

# Boca Raton: Bringing New Age Air Transport to Comfortable Isolation

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## 1 ABSTRACT

Recent study identified four significant employment centers within the South Florida metropolitan area, including Boca Raton. To understand the economic structure of the Boca Raton center within the context of South Florida, the city is characterized along four dimensions: physical, economic, social, and organizational. The results indicate six diverse sub-nodes that operate as retail, diverse light industry, University, elite downtown, developing uptown, and airport. The results also suggest that the city operates independently from its regional setting by leveraging its status as a wealthy retirement community to passively attract additional economic opportunities.

## 2 INTRODUCTION

Recent study has identified Boca Raton as one of four significant employment centers within the South Florida metropolitan area (Proserpi, 2008). Boca Raton is located in south Palm Beach County, see Figure 1.

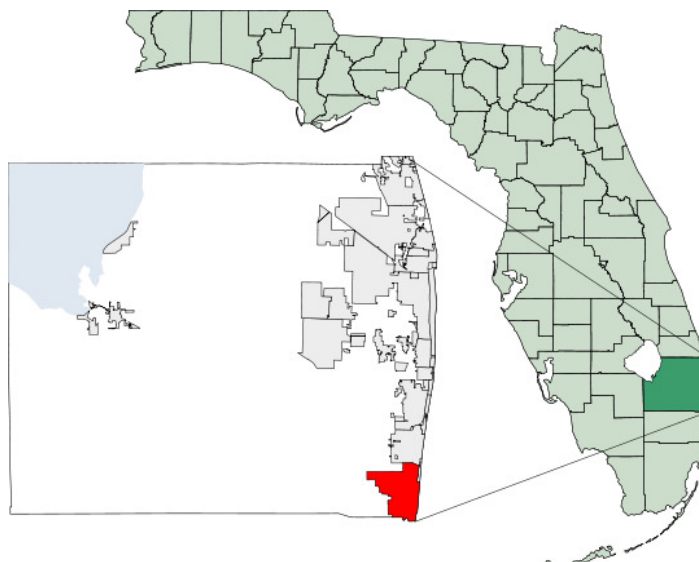


Fig. 1: South Florida and Boca Raton

Boca Raton's stereotype as a quiet retirement community belies a complex urban structure of multiple unique sub-nodes. As a first step to understanding how Boca Raton competes locally within the context of the entire South Florida metropolitan area, this paper describes the internal structure of the sub-metropolitan employment center along four dimensions: physical, economic, social, and organizational.

This paper is organized as follows. In the next section, the research problem and methodology are described. Results are presented next in terms of four attributes: physical, economic, social, and organizational. The final section contains conclusions and speculations on how effectively this sub-metropolitan center is leveraged, if at all, and what challenges may be facing the area as this center continues to evolve.

## 3 RESEARCH PROBLEM AND METHODOLOGY

### 3.1 Research Problem

The research problem is to further identify the physical, economic, social, and organizational elements of the Boca Raton employment center. Throughout, the intent is on relating internal dynamics to its position in metropolitan context. How is the competitiveness of Boca Raton defined and nurtured?

## 3.2 Methodological Considerations

The study was accomplished in three phrases. First, a team of researchers from Florida Atlantic University developed research plans to evaluate each of the four general aspects of the area. Second, a team of researchers from Florida Atlantic University and the Technical University-Wien conducted a week long study of the area that combined evaluations from online research with actual field investigation to obtain a first-person perspective. The final phase involved collating the acquired data to identify specific sub-nodes within the Boca area and characterize their operation relative to the city as a whole. Described below are the research methods applied to obtain physical, economic, social, and organizational characteristics of the area.

### 3.2.1 Physical Analysis

The physical analysis initially relied on captured digital views of Boca Raton with Google Earth, Google Maps, and analysis of simple maps and written documents such as comprehensive plans. In the second phase, documenting the results of actual field trip inspections was performed to refine impressions of the internal physical structure of the city. Note that three specific US postal zip codes (33487, 33431, and 33432) were used as the boundary for analysis.

### 3.2.2 Economic Analysis

The economic analysis relied on principles of economic base theory and location quotients. Using NAICS data from the US Department of Commerce, initial research revealed that the Boca Raton employment node had a competitive advantage relative to the South Florida economy in five industrial sectors: “Finance and Insurance,” “Professional, Science, and Technology Services,” “Administrative Services,” “Information,” and “Management of Companies.” The retail sector was also important in terms of absolute number of employees, but not “competitive” in an economic base sense. When evaluated on a postal zip code basis, distinct employment patterns emerge. The 33431 zip code, which contains the large shopping mall, had a high concentration of retail jobs; while 33487, with several large light commercial/industrial parks, was dominated by administration and professional employment.

### 3.2.3 Social Analysis

The social analysis used standard online city data information resources along with US census block data obtained from the Florida Geographic Data Library website. This data identifies local distributions of simple socio-economic variables such as income, race, and age that contribute to the overall development of the community. In the preliminary analysis, these data are mapped using US Census variables and ArcGIS.

### 3.2.4 Organizational Analysis

The organizational analysis focused on the issue of territorial or social capital as formulated by Putnam (1993) generally, and by Van den Berg (2001) and Todtling and Tripple (2005) in regards to economic clusters (cf. Porter, 2002) and more recently classified as “territorial capital” (Camagni, 2007). How territorial capital relates to sub-metropolitan employment nodes is the subject of a forthcoming paper by Giffinger and Prospero (2008). The objective is to identify how formal and informal governmental processes work in the Boca Raton study area.

The preparatory work concentrated on performing personal interviews with key public planning, private planning, and business stakeholders in the area. The public point-of-view was supplied during an interview with the Director and staff of the Planning office for the City of Boca Raton. A private planning viewpoint was obtained from a local architect/developer with current development plans for the downtown Boca Raton area. Finally, a broader business view was provided during an interview with the President of the Boca Raton Chamber of Commerce, which represents 1,700 businesses in and around the Boca area.

## 4 RESULTS

### 4.1 Physical Results

Boca Raton is located in the southern portion of Palm Beach County in Southeast Florida, almost directly between the “major” cities of West Palm Beach and Ft. Lauderdale. The major interstate highway (I-95) and major commercial thoroughfare (US 1) parallel each other 7 miles (11.3 km) north-to-south through the study area. A north-south commuter rail system parallels the interstate highway, with a single stop near the

center of the study area. The Atlantic Ocean bounds the eastern part of the region that boasts 3 miles of public beach. The region extends a maximum of 4.5 miles (7.2 km) inland from the beaches. Four major east-west roads, three of which are accessible as exits from the interstate highway, complete the major road grid. Direct investigation revealed six major sub-nodes: the Town Center Mall, the Mizner Park development, the Florida Atlantic University, the Blue Lake / Arvida Commerce Park, the northeast retail/mixed-use region, and the relatively small Boca Raton Airport, see Figure 2.

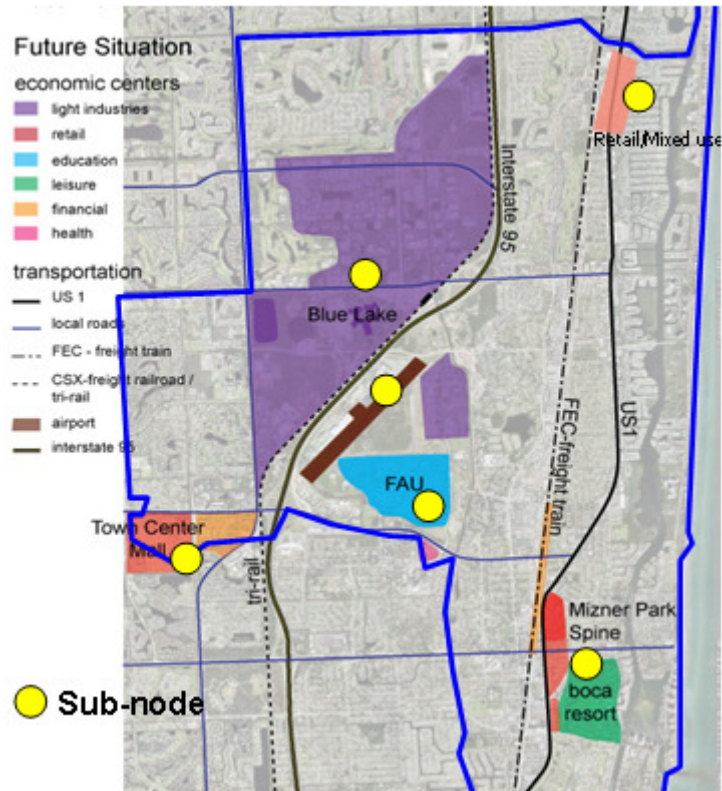


Fig. 2: Sub-Nodes within Boca Raton Employment Node

The Boca “Town Center” Mall employs approximately 4,000 people and has over 200 individual stores occupying over 1.6M sq. ft. of floor space. Marketing materials note that it serves approximately 600,000 residents from southern Palm Beach County and northern Broward County. Average annual household income for the residents in the served region is noted as \$88,000 from 2006 data.

Northeast of the Town Center Mall is a very large corporate park environment. Field investigation reveals that the corporate area is essentially self-contained and separate from all other residential or retail land uses. Three office types are apparent: large stand-alone corporate offices, smaller niche wholesale and construction businesses that accommodate storage, and a single large iconic office complex. The numerous large corporate stand-alone office buildings house national and multinational companies such as Promise corporate headquarters (a national acute care hospital company), TYCO (a national retail and physical security firm), Siemens Communications corporate headquarters (a multinational multi-industry firm) and NCCI corporate headquarters (managing the largest national database of workers compensation insurance). In addition, Office Depot, a major national office supply store chain, has just begun construction of their national office headquarters. Separate from these, the iconic “Blue Lake” corporate office complex is home to numerous smaller technical and educational companies.

The main campus of Florida Atlantic University sits on 850 acres in the center of the study area. The campus serves 26,000 students, with 2,500 living on campus. The campus acts as a “town within the town” – with its own banking facility, medical services, multiple private food franchises, a bar, along with a gym, large recreational playing fields, and an olympic swimming pool. The school is accessible a short distance from the central east-west thoroughfare from the interstate, and maintains direct bus routes from the North-South commuter train facility that runs parallel to the interstate.

Mizner Park is a mixed use development that acts as the centerpiece to the becoming-upscale Boca Raton downtown node. The park is designed to “look inward” with two mixed use residential/office/retail structures

facing each other across a wide pedestrian thoroughfare adorned with large fountains and landscaping. An art museum and frequently-used open-air amphitheatre anchor the park at the north end. Mizner Park is bounded immediately to the north by a large number of banks and investing institutions located along the US 1 commercial north-south corridor. To the south, the Boca Resort and Club, a facility designed by the patriarch of Boca Raton, Addison Mizner, is an exclusive residential area.

The fifth node, although less obvious, is found moving north of Mizner Park along the US 1 commercial corridor. Here, Boca Raton has begun to develop infill housing, primarily townhouses, near existing retail and a northern access road to the public beach.

Finally, the Boca Raton airport node is now enjoying a period of growth in large part due to the recent launch of the Dayjet corporate air taxi service. The Dayjet Corporation, which caters its services to wealthy corporate executives, brokers, and lawyers, currently operates 27 state-of-the-art very light, quiet jets (VLJs) out of the airport, with plans for a total of 100 jets by the end of 2008. Dayjet, which prides itself on software that allows complex on-call scheduling, was founded by the previous owner of Citrix, a successful software company with corporate headquarters in the nearby Cypress Creek employment center.

## 4.2 Economic Results

NAICS data was evaluated at the 5-digit level to determine specific industrial categories that had the highest employment. Estimated employment figures suggest that among the ~81,000 Boca Raton based employees, there are healthy concentrations of law firm employees (1,850), securities brokers workers (1,400), home Health Care employees (1,400), and computer programming enterprise workers (1,160). The top three suggest that Boca Raton's reputation as a wealthy retirement community is supported. However, the significant concentration of computer programming firm employment combined with the smaller, but competitive "information" sector, particularly publishing, paint a paradoxical picture – that of a high tech, information-driven economic structure based on the need for high interaction among firms and sectors. The new airport taxi service, which in itself is heavily dependent on their unique online scheduling software, fits nicely into this "hidden" but "competitive" economic sector.

The high instance of home health care workers is puzzling, given that Boca Raton did not show competitive advantage for health care at the 2-digit NAICS level of resolution. More than likely, the number of such employees is simply related to the size of the community. Nevertheless, local institutions continue to play the "health care/biomed" card. They lament the loss of a Scripps research center to a northern location (but within the metropolitan area) and tout the emerging FAU/Boca Raton Medical Center. The puzzle is: is the new medical effort sufficient to create competitive advantage in the metropolitan area or is it simply to serve the local population?

## 4.3 Social Results

The average Boca Raton resident in 2006 was white (90% total vs. 74% average US), more likely to have an advanced college degree (46% vs. 27% US), had a relatively wealthy household income of \$66,000 (vs. \$48,500 US), and is 46 years old (vs. 36 US). The average value of a home in Boca was \$482,000 vs. the US average of \$185,000. True to the retirement stereotype, the percentage of Boca residents over the age of 65 was higher than the US average (20% in Boca vs. 12.4% US).

Mapping both the density and age distribution of Boca Raton residents with census block data (from 2000) suggests two clear results. First, the Boca Raton area has a remarkably low population density throughout. Some higher densities occur generally along the beach or close to the major interstate highway (I-95). Second, linking this density information to age distribution maps shows that areas with the highest density also have the highest age distribution (ages 65-88). Again, this information, combined with median household income, suggests that Boca Raton earns its reputation as a popular retirement coastal destination for the wealthy. Also of significance, however, are the large areas of extreme low density in the 33487 zip code (immediately west of the interstate highway) and the 33431 zip codes (immediately east and west of the interstates), which correspond directly to the large areas of light industrial development, and contain the employment engines that drove the beginning of this analysis. The data suggests that the people who work in these places live outside the three zip code analysis zone.

#### 4.4 Organizational Results

The organizational characterization of Boca Raton took the form of three informal, completely separate interviews with: the Director of the Boca Raton planning department, the President of the Boca Raton Chamber of Commerce (a private business advocacy organization), and a successful private Boca Raton developer/architect. Taken as a group, the interviews revealed two significant results. First, each of the three parties interviewed were aware of the opinions and influence that the other two parties exercised on the planning process within Boca Raton. Although recognition of some conflicting interests were acknowledged by each, a general sense of cooperation, respect, and common vision for the city of Boca Raton was expressed by all three parties. Each interview reflected that the city planning office responds quickly, if not always favorably, to the concerns of developers and the private business community. A general sense of teamwork, albeit mildly adversarial, was apparent in each interview. Second, all three interviews suggested that these major influential players within the city of Boca Raton see the city as essentially a closed system, relatively unaffected by the surrounding metropolitan area. Two notable exceptions to this were voiced. The Chamber interview revealed responsive ties to the Palm Beach County Economic Council, which works to bring new business to all cities in the county. Additionally, all interviews discussed the recent loss of the Scripps pharmaceutical operation to a location 30 miles to the north. Comments indicated a desire to foster health care competitiveness in the city, but little mention was made of any conscious effort to augment the city's existing advantages in the professional or finance industries.

The interviews did suggest that the city is working on ameliorating two challenges: affordable housing and transportation. The Chamber president noted that 62% of Boca-based employees live outside the city and indicated that the popular low density zoning codes have made it difficult to build housing that younger professionals can afford. The planning director pointed to efforts the city has begun to relieve increased automobile traffic congestion. The solution involves a city run bus system and bicycle/pedestrian paths connecting the physical nodes mentioned above to each other and to the commuter rail system.

## 5 CONCLUSION

Overall, the strategic positioning of Boca Raton appears to reside in the city brand created by its wealthy, retired population living along the beaches as well as the large group of highly educated and highly paid professionals working in the diverse sub-nodes that surround them. Nevertheless, the six sub-nodes support a diversity that defies the retirement city stereotype. This wealthy retirement image may be obscuring the true city brand that has actually evolved from it: Boca Raton is a "status" location for successful business people. By catering to the wealthy retirees with a fashionable retail mall node and elite Mizner Park mixed-use/financial node downtown, Boca seems to have successfully leveraged the image of retirement success into a sense of location status to attract a strong economic backbone that now resides in the remaining light industrial, university, and airport nodes.

But while the overall Boca Raton status brand has proven successful, the recent loss of the large Scripps pharmaceutical business suggests that status alone will not be enough to move Boca Raton forward in its quest to become competitive locally in the health care industry. Opportunity may exist for Boca Raton to extend more active coordinated efforts, which rely less on the passive attractiveness of their brand, to build upon their existing strengths in the finance, legal, computing, and publishing industries.

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