

ADMINISTRATIVE MEMORANDUM NO. 20-016

TO: Planning and Zoning Board
VIA: David L. Recor, ICMA-CM, Director of Development Services
VIA: Jennifer Gomez, AICP, Assistant Development Services Director
FROM: Daniel T. Keester-O'Mills, AICP, Principal Planner
SUBJECT: Self-Storage – Analysis & Recommendations
DATE: January 14, 2020

Background

The Development Services Department has seen a rise in the number of applications submitted for Self-Storage Facilities. The Planning & Zoning Board discussed the trend and directed staff to research the issue. Last year, the Development Services Department entered into a service contract with "Development Services, Inc." to conduct a supply and demand analysis regarding the self-storage facilities in Pompano Beach. The report provides a calculation of the aggregate building area for self-storage units per person, for each city, and refers to this value as "SF per capita." The report finds that within the City of Pompano Beach, there is approximately 21.7 SF per capita. When compared to other cities in the area, this value is one of the largest when compared to others in Broward County, Palm Beach County and the State average (6.29 SF per capita). Based on the information presented in the report, the Planning & Zoning Board made a motion unanimously recommending that the City Commission enact a moratorium on all new self-storage facilities to allow staff more time to analyze the findings of this report and provide recommendations on how to respond to these developments. The City Commission enacted a moratorium on September 24th, for a period of 6 months, for staff to analyze the issue and provide recommendations.

The supply and demand analysis of self-storage facilities in southeast Florida of Pompano Beach and selected neighboring cities clearly demonstrated a surplus of the use. During the discussion about the report the Planning & Zoning Board requested more analysis of how this specific use is treated, what impact self-storage facilities have on a community and what regulations have contributed to this surplus of self-storage facilities.

Factors that attract Self-Storage to Pompano Beach

Self-storage facilities are needed in communities as they provide both short- and long-term storage options for residents and businesses. The growing migration of residents to southeast Florida, the lack of climate controlled storage space in single-family residents (no basements, & attic space is typically not air conditioned), and the majority of new housing units developed have been multi-family (townhomes, apartments and high-rises) built with less storage space are all factors that have favored the self-storage demand.

An industry report entitled *2019 Self-Storage U.S. Investment Forecast* (published by Marcus & Millichap) provided a snapshot of the market in Southeast Florida. No specific geographic area is defined by "Southeast Florida," but it includes references from Miami to West Palm Beach. In this

overview, they identified that the monthly rates declined in 2018 and projected additional decline in 2019. The report also noted the inventory in Southeast Florida is 44.7 million square feet and 6.9 square feet per capita. In 2019, there was 2.2 Million square feet of self-storage under construction in South Florida with 929,000 square feet planned for Broward County.

Regulations in Neighboring Cities on Use and Design

Staff identified the zoning districts that permit “self-storage” uses and the *estimated* total acreage of these areas compared to the size of the municipality. The table below provides illustrates the permissive nature of Pompano Beach, compared to other cities. For reference, the table also includes the “supply per capita” and number of facilities that were identified in the supply & demand report:

Municipality	Zoning Districts	Acreage	Total City Acreage	% Allowance	Self-Storage	Per Capita
Boynton Beach	C4, M1	341.943	10,598	3.23%	14	15.11
Delray Beach	LI	17.9499	10,560	0.17%	14	15.46
Boca Raton	W-1, M-1, M-2, M-3	1703.97	20,217	8.43%	12	9.80
Pompano Beach	B-4, I-1, I-1X, O-IP	3,591.88	15,814	22.71%	28	27.57
Deerfield	I, I-2	498.724	10,380	4.80%	13	12.28
Oakland Park		0	5,233	0.00%	13	27.20
Fort Lauderdale	B-2, I	1,411.96	23,232	6.08%	26	11.87
Doral	IC, I	3528	9,651	36.56%	12	14.01
Hialeah	RC, M-1	2,408.62	14,604	16.49%	15	4.75

Staff retained the services of Calvin, Giordano & Associates, Inc (CGA), to survey neighboring cities in Broward County to request if there are any other cities that have imposed a moratorium on this use, to identify any limitations related to self-storage, identify impacts of the use and use-specific standards that they may have adopted in connection to self-storage. A copy of the memo from CGA is attached to this report for reference. They found that there are no other cities actively seeking a moratorium. Deerfield Beach has adopted a minimum separation from similar facilities (2,500 feet) and design standards that require the building not to appear as a warehouse. Fort Lauderdale, in certain areas of the city, require ground level active uses fronting on primary streets.

In Palm Beach County, Delray Beach and Boca Raton both require separation of the uses (750 feet for Delray & 2,500 feet for Boca Raton). Boynton Beach has strict architectural guidelines for the construction of new self-storage facilities. In Miami, they have adopted design regulations and distance separation between uses. Miami requires a minimum of 50% of the ground floor be unrelated to the self-storage facility and limits the size of an individual storage unit (400 square feet).

Summary

- Based on supply and demand analysis, prepared by Development Services, Inc, the City of Pompano Beach has a much higher supply of self-storage facilities than is needed for our population.
- Municipalities have adopted various means for regulating self-storage facilities, due to the market conditions that attract this use to our region. Other regulations include distance separation, design regulations, and mandating that self-storage facilities add a mixed-use component to the ground floor.
 - Distance separation – given the size of Pompano Beach and the area of land that currently permits self-storage facilities the current issue is not the “clustering” of this use in any specific area of the City. Out of the 28 facilities in Pompano Beach (existing and approved): 15 are located in a B-4 zoning district, 7 are located in I-1 zoning district, 3 are located within a B-3 zoning district, 1 is located within I-1X, and the other the other two are located within a PCD and one within the TO-EOD.
 - Design Regulations – new self-storage facilities are classified as a “commercial use” and are subject to the same design regulations as any other commercial or mixed use building.
- Applicants requesting a Special Exception approval must demonstrate conformance with 13 review standards that are identified in the code. Included in this criteria are:
 - (5) Is appropriate for its location and is compatible with the general character of neighboring lands and the uses permitted in the zoning district(s) of neighboring lands. Evidence for this standard shall include, but not be limited to, population density, intensity, character of activity, traffic and parking conditions and the number of similar uses or special exception uses in the neighborhood;
 - (11) Fulfills a demonstrated need for the public convenience and service of the population of the neighborhood for the special exception use with consideration given to the present availability of such uses;

Recommendations

Staff recommends that the Zoning Code be amended as follows:


- Require a Special Exception within the B-4 (Heavy Business), I-1 (General Industrial) and O-IP (Office Industrial Park) zoning districts provided the demand for facilities has been met per the supply and demand analysis.
- Restrict self-storage from locating on major arterials
- Amending hours of operation for facilities from 6:00 AM to 10:00 PM (correcting a scrivener’s error)

Attachments

- Ordinance 2019-108, Pompano Beach Moratorium for Self-Storage Facilities
- Memorandum from Calvin, Giordano & Associates, Inc (CGA) entitled Self-Storage Facility Recommendations
- Excerpt from *2019 Self-Storage U.S. Investment Forecast* (published by Marcus & Millichap), Page 43 on Southeast Florida Market
- Supply & Demand Analysis from Development Services, Inc (Page 1 – 15)



MEMORANDUM

DATE: January 7, 2020
TO: Daniel Keester-O'Mills, AICP, Principal Planner
CC: Jennifer Gomez, Assistant Development Services Director
FROM: James Hickey, AICP, Consulting Planner 
RE: Self-Storage Facility Recommendations

The purpose of this memorandum is to review the impact of self-storage facilities specifically in the City of Pompano Beach. On September 24, 2019, the City adopted Ordinance 2019-108 creating a six-month moratorium on this use in order to research the current and future demand of self-storage facilities and to make recommendations to the City Commission on proposed amendments to the City's Code of Ordinances and zoning code. This study will also look to identify additional regulations regarding the aesthetics and design of future facilities.

Impact of Self-storage Facilities on a Community

Self-storage facilities are needed in communities as they provide both short- and long-term storage options for residents and businesses alike. The economic drivers are numerous for these types of facilities but here are some reasons why these facilities are in demand include:

- **Population Growth –**
Pompano Beach is part of the South Florida region which is the seventh largest in the United States. The tri-county region (Miami-Dade, Broward, Palm Beach) continues to grow mainly due to in migration of residents from other parts of the United States and throughout the world.
- **South Florida Geography and Climate –**
Unlike other areas of the country, homes in South Florida do not have basements so homeowners must store items either in the attic or garage. Due to the subtropical climate, many people do not utilize these storage areas as they are not air conditioned and many look for a climate-controlled area for storage.
- **Broward County Housing Market –**
There is not much vacant land left in Broward County to construct new large-scale single-family residential units. New housing units built in the last 10 years have primarily been multi-family units (townhomes, garden apartments, and high-rise towers). These units tend to be smaller in size than traditional single-family units and therefore have less storage space.

The Self-Storage Market

The self-storage market has seen a shift over the last several years in basic design of these facilities. Traditionally, the site design of these facilities was spread out with rows of garage-like storage off access roadways. The newer facilities are now designed in a multi-story building with limited building access. Developers are also looking to locate on smaller lots (1-2 acres in size) with smaller parking areas due to the low demand for parking. Companies have recently been rethinking where to locate these facilities and many are being proposed closer to residential areas within commercial zoning districts.

Building Code Services
Civil Engineering / Roadway & Highway Design
Coastal Engineering
Code Enforcement
Construction Engineering & Inspection (CEI)
Construction Services
Data Technologies & Development
Electrical Engineering
Engineering
Environmental Services
Facilities Management
Geographic Information Systems (GIS)
Governmental Services
Indoor Air Quality
Landscape Architecture
Planning
Project Management
Redevelopment & Urban Design
Surveying & Mapping
Traffic Engineering
Transportation Planning
Water / Utilities Engineering
Website Development

1800 Eller Drive
Suite 600
Fort Lauderdale, FL
33316
954.921.7781 phone
954.921.8807 fax

www.cgasolutions.com

Based on the *2019 Self-Storage U.S. Investment Forecast*, by Marcus & Millichap, the main drivers for demand nationally include:

- The 80 Million Millennials who are generally purchasing property later in life account for 28% of the non-commercial self-storage
- Private businesses account for 19% of the space at a typical storage complex.
- Self-storage is adaptive across economic cycles; a good economy brings more residents and changes in housing while a downturn increases homeowners looking to downsize or store items for the short-term.

The Marcus & Millichap report also identifies the current market for self-storage in the South Florida region. Increased growth in migration, employment, and construction will continue to be a positive influence on the self-storage market. In 2019, there was 2.2M SF of self-storage under construction in South Florida with 929,000 SF planned for Broward County.

In 2019, the City of Pompano Beach contracted with Development Services, Inc. to complete the *Self-Storage Supply and Demand Analysis Report* (Self-Storage Report) which is a supply and demand equilibrium analysis for the Pompano Beach market and surrounding secondary market. Based on this report, the City has an oversupply of self-storage facilities then is required with its current and future (2023) population. In addition, other communities studied around the City (Boca Raton, Deerfield Beach, Fort Lauderdale, and Oakland Park) all have an excess supply of self-storage square footage. The report recommends:

- Enacting a moratorium on new development (currently approved)
- Strengthening the zoning code to allow future storage in certain districts
- Adding a distance requirement between facilities
- Limiting size and height of new facilities

The Self-Storage Report concludes that the City's existing self-storage facilities will exceed demand for City residents and City business until 2023.

Regulations in Neighboring Cities on Use and Design

This analysis included the review of neighboring cities the summary of which is attached as Exhibit A. For those communities analyzed, Pompano Beach was the only community under a moratorium. The City of Hollywood is in the process of approving an Ordinance that will require all new facilities to be ¼ mile apart with no variance allowance for a reduction in the distance requirement. Likewise, the City of Miami has a distance requirement of 2,500 feet (~½ mile) with no waiver for the distance between facilities. Miami also requires a retail component for 50% of the first-floor not related to the self-storage facility.

Recommendations on Regulations City Could Implement

As there is an oversupply of the square footage of facilities in Pompano Beach, the City should require future facilities complete a review of the Self-Storage Report and provide an analysis as to whether there is demand for this use in the City. And to decrease the visual impact of these facilities is to prohibit self-storage along major arterials. These changes would limit future development to develop as the demand for self-storage outweighs the current oversupply and require future construction locations off of major arterials.

Proposed Text Amendments to the Use Standards

The proposed text amendments are provided in Exhibit B attached to this Memorandum. The changes include:

- Requiring a Special Exception within the B-4 (Heavy Business), I-1 (General Industrial) and OIP (Office Industrial Park) Zoning Districts provided the demand for facilities has been met per the Self-Storage Report
- Restrict self-storage from locating on major arterials
- Amending hours of operation for facilities from 6:00am to 10:00pm (scrivener's error)

Summary

Based on the Self-Storage Report prepared by Development Services, Inc., the City of Pompano Beach has a much higher supply of self-storage facilities than is needed between now and 2023. Any future facility will require a special exception in most districts and restricting the future location of these facilities away from the City's major arterials will allow for growth of self-storage as demand increases and will reduce keep future facilities off of major thoroughfares.

Appendix A - Self-Storage Facilities

	Is there a Moratorium?	Limitations to the use	Use Impact	Retail component/requirement as part of the development	Views
Pembroke Pines	No	<ul style="list-style-type: none"> Allowed in the C-1 District. C-1 District is rare, and it's likely an applicant would have to rezone a property to be able to apply for self-storage No design standards for Self-Storage buildings 	<ul style="list-style-type: none"> Very low trip generation rate and most communities have been receptive to that In the last 3 years, over 400,000 square feet of self-storage has been approved Parking requirements are very low for self-storage. Change of use could be problematic in the future. 	No requirement for retail as a component though a few facilities have ground floor retail	Looked at favorably as long the self-storage is contained within a building
Margate	No	The use is prohibited	N/A	N/A	Previously under a moratorium and as of November 1, 2017, the use is prohibited
Tamarac	No	<ul style="list-style-type: none"> Yes, site design and performance standards are governed under section 10-3.3 – Use Specific Standards In order to mitigate potential adverse impacts associated with a concentration of such facilities throughout the city, such facilities shall be located no closer than 4,000 feet from one another. 	-	-	-
Fort Lauderdale	No	The City has not restricted or limited the use beyond what the code has allowed for since 1997.	-	Yes, certain areas of the City have a requirement for ground level active uses fronting primary streets; e.g. master plan areas	-
Coral Springs	No	<ul style="list-style-type: none"> Subsequent to January 1, 2010, self-storage facilities are limited to the interior of the Corporate Park and shall not occupy frontage along major arterials. All existing self-storage facilities developed prior to this date are legal and conforming 	-	-	-
Miramar	No	<ul style="list-style-type: none"> Allowed in the Planned Industrial District (PID) by-right Conditional use in the Heavy Business (HB) District Prohibited in all other commercial, office and mixed-use districts No distance separation requirements 	-	Encourages – but do not require – a mixed-use component with retail and/or office.	Seen a lot of interest in developing this use and have approved 4 in recent years

Appendix A - Self-Storage Facilities

	Is there a Moratorium?	Limitations to the use	Use Impact	Retail component/requirement as part of the development	Views
North Lauderdale	No	Permitted by right in the M-1 Zoning district under storage.	<ul style="list-style-type: none"> Storage is often viewed as a use which does not generate jobs, not aesthetically pleasing Mostly residential community so becomes one of the highest buildings because of the number of units needed to become financially viable. 	-	<ul style="list-style-type: none"> Seen a lot of interest in Self-Storage in the commercial districts
Lauderdale by the Sea	No	No	No	No	-
Sunrise	Does not have a self-storage category just storage warehouses and mini-warehouses	Storage Warehouses permitted in I-1 Zoning District, not mini-warehouses	-	--	-
Hollywood	<ul style="list-style-type: none"> No Newly proposed ordinance 	<ul style="list-style-type: none"> The distance separation requirements for self-storage facilities shall be ¼ mile between a self-storage facility and another self-storage facility. (no variance to reduce distance) Individual storage units shall not be accessible from the public right of way Loading areas and overhead doors shall not be located on primary frontage or front single-family residential zoning districts 	-	<ul style="list-style-type: none"> Where appropriate ground floor active uses are encouraged 	-
Miami	<ul style="list-style-type: none"> No 	<ul style="list-style-type: none"> Allowed by Warrant Minimum distance of 2,500 feet between facilities (no waiver for distance) 400 SF max on individual storage Hours of Operation 5a to 11p 		<ul style="list-style-type: none"> Yes 50% of ground floor unrelated to facility 	

APPENDIX B

155.4223. COMMERCIAL: SELF-SERVICE STORAGE USES

A. Self-Storage or Mini-Warehouse Facility

1. Districts Where Permitted

RS-1	RS-2	RS-3	RS-4	RS-L	RD-1	RM-7	RM-12	RM-20	RM-30	RM-45	MH-12	B-1	B-2	B-3	B-4	
																PS

M-1	CR	I-1	I-IX	OIP	M-2	TO	PR	CF	PU	T	BP	RPUD	PCD	PD-TO	LAC	PD-1
		PS	P	PS									P			

2. Definition

A self-storage or mini-warehouse facility is a building or group of buildings divided into separate self-contained units or areas offered for rent for self-service storage of household and personal property. The storage units or areas are designed to allow private access by the tenant for storing and removing personal property. Accessory uses may include leasing offices, outdoor storage of boats and recreational vehicles, incidental sales or rental of moving supplies and equipment, and living quarters for a resident manager or security guard. The rental of trucks or trailers is a separate principal use and not considered accessory to this use.

3. Standards

A self-storage or mini-warehouse facility shall comply with the following standards:

a. Site Layout

- i. The facility shall be located on a site with an area of at least one acre.
- ii. If separate buildings are constructed, there shall be a minimum separation of ten feet between buildings.

iii. Self-storage facilities shall not be located on major arterials within the City.

b. Operation

i. The only commercial uses permitted on-site shall be the rental of storage bays and the pickup and deposit of goods or property in dead storage and the incidental sales or rental of moving supplies (e.g., boxes) and equipment (e.g., dollies). Storage bays shall not be used to manufacture, fabricate, or process goods, to service or repair vehicles, small engines or electrical equipment, or conduct similar repair activities, to conduct garage sales or retail sales of any kind, or to conduct any other commercial or industrial activity on the site.

ii. Except as otherwise authorized in this subsection, all property stored on the site shall be contained entirely within enclosed buildings.

iii. Hours of public access to a self-storage use abutting a residential zoning district or existing residential use shall be restricted to the hours between 6:00 a.m. and 10:00 ~~a.m.~~p.m.

c. Storage of Recreational Vehicles and Boats

Open storage of recreational vehicles (RVs) and pleasure boats of the type customarily maintained by persons for their personal use shall be permitted within a self-service storage facility use, provided that the following standards are met:

- i. The storage shall occur only within a designated area, which shall be clearly delineated.
- ii. Storage shall not occur within required yards.
- iii. The parking spaces designated for storage shall not be eligible for compliance with Minimum Off-Street Parking Requirements.
- iv. The designated storage area shall be located behind the principal structure and shall comply with the Outdoor Storage Area standards in Section 155.4303.W.
- v. The recreational vehicles and pleasure boats shall be operable. The pleasure boats shall be placed on a trailer.

d. Parking and Circulation

- i. Interior parking shall be provided in the form of aiseways adjacent to the storage bays. These aiseways shall be wide enough to be used both for circulation and temporary customer parking when accessing storage bays.
- ii. The one- or two-way traffic flow patterns in aiseways shall be clearly marked. Marking shall consist, at a minimum, of standard directional signage and painted lane markings with arrows.
- iii. Appropriate access and circulation by vehicles and emergency equipment shall be ensured through the design of internal turning radii of aiseways.
- iv. All access ways shall be paved with asphalt, concrete, or comparable paving materials.

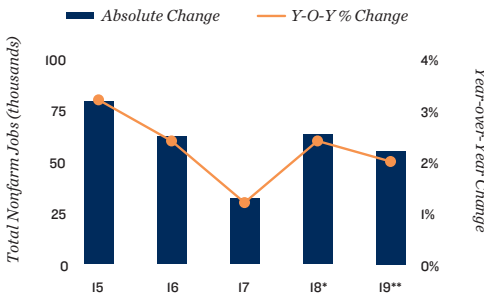
e. Building Appearance

- i. Garage doors serving individual storage units shall be perpendicular to a public or private street so as to not be visible from adjacent streets or fronting single-family zoning districts.
- ii. The exterior facades of all structures shall receive uniform architectural treatment, including masonry, stucco, and painting of surfaces. Colors used shall be compatible with the character of the surrounding area. Perimeter or exterior walls visible from a public street or detached residential dwelling shall not include metal as a primary material.

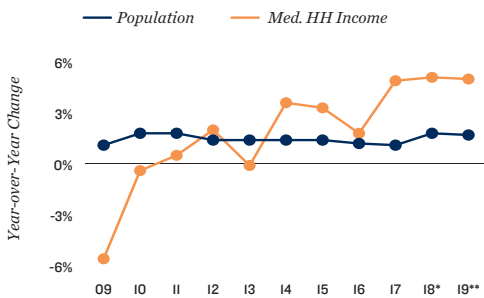
(Ord. 2012-64, passed 9-11-12; Am. Ord. [2013-37](#), passed 1-22-13; Am. Ord. [2013-73](#), passed 7-23-13)

Income Growth Spurs Storage Demand

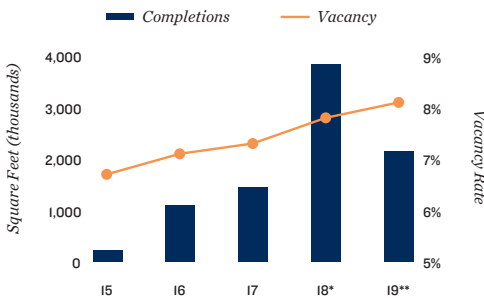
Employment Trends



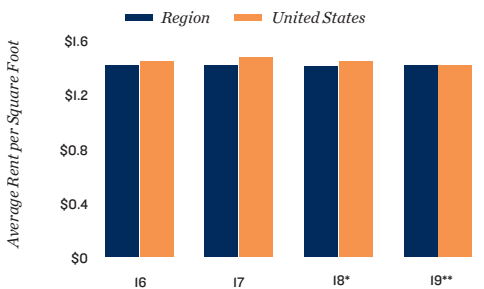
Demographic Trends



Supply and Demand Trends



Rent Trends



Economic Overview

Hiring across a diverse array of disciplines led to accelerated employment growth in southeastern Florida during 2018. Employers in Miami created the most jobs at 27,000 - about 5,000 more than in Fort Lauderdale and 13,000 more than in West Palm Beach. Falling unemployment in all three metros will modestly slow recruiting in 2019 to 55,000 new positions.

Demographic Overview

West Palm Beach leads the region in relocations this year, supporting the formation of 21,000 households. Relatively high levels of net migration are also occurring in Miami and Fort Lauderdale, aiding above-national levels of household formation in these markets. Median incomes are growing between 4.8 and 5.2 percent in the three metros, contributing to a 4.8 percent increase in retail sales for the region.

Construction Overview

The development pipeline contracts in all three markets this year, with the most additions going to Fort Lauderdale. The largest projects, each around 150,000 square feet in size, will open in Miami in mid-2019. About half of the deliveries to Palm Beach County will be in West Palm Beach, with Lake Park also welcoming over 100,000 square feet of new space.

Vacancy/Rent Overview

The average asking rent in West Palm Beach appreciates for the third straight year but remains the lowest in the region. Monthly rates in Miami and Fort Lauderdale both declined in 2018 and are expected to fall again in 2019 for the latter market. Across the region, the average asking rent will improve by 0.7 percent.

2019 Market Forecast

- Inventory** ● 44.7 million square feet and 6.9 square feet per capita
- Employment** ↗ up 2.0% Fort Lauderdale leads employment growth with a 2.2 percent increase. Employers expand staffs by 2.0 and 1.9 percent in Miami and West Palm Beach, respectively.
- Population** ↗ up 1.7% West Palm Beach's population grows by 2.6 percent in 2019, followed by 1.7 percent in Fort Lauderdale and 1.3 percent in Miami.
- Construction** ↘ 2.2 million sq. ft. Deliveries reach 929,460 square feet in Fort Lauderdale while completions total 788,490 square feet in Miami and 428,100 square feet in West Palm Beach.
- Vacancy** ↗ up 30 bps The regional vacancy rate advances to 8.1 percent following a 50-basis-point jump last year.
- Rent** ↗ up 0.7% The average asking rent in the region appreciates to \$1.41 per square foot, led by a 3.0 percent gain in West Palm Beach.

* Estimate; ** Forecast

Sources: BLS; U.S. Census Bureau; Yardi Matrix; Union Realtime, LLC
Southeast Florida encompasses Fort Lauderdale, Miami and West Palm Beach.