

City of Sunrise, FL

Freebee Rideshare Assessment Study

FINAL REPORT FOR COMMISSION / July 8, 2026



RAFTELIS

July 8, 2026

Mr. Mark S. Lubelski, P.E.,
City Manager
City of Sunrise
10770 West Oakland Park Boulevard
Sunrise, Florida 33351

Subject: **Freebee Rideshare Assessment Study**

Dear Mr. Lubelski:

Raftelis Financial Consultants, Inc. (Raftelis) is pleased to present this report of the Freebee Rideshare Assessment Study that we have conducted for the City. This report presents a draft analysis of the study for your distribution and review with City staff and legal counsel. Upon review, please provide comments, questions and observations. When we have reconciled all comments and questions, we will issue a Final Report.

We appreciate the opportunity to be of service to the City and would like to thank the City staff for their valuable assistance and cooperation throughout the course of this study.

Respectfully Submitted,



Michael Burton
Executive Vice President



Thierry Boveri
Senior Vice President

Raftelis Financial Consultants, Inc.

Contents

Executive Summary	1
Fee Design Requirements	1
Methodology	2
Assessment Rate	2
Alternative Revenue Opportunities	3
Recommendations	3
Section 1: Introduction	4
Background	4
Objective	4
Section 2: District Overview	5
The Sunrise Business and Entertainment District	5
Land Use Composition	5
The Sunrise Freebee Service	6
Section 3: Fee Design Requirements	7
Introduction	7
Requirements	7
Prong One: Special Benefit	7
Prong Two: Fair Apportionment.....	9
Section 4: Methodology	10
Introduction	10
Step 1: Property Classification and Parcel Inventory	10
Exclusions	10
Exemptions	11
Step 2: ITE Annual Potential (Total Traffic Estimate).....	11
Step 3: Local Adjustment Factor (The Ride-Share Capture Rate).....	12
Step 4: Adjusted Local Trip Rate (The Impact Score)	12
Step 5: EBU Normalization (Setting the Baseline).....	13
Section 5: Assessment Rate Calculation	14
Introduction	14

Net Revenue Requirement.....	14
Deductions from Total Annual Costs	15
Net Revenue Requirement Summary	16
Assessment Rate per EBU	16
Assessment by Land Use Category.....	16
Section 6: Alternative Revenue Sources.....	17
Introduction	17
Alternative Revenue Sources.....	17
Ridership Fare.....	17
Vehicle Advertising	18
Combined Revenue Potential	18
Interaction with the Assessment Rate Structure	18
Ridership Fare as Support for the Residential Exclusion	19
Section 7: Conclusion and Recommendations.....	21
Summary of Findings.....	21
Recommendations	22
Closing Statement	23
Appendix A – Economic Impact Analysis	24

Executive Summary

The City of Sunrise, Florida operates the Sunrise Freebee, a free on-demand electric vehicle transportation service connecting workers, visitors, and guests to destinations throughout the Western Sunrise Area also known as the Sunrise Business and Entertainment District (District). Since its launch in Fiscal Year 2023, the service has approximately completed over 42,000 rides and serviced 65,000 passengers on average per year and established itself as a valued mobility amenity for the District's commercial corridor. The program was a combination of City Economic Development appropriations and Florida Department of Transportation (FDOT) grant funding. However, FDOT grant funding concluded in December 2025. In order to continue service operations, the City funded the service through the general fund for the fiscal year ending September 30, 2026.

To sustain the Freebee service without drawing on the citywide tax base, the City of Sunrise engaged Raftelis to design a Non-Ad Valorem Special Assessment program levied on non-residential properties within the Business and Entertainment District. This report presents the methodology, findings, and recommended assessment rates for that program.

Fee Design Requirements

Please note that Raftelis is a management and financial consulting firm, not a law firm, and does not offer legal advice or opinions. The description of statutory and case law requirements in this section reflects our general understanding of the framework governing non-ad valorem special assessments in Florida, based on direction and information provided by the City and its legal counsel.

The proposed assessment is designed to be responsive to the two-part standard applicable to special assessments under Florida law. The first part requires that assessed properties receive a special benefit that is direct, specific, and distinct from the general benefit conferred on the public at large. The second part requires that assessment costs be fairly and reasonably apportioned among benefiting properties in proportion to the benefit each receives.

Non-residential properties within the District derive a special benefit through enhanced District-wide economic vitality. The Freebee service increases customer and visitor accessibility across the District, which supports commercial demand, tenant retention, and occupancy, factors that directly and specifically affect the value of non-residential property. Raftelis has performed an independent Economic Impact Analysis to further document these concepts, included as an appendix to this report.

The apportionment of costs to non-residential properties is supported by three years of Freebee origin-destination data, which shows that 97.6% of all rides involve at least one non-residential trip end. Residential properties are excluded from the assessment roll on this basis. The 2.4% of rideshare costs attributable to rides that both originate and terminate at a residential location is deducted from the assessable cost basis prior to establishing assessment rates.

Methodology

Assessment costs are distributed among non-residential properties using an Equivalent Billing Unit (EBU) framework. The EBU methodology establishes a standardized unit of benefit for each land use category by combining two data sources:

- ITE Trip Generation Rates from the Institute of Transportation Engineers Trip Generation Manual, 12th Edition, which provides a theoretical baseline for the total trip-making activity generated by each property type.
- Local Freebee Origin-Destination Data from the three-year ridership dataset, which is used to calculate a Local Adjustment Factor representing the percentage of each property type's total trip activity that actually utilizes the Freebee service.

Dividing each category's adjusted local trip rate by the Commercial Retail baseline (defined as 1.00 EBU per 1,000 square feet) produces the EBU multiplier for each land use. Properties that generate higher ride-share demand per unit of measure carry a higher EBU multiplier and bear a proportionately greater share of the assessment cost.

The District contains a total of 4,462 parcels. After applying exclusions for residential properties, rights-of-way, utilities, submerged lands, and other non-benefiting uses, the assessment roll contains 221 non-excluded parcels representing 5,551 total allocated EBUs and 5,477 billed EBUs. The difference reflects fully government-owned properties that are allocated into the rate but not billed.

Assessment Rate

The FY 2027 Net Revenue Requirement (NRR) is \$525,739, incorporating the following components:

Description	FY 2027
Rideshare Costs	\$ 549,137
City Program Administration Costs	\$ 2,500
Tax Collector Costs - Assessment Admin	\$ 10,515
Property Appraisers Costs - Assessment Admin	\$ 422
Consultant Costs- Assessment Design and Admin	\$ 60,078
Adjustment for Early Payment & Contingency (5%)	\$ 26,287
Total Annual Costs	\$ 648,939
Less: Allocated Residential to Residential	\$ (13,199)
Less: Metropica Commitment	\$ (110,000)
Net Revenue Requirement	\$ 525,739

Dividing the NRR by the total allocated EBUs produces an FY 2027 assessment rate of \$94.71 per EBU. The rate applied to eligible non-exempt properties would bill \$518,671 in revenue for FY 2027, \$7,068 less than the allocated costs due to the non-billed government owned exempted properties.

Alternative Revenue Opportunities

The City has identified two supplemental revenue mechanisms that, if implemented, could materially reduce the annual assessment burden on property owners.

1. The Freebee operator has estimated that vehicle advertising could generate between \$72,000 and \$96,000 annually for the current four-vehicle fleet.
2. A ridership fare—structured as either a flat charge of \$2.00 per rider or a tiered charge of \$3.00 for the first passenger plus \$1.00 for each additional passenger—is estimated to generate between \$124,000 and \$143,000 annually, a range independently verified by Raftelis using the District's three-year ridership data.

If both mechanisms are implemented, the combined annual revenue of up to \$239,000 could reduce the effective assessment rate by approximately \$43 per EBU, lowering the annual rate to approximately \$52 per EBU under the most favorable scenario. The implementation of a ridership fare also strengthens the legal foundation for the residential exclusion by ensuring that residential riders contribute to program costs at the point of use. Separately, Raftelis evaluated a per-ride fee specific to residential-to-residential trips. Based on FY 2027 data, recovering this cost through a dedicated fee would require a flat charge of approximately \$12.73 per ride. Given this cost relative to the personal, non-commercial nature of these trips, Raftelis recommends that the City consider discontinuing residential-to-residential trips within the Freebee app rather than adopt a fee.

Recommendations

Raftelis makes the following recommendations to the City of Sunrise:

1. Adopt the FY 2027 operating rate of \$94.71 per EBU.
2. Discontinue residential-to-residential trips within the Freebee app. A dedicated per-ride fee was evaluated as an alternative and would require a flat charge of approximately \$12.73 per ride based on 3-years of historical data; Raftelis recommends exclusion instead, given the cost relative to the personal, non-commercial nature of these trips and their lack of contribution to the District's economic vitality.
3. Evaluate vehicle advertising and sponsorship opportunities as a means of reducing the assessment burden on property owners.
4. Consider a ridership fare structure informed by policy considerations regarding equity, collection logistics, and the legal benefit of capturing residential user contributions at the point of use.
5. Recalculate the NRR annually to reflect actual alternative revenues, updated cost projections, and any changes to the billed parcel inventory.
6. Conduct a full EBU methodology review no later than FY 2029, when the assessment program will enter its first year of full cost recovery without the Metropica development contribution.

--- This Space Intentionally Blank ---

Section 1: Introduction

Background

The City of Sunrise, Florida (the City) operates the Sunrise Freebee, a free on-demand transportation service available to all riders within the City's Western Sunrise Area also known as the Sunrise Business and Entertainment District (District). The service provides convenient, door-to-door transportation anywhere within the District, removing barriers to commerce and mobility for residents, employees, and visitors alike. The Sunrise Freebee fleet consists entirely of zero-emission electric vehicles, including four Tesla Model X automobiles and a larger ADA compliant backup vehicle, operated by Freebee under contract with the City. The service reflects the City's commitment to sustainable, accessible, and innovative transportation solutions for one of its most active commercial corridors.

Since its inception, the Sunrise Freebee has been funded through a combination of City Economic Development appropriations and Florida Department of Transportation (FDOT) grant funding. This outside funding has been instrumental in sustaining the program and allowing the City to offer the service at no cost to riders. However, this external funding concluded in December 2025, prompting the City to evaluate its options for continuing the program.

Objective

This report presents the methodology and findings of a Non-Ad Valorem Assessment Study prepared by Raftelis on behalf of the City. The objective of the study is to develop a legally defensible, equitable, and data-driven fee structure that would allow the City to continue operating the Sunrise Freebee service without drawing on the citywide tax base or imposing a burden on residential property owners.

The proposed funding mechanism is a Non-Ad Valorem Special Assessment levied on non-residential properties located within the Sunrise Business and Entertainment District. Under Florida law, a non-ad valorem assessment may be imposed on properties that receive a "special benefit" from a specific service or infrastructure improvement, provided the assessment is proportional to that benefit. This study demonstrates that non-residential properties within the District receive a direct and measurable special benefit from the continued operation of the Freebee service through enhanced District-wide accessibility, increased commercial activity, and the strengthening of property values within the District. Raftelis has also concluded an independent Economic Impact Analysis, included in the Appendix of this report, supporting the benefit to properties within the District.

--- This Space Intentionally Blank ---

Section 2: District Overview

The Sunrise Business and Entertainment District

The District is a defined geographic area in the City of Sunrise, Florida, bounded by Flamingo Road to the east, the Sawgrass Expressway (State Road 869) to the west, Oakland Park Boulevard to the north, and Interstate 595 to the south. The District represents the City's primary commercial and entertainment corridor, home to a dense concentration of retail, dining, office, hospitality, and entertainment uses that collectively draw a significant volume of visitors, workers, and guests to Sunrise throughout the year.

The District contains a broad mix of regionally significant destinations that establish it as a major commercial and entertainment hub within Broward County. Key destinations within the service area include Sawgrass Mills Mall, Amerant Bank Arena, IKEA, Flamingo Park, Regal Sawgrass and IMAX, Publix, Sam's Club, AC Hotel by Marriott, DoubleTree by Hilton, and La Quinta Inn and Suites. This concentration of retail, dining, entertainment, and hospitality uses generates substantial and sustained demand for convenient intra-District transportation across a wide range of users, including shoppers, hotel guests, event attendees, and daily workers.

Land Use Composition

The District contains a total of 4,462 parcels across all land use classifications, encompassing residential, commercial, industrial, institutional, and other property types. For the purposes of this study, each parcel has been assigned to a land use category based on Broward County Property Appraiser use codes. A full discussion of which properties are subject to the assessment, including the treatment of exemptions and exclusions, is provided in Section 3 (Fee Design Requirements) and Section 4 (Methodology). Below presents a list of non-excluded land use codes and their assigned category for the assessment program.

--- This Space Intentionally Blank ---

Use Code	Description	Category
11	Stores, 1-story	Commercial Retail
12	Mixed use – store and office or store and residential or residential combination	Commercial Retail
13	Department stores	Commercial Retail
15	Regional shopping centers	Commercial Retail
16	Community shopping centers	Commercial Retail
17	Office buildings, non-professional services buildings, one-story	Commercial Office
18	Office buildings, non-professional services buildings, multi-story	Commercial Office
19	Professional services building	Commercial Office
21	Restaurants, cafeterias	Commercial Restaurant
22	Drive-in restaurants	Commercial Restaurant
23	Financial institutions (banks, savings & loan companies, mortgage companies, credit services)	Commercial Office
26	Service stations	Commercial Other
27	Auto sales, repair and storage, auto-service shops, body and fender shops, commercial garages, fa	Commercial Other
32	Enclosed theatres, enclosed auditoriums	Commercial Other
38	Golf courses, driving ranges	Commercial Other
39	Hotels, motels	Commercial Hotel/Motel
48	Warehousing, distribution terminals, trucking terminals, van & storage warehousing	Industrial/Warehouse
71	Churches	Govt/Institutional
72	Private schools and colleges	Govt/Institutional
73	Privately owned hospitals	Govt/Institutional
76	Mortuaries, cemeteries, crematoriums	Govt/Institutional
80	Vacant governmental	Govt/Institutional
83	Public county schools – includes all property of board of public instruction	Govt/Institutional
86	Counties (other than public schools, colleges, hospitals) including non-municipal	Govt/Institutional
89	Municipal other than parks, recreational areas, colleges, hospitals	Govt/Institutional

The Sunrise Freebee Service

The Sunrise Freebee launched in September 2022 (Fiscal Year 2023) as a free, on-demand transportation service connecting workers, residents, visitors, and customers to destinations throughout the District. The service operates entirely within the District boundaries and is available to any rider at no charge through the Ride Freebee mobile application.

Since its launch in 2022 through the end of 2025, the Sunrise Freebee has approximately averaged over 42,000 rides and 65,000 passengers per year, demonstrating immediate and sustained demand from the District's commercial users and visitors.

The annual cost of operating the Freebee service has averaged approximately \$525,000 per year since inception. To date, the program has been supported through a combination of City Economic Development appropriations and FDOT grant funding. External funding concluded in December 2025, requiring the City to identify a sustainable replacement funding source if it wishes to continue the program. The proposed Non-Ad Valorem Special Assessment described in this report is designed to meet that need.

--- This Space Intentionally Blank ---

Section 3: Fee Design Requirements

Introduction

A Non-Ad Valorem Special Assessment must rest on a clear, well-documented connection between the cost of the service being funded and the special benefit that service provides to the assessed properties. This connection is the foundation on which the proposed assessment for the Sunrise Freebee service is built. This section describes the requirements applicable to special assessments in Florida as they were communicated to us, explains how the Freebee service relates to each requirement, and sets up the apportionment methodology detailed in Section 4.

Raftelis is a management and financial consulting firm, not a law firm, and does not provide legal advice or legal opinions. The description of statutory and case law requirements in this section reflects our general understanding of the framework governing non-ad valorem special assessments in Florida, based on direction and information provided by the City and its legal counsel. In developing the proposed assessment, Raftelis worked with the City's legal counsel to confirm that our proposed methodology is responsive to the requirements described in this section.

Requirements

Florida Statutes establish the ability for a local government to levy a special non-ad valorem assessment and the procedural requirements to implement a special non-ad valorem assessment.

Beyond the statutory framework, Florida courts have developed a well-established body of case law governing the substantive requirements for a valid special assessment. This standard derives from Florida Supreme Court precedent. Florida courts evaluate special assessments under a two-pronged test:

1. The service or improvement being funded must confer a "special benefit" on the assessed property, distinct from the general benefit provided to the public at large, and
2. The assessment must be "fairly and reasonably apportioned" among the properties that receive the special benefit, in proportion to the benefit each property receives.

Both prongs must be satisfied independently. An assessment that provides a demonstrable special benefit but applies costs inequitably will fail the second prong, just as an equitable apportionment methodology applied to a service that provides only a general public benefit will fail the first.

Prong One: Special Benefit

The first prong requires that the assessed properties receive a benefit that is specific, direct, and distinct from the benefit received by the general public. To qualify as a special assessment, a service must confer a special benefit that runs directly to the assessed property, not merely to its owners, occupants, or the public at large. What matters is whether each assessed parcel receives an identifiable, property-specific advantage beyond the general benefit available to the community. A service that enhances only the personal convenience or quality

of life of those who use it, without conferring a measurable benefit on the property itself, would not support a special benefit finding.

The Sunrise Freebee service is designed to be responsive to this standard in several respects. The service operates exclusively within the boundaries of the District and is available only to riders traveling to and from destinations within that defined area. Properties outside the District do not benefit from the service and are not included in the assessment roll.

Within the District, non-residential properties receive a direct and measurable special benefit from the continued operation of the Freebee service. The primary basis for this special benefit is the enhancement of economic vitality and property value within the District. By providing a convenient, no-cost transportation option that connects visitors, customers, and guests to commercial destinations throughout the District, the Freebee service increases the attractiveness and accessibility of the District as a whole. Properties located within a District that offers this level of connectivity and amenity are more desirable to tenants and users than comparable properties in areas without such a service. This enhanced desirability translates directly into tangible property-level benefits, including stronger occupancy rates, higher achievable rents, and sustained or improved property values.

The Freebee service functions, in this respect, as a District-wide economic infrastructure asset. Just as a well-maintained road network or a structured parking facility enhances the value of adjacent commercial properties by making them more accessible and attractive, the Freebee service enhances the value of non-residential properties within the District by removing friction from the movement of customers and visitors between destinations. The benefit accrues to the property itself and to the property owner, regardless of the identity of any individual tenant or the nature of any specific business operating on the parcel. A commercial property in the District that is served by the Freebee network holds a competitive advantage over comparable properties outside the District, and that advantage is a direct and ongoing product of the City's investment in the service. Raftelis has performed an independent Economic Impact Analysis to further expand on these concepts. The study is included as an appendix to this report.

Residential Exclusion

Residential properties within the District are excluded from the assessment roll. This exclusion is grounded in the ride-share origin-destination data collected over the period from Fiscal Year 2023 through 2025. Analysis of that data reveals that only 2.4% of all Freebee rides both originate and terminate at a residential location. This finding demonstrates that the service does not function primarily as a neighborhood circulator for residential users traveling between homes, but rather as a commercial conduit connecting riders to the District's non-residential destinations.

Because the overwhelming majority of ride-share activity involves at least one non-residential trip end, the special benefit of the Freebee service is concentrated among the District's commercial, industrial, and institutional properties. Residential-to-residential trips account for 2.4% of ride activity. Before costs are distributed among non-residential properties, the rideshare operating cost component of the assessable basis is reduced by that same percentage to remove the share attributable to those trips. This reduction is designed so that non-residential property owners are not charged for the share of service cost attributable to purely residential travel, and so that the assessable basis reflects only the costs fairly attributable to the non-residential beneficiaries. In addition, Raftelis evaluated a dedicated fee for residential-to-residential trips as an

alternative to this cost deduction and recommends instead that the City discontinue routing these trips through the Freebee app altogether, as discussed in Section 5.

Prong Two: Fair Apportionment

The second prong requires that the costs of the service be distributed among assessed properties in proportion to the benefit each property receives. An assessment that charges all properties an equal flat fee regardless of their size, use, or intensity of activity would fail this standard. The apportionment methodology must reflect, to the greatest degree practicable, the relative benefit that each assessed property receives from the funded service.

To align with this requirement, Raftelis developed an Equivalent Billing Unit (EBU) methodology that apportions the cost of the Freebee service based on each property's proportional contribution to ride-share demand within the District. The methodology draws on two complementary data sources:

- **ITE Trip Generation Rates:** The Institute of Transportation Engineers Trip Generation Manual (12th Edition) provides nationally recognized, peer-reviewed estimates of the total trip-making activity generated by various land use types. These rates establish a theoretical baseline for the total traffic activity at each property type, expressed per unit of measure (per 1,000 square feet or per hotel room).
- **Local Freebee Origin-Destination Data:** Three years of actual ride-share data from the Sunrise Freebee service are used to calculate a Local Adjustment Factor for each land use category. This factor represents the percentage of a property type's total trip-making activity that actually utilizes the Freebee service, effectively calibrating the national ITE rates to reflect the specific behavior of users within the District.

By combining these two data sources, the EBU methodology produces an Adjusted Local Trip Rate for each land use that reflects both the scale of activity at a given property type and the documented propensity of its users to rely on the Freebee service. Properties that generate higher ride-share demand per unit of measure are assigned a higher EBU multiplier and bear a proportionally greater share of the assessment. Properties with lower ride-share propensity are assigned a lower multiplier, ensuring that each property owner's contribution to the program is directly proportional to the benefit their property receives from the service.

A full description of the EBU calculation methodology, including the derivation of ITE Annual Potentials, Local Adjustment Factors, and EBU multipliers for each land use category, is provided in Section 4 (Methodology).

--- This Space Intentionally Blank ---

Section 4: Methodology

Introduction

This section describes the step-by-step methodology used to develop the Equivalent Billing Unit (EBU) framework for the Sunrise Freebee Non-Ad Valorem Special Assessment. The EBU methodology translates each non-residential property's proportional demand on the Freebee service into a standardized unit of measure, which is then used to distribute the cost of the program equitably across the assessment roll. The methodology is grounded in nationally recognized trip generation standards, calibrated with three years of local Freebee origin-destination data, and applied consistently across all assessable land use categories.

Step 1: Property Classification and Parcel Inventory

The first step in the methodology was to classify every parcel within the District into a land use category based on the Florida Department of Revenue (DOR) property use codes assigned by the Broward County Property Appraiser. This classification determines which properties are subject to the assessment, which are excluded, and which are allocated EBUs but not billed.

Exclusions

Certain properties within the District boundaries were excluded from the assessment roll entirely on the basis that they receive no special benefit from the Freebee service and would not appropriately be subject to a commercial access assessment. Exclusions were determined by DOR property use code as well as individual Building Use Codes and fall into the following categories:

Basis for Exclusion	DOR Code(s)	Building Use Codes	Description
Residential Properties	All residential DOR codes	001, 102, 109	Single-family, multi-family, condominium, commercial condos, and all other residential use classifications
Parking Lots	28	403, 405	Parking Lots & Parking Garages
Utility Infrastructure	91	800, 801, 803	Utility, gas and electricity, telephone and telegraph, locally assessed railroads, water and sewer service, pipelines, canals, and radio/television communication facilities
Rights-of-Way	94	N/A	Streets, roads, irrigation channels, ditches, and other public transportation corridors
Water and Submerged Lands	95	N/A	Rivers, lakes, and submerged lands
Environmental and Waste Lands	96	N/A	Sewage disposal, solid waste facilities, borrow pits, drainage reservoirs, waste lands, marsh, sand dunes, and swamps

Residential properties are excluded on the basis that only 2.4% of all Freebee rides both originate and terminate at a residential location, demonstrating that the primary and dominant benefit of the service accrues to non-residential commercial properties. Therefore, 2.4% of the revenue requirements are subtracted from the total revenue requirement of the Freebee system to derive the revenue requirement to be assessed. The exclusion of the remaining categories reflects the absence of any active commercial use or documentable connection to the District's ride-share activity.

All remaining non-residential parcels with an active use and a documentable connection to the District's commercial activity are included in the allocation.

Exemptions

A subset of included parcels are allocated EBUs but not billed. These are fully government-owned properties that, under Florida law, do not receive a property tax bill and therefore cannot be assessed through the non-ad valorem framework. While these properties are recognized in the EBU allocation for the purpose of ensuring the rate calculation reflects the full universe of benefiting properties, the costs associated with their EBUs are not transferred to the remaining assessed properties. The City must address the funding of these exempted parcels through separate means. The cost associated with the exempted properties is quantified in Section 5 of this report.

Step 2: ITE Annual Potential (Total Traffic Estimate)

For each land use category, Raftelis established a baseline representing the total number of trips generated by all properties in that category on an annual basis. This baseline is derived from the Institute of Transportation Engineers (ITE) Trip Generation Manual, 12th Edition, the nationally recognized standard for estimating trip-making activity by land use type.

The ITE Annual Potential represents the total number of trips expected to be generated by a property—by all modes of transportation combined—based on its size and use. It answers the question: "How many people visit or depart from this type of property in a given year, across all transportation modes?"

The formula applied for each category is:

$$\text{ITE Annual Potential} = \text{ITE Daily Trip Rate} \times \text{Total Allocated Units} \times 365 \text{ days}$$

The following table summarizes the ITE codes, daily trip generation rates, units of measure, allocated inventory used for each land use category, and the calculated ITE Annual Potential:

Land Use Category	ITE Code	Trip Generation Rate	Unit of Measure	Allocated Units	ITE Annual Potential
Commercial Retail	820	36.39	per 1,000 SF	4,053.22	53,836,247
Commercial Office	710	7.83	per 1,000 SF	4,098.12	11,712,211
Commercial Restaurant	934	448.12	per 1,000 SF	80.14	13,107,185
Commercial Other	912	98.85	per 1,000 SF	402.25	14,513,281
Commercial Hotel/Motel	311	4.4	per Room	633.00	1,016,598
Industrial/Warehouse	150	1.38	per 1,000 SF	2,971.72	1,496,856
Govt/Institutional	730	22.59	per 1,000 SF	1,149.91	9,481,443

--- This Space Intentionally Blank ---

Step 3: Local Adjustment Factor (The Ride-Share Capture Rate)

The ITE Annual Potential establishes the theoretical ceiling of trip-making activity at each property type. However, not every trip to or from a property utilizes the City-funded Freebee service. The Local Adjustment Factor measures the specific percentage of a property type's total trip-making activity that is actually captured by the Freebee service.

This factor is derived entirely from three years of Freebee origin-destination data, covering Fiscal Year 2023 through Fiscal Year 2025. For each land use category, every ride was examined to identify whether its origin, its destination, or both were associated with that category. Because every ride has two ends—a start and an end—both the origin and the destination of each ride are counted as a "Trip End" for the respective land use. This ensures that a property is recognized for both the customers it receives and the riders it generates, regardless of the direction of travel.

The annual average Trip Ends for each category were then divided by the ITE Annual Potential to produce the Local Adjustment Factor:

Local Adjustment Factor = Annual Average Local Trip Ends / ITE Annual Potential

This factor answers the question: "What percentage of all trips to and from this type of property actually use our ride-share service?" The following table summarizes the observed trip end data and resulting Local Adjustment Factors:

Land Use Category	3-Year Origin Trips	3-Year Destination Trips	Total Trip Ends	Annual Average	ITE Annual Potential	Local Adjustment Factor
Commercial Retail	54,514	59,399	113,913	37,971	53,836,247	0.071%
Commercial Office	4,811	2,314	7,125	2,375	11,712,211	0.020%
Commercial Restaurant	4,459	4,429	8,888	2,963	13,107,185	0.023%
Commercial Other	2,540	2,069	4,609	1,536	14,513,281	0.011%
Commercial Hotel/Motel	10,441	7,843	18,284	6,095	1,016,598	0.600%
Industrial/Warehouse	797	257	1,054	351	1,496,856	0.023%
Govt/Institutional	616	1,525	2,141	714	9,481,443	0.008%

Step 4: Adjusted Local Trip Rate (The Impact Score)

Multiplying the ITE Daily Trip Rate by the Local Adjustment Factor produces the Adjusted Local Trip Rate for each land use category. This metric represents the actual number of Freebee ride-share trips generated per unit of measure for each property type, combining the theoretical scale of activity with the observed local behavior of Freebee users.

Adjusted Local Trip Rate = ITE Daily Trip Rate x Local Adjustment Factor

This rate answers the question: "How many Freebee trips does one unit of this land use actually generate?" It is the foundation for the EBU multiplier calculation that follows.

Land Use Category	Trip Generation Rate	Local Adjustment Factor	Adjusted Local Trip Rate
Commercial Retail	36.39	0.071%	0.0257
Commercial Office	7.83	0.020%	0.0016
Commercial Restaurant	448.12	0.023%	0.1013
Commercial Other	98.85	0.011%	0.0105
Commercial Hotel/Motel	4.40	0.600%	0.0264
Industrial/Warehouse	1.38	0.023%	0.0003
Govt/Institutional	22.59	0.008%	0.0017

Step 5: EBU Normalization (Setting the Baseline)

To express each property type's impact as a standardized, comparable unit, we normalized the Adjusted Local Trip Rates relative to a single baseline land use. Commercial Retail (per 1,000 square feet) was selected as the 1.00 EBU baseline for the following reasons:

- **Representative Intensity:** Retail represents the middle ground of commercial ride-share activity in the District, generating more demand than office or industrial uses but less than high-turnover categories such as restaurants and hotels.
- **Data Stability:** With 113,913 trip ends recorded over the three-year study period, Commercial Retail has the largest and most statistically robust sample of any non-residential category in the dataset, making it the most reliable anchor for the normalization.
- **Stakeholder Clarity:** Expressing all multipliers relative to a familiar, widely understood land use makes the fee structure intuitive for property owners and straightforward to administer.

The EBU multiplier for each category is calculated by dividing its Adjusted Local Trip Rate by the Retail baseline rate:

$$\text{EBU Multiplier} = \text{Category Adjusted Local Trip Rate} / \text{Adjusted Local Trip Rate (Retail)}$$

The resulting EBU multipliers, total allocated EBUs, and billed EBUs for each land use category are summarized in the table below:

Land Use Category	Unit of Measure	EBU Multiplier	Allocated Units	Total Allocated EBUs
Commercial Retail	per 1,000 SF	1.0000	4053.217 ksf	4,053.22
Commercial Office	per 1,000 SF	0.0619	4098.116 ksf	253.52
Commercial Restaurant	per 1,000 SF	3.9465	80.135 ksf	316.25
Commercial Other	per 1,000 SF	0.4077	402.25 ksf	164.00
Commercial Hotel/Motel	per Room	1.0278	633 Rooms	650.58
Industrial/Warehouse	per 1,000 SF	0.0126	2971.722 ksf	37.50
Govt/Institutional	per 1,000 SF	0.0662	1149.914 ksf	76.18
TOTAL				5,551.24

The derivation of the annual assessment rate from these EBU totals, including the net revenue requirement calculation and the 2.4% residential cost reduction, is presented in Section 5 (Assessment Rate Calculation).

Section 5: Assessment Rate Calculation

Introduction

This section presents the derivation of the annual assessment rate for the Sunrise Freebee Non-Ad Valorem Special Assessment. The rate is determined by first establishing a Net Revenue Requirement (NRR) that captures all program-related costs for the applicable fiscal year, applying the appropriate deductions to reflect the residential exclusion and available outside funding, and then dividing the resulting NRR by the total allocated EBUs developed in Section 4.

The assessment rate presented in this section reflects the FY 2027 program year (October 2026 through September 2027), which represents the first year in which the City is considering the assessment program. In addition to FY 2027, this section presents a five-year projection of the NRR through FY 2031.

Net Revenue Requirement

The Net Revenue Requirement is the total amount that must be recovered through the assessment in a given fiscal year. It is not simply the cost of operating the Freebee service. It also accounts for the administrative costs of running the assessment program itself, a standard contingency adjustment, and applicable deductions for non-assessable activity and committed outside funding. Each component of the NRR is described below.

Rideshare Operating Costs

The foundation of the NRR is the projected cost of operating the Freebee ride-share service in FY 2027. The FY 2027 rideshare cost projection of \$549,137 is based on the estimated FY 2026 total operating cost, escalated by 3% annually consistent with guidance provided by City staff. This escalation rate reflects anticipated increases in contracted service costs over time. The same 3% escalation is applied in each subsequent year to project costs through FY 2031.

City Program Administration Costs

The City incurs a modest internal administrative cost to manage and oversee the Freebee program. City staff has estimated this cost at \$2,500 in FY 2027, escalating at 3% per year through FY 2031 consistent with the rideshare cost escalation assumption.

Assessment Administration Costs

Operating a non-ad valorem assessment program requires coordination with both the Broward County Tax Collector and the Broward County Property Appraiser. These agencies charge fees for their roles in placing the assessment on the annual tax bill and maintaining the assessment roll.

- Tax Collector Costs: Assessed at 2% of total billed assessment revenue, estimated at \$10,515 annually and held constant across the projection period.
- Property Appraiser Costs: Assessed at \$2.00 per billed parcel. With 211 billed parcels on the assessment roll, this cost is estimated at \$422 annually and held constant across the projection period.

Consultant Costs

The costs associated with the design of the assessment methodology, economic impact analysis and the preparation of this study are included in the FY 2027 NRR at \$60,078. In subsequent years, ongoing annual assessment administration and maintenance costs are projected beginning at \$15,000 in FY 2028 and escalating at 3% annually through FY 2031. These reduced ongoing costs reflect the one-time nature of the initial study design, with subsequent years requiring only routine roll maintenance and annual rate calculations.

Early Payment Discount and Non-Collection Contingency

Florida law permits property owners to receive a discount for early payment of their annual tax bill. Additionally, a standard contingency is included to account for the possibility that a small percentage of assessments may not be collected in any given year. Consistent with standard assessment practice, a 5% adjustment has been applied to the subtotal of program costs in each fiscal year.

Deductions from Total Annual Costs

Residential-to-Residential Cost Allocation

As discussed in Sections 3 and 4, 2.4% of the top-line rideshare operating costs is deducted from the NRR in each fiscal year to ensure that non-residential property owners are not assessed for the share of service costs attributable to residential-to-residential ride activity. This deduction is applied exclusively to the rideshare operating costs and does not apply to assessment administration or consulting costs, as those costs are incurred solely for the benefit of the assessment program and its non-residential participants.

Furthermore, Raftelis evaluated a dedicated per-ride fee as an alternative means of recovering this \$13,199 cost. Based on the 3-year data history, an average of 1,037 residential-to-residential rides occur annually, which would require a flat fee of approximately \$12.73 per ride to fully recover the associated cost. Given this cost relative to the personal, non-commercial nature of these trips, and their lack of contribution to the District's economic vitality, Raftelis recommends that the City discontinue residential-to-residential trips within the Freebee app rather than adopt a fee.

Metropica Development Commitment

The Metropica development has committed \$110,000 per year toward the Freebee program for the period covering FY 2027 through FY 2029. This commitment reduces the amount that must be recovered through the assessment during those fiscal years. The commitment expires at the conclusion of FY 2029, and the full program cost is therefore borne by the assessment beginning in FY 2030, resulting in a materially higher NRR in that year and beyond. Once Metropica's contribution expires and the properties are fully developed with commercial space, they will be assessed as part of this program.

The increase in NRR beginning in FY 2030 does not necessarily translate into a higher assessment rate for existing commercial property owners. As Metropica, Radius, and other planned commercial development within the District are completed and added to the assessment roll, the total EBU base against which the NRR is divided also grows. Depending on the pace and scale of this development, the resulting increase in billable EBUs could offset some or all of the rate impact of the higher NRR, and in some scenarios could reduce the per-EBU rate for property owners currently contributing to the program.

Net Revenue Requirement Summary

The following table summarizes the full NRR calculation for FY 2027 through FY 2031:

Description	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Rideshare Costs	\$ 549,137	\$ 565,611	\$ 582,579	\$ 600,057	\$ 618,058
City Program Administration Costs	\$ 2,500	\$ 2,575	\$ 2,652	\$ 2,732	\$ 2,814
Tax Collector Costs - Assessment Admin	\$ 10,515	\$ 10,515	\$ 10,515	\$ 10,515	\$ 10,515
Property Appraisers Costs - Assessment Admin	\$ 422	\$ 422	\$ 422	\$ 422	\$ 422
Consultant Costs- Assessment Design and Admin	\$ 60,078	\$ 15,000	\$ 15,450	\$ 15,914	\$ 16,391
Adjustment for Early Payment & Contingency (5%)	\$ 26,287	\$ 24,765	\$ 25,664	\$ 32,380	\$ 33,334
Total Annual Costs	\$ 648,939	\$ 618,887	\$ 637,282	\$ 662,019	\$ 681,534
Less: Allocated Residential to Residential	\$ (13,199)	\$ (13,595)	\$ (14,003)	\$ (14,423)	\$ (14,856)
Less: Metropica Commitment	\$ (110,000)	\$ (110,000)	\$ (110,000)	\$ -	\$ -
Net Revenue Requirement	\$ 525,739	\$ 495,292	\$ 513,279	\$ 647,595	\$ 666,678

Assessment Rate per EBU

The annual assessment rate per EBU is determined by dividing the Net Revenue Requirement by the Total Allocated EBUs of 5,551. As noted in Section 4, the Total Allocated EBU count is used as the divisor rather than the Billed EBU count, ensuring that the cost of fully exempt government-owned properties is absorbed by the City rather than shifted onto assessed property owners. The table below shows the calculation of the FY 2027 annual rate per EBU, with a projection of rates over the 5-year period for demonstration purposes.

	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Net Revenue Requirement	\$ 525,739	\$ 495,292	\$ 513,279	\$ 647,595	\$ 666,678
Total Allocated EBUs	5,551.24	5,551.24	5,551.24	5,551.24	5,551.24
Annual Rate per EBU	\$ 94.71	\$ 89.22	\$ 92.46	\$ 116.66	\$ 120.10

Assessment by Land Use Category

The following table presents the annual assessment per unit of measure for each land use category at the FY 2027 Operating Rate (\$94.71 per EBU)

Land Use Category	Unit of Measure	EBU Multiplier	FY 2027 Annual Assessment per Unit
Commercial Retail	per 1,000 SF	1.0000	\$ 94.71
Commercial Office	per 1,000 SF	0.0619	\$ 5.86
Commercial Restaurant	per 1,000 SF	3.9465	\$ 373.77
Commercial Other	per 1,000 SF	0.4077	\$ 38.61
Commercial Hotel/Motel	per Room	1.0278	\$ 97.34
Industrial/Warehouse	per 1,000 SF	0.0126	\$ 1.20
Govt/Institutional	per 1,000 SF	0.0662	\$ 6.27

Applying the FY 2027 annual rate to the Billed EBUs produces total billed assessment revenue of \$518,671 as compared to the allocated costs of \$525,739. The difference of \$7,068 is the unbilled amount from the allocated exempt government owned properties.

Section 6: Alternative Revenue Sources

Introduction

The assessment program described in this report is designed to fully fund the Sunrise Freebee service through a non-ad valorem special assessment on non-residential properties within the District. However, the City has identified a number of supplemental revenue opportunities that, if implemented, could meaningfully reduce the Net Revenue Requirement and proportionately lower the annual assessment charged to property owners. This section describes those opportunities, presents estimates of their potential revenue contribution, and explains how they would interact with the assessment rate structure established in Section 5.

Alternative Revenue Sources

Ridership Fare

The City is considering the implementation of a modest ridership fare charged to passengers at the point of use. This fare would be collected directly from riders utilizing the Freebee service and would represent a user-based contribution toward the cost of the program. Two fare structures have been proposed by the Freebee program operator based on their experience operating similar services in other municipalities:

- **Option 1 — Flat Fare:** A fixed charge of \$2.00 per rider, applied uniformly to every passenger on every ride regardless of group size.
- **Option 2 — Tiered Fare:** A charge of \$3.00 for the first rider, plus \$1.00 for each additional passenger in the same vehicle on the same ride. This structure recognizes that the marginal cost of carrying additional passengers in an already-dispatched vehicle is lower than the cost of the initial dispatch, and it encourages multi-passenger rides by reducing the per-person cost for groups.

The Freebee operator estimated that either fare structure would generate between \$120,000 and \$145,000 annually in rider fare revenue. Raftelis has independently verified these estimates using the District's three-year ridership dataset. The analysis confirms that the Freebee service carried an average of 61,786 passengers per year across the study period, with an average of 1.52 passengers per ride. Applying the flat fare of \$2.00 per passenger to the average annual ridership yields estimated annual revenue of approximately \$124,000 (rounded). Under the tiered structure, which applies \$3.00 to the first passenger and \$1.00 to each additional passenger, the three-year average ridership data produces estimated annual revenue of approximately \$143,000 (rounded), comprised of approximately \$122,000 from first-passenger charges and \$21,000 from additional-passenger charges.

The independently verified estimates fall within the range provided by the Freebee operator and confirm the reasonableness of their projections. The actual revenue realized in any given year will depend on the fare structure selected by the City, ridership levels, and any adjustments to the program that may affect the volume or composition of rides. For this reason, the analysis presented in this section continues to express fare revenue as a range of \$124,000 to \$143,000, reflecting the low end of the flat fare scenario and the high end of the tiered fare scenario as confirmed by the local data. The City should also consider that introducing a per-

ride fee may reduce ridership participation, which could cause actual revenues to fall below the estimates presented here.

Vehicle Advertising

The Freebee fleet presents a visible and mobile advertising platform within one of Broward County's most commercially active districts. The City is considering the sale of local sponsorships and advertising placements on the exterior and interior of the Freebee vehicles. The Freebee operator estimates that each vehicle in the current four-vehicle fleet could generate between \$18,000 and \$24,000 annually in advertising and sponsorship revenue, based on comparable programs in other markets. For the full fleet of four vehicles, this represents a total annual revenue opportunity of \$72,000 to \$96,000.

Advertising revenue of this nature is sustainable, requires no ongoing cost burden on property owners or riders, and aligns with the interests of District businesses that may wish to reach the Freebee's customer base directly through vehicle placements. The City may wish to offer preferential pricing or right-of-first-refusal to businesses already contributing through the assessment, which could help reinforce the program's value to District stakeholders.

The City should weigh this revenue opportunity against certain program considerations. The Freebee vehicles currently carry City of Sunrise branding, and introducing third-party advertising would displace that identity with private company logos. Advertisers are not required to be District businesses, which means assessment-paying businesses could find themselves sharing vehicles with unrelated or competing brands. While manageable through policy, this trade-off warrants deliberate consideration before the City pursues an advertising program.

Combined Revenue Potential

Together, the ridership fare and vehicle advertising represent a meaningful opportunity to offset a substantial portion of the program's annual operating cost. If both revenue mechanisms are implemented, the combined contribution could offset approximately 35 to 45 percent of the program's total annual operating cost. The table below illustrates the range of potential revenue and its impact on the NRR and the assessment rate, using the FY 2027 costs as a reference point:

Revenue Scenario	Fare Revenue	Advertising Revenue	Total Alternative Revenue	Revised FY 2027 NRR	Revised Rate per EBU
No Alternative Revenue (Base Case)	\$ -	\$ -	\$ -	\$ 525,739	\$ 94.71
Low Estimate	\$ 124,000	\$ 72,000	\$ 196,000	\$ 329,739	\$ 59.40
High Estimate	\$ 143,000	\$ 96,000	\$ 239,000	\$ 286,739	\$ 51.65

These estimates illustrate that the implementation of both revenue mechanisms at the low end of the projected range would reduce the annual assessment rate by approximately \$35 per EBU, representing a reduction of nearly 37% from the base case rate. At the high end, the rate reduction approaches \$43 per EBU, or approximately 45% below the base case.

Interaction with the Assessment Rate Structure

Because the alternative revenue sources described above would reduce the Net Revenue Requirement dollar-for-dollar, their implementation would proportionately reduce the annual assessment charged to each

property owner. The EBU multipliers and the relative distribution of costs among land use categories would remain unchanged. Only the rate per EBU would be adjusted to reflect the lower NRR in each fiscal year in which alternative revenue is received. This structure provides the City with significant flexibility. If advertising revenue or fare collections in a given year exceed projections, the surplus can be applied to reduce the following year's assessment rate.

Ridership Fare as Support for the Residential Exclusion

Beyond its revenue contribution, the implementation of a ridership fare carries an important legal and policy dimension with respect to the residential exclusion established in Section 3. As documented in the origin-destination analysis, 2.4% of all Freebee rides both originate and terminate at a residential location. While this share is sufficiently small to justify the exclusion of residential properties from the assessment roll, it nonetheless represents a measurable volume of service consumption by residential users.

A ridership fare addresses this directly. By charging passengers at the point of use, the City creates a mechanism through which residential riders—who benefit personally from the service but whose properties are not assessed—contribute to the cost of the program in proportion to their actual utilization. This point-of-use charge captures the individual benefit received by the rider, while the property assessment captures the broader commercial benefit received by non-residential property owners.

This two-tier approach strengthens the legal and policy rationale for the residential exclusion in two ways. First, it demonstrates that residential users are not receiving a free benefit at the expense of assessed commercial property owners—they are contributing directly through the fare. Second, it reinforces the distinction between the personal, transactional benefit received by an individual rider (captured by the fare) and the ongoing, property-level benefit received by commercial property owners through enhanced District accessibility and economic vitality (captured by the assessment). This distinction is central to the "special benefit" argument described in Section 3 and further insulates the residential exclusion from scrutiny.

Residential-to-Residential Trips: Fee Versus Exclusion

The City also considered a dedicated per-ride fee applied specifically to residential-to-residential trips, as an alternative to the cost deduction described in Section 5. Based on 3-years of rideshare data, recovering the \$13,199 in annual cost attributable to these trips through a dedicated fee would require a flat charge of approximately \$12.73 per ride across an average of 1,037 such rides. Both a dedicated fee and outright exclusion would address the underlying concern, ensuring the cost of residential-to-residential trips is not borne by assessed non-residential property owners. Raftelis recommends exclusion rather than a fee, given the cost per ride relative to the personal, non-commercial nature of these trips and the absence of any District economic vitality benefit associated with them.

Recommendation

Raftelis recommends that the City consider both alternative revenue streams as options for supplementing the assessment program. Advertising placements could be pursued with minimal administrative complexity and, if implemented, would reduce the assessment burden on property owners. The ridership fare warrants additional deliberation regarding fare structure, collection logistics, and equity considerations. If implemented at any point during the program's operation, it would proportionately reduce the annual assessment rate in the year of adoption and all subsequent years. Separately, and independent of whether a

general ridership fare is adopted, Raftelis recommends that the City discontinue residential-to-residential trips within the Freebee app rather than implement the dedicated per-ride fee discussed above. The City should revisit the NRR and assessment rate annually to reflect actual alternative revenue received in the prior year and projected revenues for the coming fiscal year.

--- This Space Intentionally Blank ---

Section 7: Conclusion and Recommendations

Summary of Findings

This report presents a methodology for funding the continued operation of the Sunrise Freebee ride-share service through a Non-Ad Valorem Special Assessment on non-residential properties within the District. The following summarizes the key findings of the study.

The Sunrise Freebee has demonstrated sustained and growing demand since its launch in Fiscal Year 2023, averaging over 42,000 rides per year. The service has established itself as a meaningful mobility amenity for the District's commercial users, visitors, hotel guests, and employees. The expiration of FDOT grant funding prior to FY 2027 creates an immediate need for a sustainable and equitable replacement funding mechanism.

The proposed Non-Ad Valorem Special Assessment is designed to be responsive to both prongs of the legal standard established under Florida law. The special benefit to non-residential properties arises from enhanced District-wide economic vitality: the service delivers customers, guests, and employees to the doorstep of non-residential properties, supporting commercial demand, tenant retention, and property values in a manner that is direct, specific, and distinct from any general public benefit. Fair apportionment of program costs is supported by the District's origin-destination data, which confirms that 97.6% of all Freebee rides involve at least one non-residential trip end. Fair apportionment is achieved through the Equivalent Billing Unit (EBU) methodology, which calibrates nationally recognized ITE trip generation rates against three years of local Freebee data to produce land use-specific multipliers that reflect the actual demand each property type places on the service.

Residential properties are excluded from the assessment roll on the basis that only 2.4% of all rides both originate and terminate at a residential location. The cost attributable to this residential activity is deducted from the assessable cost basis prior to rate-setting, ensuring that non-residential property owners are assessed only for the costs proportional to the commercial benefit they receive.

The FY 2027 assessment rate is \$94.71 per EBU, applied against a total of 5,551.24 allocated EBUs to recover a Net Revenue Requirement of \$525,739. This NRR reflects the projected FY 2027 rideshare operating costs, program administration expenses, assessment administration costs, a first-year consulting cost, a 5% non-collection contingency, the 2.4% residential cost deduction, and a \$110,000 annual contribution from the Metropica development commitment through FY 2029.

--- This Space Intentionally Blank ---

Recommendations

Based on the findings of this study, Raftelis makes the following recommendations to the City of Sunrise:

1. Adopt the FY 2027 Assessment Rate of \$94.71 per EBU at the initial public hearing.
2. Discontinue Residential-to-Residential Trips Within the Freebee App. Because residential properties are excluded from the assessment roll, the cost of trips that both originate and terminate at a residential location is deducted from the assessable cost basis rather than recovered through the assessment. Raftelis evaluated a dedicated per-ride fee as an alternative to this deduction, as discussed in Section 5, but recommends discontinuing residential-to-residential trips instead, given the cost per ride relative to the personal, non-commercial nature of these trips and the absence of any District economic vitality benefit associated with them.
3. Raftelis recommends that the City evaluate vehicle advertising as a potential revenue source, as it would involve minimal administrative complexity and could reduce the annual assessment burden on property owners by an estimated \$72,000 to \$96,000 per year, if implemented. The City should also evaluate a ridership fare structure, with a policy decision on fare design informed by the same considerations noted above. If both revenue mechanisms are pursued, the combined reduction in the annual assessment rate could approach \$43 per EBU, lowering the effective rate to approximately \$52 per EBU under the most favorable scenario.
4. Revisit the Net Revenue Requirement Annually. The NRR should be recalculated each year prior to setting the annual assessment rate. This annual review should account for actual alternative revenues received in the prior year, updated rideshare operating cost projections, any changes to the billed parcel inventory, and the status of the Metropica development commitment. The annual rate should be set at the level necessary to recover the updated NRR.
5. Monitor the EBU Inventory for Material Changes. The EBU multipliers and total EBU count established in this study are based on the District's current property inventory and three years of Freebee ridership data. As the District continues to develop and the property inventory changes, the City should periodically review the EBU roll to confirm that the allocation remains proportional. Raftelis recommends a full EBU methodology review no later than the expiration of the Metropica commitment in FY 2029, at which point the assessment program will enter its first year of full cost recovery through the assessment alone.
6. Consider a Per-Passenger Fare to Strengthen the Residential Exclusion. If the City elects to implement a ridership fare, doing so strengthens the legal and policy foundation for the residential exclusion by ensuring that residential users contribute to the cost of the program at the point of use. This two-tier structure—property assessment for commercial property owners, point-of-use fare for individual riders—provides a clear and defensible distinction between the special benefit received by non-residential properties and the personal convenience benefit received by individual riders, regardless of their property classification. This recommendation concerns a general per-passenger fare applicable to all riders and is separate from the residential-to-residential trip fee evaluated in Section 5, which Raftelis recommends addressing through discontinuation of those trips rather than a dedicated fee.

Closing Statement

The Sunrise Freebee service represents a meaningful investment in the economic vitality, accessibility, and sustainability of the District. The Non-Ad Valorem Special Assessment program described in this report provides the City with a well-documented, equitable, and flexible mechanism to sustain that investment beyond the expiration of external FDOT grant funding. By grounding the fee structure in three years of local ridership data and applying nationally recognized trip generation standards, Raftelis has developed a methodology that is both analytically rigorous and administratively practical. The City of Sunrise is well-positioned to adopt this program and continue delivering a high-value transportation amenity to the District's businesses, property owners, visitors, and community members for years to come.

Appendix A – Economic Impact Analysis

--- This Space Intentionally Blank ---



**City of Sunrise Freebee
Sunrise, Florida**

Economic Analysis

Final Report / June 16, 2026



Appendix A

THIS PAGE INTENTIONALLY LEFT BLANK

Contents

1. Introduction 1

1.1. Sunrise Freebee 1

1.2. Benefits of Transit Accessibility 2

1.3. Research Summary.....4

1.4. Property Valuation in Florida 5

2. Economic Analysis 7

2.1. Summary of Freebee Use 7

2.2. Consumer Spending 8

2.3. District Property Values.....9

Tables

Table 2-1: Freebee Consumer Spending Impact.....	9
Table 2-2: District Property Values	10
Table 2-3: Incremental District Property Values.....	10

Figures

Figure 1-1: Sunrise Business and Entertainment District.....	1
Figure 1-2: Concentration of Establishment Employment.....	2
Figure 1-3: Accessibility Radius	3
Figure 2-1: Frequency of Freebee Trip Length	8

Appendices

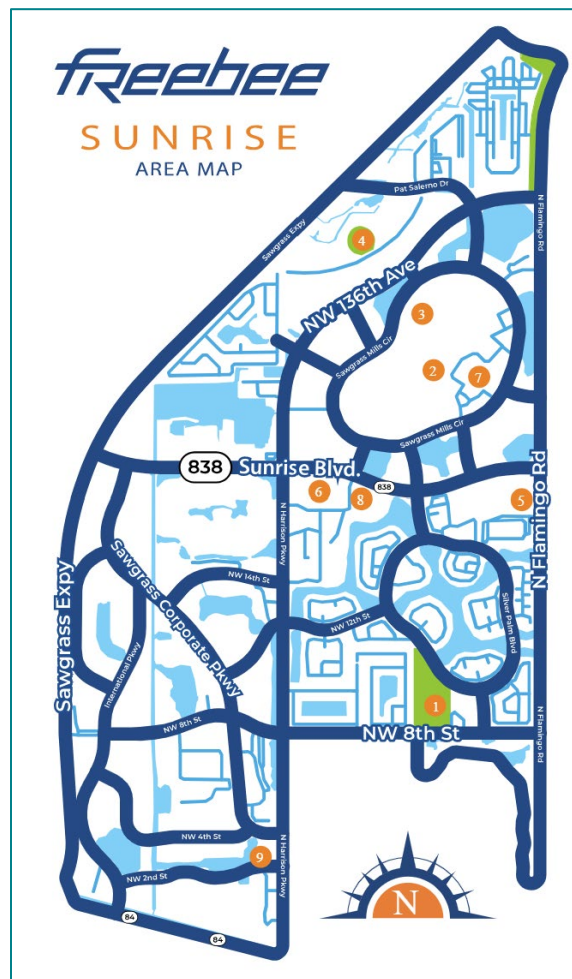
Appendix A: Freebee Ridership Summary

1. Introduction

1.1. Sunrise Freebee

The City of Sunrise (“City”) offers an on-demand transportation service (“Freebee”) that features a fleet of 100% electric vehicles. Freebee, partially funded by the Florida Department of Transportation (“FDOT”), provides City residents, employees, and visitors the opportunity to utilize a ride-sharing service to enhance their transit experience with a complimentary transportation solution that picks up and drops off¹ riders anywhere within the Sunrise Business and Entertainment District (see Figure 1-1).

Figure 1-1: Sunrise Business and Entertainment District



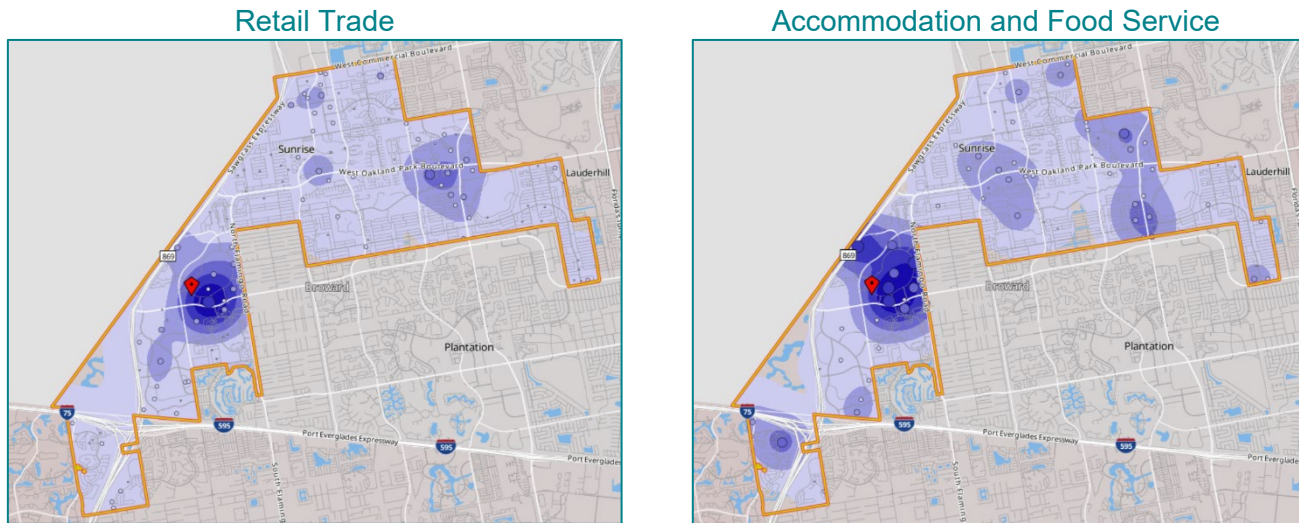
Source: City of Sunrise

The Sunrise Business and Entertainment District (“District”) is located in the western portion of the City’s corporate limits, generally including areas west of Flamingo Road, east of the Sawgrass Expressway, south of

¹ Freebee is made available through a mobile application for travel (i.e., origin and destination) within the District.

Oakland Park Boulevard, and north of Interstate 595. The District has a high concentration of commercial establishments representing the majority of the City's employment base in retail trade, accommodation, and food service (see Figure 1-2).

Figure 1-2: Concentration of Establishment Employment



The District extends nearly 4 miles from north to south and nearly 2 miles (at its widest point) from east to west. In total, the District encompasses approximately 4.5 square miles, representing slightly less than 30% of the City's total area.

1.2. Benefits of Transit Accessibility

Freebee is an integral part of the City's Economic Development efforts. "Economic Development" as a concept is generally measured in jobs and income but most importantly reflects a community's overall quality of life that is only maintained with sufficient public resources to meet existing and future needs, ***predominately supported by resident and transient incomes and consumer spending***. The impacts of these types of programs on the concepts of an overall "quality of life" – include, but is not limited to, increased property values, employment growth, the nature and type of jobs, community income and wealth, and the provision of public infrastructure and services. In general, Economic Development can be summarized as "progress toward a community's economic goals, including increases in economic productivity, employment, ***and business activity and investment*** [emphasis added]²."

Despite the rapid growth of on-line retail shopping, travel for in-person (i.e., brick-and-mortar) shopping still makes up more than 40% of personal vehicle trips³. An emerging urban planning concept is the "15-minute city" which suggests that by increasing walkability and providing proximity to travel destinations such as

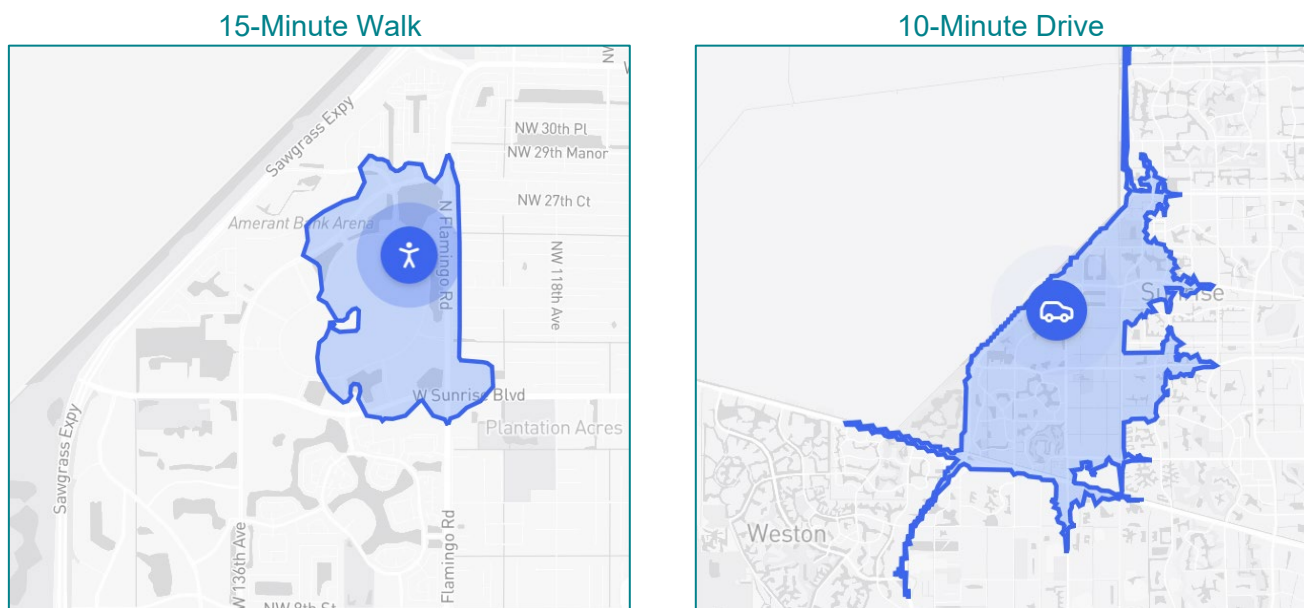
² Todd Litman (2011), Evaluating Transportation Economic Development Impacts, Victoria Transport Policy Institute (www.vtpi.org); at www.vtpi.org/econ_dev.pdf.

³ Hu, P. Summary of Travel Trends 2001 National Household Travel Survey. Publication ORNL/TM-2004/297, 885762. 2005

employment establishments, retail stores, food service, and entertainment, the need for vehicular travel is reduced, increasing the quality of life and reducing the negative externalities generated by car travel⁴. Using this concept, an optimal situation is achieved by providing access to goods and services within a “15-minute” journey. However, the challenge this concept creates is that most shoppers are willing to walk only a short distance to reach retail locations, generally less than 0.6 miles. General retail behavior also supports the idea of short walking distances. A national study found that 80% of total U.S. disposable income is spent within 20 miles of home, and for everyday purchases, proximity is often more important than price, quality, or brand reputation⁵. *This means that for many shoppers, being able to walk a few blocks or minutes to a nearby store is a key factor in choosing where to shop.*

The City’s average Walk Score is 50 out of 100⁶, indicating that the city as a whole is less walkable than many urban or suburban areas. This is partly due to its suburban layout, with many cul-de-sacs and lower density compared to city centers. In addition, the City’s Transit Score is 26 out of 100, reflecting just above minimum availability of transit compared with other urban and suburban areas. The availability of Freebee has a significant impact on the overall accessibility within the District between walking and driving (see Figure 1-3).

Figure 1-3: Accessibility Radius



A 15-minute walk radius only covers approximately 1.5 square miles or 33% of the area of the District. In contrast, a 10-minute drive easily covers the entire District, providing significantly greater accessibility⁷.

⁴ C. Moreno et al., Introducing the “15-Minute City”: Sustainability, Resilience and Place Identity in Future Post-Pandemic Cities Smart Cities, 2021

⁵ https://263750.fs1.hubspotusercontent-na2.net/hubfs/263750/Access_Consumer_Spend_Study_2016.pdf

⁶ A Walk Score of 50 indicates some errands can be accomplished by walking. Anything less than 50 indicates that a vehicle is necessary for all types of shopping. <https://www.walkscore.com/score/sunrise-economic-development-sunrise>

⁷ <https://radiusmappper.com/walking>

1.3. Research Summary

A significant amount of literature and research has documented the benefits of improving specific aspects of public transit, walkability in urban areas, and increasing the flow of shoppers and retail business activity. Specifically, research studies have concluded some of the following [emphasis added]:

- Streetscape enhancements that improve walking and cycling conditions tend to *increase property values and rents, attract new businesses, and increase local economic activity*. A large proportion of *retail expenditure comes from local residents and workers, many of whom walk or bicycle, in contrast to car-borne customers* who are more likely to be “drive-through” shoppers, stopping to pick up one item on the way to another destination.⁸
- New York City evaluated street designs that add *walking*, cycling and *public transit* facilities and found that⁹:
 - Establishing bike paths increased local business retail sales up to 49%
 - Expanding walking facilities reduced commercial vacancies 49%
 - Converting an underused parking lot into a public park increased nearby retail sales volumes by 172%
 - Converting a curb lane into a public seating area increased sales volumes at adjacent businesses by 14%
 - Establishing a bus lane and other bus transit improvements increased nearby retail sales 71%
 - Developing bus- and bike-lanes reduced commercial vacancy rates 47%
- Pedestrian-friendly commercial districts (“Mainstreets”) can be important for urban revitalization¹⁰. Research by indicates that walkable shopping areas are often economically successful, improved *walkability tends to increase commercial and residential land values*, many want to live within walking distances of commercial services, and that current market trends are likely to increase demand for walkable shopping districts¹¹.
- The importance of shoppers’ motor vehicle access and vehicle parking is often overestimated and therefore the value of access by walking, cycling and public transport is underestimated. Research in shopping areas in New York found that a minority drive, and that shifting street space from vehicle parking to pedestrians would likely *increase total business activity in the area*.¹²

⁸ Rodney Tolley (2011), Good For Busine\$\$ - The Benefits Of Making Streets More Walking And Cycling Friendly, Heart Foundation South Australia; www.heartfoundation.org.au/SiteCollectionDocuments/GoodforBusinessFINAL_Nov.pdf

⁹ NYCDOT (2012), Measuring the Street: New Metrics for 21st Century Streets, New York City Department of Transportation (www.nyc.gov/html/dot/); at www.nyc.gov/html/dot/downloads/pdf/2012-10-measuring-the-street.pdf

¹⁰ C.C. Bohl (2002), Place Making: Developing Town Centers, Main Streets and Urban Villages, Urban Land Institute (www.uli.org)

¹¹ Gary Hack (2013), Business Performance in Walkable Shopping Areas, Active Living Research (www.activelivingresearch.org); at <https://bit.ly/3FLER0g>

¹² Schaller Consulting (2006), Curbing Cars: Shopping, Parking and Pedestrian Space in SoHo, Transportation Alternatives (www.transalt.org); available at www.transalt.org/campaigns/reclaiming/soho_curbing_cars.pdf

- A research study used retail sales data to quantify that development of bike lanes, and the resulting loss of some on-street parking spaces, indicated *substantial (up to 400%) increases in sales volumes*¹³.
- Research quantified that walkability tends to support local economic development, even if it reduces on-street parking and found that¹⁴:
 - *90% of customers walk, bike or travel by public transit to shops*
 - Even during peak periods, about 80% of metered parking spaces on the street remained occupied
 - Customers who arrive on foot and bicycle *visit the most often and spend most per month* on average

There is clear evidence that improving specific aspects of public transit and walkability in urban areas increases the flow of shoppers and retail business activity. The Freebee program also clearly increases the overall accessibility within the District between walking and driving. Given the relatively low Walk Score and Transit Score of the City, properties in the District receive a direct benefit that does not otherwise exist for other commercial property in the City, which is expected to increase property values within the District.

1.4. Property Valuation in Florida

In arriving at just valuation as required under s. 4, Art. VII of the State Constitution, the Broward County Property Appraiser shall take into consideration the following factors¹⁵ (emphasis added):

- 1) The present cash value of the property, which is the amount a willing purchaser would pay a willing seller, exclusive of reasonable fees and costs of purchase, in cash or the immediate equivalent thereof in a transaction at arm's length;
- 2) The highest and best use to which the property can be expected to be put in the immediate future and the present use of the property, taking into consideration the legally permissible use of the property, including any applicable judicial limitation, local or state land use regulation, or historic preservation ordinance, and any zoning changes, concurrency requirements, and permits necessary to achieve the highest and best use, and considering any moratorium imposed by executive order, law, ordinance, regulation, resolution, or proclamation adopted by any governmental body or agency or the Governor when the moratorium or judicial limitation prohibits or restricts the development or improvement of property as otherwise authorized by applicable law. The applicable governmental body or agency or Governor shall notify the property appraiser in writing of any executive order, ordinance, regulation, resolution, or proclamation it adopts imposing any such limitation, regulation, or moratorium;
- 3) *The location of said property;*
- 4) The quantity or size of said property;

¹³ Kyle Rowe (2013), Bikenomics: Measuring the Economic Impact of Bicycle Facilities on Neighborhood Business Districts, University of Washington; at http://cep.be.washington.edu/wpcontent/uploads/2013/07/bikenomics_v2.pdf

¹⁴ Fred Sztabinski (2009), Bike Lanes, On-Street Parking and Business A Study of Bloor Street in Toronto's Annex Neighbourhood, The Clean Air Partnership; www.cleanairpartnership.org/pdf/bike-lanes-parking.pdf

¹⁵ Section 193.011, Florida Statutes (2025)

- 5) The cost of said property and the present replacement value of any improvements thereon;
- 6) The condition of said property;
- 7) *The income from said property*; and
- 8) The net proceeds of the sale of the property, as received by the seller, after deduction of all of the usual and reasonable fees and costs of the sale, including the costs and expenses of financing, and allowance for unconventional or atypical terms of financing arrangements. When the net proceeds of the sale of any property are utilized, directly or indirectly, in the determination of just valuation of realty of the sold parcel or any other parcel under the provisions of this section, the property appraiser, for the purposes of such determination, shall exclude any portion of such net proceeds attributable to payments for household furnishings or other items of personal property.

The method for indicating a Just Value for all property within a county generally involves a process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing (“Mass Appraisal”)¹⁶. It would not be realistic for a Property Appraiser to develop individual appraisals for each parcel of improved or vacant land. Thus, Mass Appraisal is a process required to more manageably appraise a very large set of properties. Mass Appraisal can also have the effect of creating consistency among property classes and reducing minute individual variances that may be observed in some market transactions. Using Mass Appraisal, it is expected that the value of commercial property located in the District benefits directly from Freebee by virtue of *location* within the District and the *increased income* generated by consumer spending that would otherwise not occur without Freebee.

¹⁶ Uniform Standards of Professional Appraisal Practice, 2024.

2. Economic Analysis

2.1. Summary of Freebee Use

In Fiscal Year (“FY”) 2025¹⁷, Freebee provided nearly 62,500 passengers with nearly 42,400 trips (origin and destination) within the District. The makeup of trips in 2025 included the following (see Appendix A):

- 92% of trips originating from a residence had a commercial (retail, office, hotel) destination
- 89% of trips originating from a hotel had a commercial (retail, office, hotel) destination
- 82% of trips originating from a commercial location included another commercial destination (excluding residential and hotel return trips)
- Riders are utilizing Freebee for round-trip transportation with corresponding to/from trips between residential, commercial, hotel, and office properties
- In total, the average number of passengers in total was 1.5 per trip
- Hotel trips had an average passenger count of 2.0 per trip
- The average length of trip was slightly less than 1.0 miles, reflecting a coverage of the District of roughly 70%

Freebee also appears to be changing long-term shopping behavior by providing a reliable consistent transit option. Based on a rider survey over two (2) weeks in June 2026¹⁸, observations included the following:

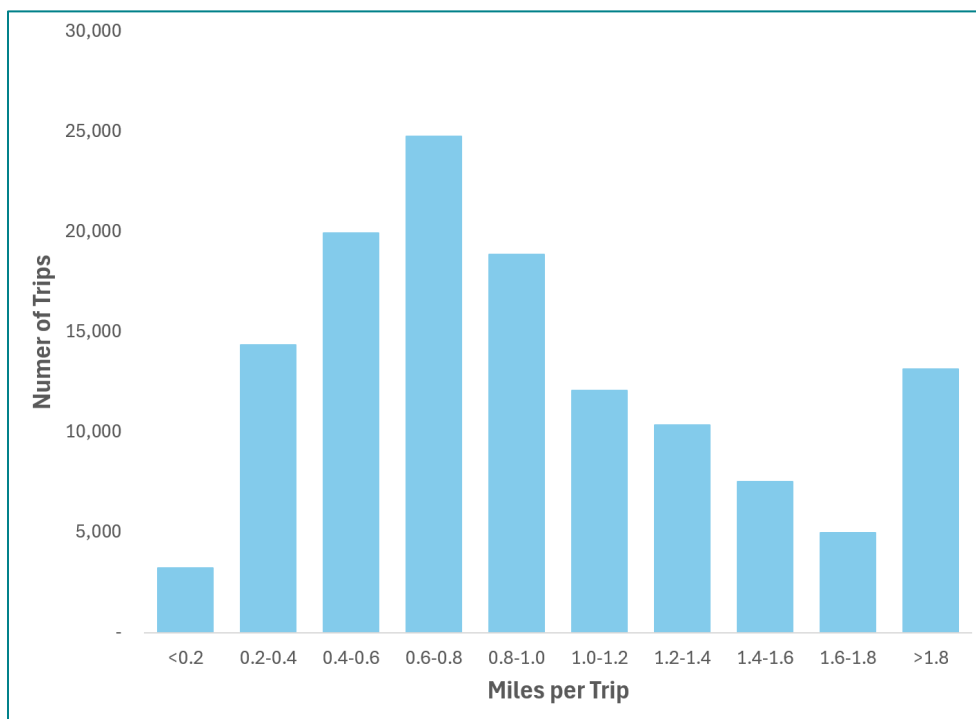
- 84% of riders are repeat users of Freebee (16% are first-time riders)
- Nearly 60% of riders use Freebee more than 4 times per month
- The average number of trips per year for Freebee riders is 5.1

More importantly, riders are clearly using Freebee to extend their accessibility within the District beyond the general “walkable” district for retail and shopping locations (see Figure 2-1).

¹⁷ October 2025 to September 2025

¹⁸ Sample of 2,953 trips

Figure 2-1: Frequency of Freebee Trip Length



More than 70% of trips over the lifetime of the Freebee program exceed the recognized constraint of approximately 0.6 miles for a “walkable” destination. In fact, it is highly likely that the City’s relatively low Walk Score would suggest that nearly 90% of Freebee trips (>0.4 miles) result in improved accessibility within the District compared with walking.

2.2. Consumer Spending

As noted earlier, increases in economic productivity, employment and business activity and investment are predominately supported by resident and transient incomes and consumer spending. The direct benefit of increased property value is a result of the consumer spending that occurs in the District if not for the Freebee program. Therefore, the levels of consumer spending resulting from individuals utilizing the Freebee program reflect the main contribution to increased business activity and investment that increases the property values in the District (see Table 2-1).

Table 2-1: Freebee Consumer Spending Impact

Metric	FY 2025
Total Trips	42,400
Passengers per Trip (Average)	1.5
Total Passengers	62,500
Trips per year (Average)	5.1
Unique Annual Passengers (Shoppers)	6,480
Per Capita Income (City Average)	\$37,943
Total Annual Consumer Spending of Freebee Shoppers ¹	\$305,730,000
Food, Retail, and Entertainment Spending	\$81,850,000

Source: City, BLS, Raftelis; Notes: (1) Based on BLS 2024 Consumer Expenditures Survey by Income

Total annual ridership in FY 2025 represents nearly 6,500 unique (individual) consumers with slightly less than \$306,000,000 in annual consumer expenditures. Spending among these consumers for more discretionary items including food away from home, retail, and entertainment totals nearly \$82,000,000. The portion captured within the District as a result of the Freebee program directly contributes to increased business activity and investment, increasing property values.

2.3. District Property Values

The Broward County Property Appraiser generally utilizes an income approach for commercial property, including property within the District. As a result, it is expected that the value of commercial property located in the District benefits directly from Freebee by virtue of location within the District and the increased income generated by consumer spending that would otherwise not occur without Freebee. In FY 2025, commercial property in the District had a total market value¹⁹ of approximately \$3.0 billion. Applying a standard income capitalization²⁰ approach, this level of market value would imply a commercial property net operating income within the District of nearly \$260,000,000 (see Table 2-2).

¹⁹ Also referred to as Just Value.

²⁰ Income capitalization is a standard approach for real estate valuation of income producing property. The appropriate rate would include a market capitalization rate and effective property tax rate, also referred to as “loaded” cap rate.

Table 2-2: District Property Values

Metric	FY 2025
Total Commercial Market Value (rounded)	\$3,000,000,000
Market Capitalization Rate	6.50%
Effective Property Tax Rate	2.05%
Total Cap Rate	8.55%
Annual Net Operating Income (NOI) ¹	\$256,500,000

Source: Raftelis; Notes: (1) Cap rate = NOI ÷ Market Value (Purchase Price).

A capitalization rate (“Cap Rate”) is basically the ratio of an income producing property's net operating income (“NOI”) to its market value (i.e., purchase price), representing the expected annual return on a real estate investment. Cap Rates are widely utilized and an essential part of the commercial real estate market by allowing for an efficient comparison of investment properties across markets or asset classes, quick estimation of property value, and the ability to assess risk based on specific property factors.

Property within the District would only need to capture 0.5% of food, retail, and entertainment spending generated by Freebee consumers to create an increase in the market value of property of \$3,400,000 or more than 5 times the annual Freebee program costs (see Table 2-3).

Table 2-3: Incremental District Property Values

Spending Capture	Incremental Sales ¹	Property Value Increase ²	% Increase
0.5%	\$ 410,000	\$ 3,360,000	0.1%
1.0%	820,000	6,710,000	0.2%
1.5%	1,230,000	10,070,000	0.3%
2.0%	1,640,000	13,430,000	0.4%

Source: Raftelis; Notes: (1) Only food away from home, retail, and entertainment spending.

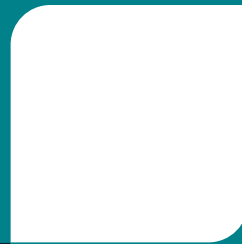
(2) Based on capitalization of NOI from incremental sales.

Again, the levels of consumer spending resulting from individuals utilizing the Freebee program reflect the main contribution to increased business activity and investment that increases the property values in the District, depending on the capture of incremental spending. In our opinion, Freebee reasonably contributes to an increase in commercial property values in the District between \$3.4 million and \$13.4 million or 0.1% to 0.4% of total District market value.



APPENDIX A:

Freebee Ridership Summary



THIS PAGE INTENTIONALLY LEFT BLANK

Notes: Summary of calendar year 2025 origin-destination trip data used to develop trip profile, passenger averages, and trip length averages. Does not include trips with either a missing origin of destination property ID. Represents a sample of 80% of the population of trips in FY 2025.

2025 Total From/To Trip Data						
Trips						
From/To	Residential	Commercial	Hotel	Office	All Other	Total
Residential	246	10,215	37	422	632	11,552
Commercial	9,903	4,220	1,635	172	741	16,671
Hotel	66	2,019	23	31	181	2,320
Office	983	348	171	12	49	1,563
All Other	607	1,166	62	16	84	1,935
Total	11,805	17,968	1,928	653	1,687	34,041
Passengers						
From/To	Residential	Commercial	Hotel	Office	All Other	Total
Residential	337	14,413	56	504	865	16,175
Commercial	14,279	5,866	3,377	198	952	24,672
Hotel	85	4,136	54	33	399	4,707
Office	1,208	424	184	17	62	1,895
All Other	910	1,570	128	17	108	2,733
Total	16,819	26,409	3,799	769	2,386	50,182
Per trip	1.4	1.5	2.0	1.2	1.4	1.5
Average Trip Length (miles)						
From/To	Residential	Commercial	Hotel	Office	All Other	Total
Residential	0.95	0.96	0.97	0.98	0.95	0.96
Commercial	0.94	0.95	0.95	0.96	0.95	0.95
Hotel	0.94	0.92	1.01	0.86	0.96	0.93
Office	0.95	1.01	0.90	0.97	1.08	0.96
All Other	0.99	0.96	1.00	0.89	1.00	0.97
Total	0.94	0.96	0.95	0.96	0.96	0.95