



Preliminary Opportunities Assessment

Plant City Community Redevelopment Area
Proposed Mixed Use Parcels
Plant City, Florida

GAI Project Number: R141969.00

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1.0 Executive Summary

GAI Consultants, Inc. (GAI) was retained by Plant City, Florida to look at the potential redevelopment opportunities for several parcels of land currently owned or substantively controlled by the City in the midtown area of Plant City. GAI analyzed the potential for new retail, office, and housing (both rental and for-sale) components as part of new mixed-use development. Previous plans for the site envisioned some combination of uses which might leverage new development while not harming ongoing efforts in the downtown district of Plant City.

1.1 Project Site

The project redevelopment site is located in Plant City, Florida close to the downtown central business district. The site includes approximately 15 to 20 acres and it is anticipated that a Request for Proposal may be issued for project development at the site sometime in the near future.

Plant City is located in Hillsborough County, proximate to both Tampa and Lakeland. With easy access to Interstate 4, Tampa is about a thirty minute drive to the west and Orlando is approximately an hour drive to the north and east. Other major arterials providing access to Plant City include US 92, and State Roads (SR) 39, 60 and 574.

1.2 Overview

To better understand the potential for redevelopment at the city-owned sites in Plant City, GAI looked at the economic indicators driving development in the area and also considered the sites locational opportunities and challenges. In our view, the redevelopment site benefits from proximity to the existing central business district, including its unique historic character, near proximity to a major arterial as well as relatively quick access to Interstate 4, and the opportunities associated with overall growth.

The site benefits from the relatively high growth forecast for Hillsborough County in particular. Based on population projections released in April of 2014 by the Bureau of Economic and Business Research (BEBR) at the University of Florida, Hillsborough County is forecast to increase from an estimated population of 1,276,410 in 2013 to 1,845,013, or a total growth of 568,603, with much of this growth radiating from Tampa to the south and east. Moreover, since the land is under public control, there is an opportunity to leverage new private development with the necessary public improvements or other forms of public incentives.

Although we are optimistic about the development opportunities at the midtown site, especially as a unique mixed-use development, we also want to point out several of the challenges that must ultimately be managed. While proximity to the central business district is important in terms of creating linkages and synergies, the downtown remains challenged by vacancies and some weaker tenancies. As a result, it is important to protect the investments already made in the downtown area by not overbuilding new commercial space at the project site.

Even as the Tampa area is growing significantly, Plant City is somewhat removed from the focus of population growth. Average household income levels, which impact the type and character of new residential and commercial development, are notably lower in Plant City than in other areas of the county. The percentage of the population earning less than \$35,000 a year in Plant City is 43%, compared with 38% of the population in Hillsborough County and 40% in the larger Tampa-St. Petersburg Metropolitan Statistical Area (M-S-A). The implication of lower income levels is that planned lease and sales rates will need to be priced accordingly to capture the largest share of the market. This in turn may impact the development economics of a proposed development at the project site, challenges which, on the surface, are mitigated by land control and potential incentives.

Housing Opportunities

- ▶ Currently, Plant City accounts for almost three percent of the total population in the County. Assuming Plant City continues to capture its fair share of population growth, we have estimated that the project site could conservatively capture between 130 and 195 new owner occupied units and between 208 and 312 new rental units.
- ▶ Based on our experience in other similar markets, these numbers reflect relatively conservative capture rates at the project site of between 20% and 30%. This potential is substantiated by current positive indicators with respect to the rental market. The multi-family for sale market in Plant City has few current or recent projects to compare in terms of potential or sales pace. However, strong sales at a new development in Brandon and two large scale proposed developments in the Plant City area point to some potential pent up demand in the for sale market.

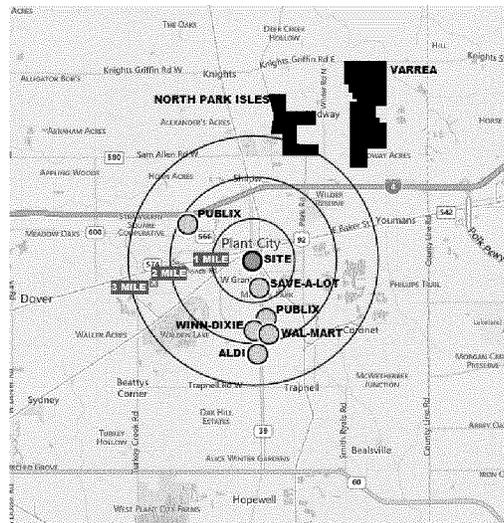
Office Opportunities

- ▶ The East Office Submarket includes much of Plant City and extends east roughly to SR 39. This area is reporting relatively high office vacancy rates of about 20%. Lease rates here are notably lower than that for the county as a whole, reflecting in part the relatively low vacancy rates and high lease rates in the Tampa Central Business District and the Westshore submarket.
- ▶ Currently, Plant City accounts for only 0.64% percent of office space in Hillsborough County, some 407,316 SF, none of which is Class A space. The area is primarily oriented towards residential, retail, and light industrial/distribution uses. While the Plant City site is located within close proximity to I-4, its location does not offer the visibility of most competing office concentrations.
- ▶ *Small* scale office space located in close proximity to nearby new housing construction appears feasible given projected population and employment growth in both Plant City and greater Hillsborough County. However, given relatively high vacancy rates for existing commercial office space in the downtown and region, we would suggest including new office space only in later phases of project development.
- ▶ Site characteristics, access, and nearby land uses suggest an inclination towards office space targeted at medical practitioners and neighborhood services. This pattern of need is likely to continue in the future absent demand from a major single-use tenant. While the lack of large contiguous blocks of space in the Tampa area may push development to outlying areas, it is likely that the Plant City market remains a materially longer-term potential for new small scale office space as the surrounding population continues to grow

Retail Opportunities

- ▶ A population of between 10,000 and 12,000 residents within the total trade area is required to support a supermarket of 50,000 to 60,000 SF, with the typical supermarket trade area extending about 2 ½ to 3 miles from a project site. It is estimated that there are currently 39,518 residents living within three miles of the Plant City project site. This resident base is forecast to increase to 42,818 by 2019. A new food market at the project site would also fill a void given the lack of convenience shopping opportunities in the downtown area. While the existing grocery store market is relatively competitive with three traditional grocery stores located within two miles of the project site, there may be an opportunity to capitalize on the new growth projected to occur in the northern portion of Plant City. There are an estimated 15,881 residents living with an approximated trade area to the north and east of the project site.

Figure 1.1: Principal Market Area for a Grocery Store



- ▶ We believe that there is an opportunity to include other smaller scale retail to serve the new influx of residents forecast to move into the area over the next several years, as well as new residents included as part of the mixed-use development itself. Generally new retail development interested in Plant City could benefit from a themed and unique mixed-use location. We would caution, however, from allocating an excessive amount of space to new retail at the project site. Potential new residents at the project site will drive only moderate additional retail demand. Moreover, given existing vacancies in the downtown business district and limited population densities overall, a complement of new retail at the project site is likely to divert redevelopment in the downtown area.
- ▶ New retail tenants might include on-site dining options, a convenience store, and other service-oriented retail. We would recommend a maximum allocation of about 25,000 SF of new neighborhood-oriented retail at the project site. This might include a few restaurants about 5,000 to 7,000 SF on average and smaller service tenants such as bank branches which average about 1,800 to 3,500 SF. If the project site were to also include other potential anchors such as community or institutional uses (e.g. a new community center, job training center, branch medical facility), the potential for retail might be improved. However, without other critical anchors, we would recommend that programming for retail remain minimal.

1.3 Summary Recommendations

The strongest opportunity is for rental housing. It is our recommendation that the first phase of development at the project site focus on residential development for lease, including approximately 200 to 300 units (three to four story) priced competitively for the Plant City market (currently at about \$0.85 to \$0.90 per SF). As mentioned earlier, this threshold level of rent impacts the development economics of the project and indicates a need for some type of public incentive to induce a private developer/investor. We would also recommend a configuration which includes some retail or service oriented retail along the street frontage of SR 39/South Collins Street as well as a small complement on the first floor of the predominately residential building(s). Our general program is summarized below.

Table 1.1: Generalized Development Program

	Total Units/ Square Feet	Proposed Density	Estimated Total Acres	Average Rental/Sales Rate (\$2015)
Phase I				
Commercial				
Neighborhood Retail	25,000	Street level mixed-use retail, proximity to residential component	Component of Housing Development	\$14
Residential				
Rental	250	Three to four story	About 4 acres, 60 DU/acre, ave unit size of 1,000 SF	\$0.85 psf (market rate)
Phase II				
Commercial				
Supermarket	55,000	Single story full-service supermarket	5 to 6 acres	--
Phase III				
Residential				
For Sale	60	Townhome configuration	About 5 acres, 12 DU per acre	\$95 - \$100 psf (market rate)

Source: GAI Consultants

Given the lack of a supermarket to the north and east of the project site, we would recommend holding the existing SweetBay site as a potential future supermarket as existing leases expire or ownership permits. If planning or interest allow, it may be preferable to consider a new supermarket to SR 39/South Collins Street, offering better visibility and access to the site. Given the preference for a mixed-use development, a new supermarket location should offer continuous pedestrian linkages to the Plant City Central business district located to the north.

Based on current and forecast market conditions, we would recommend later phases include for sale multi-family housing, probably in a townhome or condominium configuration. These units would be linked with the mixed-use development proposed in the first phase and the nearby downtown district. Based on forecast population growth, we have forecast market demand for about 130 to 195 for sale units but the most feasible count will likely start with smaller numbers in a townhouse style. A mix of affordable and market rate housing may be preferable (or perhaps affordable senior housing), but would require a developer with the appropriate expertise as it relates to funding of affordable units. Also, while the market may indicate broader support, the physical constraints of the site may limit the number of units that can be accommodated to closer to about 60 units (assuming a townhome configuration with about 12 units per acre and 5 acres allocated to new for sale units). Our analysis does not specifically address distinctions in these age groups and segments.

As detailed in the office market analysis, we believe that the market for new office space remains challenging for both larger scale office and smaller professional space. This could change if a single civic or institutional user were identified. In that case, a larger single user could potentially drive demand for additional retail space in later phases.

2.0 Market Overview

2.1 Demographic Review

In order to better understand the market potential for a new mixed-use development at the project site, GAI first analyzed the underlying dynamics of the local and regional population.

Population and Household Trends

As with many areas across the country, population growth in the state of Florida slowed in recent years. However, recent trends show that the population has begun to grow steadily again, although not as quickly as rates reflected before the recession.

Based on population projections released in April of 2014 by the Bureau of Economic and Business Research at the University of Florida, Hillsborough County is forecast to increase from an estimated population of 1,276,410 in 2013 to 1,845,013, or a total growth of 568,603.

Table 2.1: Long Term Population Growth

Hillsborough County								
Age/Sex	Census Estimates				Projections			
	2010	2013	2015	2020	2025	2030	2035	2040
Total	1,229,226	1,276,410	1,319,740	1,445,344	1,563,319	1,666,187	1,759,774	1,845,013
0-4	80,459	83,661	86,775	94,928	103,099	108,981	113,828	117,677
5-9	79,737	83,410	86,807	94,696	102,185	110,053	114,791	120,603
10-14	82,835	84,397	86,367	94,855	102,431	107,182	116,583	119,145
15-19	88,167	89,381	91,156	94,624	106,075	107,932	117,285	121,652
15-17	51,177	51,901	52,952	55,030	61,749	62,870	68,337	70,903
18-19	36,990	37,480	38,204	39,594	44,326	45,062	48,948	50,749
20-24	91,853	94,995	98,076	101,143	106,781	115,001	119,190	125,924
25-29	90,023	94,995	99,264	109,728	110,815	116,714	123,453	128,987
30-34	83,854	89,396	93,998	108,356	116,379	118,210	121,642	130,399
35-39	86,098	85,946	86,701	99,567	113,586	120,707	121,871	125,122
40-44	88,244	87,270	87,440	91,036	102,704	116,603	122,489	124,105
45-49	93,099	89,559	87,975	90,194	92,196	103,832	116,215	122,852
50-54	84,959	88,578	91,703	89,015	90,144	91,547	102,183	114,515
55-59	72,285	78,248	82,807	91,558	87,991	88,398	89,122	99,379
60-64	62,376	66,330	69,424	81,687	89,149	85,412	84,892	85,694
65-69	45,801	53,015	58,168	67,360	77,211	85,258	79,870	80,461
70-74	33,971	38,167	41,211	54,573	61,381	71,530	76,977	73,494
75-79	26,553	27,433	28,197	37,040	45,833	54,486	59,605	67,922
80-84	20,347	21,530	22,446	22,719	29,690	36,436	44,185	47,101
85+	18,565	20,099	21,225	22,265	25,669	27,905	35,593	39,981

Source: University of Florida, GAI Consultants

The City of Plant City has experienced stable population growth over the past decade exhibiting an annual growth rate of approximately 1%. The annual growth rate of Plant City since 2000 is similar to that experienced in Hillsborough County and the Tampa-St. Petersburg-Clearwater MSA. Hillsborough County experienced an annual growth rate of 2% from 2000-2015 while the Tampa-St. Petersburg-Clearwater MSA experienced an annual growth rate of 1% from 2000-2015.

The area immediately surrounding the project site has experienced a slight decrease in population since 2000. However this population loss is negligible and indicates that the area has remained stagnant while the City, County and MSA have experienced steady population growth.

Similar to the population growth within Plant City, the number of households has also seen a steady increase since 2000. The number of households in Plant City increased 1% annually from 2000-2015. The growth in number of household exhibited in Plant City is similar to that experienced in Hillsborough County and the Tampa-St. Petersburg-Clearwater MSA. Both Hillsborough County and the Tampa-St. Petersburg-Clearwater MSA experienced an annual growth rate of 2% from 2000-2015.

Table 2.2: Study Area Population Growth

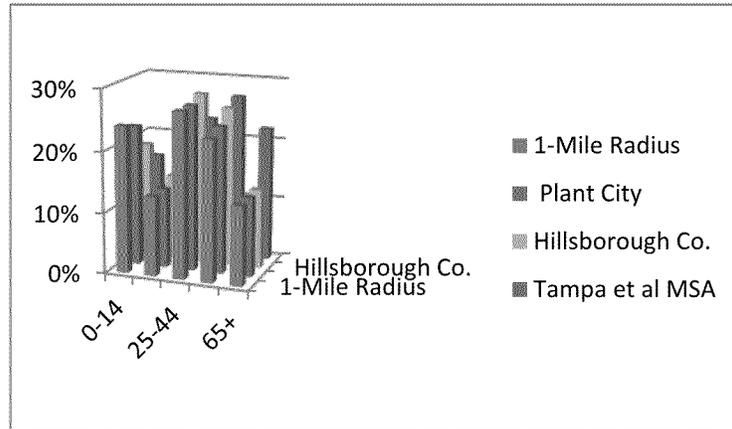
Population Growth	2000	2010	2015	annual growth	annual growth
				rate	rate
				2000-2010	2010-2015
1-mile Radius	8,957	8,938	8,940	0%	0%
City of Plant City	31,058	34,721	36,900	1%	1%
Hillsborough County	998,969	1,229,226	1,317,131	2%	1%
Tampa-St. Petersburg-Clearwater I	3,702,264	4,355,372	4,565,737	2%	1%

Source: Claritas; GAI Consultants

Age

Plant City is very similar to both Hillsborough County and the Tampa-St. Petersburg-Clearwater MSA in terms of average age, with over half of the population between 25 and 64 which represents the traditional "working years." Plant City is keeping pace with the US in its share of population by age, Approximately 52% of the US population is between 25 and 64. The median age in Plant City is lower than Hillsborough County and the Tampa-St. Petersburg-Clearwater MSA. The median age in Plant City is 35.9, Hillsborough County 36.5, and Tampa-St. Petersburg-Clearwater MSA 41.9. The City's median age also falls below the US median age of 37.5. The median age within the MSA is higher than the City and County due to the larger percentage of the population over the age of 65. 22% of the population within the MSA is over the age of 65, while just 13% of both the City and the County is over the age of 65.

Figure 2.1: Study Area Population by Age, 2015



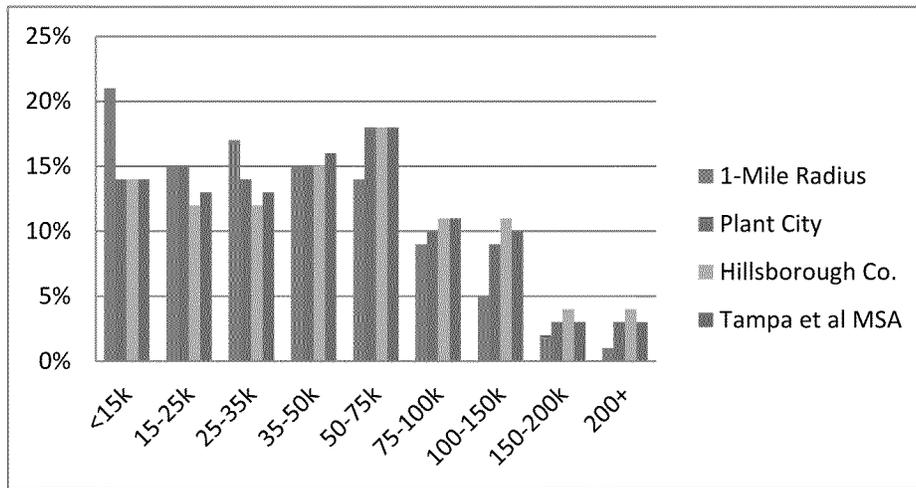
Household Income

Household income data assists with understanding the purchasing capacity of existing and potential future residents, the site and region’s economic context, and the market for additional retail and services. The area immediately around the site has markedly lower household incomes than the region. In the area immediately surrounding the project area (1-mile radius), over half (53%) of the population earns \$35,000 a year or less. The incomes in the area surrounding the project site are significantly lower than those throughout Plant City, Hillsborough County and the Tampa-St. Petersburg MSA. The percentage of the population earning less than \$35,000 a year in Plant City is 43%, compared with 38% of the population in Hillsborough County and 40% in the Tampa-St. Petersburg MSA.

Overall, households in the region earn modest incomes, which are lower than the state and nation’s median household incomes. In 2013, the Tampa-St. Petersburg-Clearwater MSA’s median household income was over \$6,000 less than the US as a whole but just \$156 less than the State of Florida.

Average household incomes are higher than the median incomes, suggesting there is imbalance between the upper and lower ends of the income spectrum. In the United States, the median household income is approximately 71 percent of the average household income. This is the same ratio as for the Tampa-St. Petersburg-Clearwater MSA and Hillsborough County.

Figure 2.2: Study Area Households by Household Income, 2015



Housing Tenure

Just under half (46%) of the existing housing in the area immediately surrounding the project site is renter-occupied. Citywide 38% of residents rent and countywide 39% rent. There is a larger share of owner-occupied housing in the larger geographies, with 70% of the MSA’s units owner-occupied. While the number of households has consistently increased in the City, County and MSA since 2000, the number of owner-occupied housing units within one mile of the project site has declined since 2000.

Table 2.3: Study Area Housing Tenure

Housing Tenure		2000	2010	2015
1-mile Radius				
	owner-occupied	1,870	1,722	1,735
	renter-occupied	1,455	1,475	1,478
City of Plant City				
	owner-occupied	7,379	7,535	7,987
	renter-occupied	3,805	4,564	4,849
Hillsborough County				
	owner-occupied	250,997	288,819	307,339
	renter-occupied	140,361	185,211	198,639
Tampa-St. Petersburg-Clearwater MSA				
	owner-occupied	1,134,122	1,252,972	1,303,824
	renter-occupied	423,086	551,404	578,706

Source: Claritas; GAI Consultants

Household Migration and Household Move Rates

Residential relocations are an important component in the analysis of residential demand. In 2013, 18% of the population of Plant City moved within the year prior. This is similar to Hillsborough County where 19% of the population moved within the year prior.

The majority (76%) of people that moved in Plant City in 2013 moved from within Hillsborough County, 11% moved from elsewhere within the State of Florida and 12% moved from another state. Similarly, 69% of the people that moved in Hillsborough County remained in Hillsborough County, 14% moved from another county in the State of Florida and 12% moved from another state. Renters tend to move more frequently than homeowners. About 81% of the 6,188 people that moved in Plant City in 2013 were renters. Hillsborough County saw a similar trend, with 73% of the 235,998 people that moved in Hillsborough County in 2013 renters.

The trend exhibited in Plant City and Hillsborough County is similar to that at the state and national level. In 2013, 60% of the people that moved in Florida moved within the same county and 61% of people that moved in the United States moved within the same county. However, renters that moved in Plant City and Hillsborough County did exhibit larger percentages than that of the State of Florida and the United States in 2013. Sixty-seven percent of the 2,930,694 people that moved in Florida were renters, and 68% of the 43,127,391 people that moved in the United States were renters in 2013.

Table 2.4: City and County Household Move Rates by Tenure, 2013

Householder Move Rates by Tenure, 2013						
City of Plant City						
	Owner-Occ.		Renter-Occ.		Total	
Householders	19,795		15,452		35,247	
Moved within Past Year	1,191		4,997		6,188	
% of Householders in Category	6%		32%		18%	
Moving	# of Movers	% of Movers	# of Movers	% of Movers	# of Movers	% of Movers
Fr Within Same County	716	60%	4,005	80%	4,721	76%
Fr Different County in Same State	224	19%	444	9%	668	11%
Fr Different State	242	20%	507	10%	749	12%
Hillsborough County						
	Owner-Occ.		Renter-Occ.		Total	
Householders	740,800		514,407		1,255,207	
Moved within Past Year	64,735		171,263		235,998	
% of Householders in Category	9%		33%		19%	
Moving	# of Movers	% of Movers	# of Movers	% of Movers	# of Movers	% of Movers
Fr Within Same County	45,370	70%	117,158	68%	162,528	69%
Fr Different County in Same State	8,114	13%	23,964	14%	32,078	14%
Fr Different State	8,353	13%	21,145	12%	29,498	12%

Source: U.S. Census Bureau, American Community Survey; GAI Consultants

Employment Trends

As reflected below, employment growth within the Tampa-St. Petersburg-Clearwater MSA has been 1% annually over the past fifteen years. Employment is expected to increase slightly through 2020, increasing on average 1% per year. Industries that have experienced the highest annual growth rate since 2000 are Accommodations/Food Services (2.3%), Administration/Support/Waste Management (2.1%), Educational Services (2.5%), Healthcare/Social Assistance (2.7%), Management of Companies (4.2%), and Professional/Scientific/Technical/Administration (2.4%).

Table 2.5: Employment Trends, Tampa-St. Petersburg-Clearwater MSA

Employment Trends	Tampa-St. Petersburg-Clearwater MSA			annual growth rate	annual growth rate
	2000	2015	2020	2000-2015	2015-2020
Accommdtn/Food Svcs	110,940	155,787	165,326	2.3%	1.2%
Admin/Spprt/Waste Mgmt	78,960	107,067	113,826	2.1%	1.2%
Agriculture/Forest/Fish/Hunt/Mine	24,083	23,748	25,451	-0.1%	1.4%
Entertainment/Rec	40,138	56,909	60,185	2.4%	1.1%
Construction	122,881	117,559	125,052	-0.3%	1.2%
Educational Svcs	108,287	155,927	166,206	2.5%	1.3%
Fin/Insur/RE/Rent/Lse	136,011	118,132	125,784	-0.9%	1.3%
Health Care/Soc Asst	188,505	279,451	297,160	2.7%	1.2%
Information	51,217	39,272	41,766	-1.8%	1.2%
Mgmt of Companies	586	1,093	1,137	4.2%	0.8%
Total Manufacturing	134,173	119,137	126,957	-0.8%	1.3%
Oth Svcs, Not Pub Admin	80,441	98,095	104,286	1.3%	1.2%
Prof/Sci/Tech/Admin	93,358	133,079	141,482	2.4%	1.2%
Public Administration	68,213	84,113	89,748	1.4%	1.3%
Retail Trade	230,897	270,379	287,374	1.1%	1.2%
Transport/Warehse/Utils	76,689	83,023	88,242	0.5%	1.2%
Wholesale Trade	66,564	54,140	57,533	-1.4%	1.2%
Total	1,611,943	1,896,911	2,017,515	1.1%	1.2%

Source: Claritas; GAI Consultants

Implications

Growth trends, housing tenure, income and employment attributes point to a marketplace that, at least in the short run, will have some obvious price and cost considerations to address. While underlying conditions and activity are all favorable, the opportunities developed must initially align with the constraints imposed primarily by market prices and the more limited resources of the likely target residents. These conditions could change over a longer planning horizon but must be addressed now in terms of specific product.

3.0 Market Demand By Land Use Type

The following discussion focuses on the potential market demand for residential, office, and retail space at the project site by looking at real estate indicators such as lease rates, vacancy and absorption, speaking with local stakeholders, and looking at a breakdown of the performance of existing commercial and residential space, as well as a discussion of any proposed new development or redevelopment. These are all evaluated in the context of the various economic and demographic data already outlined.

3.1 Projected Population Growth

In order to estimate the potential number of new units that might be accommodated at the project site, GAI Consultants looked at projected population growth for the region, with Hillsborough County forecast to add 243,579 new residents from 2015 to 2025, or about 95,521 new households. Based on existing housing unit patterns, it is estimated that almost 40% of the new households will be rental units.

Currently, Plant City accounts for almost three percent of the total population in the County. If it is assumed that Plant City continues to capture their fair share of population growth, Plant City could add an additional 1,627 owner occupied units and 1,042 rental units. If we assume that only a portion of new residents purchasing single family homes will have a preference for attached units, we have estimated that the project site could conservatively capture between 130 and 195 new owner occupied units and between 208 and 312 new rental units. These figures are also substantiated by current positive indicators with respect to the rental market. The multi-family for sale market in Plant City has few current or recent projects to compare in terms of sales pace, however, strong sales at a new project in Brandon and two large scale proposed developments in the Plant City area point to some potential pent up demand in the for sale market.

Table 3.1: Projected Capture of New Population Growth, Plant City and Project Area

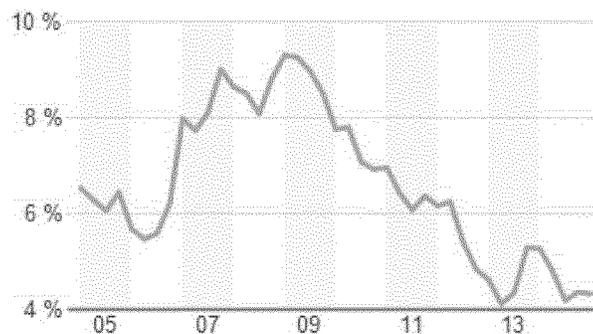
Forecast Capture of Housing at Project Site	
Total Forecast Population Change, 2015 - 2025	243,579
Estimated Households at 2.55 persons per Household	95,521
Percent Owner Occupied	61%
Percent Renter Occupied	39%
Total Projected Owner Occupied Housing Units	58,200
Total Projected Renter Occupied Housing Units	37,253
Hillsborough County - Total Population 2010	1,229,226
Hillsborough County - Total Population 2015 estimate	1,319,740
Plant City - Total Population 2010	34,721
Plant City - Total Population 2015 estimate	36,900
Plant City Population Fair Share of Hillsborough County	2.8%
Fair Share of Owner Occupied Housing	1,627
Assumed Preference for Multi-Family Owner Occupied @ 40%	651
Fair Share of Rental Housing	1,042
20% Capture of Potential Market	
Owner Occupied Units	130
Rental Units	208
30% Capture of Potential Market	
Owner Occupied Units	195
Rental Units	312

Note: Average household size and percent renter and owner occupied based on 2010 Census data.
 Source: University of Florida, GAI Consultants

3.2 Multi-Family Rental

GAI Consultants looked at real estate economic indicators for the larger Hillsborough County market in order to understand trends as it relates to the rental housing market. As reflected in the following graph, over the past several years, the vacancy rate for multi-family rental units in Hillsborough County peaked in 2009 and declined to just 4% in 2013. While the vacancy rate increased slightly over the past year to about 5%, this is typically considered a relatively low vacancy rate, or indication of some pent-up demand as a nominal amount of vacancy is due to frictional vacancy, or vacancy occurring due to tenant relocations as leases roll over and expire.

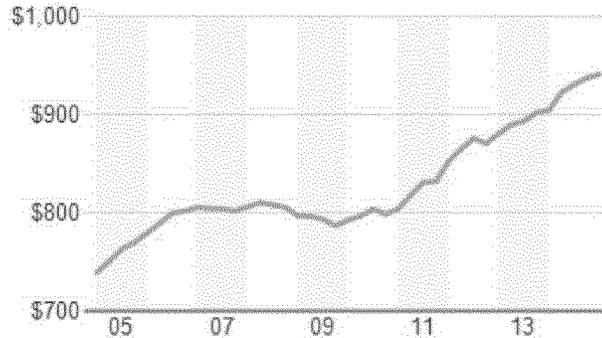
Figure 3.1: Vacancy Rate, Hillsborough County Multi-Family Rental, 2005 - 2014



Source: COSTAR, GAI Consultants

As vacancy rates for rental units continue to decrease in the county, the effective rent (rent less concessions) has continued to increase since 2010, and currently stands at almost \$950 per unit, a significant increase from 2010 when the per unit effective rental rate was about \$800.

Figure 3.2: Effective Rent Per Unit, Hillsborough County Multi-Family Rental, 2005 - 2014



Source: COSTAR, GAI Consultants

GAI Consultants also looked at multi-family rental trends for Hillsborough County by area (prepared by MyRentComps). The Temple Terrace/Seffner/Plant City area reflected about a 94% occupancy rate as of Third Quarter 2014, or similar to the overall occupancy rate for the entire county. The occupancy rate is notably higher for newer units located in Zone 4 – or 96.6% for units built between 1990 and 1999 and 98.18% for units built after 2000. The average effective rent for all units is \$0.82 per square foot.

We also looked at multi-family rental indicators for this area in Hillsborough County by type of unit. As shown, the larger units (2 bedroom/2 bath and 3 bedroom/2 bath) recorded the highest occupancy levels, with studios recording the lowest occupancy (based on a relatively small sample of 79 total units reporting).

Figure 3.3: Hillsborough County, Key Market Areas in Region

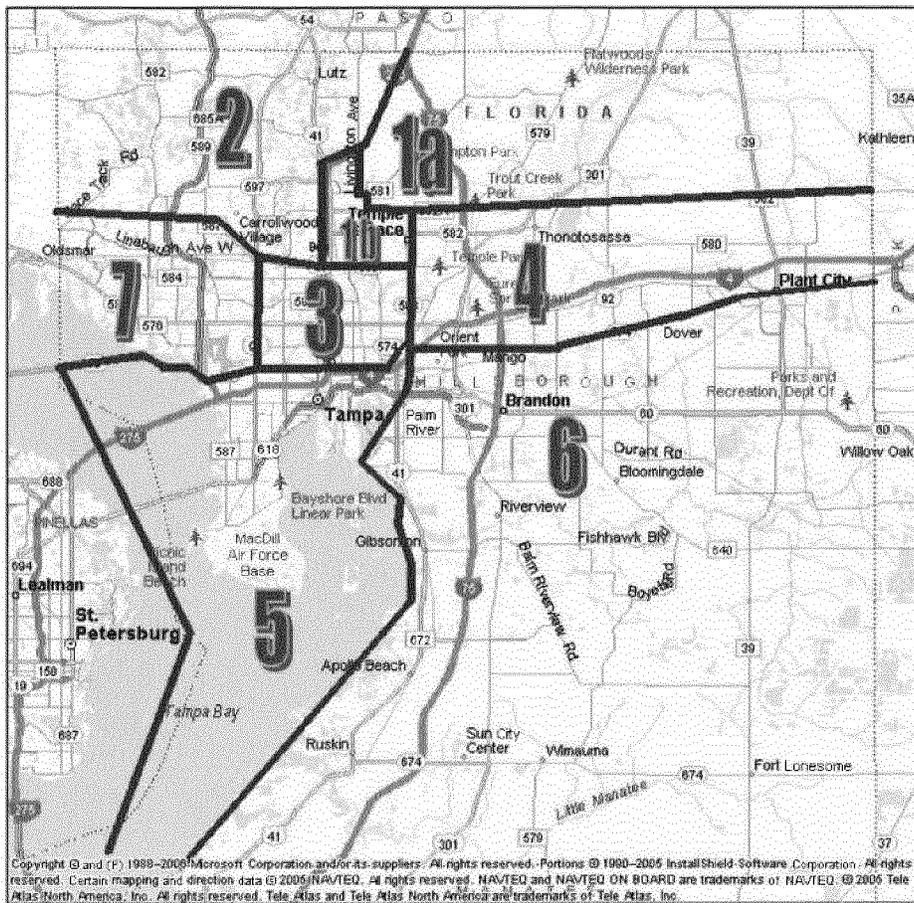


Table 3.2: Hillsborough County, Temple Terrace/Plant City Rental Characteristics

	Total No. Units	Percent Occupied	Ave. Sq. Ft	Ave. Effective Rent/SF
Summary All Units	7,554	93.71%	945	\$0.82
By Year Built				
1979 and Earlier	3,843	92.90%	963	\$0.78
1980 - 1989	1,544	90.67%	757	\$0.88
1990 - 1999	1,177	96.60%	934	\$0.90
Post 2000	990	98.18%	1,183	\$0.84

Source: MyRentComps, GAI Consultants

Table 3.3: Hillsborough County, Temple Terrace/Seffner/Plant City, Rent and Occupancy by Type of Unit

Unit Type	# Units Responding	Percent Occupied	Average SF	Ave. Market Rent/SF	Ave. Effective Rent/SF
All Units	7,554	93.7%	945	\$0.83	\$0.82
Studio	79	81.0%	438	\$1.25	\$1.25
1 BR/1 BA	2,889	93.6%	727	\$0.89	\$0.88
2 BR/1 BA	1,261	91.8%	924	\$0.78	\$0.77
2 BR/2 BA	2,144	94.8%	1065	\$0.79	\$0.78
3 BR/2 BA	744	94.9%	1279	\$0.77	\$0.77

Source: MyRentComps.com, GAI Consultants

Comparable and Competitive Multi-Family Rental Units

The figure below reflects the market characteristics of selected multi-family rental properties located in Plant City. As shown, effective rents per square foot range from \$0.65 to \$1.04. This rental rate is comparable with the rates in Temple Terrace/Seffner/Plant City (Zone 4) in Hillsborough County. All of the projects, with the exception of Garden Court and Park Springs (the two most affordable apartment complexes) are over 93% occupied. No new apartment complexes have been built in Plant City since 2000. The last surge of new development of rental units occurred from 1997 to 2000, when four new apartment complexes were constructed: Woodbridge at Walden Lake in 1997, Tall Timbers in 1999, and Madison Park Road and Park Springs, both in 2000.

Figure 3.4: Multi-Family Residential Complexes, Plant City

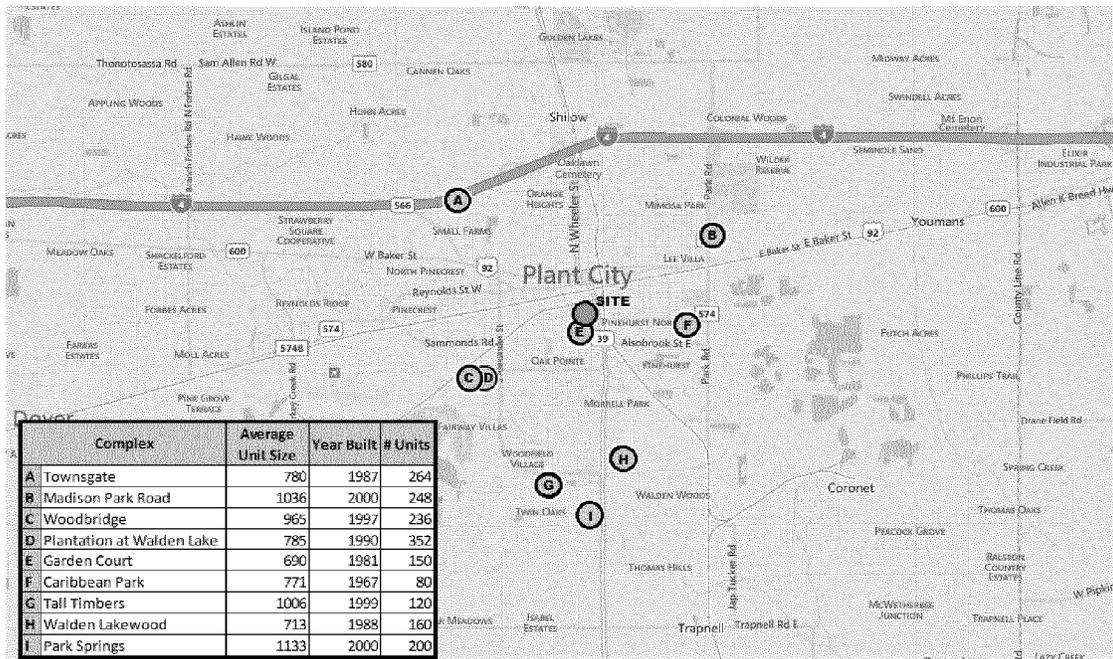


Table 3.4: Multi-Family Rental Characteristics by Building Complex

	Year Built	% Occupied	Average Effective Rent	Effective Rent/SF	# Rentable Units	Total Number of Units		
						1 Bed-room	2 Bed-room	3 Bed-room
Caribbean Park	1967	100%	\$596	\$0.77	80	8	44	28
Garden Court	1980	83%	\$495	\$0.65	138	40	80	18
Hunters Ridge at Walden Lake	1990	93%	\$806	\$0.96	352	144	166	42
Madison Park Road	1999	94%	\$920	\$0.89	248	64	120	64
Park Springs	2000	89%	\$743	\$0.65	200	0	100	100
Tall Timbers	2000	97%	\$853	\$0.85	120	18	78	24
Townsgate	1986	96%	\$689	\$0.88	264	120	144	0
Walden Lakewood	1987	94%	\$743	\$1.04	160	120	32	8
Woodbridge at Walden Lake	1997	99%	\$730	\$0.72	236	36	112	88

Source: RentComps.com

GAI also looked at multi-family rental unit characteristics by type of unit (e.g. 1 bedroom/1 bath). As reflected, the one bedroom/one bath units generate the highest effective rents and the highest occupancy. Occupancy rates among the other unit types are similar, or roughly 93%.

Table 3.5: Multi-Family Rental Characteristics by Unit Type, Selected Complexes, Plant City

Unit Type	No Units	Base Effective Rent	Base Effective Rent/SF	Ave SF	% Occupied
1 bed/1 bath	550	\$664	\$0.99	669	95.5%
2 bed/1 bath	292	\$662	\$0.79	836	92.1%
2 bed/2 bath	584	\$817	\$0.81	1006	93.3%
3 bed/1 bath	46	\$636	\$0.70	903	93.5%
3 bed/2 bath	326	\$881	\$0.74	1191	93.9%

Source: RentComps.com, GAI Consultants

Hunters Ridge at Walden Lake/Woodbridge at Walden Lake

Hunters Ridge at Walden Lake (built in 1990) and Woodbridge at Walden Lake (built in 1997) are both located at the southwest corner of Airport Road and Route 39A. Hunters Ridge is priced near the upper end of the Plant City rental market (\$0.96 per square foot) and includes several amenities such as a swimming pool, tennis court, basketball and volleyball court, exercise room, lakefront gazebo, and Jacuzzi. Woodbridge at Walden Lake is priced below Hunters Ridge and almost fully leased (99%). It also includes many of the same amenities and is a newer property.

Park Springs

Park Springs apartments includes both two bedroom/two bath and three bedroom/two bath units within the complex and was completed in 2000. The total occupancy is currently 89%, or notably below that for rental units in the county as a whole. Park Springs offers lower priced units (average rental rate of \$0.65 per square foot) with fewer overall amenities.

Tall Timbers

The Tall Timbers apartment complex was also completed in the year 2000 and is currently almost entirely occupied (97% for 120 total units). The average effective rent of \$0.85 per square foot is similar to the average for Zone 4 in Hillsborough County. The apartment complex is located just south and west of the intersection of Route 39 and 39A and includes several amenities (e.g. tennis court, swimming pool, volleyball court, playground, exercise room, lakefront views).

Proposed New Multi-Family Rental Housing

We have identified only one new multi-family housing project in the pipeline in Plant City. One hundred and twenty-five new units are currently being built on South Frontage Road, between Park and County Line Roads.

3.3 For Sale Housing

GAI Consultants looked at residential permits issued in Plant City as well as sales/absorption of multi-family for sale housing projects located in Plant City in order to better understand the potential market demand for multi-family for sale units at the project site. As reflected below, new multi-family permitting has been limited to 127 new multi-family units since 2008. As with other indicators, planning and construction of new residential units dropped significantly after the recession took hold in 2008.

Table 3.6: Residential Permits, Plant City, 2008 through 2013

	2008	2009	2010	2011	2012	2013	Total
Single Family	114	80	24	69	86	109	482
<u>Two Family</u>							
Buildings	0	0	0	0	0	1	1
Units	0	0	0	0	0	2	2
<u>Three and Four Family</u>							
Buildings	0	2	1	0	0	0	3
Units	0	6	3	0	0	0	9
<u>Five or More Family</u>							
Buildings	1	0	0	6	0	0	7
Units	68	0	0	48	0	0	116

Source: US Census Bureau; GAI Consultants, Inc.

Based on data from the Hillsborough County property tax appraisers office, from 2013 to 2014 there were 12 condominiums sold in the greater Plant City area. During the same time frame, there were 380 qualified single family home sales in the same Plant City area. Based on the same data source, there were a total of 392 new single family homes built between 2007 and 2013.

In order to better understand the for sale market, GAI looked at the individual characteristics of multi-family for-sale units currently existing in the Plant City area.

Plant City Area Multi-Family For Sale Units

A summary of sales price trends for the multi-family for sale housing projects located in Plant City is shown below. Walden Woods, one of the newest developments (built in 2009), recorded the highest sales numbers of about 16 units annually. Kentwood Park, which sells affordable condominium units, recorded the second highest average sales pace over the past four years, or just over one unit per month. Since Alexander Woods was recently completed, it is too early to tell how quickly units are absorbed in a new multi-family development in the area.

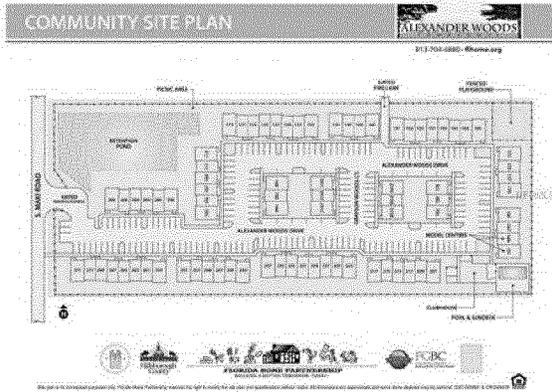
Table 3.7: Multi-Family Housing Development, Plant City, Annual Sales and Sales Price Trends

	Year Built	2010-2014 Avg. Sale Price	2010-2014 Avg. Units Sold Per Year
Laurel Lake	1995	\$157,693.33	3.75
Cedar Run	1985	\$77,533.33	1.5
Walden Lake fairway	1979	\$121,202.36	6.75
Walden Woods	2009	\$115,343.75	16
Alexander Woods	2014	\$100,000.00	0.25
Kentwood Park	1987	\$33,752.73	13.75
The Preserve	1992	\$123,311.11	2.25
Eagle Greens	2000	\$112,711.11	2.25

Walden Woods Townhomes - Walden Woods is a townhome development with pricing starting in the mid \$100,000's. The two to three bedroom townhomes were developed by DR Horton, with six floor plans available. Amenities include a pool, basketball court, barbeque areas, and a playground. An average of 16 units sold each year from 2010-2014.



Alexander Woods Townhomes - Alexander Woods is a new townhome community that is being developed by a County non-profit housing partner. The development will include 80 townhomes including a clubhouse, pool, playground and picnic area. Pricing of units starts in the low \$100,000's, and potential buyers must meet requirements of the County's homebuyer program. The first completed townhomes were available for purchase in 2014, with one unit sold in 2014.



Cedar Run Townhomes - Cedar Run is a 38 unit townhome community that was originally constructed in 1985. Cedar Run features 2 bedroom/2 bathroom 1,180 SF townhomes. Average sale prices from 2010-2014 were \$77,533. Amenities include a community swimming pool with restroom facility. An average of 1.5 units sold each year from 2010-2014.

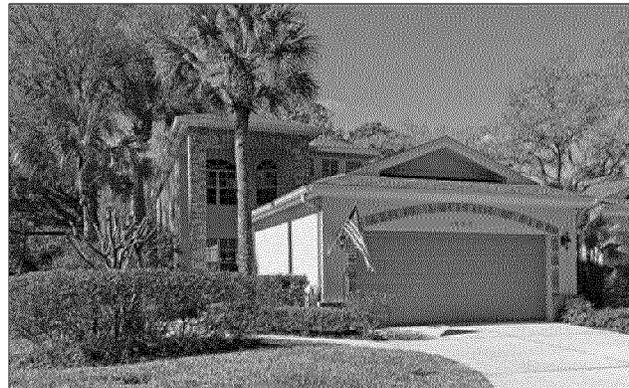


Walden Lake Fairway Villas - Walden Lake Fairway Villas is an 84 unit townhome community that was originally constructed in 1979. Fairway Villas is located within the Walden Lake Community and features 2 bedroom/2 bathroom and 3 bedroom/2 bathroom townhome villas from 1,300 SF - 2,000 SF. Average sale prices from 2010-2014 were \$115,343. Amenities include a community swimming pool with restroom facility. An average of 6.75 units sold each year from 2010-2014.



Laurel Lake Condominiums - Laurel Lake is an 85 unit condominium community that was originally constructed in 1995. Laurel Lake is located within the Walden Lake Community and features villas from 1,200-2,000 square feet. Average sale prices from 2010-2014 were \$157,693. Monthly association dues of \$159 include all lawn maintenance, private roads, and private gated entry. An average of 3.75 units sold each year from 2010-2014.

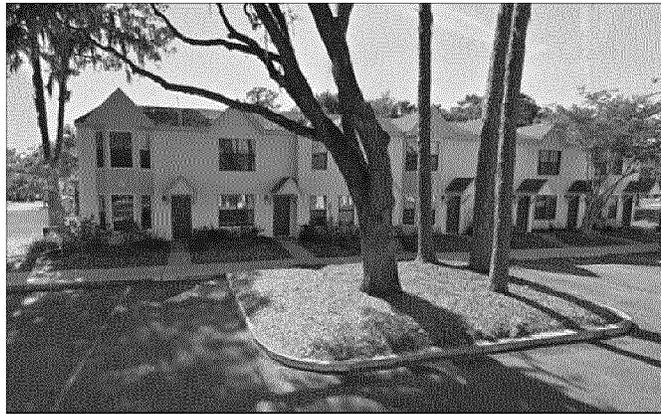
The Preserve - The Preserve is a 39 unit condominium community that was originally constructed in 1992. The Preserve is a gated community located within the Walden Lake Community and features two and three bedroom condominiums from 1,400 SF - 2,100 SF. Average sale prices from 2010-2014 were \$123,311. Monthly maintenance fee covers water, sewer, basic cable, exterior maintenance including roofs, building and flood insurance, grounds, lawn, irrigation, community pool and private gated entry. An average of 2.25 units sold each year from 2010-2014.



Eagle Greens - Eagle Greens is a 40 unit condominium community that was originally constructed in 2000. Eagle Greens is a gated community located within the Walden Lake Community and features 2 bedroom/2 bathroom condominiums from 1,000 SF -1,300 SF. Average sale prices from 2010-2014 were \$112,711. Amenities include a community swimming pool with restroom facility. An average of 2.25 units sold each year from 2010-2014.



Kentwood Park - Kentwood Park is a 107 unit condominium community that was originally constructed in 1987. Kentwood Park features 2 bedroom and 3 bedroom floorplans from 900 SF - 1,800 SF. Average sale prices from 2010-2014 were \$33,752. Amenities include a community swimming pool with restroom facility. An average of 13.75 units sold each year from 2010-2014.



Brandon Area Multi-Family For Sale Units

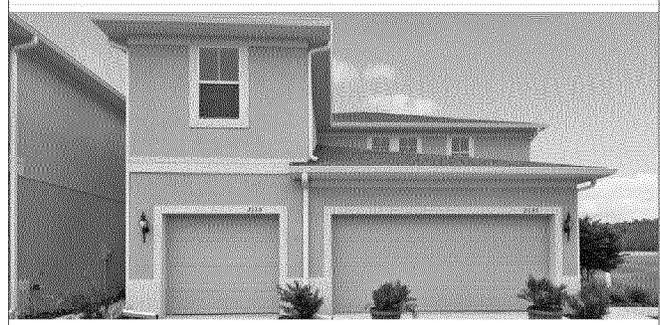
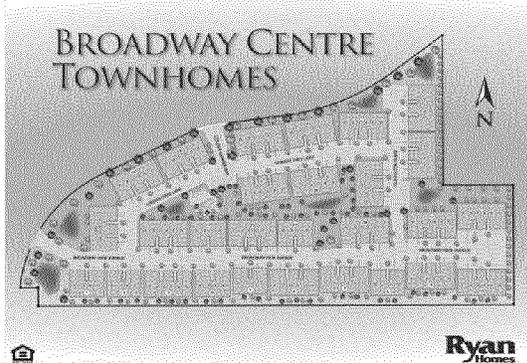
Given limited comparables in the Plant City area, GAI also looked at home sales in Brandon. As reflected below, in the Brandon area, two new multi-family for sale projects were built in 2014. Brandon Pointe, one of the new developments, has been selling over five units per month with an average sales price of \$170,360.

Table 3.8: Multi-Family Housing Development, Brandon, Annual Sales and Sales Price Trends

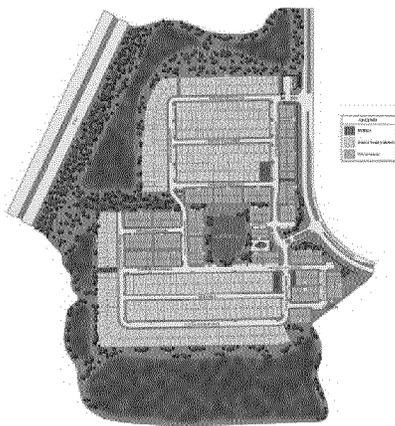
	Year Built	2010-2014	2010-2014 Avg.
		Avg. Sale Price	Units Sold Per Year
Broadway Centre	2014	\$ 161,820.00	5
Chealsea Manor	2004	\$ 80,052.38	5.25
Regency Key	2001	\$ 63,027.27	8.25
The Carlisle Club	1986	\$ 63,275.00	2
Lakewood Ridge	2005	\$ 85,485.12	12.25
Russellwood	1981	\$ 40,857.14	12.25
The Hamptons at Brandon	1985	\$ 27,601.28	19.5
Oakwood Court	1981	\$ 27,266.67	1.5
Lumsden Reserve	2004	\$ 190,128.57	1.75
Park Lake at Parsons	1988	\$ 49,680.83	30
Kings's Court	1989	\$ 73,450.00	4
Whispering Oaks	2007	\$ 135,391.43	8.75
Heather Lakes	1986	\$ 52,031.25	4
Townhomes at Kensington	1998	\$ 72,246.30	13.5
Edgewater at Lake Brandon	2006	\$ 96,913.25	20.75
Lake Brandon	2007	\$ 141,563.16	39.5
Brandon Pointe	2014	\$ 170,359.70	67
Providence	1999	\$ 69,066.67	20.25
Oak Park	1988	\$ 84,452.63	4.75
Buckhorn Creek	1975	\$ 55,348.57	8.75
Vista Cay	2005	\$ 108,500.00	6.75

Brandon, FL: New Multi-Family For Sale

Broadway Centre - Broadway Centre is a new townhome community being developed by Ryan Homes offering 2 floorplans. Two and three bedroom units with one or two car garage options are available. Community Amenities include a swimming pool and cabana. Three bedroom units with about 1,813 SF are available from the low \$180,000s. Two bedroom units with about 1,444 SF start in the low \$140,000s.



Brandon Pointe - Brandon Pointe is a new single-family and multi-family community being developed by Lennar Homes offering townhomes with 3 floorplans. Two and three bedrooms units with 2.5 bathrooms and one car garage are available. Two bedroom units with 1,541 SF start from \$185,990 at Brandon Pointe. Three bedroom units with approximately 1,634 SF start from \$189,990. Monthly community association dues of \$153.48 cover gated entry, water, sewer, irrigation, trash service, lawn maintenance, community pool, and paint and roof reserves.



Proposed New Housing

Two large residential developments are currently planned for Plant City – North Park Isles and Varrea – both are located in the Northeast Master Plan area. North Park Isles is planned for a site north of I-4, north of Sam Allen Road and Park Road. The developer is LandBuilder and about 1,000 new single family homes are proposed, with a price range estimated at between \$225,000 and \$235,000. The land was acquired in 2004, but development has been delayed due to floodplain issues, as well as the recession in 2008. The site is also constrained by existing wetlands and upland forest. The first phase of the development proposes 319 housing units. The developer is anticipating new growth radiating out from the Tampa area.

Varrea has been approved for over 2,600 units and encompasses 1,008 acres. It is proposed as Plant City's first Traditional Neighborhood Development.

Implications for the Housing Market

Based on our analysis of the existing rental market in Plant City and greater Hillsborough County, the market indicators remain strong and there may also be pent-up demand for new owner occupied housing in the area.

The Temple Terrace/Seffner/Plant City area currently has a relatively high occupancy rate of 94%, which is similar to that for the county. All of the complexes in Plant City, with the exception of Garden Court and Park Springs (the two most affordable apartment complexes) are over 93% occupied. As might be expected, with increasing occupancy rates, effective rental rates have also been increasing. These indicators, combined with projected population growth of 243,579 over the next ten years point to the relatively strong potential for new rental housing development at the project site. It should also be noted that no new apartment projects have been built in Plant City since 2000, although a new complex is currently under construction on South Frontage Road, between Park and County Line Roads. As also noted, one of the newer apartment complexes built in Plant City (Tall Timbers) is almost completely occupied at 97%.

Opportunities for owner occupied housing are much less clear but growth trends generally, past preferences, and the involvement of other developers interested in this market suggest latent demand. Because we believe these opportunities are more speculative than rental housing they should be included in the program but more likely as a later phase of development.

3.4 Office

Plant City is located at the eastern edge of the Tampa Bay office market. According to 2014 year end data, over 630,000 SF of total space was absorbed during the past year, with much of the absorption occurring in the Westshore, Mid-Pinellas, and North Pinellas submarkets. While leasing activity has picked up, vacancy in the total market was reported at 16.2%, a slight increase from third quarter 2014. This vacancy rate is expected to decrease in the coming year, as rents continue to increase, with a \$0.21 increase in overall rents from third to fourth quarter 2014, with year-over-year increases in all submarkets.

The only multi-tenant delivery in the entire Tampa Bay market in 2014 was a 19,474 square foot building in the Tampa Palms Professional Center in Northeast Tampa. According to CBRE, there are 24 planned projects in the Tampa Bay market totaling about 4.5 million SF, and all but one are proposed for Hillsborough County (seven are located within the Westshore submarket). This total does not include the large mixed-use project being proposed by Jeff Vinik along the downtown Tampa waterfront around the Amalie Arena.

The East Submarket includes much of Plant City and extends east roughly to Route 39. As reflected below, the East and Northeast Tampa submarkets are currently reporting relatively high vacancy rates of about 20%. The East Submarket also includes much of the office space located along Interstate 75. Lease rates in the East and Southeast market are also notably lower than that for the county as a whole, reflecting in part the relatively high lease rates (and lower vacancy rates) in the Tampa Central Business District and the Westshore submarket.

Table 3.9: Office Real Estate Trends, Tampa Bay and Selected Submarkets

Submarket	Total Inventory (SF)	Vacancy (%)	2014 Net Absorption (SF)	Avg. Asking Lease Rate
Northeast Tampa	4,004,023	20.1%	(45,527)	\$20.39
East Tampa	3,137,670	20.1%	39,390	\$17.65
Southeast Tampa	423,788	14.2%	3,790	\$16.68
Total I-75 Corridor	7,565,481	19.8%	(2,347)	\$19.29
Overall Hillsborough	33,059,721	15.3%	288,274	\$21.82
Overall Tampa Bay	46,066,517	16.2%	626,945	\$20.60
Class A	19,792,599	13.6%	332,371	\$24.53
Class B	19,150,330	18.3%	348,291	\$18.62
Class C	7,123,588	17.7%	(53,717)	\$15.02

Source: CBRE, GAI Consultants

The highest concentration of newer Class A and B office space (50,000 SF and greater) within Hillsborough County is located to the west in the Greater Tampa area, including a large concentration of office space located along I-75 in Brandon.

New office construction in Hillsboro County remains limited. Only three new office buildings were constructed in the county since 2009. Three new office buildings are proposed or under construction in the East Tampa submarket, including a 369,600 SF office building for USAA near Brandon. A 39,105 SF medical office building is also under construction in Brandon and a 32,291 square foot office building is proposed in Riverview. The new building for USAA will be the largest build-to-suit project in Hillsborough County since 2001.

Table 3.10: New and Planned Office Construction, Hillsborough County, Since 2009

Building Address	Building Name	Building Class	Year Built	Rentable Building Area	Building Status	Submarket Name	City
403 S Kings Ave	Brandon Medical Pavilion	B	2015	39,105	Under Construction	East Tampa	Brandon
3120 S Falkenburg Rd		B	2015	32,291	Proposed	East Tampa	Riverview
Lee Roy Selmon Expy	USAA	A	2015	369,600	Under Construction	East Tampa	Tampa
214-216 Morrison Rd		B	2012	17,500	Existing	East Tampa	Brandon
514 Medical Oaks Ave		B	2009	10,859	Existing	East Tampa	Brandon
2402 State Road 60	Angelica Tower	A	2009	52,688	Existing	Eastern Outlying	Valrico

Source: COSTAR, GAI Consultants

GAI Consultants also looked at indicators for the office market located within a study area that extends to the east to the county line, to the west just past I-75, to the north just past SR 580, and to the south past SR 60 (encompassing much of the existing inventory located in Hillsborough County along I-75).

Table 3.11: Office Market Trends, Plant City Study Area, 2006 through 2014

Period	# Bldgs	Total RBA	Total Vacant SF	Total Vacant %	Total Net Absorption	# Delivered	RBA Delivered	# Under Const	Total Average Rate
QTD	131	5,276,372	683,508	13.0%	47,771	0	0	0	\$17.15/fs
2014 4Q	131	5,276,372	731,279	13.9%	(36,985)	0	0	0	\$17.16/fs
2014 3Q	131	5,276,372	694,294	13.2%	(33,692)	0	0	0	\$17.39/fs
2014 2Q	131	5,276,372	660,602	12.5%	70,442	0	0	0	\$17.70/fs
2014 1Q	131	5,276,372	731,044	13.9%	355	0	0	0	\$17.78/fs
2013 4Q	131	5,276,372	731,399	13.9%	30,333	0	0	0	\$18.16/fs
2013 3Q	131	5,276,372	761,732	14.4%	76,408	0	0	0	\$18.09/fs
2013 2Q	131	5,276,372	838,140	15.9%	16,758	0	0	0	\$17.99/fs
2013 1Q	131	5,276,372	854,898	16.2%	93,222	0	0	0	\$17.15/fs
2012 4Q	131	5,276,372	948,120	18.0%	10,361	0	0	0	\$17.05/fs
2012 3Q	131	5,276,372	958,481	18.2%	(89,321)	0	0	0	\$17.64/fs
2012 2Q	131	5,276,372	869,160	16.5%	(21,769)	0	0	0	\$18.35/fs
2012 1Q	131	5,276,372	847,391	16.1%	(50,361)	1	17,500	0	\$18.42/fs
2011 4Q	130	5,258,872	779,530	14.8%	(15,234)	0	0	1	\$18.75/fs
2011 3Q	130	5,258,872	764,296	14.5%	65,044	0	0	1	\$18.30/fs
2011 2Q	130	5,258,872	829,340	15.8%	(13,410)	0	0	1	\$18.28/fs
2011 1Q	130	5,258,872	815,930	15.5%	12,734	0	0	1	\$18.14/fs
2010 4Q	130	5,258,872	828,664	15.8%	19,076	0	0	0	\$18.02/fs
2010 3Q	130	5,258,872	847,740	16.1%	(25,347)	0	0	0	\$18.32/fs
2010 2Q	130	5,258,872	822,393	15.6%	13,485	0	0	0	\$18.40/fs
2010 1Q	130	5,258,872	835,878	15.9%	(38,293)	0	0	0	\$18.99/fs
2009 4Q	130	5,258,872	797,585	15.2%	30,598	0	0	0	\$20.09/fs
2009 3Q	130	5,258,872	828,183	15.7%	(12,330)	0	0	0	\$20.29/fs
2009 2Q	129	5,248,013	804,994	15.3%	100,276	1	52,688	1	\$20.48/fs
2009 1Q	128	5,195,325	852,582	16.4%	140,518	1	10,859	2	\$20.22/fs
2008 4Q	128	5,195,325	993,100	19.1%	(156,254)	1	128,376	2	\$20.35/fs
2008 3Q	127	5,066,949	708,470	14.0%	(93,289)	0	0	2	\$20.71/fs
2008 2Q	127	5,066,949	615,181	12.1%	(50,530)	0	0	2	\$20.71/fs
2008 1Q	127	5,066,949	564,651	11.1%	(50,331)	1	17,524	2	\$20.77/fs
2007 4Q	126	5,049,425	496,796	9.8%	37,303	1	36,000	3	\$20.46/fs
2007 3Q	125	5,013,425	498,099	9.9%	1,235	0	0	4	\$20.35/fs
2007 2Q	124	5,001,942	487,851	9.8%	81,789	1	102,000	5	\$19.07/fs
2007 1Q	123	4,899,942	467,640	9.5%	(40,219)	2	109,955	3	\$18.97/fs
2006 4Q	122	4,801,470	328,949	6.9%	16,535	2	71,023	4	\$19.16/fs
2006 3Q	118	4,703,894	247,908	5.3%	158,997	0	0	7	\$18.71/fs
2006 2Q	118	4,703,894	406,905	8.7%	73,523	3	107,593	7	\$18.70/fs
2006 1Q	115	4,596,301	372,835	8.1%	33,449	5	59,939	6	\$16.70/fs

Source: COSTAR, GAI Consultants

The office building inventory currently located in Plant City consists entirely of smaller scale Class B and C office space. There is currently no Class A/B office space sized 50,000 SF and greater located in Plant City.

According to data provided by COSTAR, the most recent office building construction in Plant City occurred in 2008 – a 17,524 SF office building was constructed at 511 West Alexander Street. With the exception of another small Class C office building (15,558 SF) constructed in 2002, all of the additional office space currently located within the city was constructed prior to 1989.

Table 3.12: Plant City Office Building Inventory (10,000 to 40,000 square feet)

Building Address	Building Class	Year Built	Rentable Building Area
607 S Alexander St	B	1920	14,164
511 W Alexander St	B	2008	17,524
702 E Alsobrook St	B	1988	13,500
712 E Alsobrook St	C	1988	10,000
1001 E Baker St	B	1985	14,266
2302 W Baker St	B		11,800
121 N Collins St	C	1981	17,585
104 N Evers St	C	1912	11,088
106 N Evers St	C	1956	11,501
600 N Evers St	C	1914	41,514
307 N Michigan Ave	C	1959	19,150
709 N Park Rd	C	1980	12,800
408 W Renfro St	C	1977	10,000
410 W Renfro St	C	1980	15,600
116 W Reynolds St	C	1920	21,792
202 W Reynolds St	B	1966	26,792
1601 W Reynolds St	C	1986	12,779
204 E Terrace Dr	B	1951	10,800
701 Tillman Pl	C	2002	15,558
1601 Timberlane Dr	B	1987	33,315
2020 E US Hwy 92	C	1972	18,432
105 S Wheeler St	C	1967	33,110
202 S Wheeler St	B	1986	14,246

Source: COSTAR, GAI Consultants

Implications

The extent to which the Plant City site can capture future office development is substantially a function of location, competition, and regional planning initiatives. Currently, Plant City accounts for less than 1.0% of office space in Hillsborough County, none of which is Class A space. The area is primarily oriented towards residential, retail, and light industrial/distribution uses. While the Plant City site is located within close proximity to I-4, it's location does not offer the visibility and traffic of a major arterial. The site does offer, however, proximity to other amenities such as those found in the nearby downtown district.

Competition from existing and planned developments is also a significant consideration when weighing the desirability of the project site for office development. Currently, there are over 4.5 million SF of office space planned for major developments around the county. However, employment projections for Hillsborough County are also relatively strong, with 89,286 new jobs projected from 2014 to 2022 by the Florida Department of Economic Opportunity.

Small scale office space located in close proximity to nearby new housing construction appears feasible given projected population and employment growth in both Plant City and greater Hillsborough County. However, given relatively high vacancy rates for existing commercial office space in the area, we would suggest including new office space in later phases of project development.

To the degree there are opportunities, site characteristics, access, and nearby land uses suggest an inclination towards office space targeted at medical practitioners and neighborhood services. This land use pattern is likely to continue in the future absent demand from a major single-use tenant. While

the lack of large contiguous blocks of space in the Tampa area may push development to outlying areas, it is likely that the Plant City market remains a longer-term potential for much smaller scale office space as the surrounding population continues to grow.

3.5 Retail

Similar to the office market, GAI Consultants also looked at indicators over the past several years (for retail projects with over 50,000 SF of retail space) for the retail market located within a defined study area (extending to the east to the county line, to the west just past I-75, to the north just past Route 580, and to the south past SR 60). As reflected in the following table, no new significant blocks of retail have been built in the trade area since 2006. Vacancy levels peaked in 2009 at 6.6%, but have been generally decreasing since that time and currently stand at 2.5%, a positive indicator of the relative health of the regional retail market as some nominal amount of vacancy is expected as leases turn over. Lease rates peaked in 2008, and have stabilized since 2012 at about \$12.50 per square foot. However, average lease rates did rise significantly during the fourth quarter of 2014, perhaps as a result of the extremely low vacancy rate reflected in the area.

Table 3.13: Retail Market Economic Indicators, Plant City Study Area, 2006 through 2014

Period	# Bldgs	Total RBA	Total Vacant SF	Total Vacant %	Total Net Absorption	# Delivered	RBA Delivered	# Under Const	Total Average Rate
QTD	54	7,053,061	174,159	2.5%	2,200	0	0	0	\$14.65/nnn
2014 4Q	54	7,053,061	176,359	2.5%	60,065	0	0	0	\$14.92/nnn
2014 3Q	54	7,053,061	236,424	3.4%	23,912	0	0	0	\$12.24/nnn
2014 2Q	54	7,053,061	260,336	3.7%	12,622	0	0	0	\$12.90/nnn
2014 1Q	54	7,053,061	272,958	3.9%	19,076	0	0	0	\$12.73/nnn
2013 4Q	54	7,053,061	292,034	4.1%	13,272	0	0	0	\$12.84/nnn
2013 3Q	54	7,053,061	305,306	4.3%	1,605	0	0	0	\$12.47/nnn
2013 2Q	54	7,053,061	306,911	4.4%	39,990	0	0	0	\$12.66/nnn
2013 1Q	54	7,053,061	346,901	4.9%	12,495	0	0	0	\$13.79/nnn
2012 4Q	54	7,053,061	359,396	5.1%	(9,130)	0	0	0	\$13.30/nnn
2012 3Q	54	7,053,061	350,266	5.0%	(19,719)	0	0	0	\$13.21/nnn
2012 2Q	54	7,053,061	330,547	4.7%	2,594	0	0	0	\$13.05/nnn
2012 1Q	54	7,053,061	333,141	4.7%	(4,855)	0	0	0	\$12.98/nnn
2011 4Q	54	7,053,061	328,286	4.7%	71,346	0	0	0	\$14.94/nnn
2011 3Q	54	7,053,061	399,632	5.7%	(35,120)	0	0	0	\$14.96/nnn
2011 2Q	54	7,053,061	364,512	5.2%	31,106	0	0	0	\$15.30/nnn
2011 1Q	54	7,053,061	395,618	5.6%	21,367	0	0	0	\$15.72/nnn
2010 4Q	54	7,053,061	416,985	5.9%	8,928	0	0	0	\$12.87/nnn
2010 3Q	54	7,053,061	425,913	6.0%	(788)	0	0	0	\$13.95/nnn
2010 2Q	54	7,053,061	425,125	6.0%	26,082	0	0	0	\$13.58/nnn
2010 1Q	54	7,053,061	451,207	6.4%	11,366	0	0	0	\$13.90/nnn
2009 4Q	54	7,053,061	462,573	6.6%	(14,691)	0	0	0	\$13.90/nnn
2009 3Q	54	7,053,061	447,882	6.4%	(50,726)	0	0	0	\$14.73/nnn
2009 2Q	54	7,053,061	397,156	5.6%	(30,669)	0	0	0	\$16.47/nnn
2009 1Q	54	7,053,061	366,487	5.2%	43,697	0	0	0	\$17.37/nnn
2008 4Q	54	7,053,061	410,184	5.8%	12,267	0	0	0	\$17.13/nnn
2008 3Q	54	7,053,061	422,451	6.0%	(55,018)	0	0	0	\$17.95/nnn
2008 2Q	54	7,053,061	367,433	5.2%	(129,738)	0	0	0	\$21.34/nnn
2008 1Q	54	7,053,061	237,695	3.4%	(31,674)	0	0	0	\$19.25/nnn
2007 4Q	54	7,053,061	206,021	2.9%	53,782	0	0	0	\$14.23/nnn
2007 3Q	54	7,053,061	259,803	3.7%	(15,060)	0	0	0	\$14.11/nnn
2007 2Q	54	7,053,061	244,743	3.5%	(96,802)	0	0	0	\$14.85/nnn
2007 1Q	54	7,053,061	147,941	2.1%	5,752	0	0	0	\$14.26/nnn
2006 4Q	54	7,053,061	153,693	2.2%	124,917	0	0	0	\$10.19/nnn
2006 3Q	53	6,963,423	188,516	2.7%	(8,006)	0	0	1	\$8.85/nnn
2006 2Q	53	6,963,423	180,510	2.6%	211,913	0	0	1	\$9.18/nnn
2006 1Q	52	6,828,824	257,824	3.8%	47,745	2	224,237	2	\$9.29/nnn

Source: Costar, GAI Consultants

Competitive Supply of Retail Space

Following is a description of the major retail centers located in close proximity to the project site.

Lake Walden Square – Lake Walden Square is located at the southwest corner of Route 39 and Route 39A in Plant City. It is anchored by a 46,300 SF Winn-Dixie supermarket and a 25,988 SF Premiere Cinemas and includes a total of 231,308 SF of space. It includes several discount/big box retailers such as Michaels, PetSmart, Ross Dress for Less, and Marshalls and is owned by ddr, a REIT based out of Ohio. The center was renovated in 2013 and previously was home to a Kmart store.

Walden Woods – Walden Woods includes a total of 72,950 SF and is anchored by Dollar Tree, Aaron’s and Dollar General. The property is located adjacent to a Wal*Mart Supercenter. It is currently about

12% vacant. Lake Walden Square is located across the street and the Beall's Department store is located adjacent to the property to the north.

2201 James L Redman Pkwy - The only other major clothing or small goods store located within Plant City is Beall's. The shopping center was built in the mid 1980's and is also anchored by a Publix Supermarket and CVS Pharmacy.

Plant City Plaza - The Bealls Outlet store located at Plant City Plaza recently expanded, adding about 7,000 SF to its existing 16,000 SF store. Other major tenants at Plant City Plaza include Save-A-Lot (16,980 SF), Family Dollar (10,000 SF), and Big Lots (43,597 SF). The center is older (originally constructed in 1966) and is currently about 6% vacant. Other discount retailers located at the center include Fitness for \$10, Super Discount Pharmacy, and Shoe Depot.

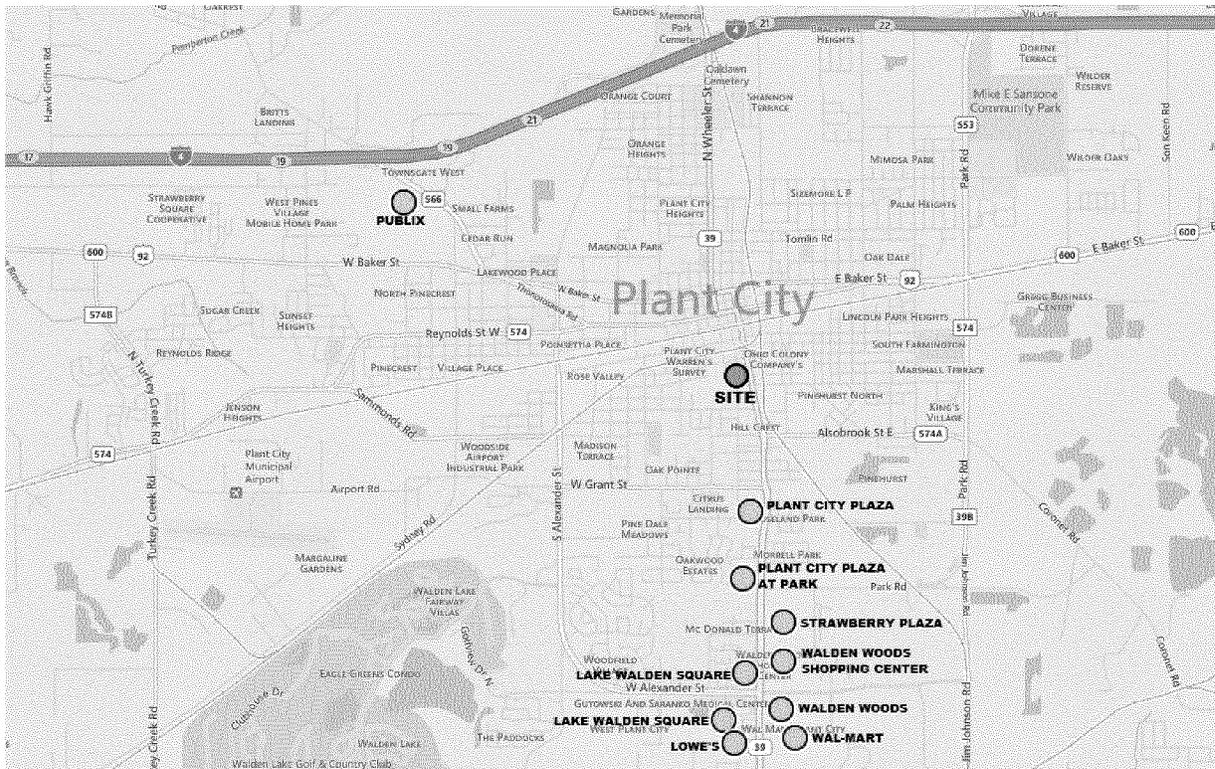
As reflected below, most of the existing competitive retail is located to the south of the site along SR 39, including several of the major national big box/discount retailers (e.g. Wal-Mart, Marshalls, Ross Dress for Less, Lowe's). While Plant City Plaza was constructed in 1966, the majority of other retail centers in the area were built in the 1980's and 1990's, when the retail market across the country was expanding significantly.

Table 3.14: Plant City Existing Retail Competition

Building Address	Building Name	Year Built	Rentable Building Area	Total Vacant Available	Vacancy %	Owner Name	Anchor Tenants
105-240 W Alexander St	Lake Walden Square	1992	231,308	21,298	9.2%	DDR Corp.	Winn Dixie, Premiere Cinemas, Marshalls, Ross Dress for Less, PetSmart, Michaels
1401-1427 S Collins St	Plant City Plaza	1966	143,088	9,100	6.4%	Bruce Strumpf, Inc.	Big Lots, Family Dollar, Save-A-Lot
1709 Jim Redman Pky	Plant City Plaza at Park	1984	72,238	0	0.0%	Peter S & Amy Chan	
1808-1914 James L Redman Pky	Strawberry Plaza	1986	67,301	0	0.0%	Strawberry Plaza, LLC	
2002 N Frontage Rd	Stingray Chevrolet	2004	147,348	0	0.0%	Stingray Chevrolet LLC	
2202 James L Redman Pky		1985	153,839	4,031	2.6%	Publix Supermarkets Inc.	Bealls Dept. Stores, CVS/pharmacy, Publix Super Markets
2400 James L Redman Pky	Walden Woods	1986	72,950	9,140	12.5%	RCG Ventures	Aaron's, Dollar General Store, Dollar Tree
2515-2621 Thonotosassa Rd	Publix	2001	73,835	0	0.0%	Fraga Properties	Publix Super Markets
2602 James Redman Pky	Wal-Mart	1992	184,457	0	0.0%	Wal-Mart Stores, Inc.	
2801 James L Redman Pky	Lowe's	2003	99,440	0	0.0%	Lowe's Home Centers, LLC	

Source: COSTAR, GAI Consultants

Figure 3.5: Retail Competitive Context, Plant City



Downtown Plant City – The downtown Plant City district currently includes a variety of small local and regional operators, including several antique shops and a few unique food service tenants, including the Corner Store (organic restaurant/bakery/specialty grocer/caterer), Krazy Kup (a two-story coffeehouse with the upstairs reserved for young adults), and Whistle Stop Gourmet Coffee and Eatery. While there appear to be several unique and established retail tenants operating downtown, there is also a significant amount of vacant and/or underutilized space currently located in the downtown district. According to some local stakeholders, there is also a lack of sit-down restaurants in the downtown area, as well as a shortage of stores in which to purchase basic supplies such as those found at a drug store and/or convenience store/supermarket.

Grocery

Sweetbay Supermarket previously occupied the currently vacant retail building located on the project site. Sweetbay was purchased by Bi-Lo Holdings (which also owns Winn Dixie), however, since the store was leased and not owned, Sweetbay is still making payments on the lease and another supermarket has not reopened at the site. The closing of Sweetbay was due in part to the weakening of the chain due to increased competition from both Publix and Wal*Mart.

As shown below, there are currently three traditional supermarkets located within two miles of the Plant City project site (two Publix stores and a Winn-Dixie store). Non-traditional nearby stores include a Wal*Mart (Wal*Mart currently has the largest market share of food sales among all national chains) and two discount grocers, Aldi and Sav-A-Lot.

Figure 3.6: Existing Supermarket Competition, Plant City

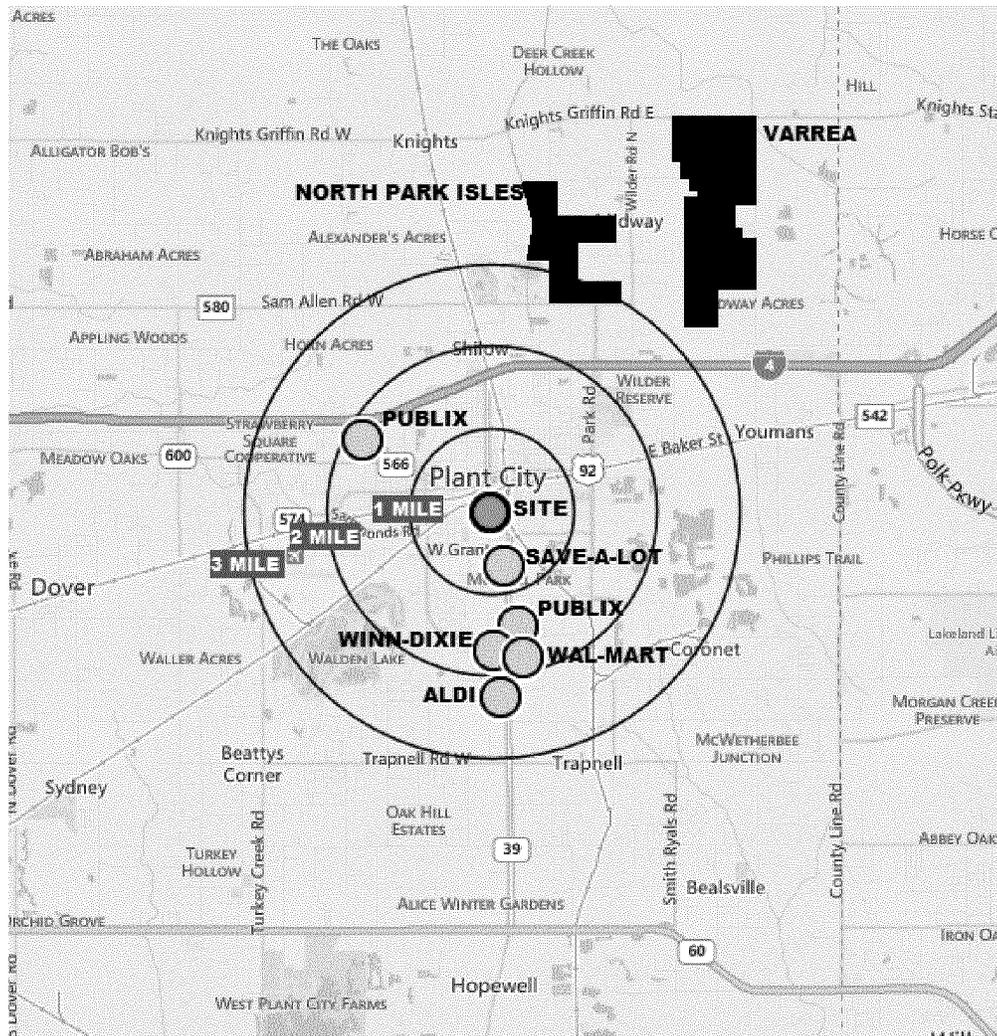


Table 3.15: Supermarket Inventory, Plant City Area

Address	Store	Yr Bt	RBA/GLA
1401 S. Collins St	Save-A-Lot	1966	143,088**
2202 James L Redman Pky	Publix	1985	45,600
2602 James Redman Pky	Wal-Mart	1992	184,457
105-209 W Alexander St	Winn-Dixie	1992	196,113**
2515-2621 Thonotosassa Rd	Publix	2001	73,835**
3021 James L Redman Pky	Aldi	2009	14,960

**supermarket is anchor tenant within strip center, square footage represents entire strip center

The grocery industry is rapidly evolving after decades of emphasis on the suburban-site business model. Stores have become increasingly segmented by price (e.g. Aldi, Trader Joes) and type of foods sold, with organic and fresh markets becoming dominate with Whole Foods and other fresh food markets such as The Fresh Market, a smaller format that is based on the European market.

Smaller format stores are also becoming more common. Wal*Mart has introduced the Neighborhood Market, which is about 40,000 square feet, or significantly smaller than the 180,000 square foot full-scale Wal*Mart store. While the Neighborhood Market store has expanded its roll-out since 1998, the smaller format Wal*Mart Express has reportedly not been as successful.

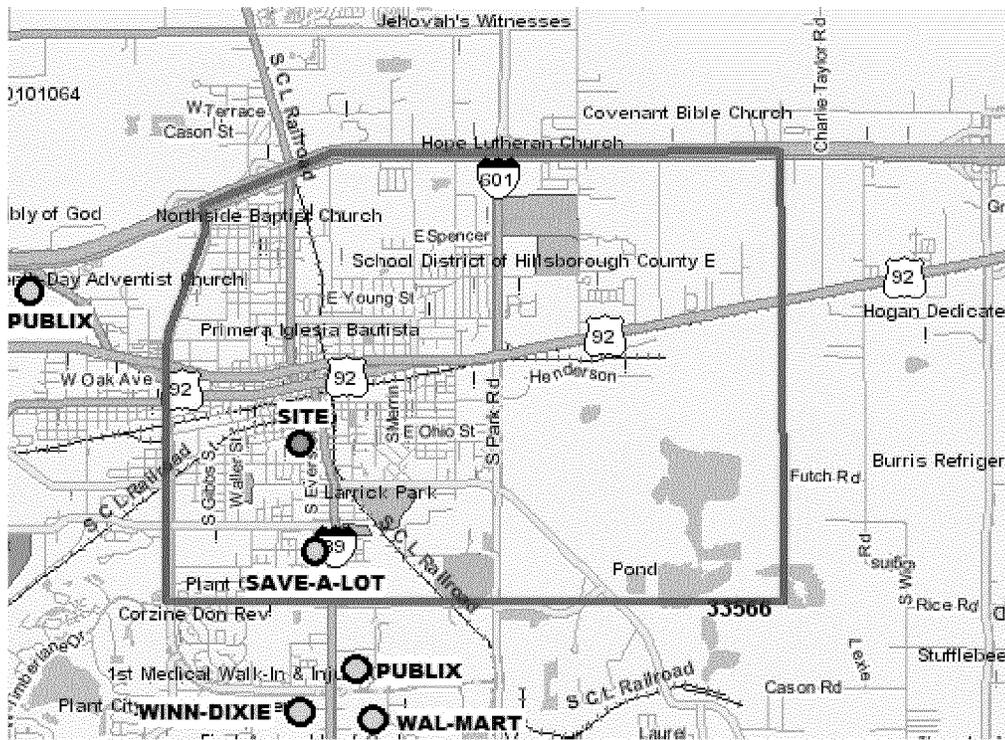
Traditional supermarkets have also lost market share to other non-traditional outlets such as drug stores, warehouse clubs and dollar stores, with these other options gaining about 15% of total market share over the past ten years. In order to remain competitive, supermarket formats are continuing to evolve, with some supermarket chains offering culinary schools and catering services.

Implications for a Supermarket

A population of between 10,000 and 12,000 residents within the total trade area is required to support a supermarket of 50,000 to 60,000 SF. Typical supermarket trade areas extend about 2 ½ to 3 miles from a specific site. It is estimated that there are currently 39,518 residents living within three miles of the project site. This resident base is forecast to increase to 42,818 by 2019. While the grocery store market is relatively competitive with three traditional grocery stores located within two miles of the project site, there may be an opportunity to capitalize on the new growth projected to occur in the northern portion of Plant City. A new food market at the project site would also fill a void given the lack of convenience shopping opportunities in the downtown area.

In order to further test the market, we also looked at the population density to the north and east of the site, extending to I-4 to the north (mapped below). This trade area more accurately highlights expected supermarket shopping patterns given existing competition and access (primarily the difficulty in crossing I-4). The trade area as shown results in a total population of about 15,881 residents, or an existing density capable of supporting an additional grocery store.

Figure 3.7: Potential Supermarket Trade Area, Plant City Redevelopment Site



Implications for Other Retail at the Project Site

While the regional retail market appears healthy with a low overall vacancy rate and positive absorption throughout 2014, there is some concern that the local Plant City market remains challenged by vacancies and some weaker tenancies. National chains are also a challenge given existing demographics and a concentration of major retailers to the south.

The key consideration in our mind is the depth of market support for both new retail within the central downtown area and at the redevelopment site. It may be possible to offer incentives at the redevelopment site since the land is substantively owned or controlled by the public sector. However, this may divert needed improvements and energy in the downtown district. There appears to be growing investment in the downtown area and a need to continue to foster that growth since the infrastructure is already in place.

Notwithstanding these comments, we believe there is an opportunity to include smaller scale retail to serve the new influx of residents forecast to move into the area over the next several years, as well as new residents included as part of the mixed-use development. Potential new retail development could also benefit from a new mixed-use location. We would caution, however, from allocating an excessive amount of space to new retail at the project site. New residents brought to the area will drive only limited incremental retail demand.

Potential new retail tenants might include on-site dining options, a convenience store, and other service-oriented retail. We would recommend a maximum allocation of about 25,000 SF of new neighborhood-oriented retail at the project site. If the site were to also include other potential anchors such as community or institutional uses (e.g. a new community center, job training center, branch medical facility), the potential for retail might be higher. Without other critical anchors, we would recommend that programming for retail remain minimal.