	<u>\$ 10,390,741</u>		
Reconstruction	<u>\$ -</u>		
Design & Engineering	<u>\$ 1,198,066.32</u>		
Land Acquisition	<u>\$ 2,244,000.00</u>		
Land Improvement	<u>\$ 4,063,037.41</u>		
Other	<u>\$ 1,872,111.25</u>	Please Specify:	<u>Permit fees</u>
Total Project Costs	<u><u>\$ 19,767,956.66</u></u>		

B. Other Public Infrastructure Project Funding Sources:

City/County	<u>\$</u>		
Private Sources	<u>\$ 5,212,187.98</u>		
Other (grants, etc.)	<u>\$</u>	Please Specify:	<u></u>
Total Other Funding	<u><u>\$ 5,212,187.98</u></u>		
Total Amount Requested	<u><u>\$ 14,555,768.68</u></u>		

Note: The total amount requested must equal the difference between the public infrastructure project costs in 3.A. and the other public infrastructure project funding sources in 3.B.

C. Provide a detailed budget narrative, including the timing and steps necessary to obtain the funding and any other pertinent budget-related information.

See attached 3.C.



4. Approvals and Authority

- A. If the governmental entity is awarded grant funds based on this proposal, what approvals must be obtained before it can execute a grant agreement with the Florida Department of Economic Opportunity (e.g., approval of a board, commission or council)?

The grant agreement would be approved by the Hialeah City Council.

- B. If approval of a board, commission, council or other group is needed prior to execution of an agreement between the governmental entity and the Florida Department of Economic Opportunity:

- i. Provide the schedule of upcoming meetings for the group for a period of at least six months.

The Hialeah City Council meets the 2nd and 4th Tuesday of every month.

- ii. State whether that group can hold special meetings, and if so, upon how many days' notice.

Yes, the Council can call a special meeting within 24 hour notice.

- C. Attach evidence that the undersigned has all necessary authority to execute this proposal on behalf of the governmental entity. This evidence may take a variety of forms, including but not limited to: a delegation of authority, citation to relevant laws or codes, policy documents, etc.



I, the undersigned, do hereby certify that I have express authority to sign this proposal on behalf of the above-described governmental entity.

Name of Governmental Entity: City of Hialeah

Name and Title of Authorized Representative: Director of Grants and Human Services

Representative Signature: Annette Quintana 

Signature Date: 08/29/17



ATTACHMENTS

1.A. Provide the title and a detailed description of the public infrastructure improvements.

Construction of NW 102nd Avenue from NW 154th Street to NW 170th Street; 158th Street from 102nd Avenue to 97th Avenue; 162nd Street from 102nd Avenue to 97th Avenue. The project also includes construction of water and sewer infrastructure for sanitary sewer collection for the area. This roadway network will create access for new industrial warehouse and logistics facilities in the City of Hialeah.

1. E. Provide a detailed explanation of how the public infrastructure improvements will connect to a broader economic development vision for the community and benefit additional current or future businesses.

The proposed public infrastructure project is located in the northwest section of the City of Hialeah and is strategically located adjacent to the Dade/Broward County border with access to The Florida's Turnpike, the Homestead Extension of The Florida's Turnpike, and 1-75. One of the goals of the City's Comprehensive Development Master Plan is to promote economic development within the City and provide the necessary infrastructure and services to attract the new business investment from targeted industries ranging from trade and logistics to manufacturing and aviation. Our City and the region benefit from the international trade success of Miami International Airport, PortMiami, and Port Everglades. Miami International ranks as the top airport in the U.S. for international freight, and the tenth-best airport for foreign cargo in the world. In 2016, Miami International Airport handled 2.1 million tons of total airfreight, of which 88% was international freight.¹ PortMiami is the top-ranked container cargo port in Florida with over 1 million TEUs handled each year and with the completion of the Deep Dredge Project, this number will continue to increase as there will be a shift in trade from West Coast to East Coast ports.² PortMiami will be the only U.S. port south of Norfolk, Va. that can accommodate the new, mega cargo vessels that will pass through the expanded Panama Canal. Additionally, the direct rail connections of both Port Everglades and PortMiami will only increase the demand for additional warehouse space in order to handle the distribution of the goods that are being brought in to South Florida via ocean containers and delivered to the West Dade market via intermodal facilities.

The City of Hialeah is geographically positioned to meet the industrial demands of the South Florida region. The demand for new industrial facilities is outpacing the current infrastructure. The accessibility of large industrial facilities is a critical factor in encouraging targeted industries to relocate and establish corporate headquarters in South Florida. A recent Transwestern Industrial Market Report confirms a 3.1% industrial vacancy rate in Hialeah with a strong demand for high quality warehouse space.³ This location within the City of Hialeah is the last geographic area in Miami-Dade County to allow for the large industrial logistics facilities that are in such high demand. The construction of NW 102nd Avenue is a critical component of the City's roadway network that will serve as an access point to over 15 million square feet of new industrial warehouse distribution centers and provide for an efficient movement of goods throughout the State. Freight traveling by truck from South Florida seaports, airports or rail yards will utilize the existing highway systems and this new road will serve as the first access point from The Florida's Turnpike's proposed interchange exit at NW 170th Street. In our continued effort to spur economic development, the City entered into two Joint Participation Agreements (JPA) with

¹ <http://www.miami-airport.com/library/pdfdoc/facts%20at%20a%20glance%20-%20June%202017.pdf>

² <http://www.miamidade.gov/portmiami/cargo.asp>

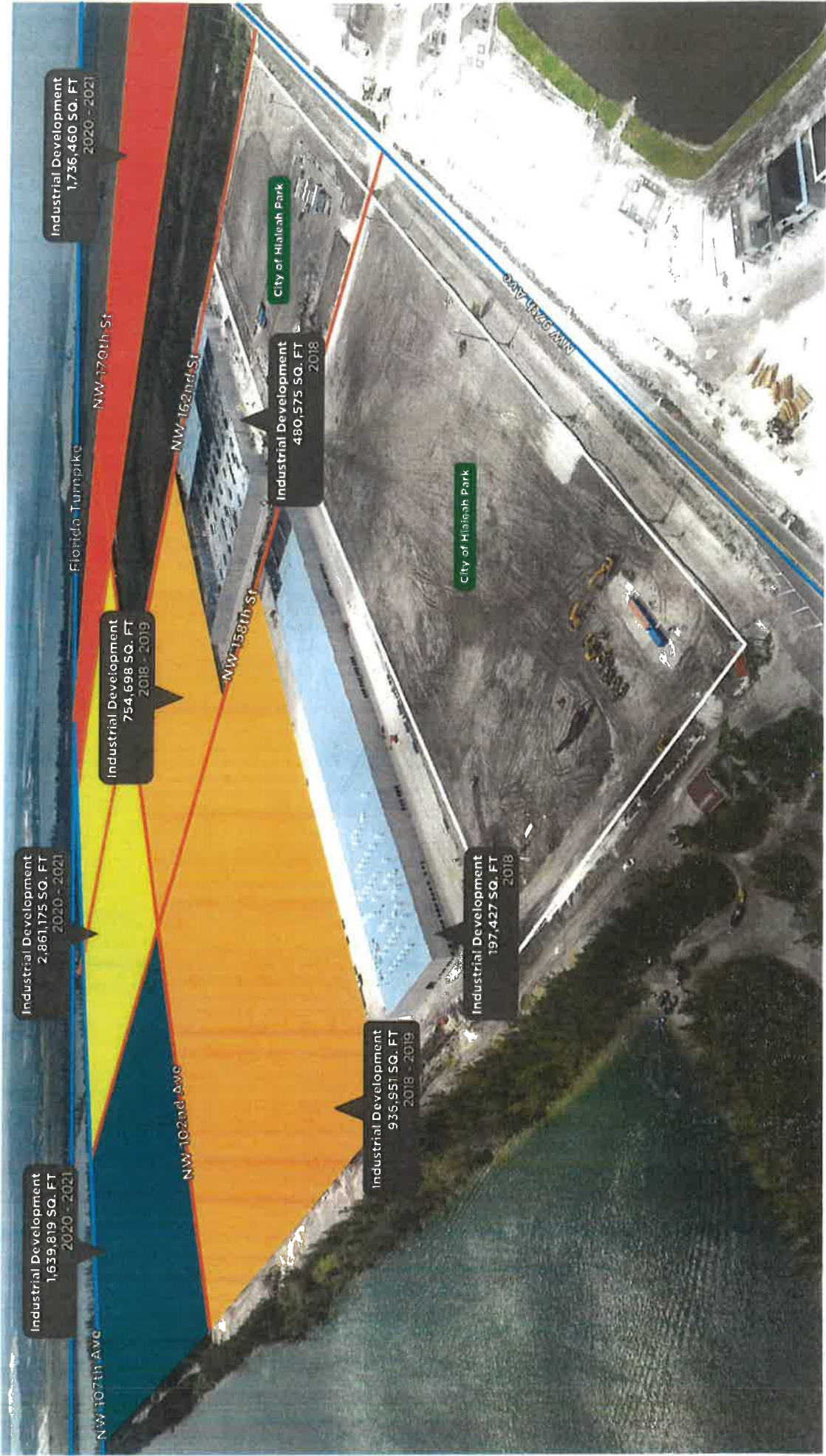
³ Transwestern, Miami Industrial Market, First Quarter 2017

Miami Dade County for the construction of two 5-lane roadways, NW 107th Avenue and NW 97th Avenue. The construction of NW 102nd Avenue is a critical component which will connect to NW 107th Avenue and NW 97th Avenue.⁴ This direct connection is essential for the success of future businesses and existing commercial and residential developments in the area. These new logistics centers will address the increasing need for Class A facilities in South Florida in a location that provides efficient connections to the transportation modes. These efficiencies and increased economic activity serve as a model for future intermodal hubs and support the Governor's vision attract targeted industries that will grow and diversify Florida's economy.

⁴ See attached map

PROPOSE ROAD ACCESS





1. F. Provide a detailed description of, and quantitative evidence demonstrating, how the proposed public infrastructure project will promote:

- Economic recovery in specific regions of the state;**
- Economic diversification; or**
- Economic enhancement of a Targeted Industry**

This public infrastructure project will promote the economic enhancement of targeted industries in the State of Florida by providing the necessary infrastructure to attract manufacturing, global logistics, technology, and other emerging companies to the area. The project is also necessary to allow the City to expand on its efforts to meet the economic and industrial demands of the area. According to a 2016 JLL South Florida industrial report, 9 million square feet of industrial development has been delivered since 2013 and tenants absorbed 18.9 million square feet during that same time with 8.1 million square feet occurring within newly constructed product.⁵ This clearly shows a high demand for additional industrial development and the lack of availability in the surrounding region.

The construction of NW 102nd avenue from NW 154th street to NW 170th Street and surrounding roadways is consistent with the State of Florida's plan for freight expansion by attracting intermodal logistics centers and targeted industries near transportation corridors that are easily accessible to the seaport and airport. The City has already been successful in attracting a number of targeted industries such as aerospace/aviation, clean tech, and manufacturing to the area surrounding the public infrastructure project. In October 2016, KLX Inc., one of the world's leading distributor of aerospace fasteners and consumables, announced that their new global headquarters and distribution hub will be located in the area of NW 107th street and 97th avenue at Countyline Corporate Park. According to a Miami Herald article, the company was looking for alternate sites outside of Florida but instead decided to build its headquarters in South Florida.⁶ KLX has stated that it could add as many as 400 new jobs to the workforce. The City is confident that being proactive in planning for and developing the necessary infrastructure for the area contributed to KLX's decision to locate its headquarters in the City of Hialeah and in the State of Florida. In addition to KLX, in April of 2017, CGI Windows and Doors, a leading manufacturer of hurricane impact resistant windows and doors, announced their expansion plans to locate a new 330,000 sq. ft. manufacturing facility in this area.⁷ This new facility will bring new jobs to the area and allow for the expansion and growth of sustainable building products manufactured in America. Flagler Global Logistics has also secured leases at Countyline with Hyde Shipping, Star Logistics, and Ole Mexican Foods, one of the largest tortilla manufacturers in America. In addition to these secured leases, there are at least seven potential tenants in the pipeline for Countyline Corporate Park.

⁵ <http://www.miamiherald.com/news/business/real-estate-news/article113045243.html>

⁶ <http://www.miamiherald.com/news/business/biz-monday/article164234992.html>

⁷ http://cgiwindows.com/press_release/

2.B.

**PHASE 1 - Design, Permit and Construction of
NW 102nd Avenue from NW 154th Street to NW 162nd Street
NW 158th Street from NW 97th Avenue to NW 102nd Avenue
NW 162nd Street from NW 97th Avenue to NW 102nd Avenue**

Design	<u>100%</u>	completed
Permitting	<u>90%</u>	completed
Construction		
Date of Commencement	<u>1/2/2018</u>	
Construction Time	<u>180</u>	calendar days

**PHASE 2 - Design, Permit and Construction of
NW 102nd Avenue from NW 162nd Street to NW 170th Street**

Design Start Date	<u>2/27/2018</u>	
Design	<u>90</u>	calendar days
ROW Acquisition	<u>90</u>	calendar days
Permitting	<u>210</u>	calendar days
Construction		
Date of Commencement	<u>12/24/2018</u>	
Construction Time	<u>180</u>	calendar days

2. C. What is the location of the Public Infrastructure

- NW 102nd Avenue from NW 154th Street to NW 170th Street
- 158th Street from 97th Avenue to 102nd Avenue
- 162nd street from 97th Avenue to 102nd Avenue

Phase 2 Permitting - Conceptual Timeline
NW 102nd Avenue From NW 162nd Street to NW 170th Street

Permit	Duration (Days)	Timeline
City of Hialeah, Mass Grading Plan	30	
Miami Dade DERM Tree Removal Permit	30	
Miami Dade DERM Cut and Fill	30	
DERM Class IV Wetland Permit	30	
SFWMD Environmental Resource Permit (ERP)	60	
Miami Dade Traffic Department Review	30	
Miami Dade Water Extension	60	
Miami Dade Sewer Extension	60	
Miami Dade DERM Class VI Drainage Permit	30	
ACOE Permit	180	

3.C.

A. Public Infrastructure Project Costs:

Construction	\$ 10,390,741.68
Reconstruction	\$ -
Design & Engineering	\$ 1,198,066.32
Land Acquisition	\$ 2,244,000.00
Land Improvement	\$ 4,063,037.41
Other:	\$ 1,872,111.25
Total Project Costs	\$ 19,767,956.66

Please Specify: Permits & Fees
Wetland Mitigation

B. Other Public Infrastructure Project Funding Sources:

City / County	\$ -
Private Sources	\$ 5,212,187.98
Other (grants, etc.)	\$ -
Total Other Funding	\$ 5,212,187.98
Total Amount Requested	\$ 14,555,768.68

Please Specify: _____

The City of Hialeah's proposed timing and steps necessary to obtain funding are as follows:

1. Preliminary Grant Agreement Review (14 days)
2. Present Grant Agreement to City Council for approval (14 days)
3. Agreement execution by all parties (14 days)
4. Project advertisement for bid (30 days)
5. Bid review (30 days)
6. Project award and funding allocation presented to council for approval (30 days)
7. Issue notice to proceed to contractor (1 day)

Proposed total time 133 days

4.C. Evidence of necessary authority to execute proposal on behalf of governmental entity.

RESOLUTION NO. 2014-59

RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, AUTHORIZING THE MAYOR AND/OR HIS DESIGNEE TO SUBMIT GRANT APPLICATIONS ON BEHALF OF THE CITY OF HIALEAH, FLORIDA, SUBJECT TO RATIFICATION BY CITY COUNCIL UPON GRANT APPROVAL.

WHEREAS, as a municipal government, the City of Hialeah is continuously searching and receiving notifications for funding availability which are time sensitive thus requiring immediate action; and

WHEREAS, due to time constraints and imposed deadlines it is not always possible to have City Council approval prior to grant application submission deadline thus potentially jeopardizing funding; and

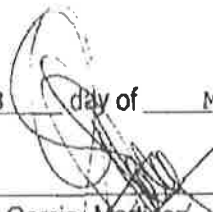
WHEREAS, all grants require official approval from the applicant's governing board before submission of an application.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

Section 1: The Mayor or his designee namely, Annette Quintana, is hereby authorized on behalf of the City of Hialeah to submit various grant applications on behalf of the City of Hialeah subject to ratification by City Council.

Section 2: The Mayor or his designee is further authorized to execute any and all certifications and assurances in furtherance of the grant regulations, subject to ratification by City Council and/or final contract approval.


PASSED AND ADOPTED this 13 day of May, 2014



Isis Garcia-Martinez
Council President

Attest:

Approved on this 16 day of May, 2014

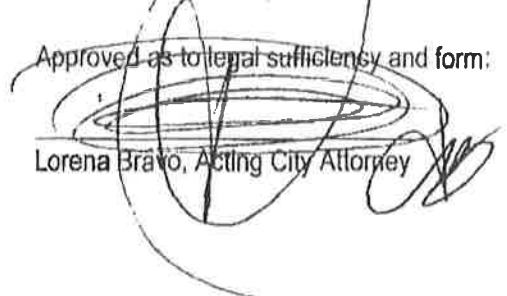


Marbelys Fajó, Acting City Clerk



Mayor Carlos Hernandez

Approved as to legal sufficiency and form:



Lorena Bravo, Acting City Attorney

Resolution was adopted by a 6-0-1 vote with Council Members Caragol, Casals-Muñoz, Cue-Fuente, Garcia-Martinez, Hernandez, & Lozano voting "Yes", and Council Vice President Gonzalez absent.

Articles

KLX Aerospace Solutions Selects Miami for Global HQ

The new 500,000-square-foot headquarters will allow the firm to enhance its existing operations and recruiting efforts.

- by Robert Demeter | Nov 02, 2016

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John Cuomo, VP and General Manager, KLX's Aerospace Solutions Group

Miami—[KLX Inc.'s Aerospace Solutions Group](#) has announced its signing of a build-to-suit lease for a new global headquarters and distribution hub totaling more than 500,000 square feet in Miami. The relocation and expansion of ASG's facilities highlights South Florida as a growing logistics, trade and air transport hub.

The building will be located at the intersection of NW 107th Street and 97th Avenue between Florida's Turnpike and I-75. It will include two floors of office space with the ability to expand and a state-of-the-art storage and distribution area.

"Our new Miami headquarters will enhance our existing operations and assist with our ongoing recruiting efforts." John Cuomo, vice president and general manager with KLX's Aerospace Solutions Group, said in prepared remarks.

Matthew Cheezem, managing director with [JLL](#), represented KLX in the lease transaction. Economic incentives were secured by the office of Florida Governor Rick Scott, Enterprise Florida, Miami-Dade County, the Florida Department of Economic Opportunity and the Beacon Council.

“Florida businesses like KLX are incredible job creators in our state and we will continue to do all we can to cut taxes and reduce regulations to help businesses create more opportunities for Floridians,” said Governor Rick Scott.

“Attracting and retaining U.S. and global headquarters in South Florida is critical to our economic future, added Cheezem. “KLX will be among the first companies in our latest master-planned business park, which will ultimately include eight million square feet of new, Class-A warehouses and industrial facilities,” concluded Dan Marcus, executive vice president of development with [Flagler Global Logistics](#).

Photo via LinkedIn and KLX website



Codina Partners pays \$28M for 55 acres in Hialeah, plans warehouse development

Codina: "Industrial in Miami, by the airport, is what I would rather my grandchildren have"

By Ina Cordle | December 20, 2016 06:00PM



The Hialeah land. Inset: Armando Codina

Armando Codina is returning to his roots in the industrial market.

Codina Partners just purchased 55 acres in Hialeah for \$28 million, with plans to develop 1 million square feet of warehouse space, amid strong leasing demand in the sector.

The deal, which closed on Tuesday, covers land off of Northwest 145 Street and Northwest 107th Avenue in Hialeah, Codina, executive chairman of Codina Partners, told *The Real Deal*. Beacon Logistics Park LLC, which is 100 percent owned by Codina Partners, is the buying entity. Fairchild Partners' Jose Juncadella and Sebastian Juncadella represented the buyer.

Codina said the plan is to build 1 million square feet of Class A distribution warehouses, which will feature 32-foot, clear, 54 feet-by-50 feet column space, and a building depth ranging from 160 feet to 210 feet. The new project, under Codina Partners' portfolio, will be called Beacon Logistics Park.

Property records show the seller as Condotte America Industrial Properties, LLC, with an address that links back to Condotte America, an engineering and construction company led by Enrique I. Espino, chairman, and Andres G. Mendoza, president. Records show there is one 17,975-square-foot building on the site, built in 1990, with an address of 9100 West 40th Avenue. The land is currently zoned for such land uses as extraction, excavation, quarrying and rock-mining.

The purchase marks a return to the industrial market for Codina. From the mid-1980s until 2006, when Codina merged his company with Florida East Coast Industries, he built more than 20 million square feet of industrial space in South Florida, including Beacon Centre, Beacon Industrial Park, Dolphin Commerce Center (previously known as Beacon Tradeport), Flagler Station – Phase II (previously known as Beacon Station), Beacon Lakes, Beacon West, and Beacon North.

"It's the best long-term investment in Miami-Dade County," he told *TRD*.

Codina said that he always felt strongly about the industrial market, but he had a non-compete agreement with Fortress, which bought Florida East Coast Industries in 2007.

"We had a non-compete that expired for some time, but Fortress has been very good to me and to the people that they kept from my company, so out of respect for them, we have not returned [to the industrial sector] in any meaningful way," Codina said. "But now they have sold a lot of assets that I sold them. So it's timely for us to get back into a space that I love."

He said that when Cuba opens it up, he expects more goods to flow through Miami, and e-commerce keeps growing, creating demand.

"Industrial in Miami, by the airport, is what I would rather my grandchildren have," he said.

According to Transwestern's third quarter Miami industrial market report, the sector's vacancy rate dropped to 4.4 percent, the lowest since 2007. Overall, Miami has seen more than 1.5 million square feet of new space delivered this year, through the third quarter, with nearly 4 million square feet of space under construction, mostly in the Medley and Miami airport submarkets.

Industrial leasing activity in Miami totaled 892,000 square feet in the third quarter and 2.2 million net absorption year-to-date, according to Cushman & Wakefield's third quarter Miami industrial market report, which cited average rental rates of \$7.32 per square foot triple net.

Tags: armando codina, Beacon Logistics Park, codina partners, Industrial Development

Flagler Global Logistics breaks ground on 8M sf industrial project

First phase encompasses 2.4 million square feet of Class A space

By Sean Stewart-Muniz | September 28, 2016 12:45PM



Rendering of the first building in the Countyline Corporate Park (Inset: Dan Marcus and Chris Sutton)

UPDATED September 28 2:25 p.m.:With the final phase of its Flagler Station commercial park well underway, Flagler Global Logistics has broken ground on a sprawling new industrial project four miles away called the Countyline Corporate Park.

Construction has begun on the first speculative 200,000-square-foot building of Countyline's phase one, located at the corner of Northwest 107th Avenue and Northwest 170th Street.

Dan Marcus, executive vice president of the company's development arm, told *The Real Deal* that his firm's master plan for Countyline includes 8 million square feet of industrial space built out over Flagler's 500 acres of land holdings. That's about 2 million square feet smaller than the Flagler Station industrial park, which is expected to complete its last phase in February 2017.

The first phase will encompass 2.4 million square feet of Class A industrial space when it's completed, which Flagler Global Logistics expects could take between 18 to 36 months. Depending on market conditions, the second phase would follow soon after. Marcus said rents for the first building are \$6.84 per square foot.

Chris Sutton, vice president of Flagler Global Logistics, said the industrial market in Miami-Dade County is getting tighter, and spec builders are in a good position to take advantage of bigger distribution traffic from PortMiami and Port Everglades now that the newly widened Panama Canal is open for business.

According to a second quarter industrial report from brokerage CBRE, vacancies in Miami-Dade have fallen to 3.6 percent while asking rents are up to \$8.61 per square foot.

"With the vacancy right now being less than 4 percent across the entire Miami-Dade, those are great conditions for industrial development," Sutton said.

Updated to include completion date for Flagler Station phase three.

Industrial real estate is hot, and that's good news for South Florida's economy

BY BRIAN SMITH

Special to the Miami Herald

PHOTO COURTESY OF JLL RESEARCH

While South Florida residential developers clamor for the global spotlight with jaw-dropping amenities and luxury finishes, an equally important story is unfolding in our region's industrial real estate landscape. Residential sales activity might be a good gauge of demand among international buyers, but trends in our industrial sector — comprising warehouse and logistics space — are a far better barometer of our local economy's well-being.

Fueled by our strategic location as a staging area for Latin America, the trend of new companies entering our market, a growing population and fast-changing consumer trends such as online sales and the rise of subscription-based services, investment activity on the part of major industrial developers and owners is reaching fever pitch across South Florida.

Our inventory of industrial space has grown by 9 million square feet in the past three years, according to a new construction update published by JLL Research. Another 4.6 million square feet of warehouse space is expected to come online this year, surpassing last year's record of 3.9 million square feet. For reference, this year's inventory of new space in Miami-Dade will be equal to more than 80 NFL football fields.

ADVERTISING

This burst of development and investment is good news for our economy. Unlike the residential market, which hinges on dramatic cycles largely guided by macroeconomics, the industrial sector is a reflection of consumer activity right here in our backyard and all signs point to continued stability as our population expands.

South Florida gained nearly 500,000 new residents in the past five years, and U.S. census estimates forecast additional growth through 2020. These new residents are generating consumer demand, requiring more warehouse space to be built and occupied.

Simply put, warehouses store goods ranging from electronics and car parts, to perishables such as fresh-cut flowers and food. As people move into a community, there is greater need for more inventory and distribution channels. This activity also leads to job creation, and we've seen our region's manufacturing and logistics workforce grow by approximately 5 percent since 2013, according to the Department of Labor.

Because consumers in today's digital world are increasingly prioritizing delivery time when it comes to making purchasing decisions, online retailers and distributors are aggressively leasing warehouse space in major markets in an effort to increase speed and efficiency.

Amazon is reportedly negotiating a lease for an 850,000 square foot warehouse. This is in addition to its existing footprint of over 500,000 square feet of space in Miami-Dade. Another example is the recent announcement that K LX Aerospace Solutions will expand its distribution center and headquarters with a new facility totaling more than 500,000 square feet.

All told, South Florida tenants have leased 18.9 million square feet of warehouse space over the past three years, sparking new ground-up development and industrial property sales valued at more than \$1 billion in 2015 alone.

While numbers like these might hint at over-development, JLL Research indicates the need for industrial space in our market will continue growing thanks to new residents pouring in and the ongoing trend toward e-commerce. Online sales accounted for 8.1 percent of all retail purchases in the second quarter of this year, up from 7.1 percent at the same time last year, according to the Department of Commerce. That's a 14 percent increase in 12 months.

Reduced delivery times are also yielding demand for industrial space. It wasn't long ago that consumers were satisfied waiting seven days for items to be shipped. Today, most people want their merchandise delivered within 48 hours — or less.

Much the same way South Florida has gained prominence from a cultural, culinary and tourism standpoint, our industrial real estate sector is now considered a top-tier U.S. market, alongside Los Angeles, New York, New Jersey, Chicago, Atlanta and Northern California.

Our region is attracting the industry's premier developers, property owners and tenants — and we're experiencing never-before-seen levels of investment in our logistics infrastructure. All of these factors bode well for South Florida's real estate landscape and our broader economy.

Brian Smith is managing director for JLL in South Florida, based in Brickell, and heads the firm's regional industrial practice. He can be reached at Smith.Brian@am.jll.com

This article was written for the Real Estate/Broker's View space in Business Monday in the Miami Herald and reflects the opinion of the writer but not necessarily the newspaper. Realtors may submit columns for Broker's View of 700 words to rclarke@MiamiHerald.com. This feature is intended primarily for residential brokers, who will be given preference, but pieces about commercial real estate will also be accepted as space allows.

SOUTH FLORIDA OVERVIEW

Since 2013, South Florida's industrial inventory has increased by 9 million square feet, or 3 percent. Additionally, 2.5 million square feet have been delivered to the market so far in 2016, and it is expected that this year will finish with a record 4.6 million square feet delivered in total, surpassing last year's record of 3.9 million square feet of deliveries.

The vast majority of this activity is in Miami-Dade County, particularly Airport West and Medley. There are currently 4.1 million square feet under construction in Miami-Dade County. This compares with 605,700 square feet and 306,500 square feet in Broward and Palm Beach counties, respectively.

Despite the rapid pace of development in South Florida, particularly in Miami-Dade County, the market is in relative equilibrium. Compared to the 9 million square feet delivered since 2013, tenants have absorbed 18.9 million square feet in that time. Further, 8.1 million square feet of the market's overall absorption has occurred within newly constructed product (inventory delivered since 2013). This speaks to the demand for higher quality space compared to what's available on the market.

Further, developers have taken note to cater to tenant demands. Nearly 2.1 million square feet of product built or expected to deliver by year-end has a minimum clear height of 30 feet.

SOURCE: South Florida industrial construction update, JLL (Q3 2016)

Brian Smith is managing director for JLL in South Florida, based in Brickell, and heads the firm's regional industrial practice. .

Bridge Development sells Hialeah Gardens warehouses to Duke Realty for \$80M

The industrial REIT paid about \$120 psf for the new warehouses

By Katherine Kallergis | April 24, 2017 01:30PM



Bridge Point Crossroads East Inset: Bridge Development Partners founders Ronald Frain and Steven Poulos

Bridge Development Partners sold three new warehouses in Hialeah Gardens for \$79.97 million to Indianapolis-based Duke Realty, property records show.

Bridge Development sold its Crossroads East buildings at 15002 and 14802 Northwest 146th Street and its Crossroads South building at 10701 Northwest 140th Street. They total 676,835 square feet, which breaks down to about \$120 per square foot, according to a press release.

CBRE's Chris Riley, Christian Lee and José Lobón represented Bridge Development, a Chicago-based industrial developer in Chicago, Florida, New Jersey and California. Last month, Bridge Development sold its Bridge Point Davie warehouse to TA Realty for \$22 million, or \$151 per square foot.

The Hialeah Gardens buildings were completed this year, and are near U.S. 27, the Florida Turnpike, State Road 826 and I-75. Bridge Development financed construction of the Hialeah Gardens development with a nearly \$16 million loan it closed in March 2016. PAS Cargo inked a lease for more than 88,000 square feet at the Crossroads West warehouse, moving its headquarters from Doral.

Duke Realty, an industrial real estate investment trust, also owns properties in Pompano Beach, Pembroke Pines and West Palm Beach, according to its website.

New industrial development in Miami-Dade pushed the county's overall vacancy rate up to 4 percent during the first quarter of this year, according to Colliers International South Florida. About 1.35 million square feet of industrial space has been delivered so far this year. A lack of land for new construction has pushed rents up, especially for new Class A flex space.

In Miami-Dade, overall asking rents increased year-over-year in the first quarter by 8.6 percent up to \$9.90 per square foot, but declined slightly from the fourth quarter of 2016, according to the Colliers report.

Across the U.S., industrial REITS like Duke Realty have been doing well thanks to the rapid growth of e-commerce.

Tags: bridge development partners, Commercial Real Estate, duke realty, hialeah gardens, industrial real estate



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From the South Florida Business Journal:

<https://www.bizjournals.com/southflorida/news/2017/01/23/bridge-development-proposes-over-2-million-square.html>

Bridge Development proposes over 2 million square feet of industrial in Miami-Dade

— SUBSCRIBER CONTENT:

Jan 23, 2017, 6:17am EST

A stalled home development site in Miami Gardens could be rezoned for 2.3 million square feet of industrial space.

The 173.3-acre site is currently owned by Atlanta-based Manheim Remarketing, but county records show that Chicago-based Bridge Development Partners signed an agreement in March 2016 to purchase it. A Manheim representative confirmed that the site is under contract to Bridge Development, although the buyer couldn't be reached for comment.



KUZMA

On Jan. 25, the Miami Gardens City Commission will consider rezoning the property on the north side of Florida's Turnpike and east of Northwest 47th Avenue extending up to Northwest 215th Street. An 88.4-acre site that is currently zoned neighborhood would be changed to commerce. Another 84.9 acres there is already zoned industrial.

The combined property could have up to 2.3 million square feet of industrial. The application describes it as a distribution warehouse that would create 2,140 direct and indirect permanent jobs.

According to the application, plans for the home community didn't move forward because it was too close to the landfill on the west side of Northwest 47th Avenue.

Akerman attorney Augusto Maxwell represents the developer in the application.

This is the second major industrial project proposed in Miami Gardens. EastGroup Properties plans to build an 850,000-square-foot industrial park on the west side of Florida's Turnpike near Hard Rock Stadium.

According to JLL's fourth quarter report, the vacancy rate for Miami-Dade County industrial space was 4.1 percent with year-to-date absorption of 1.96 million square feet and 4.1 million square feet under construction. Asking rent reached a historic high of \$6.84 per square foot on average.

Brian Bandell
Senior Reporter
South Florida Business Journal





LETTERS OF SUPPORT



FLORIDA HOUSE OF REPRESENTATIVES
REPRESENTATIVE MANNY DIAZ JR
DISTRICT 103

DISTRICT OFFICE:
10001 NW 87TH AVE
HIALEAH GARDENS, FL, 33016
(305) 364-3072

TALLAHASSEE OFFICE:
222 THE CAPITOL
402 SOUTH MONROE STREET
TALLAHASSEE, FLORIDA 32399-1300
(850) 717-5103

August 14, 2017

Florida Department of Economic Opportunity
107 East Madison Street
Caldwell Building
Tallahassee, Florida 32399-4120

Re: NW 102nd Avenue and Surrounding Roadway Construction

To whom it may concern:

It is with pleasure that I express support for the City of Hialeah's application for a Job Growth Grant for the construction of Northwest 102nd Avenue and surrounding roadways along with the necessary water and sewer infrastructure for sanitary sewer collection for the area. The construction of NW 102nd Avenue is a critical piece in the City of Hialeah's roadway network that will serve as an access point to over 15 million square feet of new industrial warehouse distribution centers. Miami-Dade County is globally recognized for its well-established international trade industry, and these centers are necessary to serve the volume of goods and freight coming into South Florida via airport, railway, Port Everglades and PortMiami.

These infrastructure improvements will enable job growth and economic development in South Florida as businesses and manufacturing industries are drawn to the area with these by these new facilities. The City of Hialeah and South Florida as a whole will benefit greatly from the increase in employment opportunities and investment through these business activities.

For these reasons, I am pleased to extend my support for the roadway construction and water and sewer infrastructure and I look forward to the growth it will provide for Miami-Dade County and the region as a whole.

Thank you,

A handwritten signature in black ink, appearing to read "M. Diaz", is written over a faint circular stamp.

State Representative Manny Diaz Jr.
District 103



Jose "Pepe" Diaz
COMMISSIONER

Board of County Commissioners
MIAMI-DADE COUNTY – FLORIDA

DISTRICT 12
111 N.W. FIRST STREET
MIAMI, FLORIDA 33128-1963
(305) 375-4343
FAX (305) 470-1791
E-MAIL: district12@miamidade.gov

August 14, 2017

Florida Department of Economic Opportunity
107 East Madison Street
Caldwell Building
Tallahassee, Florida 32399-4120

Re: NW 102nd Avenue and Surrounding Roadway Construction

To Whom It May Concern:

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For these reasons, I am pleased to extend my support for the roadway construction and water and sewer infrastructure and I look forward to the growth it will provide for Miami-Dade County and the region as a whole.

Sincerely,


Jose "Pepe" Diaz
Miami-Dade County Commissioner
District 12



2400 North Commerce Parkway
Suite 405
Weston, FL 33326
954 453 5660
www.dukerealty.com

August 23, 2017

**Florida Department of Economic Opportunity
107 East Madison Street
Caldwell Building
Tallahassee, Florida 32399-4120**

Re: NW 102nd Avenue and Surrounding Roadway Construction

Dear Sir or Madam:

We at Duke Realty are in support of the City of Hialeah's application for a Job Growth Grant for the construction of Northwest 102nd Avenue and surrounding roadways along with the necessary water and sewer infrastructure for sanitary sewer collection for the area. We are greatly interested in the development of new industrial warehouse distribution centers in South Florida, and specifically in the development in the immediate area of NW 102nd Avenue. The City of Hialeah and these distribution centers are well positioned to meet the demands of Miami-Dade County and the South Florida region as a whole.

Availability of high quality industrial space with immediate access to multiple modes of transportation is very attractive to businesses such as ours. Construction of this roadway network and water and sewer infrastructure is necessary to retain and attract businesses to the South Florida region.

We look forward to the completion of these infrastructure improvements and expansion of these industrial centers in order to capitalize on the availability of shipping options in Florida.

Sincerely,

Duke Realty Corporation


**Stephanie Rodriguez
Vice President Leasing**



GRAHAM COMPANIES

6843 Main Street • Miami Lakes, Florida 33014 • 305-821-1130 • www.miamilakes.com

Stuart S. Wyllie
President
Chief Executive Officer

August 14, 2017

Florida Department of Economic Opportunity
107 East Madison Street
Caldwell Building
Tallahassee, Florida 32399-4120

Re: NW 102nd Avenue and Surrounding Roadway Construction

To Whom It May Concern:

We at The Graham Companies are in support of the City of Hialeah's application for a Job Growth Grant for the construction of Northwest 102nd Avenue and surrounding roadways along with the necessary water and sewer infrastructure for sanitary sewer collection for the area. We are greatly interested in the development of new industrial warehouse distribution centers in South Florida, and specifically in the development in the immediate area of NW 102nd Avenue. The City of Hialeah and these distribution centers are well positioned to meet the demands of Miami-Dade County and the South Florida region as a whole.

Availability of high quality industrial space with immediate access to multiple modes of transportation is very attractive to businesses such as ours. Construction of this roadway network and water and sewer infrastructure is necessary to retain and attract businesses to the South Florida region. We look forward to the completion of these infrastructure improvements and expansion of these industrial centers in order to capitalize on the availability of shipping options in Florida.

Sincerely

Stu Wyllie
President and CEO
The Graham Companies



White Rock Quarries

August 23, 2017

Florida Department of Economic Opportunity
107 East Madison Street
Caldwell Building
Tallahassee, FL 32399-4120

Re: NW 102nd Avenue and Surrounding Roadway Construction

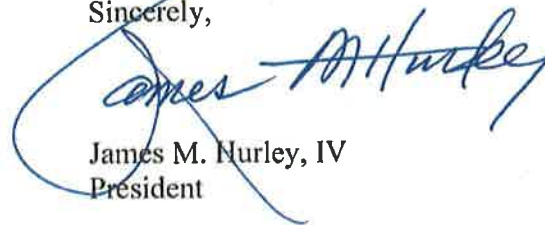
Dear Sir or Madam:

We at White Rock Quarries are in support of the City of Hialeah's application for a Job Growth Grant for the construction of NW 102nd Avenue and surrounding roadways along with the necessary water and sewer infrastructure for sanitary sewer collection for the area. We are greatly interested in the development of new industrial warehouse distribution centers in South Florida, and specifically in the development in the immediate area of NW 102nd Avenue. The City of Hialeah and these distribution centers are well positioned to meet the demands of Miami-Dade County and the South Florida region as a whole.

Availability of high quality industrial space with immediate access to multiple modes of transportation is very attractive to businesses such as ours. Construction of this roadway network and water and sewer infrastructure is necessary to retain and attract businesses to the South Florida region.

We look forward to the completion of these infrastructure improvements and expansion of these industrial centers in order to capitalize on the availability of shipping options in Florida.

Sincerely,



James M. Hurley, IV
President

JMH/ms