

## West Palm Beach: From New to Real to Global Urbanism?

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### 1 ABSTRACT

This paper examines the internal structure of the West Palm Beach employment center, conceptualized as a sub-metropolitan employment center within the context of the South Florida metropolitan area. Internal structure is examined along four dimensions: physical, economic, social, and organizational. Results indicate complexity in organization, shifting strategies, and a sense of global importance.

### 2 INTRODUCTION

The spatial economic structure of the South Florida metropolitan area can be described in terms of a series of sub-metropolitan employment centers (Prosperi, 2008). One of these centers is located in/around the City of West Palm Beach. This city, with a current estimated population of approximately 92,000, is “recognizable” on the global, national, and regional level. For example, the City of West Palm Beach (hereafter WPB) ranked fourth in the Milken Institute Best Performing 296 US Cities Index. At the same time, it is according to the 2006 Morgan Quinto Poll, the 14<sup>th</sup> most dangerous city in the US and has had two extended “water” emergencies within the last year.

At the regional level, WPB is the governmental center of Palm Beach County, located in the northern part of the South Florida metropolitan area. The City occupies 58.2 square miles of territory located north of the Palm Beach International Airport. Figure 1 shows the contextual images of the West Palm Beach area as well as the operational definition of the WPB sub-metropolitan employment center.

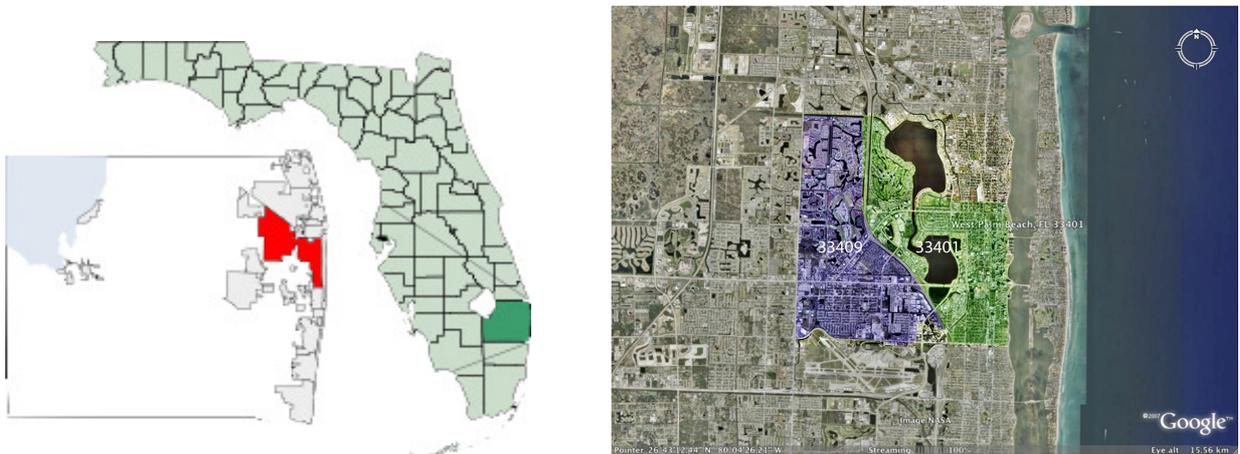


Fig. 1: West Palm Beach, FL

One implication of viewing the spatial economics of a metropolitan area as a series of employment centers is that it begs the question of how those “local” centers perceive themselves and how they position themselves within the metropolitan context. To this end, the project *Metropolitan Context, Local Responses* (Prosperi et al., 2008) was conceived as a joint project between Florida Atlantic University and the Vienna Institute of Technology. The purpose of this paper is to change the scale – from the metropolitan to the local – and to study more deeply the internal structure of the WPB center. Internal structure is operationally defined across the physical, economic, social, and organizational attributes that together comprise the “DNA” of centers.

This paper is structured as follows. The next part discusses the context, research problem, and methodology used in this paper. Results are then presented for four areas of concern: physical, economic, social, and organizational. The final part of the paper draws some broader conclusions and speculates about the ongoing functioning of the employment node.

### 3 RESEARCH PROBLEM AND METHODOLOGY

#### 3.1 Research Problem

The research problem is to identify, examine, and evaluate local strategies – defined over the four attributes of physical, economic, social, and organizational representation – to attract competitive investment. Special emphasis is placed on both the role of airports (Prosperi, 2007) and territorial capital of sub-metropolitan centers (Giffinger and Prospero, 2008).

#### 3.2 Methodology

The methodology used was accomplished by recollecting a set of physical, economical, social, and organizational public data. The methodology consists of three phases. In the first, teams from Florida Atlantic University were formed to develop appropriate physical, economic, social, and organizational analytical techniques. Then, further analysis, ground checking, and field observation occurred over a ten day period in February, 2008 by teams of faculty and students from Florida Atlantic University and the Vienna Institute of Technology. The final phase is analysis, reflection of observed data, and synthesis.

The WPB sub-metropolitan employment center is defined as US postal zip codes 33401 and 33409. Physical infrastructure information was initially gathered from digital images obtained from Google Earth Maps. Once the group entered the field, other types of thematic information relating to bus routes and train routes, and other physical characteristics were assembled. An adjustment was made to the geographical boundaries of the study area: the independent Town of Palm Beach (zip code 33480) was added.

The economic analysis relies on principles of economic base and economic competitiveness theory. Using US Department of Commerce NAICS data at the 2 digit level, it is reasonably clear that the WPB area, as originally defined, has large competitive advantage in the industrial sector of “professional, scientific, and technical services” and moderate advantages in “retail”, “finance and insurance”, “administration, support and waste management,” “arts, entertainment and recreation” and “accommodation/food”. The WPB sub-metropolitan center, more than any other center in the South Florida metropolitan region, has the look and feel of a traditional downtown.

Social aspects – including income, education, race and ethnicity, and housing variables – were obtained from published sources, and where possible, updated to 2005.

Relying on the territorial capital and economic cluster literature (Camagni, 2007, Porter, 2002, Putnam, 1993, Todtling and Tripl, 2005, Van den Berg et al., 2001), the following organizations/stakeholders were identified: The Chamber of Commerce of the Palm Beaches, the Business Development Board of Palm Beach County, the Economic Development Research Institute, the WPB Chamber of Commerce, the City Commission, the City Planning and Zoning Department, and the Downtown Development Authority.

### 4 RESULTS

The investigation generated an overall result of: *shifting centers and small cluster formations within the overall West Palm Beach node.* Moreover, there appears to be six main sub-nodes within the West Palm Beach sub-metropolitan center. Figure 2 shows the six major nodes as well as a more detailed view of districts within the traditional downtown area.

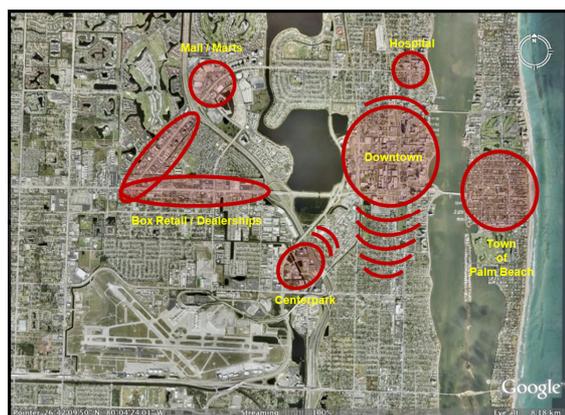


Figure 2: Sub-Nodes within WPB Employment Center

#### 4.1 Physical Results

The first sub-node is the separate Town of Palm Beach, which is connected to the mainland via two bridges. On the island, the historical Breakers Hotels houses approximately 800 employees, and there are a number of private banks and a commercial area (Worth Avenue) deemed among the most luxurious in the world.

The second sub-node is a Hospital Node, located north of the traditional downtown/government center and adjacent to a bridge to the Town of Palm Beach. The current occupant of the hospital facility, Good Samaritan Hospital, is facing economic challenges and will probably be replaced by the world-renowned Cleveland Clinic in the near future. While conjecture at this point in time, city and economic development officials project that the Cleveland Clinic will “upgrade” the existing doctor and health profession cluster in and around this node.

The third sub-node is a retail complex built at the intersection of I-95 and Palm Beach Lakes Boulevard. The Palm Beach Lakes Mall, built in 1967, was once the largest mall in the South Florida metropolitan area, but has experienced decline and disinvestment over the past twenty years. The property has been purchased and plans for new development are underway. It is most likely that the new development will contain some mix of retail, office, and residential uses within an overall theme scheme. Despite the decline in the mall itself, the sub-node has attracted several big-box retailers, located “across the street” at the highway interchange.

The fourth sub-node is not a node at all, but a strip development in the form of a V. Palm Beach Lakes Boulevard meets Okeechobee Boulevard about 1.5 miles west of I-95. The Palm Beach Lakes Boulevard strip contains several big-box furniture and office supply facilities, several hotels, and numerous mid-scale restaurants. The Okeechobee Road strip contains mostly car dealerships, some social agencies, and some warehousing facilities associated with the airport.

The fifth sub-node is the area called Centerpark, which is an office and hotel complex located immediately northeast of the Palm Beach County International (PBI) Airport. PBI is mostly a passenger airport; although cargo exists, it is not a major user. Firms that occupy Centerpark do so because they place high value on accessibility to both highway and airport, less overhead costs, and clustering of “creative firms.”

The sixth and final sub-node is the traditional “downtown” of West Palm Beach. The downtown CBD consists of 4.7M sq ft of office space. The downtown sub-node is perhaps better thought of as, both conceptually (shared vision) and empirically, composed of several districts. Like many American cities, the main employers are government (federal, state, county, and city). Governmental centers typically, as they do here, attract almost exclusively lawyers, accountants, paralegals, and other law related professionals. This begins to create both a cluster of professional with a strong center and a shared need for one another (propinquity). In the greater WPB sub-metropolitan center, there has been a migration from law offices near the Mall (sub-node three) to the downtown. The new cluster of government and its co-located concentration of law firms creates a second layer of retail and commerce districts. In WPB, three such districts are emerging: the Kravis Center (a performing arts venue), City Place (980,400 sq ft of retail space, 170,000 sq ft of restaurant space, and 228,000 sq ft for other food and beverage establishments), and Clematis Street, each partially unique due to its mix of activities. The main difference between City Place and Clematis Street is partially due to the zoning and building code used for each: City Place was built as a private New Urbanism project based on form-base code forcing “mixed use” in their lot, while Clematis Street, which is the historical downtown, is currently revitalized with new projects that will not follow form-based code. The city is now contemplating new design based on Real Urbanism concepts.

#### 4.2 Economic Results

The concept of interdependent regional economy (Ledebur and Barnes, 1992) can be appropriately applied to the WPB employment center. This concept delineates that any decision taken in an urban economy will be of importance at a national level, and directly or indirectly affects both the regional, and the local economies, for they are all interdependent. The regional economy emerges from the combination of a city’s urban, suburban, and rural economies, as well as, other adjacent towns’ economies; hence, mutually supporting each other. In the downtown area, the largest employers were County Government (6,594 workers) and City Government (1,880). This is clearly a case where published data sources – which do not include government employment – understate the makeup of an employment center. In the US, government employment (based

on occupational definitions) is about 13% of the local workforce. Thus, the numbers reported here are not “out of line.”

There are also significant employers in the other five sub-nodes. For example, Good Samaritan Hospital houses 1,077 physicians, 650 hospital workers, and 394 elderly home employees. The Palm Beach Lakes Mall (1.2M square feet) has 585 employees. In the arterial sub-node, large employment levels were noted for car dealerships (1,867), furniture stores (538), and supermarkets (471). At Centerpark, Ocwen Financial Co (3,396) is the largest employer followed by the Weitz Co (1,480) which presumably anchors a collection of 534 lawyers, 257 architects, and 171 engineers.

### 4.3 Social Results

In 2006, the estimated population of WPB was 92,686 which represented an increase of approximately 10K since the 2000 census. The increase is due, in large part, to recent annexation of residential areas west of the traditional downtown area (and outside of our study area). Table 1 shows some representative socio-economic descriptors for the State of Florida, the city of West Palm Beach, the two zip codes in the downtown core, and the Town of Palm Beach.

SES / Area	Florida (State)	WPB (City)	33401 (City-East)	33409 (City-West)	33480 (Island)
Population 2005	18,089,888	98,774	21,684	23,423	12,355
Population 2000	15,982,378	82,103	20,510	22,164	11,200
Area / Density		55/1,489	5.2/4135	6.4/3662	4.2/2920
% African-American	.158	.322	.398	.221	.026
% Hispanic	.20	.182	.102	.171	.026
% English @ Home	.769	.717	.787	.709	.839
% Owner Occupied	.701	.520	.430	.480	.662
Average HH Size	2.46	2.26	2.03	2.24	1.8
% HH (families)	.664	.525	.431	.509	.516
% Female Head HH	.12	.136	.128	.114	.033
Median HH Income	38,819	36,774	30,624	39,145	84,191
% Below Poverty	.125	.189	.206	.150	.06
.Average House Price	189,500	98,000	217,685	184,252	1,995,600

Table 1: Comparative SES Information (source: www.city-data.com)

Clearly, the WPB area is growing. The major reason for the overall city growth is annexation of areas outside of the downtown. Within the employment center, population is also increasing, but at a slower rate. Population densities, however, are among the highest in the South Florida metropolitan region.

Differences between the Town of Palm Beach and WPB are readily obvious and need no further explanation, given the descriptions provided above. Perhaps more intriguing is the differences between the two zip codes that make up the WPB employment center. While roughly of equal size in terms of total population, the traditional “downtown” zip code (33401) has a higher percentage of African-Americans, less owners, smaller households, lower median incomes, and higher poverty rates than its western neighbor. Yet, average housing values are higher in the downtown.

### 4.4 Organizational Results

At the scale of the county, interviews were conducted with Chamber of Commerce, the Business Development Board, and the Economic Development Research Institute. The Chamber envisions Palm Beach County as a new Biotech Hub focused on the recent arrival of both Scripps and Max Plank research laboratories in Jupiter. Moreover, the Chamber has embraced the notion of cluster development and perhaps more significantly that clusters have locational attributes (e.g., “Government Hill” that houses the US 4<sup>th</sup> District court of Appeals and Centerpark that houses advanced producer services and is located a mere five minutes away from the PBI). Finally, there is a notion of urgency and change, noting the need to revise strategies perhaps every five years. The private non-profit Business Development Board emphasized the county’s historic reliance on tourism, construction, and agriculture as the “tripod” of the local economy, but added that biotech and/or life sciences will be the fourth leg. Published versions of “targeted industries” include eight sectors, including in addition to the already stated IT and Communications, Business and

Finance, Aerospace Engineering, and Creative Industries. EDRI is an independent non-profit aimed at enhancing public knowledge and issues a Quarterly Economic Report as part of its information program. When queried about the WPB sub-metropolitan center itself, two views of Palm Beach County and South Florida emerge: an optimistic one where Florida is a dress rehearsal for the US in general; and a pessimistic one in which a growing dichotomous society expands the gap between the poor and the rich. Moreover, there is no real “center” in the WPB sub-metropolitan center and future visions of the city are fragmented.

At the city scale, we interviewed an elected official, the director and staff of the Planning and Zoning Department, and the Director of the Downtown Development Authority. The elected official (who represents the 3<sup>rd</sup> district – the downtown portion of the city) believes the city should be run like a business, that the county government is the “center” of downtown, and that the ongoing choices between fixing the city’s infrastructure and beautifying the city should be tipped to the latter and the creation of long term goals. The Planning and Zoning Department recognizes that the major workforce in the downtown sub-node is government, contributing to an estimated 14,300 employees working here. The big projects on the table include the new Library and City Hall as well as a multi-modal transport station.

A common theme emerged. Many of those interviewed expressed the need/desire/potentiality of having a major company, preferably from outside the local area, that can come and invest in WPB, enhancing the city’s image towards the world.

## 5 CONCLUSION

There are four major points that emerge. The first is that the regionally defined sub-metropolitan node of West Palm Beach is, after the change of scale, actually composed of six sub-nodes. Some are centers with no clusters, while others are nodes with a cluster and no center. Second, there has been and continues to be interactions and shifts that occur among these sub-nodes, which are powered not only by physical qualities of the space, but also by the strategic local positioning of businesses. The third is that the economic structure is about services and commodity. In this case, the airport is a commodity creating a business cluster near it. The proximity of the Centerpark node to the airport is due to finding better accessibility to the airport. The final point is that WPB is being marketed to attract foreign investment and the beautifying of the downtown “urban lifestyle” is a significant part of the marketing campaign. This drives us to label WPB’s urbanism as: from new to real, and from real to global.

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