

# BBG



Third-party reports by a true third party

Appraisal Report

## Tropicana Field

Baseball Stadium and Entertainment Venue  
1 Tropicana Drive  
St. Petersburg, FL 33705

BBG File #120010239

Client File # 00521184

## Prepared For

Mr. Dennis Weber  
Real Estate Coordinator  
City of St. Petersburg  
Real Estate & Property Management  
P.O. Box 2842  
St. Petersburg, FL 33731

## Report Date

October 30, 2020

## Prepared By

BBG, Inc., Tampa Office  
One Tampa City Center  
201 North Franklin Street, Suite 1850  
Tampa, FL 33602  
813-327-4100  
Client Manager: Woodman S. Herr, MAI  
wherr@bbgres.com



VALUATION



ADVISORY



ASSESSMENT



ZONING



October 30, 2020

Mr. Dennis Weber  
Real Estate Coordination  
City of St. Petersburg  
Real Estate & Property Management  
P.O. Box 2842  
St. Petersburg, FL 33731  
Client File #00521184

Re: Appraisal of Real Property  
Tropicana Field  
Baseball Stadium and Entertainment Venue  
1 Tropicana Drive  
St. Petersburg, FL 33705

Dear Mr. Weber,

Per your request, we have conducted the necessary investigations and analyses to prepare the attached appraisal of the above referenced property. The purpose of the appraisal is to develop an opinion of the:

- As Is Market Value - Considering height restriction and existing Tropicana Field. The client has specifically requested that existing leases or agreements are not to be considered. We know that the Tampa Bay Rays have a lease agreement with the stadium that ends in 2027. Therefore, we have based our estimate of value on the hypothetical condition that the lease agreement does not exist.
- As Is Market Value - Without height restriction and existing Tropicana Field. The client has specifically requested that existing leases or agreements are not to be considered. We know that the Tampa Bay Rays have a lease agreement with the stadium that ends in 2027. Therefore, we have based our estimate of value on the hypothetical condition that the lease agreement does not exist.
- As Is Market Value - Considering height restriction and no stadium (vacant land only, demolition costs are not to be considered). This estimate of value is based on the hypothetical condition that the site is vacant.
- As Is Market Value - Without height restriction and no stadium (vacant land only, demolition costs are not to be considered). This estimate of value is based on a hypothetical condition that the site is vacant.

*The client has specifically requested that existing leases or agreements are not to be considered.*

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VALUATION + ADVISORY + ASSESSMENT + ZONING

#### EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below:

**Extraordinary Assumptions**

This appraisal employs no extraordinary assumptions.

**Hypothetical Conditions**

1.) In two valuation scenarios we are estimating the market value of the subject property as improved. The client has specifically requested that existing leases or agreements are not to be considered. We know that the Tampa Bay Rays have a lease agreement with the stadium that ends in 2027. Therefore, we have made the hypothetical condition that the lease agreement does not exist.

2.) In two valuation scenarios we are estimating the market value of the underlying land. We have made the hypothetical condition that the stadium improvements do not exist.

Hypothetical Condition: 1) 117. A condition that is presumed to be true when it is known to be false. (SVP). 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2020-2021 ed.)

This appraisal report was prepared for the City of St. Petersburg. The intended use of this appraisal is to assist the client with an independent third-party opinion to establish the market value for planning purposes.

The property appraised is a 1,100,000 SF professional baseball stadium and entertainment venue which is home to the Tampa Bay Rays. The enclosed domed stadium known as Tropicana Field was built in 1990 and has a seating capacity of 42,735. Tropicana Field is situated on 76.14 acres of land with DC-1, DC-2, and IT zoning. We note that the engagement letter states that the land area is 86.58 acres in size. However, we have utilized the Pinellas County Public Records as our source for information and the useable area is calculated to be 76.14 acres. We have based our appraisal (parcel ID numbers) on the exhibits on the engagement letter provided by the client.

Based on our review of the stadium lease and several newspaper articles, the Tampa Bay Rays will play until the end of their contract in 2027. While attendance has been decreasing, the Rays competed this year in the World Series against the LA Dodgers but unfortunately lost. Due to the excellent season, its likely that attendance will improve. However, in the Highest and Best Use section in this report, we have determined that the improvements are near the end of their economic life and the Rays will more than likely leave at the end of their lease.

This appraisal report was prepared to conform with the requirements of the Uniform Standards of Professional Appraisal Practice (USPAP), and the requirements of the Appraisal institute.

Important Assumptions concerning the valuation can be found in the General Assumptions, Limiting Conditions and Extraordinary Assumptions sections of the report. One such condition is that neither all nor any part of the contents

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of this report, including the value conclusions, market research, comparables, etc. shall be distributed or copied without the prior written consent and approval of BBG.

The global outbreak of a "novel coronavirus" known as COVID-19 was officially declared a pandemic by the World Health Organization (WHO). In this report we attempt to apply appropriate market conditions to reflect the impact that the global pandemic is having in the market in which the subject property is located. The reader is cautioned and reminded that the conclusions presented in this appraisal report apply only as of the effective dates indicated. The appraiser makes no representation as to the effect on the subject property of this event, or any event, subsequent to the effective date of the appraisal.

VALUE INDICATIONS AND CONCLUSIONS		
Scenario 1 - Tropicana Field, With Height Restrictions (Based on Hypothetical Condition)		
As Is Market Value	Leased Fee	August 25, 2020
Income Capitalization Approach		\$41,300,000
Concluded Value Opinion		\$41,300,000

Scenario 2 - Tropicana Field, Without Height Restrictions (Based on Hypothetical Condition)		
As Is Market Value	Leased Fee	August 25, 2020
Income Capitalization Approach		\$41,300,000
Concluded Value Opinion		\$41,300,000

Scenario 3 - Underlying Land Value - With Height Restrictions (Based on Hypothetical Condition)		
As Is Market Value	Fee Simple	August 25, 2020
Sales Comparison Approach		\$66,100,000
Concluded Value Opinion		\$66,100,000

Scenario 4 - Underlying Land Value - Without Height Restrictions (Based on Hypothetical Condition)		
As Is Market Value	Fee Simple	August 25, 2020
Sales Comparison Approach		\$66,100,000
Concluded Value Opinion		\$66,100,000

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This letter must remain attached to the report in order for the value opinion set forth to be considered valid. Our firm appreciates the opportunity to have performed this appraisal assignment on your behalf. If we may be of further service, please contact us.

Sincerely,

BBG, Inc.



Woodman S. Herr, MAI  
Director - Tampa  
Cert Gen RZ785  
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wherr@bbgres.com



Brian E. Zamorski, MAI  
Senior Appraiser  
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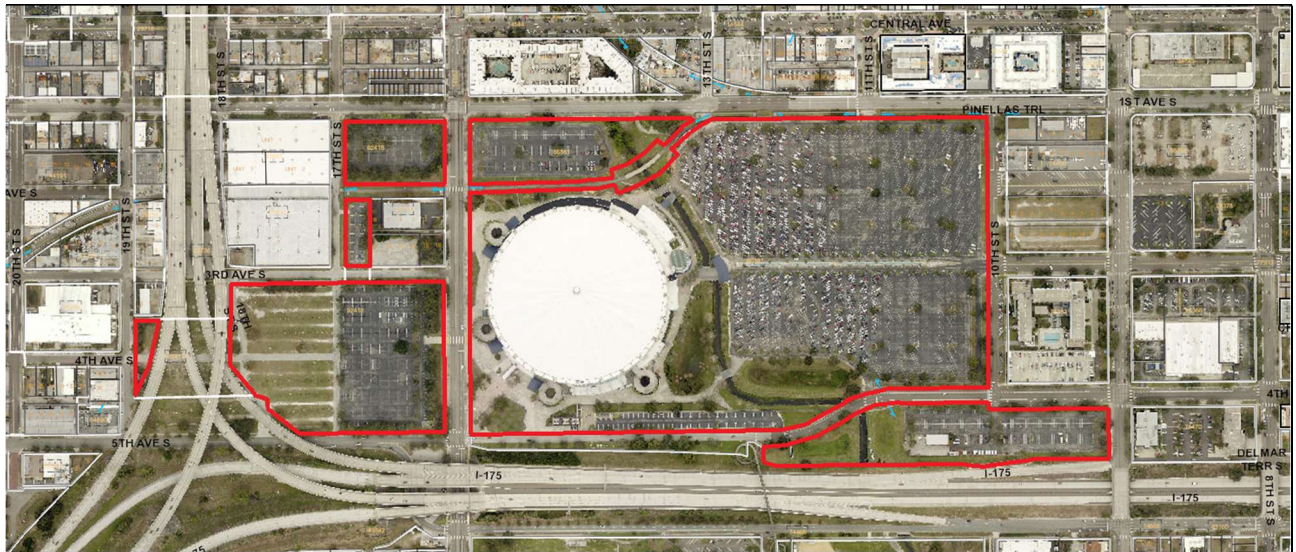
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## SUBJECT PROPERTY



## AERIAL PHOTOGRAPH



# SUMMARY OF SALIENT FACTS

## SUMMARY OF SALIENT FACTS

<b>Name</b>	Tropicana Field
<b>Type of Property</b>	Baseball Stadium and Entertainment Venue
<b>Address</b>	1 Tropicana Drive
<b>City</b>	St. Petersburg
<b>County</b>	Pinellas
<b>State</b>	Florida
<b>ZIP Code</b>	33705
<b>Location</b>	The stadium is located on the northeast corner of 5th Avenue South and 16th Street South 24-31-16-86381-001-0010, 24-31-16-86381-002-0010, 24-31-16-92418-001-0010, 24-31-16-92418-002-0010, 24-31-16-92418-003-0010, 24-31-16-92418-004-0010
<b>Parcel ID Numbers</b>	
<b>Site Size - Useable</b>	
Acres	76.14
SF	3,316,740
<b>Building Size</b>	
<b>Rentable Building Area - As Is (SF)</b>	1,100,000
<b>Year Built</b>	1990
<b>Current Ownership</b>	Pinellas County
<b>Highest and Best Use</b>	
As if Vacant	Mixed use development
As Improved	Raze stadium improvements after the Tampa Bay Rays lease ends in 2027

## VALUE INDICATIONS AND CONCLUSIONS

Scenario 1 - Tropicana Field, With Height Restrictions (Based on Hypothetical Condition)		
As Is Market Value	Leased Fee	August 25, 2020
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As Is Market Value	Fee Simple	August 25, 2020
<b>Sales Comparison Approach</b>		\$66,100,000
<b>Concluded Value Opinion</b>		<b>\$66,100,000</b>

Scenario 4 - Underlying Land Value - Without Height Restrictions (Based on Hypothetical Condition)		
As Is Market Value	Fee Simple	August 25, 2020
<b>Sales Comparison Approach</b>		\$66,100,000
<b>Concluded Value Opinion</b>		<b>\$66,100,000</b>

# INTRODUCTION

## INTRODUCTION

<b>Client</b>	City of St. Petersburg
<b>Intended Users</b>	This appraisal report was prepared for the City of St. Petersburg
<b>Intended Use</b>	The intended use of this appraisal is to assist the client with an independent third-party opinion to establish the market value for planning purposes.
<b>Values Concluded</b>	<p>1.) As Is Market Value - Considering height restriction and existing Tropicana Field. The client has specifically requested that existing leases or agreements are not to be considered. We know that the Tampa Bay Rays have a lease agreement with the stadium that ends in 2027. Therefore, we have based our estimate of value on the hypothetical condition that the lease agreement does not exist.</p> <p>2.) As Is Market Value - Without height restriction and existing Tropicana Field. The client has specifically requested that existing leases or agreements are not to be considered. We know that the Tampa Bay Rays have a lease agreement with the stadium that ends in 2027. Therefore, we have based our estimate of value on the hypothetical condition that the lease agreement does not exist.</p> <p>3.) As Is Market Value - Considering height restriction and no stadium (vacant land only, demolition costs are not to be considered). This estimate of value is based on the hypothetical condition that the site is vacant.</p> <p>4.) As Is Market Value - Without height restriction and no stadium (vacant land only, demolition costs are not to be considered). This estimate of value is based on a hypothetical condition that the site is vacant.</p>
<b>Property Rights Appraised</b>	Leased Fee - For Valuation of Improvements Fee Simple - For Valuation of Land
<b>Effective Date of Appraisal</b>	July 17, 2019
<b>Effective Dates of Appraisal</b>	
<b>As Is</b>	August 25, 2020
<b>Date of Inspection</b>	August 25, 2020
<b>Date of Report</b>	October 30, 2020

## SIGNIFICANT OBSERVATIONS

The property appraised is a 1,100,000 SF professional baseball stadium and entertainment venue which is home to the Tampa Bay Rays. The enclosed domed stadium known as Tropicana Field was built in 1990 and has a seating capacity of 42,735. Tropicana Field is situated on 76.14 acres of land with DC-1, DC-2, and IT zoning. The property is located in a desirable, densely populated area in St. Petersburg.

## MARKET VALUE DEFINITION

Pertinent definitions are located in the glossary in the Addenda to this report. The following definition of market value is used by agencies that regulate federally insured financing institutions in the United States.

<b>Market Value</b>	<p>The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is</p> <ul style="list-style-type: none"> <li>• Buyer and seller are typically motivated;</li> <li>• Both parties are well informed or well advised, and acting in what they consider their best interests;</li> <li>• A reasonable time is allowed for exposure in the open market;</li> <li>• Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and</li> <li>• The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.</li> </ul>
<b>Source</b>	Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472

### EXTRAORDINARY ASSUMPTIONS AND HYPOTHETICAL CONDITIONS

The values presented within this appraisal report are subject to the extraordinary assumptions and hypothetical conditions listed below:

**Extraordinary Assumptions**

This appraisal employs no extraordinary assumptions.

**Hypothetical Conditions**

1.) In two valuation scenarios we are estimating the market value of the subject property as improved. The client has specifically requested that existing leases or agreements are not to be considered. We know that the Tampa Bay Rays have a lease agreement with the stadium that ends in 2027. Therefore, we have made the hypothetical condition that the lease agreement does not exist.

2.) In two valuation scenarios we are estimating the market value of the underlying land. We have made the hypothetical condition that the stadium improvements do not exist.

### RISK SUMMARY

**Advantages**

Good access to main arterial roads  
 Located in an densely populated area  
 The immediate neighborhood has experienced a significant revitalization  
 Large land area allows for many different development configurations  
 DC-1 and DC-2 zoning allows for a variety of uses, and a base floor area ratio of 3.00:1  
 This is a redevelopment site and COVID-19 has significantly impacted the hotel, multifamily, retail, and professional office industries

**Challenges**

The improvements are 30 years old and will be 37 years old upon the Tampa Bay Rays lease expiration. Modern stadiums have retractable roofs, multiple restaurants, large screens, high fidelity audio systems, etc. so the market perceives that this stadium is functionally obsolete or outdated.  
 Demolition costs are very expensive for a domed stadium

### EXPOSURE TIME AND MARKETING TIME

**Exposure Time**

**Exposure time** is defined as the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of appraisal. Based on exposure times of comparable sales and interviews with active participants in the market, the market value opinion could be achieved with an exposure time of 12 - 24 months.

**Marketing Time**

Per the Appraisal Standards Board (ASB) of the Appraisal Foundation, "reasonable **marketing time**" is an estimate of the amount of time it might take to sell a property interest at the estimated market value during the period immediately after the effective date of the appraisal. It is not intended to be a prediction of a specific date of sale and, therefore, may be expressed as a range. Based on the assumptions employed in our analysis, and given the anticipated continued interest by local and regional investors alike, it is our opinion that a sale could be consummated on the subject with a marketing period of 12-24 months subsequent to the effective date of appraisal. This conclusion is predicated on the assumption that the subject is offered at a price near the market value opinion set forth herein, and is supported by numerous recent sales of properties located within the immediate market.



## PROPERTY TRANSACTION HISTORY

The property is currently owned by Pinellas County and is not reportedly under contract or listed for sale. There have been no sales of the subject within the past five years.

We have reviewed a document titled Tropicana Field Lease-Back and Management Agreement dated October 17, 2002 between Pinellas County (land-owner) and the City of St. Petersburg. Per the agreement, "the City has inherent rights in the Dome as a result of its significant investment in land, buildings, equipment, and other considerations to date, and its continuing commitment for its portion of Debt Service Payments. The lease consideration was for One Dollar (\$1.00).

1. Lease and Management of Premises.

A. The County does hereby lease to the City and the City does hereby accept and lease from the County the real property described in Exhibit "A", which is attached hereto and made a part hereof by reference, ("Dome"). Without limiting the generality of the foregoing, the definition of Dome set forth in the above recitations and Exhibit "A" shall include the underlying land and all improvements thereon owned by the County, but shall not include any interest in agreements between the City and third parties involving or in any way related to the Dome (including, but not limited to the Devil Rays Agreement) that were in effect at the time of transfer of ownership of the Dome to the County, since the City has reserved and the County never acquired any interest in those agreements as a result of the transfer of the Dome pursuant to the Agreement for Sale. The City's activities pursuant to the lease of the Dome shall comply with the terms and conditions of the bond documents for the following issues ("Bonds"):

- (1) Excise Tax Refunding Revenue Bonds, Series 1993, in the amount of \$114,305,000;
- (2) Professional Sports Facility Sales Tax Revenue Bonds, Series 1995, in the amount of \$28,730,000;
- (3) First Florida Governmental Financing Commission Revenue Bonds, Series 1996, in the amount of \$30,450,000; and
- (4) First Florida Governmental Financing Commission Revenue Bonds, Series 1997, in the amount of \$26,045,000.

We have also reviewed a document titled "Agreement For the Use, Management, and Operation of the Domed Stadium in St. Petersburg Including the Provision of Major League Baseball" between the City of St. Petersburg and the Tampa Bay Devil Rays (now known as the Tampa Bay Rays), dated April 28, 1995. According to Page 6 of the agreement, the term runs through the end of the Major League Baseball season occurring in the year 2027.



# SCOPE OF WORK

SCOPE OF WORK	
Inspection Details	
<b>Date of Inspection</b>	August 25, 2020
<b>Inspected by</b>	Brian E. Zamorski, MAI and Woodman S. Herr, MAI
<b>Comments</b>	<p>Personally viewed the exterior of the Tropicana as well as site improvements. We drove the market area and observed new development trends in the neighborhood. We were unable to view the interior of the improvements due to COVID-19 concerns. Mr. Herr and Mr. Zamorski have both attended Tampa Bay Rays baseball games or other events held at Tropicana Field within the past year. We have based our appraisal on our observations from our August 25, 2020 site visit as well as from prior visits to baseball games and other event and we have also referenced online photographs.</p>
Data Analyzed	
<b>Regional Data Analyzed</b>	<p>Moody's Economy.com Pertinent regional websites and publications</p>
<b>Industry Data Analyzed</b>	<p>Market participants Various industry surveys Pertinent industry segment websites and publications</p>
<b>Market Area Data Analyzed</b>	<p>Claritas demographic profile Pertinent local websites and publications</p>
<b>Property Data Analyzed</b>	<p>Information provided by the property contact Property appraiser's data Tax collector's data Zoning and land use data FEMA flood data</p>
Steps in Analysis	
<b>Highest and Best Use</b>	Developed appropriate highest and best use analyses
<b>Valuation Process</b>	Applied appropriate valuation techniques and developed requested value opinions
<b>Reconciliation</b>	Reconciled to final value opinions by applying appropriate consideration to the valuation techniques employed
<b>Report Presentation</b>	Prepared the appraisal report

As part of ongoing business practices, market participants are interviewed regularly in order to glean the most up to date information available with regards to development activity, operational trends, financing, capital markets, brokerage, etc. Below is a sample of professionals interviewed and their respective industry.

MARKET PARTICIPANT INTERVIEWS		
Interviewee	Company	Industry
Joe Esposito	KW Commercial	Agent
Alex Wright	Franklin Street	Agent
Dave Kern	JP Morgan/Chase	Commercial Banker
Russ Phillips	Regions	Commercial Banker
John Nicholas	Interlachen Financial Group	Mortgage Broker
Jeremy Pino	Walker & Dunlop	Mortgage Broker
TJ Ownby	Grandbridge	Mortgage Broker
Lee Weaver	NorthMarq Capital	Mortgage Broker

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**VALUATION METHODOLOGY**


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**Most Probable Purchaser**

To apply the most relevant valuation methods and data, the appraiser must first determine the most probable purchaser of the subject property.

The most probable purchaser of the subject property would be an regional or national developer/investor.

**Valuation Methods Employed**

We have used the Sales Comparison Approach to value the separate components of the underlying land. Next we use the Development Approach to estimate the market value of the bulk market value of the entire site. The Income Capitalization Approach was used to estimate the market value of the Tropicana Field improvements. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches would be considered applicable and/or necessary for market participants. The Cost Approach is not applicable. Market participants do not typically rely on the Cost Approach when analyzing properties that are not proposed or new primarily due to the subjectivity of depreciation estimates. We have not used the sales comparison approach as stadiums typically do not trade and it would be extremely difficult to account for length of lease as well as locational and physical characteristics. Therefore, we have not employed the Sales Comparison and Cost Approaches to

to

**Valuation Conclusion**

The valuation process is concluded by analyzing each approach used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value, or is a correlation of all the approaches used in the appraisal.

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The purpose of the appraisal is to develop an opinion of the:

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The property appraised is a 1,100,000 SF professional baseball stadium (and entertainment venue) which is home to the Tampa Bay Rays. The enclosed domed stadium known as Tropicana Field was built in 1990 and has a seating capacity of 42,735. Tropicana Field is situated on 76.14 acres of land with DC-1, DC-2, and IG zoning. Based on our review of the stadium lease and several newspaper articles, the Tampa Bay Rays will play until the end of their contract in 2027. Upon expiration, the improvements will be 37 years old. As stadium's age, the ongoing maintenance and operational costs becomes very costly. Also, the improvements are 1,100,000 SF in size so a total renovation would be extremely costly. According to Wikipedia, Tropicana Field has a capacity of 42,735 seats and has an enclosed roof. Modern stadiums have retractable roofs, multiple restaurants, large screens, high fidelity audio systems, etc. so the market perceives that this stadium is functionally obsolete or outdated.

In order to estimate the market value of the subject property, we have first valued the underlying land using the sales comparison approach. We have valued land components based on zoning and most likely uses including multifamily, hotel, retail/office, and industrial land. Additional consideration was given to public uses such as a convention center, parks, schools, etc.

Next, we estimated the market value of the site as improved with a multi-use stadium (professional baseball and events, concerts, etc.). The client has specifically requested that existing leases or agreements are not to be considered. Therefore, we have estimated how much revenue the stadium could produce by events such as college sports, minor league sports, concerts, home shows, political events, holiday events, automobile shows etc. Then we deduct operating expenses to arrive at a net operating income and apply an appropriate capitalization rate to estimate the value as is, both with and without height restrictions. The Development Approach (discounted sell out) was then used to estimate the market value of the bulk market value of the entire site.

In the Highest and Best Use section of this report, we have compared the market value as improved with a stadium to the market value of the underlying land. Considering that the improvements are already 30 years old, they are considered to be functionally obsolete and near the end of their economic life. Because the improvements are near the end of their life and are almost fully depreciated, the cost approach is not applicable. Although considered, the sales comparison approach was not applicable as stadiums typically do not sell from one ownership to another and if they did they are so unique and specialized and their locations so different it would be nearly impossible to compare sales to the subject in an accurate way that would produce credible results. Therefore, the sales comparison approach is not considered to be applicable to value Tropicana Field.

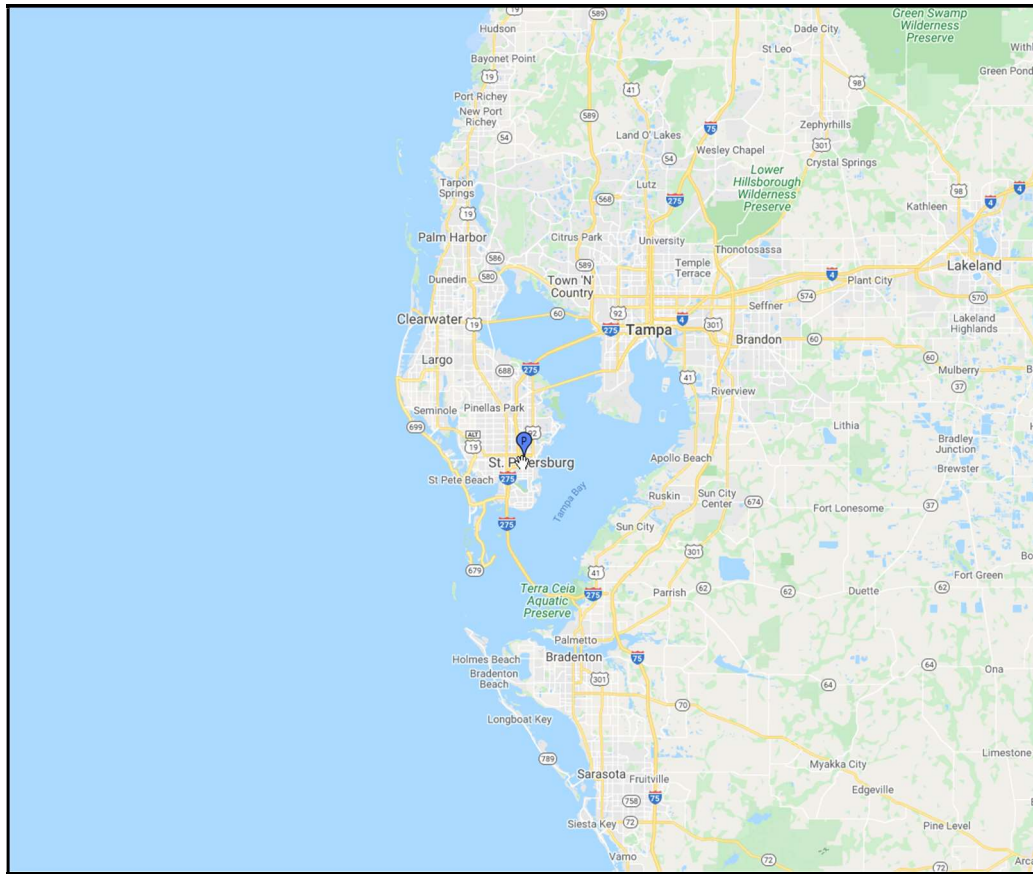
#### LEVEL OF REPORTING DETAIL

Standards Rule 2-2 (Real Property Appraisal, Reporting) contained in USPAP requires each written real property appraisal report to be prepared as either an Appraisal Report or a Restricted Appraisal Report.

This report is prepared as an **Appraisal Report**. An Appraisal Report must at a minimum summarize the appraiser's analysis and the rationale for the conclusions. This format is considered most similar to what was formerly known as a Summary Appraisal Report in prior versions of USPAP.

## REGIONAL OVERVIEW

The short- and long-term value of real estate is influenced by a variety of factors and forces that interact within a given region. Regional analysis serves to identify those forces that affect property value, and the role they play within the region. The four primary forces that influence real property value include environmental characteristics, governmental forces, social factors, and economic trends. These forces determine the supply and demand for real property, which, in turn, affect market value.



### ECONOMIC & DEMOGRAPHIC PROFILE

The following profile of the Tampa-St. Petersburg-Clearwater MSA was provided by Economy.com, a leading provider of economic, financial, and industry information.



**MOODY'S RATING**

**Aaa**

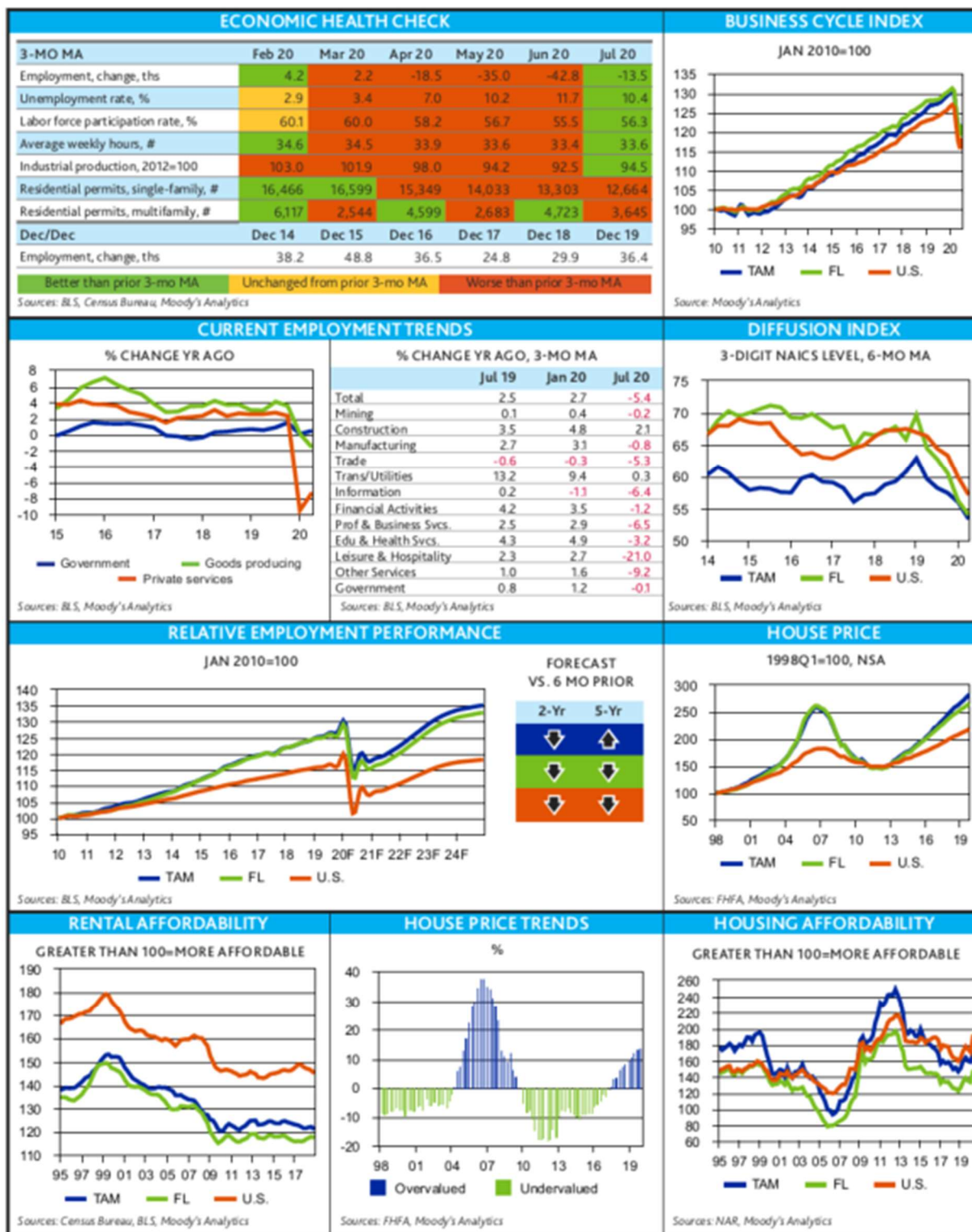
COUNTY AS OF MAR 17, 2015

2014	2015	2016	2017	2018	2019	INDICATORS	2020	2021	2022	2023	2024	2025
129.9	136.0	141.1	146.2	151.1	156.6	Gross metro product (C125 bil)	147.0	149.9	159.7	167.2	171.6	175.2
3.9	4.7	3.7	3.6	3.3	3.6	% change	-6.1	2.0	6.5	4.7	2.6	2.7
1,208.2	1,251.1	1,295.0	1,321.4	1,351.9	1,385.5	Total employment (ths)	1,322.6	1,315.4	1,379.7	1,445.1	1,476.4	1,490.0
2.7	3.5	3.5	2.0	2.3	2.5	% change	-4.5	-0.5	4.9	4.7	2.2	0.9
6.0	5.2	4.6	4.1	3.6	3.2	Unemployment rate (%)	7.2	7.7	6.4	4.7	4.4	4.5
6.3	6.2	3.0	5.5	6.0	4.7	Personal income growth (%)	5.0	-3.1	7.5	8.2	7.0	6.0
47.2	49.0	50.7	52.7	54.9	57.1	Median household income (\$ ths)	58.9	57.7	60.8	64.4	67.5	70.3
2,927.4	2,983.9	3,049.0	3,106.9	3,154.6	3,194.8	Population (ths)	3,223.0	3,245.7	3,265.8	3,287.8	3,311.9	3,336.8
1.6	1.9	2.2	1.9	1.5	1.3	% change	0.9	0.7	0.6	0.7	0.7	0.8
43.4	54.4	62.9	56.6	48.7	41.8	Net migration (ths)	29.5	23.8	21.6	24.0	26.5	27.9
7,267	9,739	10,685	12,732	14,228	14,670	Single-family permits (#)	13,110	15,138	20,458	21,459	21,415	21,093
5,119	5,914	7,067	5,536	3,224	8,870	Multifamily permits (#)	4,108	5,567	6,910	8,091	8,603	8,538
198.2	215.9	238.2	262.5	288.2	309.6	FHFA house price (1995Q1=100)	322.4	306.3	296.3	296.7	300.4	311.3

MOODY'S ANALYTICS / Précis® U.S. Metro / August 2020

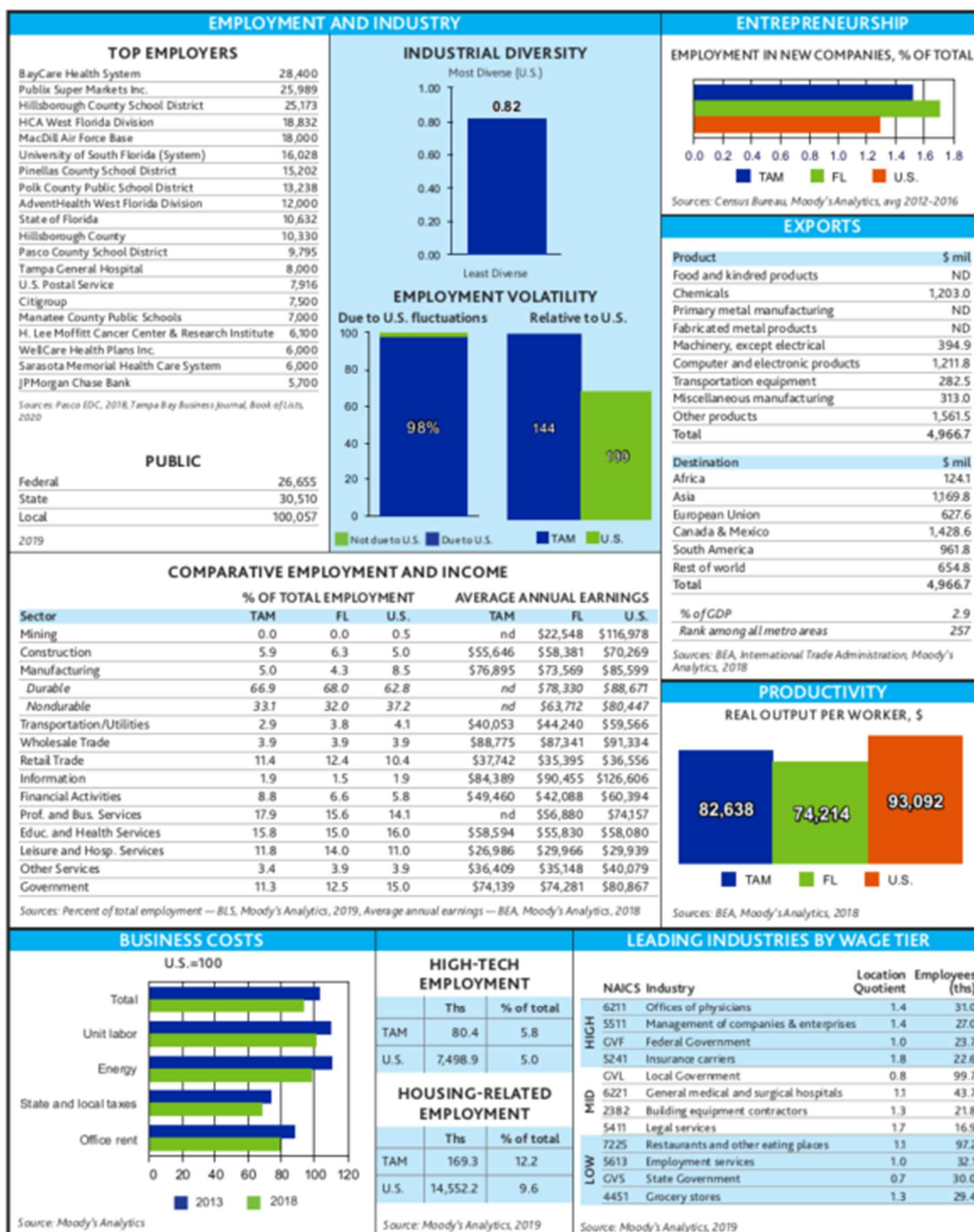


## PRÉCIS® U.S. METRO • Tampa-St. Petersburg-Clearwater FL

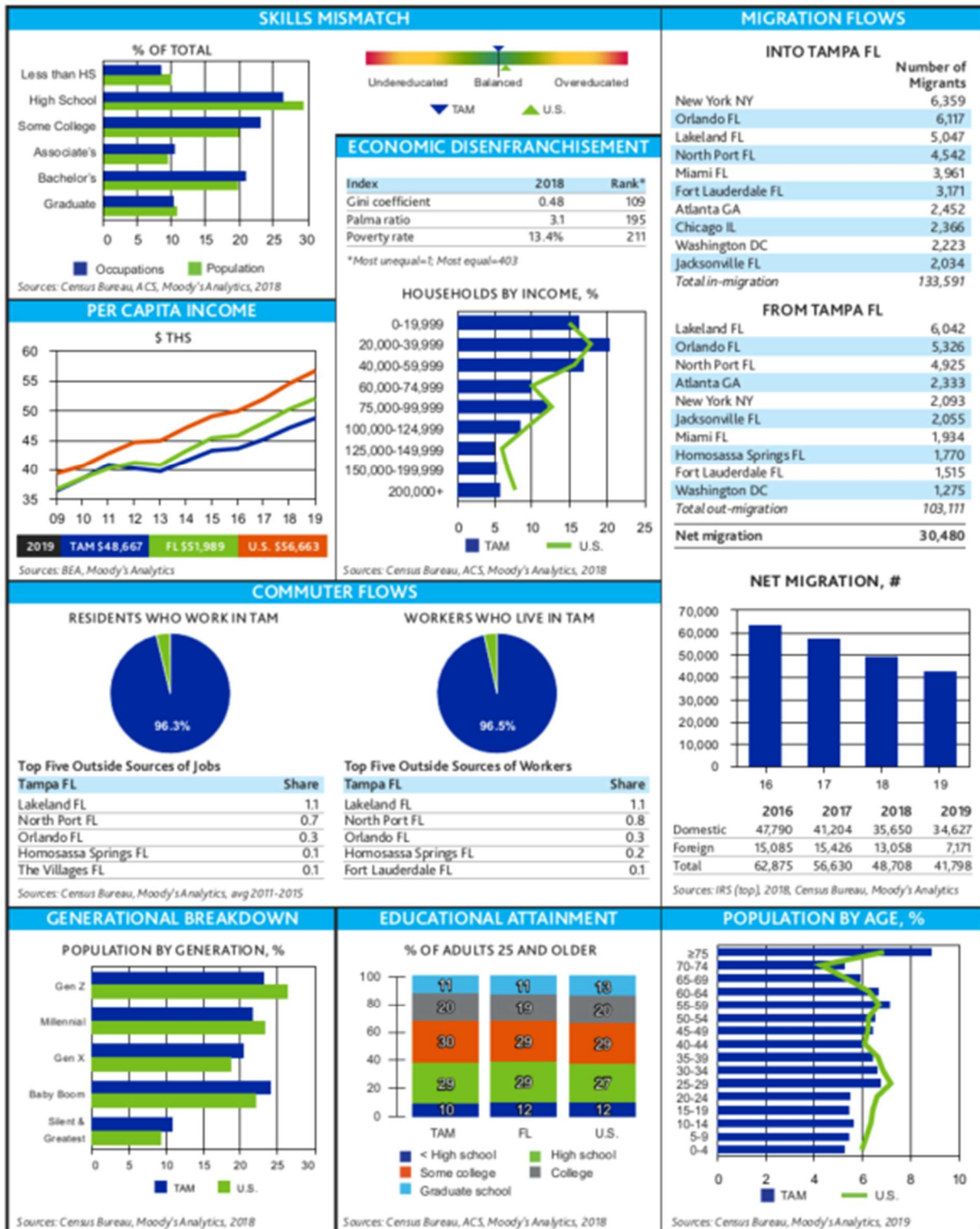


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## PRÉCIS® U.S. METRO • Tampa-St. Petersburg-Clearwater FL

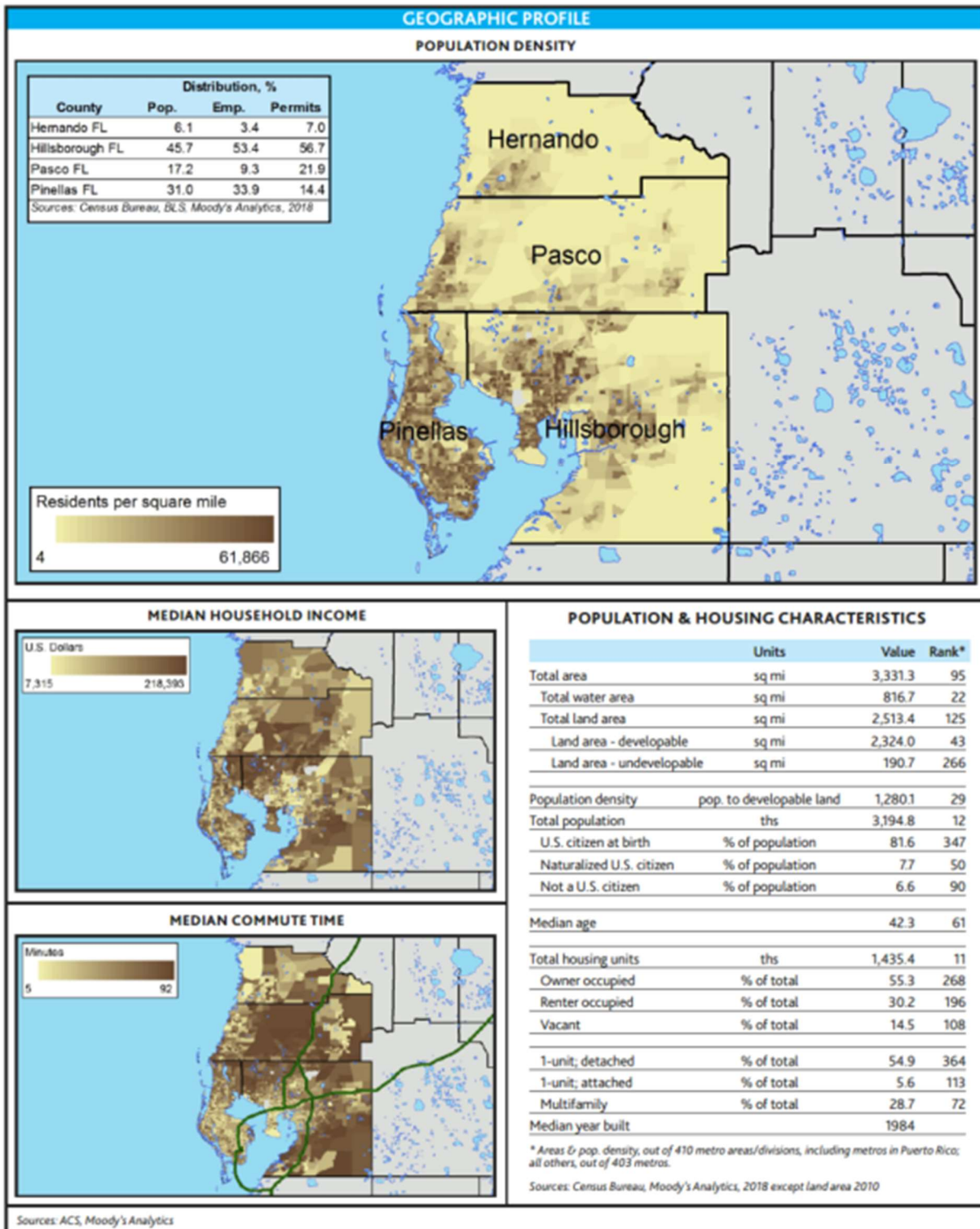


## PRÉCIS® U.S. METRO • Tampa-St. Petersburg-Clearwater FL





## PRÉCIS® U.S. METRO • Tampa-St. Petersburg-Clearwater FL



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# MARKET AREA OVERVIEW

## INTRODUCTION

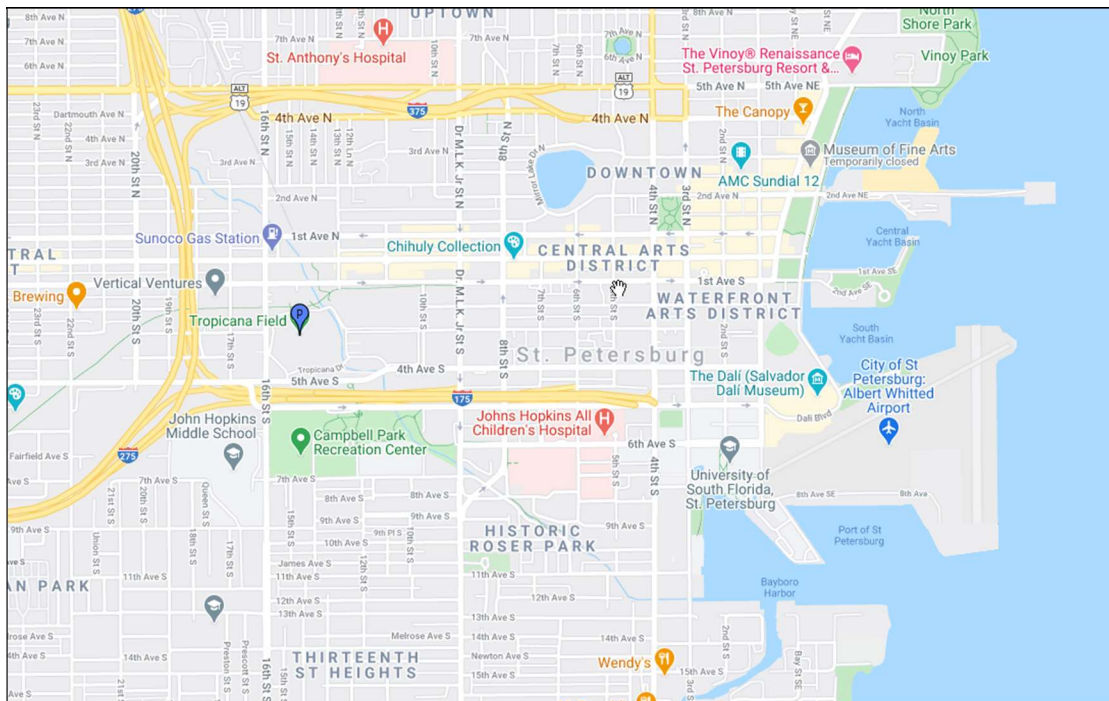
A market area is a geographic area in which the subject property competes for the attentions of market participants; the term broadly defines an area containing diverse land uses. Market areas are defined by a combination of factors including physical features the demographic and socioeconomic characteristics of the residents or tenants, the condition of the improvements, and land use trends. Market area analysis focuses on the identification of a boundaries and the social, economic, governmental and environmental influences that affect the value of real property within those boundaries. In conducting market area analysis, the competitive supply and demand for the subject property is more directly addressed.

## GENERAL BOUNDARIES

The market area is generally defined by the following boundaries:

North	5 <sup>th</sup> Avenue North
South	5 <sup>th</sup> Avenue South
East	20 <sup>th</sup> Street
West	Old Tampa Bay

## MARKET AREA MAP



## ACCESS AND MAJOR ROADWAYS

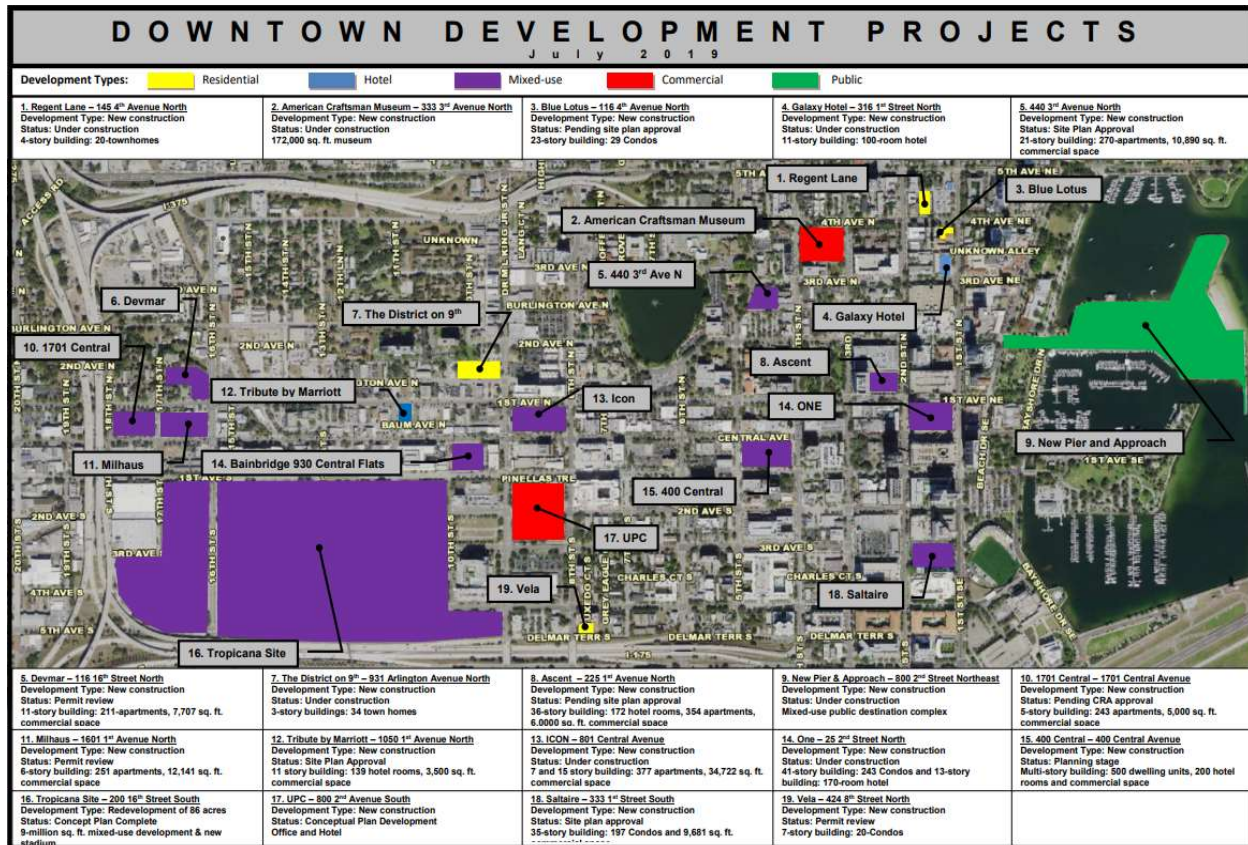
The subject property is situated in close proximity to major roadways that serve not only the Tampa Bay area but also the entire state of Florida. Access to the subject market area is good, which contributes to the market area's stability. Primary linkages in and around the market area include:

MAJOR LINKAGES OF THE MARKET AREA		
Name	Direction	Number of Lanes
Interstate 275	North/South	8
Interstate 375	East/West	6
Interstate 175	East/West	6
US Highway 19	North/South	6
US Highway Alternate 19	East/West	4
4th Street	North/South	6

The subject is located in downtown St. Petersburg, between 1<sup>st</sup> Avenue South (northern boundary) and 5th Avenue South, east of Interstate 275. The linkages in the neighborhood include Interstates 175 and 375, which run in an east-west direction and terminate as it intersects with Interstate 275, which provides highway access to the northern portions of Saint Petersburg and Tampa, as well as access to the Sunshine Skyway Bridge, providing access into Bradenton to the south. Local roads that provide primary commuter access include Central Avenue, which provides east-west access, and 4th Street (North and South), which provides north-south access to downtown.

## GENERAL LAND USES

The subject area is the urban center of Pinellas County and is defined as the Central Business District or Downtown area of Saint Petersburg. Downtown St. Petersburg (DTSP) has evolved into a highly desirable area that encompasses a well-planned public park system along the Tampa Bay waterfront, nationally recognized museums arts facilities, office towers, mid and high rise residential towers, specialty shopping, as well as an expanding "Edge" district that provides additional diverse restaurant, clubs, bars, warehouse arts, and residential options. Similar to downtown Tampa, the area is currently experiencing a building boom of condominiums, townhomes, apartments and hotels.





As depicted in the graphic above, there are a variety of uses within the market area. Professional office and residential uses make up the bulk uses but other uses include retail, industrial, restaurants, museums, hospitality/lodging, parks, recreational facilities, government uses, an airport and a large waterfront area that features marinas, a port and a public pier.

Some of the larger points of interest in the market area include the following:

**Tropicana Field** – This is the home stadium for the Tampa Bay Rays, a professional baseball team in the MLB. The stadium is situated on an 85-acre site and it was opened in 1990 and renamed in 1996 when Tropicana Products signed a 30-year naming rights agreement. The stadium is located on the western edge of the downtown district, within the southeast quadrant of Interstate 275 and 1<sup>st</sup> Avenue South. This area is represented in the graphic above as the large purple area, meaning this area proposed for redevelopment.



**The Waterfront District** – Another major attraction for the market area is the vast waterfront along the western shoreline of Old Tampa Bay. Key locations in this area include Vinoy Park, Vinoy Resort, Straub Park, St. Petersburg Municipal Marina, St. Petersburg Yacht Club, the Harborage Marina, Demens Landing Park, Al Lang Field/Progress Energy Park, The Dali Museum, Museum of Fine Arts, Mahaffey Theater, Albert Whitted Airport, Port of St. Petersburg, United States Coast Guard Station, University of South Florida (USF) Bayboro Campus, the USF Marine Sciences facility and the St. Petersburg Pier. The St. Petersburg Pier has been a focal point for this area for many years but in the recent past, the previous inverted pyramid pier structure had structural issues and was torn down. In 2015, the St. Petersburg City Council approved an \$80 million “Pier Project” that will redevelop the pier and add various retail and restaurant venues. The structure at the end of the pier will house a bait and tackle shop, gift shops, specialty shops, clothing stores, art shops and other retail uses. Along the promenade there will be vendor areas, lush landscaping, parking and additional shops. Large decorative solar panels will provide shade in certain areas of the pier area and will provide additional electricity for the area as well. There



will be 12 passenger trams that will connect the pier to other areas and venues along the waterfront. The new pier extends 1,350 feet into Old Tampa Bay and construction of the new pier and it opened July 6, 2020. A recent photo of the St. Petersburg Pier is presented as follows (while under-construction).



The largest grouping of high-rise condominium towers is located along Beach Drive, one of two main roads along the waterfront. Some of these include Signature Place, Bayfront Towers, One St. Petersburg, 400 Beach Drive, Ovation, and Parkshore Plaza. All of these projects have excellent views overlooking Old Tampa Bay to the east and the downtown district to the west.

At the northern end of the waterfront district is the Vinoy Renaissance Resort and Spa (Marriott) and the Vinoy Place condominiums. The resort is a historic Mediterranean hotel that has been renovated into a 4 Star facility. The resort features a marina, full-service spa, 361 rooms, outdoor pool, four restaurants, two bar/lounges and café. The resort campus bookend by Straub Park on the west and Vinoy Park on the east.



***Residential Uses***

The primary residential uses in the market area are condominium units and rental apartment units. There are some single-family homes scattered throughout the periphery of the district, most of these being older structures nearing their economic life. Demographic data indicates that 66% of the population reside in rental units within the downtown area. Many of the rental communities in the area are older complexes but there has been considerable new residential development in the downtown area over the past 10 years. These new communities include market rate units, as well as affordable and senior housing communities.

We previously mentioned some of the existing condominium projects located along the waterfront but there are several condominium towers proposed for the area as well. Some of these include 232 2<sup>nd</sup> Street Condo (100 units), 3<sup>rd</sup> Avenue North/5<sup>th</sup> Street South Tower (270 units), 40 Central Avenue Tower (300 units), Blue Lotus (18 units), The Perry (22 units), Saltaire (192 units) and Vela (2 units). There are a few smaller townhouse projects being considered for the area too. Overall demand for housing in the downtown district remains high. Most new projects feature studio, one- and two-bedroom units and are mid-rise and high-rise developments, with extensive amenities.



### ***Commercial and Industrial Uses***

The majority of commercial uses in the market area are professional office buildings in the downtown core, street level retail shops, restaurants, local offices, specialty shops, banks, entertainment venues and bars. There is a Publix grocery store and local shops located within the block of 2<sup>nd</sup> Avenue South and 3<sup>rd</sup> Street South but most retailers in the area are small local shops and offices. The Saturday Morning Market is a farmer's market that opens on Saturdays along the waterfront at Bayshore Drive Southeast and 1<sup>st</sup> Avenue South. Central Avenue has been the catalyst for the revival of local retail and restaurants in the downtown area. Nearly all of the storefronts, awnings and walls of buildings have been revitalized, showcasing local artists with large and small wall murals and sculptures. New businesses to the area include micro-breweries, craft beer stores, healthy foods restaurants and stores, new bars and night clubs and numerous fashion and art related businesses. Some of the new vendors in the area include Daddy Kool Records, Fourward Glass Gallery, Misred Outfitters, Two-Fold Bicycle Shop, The Lure and Strands of Sunshine.



Other commercial uses include:

- According to CoStar, the downtown St. Petersburg office market has approximately 4,111,776 SF of professional office space, with an average rent of \$26.87/SF and an average vacancy of 6.40%. There have been no new recent completions of new space and there is no new space under construction.
- There are several hotels including Hampton Inn & Suites, Hotel Indigo, the Vinoy Renaissance Resort and Spa, The Courtyard Hotel, Staybridge Suites, Hilton Bayfront, Hyatt Place, Hollander Hotel, Ponce de Leon and The Birchwood.
- The downtown area has a variety of sports and cultural venues, including the aforementioned Tropicana Field (home of the Tampa Bay Rays), Al Lang Stadium (home of the Tampa Bay Rowdies USL professional soccer team), the Dali Museum, Museum of Fine Arts, St Petersburg Museum of History and the James Museum of Western & Wildlife Art.
- The University of South Florida has a Saint Petersburg campus in the southern portion of the downtown area, known as the Bayboro Campus.
- St. Petersburg General Hospital is an accredited full-service 215-bed acute care facility that is centrally located within Pinellas County. The hospital provides comprehensive emergency, diagnostic, medical, surgical and women's services including labor and delivery, post-partum and nursery. Palms of Pasadena Hospital is a 307-bed hospital located in the southwest section of the county and offers a broad range of inpatient and outpatient services along with specialty programs. In addition, John Hopkins All Children Hospital and Bayfront Health St. Petersburg are located just south of the downtown area along 5th and 6<sup>th</sup> Street South.



- Downtown St. Petersburg is known as a strong medical hub, with over 6,200 medical related jobs, 4.1 million square feet of office space and 22,000 jobs. Other major employers include University of South Florida (St. Petersburg Campus), Raymond James and Progress Energy.

## DEMOGRAPHICS

The following data highlights the neighborhood demographics for the 1, 3, and 5-mile radii from the subject, as provided by *Claritas Inc.*

COMPARATIVE DEMOGRAPHIC ANALYSIS FOR PRIMARY TRADE AREA			
Description	1-Mile Radius	3-Mile Radius	5-Mile Radius
<b>Population</b>			
2025 Projection	16,525	114,910	259,258
2020 Estimate	15,639	109,563	247,772
2010 Census	13,744	100,645	230,534
2000 Census	14,416	104,935	237,753
2020 Est. Median Age	41.43	42.46	44.83
2020 Est. Average Age	41.40	41.69	43.43
<b>Households</b>			
2025 Projection	7,968	51,810	116,882
2020 Estimate	7,416	48,978	111,066
2010 Census	6,119	43,629	101,481
2000 Census	6,600	45,050	104,532
<b>2020 Est. Average Household Size</b>	1.95	2.17	2.17
<b>2020 Est. Households by Household Income (%)</b>			
Income < \$15,000	<b>22.0</b>	14.8	12.1
Income \$15,000 - \$24,999	17.7	12.5	11.3
Income \$25,000 - \$34,999	11.0	10.5	10.1
Income \$35,000 - \$49,999	14.5	13.0	13.7
Income \$50,000 - \$74,999	12.1	<b>15.2</b>	<b>16.7</b>
Income \$75,000 - \$99,999	6.8	10.7	11.8
Income \$100,000 - \$124,999	6.0	7.7	8.3
Income \$125,000 - \$149,999	3.8	5.1	5.2
Income \$150,000 - \$199,999	2.7	4.6	4.6
Income \$200,000 - \$249,999	1.1	2.1	2.3
Income \$250,000 - \$499,999	1.4	2.5	2.6
Income \$500,000+	0.7	1.3	1.4
<b>2020 Est. Average Household Income</b>	\$56,457	\$75,514	\$78,837
<b>2020 Est. Median Household Income</b>	\$34,236	\$48,909	\$53,530
<b>2020 Est. Tenure of Occupied Housing Units (%)</b>			
Owner Occupied	33.5	54.5	62.6
Renter Occupied	66.5	45.5	37.4
<b>2020 Est. Median All Owner-Occupied Housing Value</b>	\$184,939	\$217,336	\$211,779
Source: 2020 Claritas, Inc.			

## OFFICE MARKET OVERVIEW

### TAMPA OFFICE MARKET

Costar is the source for the following data. The data reflects conditions of 2020 Q2, the most recent data available. The initial discussion provides information on the overall Tampa Office market, followed by the subject's submarket. The subject is located within the Downtown St Petersburg submarket, which will be discussed later in this report.

CoStar's Daily Base Case forecast is based on the Oxford Economics Baseline scenario published in March 2020, in which just 270,000 jobs are added in 2020, followed by 1 million jobs in 2021. On average, the forecast calls for 410,000 jobs per year during 2020 through 2025, well below the 2.1 million new jobs added in 2019. The Base Case calls for BBB interest rates to rise to 5% by 2025, up from 3.4% in 2020Q1.

Costar rates office properties using a star rating, in which 1 and 2-star properties generally equate to the more traditional Class C rating; 3-star properties generally equate to Class B; and 4 and 5-star properties generally equate to Class A.

**Class A** – They are characterized by high quality construction and finishes, high occupancy levels, sophisticated amenities, and top rental rates. A+ properties would suggest "trophy" properties with the characteristics noted above.

**Class B** – These properties are regarded as modern (although not necessarily new) buildings, or old (i.e., Class C) structures recently renovated to modern standards. Good locations, reasonably high occupancy levels, and competitive rental rates characterize these buildings.

**Class C** – The lowest quality available in the market are found in Class C buildings. These buildings are generally old, but in fair condition. Rental rates are the lowest within the market and amenities are minimal.

### KEY INDICATORS AT A GLANCE

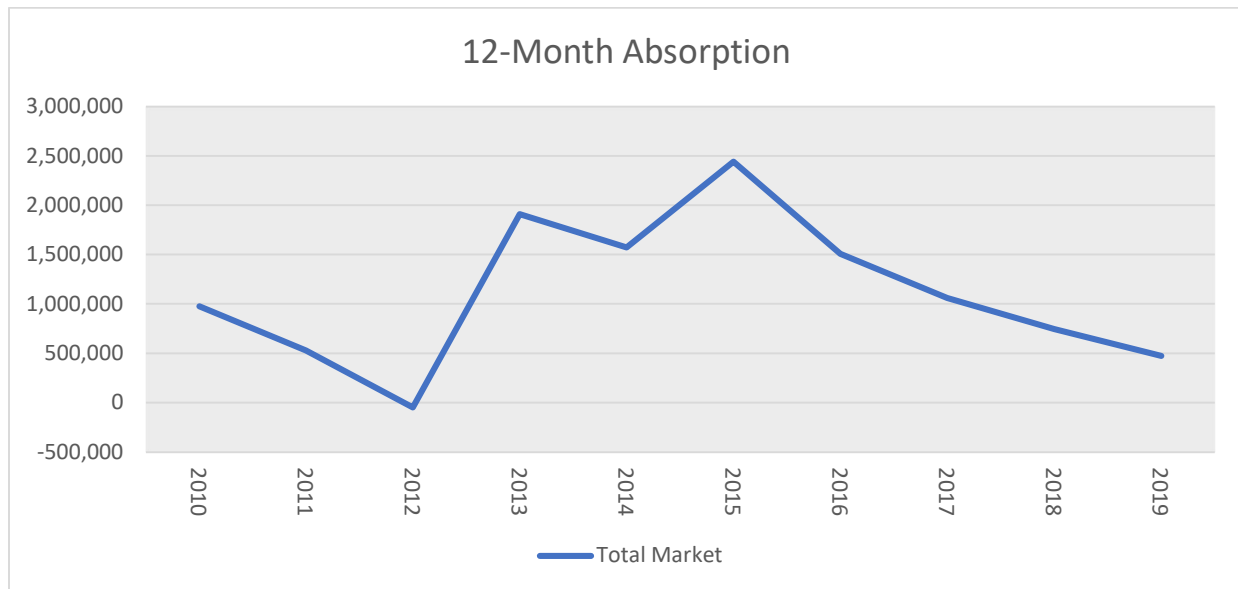
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	7.53%	7.59%	increased 6 Basis Points
Absorption (SF)	67,419	130,005	increased 62,586 SF
Quoted Rental Rates (\$/SF/Year)	\$26.33	\$26.18	decreased \$0.15 PSF
Inventory (SF)	123,053,140	123,290,610	increased 237,472 SF
Net Deliveries (SF)	174,838	230,470	increased 55,632 SF
Under Construction (SF)	2,045,983	1,964,384	decreased 81,599 SF

## TAMPA OFFICE MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2020 Q2	123,290,610	7.59%	130,005	230,470	1,964,384	\$26.18
2020 Q1	123,053,140	7.53%	67,419	174,838	2,045,983	\$26.33
2019 Q4	122,878,302	7.45%	200,286	297,867	2,174,538	\$26.14
2019 Q3	122,580,435	7.39%	59,401	-13,796	2,155,533	\$25.69
2019	122,878,302	7.45%	473,180	774,563	2,174,538	\$26.14
2018	122,094,787	7.25%	746,375	-51,406	1,080,098	\$24.72
2017	122,146,193	7.90%	1,059,454	103,974	820,936	\$23.43
2016	122,042,219	8.68%	1,505,940	-98,546	696,784	\$22.34
2015	122,140,765	9.99%	2,440,539	360,058	603,829	\$21.04
2014	121,780,707	11.72%	1,570,971	94,678	553,892	\$19.97
2013	121,686,029	12.94%	1,909,200	751,555	206,148	\$19.33
2012	120,934,474	13.98%	-47,506	170,808	907,535	\$19.02
2011	120,763,666	13.82%	528,793	213,298	723,788	\$18.91

The Tampa Office market ended the second quarter with a vacancy rate of 7.59%. The vacancy rate increased over the previous quarter, with net absorption totaling 130,005 square feet in the second quarter. Rental rates decreased compared to the previous quarter, ending second quarter at \$26.18. A total of 230,470 square feet was delivered to the market, with 1,964,384 square feet still under construction at the end of the quarter.

### ABSORPTION



Net absorption for the overall Tampa Office market was 130,005 square feet in the second quarter 2020. That compares to 67,419 square feet in the first quarter 2020, 200,286 square feet in the fourth quarter 2019, and 59,401 square feet in the third quarter 2019. Net absorption in the market over the prior 12 months totaled 457,111 square feet.

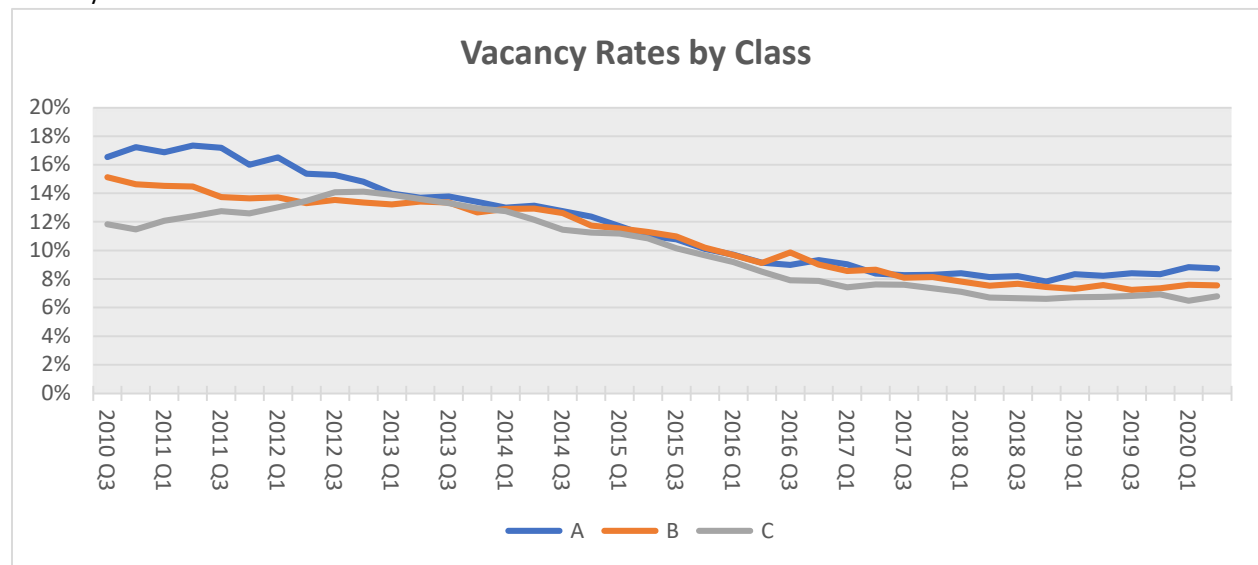
The Class A (4 & 5 Star) Office market recorded net absorption of 169,939 square feet in the second quarter 2020, compared to -23,212 square feet in the first quarter 2020, 263,513 square feet in the fourth quarter 2019, and -35,604 square feet in the third quarter 2019.

The Class B (3 Star) Office market recorded net absorption of 92,971 square feet in the second quarter 2020, compared to -72,450 square feet in the first quarter 2020, -6,589 square feet in the fourth quarter 2019, and 157,127 square feet in the third quarter 2019.

The Class C (1 & 2 Star) Office market recorded net absorption of -132,905 square feet in the second quarter 2020, compared to 163,081 square feet in the first quarter 2020, -56,638 square feet in the fourth quarter 2019, and -62,122 square feet in the third quarter 2019.

Net absorption for the Downtown St Petersburg submarket was -7,941 square feet in the second quarter 2020. That compares to 31,644 square feet in the first quarter 2020, 28,532 square feet in the fourth quarter 2019, and -29,852 square feet in the third quarter 2019.

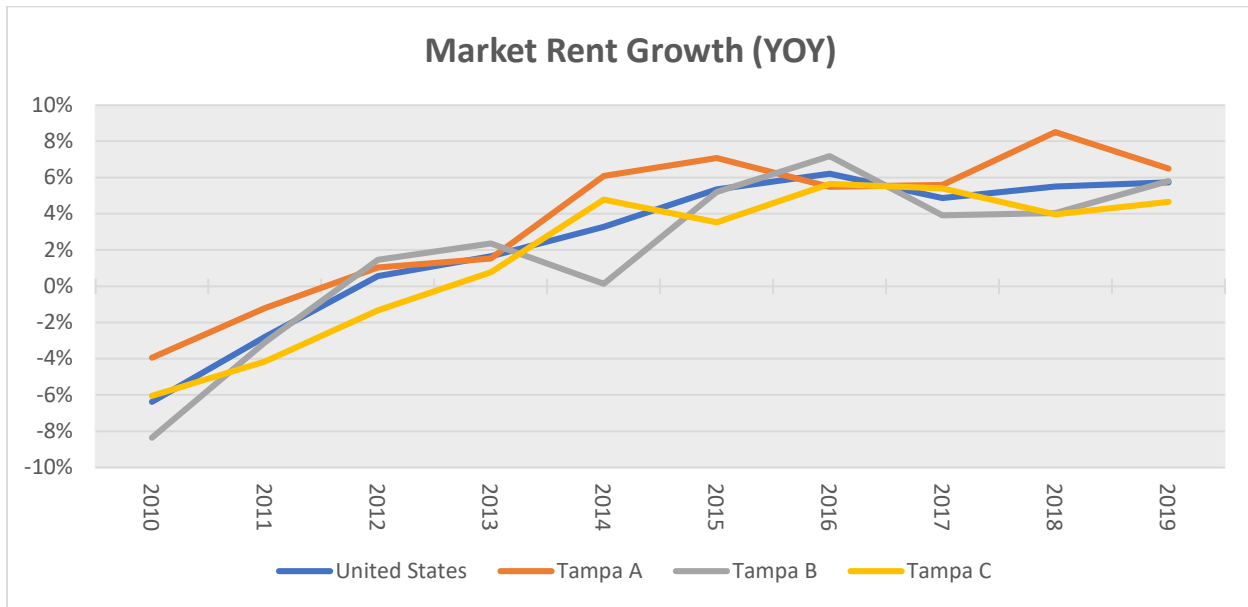
#### Vacancy



Vacancy for the overall Tampa Office market increased to 7.59% in the second quarter 2020. That compares to 7.53% in the first quarter 2020, 7.45% in the fourth quarter 2019, and 7.39% in the third quarter 2019. Class A (4 & 5 Star) projects reported a vacancy rate of 8.75% at the end of the second quarter 2020, 8.83% at the end of the first quarter 2020, 8.34% at the end of the fourth quarter 2019, and 8.40% at the end of the third quarter 2019. Class B (3 Star) projects reported a vacancy rate of 7.56% at the end of the second quarter 2020, 7.60% at the end of the first quarter 2020, 7.35% at the end of the fourth quarter 2019, and 7.25% at the end of the third quarter 2019.

Class C (1 & 2 Star) projects reported a vacancy rate of 6.78% at the end of the second quarter 2020, 6.49% at the end of the first quarter 2020, 6.92% at the end of the fourth quarter 2019, and 6.82% at the end of the third quarter 2019. The overall vacancy rate in the Tampa Downtown St Petersburg submarket at the end of the second quarter 2020 was 5.31%. The vacancy rate was 5.12% at the end of the first quarter 2020, 5.89% at the end of the fourth quarter 2019 and 6.81% at the end of the third quarter 2019.

## RENTAL RATES



The rental rates shown below are per square foot per year on a full-service gross basis. The average asking rental rate for available Office space, all classes, was \$26.18 psf at the end of the second quarter 2020 in the Tampa market area. This represented a 0.6% decrease in quoted rental rates from the end of the first quarter 2020, when rents were reported at \$26.33.

The average quoted rate within the Class A (4 & 5 Star) sector was \$34.10 at the end of the second quarter 2020, while Class B (3 Star) rates stood at \$25.93, and Class C (1 & 2 Star) rates at \$20.27. At the end of the first quarter 2020, Class A (4 & 5 Star) rates were \$34.20, Class-B (3 Star) rates were \$26.15, and Class C (1 & 2 Star) rates were \$20.38. The average quoted asking rental rate in Tampa's Downtown St Petersburg district was \$27.08 at the end of the second quarter 2020. In the first quarter 2020, quoted rates were \$27.15.

## INVENTORY & CONSTRUCTION

During the second quarter 2020, a total of 230,470 square feet was completed in the Tampa market area. This compares to a total of 174,838 square feet completed in the first quarter 2020, a total of 297,867 square feet completed in the fourth quarter 2019, and -13,796 square feet completed in the third quarter 2019. There was 1,964,384 square feet of Office space under construction at the end of the second quarter 2020.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Class A (4 & 5 Star)	31,495,952	587,393	1,681,638
Class B (3 Star)	49,237,133	178,336	237,946
Class C (1 & 2 Star)	42,557,525	-76,350	44,800
<b>Total</b>	<b>123,290,610</b>	<b>689,379</b>	<b>1,964,384</b>

## MARKET OUTLOOK

The Tampa Office market ended the second quarter 2020 with a vacancy rate of 7.59%. The vacancy rate increased over the previous quarter, with net absorption totaling 130,005 square feet in the second quarter 2020. Rental rates decreased \$0.15 PSF over the previous quarter and ended at \$26.18. A total of 230,470 square feet was delivered in the quarter, with 1,964,384 square feet still under construction at the end of the quarter.

## DOWNTOWN ST PETERSBURG OFFICE MARKET

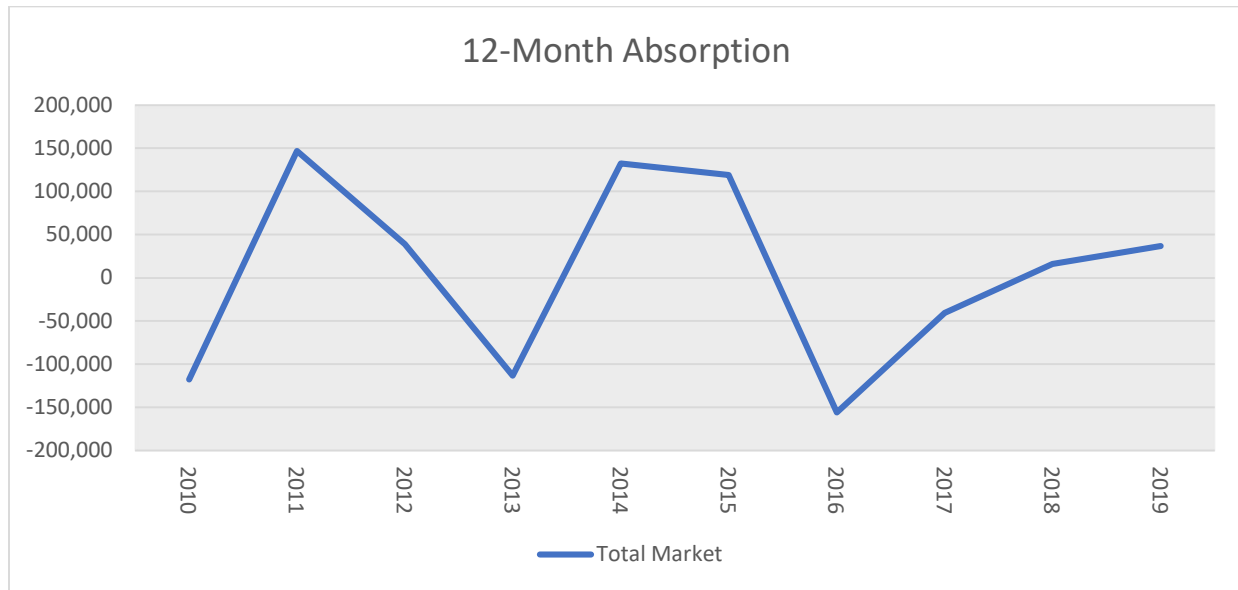
### KEY INDICATORS AT A GLANCE

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	5.12%	5.31%	increased 19 Basis Points
Absorption (SF)	31,644	-7,941	decreased 39,585 SF
Quoted Rental Rates (\$/SF/Year)	\$27.15	\$27.08	decreased \$0.07 PSF
Inventory (SF)	4,082,650	4,082,650	no change SF
Net Deliveries (SF)	0	0	no change SF
Under Construction (SF)	11,395	11,395	no change SF

### DOWNTOWN ST PETERSBURG OFFICE MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2020 Q2	4,082,650	5.31%	-7,941	0	11,395	\$27.08
2020 Q1	4,082,650	5.12%	31,644	0	11,395	\$27.15
2019 Q4	4,082,650	5.89%	28,532	-9,502	11,395	\$27.00
2019 Q3	4,092,152	6.81%	-29,852	-876	11,395	\$26.58
2019	4,082,650	5.89%	36,870	-10,378	11,395	\$27.00
2018	4,093,028	7.03%	15,873	-65,712	0	\$25.78
2017	4,158,740	8.88%	-40,563	-39,286	0	\$24.46
2016	4,198,026	8.77%	-155,842	-324,849	0	\$23.21
2015	4,522,875	11.88%	118,950	-2,092	0	\$21.71
2014	4,524,967	14.36%	132,296	-2,240	0	\$20.55
2013	4,527,207	17.33%	-113,379	0	0	\$19.91
2012	4,527,207	14.82%	38,796	0	0	\$19.23
2011	4,527,207	15.68%	146,975	0	0	\$19.08

The Downtown St Petersburg Office market ended the second quarter with a vacancy rate of 5.31%. The vacancy rate increased over the previous quarter, with net absorption totaling -7,941 square feet in the second quarter. Rental rates decreased compared to the previous quarter, ending second quarter at \$27.08. A total of 0 square feet was delivered to the market, with 11,395 square feet still under construction at the end of the quarter.

**ABSORPTION**

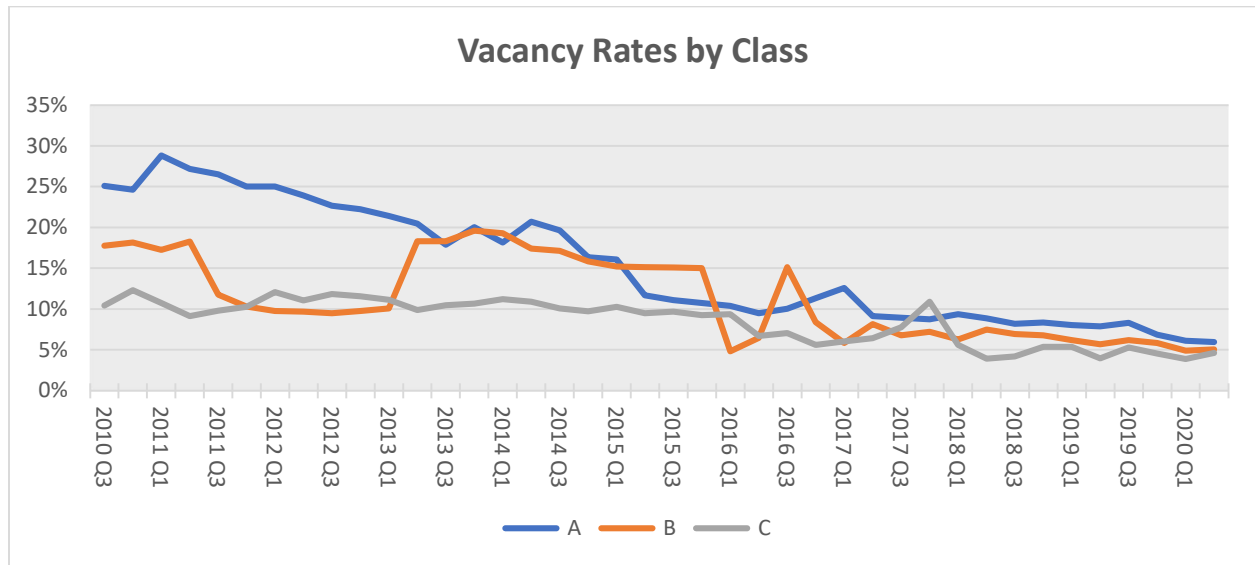
Net absorption for the overall Downtown St Petersburg Office market was -7,941 square feet in the second quarter 2020. That compares to 31,644 square feet in the first quarter 2020, 28,532 square feet in the fourth quarter 2019, and -29,852 square feet in the third quarter 2019. Net absorption in the market over the prior 12 months totaled 22,383 square feet.

The Class A (4 & 5 Star) Office market recorded net absorption of 2,082 square feet in the second quarter 2020, compared to 12,583 square feet in the first quarter 2020, 24,392 square feet in the fourth quarter 2019, and -7,456 square feet in the third quarter 2019.

The Class B (3 Star) Office market recorded net absorption of -1,919 square feet in the second quarter 2020, compared to 11,878 square feet in the first quarter 2020, 4,769 square feet in the fourth quarter 2019, and -6,600 square feet in the third quarter 2019.

The Class C (1 & 2 Star) Office market recorded net absorption of -8,104 square feet in the second quarter 2020, compared to 7,183 square feet in the first quarter 2020, -629 square feet in the fourth quarter 2019, and -15,796 square feet in the third quarter 2019.

## VACANCY



Vacancy for the overall Downtown St Petersburg Office market increased to 5.31% in the second quarter 2020. That compares to 5.12% in the first quarter 2020, 5.89% in the fourth quarter 2019, and 6.81% in the third quarter 2019.

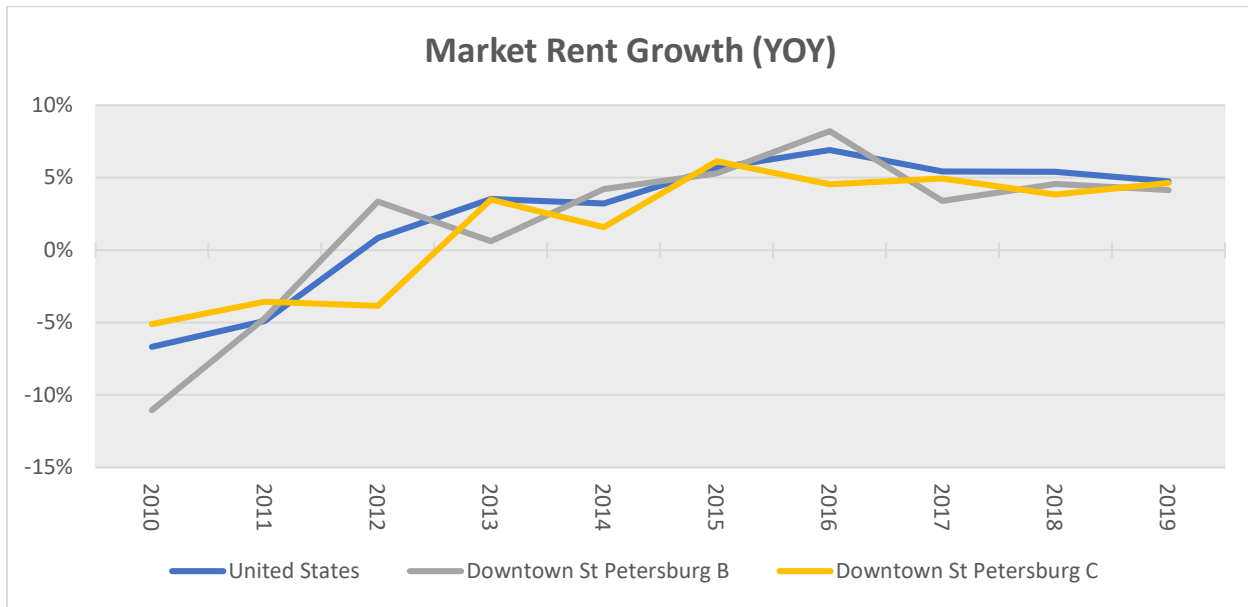
Class A (4 & 5 Star) projects reported a vacancy rate of 5.97% at the end of the second quarter 2020, 6.10% at the end of the first quarter 2020, 6.86% at the end of the fourth quarter 2019, and 8.32% at the end of the third quarter 2019.

Class B (3 Star) projects reported a vacancy rate of 5.06% at the end of the second quarter 2020, 4.91% at the end of the first quarter 2020, 5.83% at the end of the fourth quarter 2019, and 6.19% at the end of the third quarter 2019.

Class C (1 & 2 Star) projects reported a vacancy rate of 4.62% at the end of the second quarter 2020, 3.89% at the end of the first quarter 2020, 4.54% at the end of the fourth quarter 2019, and 5.29% at the end of the third quarter 2019.



## RENTAL RATES



The rental rates shown below are per square foot per year on a full-service gross basis. The average asking rental rate for available Office space, all classes, was \$27.08 psf at the end of the second quarter 2020 in the Downtown St Petersburg market area. This represented a 0.3% decrease in quoted rental rates from the end of the first quarter 2020, when rents were reported at \$27.15. The average quoted rate within the Class A (4 & 5 Star) sector was \$32.31 at the end of the second quarter 2020, while Class B (3 Star) rates stood at \$24.73, and Class C (1 & 2 Star) rates at \$22.07. At the end of the first quarter 2020, Class A (4 & 5 Star) rates were \$32.21, Class-B (3 Star) rates were \$25.01, and Class C (1 & 2 Star) rates were \$22.13.

## INVENTORY & CONSTRUCTION

During the second quarter 2020, a total of 0 square feet was completed in the Downtown St Petersburg market area. This compares to a total of 0 square feet completed in the first quarter 2020, a total of -9,502 square feet completed in the fourth quarter 2019, and -876 square feet completed in the third quarter 2019. There were 11,395 square feet of Office space under construction at the end of the second quarter 2020.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Class A (4 & 5 Star)	1,663,962	0	0
Class B (3 Star)	1,301,716	0	11,395
Class C (1 & 2 Star)	1,116,972	-10,378	0
<b>Total</b>	<b>4,082,650</b>	<b>-10,378</b>	<b>11,395</b>

## DOWNTOWN ST PETERSBURG MARKET OUTLOOK

The Downtown St Petersburg Office market ended the second quarter 2020 with a vacancy rate of 5.31%. The vacancy rate increased over the previous quarter, with net absorption totaling -7,941 square feet in the second quarter 2020. Rental rates decreased \$0.07 PSF over the previous quarter and ended at \$27.08. A total of 0 square feet was delivered in the quarter, with 11,395 square feet still under construction at the end of the quarter.

## RETAIL MARKET OVERVIEW

### TAMPA RETAIL MARKET

Costar is the source for the following data. The data reflects conditions of 2020 Q2, the most recent data available. The initial discussion provides information on the overall Tampa Retail market, followed by the subject's submarket. The subject is located within the Downtown St Petersburg submarket, which will be discussed later in this report.

CoStar's Daily Base Case forecast is based on the Oxford Economics Baseline scenario published in March 2020, in which just 270,000 jobs are added in 2020, followed by 1 million jobs in 2021. On average, the forecast calls for 410,000 jobs per year during 2020 through 2025, well below the 2.1 million new jobs added in 2019. The Base Case calls for BBB interest rates to rise to 5% by 2025, up from 3.4% in 2020Q1.

Costar provides statistics related to the retail market based on the following subtypes: Mall, Neighborhood Center, Power Center, Strip Center, General Retail and Other.

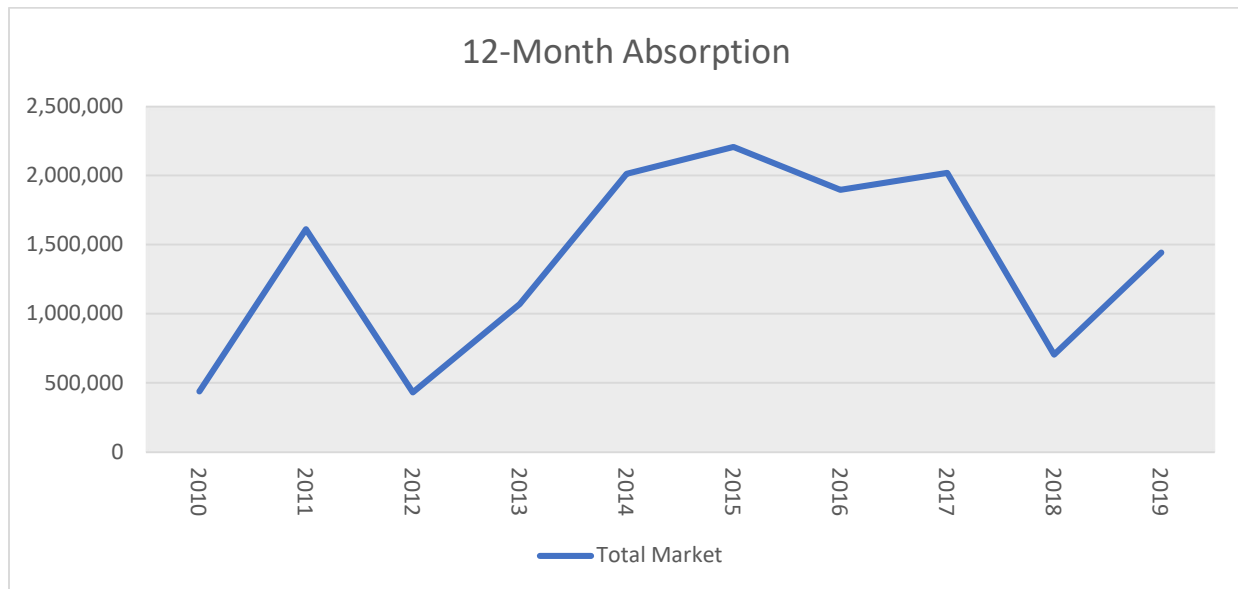
#### KEY INDICATORS AT A GLANCE

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	4.43%	4.39%	decreased 4 Basis Points
Absorption (SF)	17,037	77,271	increased 60,234 SF
Quoted Rental Rates (\$/SF/Year)	\$19.58	\$19.68	increased \$0.10 PSF
Inventory (SF)	170,058,052	170,058,154	increased 112 SF
Net Deliveries (SF)	224,653	102	decreased 224,551 SF
Under Construction (SF)	1,107,124	996,242	decreased 110,882 SF

**TAMPA RETAIL MARKET STATISTICS**

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2020 Q2	170,058,154	4.39%	77,271	102	996,242	\$19.68
2020 Q1	170,058,052	4.43%	17,037	224,653	1,107,124	\$19.58
2019 Q4	169,807,778	4.32%	84,775	103,102	965,879	\$19.31
2019 Q3	169,704,676	4.31%	431,650	279,242	790,431	\$19.03
2019	169,807,778	4.32%	1,442,298	823,759	965,879	\$19.31
2018	168,977,900	4.71%	704,531	1,063,994	957,209	\$18.27
2017	167,885,663	4.53%	2,018,881	1,614,258	1,123,524	\$17.36
2016	166,222,604	4.79%	1,895,758	858,820	1,469,776	\$16.44
2015	165,363,784	5.44%	2,207,723	1,204,463	1,192,654	\$15.79
2014	164,159,321	6.09%	2,013,586	958,403	1,010,387	\$15.33
2013	163,193,918	6.77%	1,069,793	613,156	1,094,725	\$14.99
2012	162,580,762	7.08%	431,993	433,336	502,171	\$14.82
2011	162,147,426	7.09%	1,613,043	660,400	260,777	\$14.64

The Tampa Retail market ended the second quarter with a vacancy rate of 4.39%. The vacancy rate decreased over the previous quarter, with net absorption totaling 77,271 square feet in the second quarter. Rental rates increased compared to the previous quarter, ending second quarter at \$19.68. A total of 102 square feet was delivered to the market, with 996,242 square feet still under construction at the end of the quarter.

**ABSORPTION**

Net absorption for the overall Tampa Retail market was 77,271 square feet in the second quarter 2020. That compares to 17,037 square feet in the first quarter 2020, 84,775 square feet in the fourth quarter 2019, and 431,650 square feet in the third quarter 2019. Net absorption in the market over the prior 12 months totaled 610,733 square feet.

The Mall subtype recorded net absorption of -4,187 square feet in the second quarter 2020, compared to 24,699 square feet in the first quarter 2020, -44,072 square feet in the fourth quarter 2019, and 5,183 square feet in the third quarter 2019.

Neighborhood Centers recorded net absorption of 68,217 square feet in the second quarter 2020, compared to 7,112 square feet in the first quarter 2020, 60,935 square feet in the fourth quarter 2019, and 279,004 square feet in the third quarter 2019.

Power Centers recorded net absorption of 6,557 square feet in the second quarter 2020, compared to -15,029 square feet in the first quarter 2020, -4,268 square feet in the fourth quarter 2019, and -34,000 square feet in the third quarter 2019.

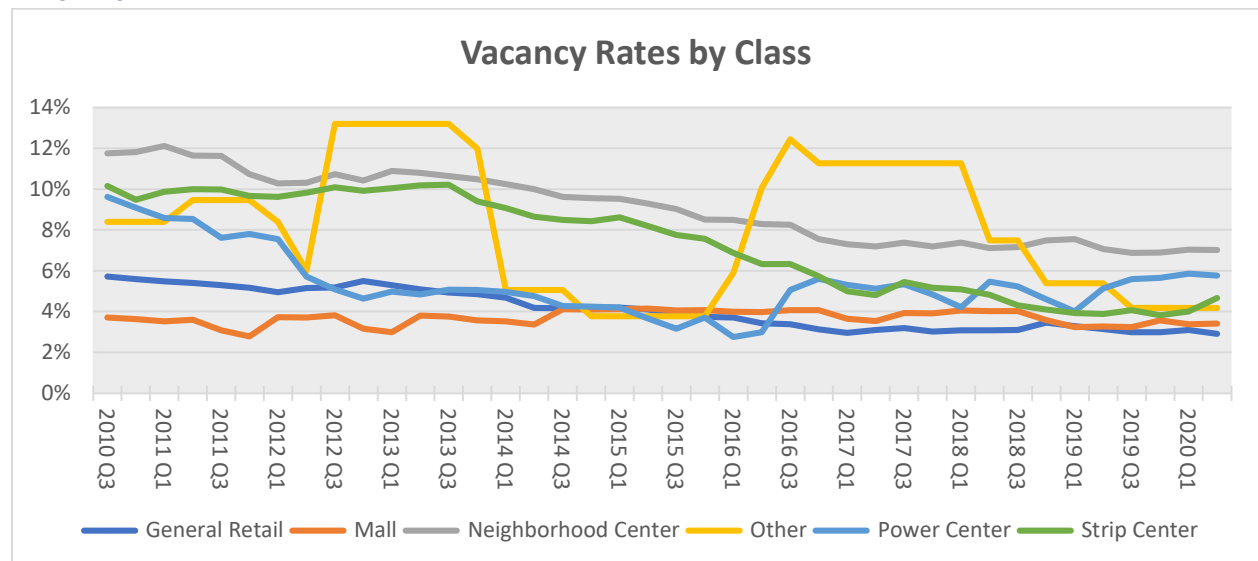
Strip Centers recorded net absorption of -73,925 square feet in the second quarter 2020, compared to -25,096 square feet in the first quarter 2020, 33,539 square feet in the fourth quarter 2019, and -20,657 square feet in the third quarter 2019.

General Retail recorded net absorption of 84,046 square feet in the second quarter 2020, compared to 20,510 square feet in the first quarter 2020, 36,991 square feet in the fourth quarter 2019, and 201,106 square feet in the third quarter 2019.

Finally, Other retail subtypes recorded net absorption of 0 square feet in the second quarter 2020, compared to 0 square feet in the first quarter 2020, 0 square feet in the fourth quarter 2019, and 1,014 square feet in the third quarter 2019.

Net absorption for the Downtown St Petersburg submarket was -4,229 square feet in the second quarter 2020. That compares to 3,310 square feet in the first quarter 2020, -2,328 square feet in the fourth quarter 2019, and 22,408 square feet in the third quarter 2019.

## VACANCY



Vacancy for the overall Tampa Retail market was 4.39% in the second quarter 2020. That compares to 4.43% in the first quarter 2020, 4.32% in the fourth quarter 2019, and 4.31% in the third quarter 2019.

The Mall subtype recorded vacancy of 3.41% in the second quarter 2020, compared to 3.38% in the first quarter 2020, 3.57% in the fourth quarter 2019, and 3.23% in the third quarter 2019.

Neighborhood Centers recorded vacancy of 7.01% in the second quarter 2020, compared to 7.03% in the first quarter 2020, 6.89% in the fourth quarter 2019, and 6.88% in the third quarter 2019.

Power Centers recorded vacancy of 5.76% in the second quarter 2020, compared to 5.85% in the first quarter 2020, 5.65% in the fourth quarter 2019, and 5.59% in the third quarter 2019.

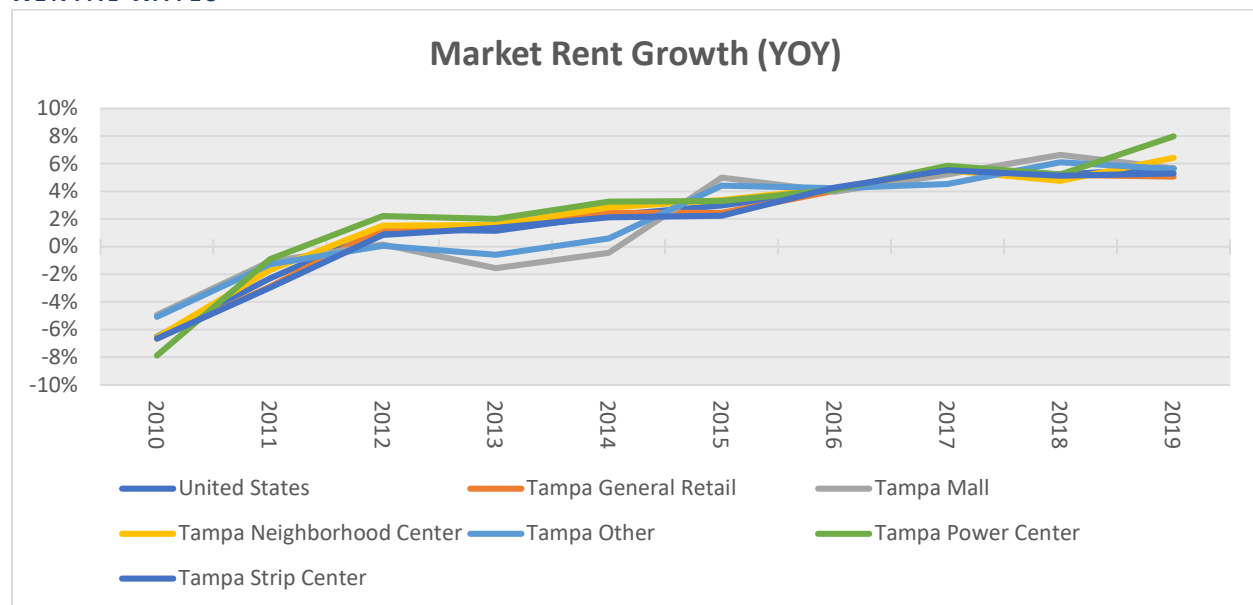
Strip Centers recorded vacancy of 4.66% in the second quarter 2020, compared to 4.00% in the first quarter 2020, 3.82% in the fourth quarter 2019, and 4.06% in the third quarter 2019.

General Retail recorded vacancy of 2.92% in the second quarter 2020, compared to 3.10% in the first quarter 2020, 2.98% in the fourth quarter 2019, and 2.99% in the third quarter 2019.

Finally, Other retail subtypes recorded vacancy of 4.17% in the second quarter 2020, compared to 4.17% in the first quarter 2020, 4.17% in the fourth quarter 2019, and 4.17% in the third quarter 2019.

Vacancy for the Downtown St Petersburg submarket was 3.69% in the second quarter 2020. That compares to 3.49% in the first quarter 2020, 3.50% in the fourth quarter 2019, and 3.53% in the third quarter 2019.

## RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis.

The average asking rental rate for available Retail space, all subtypes, was \$19.68 psf at the end of the second quarter 2020 in the Tampa market area. Average asking rental rates reported a 0.5% increase from the end of the first quarter 2020, when rents were reported at \$19.58.

The average quoted rate within the Mall subtype was \$27.17 at the end of the second quarter 2020, while Neighborhood Center rates stood at \$18.84, Power Center rates at \$24.30, Strip Center rates at \$18.30, General Retail rates at \$18.88, and Other retail rates at \$24.23. At the end of the first quarter 2020, Mall subtype rates were \$27.08, Neighborhood Center rates stood at \$18.80, Power Center rates at \$24.28, Strip Center rates at \$18.17, General Retail rates at \$18.75, and Other retail rates at \$24.17.

The average quoted asking rental rate in Tampa's Downtown St Petersburg submarket was \$25.27 at the end of the second quarter 2020. In the first quarter 2020, quoted rates were \$25.26.

### INVENTORY & CONSTRUCTION

During the second quarter 2020, a total of 102 square feet was completed in the Tampa market area. This compares to a total of 224,653 square feet completed in the first quarter 2020, a total of 103,102 square feet completed in the fourth quarter 2019, and 279,242 square feet completed in the third quarter 2019.

There was 996,242 square feet of Retail space under construction at the end of the second quarter 2020.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	12,700,122	0	0
Neighborhood Center	48,426,265	424,535	296,759
Power Center	7,408,840	0	10,300
Strip Center	13,776,741	22,188	15,180
General Retail	87,575,447	160,376	674,003
Other	83,554	0	0
<b>Total</b>	<b>170,058,154</b>	<b>607,099</b>	<b>996,242</b>

### MARKET OUTLOOK

The Tampa Retail market ended the second quarter 2020 with a vacancy rate of 4.39%. The vacancy rate decreased over the previous quarter, with net absorption totaling 77,271 square feet in the second quarter 2020. Rental rates increased \$0.10 PSF over the previous quarter and ended at \$19.68. A total of 102 square feet was delivered in the quarter, with 996,242 square feet still under construction at the end of the quarter.

## DOWNTOWN ST PETERSBURG RETAIL MARKET

### KEY INDICATORS AT A GLANCE

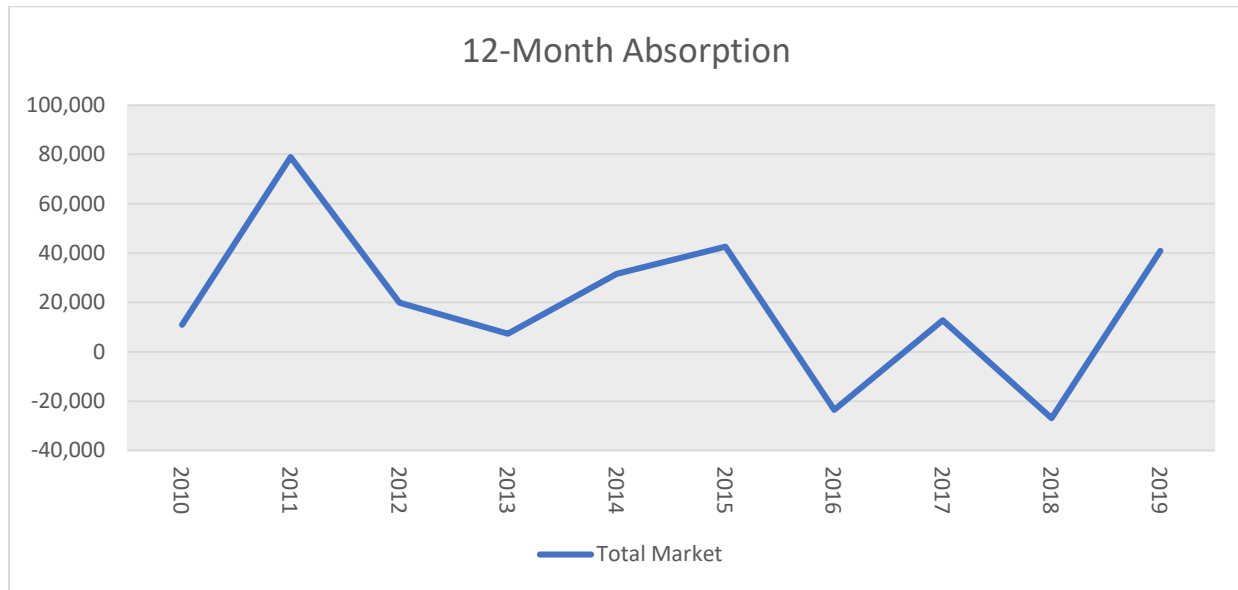
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	3.49%	3.69%	increased 20 Basis Points
Absorption (SF)	3,310	-4,229	decreased 7,539 SF
Quoted Rental Rates (\$/SF/Year)	\$25.26	\$25.27	increased \$0.01 PSF
Inventory (SF)	2,135,321	2,135,321	no change SF
Net Deliveries (SF)	3,200	0	decreased 3,200 SF
Under Construction (SF)	17,452	17,452	no change SF

### DOWNTOWN ST PETERSBURG RETAIL MARKET STATISTICS

PERIOD	EXISTING INVENTORY (SF)	VACANCY %	NET ABSORPTION (SF)	NET COMPLETIONS (SF)	UNDER CONST. (SF)	QUOTED RATES (\$/SF/YEAR)
2020 Q2	2,135,321	3.69%	-4,229	0	17,452	\$25.27
2020 Q1	2,135,321	3.49%	3,310	3,200	17,452	\$25.26
2019 Q4	2,132,121	3.50%	-2,328	-3,114	3,200	\$24.85
2019 Q3	2,135,235	3.53%	22,408	0	3,200	\$24.72
2019	2,132,121	3.50%	40,850	-989	3,200	\$24.85
2018	2,133,110	5.46%	-26,833	31,387	5,325	\$23.61
2017	2,101,723	2.77%	12,757	9,723	57,856	\$22.41
2016	2,092,000	2.93%	-23,511	-20,776	47,238	\$21.05
2015	2,112,776	2.77%	42,549	3,153	32,000	\$20.55
2014	2,109,623	4.64%	31,589	9,600	0	\$19.78
2013	2,100,023	5.71%	7,320	8,020	9,600	\$18.96
2012	2,092,003	5.70%	19,845	0	8,020	\$18.42
2011	2,092,003	6.65%	78,950	0	0	\$17.77

The Downtown St Petersburg Retail market ended the second quarter with a vacancy rate of 3.69%. The vacancy rate increased over the previous quarter, with net absorption totaling -4,229 square feet in the second quarter. Rental rates increased compared to the previous quarter, ending second quarter at \$25.27. A total of 0 square feet was delivered to the market, with 17,452 square feet still under construction at the end of the quarter.



**ABSORPTION**

Net absorption for the overall Downtown St Petersburg Retail market was -4,229 square feet in the second quarter 2020. That compares to 3,310 square feet in the first quarter 2020, -2,328 square feet in the fourth quarter 2019, and 22,408 square feet in the third quarter 2019. Net absorption in the market over the prior 12 months totaled 19,161 square feet.

The Mall subtype Retail market recorded net absorption of 0 square feet in the second quarter 2020, compared to 7,000 square feet in the first quarter 2020, 3,792 square feet in the fourth quarter 2019, and 0 square feet in the third quarter 2019.

The Neighborhood Center subtype Retail market recorded net absorption of -3,001 square feet in the second quarter 2020, compared to -2,415 square feet in the first quarter 2020, 0 square feet in the fourth quarter 2019, and 500 square feet in the third quarter 2019.

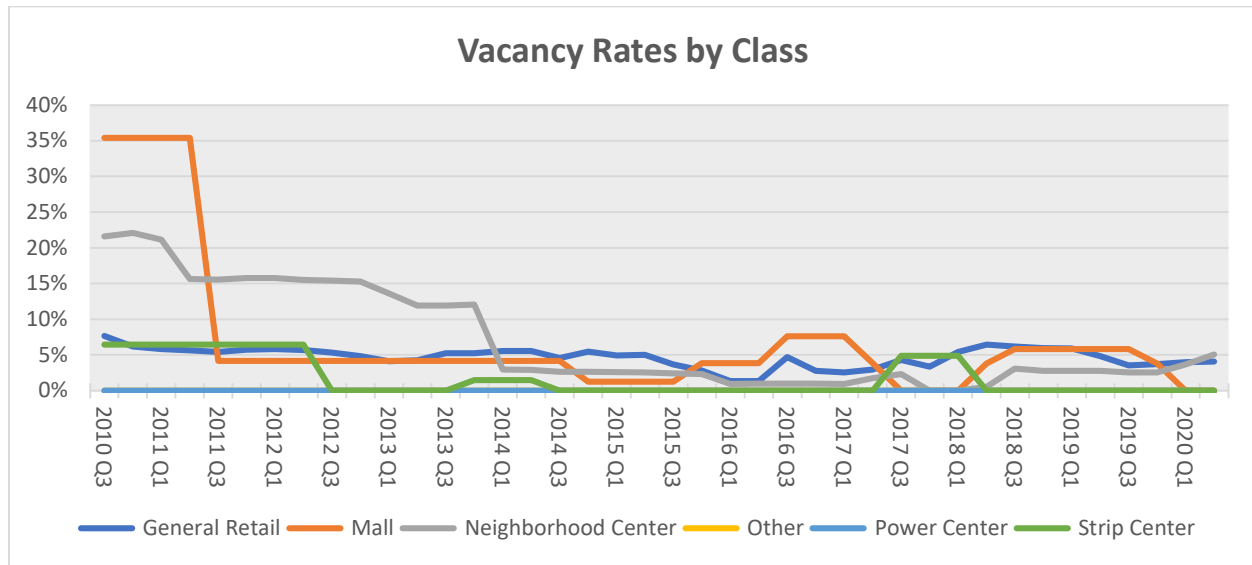
The Power Center subtype Retail market recorded net absorption of 0 square feet in the second quarter 2020, compared to 0 square feet in the first quarter 2020, 0 square feet in the fourth quarter 2019, and 0 square feet in the third quarter 2019.

Strip Centers recorded net absorption of 0 square feet in the second quarter 2020, compared to 0 square feet in the first quarter 2020, 0 square feet in the fourth quarter 2019, and 0 square feet in the third quarter 2019.

General Retail recorded net absorption of -1,228 square feet in the second quarter 2020, compared to -1,275 square feet in the first quarter 2020, -6,120 square feet in the fourth quarter 2019, and 21,908 square feet in the third quarter 2019.

Finally, Other retail subtypes recorded net absorption of 0 square feet in the second quarter 2020, compared to 0 square feet in the first quarter 2020, 0 square feet in the fourth quarter 2019, and 0 square feet in the third quarter 2019.

## VACANCY



Vacancy for the overall Downtown St Petersburg Retail market increased to 3.69% in the second quarter 2020. That compares to 3.49% in the first quarter 2020, 3.50% in the fourth quarter 2019, and 3.53% in the third quarter 2019.

Mall subtype projects reported a vacancy rate of 0.00% at the end of the second quarter 2020, 0.00% at the end of the first quarter 2020, 3.79% at the end of the fourth quarter 2019, and 5.84% at the end of the third quarter 2019.

Neighborhood Center subtype projects reported a vacancy rate of 5.06% at the end of the second quarter 2020, 3.66% at the end of the first quarter 2020, 2.54% at the end of the fourth quarter 2019, and 2.54% at the end of the third quarter 2019.

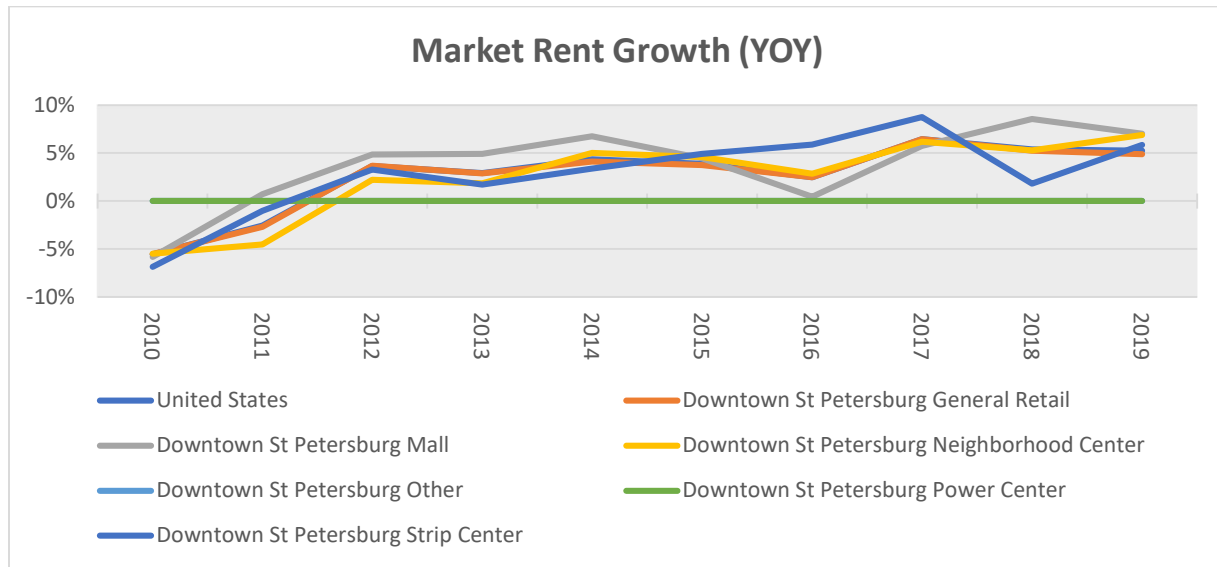
Power Center subtype projects reported a vacancy rate of 0.00% at the end of the second quarter 2020, 0.00% at the end of the first quarter 2020, 0.00% at the end of the fourth quarter 2019, and 0.00% at the end of the third quarter 2019.

Strip Centers recorded vacancy of 0.00% in the second quarter 2020, compared to 0.00% in the first quarter 2020, 0.00% in the fourth quarter 2019, and 0.00% in the third quarter 2019.

General Retail recorded vacancy of 4.06% in the second quarter 2020, compared to 3.98% in the first quarter 2020, 3.72% in the fourth quarter 2019, and 3.54% in the third quarter 2019.

Finally, Other retail subtypes recorded vacancy of 0.00% in the second quarter 2020, compared to 0.00% in the first quarter 2020, 0.00% in the fourth quarter 2019, and 0.00% in the third quarter 2019.

## RENTAL RATES



The rental rates shown below are per square foot per year on a NNN basis. The average asking rental rate for available Retail space, all classes, was \$25.27 psf at the end of the second quarter 2020 in the Downtown St Petersburg market area. This represented a 0.0% increase in quoted rental rates from the end of the first quarter 2020, when rents were reported at \$25.26. The average quoted rate within the Mall subtype sector was \$23.60 at the end of the second quarter 2020, while Neighborhood Center subtype rates stood at \$20.09, Power Center subtype rates at \$0.00, Strip Center rates at \$29.75, General Retail rates at \$25.95, and Other retail rates at \$0.00. At the end of the first quarter 2020, Mall subtype rates were \$23.58, Neighborhood Center rates were \$20.05, Strip Center rates were \$29.62, General Retail rates were \$25.94.

## INVENTORY & CONSTRUCTION

During the second quarter 2020, a total of 0 square feet was completed in the Downtown St Petersburg market area. This compares to a total of 3,200 square feet completed in the first quarter 2020, a total of -3,114 square feet completed in the fourth quarter 2019, and 0 square feet completed in the third quarter 2019. There were 17,452 square feet of Retail space under construction at the end of the second quarter 2020.

SUBTYPE	EXISTING INVENTORY (SF)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (SF)
Mall	184,678	0	0
Neighborhood Center	214,811	0	0
Power Center	0	0	0
Strip Center	61,604	0	0
General Retail	1,674,228	86	17,452
Other	0	0	0

## DOWNTOWN ST PETERSBURG MARKET OUTLOOK

The Downtown St Petersburg Retail market ended the second quarter 2020 with a vacancy rate of 3.69%. The vacancy rate increased over the previous quarter, with net absorption totaling -4,229 square feet in the second quarter 2020. Rental rates increased \$0.01 PSF over the previous quarter and ended at \$25.27. A total of 0 square feet was delivered in the quarter, with 17,452 square feet still under construction at the end of the quarter.

# HOTEL MARKET OVERVIEW

## BEYOND THE GLOBAL HEALTH CRISIS

Marcus & Millichap

SPECIAL REPORT HOSPITALITY REPORT

THIRD QUARTER 2020

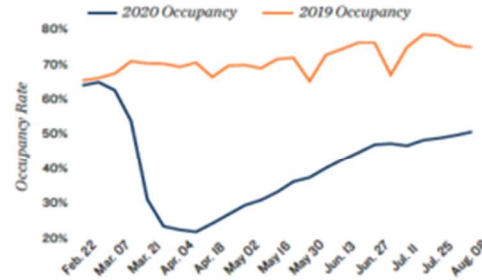
### Small-Market and Affordable Hotels See Gains; Long Road to Recovery Lies Ahead for the Lodging Sector

Hospitality's progress slows amid spreading infection. Hotels, along with other businesses, began to see rising foot traffic in late spring as many cities initiated phased reopenings of their local economies. After bottoming out at 21 percent during the week ended April 11, average weekly hotel occupancy for the U.S. has improved to over 47 percent in late July. The pace of growth is slowing, however, as many metros, particularly those in the Sunbelt, have reported surges in coronavirus cases. Amplified health concerns have prompted rollbacks in reopenings, with markets such as Miami, Nashville, and Phoenix reporting modest occupancy contractions in July. Even in settings where the infection rate is dropping, hotel performance remains well below historical averages, driven by COVID-19's profound impact on travel.

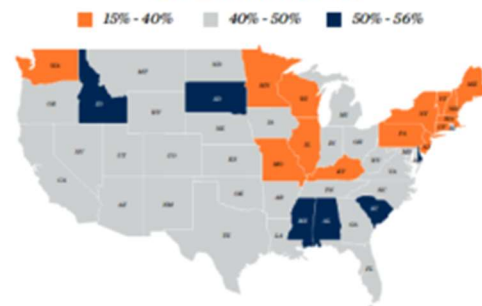
Pandemic travel trends flip hotel demand dynamics. The health crisis has radically shifted the motivations for and methods of travel, with repercussions for hotel room demand. The cancellation of virtually all major domestic business and entertainment events until at least early 2021 has lessened visitation to traditionally prominent destinations. Those who are traveling are avoiding commercial transportation, influencing vacation decisions. Together these trends have temporarily inverted the relationship between hotel performance in large and small markets. States with the highest average occupancy rates in June included Idaho, Mississippi, and Alabama, which historically trail major business and tourism hubs. Hotels along highways and in small cities are benefiting from a renewed focus on road trips to less-populated scenic destinations.

Guests seeking lower room rates benefit limited service hotels. Lost or reduced income is also influencing hotel room demand, aiding properties with lower nightly rates. Economy and mid-scale hotels have shown more resilience during the pandemic, while full-service establishments have faced steeper challenges. In order to manage costs, many higher-end hotels have suspended certain amenities that normally support a premium rate. Current travelers are instead focusing on sanitized accommodations and features such as kitchens that support physical distancing. Such options are one reason why foot traffic at some extended-stay hotels dropped half as much in April and May as other higher-cost brands. Amid fewer differentiating services and greater financial disruptions, guests are zeroing in on the bottom-line room rate.

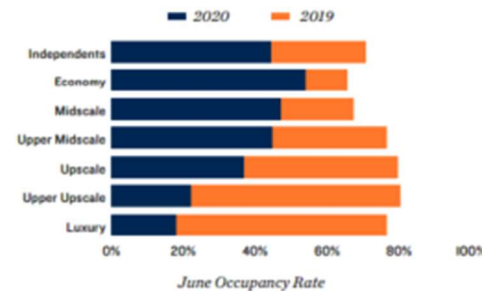
#### Initial Recovery Slows as Infections Rise



#### June 2020 Occupancy

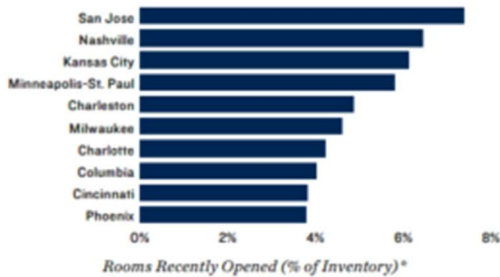


#### Lower-Service-Level Hotels Less Disrupted



Source: STR, Inc.

### Smaller Midwest and Southern Markets Lead Supply Growth



### Hotel Job Recovery Stalls in July



### Room Rates Normalize Across Markets



\* Rooms opened in the 12-month period ended June 2020  
 \*\* Trailing 28-day average through Aug. 8  
 Sources: Bureau of Labor Statistics; STR, Inc.

## Variety of Factors Affecting the Hospitality Sector and Short-Term Rentals

**Tempered supply growth still a factor in hotel performance.** New safety procedures, temporary shutdowns at construction sites, and a subdued demand outlook have all contributed to a slowdown in hotel room openings over the past several months. Through the first half of 2020, about 35,900 rooms opened, down about a third from the same period last year. New York City and Dallas/Fort Worth led the country in the total number of new keys, but it was smaller hospitality markets such as San Jose, Nashville and Kansas City that recorded the most supply growth relative to their current size. For most metros, though, the pace of deliveries has slowed, reducing the impact of new competition on an already dampened travel environment. More rooms will continue to come online over time, however, with approximately 214,000 rooms in the construction pipeline. Some of these projects may be reconsidered and most arrivals will be after 2020, but supply pressure nevertheless presents another hurdle for the beleaguered lodging sector.

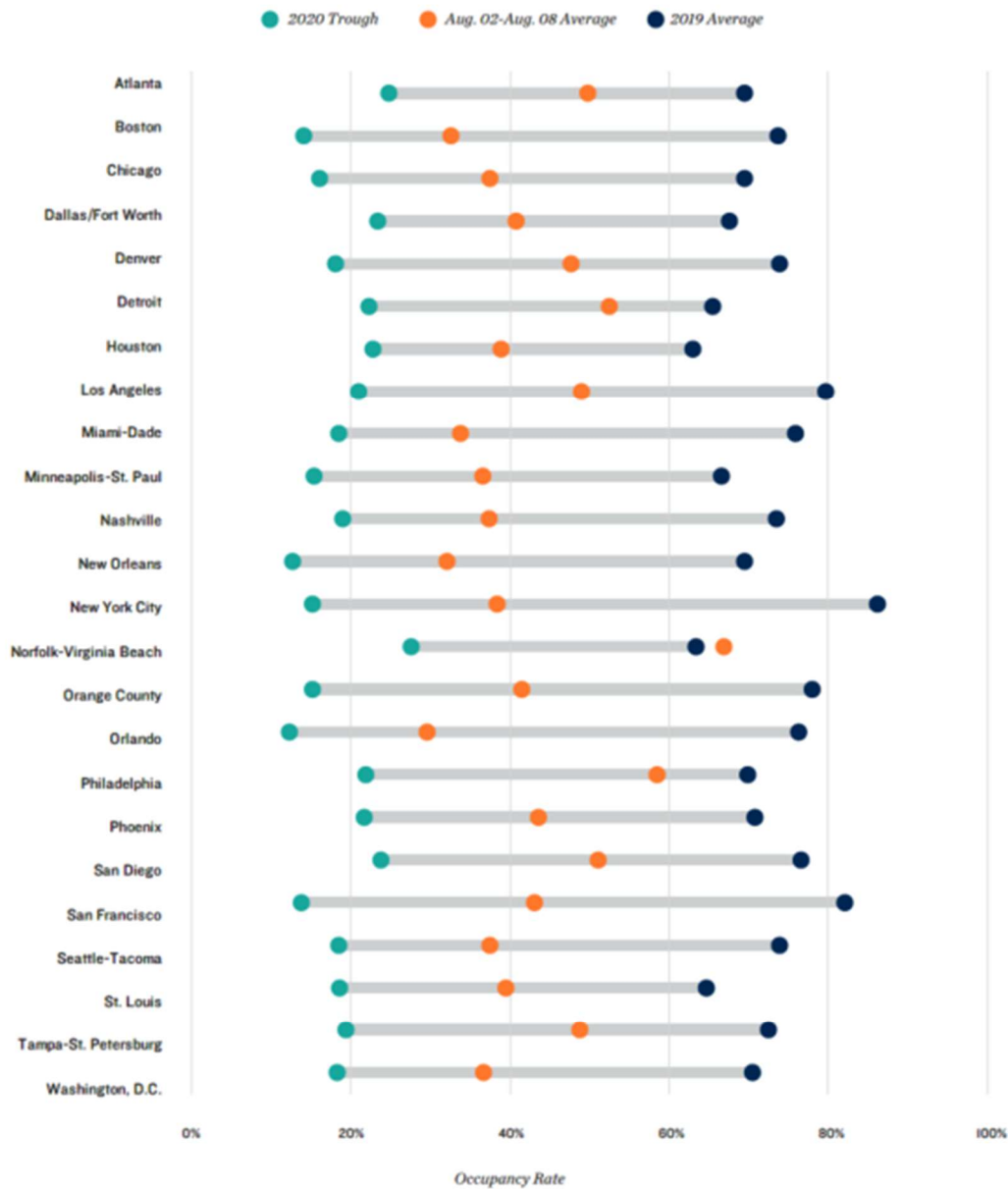
**Current federal aid insufficient.** Some hoteliers have received modest aid from the Paycheck Protection Program (PPP), designed to help small businesses keep staff by providing loans to cover payroll expenses for a brief period. Through the end of June, approximately \$521 billion had been issued via roughly 4.9 million loans. Businesses in the accommodation and food service industries received about 8 percent of that funding, despite accounting for 32 percent of the jobs lost in March and April. While the sector has since recovered about 3 million of the 7 million initially terminated positions, unemployment among hotel workers remains historically high. Given reduced travel, it is unlikely hotel room demand will recover within the intended time frame of the PPP. As such, representatives of the hospitality sector are seeking additional federal aid. Objectives include a hospitality-specific extension of the PPP and a new CMBS relief fund. The likelihood of these measures being enacted is unclear.

**Short-term rentals facing their own dilemmas.** Concerns over private residences being rented out to host parties in defiance of social distancing precautions have prompted some municipalities such as Miami Beach to temporarily ban peer-to-peer rentals. Perhaps to prevent similar measures being enacted elsewhere, Airbnb has proactively pulled listings in Arizona and New Jersey. The organization is targeting reservations made by guests who live locally. Despite some bookings being taken off the market, peer rental hosts are still having to cut rates, especially in larger cities. Loss of pricing power is not unique to short-term rentals, however. Among traditional hotels, the premium charged in top travel markets compared with other metros has completely vanished.

BEYOND THE GLOBAL HEALTH CRISIS: 3Q HOSPITALITY

Marcus & Millichap

Occupancy Recovering Across Major Markets; Most Still Trailing 2019 Levels



Graph compares the average occupancy rate for all of 2019 against 2020's lowest weekly average and the average for the week ended Aug. 8, 2020. 2020 trough dates are unique to each market. Source: STR, Inc.



## BEYOND THE GLOBAL HEALTH CRISIS: 3Q HOSPITALITY

Marcus &amp; Millichap

## Hotel Investors and Lenders Contended With Ample Challenges in Second Quarter

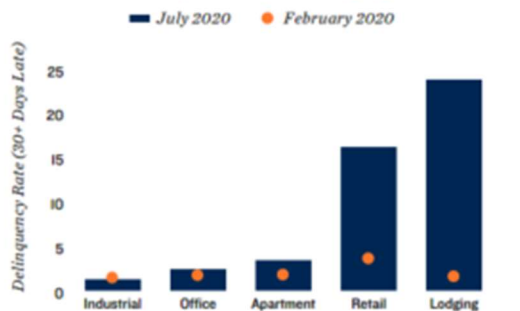
Investment activity drops as property mix shifts. Global travel disruptions and the resulting negative impact to hotel operations slowed transaction velocity in the second quarter. The total number of properties that changed hands in the three-month span was down more than 60 percent from the same period last year, with private, independent trades declining less than for portfolio or entity-level deals, which were minimal. This shift in buyer activity was partly reflected in the variety of hotels that were exchanged, which included few higher-end establishments. Greater resiliency among limited-service hotels, particularly along highways and in destinations popular with road travelers, may have also influenced investor sentiment. A greater focus on assets lower on the chain scale in non-primary locations contributed to the decline in the average per room sale price in the second quarter. Individual transaction terms remain in flux, though, as investors adapt to the changing environment. Slightly stronger sales volume in May and June over April suggests that buyers are adjusting to closing trades remotely, but limited capital liquidity is constraining deal flow.

Lenders provide leniency, but debt concerns mount. Declining hotel revenues and investment sales volume highlight capital market concerns. Amid the drop in room demand and temporary property closures, many lenders and servicers worked with borrowers to find solutions. Steps taken include payment deferrals, often for three-to-six month durations. Even with these measures, however, the number of hospitality loans in default is rising, especially among CMBS lenders. The share of CMBS hotel loans in delinquency rose from 1.6 percent in February to 24.3 percent in June before dipping to 23.8 percent in July. That is still the largest jump among property types, however. Real Capital Analytics has also reported an increase in the number of distressed hotel sales, representing about 4 percent of deal volume last quarter. This trend may actually push the hospitality sector into a new phase of price discovery, which could ultimately help sales velocity recover earlier.

### Changing Sales Composition Affects Price



### CMBS Delinquencies Hit Lodging Hardest



Sources: Real Capital Analytics; Trepp

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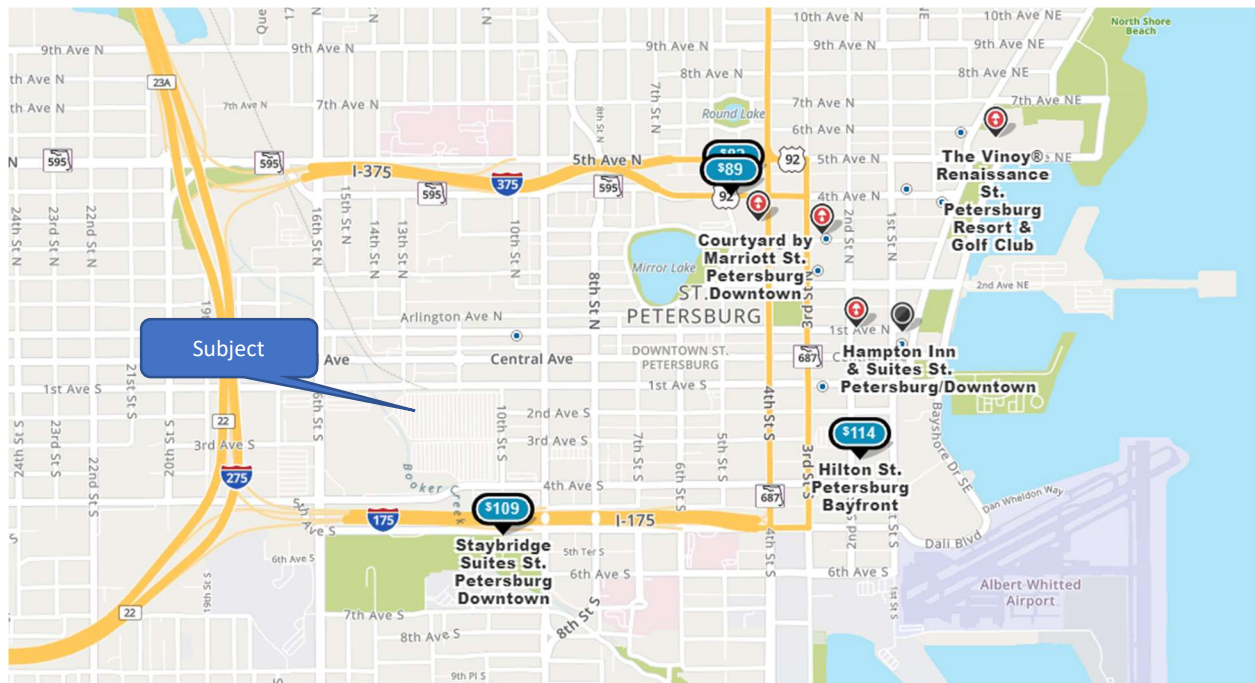
Price: \$1,000

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Sources: Marcus &amp; Millichap Research Services; AirDNA; Bureau of Labor Statistics; STR, Inc; Real Capital Analytics; Trepp

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According to the Marcus and Millichap Hotel Market Overview, the Tampa-St. Petersburg is experiencing less than 20% occupancy through August 2020. However, the average occupancy in August 2020 is averaging about 50% which is a positive sign for recovery. The tourism market is expected to recover as COVID-19 travel restrictions ease and COVID-19 cases decrease. The immediate market area appeals to business travel as well as the recreational visitor and can capture both types of travelers. The following map was prepared by MapQuest.com and shows that there are hotels in the market area including the Staybridge Suites, Hilton Bayfront, Hampton Inn & Suites, Courtyard by Marriott, and the Vinoy Renaissance. Not mentioned on the map is the Quality Inn near the stadium, the brand new Tru by Hilton and the new Hyatt Place. Tru by Hilton opened summer 2020 and has seven stories, 132 rooms, and 10,000 SF of retail. We are also aware of a planned 135 room Marriott hotel located on the southeast corner of 1<sup>st</sup> Avenue North and 11<sup>th</sup> Street.





# APARTMENT MARKET OVERVIEW

## MULTIFAMILY

### 2020 SOUTHEAST U.S. REAL ESTATE MARKET OUTLOOK

## TAMPA

## As Tampa draws new residents, developers continue to benefit

### CURRENT CONDITIONS

Thought of as a sleepy town not too long ago, Tampa is now one of the financial hubs of the Southeast, attracting firms and residents with its quality of life and affordability. The population has grown by almost 14% over the last decade, with total employment surging by almost 25%. Vacancy has fallen to pre-recession levels, and the market has experienced rent inflation of almost 3.9% annually since 2010.

### CONSTRUCTION ACTIVITY

Deliveries have remained at unprecedented levels, as the market has been developing an average of 4,300 units annually over the last five years. Absorption has been just as brisk, outpacing deliveries over that same time frame. Over 4,000 units were delivered in 2019, with just over 8,300 remaining under construction. Concessions to new residents have recently dipped, as has been the case in many other markets, suggesting that the recent construction boom remains in line with demand.

### INVESTMENT ACTIVITY

There is no doubt that capital markets in Tampa are at a high point. Rolling 12-month sales volume has remained above \$2 billion since 2015 and is approaching \$4 billion as of the end of 2019. Price per unit levels have been on a steady rise since 2010, and cap rates have compressed to new lows. Although private capital remains the most active investment group, REITs have been net buyers over the last three years, with cross-border investment groups as net buyers over the last four years.

### OUTLOOK

The rapid growth of office-using jobs has Tampa filled with a new talented workforce that has essentially redefined the region. Developers have acted and are creating new housing to support the economic growth. There are few signs of slowing, as Tampa is expected to continue outperforming the U.S. in growth of professional and management jobs, which will bring more market-rate housing seekers.

### KEY STRATEGIES

- Home prices have risen drastically in key neighborhoods, so an opportunity to push rents may still exist.
- There is still an opportunity to develop workforce housing despite significant home pricing appreciation

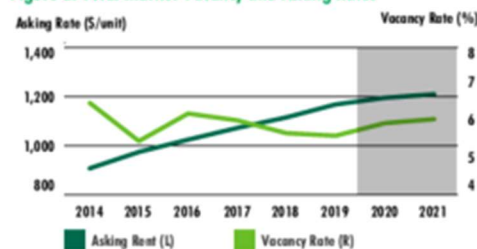
Figure 1: Total Market Absorption and Deliveries

Net Absorption and Completions (Units x 1,000)



Source: CBRE Research, Q4 2019.

Figure 2: Total Market Vacancy and Asking Rates



Source: CBRE Research, Q4 2019.

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Costar is the source for the following data. The data reflects conditions of 2020 Q2, the most recent data available. The initial discussion provides information on the overall Tampa Multi-Family market, followed by the subject's submarket. The subject is located within the Downtown St Petersburg submarket, which will be discussed later in this report.

CoStar's Daily Base Case forecast is based on the Oxford Economics Baseline scenario published in March 2020, in which just 270,000 jobs are added in 2020, followed by 1 million jobs in 2021. On average, the forecast calls for 410,000 jobs per year during 2020 through 2025, well below the 2.1 million new jobs added in 2019. The Base Case calls for BBB interest rates to rise to 5% by 2025, up from 3.4% in 2020Q1.

Costar rates multi-family properties using a star rating, in which 1 and 2-star properties generally equate to the more traditional Class C rating; 3-star properties generally equate to Class B; and 4 and 5-star properties generally equate to Class A.

Class A – They are characterized by high quality construction and finishes, high occupancy levels, sophisticated amenities, and top rental rates. A+ properties would suggest "trophy" properties with the characteristics noted above.

Class B – These apartment properties are regarded as modern (although not necessarily new) buildings, or old (i.e., Class C) structures recently renovated to modern standards. Good locations, reasonably high occupancy levels, and competitive rental rates characterize these buildings.

Class C – The lowest quality apartments available in the market are found in Class C buildings. These buildings are generally old, but in fair condition. Rental rates are the lowest within the market and amenities are minimal.

#### KEY INDICATORS AT A GLANCE

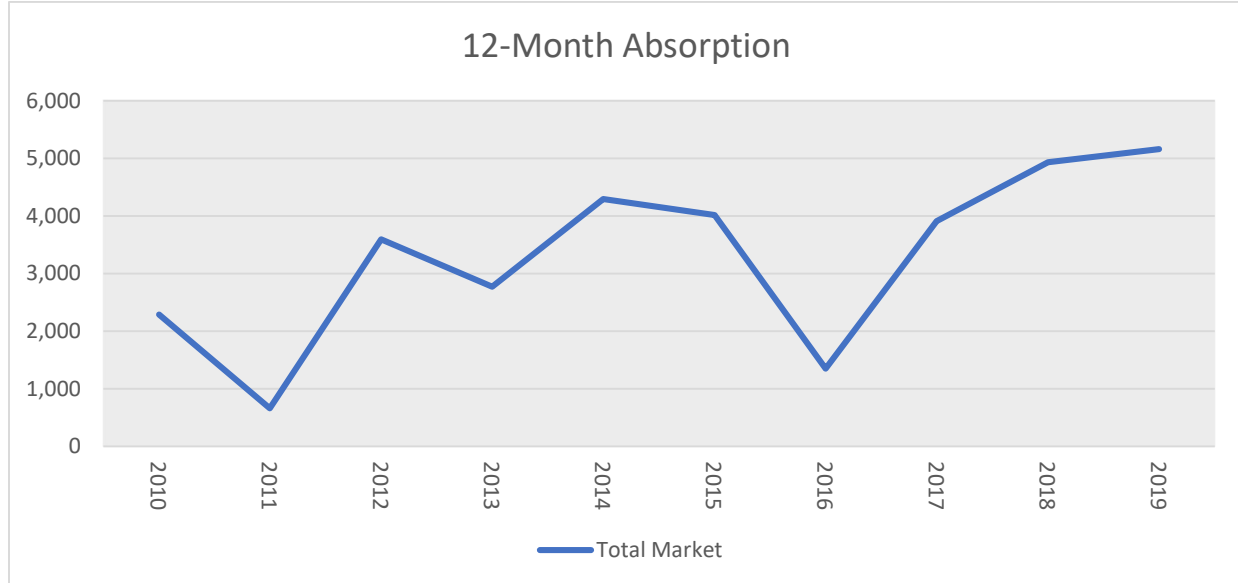
	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	6.83%	6.98%	increased 15 Basis Points
Absorption (Units)	966	689	decreased 277 Units
Quoted Rental Rates (\$/Unit/Month)	\$1,230	\$1,243	increased \$13 Per Unit
Inventory (Units)	190,355	191,406	increased 1,051 Units
Net Deliveries (Units)	1,535	1,052	decreased 483 Units
Under Construction (Units)	10,566	10,171	decreased 395 Units

## TAMPA MULTI-FAMILY MARKET STATISTICS

PERIOD	EXISTING INVENTORY (UNITS)	VACANCY %	NET ABSORPTION (UNITS)	NET COMPLETIONS (UNITS)	UNDER CONST. (UNITS)	QUOTED RATES (\$/UNIT/MONTH)
2020 Q2	191,406	6.98%	689	1,052	10,171	\$1,243
2020 Q1	190,355	6.83%	966	1,535	10,566	\$1,230
2019 Q4	188,820	6.58%	808	74	9,954	\$1,226
2019 Q3	188,798	6.98%	1,379	1,652	8,161	\$1,227
2019	188,820	6.58%	5,161	3,836	9,954	\$1,226
2018	185,020	7.44%	4,932	6,609	6,815	\$1,193
2017	178,411	6.77%	3,908	3,807	9,299	\$1,149
2016	174,604	6.98%	1,350	3,292	6,662	\$1,106
2015	171,312	5.98%	4,016	2,358	5,407	\$1,061
2014	168,954	7.04%	4,291	4,893	4,857	\$998
2013	164,061	6.88%	2,773	2,160	4,305	\$967
2012	161,901	7.35%	3,590	1,163	2,875	\$943
2011	160,738	8.91%	662	655	2,007	\$920

The Tampa Multi-Family market ended the second quarter with a vacancy rate of 6.98%. The vacancy rate increased over the previous quarter, with net absorption totaling 689 units in the second quarter. Rental rates increased compared to the previous quarter, ending second quarter at \$1,243. A total of 1,052 units was delivered to the market, with 10,171 units still under construction at the end of the quarter.

### ABSORPTION



Net absorption for the overall Tampa Multi-Family market was 689 units in the second quarter 2020. That compares to 966 units in the first quarter 2020, 808 units in the fourth quarter 2019, and 1,379 units in the third quarter 2019. Net absorption in the market over the prior 12 months totaled 3,842 units.

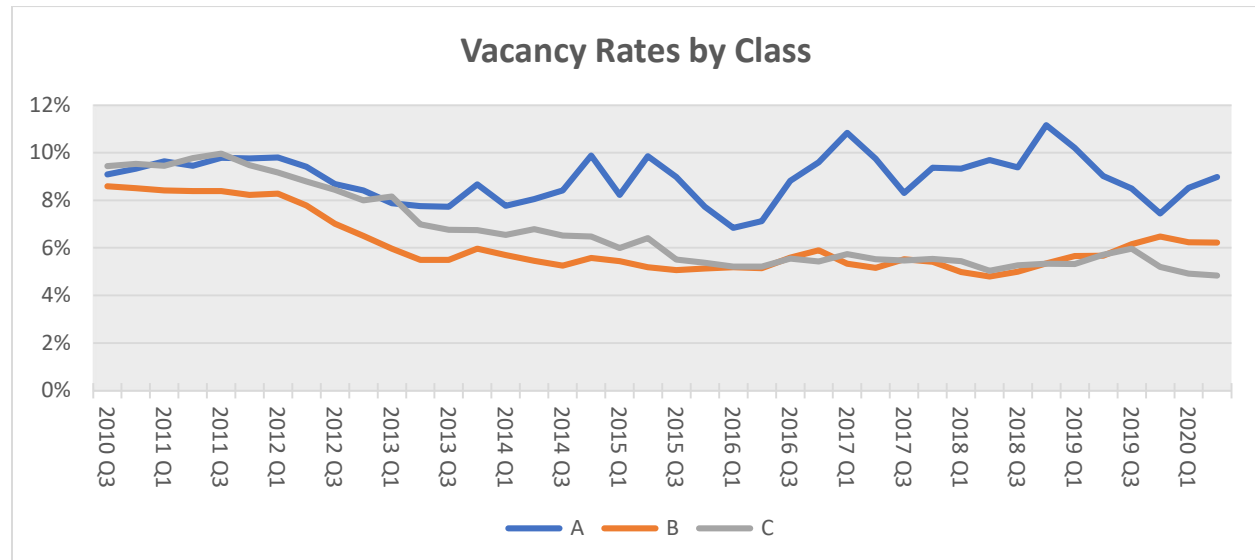
The Class A (4 & 5 Star) Multi-Family market recorded net absorption of 356 units in the second quarter 2020, compared to 665 units in the first quarter 2020, 717 units in the fourth quarter 2019, and 1,556 units in the third quarter 2019.

The Class B (3 Star) Multi-Family market recorded net absorption of 303 units in the second quarter 2020, compared to 198 units in the first quarter 2020, -183 units in the fourth quarter 2019, and -75 units in the third quarter 2019.

The Class C (1 & 2 Star) Multi-Family market recorded net absorption of 30 units in the second quarter 2020, compared to 103 units in the first quarter 2020, 274 units in the fourth quarter 2019, and -101 units in the third quarter 2019.

Net absorption for the Downtown St Petersburg submarket was 8 units in the second quarter 2020. That compares to 35 units in the first quarter 2020, 38 units in the fourth quarter 2019, and 163 units in the third quarter 2019.

## VACANCY



Vacancy for the overall Tampa Multi-Family market increased to 6.98% in the second quarter 2020. That compares to 6.83% in the first quarter 2020, 6.58% in the fourth quarter 2019, and 6.98% in the third quarter 2019.

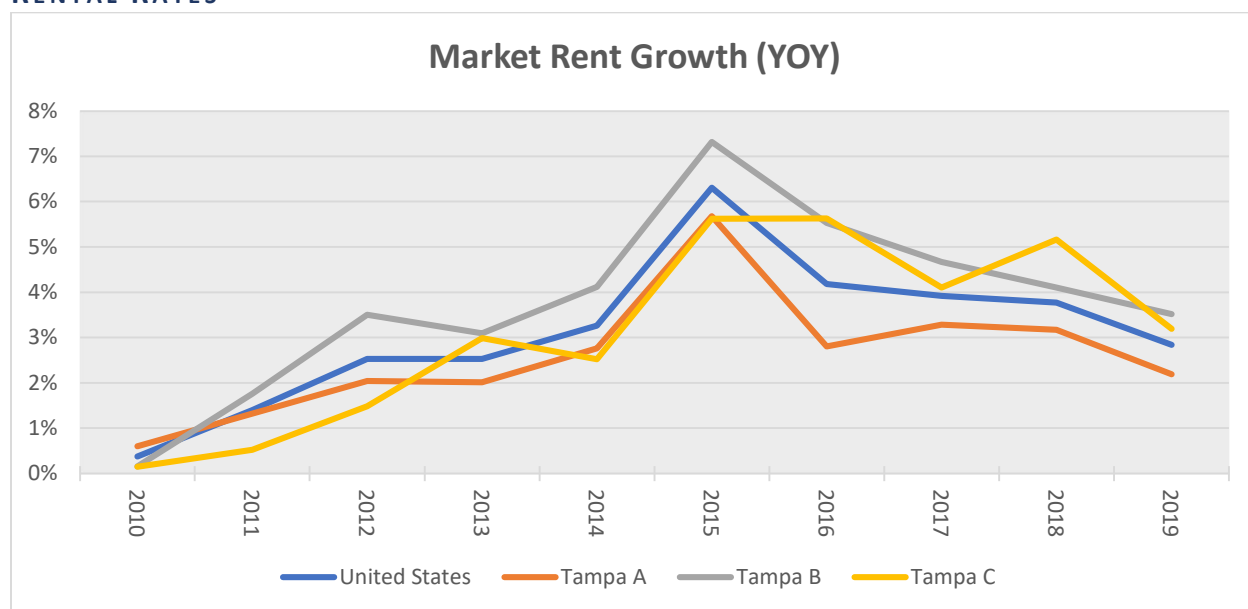
Class A (4 & 5 Star) projects reported a vacancy rate of 8.97% at the end of the second quarter 2020, 8.52% at the end of the first quarter 2020, 7.45% at the end of the fourth quarter 2019, and 8.49% at the end of the third quarter 2019.

Class B (3 Star) projects reported a vacancy rate of 6.22% at the end of the second quarter 2020, 6.24% at the end of the first quarter 2020, 6.48% at the end of the fourth quarter 2019, and 6.16% at the end of the third quarter 2019.

Class C (1 & 2 Star) projects reported a vacancy rate of 4.84% at the end of the second quarter 2020, 4.92% at the end of the first quarter 2020, 5.20% at the end of the fourth quarter 2019, and 5.96% at the end of the third quarter 2019.

The overall vacancy rate in the Tampa Downtown St Petersburg submarket at the end of the second quarter 2020 was 14.13%. The vacancy rate was 9.33% at the end of the first quarter 2020, 9.77% at the end of the fourth quarter 2019 and 10.38% at the end of the third quarter 2019.

## RENTAL RATES



The average asking rental rate for available Multi-Family space, all classes, was \$1,243 per unit per month at the end of the second quarter 2020 in the Tampa market area. This represented a 1.1% increase in quoted rental rates from the end of the first quarter 2020, when rents were reported at \$1,230 per unit. The average quoted rate within the Class A (4 & 5 Star) sector was \$1,486 at the end of the second quarter 2020, while Class B (3 Star) rates stood at \$1,120, and Class C (1 & 2 Star) rates at \$957. At the end of the first quarter 2020, Class A (4 & 5 Star) rates were \$1,471 per unit, Class-B (3 Star) rates were \$1,107, and Class C (1 & 2 Star) rates were \$948. The average quoted asking rental rate in Tampa's Downtown St Petersburg district was \$1,532 per unit per month at the end of the second quarter 2020. In the first quarter 2020, quoted rates were \$1,546.

## INVENTORY & CONSTRUCTION

During the second quarter 2020, a total of 1,052 units was completed in the Tampa market area. This compares to a total of 1,535 units completed in the first quarter 2020, a total of 74 units completed in the fourth quarter 2019, and 1,652 units completed in the third quarter 2019. There were 10,171 units of Multi-Family space under construction at the end of the second quarter 2020.

SUBTYPE	EXISTING INVENTORY (UNITS)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (UNITS)
Class A (4 & 5 Star)	71,495	3,594	8,144
Class B (3 Star)	83,009	737	1,770
Class C (1 & 2 Star)	36,902	-18	257
<b>Total</b>	<b>191,406</b>	<b>4,313</b>	<b>10,171</b>

## MARKET OUTLOOK

The Tampa Multi-Family market ended the second quarter 2020 with an overall vacancy rate of 6.98%. The vacancy rate increased over the previous quarter, with net absorption totaling 689 units in the second quarter 2020. Rental rates increased \$13.31 per unit per month over the previous quarter and ended at \$1,243 per unit per month. A total of 1,052 units was delivered in the quarter, with 10,171 units still under construction at the end of the quarter.



## DOWNTOWN ST PETERSBURG MULTI-FAMILY MARKET

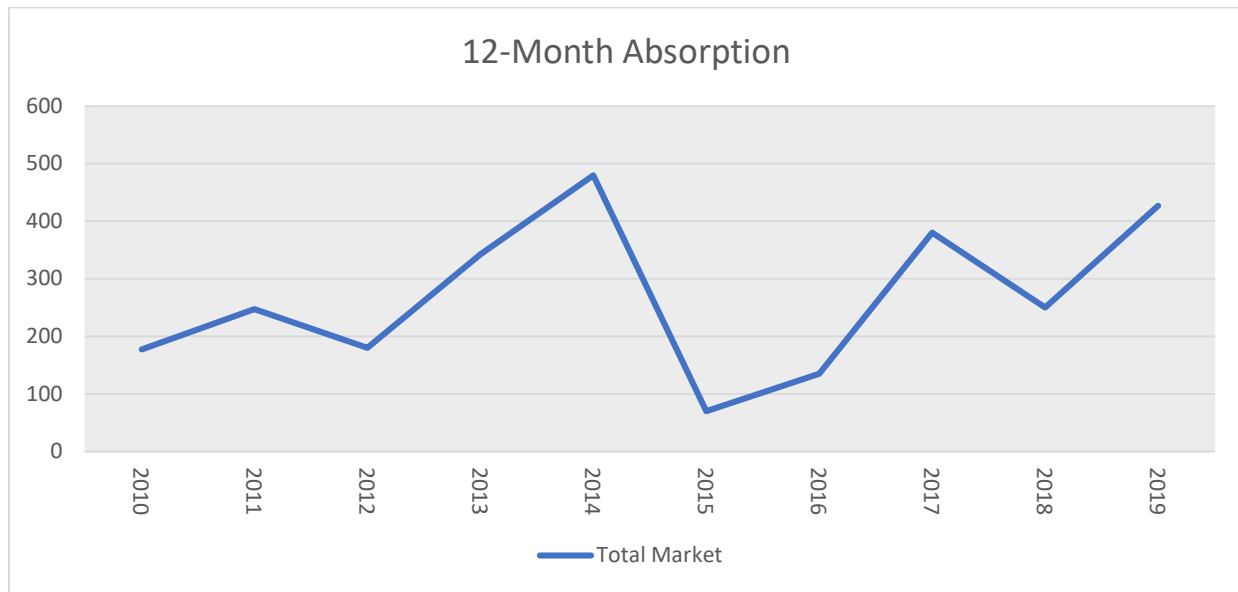
### KEY INDICATORS AT A GLANCE

	PRIOR QUARTER	CURRENT QUARTER	COMPARISON
Vacancy (%)	9.33%	14.13%	increased 480 Basis Points
Absorption (Units)	35	8	decreased 27 Units
Quoted Rental Rates (\$/Unit/Month)	\$1,546	\$1,532	decreased \$14 Per Unit
Inventory (Units)	7,964	8,417	increased 453 Units
Net Deliveries (Units)	0	454	increased 454 Units
Under Construction (Units)	1,008	768	decreased 240 Units

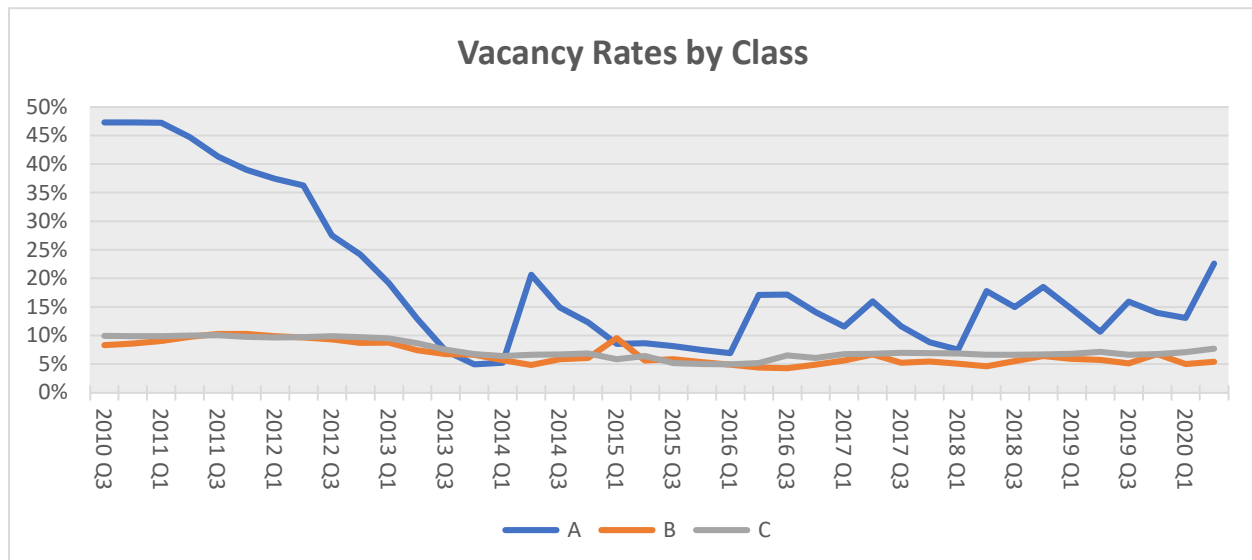
### DOWNTOWN ST PETERSBURG MULTI-FAMILY MARKET STATISTICS

PERIOD	EXISTING INVENTORY (UNITS)	VACANCY %	NET ABSORPTION (UNITS)	NET COMPLETIONS (UNITS)	UNDER CONST. (UNITS)	QUOTED RATES (\$/UNIT/MONTH)
2020 Q2	8,417	14.13%	8	454	768	\$1,532
2020 Q1	7,964	9.33%	35	0	1,008	\$1,546
2019 Q4	7,964	9.77%	38	-6	1,008	\$1,575
2019 Q3	8,022	10.38%	163	356	1,002	\$1,566
2019	7,964	9.77%	427	350	1,008	\$1,575
2018	7,650	11.28%	250	594	1,203	\$1,547
2017	7,056	7.36%	380	336	594	\$1,489
2016	6,720	8.37%	135	331	943	\$1,446
2015	6,389	5.73%	70	-94	707	\$1,418
2014	6,483	8.17%	480	635	707	\$1,343
2013	5,848	6.40%	342	0	635	\$1,321
2012	5,848	12.22%	180	0	0	\$1,297
2011	5,848	15.30%	247	325	0	\$1,273

The Downtown St Petersburg Multi-Family market ended the second quarter with a vacancy rate of 14.13%. The vacancy rate increased over the previous quarter, with net absorption totaling 8 units in the second quarter. Rental rates increased compared to the previous quarter, ending second quarter at \$1,532. A total of 454 units was delivered to the market, with 768 units still under construction at the end of the quarter.

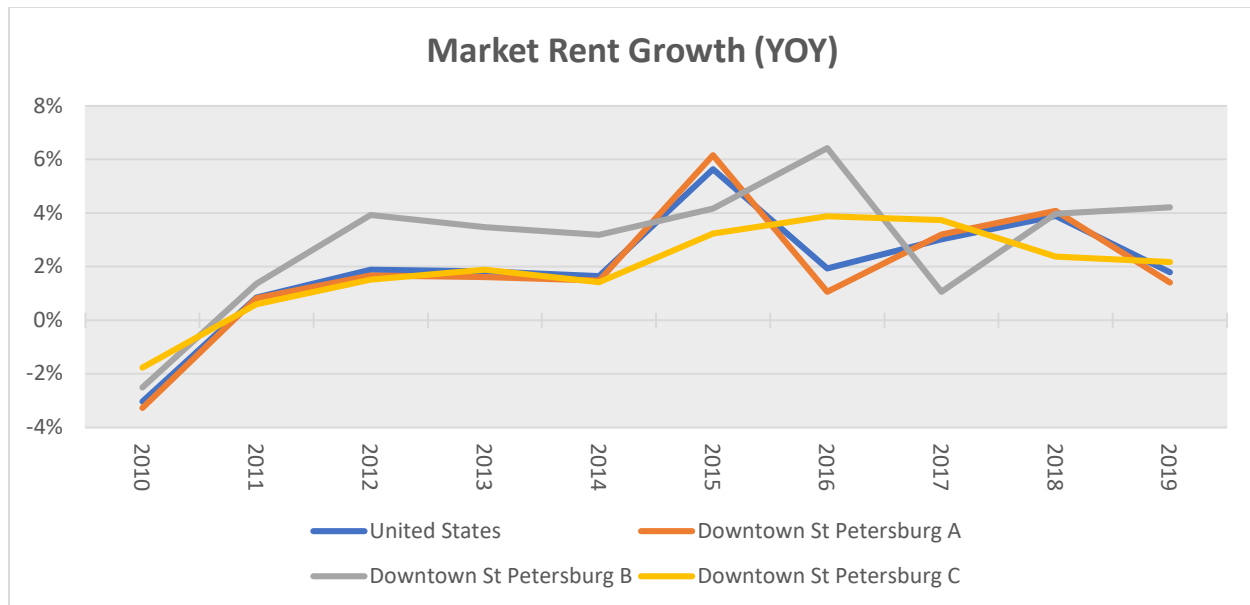
**ABSORPTION**

Net absorption for the overall Downtown St Petersburg Multi-Family market was 8 units in second quarter 2020. That compares to 35 units in first quarter 2020, 38 units in fourth quarter 2019, and 163 units in third quarter 2019. Net absorption in the market over the prior 12 months totaled 244 units. The Class A (4 & 5 Star) Multi-Family market recorded net absorption of 33 units in the second quarter 2020, compared to 31 units in the first quarter 2020, 64 units in the fourth quarter 2019, and 150 units in the third quarter 2019. The Class B (3 Star) Multi-Family market recorded net absorption of -4 units in the second quarter 2020, compared to 18 units in the first quarter 2020, -16 units in the fourth quarter 2019, and 6 units in the third quarter 2019. The Class C (1 & 2 Star) Multi-Family market recorded net absorption of -21 units in the second quarter 2020, compared to -14 units in the first quarter 2020, -9 units in the fourth quarter 2019, and 8 units in the third quarter 2019.

**VACANCY**

Vacancy for the overall Downtown St Petersburg Multi-Family market increased to 14.13% in the second quarter 2020. That compares to 9.33% in the first quarter 2020, 9.77% in the fourth quarter 2019, and 10.38% in the third quarter 2019. Class A (4 & 5 Star) projects reported a vacancy rate of 22.58% at the end of the second quarter 2020, 13.06% at the end of the first quarter 2020, 13.98% at the end of the fourth quarter 2019, and 15.95% at the end of the third quarter 2019. Class B (3 Star) projects reported a vacancy rate of 5.41% at the end of the second quarter 2020, 4.99% at the end of the first quarter 2020, 6.72% at the end of the fourth quarter 2019, and 5.14% at the end of the third quarter 2019. Class C (1 & 2 Star) projects reported a vacancy rate of 7.68% at the end of the second quarter 2020, 7.10% at the end of the first quarter 2020, 6.72% at the end of the fourth quarter 2019, and 6.62% at the end of the third quarter 2019.

## RENTAL RATES



The average asking rental rate for available Multi-Family space, all classes, was \$1,532 per unit per month at the end of the second quarter 2020 in the Downtown St Petersburg market area. This represented a 0.9% decrease in quoted rental rates from the end of the first quarter 2020, when rents were reported at \$1,546 per unit. The average quoted rate within the Class A (4 & 5 Star) sector was \$1,820 at the end of the second quarter 2020, while Class B (3 Star) rates stood at \$1,222, and Class C (1 & 2 Star) rates at \$833. At the end of the first quarter 2020, Class A (4 & 5 Star) rates were \$1,847 per unit, Class-B (3 Star) rates were \$1,209, and Class C (1 & 2 Star) rates were \$826.

## INVENTORY & CONSTRUCTION

During the second quarter 2020, a total of 454 units was completed in the Downtown St Petersburg market area. This compares to a total of 0 units completed in the first quarter 2020, a total of -6 units completed in the fourth quarter 2019, and 356 units completed in the third quarter 2019. There were 768 units of Multi-Family space under construction at the end of the second quarter 2020.

SUBTYPE	EXISTING INVENTORY (UNITS)	NET DELIVERIES (12 MONTHS)	UNDER CONSTRUCTION (UNITS)
Class A (4 & 5 Star)	3,800	822	607
Class B (3 Star)	1,040	0	161
Class C (1 & 2 Star)	3,577	-18	0
<b>Total</b>	<b>8,417</b>	<b>804</b>	<b>768</b>

## DOWNTOWN ST PETERSBURG MARKET OUTLOOK

The Downtown St Petersburg Multi-Family market ended the second quarter 2020 with an overall vacancy rate of 14.13%. The vacancy rate increased over the previous quarter, with net absorption totaling 8 units in the second quarter 2020. Rental rates decreased \$13.97 per unit per month over the previous quarter and ended at \$1,532 per unit per month. A total of 454 units was delivered in the quarter, with 768 units still under construction at the end of the quarter.

The following table summarizes the newest rental apartment projects in the market area.

SUBMARKET CONSTRUCTION AND DEVELOPMENT TRENDS - RESIDENTIAL					
Property Name	Type	Location	Completion Date	No. of Units	Status
Camden Pier District	Market Rate	330 3rd Street South	2016	358	Complete
Avanti	Market Rate	201 4th Street South	2018	366	Complete
The Hermitage	Market Rate	151 7th Street	2017	348	Complete
Icon Central	Market Rate	855 Central	2019	367	Complete
930 Central Flats	Market Rate	930 Central Avenue	2018	218	Complete
Cottonwood Bayview	Market Rate	235 3rd Avenue North	2014	309	Complete
Beacon 430	Market Rate	430 3rd Avenue South	2014	326	Complete
Vantage Lofts	Market Rate	114 16th Street North	2020	211	Complete
Artistry	Market Rate	1601 Central Avenue	2020	251	Complete
Vantage Lofts	Market Rate	114 6th Street North	2020	211	Complete
The Exchange	Market Rate	555 Martin Luther King Street	2020	132	Complete
Elements on Third	Market Rate	3160 5th Avenue North	2020	431	Complete
		<b>Total Newer Existing</b>	-----	<b>3,528</b>	-----
The Vibe	Market Rate	211 3rd Street South	Sep-20	201	Under Construction
1701 Central	Market Rate	1701 Central Avenue	Mar-20	243	Under Construction
		<b>Total Under Construction</b>	-----	<b>444</b>	-----
Ascent St. Petersburg	Market Rate	225 1st Avenue North	-	306	Proposed
232 2nd	Market Rate	232 2nd Street North	-	100	Proposed
Mosaic at Central	Market Rate	3100 Central Avenue	2021	122	Proposed
The Vibe	Market Rate	211 3rd Street South	2021	219	Proposed
770 Apartments	Market Rate	770 4th Avenue North	2021	126	Proposed
		<b>Total Proposed</b>	-----	<b>873</b>	-----

These represent the projects we have direct knowledge of, based on data provided by CoStar and the City of St. Petersburg. There are also a few smaller projects (under 30 units), that are not included in the list above. There are two newer existing and one under construction affordable/senior housing projects in the area and the City of St. Petersburg wants to encourage the development of affordable units in the downtown district. There are a number of units currently under construction in the area, most of which are being built in the northern and western portions of the downtown district, away from the central. The exception is The Vibe, that is located along 3<sup>rd</sup> Street S and will feature 219 units. Overall demand for housing in the downtown district remains high. Most new projects feature studio, one- and two-bedroom units and are mid-rise and high-rise developments, with extensive amenities. We note that the 770 Apartments on 4<sup>th</sup> Avenue North will have mostly smaller units (under 750 SF) so that the developers do not have to adhere to parking requirements so there is the potential for more people with fewer cars.



## MARKET ANALYSIS CONCLUSION

In this section we summarize our findings for each property component. As of September 25, 2020, Florida Governor Ron DeSantis announced Phase 3 re-opening of Florida which allows for full capacity operation of restaurants and bars, gyms and fitness centers. Movie theaters, bowling alleys, arcades, casinos, sporting events, theme parks, etc. can all open and operate but with social distancing measures in place.

### DEVELOPMENT POTENTIAL

We have reviewed an article posted on Stpeterisrising.com that was published on July 27, 2020 titled *Redevelopment of 86-acre Tropicana Field site begins in St. Pete.*

“In 2017 the City contracted planning firm HKS to develop two vision concepts for the site – one with a Rays stadium and one without it. The plans are comparable but with different demand drivers and uses. These vision plans will likely guide developers in creating their redevelopment submissions. Since the HKS conceptual plans were crafted, uncertainty over the future of the Rays has not been settled. And this predates Covid-19 which has significantly changed the market. Regardless, the city wants to explore redevelopment options.

In the RFP, the city lays out a list of requests they hope submissions will cover. These include mixed-use buildings with retail and residential uses as well as office buildings and other potential demand drivers like a four or five-star hotel with integrated conference center and a university-affiliated technology campus. The city also envisions a significant contiguous park component and public gathering space with Booker Creek and the Pinellas Trail being central features. Throughout the RFP it is clear that the city understands the historic importance of this site and requires the proposals to provide opportunities for economic equity and inclusion. Residential elements need to address the 60%, 80%, and 120% of median annual income levels. Additionally, proposals are required to submit a job creation plan that emphasizes employment opportunities for residents of the South St. Petersburg CRA and other traditionally under-served neighborhoods. The RFP also hints at the possibility of the southern side of I-175 being completely removed or scaled back, and suggests all proposals include information on how the Trop site would connect to South St. Petersburg. Most importantly, the city emphasizes the need to take the community’s input into account during the redevelopment process.

All things considered, redeveloping the site will not be easy. On top of dealing with intense community input, any group submitting a redevelopment proposal will have to factor in a number of variables including a long timeline for a project of this scale as well as the ability to navigate the existing Use Agreement the city has with the Tampa Bay Rays. According to that agreement, any development that occurs on the site before 2027 would need to be conducted in a way that doesn’t “unreasonably impair” the Rays’ operations. And any parking lost to redevelopment would need to be replaced.

Submissions for the RFP are due January 15, 2021 and the City hopes to have an agreement in place with the selected developer by the end of 2021.”

We have reviewed a document named *Applying the ISAP (Integrated Sustainability Action Plan), Staff Guidance for Tropicana Site Redevelopment Concepts* document, posted on the City of St. Petersburg website. Their first scenario for redevelopment includes planning with the a Major League Baseball team. However, we have already discussed

that the Tampa Rays will more than likely vacate the stadium and move to another stadium which may be in another city. Their second scenario includes a combination of residential, office, institutional campus, hotel, entertainment/cultural, and open space and is broken down in the following exhibit and tables.

Figure 3-2 Conceptual Plan without MLB Stadium



Table 3-3 Summary of Proposed Development Program by Land Use

Scenario 2 – Conceptual Parcel Development Program			
Land Use	Acres (Est.)	Gross Square Feet (Est.)	Number of Parcels
Residential	18.0	3,200,000	9
Office	14.1	2,900,000	9
Institutional Campus	8.3	1,000,000	2
Hotel	4.0	200,000	1
Entertainment/ Cultural	3.0	200,000	1
Open Space	2.7	N/A	1
<b>TOTALS</b>	<b>50.1</b>	<b>7,500,000</b>	<b>23</b>

N/A = Not applicable.

Source: Tropicana Field Site Conceptual Master Plan, HKS.

Table 3-2 Proposed Development Program

Scenario 2 – Conceptual Parcel Development Program					
Parcel #	Land Use	Acres (Est.)	Gross Square Feet (Est.)	Floors (# Est.)	
				Use	Parking
1	Office	1.8	100,000	11	5
2	Office	0.9	200,000	12	5
3	Office	1.7	400,000	20	4
4	Hotel	4.0	200,000	2-15	6
5	Entertainment / Cultural	3.0	200,000	1	TBD
6	Office	1.7	550,000	16	TBD
7	Office	1.8	550,000	16	TBD
8	Open Space	2.7	N/A	N/A	N/A
9	Institutional Campus	5.5	800,000	Varies	TBD
10	Institutional Campus	2.8	200,000	9	TBD
11	Office	0.8	100,000	16	4
12	Office	1.7	600,000	30	5
13	Office	1.7	100,000	11	3
14	Residential	1.5	550,000	9	TBD
15	Residential	2.4	620,000	10	TBD
16	Residential	2.1	580,000	8	TBD
17	Residential	2.5	300,000	5	TBD
18	Residential	0.7	100,000	6	TBD
19	Residential	2.7	400,000	6	TBD
20	Residential	2.5	300,000	5	TBD
21	Residential	2.3	200,000	3	TBD
22	Residential	1.3	150,000	2	TBD
23	Office	2.0	300,000	1	TBD
<b>TOTALS</b>		<b>50.1</b>	<b>7,500,000</b>		

N/A = Not applicable.

TBD = To be determined.

Source: Tropicana Field Site Conceptual Master Plan, HKS.

Parcel Numbers 1, 2, and 3 in the exhibit above are not included in our appraisal and accounts for 700,000 SF of potential office space in their plan. We have also reviewed the development plan prepared by HKS and they mention the possibility of re-configuring the Interstate I-75, however, this is beyond the scope of our appraisal. Per the HKS document “The design intent of I-175 was to bring visitors directly to the downtown waterfront. It meets grade at 4th Street. The tragic consequence of I-175 was that it created a physical and symbolic barrier to the communities south of the site. The access highway is constructed of an earthen berm for six blocks (roughly 1,500 feet) along the southern boundary of the site to 10th Street. The highway submerges below street grade for 4 blocks until 4th Street. No access to the site is provided from I-175. The highway physically separates the site from Campbell Park, the largest park in the city. The City, Forward Pinellas and FDOT will conduct a Downtown Mobility Study that will examine different possibilities for I-175.”

### Other development Projects:

**Water Street – Tampa:** Water Street is comprised of 17 blocks, 50 acres, and has a projected cost of \$3 billion dollars. Rather than sell off individual parcels, Mr. Vinik plans to control and hold the development. We have referenced an article published by FloridaTrend.com on November 12, 2018 titled *Development Begins on 17 Blocks of Property Encompassing 50 Acres.*

“SPP says it has broken ground on four of the 11 buildings that comprise Water Street’s first phase. That includes a 519- room JW Marriott hotel; a two-tower residential building with 420 units built atop a full-service grocery store; Sparkman Wharf, a collection of “culinary destinations” and creative office space in Tampa’s former Channelside Bay Plaza entertainment complex; and a central, chilled-water cooling plant that will provide air conditioning to dozens of buildings and free up tower rooftops for terraces, restaurants, parks and solar panels.

SPP is also nearly finished with a sweeping renovation of the 727-room Marriott Waterside hotel. And while technically separate from the project, the University of South Florida is midway through building a medical school that is tied into Water Street Tampa; it will open next year.

The remaining seven buildings in the first phase — which include a five-star Edition hotel by Marriott and the first two “trophy” office towers to be built in downtown Tampa in more than 25 years — are expected to begin construction between December and March, Nozar says.

Altogether, including the Marriott Waterside renovations, Water Street Tampa’s first phase includes roughly 4 million square feet of new development, divided roughly in thirds between hotel, office and residential space. That’s about half of the overall project. SPP expects to do design work in 2019 and 2020 for the project’s second phase, with buildings constructed according to demand. “We see it being much more fluid after phase one,” Nozar says. “The goal here is to create a lot of critical mass right off the bat. “This is a massive, complicated project — something of a scale that few of us have ever seen,” he adds. “So we’re all learning along the way — the city is, our team is, the owners are, our neighbors are.” As of the date of this appraisal, construction is well on its way with some of the first phase completed.

**Midtown - Tampa** – We have referenced an article published on March 29, 2018 by Susan Taylor Martin titled *New York-based Bromley Companies Plans a 1.8 million Square Foot Hotel-Retail-Office-Housing Development Called Midtown Tampa at the Southeast Corner of 1-275 and N. Dale Mabry Highway. [Courtesy of The Bromley Companies]*

“In what would be one of Tampa Bay's biggest developments, a New York company plans a 1.8 million-square-foot project designed to help link downtown Tampa with the city's booming Westshore area. Midtown Tampa, a potential half-billion dollar project at the southeast corner of 1-275 and North Dale Mabry Highway, would include 240,000 square feet of retail and entertainment space; 750,000 square feet of Class A office space; 400 condos or apartments and a 225-room boutique hotel.

A full-color rendering released today by the developer, the Bromley Companies, shows mid-rise buildings situated around a landscaped pedestrian plaza with pond and fountain. "Our vision is to inspire a transformative, truly walkable district connecting downtown Tampa and (the) Westshore Business District," Nicholas Haines, Bromley's chief executive officer and master developer, said in a statement. "The site will be recognized for its dynamic combination of office, retail, hotel and four-acre pedestrian-friendly public spaces."

January 8, 2020 by [Press Release](#) [Expect Another Full Slate of First-to-Market Restaurants, Retailers, Wellness-Focused Specialty Services and more Culminating in opening as Tampa hosts Super Bowl LV in 2021](#)

**TAMPA, FL** – (January 8, 2020) – Countdown to Super Bowl LV kickoff at Raymond James Stadium in Tampa is on. Located just a few miles away from the stadium is Midtown Tampa, Bromley Companies’ massive \$500 million mixed-used development, which is currently under construction. The accelerated development pace in 2020 has the project on track to open as Tampa shines during the 2021 Super Bowl national spotlight.

Bromley Companies plans to announce another round of first-to-market tenants this year. Already, an impressive collection of names has been released, including many healthy lifestyle and fitness brands, exclusive boutique shops, trendy bars, high-end apartments, hotels, upscale personal services, Class A office space plans and partnerships. Outdoor recreation activities and programmed events are planned for the walkable, urban neighborhood in the center of it all.

“The rapid pace of development at Midtown Tampa – with ten buildings currently under construction – represents a bold collaboration with our partners, the City of Tampa, and our entire team,” said Nicholas Haines, CEO, Bromley Companies. “We’re proud to be creating a mixed-use experience like none other in the market, and will be introducing another full slate of highly sought-after tenants this year, many making their debut in the region.” Highlights of Midtown Tampa’s news since announcing plans for the 22 acres in March 2018:

**Whole Foods Market** – Largest in region at 52,000 square feet (relocating from smaller N. Dale Mabry location)

**Novel Midtown by Crescent Communities** – 400 high-end apartments above ground-floor retail and restaurants

**Midtown One** – 8-story office tower in partnership with Highwoods Properties – \$72 million speculative LEED-certified, 150,000 square feet office rich with amenities such as valet parking, concierge, covered pedestrian bridge to adjacent parking

**True Food Kitchen** – Health-conscious restaurant backed by investor Oprah Winfrey; first in the region

**Aloft and Element Hotel in partnership with Concord Hospitality** – Dual-branded 7-story hotel by Marriott with 230 rooms, 20,000-square-foot rooftop terrace with 360-degree views, pool, lounge and meeting rooms

**Ponte Group Restaurant** – World-renowned Tampa Bay area Chef Chris Ponte to debut his newest concept, a flagship culinary destination, expected to draw loyal followers of Chef Ponte’s namesake Café Ponte

**Groundbreaking celebration** with City of Tampa Mayor Jane Castor, elected officials and dignitaries

**Burtons Grill & Bar** – Largest restaurant announced to date at 7,000 square feet, a polished casual American steak and seafood restaurant; first location on Florida’s west coast

**F45 Training** – Backed by actor and fitness enthusiast Mark Wahlberg and recognized as the world’s fastest-growing fitness franchise

**REI Co-op** – Flagship location for outdoor specialty retailer, nation’s largest consumer cooperative boasting more than 300,000 members throughout Florida **The Loft** – Boutique, creative office experience in three-story, 70,000-square-foot, stand-alone spec building with ground-floor retail space overlooking Midtown Commons

**1,200 space parking garage** – first structure to be completed

**Ten buildings** under simultaneous construction



### Looking ahead at 2020

Five crawler cranes are simultaneously operating to complete installation of steel structures over the next six months. At Whole Foods, parking deck levels, columns, floor and roof structure (also known as a pre-cast skeleton structure) are on track to be completed in the next few months. Metal cladding panels including specialty cladding with wood grain appearance for visual interest will be completed next. Both parking decks, a 5-level garage above Whole Foods and a second 5-story deck, are finished.

Vertical steel installation on the 8-story Midtown One office with the tallest crawler crane on site (reach capability of 230 feet), will be the most visible sign of progress off Dale Mabry Highway. “We’ll continue to announce our pipeline of best-in-class tenants, along with additional amenity-rich surroundings throughout Midtown this year,” said Haines. “We’re excited to be counting down the days in anticipation of Midtown’s opening and, of course, Super Bowl LV.”

### About Midtown Tampa

On 22 acres, Midtown Tampa is the first mixed-use project of its kind in Tampa and serves as a catalyst for an entirely new district bridging Westshore and Downtown. Midtown Tampa will deliver 1.8 million square feet of retail, residential, Class A offices, entertainment and hospitality to the surrounding neighborhood and entire Tampa Bay region. Project completion is first quarter 2021. For more information about Midtown Tampa, visit [www.midtowntampa.com](http://www.midtowntampa.com).”

**American Dream – Miami:** We have referenced an article published in the Miami Herald dated December 17, 2019 titled *The Country’s Largest Shopping Center is Coming to Miami-Dade. Finally We Know When*. This is a planned development for a mixed use entertainment center with 5,000,000 SF.

“After years of delays, the country’s largest shopping center finally has a birth date. The Canadian development firm Triple Five Worldwide plans to start construction of American Dream Miami in late 2021, according to Miguel Diaz de la Portilla, who is an attorney at Saul Ewing Arnstein & Lehr and represents Triple Five Worldwide. He said Triple Five Worldwide expects to spend between \$4.5 billion to \$5 billion to build five million square feet in unincorporated northwest Miami-Dade County by Florida’s Turnpike, Interstate 75, and Miami Gardens Drive.

The mall is expected to open by 2025. The opening date has been pushed back several times and most recently was projected for 2023. Amid a changing retail landscape and thriving malls in South Florida, the mall will set itself apart by filling 65% of its space with entertainment options, including an ice-skating rink, aquarium, submarine lake, and roller-skating facility. “The one thing that distinguishes us is the entertainment component,” Diaz de la Portilla said. Thus far, the American Dream Miami has spurred development in the surrounding area. Miami-based developer Terra will soon build 1,369 rental apartments on 70 acres”.

While not nearly as large a site a proposed development worthy of mention in this appraisal is the proposed mixed use building at the 400 block of Central Avenue. According to an article published August 11, 2020

In November, New York-based Red Apple Real Estate announced the \$300 million project on the 400 block of Central Avenue that would include a 46-story residential condominium tower. Now, Red Apple has announced it has filed foundation plans with the city of St. Petersburg for review and has plans underway to obtain preliminary worksite permits.



The 515-foot-tall residential tower in the development would exceed the height of ONE St. Petersburg, which stands at 456 feet, and would be the tallest building in St. Petersburg. The tower was recently approved by the Federal Aviation Administration, Red Apple announced Tuesday. Developers initially hoped to break ground in the spring of 2020 but now say construction is planned to begin in 2021. The mixed-use development will also include a 20-story hotel, an 842-space parking garage, 25,000 square feet of retail and restaurants, and 20,000 square feet of office space.

The residential tower will include 300 condos and a glass-enclosed observatory on the 46th floor. It will also feature co-working space, a boardroom, a library, a private dining room and a theater room. The seventh floor will also include an outdoor terrace with a putting green, dog walking area, bocce court, pool and spa, among other amenities. The city's Development Review Commission approved site plans in early December of 2019.

## MARKET ANALYSIS CONCLUSION

The document prepared by HKS shows that 2,900,000 SF of office space is possible for development, with 2,200,000 SF specifically allocated to the subject parcels. According to CoStar, there is over 4,000,000 SF of office space in downtown St. Petersburg with a vacancy rate of 5.31%. What is interesting to note is that there was 4,500,000 SF of space with a 15.68% vacancy rate in 2011. As office space was redeveloped and inventory decreased, the vacancy rate also decreased. Considering the long-term effects of COVID-19, many companies are encouraging work-from-home models, thus reducing the need for office space. Many businesses are encouraging employees to work remotely but have begun implementing plans to allow employees to come back to the office, with some requiring temperature checks at the door and social distancing guidelines. While there is the potential for large companies to re-locate their corporate headquarters to St. Petersburg, it is possible that they would require smaller footprints (ie. one floor of a building as opposed to multiple floors or an entire building). Co-working spaces were rolling out in the Tampa Bay area and they were a popular trend for start-ups and for individuals that need a small office space. However, they have seen a temporary slow-down in leasing and usage as they have had to implement social distancing measures, but it appears to be easing as Florida allows for office re-openings. HKS' plan does not specifically state plans for development of hospital affiliated medical office space. There are two hospital major hospitals in the neighborhood, Bayfront Health (formerly known as Bayfront Medical Center) and John Hopkins All Children's Hospital. The City could potentially partner with these hospitals for their expansion needs. With an influx of residents, there will be greater demand for co-working space, attorneys, accountants, medical offices, and other professional services. With the potential of adding 3,000 multifamily apartments in the immediate area, it is apparent that there would be pent-up demand for office space by the end of the Rays lease, however, it is not economically feasible to develop all 2,900,000 SF of office space and increase the total inventory by 72.5 percent.

HKS also estimated demand for 300,000 SF of retail space. According to CoStar, the vacancy rate in the 3<sup>rd</sup> Quarter 2020 was reported to be 3.69%, an increase of 20 basis points from the previous quarter. Retail space and restaurants have been adversely affected during the COVID-19 global pandemic. Many small businesses and restaurants were forced to temporarily close, and some have permanently closed. Additionally, national retailers and restaurant chains such as Macy's Pier 1, GNC, Stein Mart, Men's Warehouse, Nordstrom, Burger King, Pizza Hut, Steak n' Shake, and Sweet Tomatoes have announced numerous store closings in order to avoid major losses or possible bankruptcies. Many people, across all generations, have become accustomed to ordering consumer goods online instead of making trips to retail stores and risking exposure to COVID-19. The general consensus among most people is that they are tired of being in their homes and want to go back to pre-COVID-19 habits such as in-store shopping, return to health clubs, and normal dining. Hopefully this transition back to normal consumer behavior will negate retail store closures. Additionally, as population growth continues and new condominium and apartments are constructed, this will increase the demand for grocery stores, home good stores, fitness centers/gyms, salons/barbershops, and restaurants, etc. There are two Publix grocery stores in downtown St. Petersburg but none of the newer stores such as Trader Joes which is located on 4<sup>th</sup> St. North or Whole Foods which the closest one is located in Westshore district of Tampa and another in northern Clearwater. A grocery store like those would be very popular in downtown St. Petersburg. Also it should be noted that several new restaurants and bars have and are opening in downtown St. Petersburg such as a new BurgerFi located on the first floor of ICON Central between 8<sup>th</sup> and MLK Streets and a bar called Whisky Exchange on Central between 5<sup>th</sup> and 6<sup>th</sup> Streets in addition to three new restaurants that opened in the recently opened St. Pete Pier, Doc Fords, Teak, and Pier Teaki roof top bar. Existing and new restaurants, bars, and breweries throughout the downtown attract visitors and office workers.

The document prepared by HKS only shows one potential hotel development site (Parcel 4, 21 floors). According to the Marcus and Millichap Hotel Market Overview, the Tampa-St. Petersburg is experiencing less than 20% occupancy through August 2020. However, the average occupancy in August 2020 was averaging about 50% which is a positive

sign for recovery. The tourism market is expected to recover as COVID-19 travel restrictions ease and COVID-19 cases decrease. The immediate market area appeals to business travel as well as the vacation/leisure traveler. It would be possible to construct a convention center on the site that would draw numerous visitors to the area. With numerous restaurants, bars, breweries, coffee shops, and activities a convention center would be a very popular amenity to the City and would support local business and hotels. Paired with the potential for more businesses and residents to move into the neighborhood, the need for hotel room would increase over time and it would be possible to construct multiple hotels in the project.

HKS projected the potential for about 3,000 new residential units as part of their re-development model. We have identified several apartment projects that have been recently completed, under construction, and proposed. There are 444 apartment units under construction and 873 proposed apartments. According to CoStar, the submarket vacancy is 14.13%, which is a 480-basis point increase from the 2<sup>nd</sup> Quarter 2020 which is likely due to the inventory completed and delivered to the market. Also, leasing has considerably slowed down because leasing offices were temporarily shut down to the COVID-19 global pandemic. Many apartment amenities (gyms, pools, common areas, etc.) in apartments were also closed for a period of time, making new apartments seem less appealing. However, with a phased re-opening in Florida, many common areas are open with social distancing requirements and limited access. Considering the number of apartments under construction in the market as well the proposed office buildings and hotels there will be demand for apartments, but a developer would need to wait until existing inventory is absorbed.

Lastly, the City has expressed an interest in including some public non-profit space such as a park and school. There more than likely would be strong demand for a charter school and/or preschools. And there may also be demand for vocational schools and private colleges which often utilize traditional office space and are profit centered. Therefore, the City may choose to designate some space for uses that while not profit generating do enhance the quality of life and support the residents.

COVID-19 has caused market disruptions across all real estate industry sectors. However, we are currently experiencing economic recovery and expect it to continue as the Governor of Florida has eased Coronavirus restrictions and is allowing most businesses to operate at full capacity with social distancing. The Tampa Bay Rays operating agreement at the Tropicana Field ends in 2027 and the subject will likely not be developed before that time. We anticipate a strong pent-up demand for residential, office, retail, and hotels by this time.

Keep in mind that a plan of this magnitude (presented by HKS) may take 10 to 20 years to construct and absorb. Based on comparable land sales in the Sales Comparison Approach, many new multi-use projects under development in the DC-1 and DC-2 zoned neighborhood are being developed between 11 and 28 story buildings. Also, the proposed development plans of 7,500,000 on 50.1 useable acres (assuming subdivision with streets) equates to a floor area ratio of 3.44:1. This plan appears to be a bit aggressive considering the proposed F.A.R. of 3.44:1 is higher than the maximum base F.A.R. of 3.00:1 in these zoning districts.

## SITE DESCRIPTION

### LOCATION

<b>Address</b>	1 Tropicana Drive
<b>City</b>	St. Petersburg
<b>County</b>	Pinellas
<b>State</b>	Florida
<b>ZIP Code</b>	33705
<b>Location</b>	The stadium is located on the northeast corner of 5th Avenue South and 16th Street South

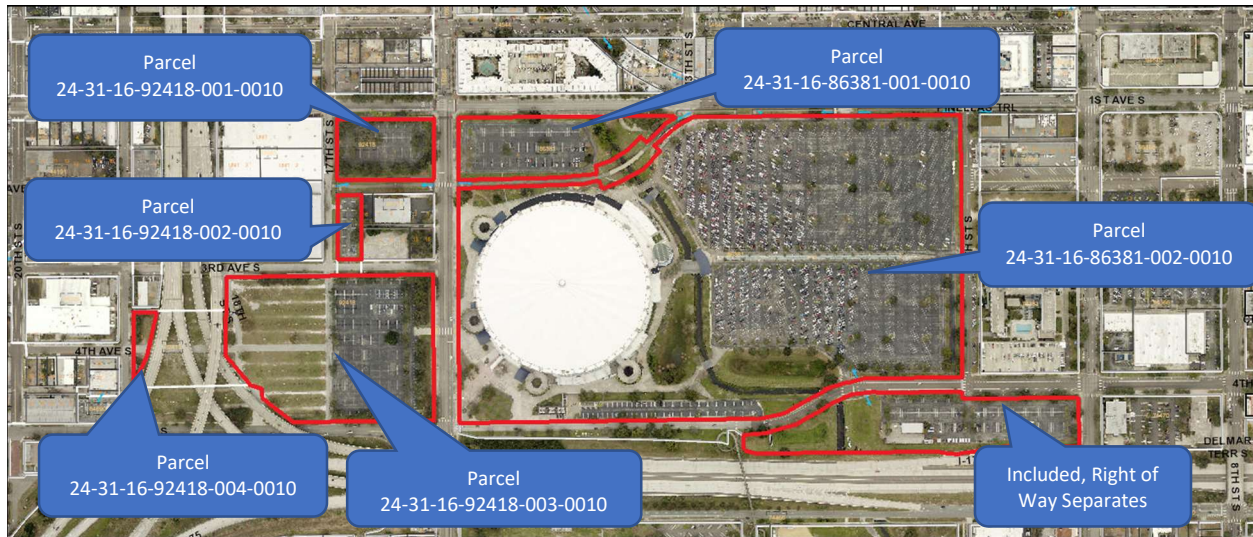
### PHYSICAL

<b>Size</b>	
<b>Acres</b>	76.14
<b>SF</b>	3,316,740
<b>Road Size</b>	
<b>Acres</b>	0.03
<b>SF</b>	1,137
<b>Total Size</b>	
<b>Acres</b>	76.17
<b>SF</b>	3,317,877
<b>Configuration</b>	Irregular
<b>Access</b>	Multiple points of entries along several roads including: 1st Avenue S, 3rd Avenue S, 5th Avenue S, 9th Street S, 10th Street S, 16th Street S, 17th Street S, 330' along 19th Street S,
<b>Visibility</b>	Good
<b>Topography</b>	The land gradually slopes downward from north to south
<b>Drainage</b>	Appears adequate
<b>Soil/Subsoil</b>	A soil/subsoil report was requested but not provided. This appraisal assumes that the soil's load bearing capacity is sufficient to support existing and/or proposed structures. The physical inspection of the property indicated no evidence of soil/subsoil issues.
<b>Environmental</b>	An environmental report was requested but not provided. This appraisal assumes that the property is free of any and all environmental issues. The physical inspection of the property indicated no evidence of environmental issues.
<b>Utilities</b>	Typical utilities and municipal services are available to the site
<b>Flood Data</b>	
<b>Panel No.</b>	12103C0219G and 12103C0218G
<b>Zone</b>	X
<b>Description</b>	Zone X: Areas determined to be outside the 500-year flood plain
<b>Date</b>	9/3/2003
<b>Source</b>	FEMA

The appraisers were not provided a survey for the subject property. Hence, we have relied on the real property record data maintained by Pinellas County. The following table shows the Parcel ID numbers, zoning, future land use, gross and useable land areas, and frontage/depth.

Parcel ID	General Location	Gross SF	Gross Acres	LAND AREA		Frontage	Frontage	Frontage
				Useable SF	Useable Acres			
24-31-16-86381-001-0010	Land north of Tropicana Field	179,032	4.11	179,032	4.11	900' along 1st Avenue S	259' along 16th Street S	
24-31-16-86381-002-0010	Stadium Site	2,513,412	57.70	2,513,412	57.70	1,081' along 1st Avenue S	1,140' along 10th Street S	2,102' along 5th Avenue S
						1,172' along 5th Avenue S	200' along 9th Street S	
24-31-16-92418-001-0010	NW Lot	99,813	2.29	99,813	2.29	399' along 1st Avenue S	250' along 17th Street S	250' along 16th Street S
24-31-16-92418-002-0010	Rectangular site	26,820	0.62	26,820	0.62	250' along 17th Street S	99' along 3rd Avenue S	
24-31-16-92418-003-0010	SW Parking	480,467	11.03	480,467	11.03	849' along 3rd Avenue S	600' along 16th Street S	580' along 5th Avenue S
24-31-16-92418-004-0010	West of Interstate	18,334	0.42	17,197	0.39	330' along 19th Street S		
		3,317,877	76.17	3,316,740	76.14			

## AERIAL MAP



Parcel ID Number 24-31-16-86381-001-0010 is located just north of the Tropicana Field and is separated by the Pinellas Trail. This site is 4.11 acres and has 900 feet of frontage along the south side of 1<sup>st</sup> Avenue South and 259 feet of frontage along the east side of 16<sup>th</sup> Street South.

The stadium is situated on Parcel ID Number 24-31-16-86381-002-0010 and it is 57.70 acres, with 5<sup>th</sup> Avenue South separating the southeastern portion of the site from the larger site in which the stadium is situated. It has 1,081 feet of frontage along the south side of 1<sup>st</sup> Avenue South and 2,102 feet of frontage along 5<sup>th</sup> Avenue South as well as frontage along three other roads. Booker Creek traverses north/south over the subject, just east of the stadium. Per the development plan prepared by HKS, the Booker Creek area would be used as a central park amenity.

Parcel ID Number 24-31-16-92418-001-0010 is a generally rectangular shaped 2.29-acre parking lot that is located on the southwest corner of 1<sup>st</sup> Avenue South and 16<sup>th</sup> Street South. It has 399 feet of frontage along 1<sup>st</sup> Avenue South and the Pinellas Trail and 250 feet of frontage along 17<sup>th</sup> Street South and 16<sup>th</sup> Street South.

Parcel ID Number 24-31-16-92418-002-0010 is a rectangular shaped 0.62-acre parking lot that is located on the northeast corner of 3<sup>rd</sup> Avenue South and 17<sup>th</sup> Street South. It has 270 feet of frontage along 17<sup>th</sup> street South and 99 feet of frontage along 3<sup>rd</sup> Avenue South and 90 feet of frontage along the Pinellas Trail.

West of the stadium site, across 16<sup>th</sup> Street is Parking Lots 1 and 2 (Parcel ID 24-31-16-92418-003-0010) and it is 11.03 acres in size. This site is irregular in shape and has 849 feet of frontage along 3<sup>rd</sup> Avenue South, 600 feet of frontage along 16<sup>th</sup> Street South, and 580 feet of frontage along 5<sup>th</sup> Avenue South. Directly west of the site is Interstate 275 which is an elevated roadway.

Finally, on the west side of Interstate 275 is a small triangular parcel that is zoned Industrial General. The total site size is 18,334 SF however it is bisected by 4<sup>th</sup> Avenue South (1,137 SF). Therefore, the useable site area is 17,197 SF (0.39 acres) and it has 330 feet of frontage along 19<sup>th</sup> Street South.

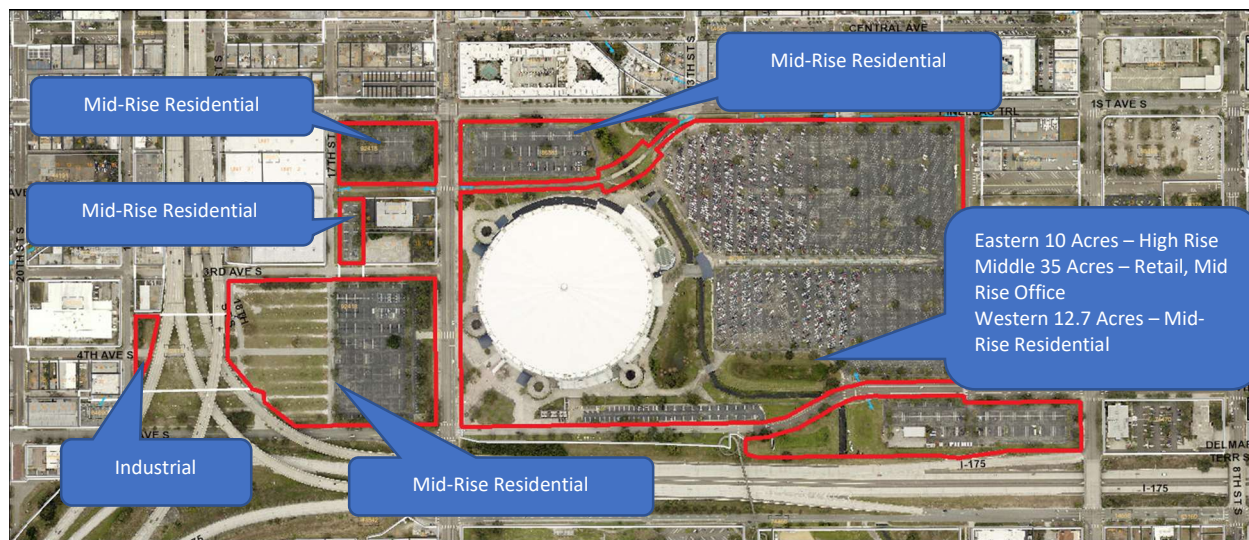
Overall, the useable site area is 76.14 acres or 3,316,740 SF. In general, the stadium site gradually slopes downward from north to south and there are no areas of wetlands.



In the Market Analysis section of this report, we have presented a development plan based in a study completed by HKS. Our potential development plans somewhat reflect the proposed development of HKS, however we offer a more general, flexible plan that could morph with changes in supply and demand. The downtown and waterfront districts are located east of the subject and are developed with high-rise retail/office/residential buildings. Therefore, we have anticipated that the high-rise sites would be located on the eastern portion (approximately 10 acres) of the Tropicana Site. In the middle of the largest site (35 acres of underlying stadium land), we envision that this section would be developed with mid-rise office, convention space, retail, and institutional buildings. The remaining 12.7 acres of the largest site as well as the three parcels located west of 16<sup>th</sup> Street South would be developed with mid-rise residential uses. Finally, the smallest triangular shaped parcel could be developed with small-scale industrial uses.

DEVELOPMENT POTENTIAL							
General Location	Zoning	Parcel # on HKS Plan	BBG Land Allocation	Potential F.A.R.	Potential Developable SF	Useable Land SF	Useable Land Acres
Land north of Tropicana Field Stadium Site	DC-1	Parcel 10, Institutional Campus, 200,000 SF, 9 Floors	Mid-Rise Residential	2.00	358,063	179,032	4.11
	DC-1	4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 23	Eastern 10 Acres of Land - High Rise Apartments, Hotel, Office	3.00	1,306,800	435,600	10.00
			Central 35 Acres Land - Retail, Low-Mid Rise Office	2.00	3,049,200	1,524,600	35.00
			Western 12.7 Acres of Land - Mid Rise Residential	2.00	1,106,424	553,212	12.70
NW Lot	DC-2	Parcel 17, 300,000 SF Residential	Mid-Rise Residential	2.00	199,626	99,813	2.29
Rectangular site	DC-2	Parcel 18, Residential, 100,000 SF	Mid Rise-Residential	2.00	53,640	26,820	0.62
SW Parking	DC-2	19, 20, 21, 22	Mid-Rise Residential	2.00	960,934	480,467	11.03
West of Interstate	IT	Not on plan	Small-Scale Industrial	2.00	34,394	17,197	0.39
Total					7,069,081	3,316,740	76.14

## AERIAL MAP – DEVELOPMENT PLAN



According to several news articles and Wikipedia, Tropicana Field was constructed on land that was previously used as a coal gasification plant and the City of St. Petersburg reportedly spent \$6,000,000 on soil remediation. We assume that no further remediation is required.

We reviewed an article published by the Associated Press dated July 6, 2020 titled *Archaeologist Mull Whether Graves Lie Near Tropicana Field*. Per the newspaper article, “The Tampa Bay Times reports the University of South



Florida's Florida Public Archaeology Network has registered the property with the state as a historic cemetery site. It believes human remains could be under the lots. The designation brings state oversight, so "future developments might require an archaeological survey to make sure human remains are not damaged or destroyed," network archaeologist Rebecca O'Sullivan said. A survey would include rolling ground-penetrating radar that can detect graves across the full 12 acres. It was a technology available in 1990 — but not as commonly used as today." BBG is not an expert in archeology, so we encourage the client to hire professionals in this respective field.

## **LEGAL DESCRIPTION**

**Parcel ID Number: 24-31-16-86381-001-0010**

SUNCOAST STADIUM REPLAT BLK 1, LOT 1

**Parcel ID Number: 24-31-16-86381-002-0010**

SUNCOAST STADIUM REPLAT BLK 2, LOT 1 LESS INGRESS/ EGRESS FOR 4TH AVE S

**Parcel ID Number: 24-31-16-92418-001-0010**

TROPICANA FIELD WEST PARKING AREA REPLAT BLK 1, LOT 1

**Parcel ID Number: 24-31-16-92418-002-0010**

TROPICANA FIELD WEST PARKING AREA REPLAT BLK 2, LOT 1

**Parcel ID Number: 24-31-16-92418-003-0010**

TROPICANA FIELD WEST PARKING AREA REPLAT BLK 3, LOT 1

**Parcel ID Number: 24-31-16-92418-004-0010**

TROPICANA FIELD WEST PARKING AREA REPLAT BLK 4, LOT 1



## ZONING:

Parcel ID Numbers 24-31-16-86381-001-0010 and 24-31-16-86381-002-0010 are zoned DC-1 (Downtown Core-1) and a list of pertinent zoning information is provided below.

Zoning	
<b>Designation</b>	DC-1 (Downtown Core 1)
<b>Jurisdiction</b>	City of St. Petersburg
<b>Intent and Purpose</b>	
<b>Description</b>	<p>This district provides for intense mixed-use development which creates a strong mixture of uses that enhance and support the core. Office and other employment uses are highly encouraged. Development in this district provides appropriate pedestrian amenities, pedestrian linkages, ground level retail, and cultural activities. Buildings and streetscaping (both hardscape and landscape improvements) are designed in a manner that promotes a successful people-oriented downtown area as exemplified and defined in the intown and intown west redevelopment plans.</p> <p>Permitted uses include community residential home (1 -6, 7-14 residents), dormitory, live/work dwellings, multifamily dwellings, bed and breakfast, hotel, pet care indoor, bank without drive-through, catering service/food service, drug store or pharmacy, indoor urban vehicle sales, mixed use (mixture of permitted and accessory uses), professional office, medical office, veterinary office, outdoor sales (garden oriented), restaurant and bar / brewpub, restaurant and bar, indoor (accessory outdoor area), retail sales and service, service establishment, personal services, studios, laboratories and research and development, publishing and printing, community service and fraternal club, indoor commercial recreation, health club, museum, parks, performing arts venue, birthing centers, child care facility, government building and use, hospital, house of worship, library, meeting hall and other community assembly facility, public and private schools, post-secondary schools, all other schools, mass transit schools, surface parking, and structured parking.</p>
<b>Requirements</b>	
<b>Minimum Lot Size</b>	No minimum lot area
<b>Maximum Density</b>	Maximum density in any downtown center district shall be limited by FAR. Units per acre do not apply.
<b>Base approval (floor area ratio)</b>	3.0
<b>Bonus approval, streamline (f.a.r)</b>	Greater than 3.0 and equal to or less than 5.0
<b>Bonus approval, public hearing (f.a.r)</b>	Greater than 5.0 and equal to or less than 7.0
<b>Maximum Height</b>	300 feet
<b>Setbacks</b>	
<b>0 to 50 FT High</b>	0 feet
<b>Above 50 FT High</b>	10 feet
<b>Distances between buildings</b>	
<b>Blank wall to blank wall, up to 50 ft. high</b>	0 feet
<b>Blank or window wall to window wall up to 50 ft. high</b>	15 feet
<b>All conditions 50 ft. to 200 ft. high</b>	60 feet
<b>All conditions above 200 ft. high</b>	80 feet
<b>Maximum Floor Plate Above 50FT</b>	20,000 SF per building
<b>Parking</b>	Varies per intended use
	Retail - 1 per 1,000 SF
	Retail - Neighborhood Scale - 1 per 1,200 SF. First 1,200 SF is exempt
	Office - 1 per 500 SF
	Multifamily - 1 per unit for units larger than 750 SF. 0 per unit for units smaller than 750 SF. Loading area required for more than 5 units
	Hotel - 1 per 4 rooms, passenger loading area required
	Restaurant - 1 per 1,000 SF
<b>Conformity</b>	Legal, conforming use

Parcel ID Numbers and 24-31-16-92418-001-0010, 24-31-16-92418-002-0010 and 24-31-16-92418-003-0010 are zoned DC-2 (Downtown Core-2) and a list of pertinent zoning information is provided below.

Zoning	
<b>Designation</b>	DC-2 (Downtown Core 2)
<b>Jurisdiction</b>	City of St. Petersburg
<b>Intent and Purpose</b>	This district provides for intense residential development that still allows for a mixture of uses that enhance and support the core and surrounding neighborhoods, including the domed stadium. The district also allows support retail and office uses which assist the residents with the daily needs of living within this highly urbanized neighborhood. The district establishes performance standards and design guidelines appropriate to urban form residential buildings. Heights in this district begin to taper down as development sites become less proximate to the core and transition to surrounding neighborhoods. However, base setbacks still apply, creating a pedestrian-scale environment at the sidewalk level.
<b>Description</b>	Permitted uses include community residential home (1 -6, 7-14 residents), dormitory, live/work dwellings, multifamily dwellings, bed and breakfast, hotel, pet care indoor, bank without drive-through, catering service/food service, cafe, drug store or pharmacy, mixed use (mixture of permitted and accessory uses), professional office, medical office, veterinary office, outdoor sales (garden oriented), restaurant and bar / brewpub, restaurant and bar, indoor dining (accessory outdoor area), retail sales and service, service establishment, personal services, studios, community service and fraternal club, indoor commercial recreation, health club, museum, parks, performing arts venue, child care facility, government building and use, house of worship, library, public and private schools, post-secondary schools, all other schools, mass transit schools, and surface parking.
<b>Requirements</b>	
<b>Minimum Lot Size</b>	No minimum lot area
<b>Minimum Lot Width</b>	Maximum density in any downtown center district shall be limited by FAR. Units per acre do not apply.
<b>Base approval (floor area ratio)</b>	3.0
<b>Bonus approval, streamline (f.a.r)</b>	Greater than 3.0 and equal to or less than 5.0
<b>Bonus approval, public hearing (f.a.r)</b>	Greater than 5.0 and equal to or less than 7.0
<b>Maximum Height</b>	300 feet
<b>Setbacks</b>	
<b>0 to 50 FT High</b>	0 feet
<b>Above 50 FT High</b>	10 feet
<b>Distances between buildings</b>	
<b>Blank wall to blank wall, up to 50 ft. high</b>	0 feet
<b>Blank or window wall to window wall up</b>	15 feet
<b>All conditions 50 ft. to 200 ft. high</b>	60 feet
<b>All conditions above 200 ft. high</b>	80 feet
<b>Maximum Floor Plate Above 50FT</b>	20,000 SF per building
<b>Parking</b>	Varies per intended use
	Retail - 1 per 1,000 SF
	Retail - Neighborhood Scale - 1 per 1,200 SF. First 1,200 SF is exempt
	Office - 1 per 500 SF
	Multifamily - 1 per unit for units larger than 750 SF. 0 per unit for units smaller than 750 SF. Loading area required for more than 5 units
	Hotel - 1 per 4 rooms, passenger loading area required
	Restaurant - 1 per 1,000 SF
<b>Conformity</b>	Legal, conforming use

Worth noting is the approval process as well as the availability to obtain bonus approvals in the DC-1 and DC-2 zoning categories and we have referenced Section 16.20.120.4. (Approval process) of the City of St. Petersburg Land Development Regulations.

Development projects shall be reviewed using an approval procedure which is determined by the proposed intensity of the building. There are three approval procedures available throughout the downtown center (DC) districts:

- 1.) Base approval
- 2.) Bonus approval, streamline
- 3.) Bonus approval, public hearing

Base approval shall be allowed by right. Bonus approval, streamline, requires compliance with specific criteria, and bonus approval, public hearing, requires compliance with specific criteria and a public hearing. All approvals must evaluate the objective criteria set forth in this section, including, but not limited to, allowable FAR (with bonuses and exemptions, if requested), height, and setbacks. Additionally, bonus approvals must also evaluate the site plan review criteria in these land development regulations.

#### 16.20.120.4.1. Base approval.

The base approval is allowed by right without public notice or public hearing if the project complies with the enhanced street requirements, maximum building height, minimum building setbacks, minimum ground level open space, building design requirements and other applicable requirements without a variance.

#### 16.20.120.4.2. Bonus approval, streamline.

The bonus approval, streamline process reviews projects that exceed the limits of the base approval standards allowing for an increased FAR, building height, or both. To qualify, a project shall incorporate pre-described bonus provisions which mitigate the secondary impacts of the development, and provide public benefit at the ground level or address issues relevant to downtown development or the City, such as historic preservation and workforce housing.

#### 16.20.120.4.3. Bonus approval, public hearing.

The bonus approval, public hearing process reviews projects that exceed the limits of the bonus approval, streamline standards allowing for an increased FAR, building height, or both. To qualify, a project shall incorporate pre-described bonus provisions above and beyond those required for the bonus approval, streamline process. After all bonuses are utilized, additional criteria is placed upon the development which will also address the secondary impacts of the project.

Parcel ID Number 24-31-16-92418-004-0010 is zoned IT, Industrial Traditional and a list of pertinent zoning information is provided below.

Zoning	
<b>Designation</b>	IT (Industrial Traditional)
<b>Jurisdiction</b>	City of St. Petersburg
<b>Intent and Purpose</b>	<p>The purpose of the IT district regulations is to permit rehabilitation, improvement and redevelopment in a manner that is consistent with the character of the neighborhood and respects adjacent residential uses. Traditional industrial areas consist of external areas which border residential or other uses, where buffering may be an issue, and internal areas which border only other industrial uses. Necessary buffering and transition differs between these two. This section:</p> <p>(1)Creates buffers and transitional zones between industrial corridors and abutting neighborhoods;</p> <p>(2)Provides standards and incentives for design including site planning, architectural design, signage and lighting; and</p> <p>(3)Establishes guidelines to shield storage areas, walls and fences to provide a better visual environment.</p>
<b>Description</b>	<p>Permitted uses include accessory dwelling unit (owner/manager), pet care (indoor), brewery, catering service/food service contractor, microbrewery, mixed use (mixture of permitted and accessory uses), motor vehicle service and repair, temporary labor office, veterinary office, outdoor sales, outdoor storage, fleet-based service, construction establishments, laboratories and research development, manufacturing (light, assembly and processing), manufacturing (heavy), publishing and printing, recycling center, self-storage, warehouse, wholesale establishment, commercial recreation, motion picture theater/cinema, parks, cemetery, funeral home, government building, schools, parking (surface and structured), and nurseries.</p>
<b>Requirements</b>	
<b>Minimum Lot Size</b>	Not Required
<b>Minimum Lot Width</b>	60 Feet
<b>Maximum F.A.R.</b>	0.75
<b>Maximum Height</b>	50 feet
<b>Setbacks</b>	
<b>Front</b>	0 Feet
<b>Rear</b>	0 Feet
<b>Side</b>	0 Feet
<b>Parking</b>	Warehousing - 1 per 2,000 SF
	Manufacturing - 1 per 1,000 SF
<b>Conformity</b>	Legal, conforming use



## HEIGHT RESTRICTIONS

According to the St. Petersburg Land Development Regulations, Section 16.20.120.7. (Building envelope: Maximum height and minimum setbacks), the property is located in the zones with a 300-foot base height. According to the code:

“Height restrictions are based upon the approval process sought by the applicant and the location of the property. Additionally, bonus approvals must also evaluate the site plan review criteria in these land development regulations. The height restrictions do not correlate directly to the zoning districts. They are designed to concentrate heights within the core area of the downtown and then step down toward the surrounding neighborhoods. The height map establishes the specific locations of height restrictions. In addition to the height restrictions limits specified on the map, the following criteria shall apply:

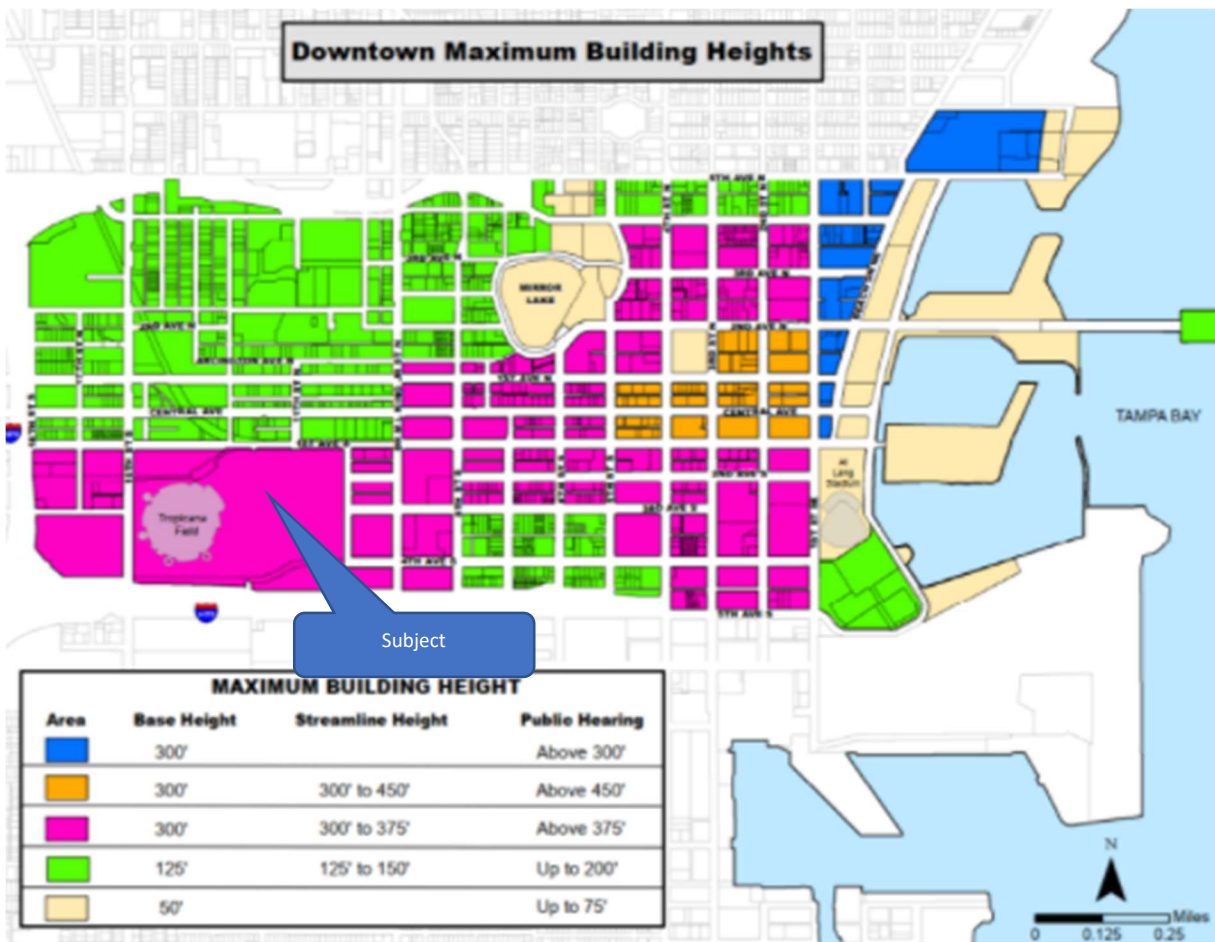
- 1.) Buildings shall not exceed FAA height limitations unless approval is obtained from the FAA.
- 2.) All buildings receiving additional height using the bonus approval, streamline process shall have a decorative crown feature compatible with the architectural style of the building.
- 3.) All buildings receiving additional height using the bonus approval, public hearing process shall have a decorative crown feature compatible with the architectural style of the building and are encouraged to have decorative up lighting and crown lighting.”

Based on our observations, the market would not likely support multiple high-rise buildings over 300 feet in height. It appears that high-rise development may be financially feasible in the Downtown or Waterfront Arts district.

In the Sales Comparison Approach where we value the land area for high rise apartments, hotels, and office buildings, all with similar zonings, none of the new development projects were proposed for 30 floors (300 feet) or more.

Sale 1 – St. Petersburg June 2020	DC-1, Hold for development
Sale 2 – St Petersburg January 2020	DC-2, 11 Story Boutique Hotel
Sale 3 – St Petersburg December 2019	DC-C 24-28 Story Tower
Sale 4 – St Petersburg December 2019	DC-1, Unknown
Sale 5 – Tampa October 2019	Apartments, Self-Storage, Retail, 15 Stories
Sale 6 – St Petersburg August 2019	DC-1, 270 Apartments, 21 Stories
Sale 7 – St. Petersburg January 2018	DC-1, 201 Apartments, 23 Stories

Given the large size of the property and proposed development project, it would be inconceivable to develop more than the maximum density that is available under the existing height restrictions. As the number of floors increases, the overall project costs increase significantly due to the additional engineering and reinforcement and wind resistant requirements as well as the need for multi-level parking structures. Mid-rise buildings tend to be more cost effective to construct than high-rise buildings. Therefore, it is our opinion that there is no difference in underlying land value with height restrictions (300 feet) or without height restrictions as it appears that there is not demand for high rise over 30 stories.





## **FUTURE LAND USE:**

Parcel ID Numbers 24-31-16-86381-001-0010, 24-31-16-86381-002-0010, 24-31-16-92418-001-0010, 24-31-16-92418-002-0010, and 24-31-16-92418-003-0010 are located within the Central Business District (CBD) future land use designation. This district was intended for allowing a mixture of higher intensity retail, office, industrial, service, public school and residential uses up to a floor area ratio of 4.0 and a net residential density not to exceed the maximum allowable in the land development regulations (LDRs). In accordance with the LDRs, increased floor area ratios may be permitted as a bonus or as an exemption for developments that provide additional amenities or other improvements that achieve CBD design and development objectives. When taken together, the base FAR, bonuses and exemptions may exceed 4.0 FAR. Application of this category is limited to the Intown Sector. This category shall not be applied without development of, and CPA approval of, a special area plan.

Parcel ID Number 24-31-16-92418-004-0010 is located within the Industrial General (IG) future land use designation. This district was intended for allowing a mixture of light or heavy industrial and industrial park uses with a floor area ratio up to 0.75. A buffer shall be provided between land designated Industrial General and adjoining plan classification other than Industrial or Transportation/Utility. Public/Semi-Public or Ancillary Non-Residential Uses, alone or when added to existing contiguous like uses which exceed or will exceed five (5) acres shall require a land use plan amendment which shall include such use and all contiguous like uses. Office, Retail Uses, Commercial Recreation, Commercial/Business Service and Personal/Office Service, shall be allowed as accessory uses within the structure to which it is accessory and shall not exceed 25% of the floor area of the principal use to which it is accessory. An outdoor performing arts venue shall be a Commercial Recreation use with no acreage limitation and shall not be required to be accessory to any other use.

## **ZONING AND FUTURE LAND USE CONCLUSIONS:**

The current use as a 1,100,000 SF enclosed baseball stadium and entertainment venue is a legal, conforming use. Parcel ID Numbers 24-31-16-86381-001-0010 and 24-31-16-86381-002-0010 are zoned DC-1 (Downtown Core-1) and Parcel ID Numbers 24-31-16-92418-001-0010, 24-31-16-92418-002-0010 and 24-31-16-92418-003-0010 are zoned DC-2. Both designations allow for development of residential, multi-family, hotels, banks, professional and medical office, retail, restaurants, and a variety of similar uses. The maximum building height is 300 feet but there are provisions to increase and the base floor area ratio is 3.00:1. The DC-1 and DC-2 zoning categories are compatible with the Central Business District future land use designations. Parcel ID Number 24-31-16-92418-004-0010 is zoned IT, Industrial Traditional which allows for a variety of industrial uses. The IT zoning category is comparable with the Industrial General (IG) future land use designation.

# IMPROVEMENTS DESCRIPTION

## GENERAL DESCRIPTION

<b>Type of Property</b>	Baseball Stadium and Entertainment Venue
<b>Year Built</b>	1990
<b>Building Size</b>	
Gross Building Area (SF)	1,100,000
Net Rentable Area (SF)	1,100,000

## EXTERIOR DETAILS

<b>Number of Buildings</b>	One
<b>Exterior Walls</b>	Reinforced concrete structure with metal upper walls
<b>Windows</b>	Large aluminum storefront windows throughout, mainly on offices and ticket center
<b>Doors</b>	Plate glass commercial door, metal side doors
<b>Wall Height</b>	85 foot wall height at it's highest, 225 feet in center of dome
<b>Roof</b>	Cable-supported Teflon covered fiberglass domed roof structure
<b>Land to Building Ratio</b>	3.02

## INTERIOR DETAILS

<b>Interior Walls</b>	Varies throughout (painted drywall and painted steel beams)
<b>Ceilings</b>	Acoustical ceiling tiles in the vendor areas, exposed dome structure in field
<b>Floors</b>	Unfinished concrete and epoxy covering over concrete
<b>Lighting</b>	LED lighting throughout (installed 2019)
<b>HVAC</b>	Chiller System
<b>Special Features</b>	Burglar alarm, fire alarm, video surveillance, sprinkler system Back-up generator system
<b>Restrooms</b>	Multiple multi-fixture restrooms
<b>Seating Capacity</b>	42,735

## MECHANICAL

The appraisers are not experts in mechanical, electrical, plumbing, HVAC or structural systems. This appraisal assumes that all mechanical, electrical, plumbing, HVAC and structural systems are in good working order and up to current codes. This appraisal also assumes that any mechanical, electrical, plumbing, HVAC or structural system maintenance and/or repairs are completed through typical maintenance practices or as part of larger budgeted capital projects.

## SITE IMPROVEMENTS

<b>Landscaping</b>	Irrigation, grass, palm trees, mature trees, shrubs in mulched areas
<b>Parking</b>	7,000 parking spaces within 12 parking lots
<b>Signage</b>	Tropicana has naming rights and signage on the building

SUMMARY	
Overall Condition	Average
Overall Quality	Average
Design and Functionality	Average
Actual Age	30 Years
Expected Economic Life	40
Effective Age	30
Remaining Economic Life	10

The property appraised is a 1,100,000 SF enclosed dome stadium that was built in 1990 and is commonly known as Tropicana Field (due to naming rights). It has reinforced masonry construction with a metal domed roof structure with a center height of 225 feet. There is a total of six entry gates along with four spiral concrete stairwells for emergency exits.

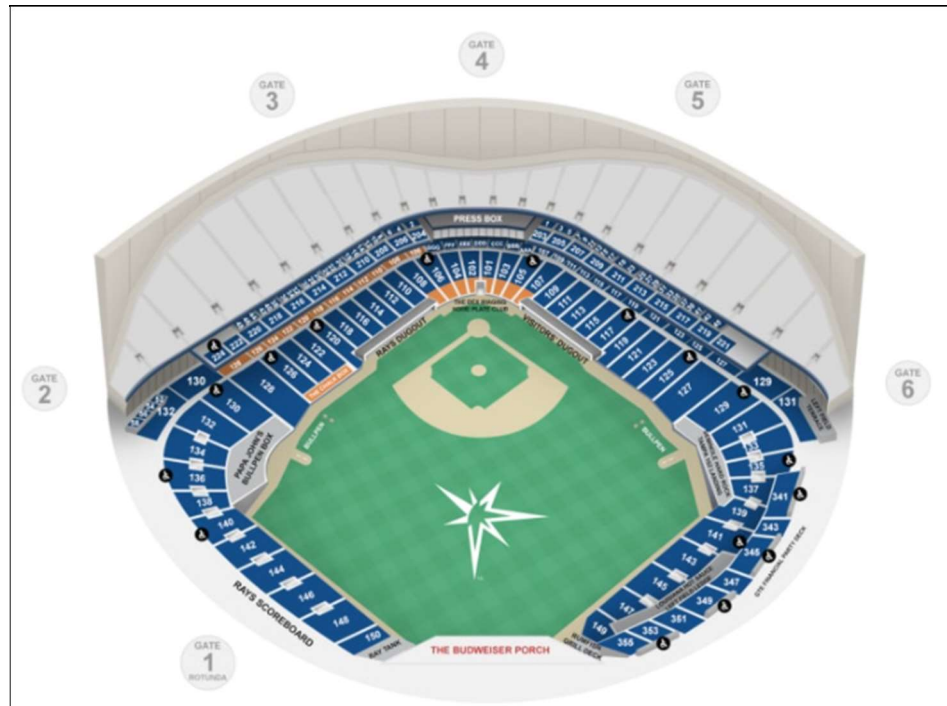
It was originally known as the Florida Suncoast Dome and then in 1993 the Tampa Bay Lightning played for three years and it was known as the ThunderDome. Tropicana Products entered into a 30-year naming rights agreement in 1996 and the Rays began playing in the 1998 season with an agreement ending in 2027.

The improvements are 30 years old and will be 37 years old upon the lease expiration. Modern stadiums have retractable roofs, multiple restaurants/dining options, large screens, high fidelity audio systems, luxury suites, etc. so the market perceives that this stadium is functionally obsolete or outdated. Therefore, the improvements will be at the end of their economic life and the highest and best use is to demolish the improvements upon expiration. For support of expected economic life, we provided four comparable sales of stadiums that were being purchased for redevelopment and they had ages of 16, 17, 32, and 53 years.

According to Wikipedia, there are a total of 7,000 parking spaces within 12 parking lots. Site improvements include paved parking, landscaped islands, palm trees, grass, mature trees, concrete sidewalks, and extensive parking lot lighting. We note that there is a pedestrian tunnel below 1<sup>st</sup> Avenue South that allows pedestrian traffic from the restaurants and bars on Central Avenue to the Tropicana Field. Parking Lot 2 is located west of 17<sup>th</sup> Street S and has grass parking spaces. While visiting the site, we noticed three billboards located on the grounds. We have not been provided nor have we analyzed any leases as the client has requested that we do not consider any existing leases. We note that the Pinellas County Property Appraiser Website does not have a building sketch with dimensions, most likely for public safety/security reasons.



## SEATING LAYOUT



Source: MLB Website - <https://www.mlb.com/rays/ballpark/information/seating-map>

According to Wikipedia, Tropicana Field has a capacity of 42,735 seats (including private suites, etc.), multiple food and beverage vendors, fan stores, and has an enclosed roof. We reviewed an article on the MLB website that states that the Rays have invested more than \$50,000,000 in renovations since 2005 including the creation of common areas by left field, redesigning two primary fan entrances, installing new turf, replacing field lights with LED lighting, and elimination of the upper deck seating.

The following information was provided by the Wikipedia website: "There are a total of 70 luxury suites, 48 are accessible from the 200-level, while the other 15 are located on the 100-level. There are a total of 2,776 club seats at Tropicana Field. The Dex Imaging Home Plate Club features its own entrance, recliner seats, and a premium buffet with in-seat service. The second club section, the Rays Club, is along the first-base side on the 100-level at the Loge Box level. It features its own premium buffet and premium seating. Interactive experiences include:

- **Grand Slam Alley:** an arcade-style area sponsored by [GameTime](#), located behind section 133, free on Sundays
- **Topps:** fans can have their picture put on a Rays baseball card, located in Left Field, free on Sundays
- **Home Run Derby / Speed Pitch:** a hitting and pitching simulator, located behind section 134, free on Sundays
- **Raymond's Art Studio:** An art studio featuring either coloring pages or crafts, and a blackboard wall (for fans 14 and under), located in Right Field Street near Gate 1 (Free)
- **Interactive Playground:** A virtual interactive que of games that cycle every three minutes, located between Raymond's Art Studio and the Rays Touch Tank (Free)

Behind center field on the stadium's ground level near the main rotunda entrance is a large, brewpub-style bar & grill called Everglades Brewhouse. The restaurant serves several craft beers in addition to having a full liquor bar and opens two hours before first pitch. A "Fan vs. Food" challenge at Everglades was introduced in 2014, which consists

of eating a 4-pound burger and a pound of French fries in under 30 minutes to win two future Rays game tickets and a T-shirt.

The Cuesta-Rey Cigar Bar is located upstairs from Everglades Brewhouse, accessible by escalator, and across from The Porch in center field, offering a large selection of cigars, many produced by a company founded in Tampa. The lounge also features a regular bar, open seating with leather upholstery, and a large screen T.V. It is the only indoor location at Tropicana Field where smoking is permitted.

Concessions in Center Field Street include the Everglades Brewhouse, the Taco Bus, the Wine Cellar, The Carvery and Pipo's. The First Base Food Court features Papa John's Pizza, Fish Shack, Everglades BBQ, and a full service liquor bar. The Third Base Food Court features Papa John's Pizza, and gluten free classics. In Right Field Street there is Bay Grill and the Craft Beer Corner featuring many local craft breweries including Big Storm Brewing, Cigar City, Green Bench, Sea Dog and 3 Daughters. Green Bench Brewing offers a special edition brew just for the Rays called 2-Seam Blonde Ale.

In addition to a variety of concessions, with vendors ranging from Cuban sandwich burgers to grilled sausages, there are also concession stands for Outback Steakhouse and Papa John's Pizza. Outback is a Tampa Bay-based establishment. To compete with established stadiums' hot dog traditions, the Trop introduced the "Sting 'Em" Dog in 2007. This consists of a regular hot dog topped with chili and cheese. It was renamed "The Heater" in 2008." Source: [https://en.wikipedia.org/wiki/Tropicana\\_Field](https://en.wikipedia.org/wiki/Tropicana_Field). It is worth noting that the Rays won the American League Pennant in 2020, but lost to the L.A. Dodgers in the World Series.

**Furniture, Fixtures, & Equipment (FF&E):** The Tropicana Field has extensive FF&E including but not limited to stadium seating, tables and chairs, sound and video equipment, locker room equipment, and food service/concessions, etc.. We did not receive an inventory list so since we do not know what FF&E is included or who owns it, we have excluded it from our analysis.

## INTERIOR PHOTOGRAPHS



Source: <https://www.mlb.com/rays/ballpark/information>

## ASSESSMENT AND TAXES

Counties in Florida set the millage rate to be used in calculating the tax bill in September or October of each year. The County Tax Collector issues the tax bills providing a 4% discount for payment in November, a 3% discount for payment in December, a 2% discount for payment in January, and a 1% discount for payment in February.

The following table summarizes the subject's current real property assessment and taxes.

ASSESSMENT AND TAXES	
Year	2019
Parcel ID Number 24-31-16-86381-001-0010:	\$1,360,449
Parcel ID Number 24-31-16-86381-002-0010:	\$94,192,696
Parcel ID Number 24-31-16-92418-001-0010:	\$931,618
Parcel ID Number 24-31-16-92418-002-0010:	\$250,327
Parcel ID Number 24-31-16-92418-003-0010:	\$3,317,685
Parcel ID Number 24-31-16-92418-004-0010:	\$129,639
Total Assessments - County:	\$100,182,414
Parcel ID Number 24-31-16-86381-001-0010:	\$2,419,525
Parcel ID Number 24-31-16-86381-002-0010:	\$94,192,696
Parcel ID Number 24-31-16-92418-001-0010:	\$1,376,741
Parcel ID Number 24-31-16-92418-002-0010:	\$364,268
Parcel ID Number 24-31-16-92418-003-0010:	\$6,413,888
Parcel ID Number 24-31-16-92418-004-0010:	\$233,759
Total Assessments - School:	\$105,000,877
Exemption - County	\$100,182,414
Exemption - School	\$105,000,877
Taxable Value - County	\$0
Taxable Value - School	\$0
Millage Rate - County	14.9730
Millage Rate - School	6.5840
Gross Ad Valorem Taxes	\$0
Plus: Non- Ad Valorem Taxes	\$0
<b>Total Gross Taxes</b>	<b>\$0</b>

The subject property is owned by Pinellas County which is a government entity, so it is tax exempt. However, a third-party transaction would likely trigger a reassessment of the property and that a reassessment could result in an increase in the tax liability based on the purchase price.

## HIGHEST AND BEST USE

Highest and Best Use is defined as: “The reasonably probable and legal use of vacant land or an improved property which is physically possible, appropriately supported, financially feasible, and that results in the highest value.” *Appraisal Institute, The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015).* To test the Highest and Best Use requires the following:

**Determine whether the usage of land is:**

- Legally Permissible
- Physically Possible
- Financially Feasible
- Maximally Productive

**Requirements**

Typically, these tests are applied in the order listed above, but the sequencing of the tests should have no impact on the final highest and best use selected for either the land or the improvements. The highest and best use of a property is the one that meets all the previous criteria, and will produce the greatest future benefit to the owner.

**Land vs. Improved**

When determining the highest and best use it must be recognized that land is generally appraised as if vacant and available for development to its highest and best use. It must also be recognized that the appraisal of the improvements is based on their actual current contribution to the site.

**Conclusion**

Therefore, the highest and best use of a site must be analyzed for the following:

- Highest and Best Use as if Vacant
- Highest and Best Use as Improved



## AS IF VACANT

In order to estimate the highest and best use of the subject property as if vacant, we considered those uses that are legally permissible, physically possible, financially feasible, and maximally productive.

**Legally Permissible:** Parcel ID Numbers 24-31-16-86381-001-0010 and 24-31-16-86381-002-0010 are zoned DC-1 (Downtown Core-1) and Parcel ID Numbers 24-31-16-92418-001-0010, 24-31-16-92418-002-0010 and 24-31-16-92418-003-0010 are zoned DC-2. Both designations allow for development of residential, multi-family, hotels, banks, professional and medical office, retail, restaurants, and a variety of similar uses. The maximum building height is 300 feet but there are provisions to increase and the base floor area ratio is 3.00:1. The DC-1 and DC-2 zoning categories are compatible with the Central Business District future land use designations. Parcel ID Number 24-31-16-92418-004-0010 is zoned IT, Industrial Traditional which allows for a variety of industrial uses. The IT zoning category is comparable with the Industrial General (IG) future land use designation.

**Physically Possible:** The site is generally located south of 1<sup>st</sup> Avenue South, north of 5<sup>th</sup> Avenue South, west of 10<sup>th</sup> Street South, and east of Interstate 275. There is one small triangular shaped parcel located just east of Interstate 275 at 4<sup>th</sup> Avenue South. Overall, the useable site area is 76.14 acres or 3,316,740 SF. In general, the stadium site gradually slopes downward from north to south. Booker Creek runs north and south through the stadium site. This appraisal assumes that the subject's soils are suitable for development. This appraisal assumes that there are no sinkholes or other adverse soil conditions existing on the site.

In the Market Analysis section of this report, we have presented a development plan based on a study completed by HKS. Our potential development plans somewhat reflect the plans of HKS, however we offer a more general and flexible plan that could change with supply and demand. The downtown and waterfront districts are located east of the subject and are developed with high-rise retail/office/residential buildings. Therefore, we have anticipated that the high-rise sites would be located on the eastern portion (approximately 10 acres) of the Tropicana Site. In the middle of the largest site (35 acres of underlying stadium land), we estimate that this section would be developed with mid-rise office, convention space, retail, and institutional buildings. The remaining 12.7 acres of the largest site as well as the three parcels located west of 16<sup>th</sup> Street South would be developed with mid-rise residential uses. Finally, the smallest triangular shaped parcel could be developed with small-scale industrial uses.

DEVELOPMENT POTENTIAL							
General Location	Zoning	Parcel # on HKS Plan	BBG Land Allocation	Potential F.A.R.	Potential Developable SF	Useable Land SF	Useable Land Acres
Land north of Tropicana Field Stadium Site	DC-1	Parcel 10, Institutional Campus, 200,000 SF, 9 Floors	Mid-Rise Residential	2.00	358,063	179,032	4.11
	DC-1	4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 23	Eastern 10 Acres of Land - High Rise Apartments, Hotel, Office	3.00	1,306,800	435,600	10.00
			Central 35 Acres Land - Retail, Low-Mid Rise Office	2.00	3,049,200	1,524,600	35.00
			Western 12.7 Acres of Land - Mid Rise Residential	2.00	1,106,424	553,212	12.70
NW Lot	DC-2	Parcel 17, 300,000 SF Residential	Mid-Rise Residential	2.00	199,626	99,813	2.29
Rectangular site	DC-2	Parcel 18, Residential, 100,000 SF	Mid Rise-Residential	2.00	53,640	26,820	0.62
SW Parking	DC-2	19, 20, 21, 22	Mid-Rise Residential	2.00	960,934	480,467	11.03
West of Interstate	IT	Not on plan	Small-Scale Industrial	2.00	34,394	17,197	0.39
Total					7,069,081	3,316,740	76.14

It would be physically possible to develop the subject property with a variety of uses including multifamily residential, hotel, office, retail, and industrial uses with a base floor area ratio up to 3.00:1. However, based on market trends, the mid-rise sites may be more suited to development up to a floor area ratio of 2.00:1. That is not to say that the city would not hold back some of the land to be developed with non-profit institutional and recreational uses including a park, especially along the creek.



*Financially Feasible & Maximally Productive:* Financially feasible uses are analyzed in an effort to determine the uses that are most likely to produce a return greater than the combined income necessary to satisfy operating expenses, financial expenses, and capital amortization. In determining the maximally productive use, we assess whether the potential use of the subject is that which would reasonably result in maximum productivity of the land, as compared with an alternative use.

According to CoStar, there is over 4,000,000 SF of office space in downtown St. Petersburg with a vacancy rate of 5.31%. Considering the long-term effects of COVID-19, many companies have required work-from-home models, thus reducing the need for office space. Many businesses are encouraging employees to work remotely but have begun implementing plans to allow employees to come back to the office, with some requiring temperature checks at the door and social distancing guidelines and increased sanitation. While there is the potential for large companies to re-locate their corporate headquarters to St. Petersburg, it is possible that they would require smaller footprints (ie. one floor of a building as opposed to multiple floors or an entire building). With an influx of residents, there will be greater demand for co-working space, attorneys, accountants, insurance agents, medical offices, and other professional services. With the potential of adding 3,000 multifamily apartments in the immediate area, it is apparent that there would be pent-up demand for office space by the end of the Rays lease, however, it might not be economically feasible to develop all 2,900,000 SF of office space that was projected in the HKS plan.

While general retail uses have been negatively impacted by on-line shopping over the past decade there is strong demand for small local businesses. Retail space, bars, and restaurants have been adversely affected during the COVID-19 global pandemic. However, according to CoStar, the vacancy rate in the 3<sup>rd</sup> Quarter 2020 was reported to be only 3.69%, an increase of 20 basis points from the previous quarter. Many small businesses and restaurants were forced to temporarily close, and some have permanently closed. Additionally, national retailers and restaurant chains announced numerous store closings in order to avoid major losses or possible bankruptcies. The general consensus among most people is that they are tired of being in their homes and want to go back to pre-COVID-19 habits such as in-store shopping, return to health clubs, and normal dining. Hopefully this transition back to normal consumer behavior will negate retail store closures. Grocery stores such as Trader Joes or Whole Foods would be very popular in downtown St. Petersburg. As population growth continues and new condominium and apartments are constructed, this will increase the demand for grocery stores, home good stores, fitness centers/gyms, salons/barbershops, and restaurants, etc.

The document prepared by HKS only shows one potential hotel development site (Parcel 4, 21 floors). According to the Marcus and Millichap Hotel Market Overview, the Tampa-St. Petersburg is experiencing less than 20% occupancy through August 2020. However, the average occupancy in August 2020 was about 50% which is a positive sign for recovery. The tourism market is expected to recover as COVID-19 travel restrictions ease and COVID-19 cases decrease. The immediate market area appeals to business travel as well as the vacation/leisure traveler. It would be possible to construct a convention center on the site that would draw numerous visitors to the area. With an abundance of restaurants, bars, breweries, coffee shops, and recreational activities, a convention center would be a very popular amenity to the City and would support not only development of office, retail, and hospitality development on the subject site but would also generate additional business and traffic to the immediate surrounding area. Paired with the potential for more businesses and residents to move into the neighborhood, the need for hotel room would increase over time and it would be feasible to construct multiple hotels at the Tropicana site.

HKS projected the potential for about 3,000 new residential units as part of their re-development model. We have identified several apartment projects that have been recently completed, under construction, and proposed. There

are 444 apartment units under construction and 873 proposed apartments. According to CoStar, the submarket vacancy is 14.13%, which is a 480-basis point increase from the 2<sup>nd</sup> Quarter 2020 which is likely due to the inventory completed and delivered to the market. Also, leasing has considerably slowed down because leasing offices were temporarily shut down to the COVID-19 global pandemic. With a phased re-opening in Florida, many leasing offices and the common area amenities are open with social distancing requirements. Considering the number of apartments under construction in the market as well the proposed office buildings and hotels there will be demand for apartments, but a developer would need to wait until existing inventory is absorbed.

Lastly, the City has expressed an interest in including some public non-profit space such as a park and school. There more than likely would be strong demand for a charter school and/or preschools. And there may also be demand for vocational schools which often utilize traditional office space. Therefore, the City may choose to designate some space for uses that are not profit generating but do enhance the quality of life and support the residents.

COVID-19 has caused market disruptions across all real estate industry sectors. However, we are currently experiencing economic recovery and expect it to continue as the Governor of Florida has eased Coronavirus restrictions and is allowing most businesses to operate at full capacity with social distancing. The Tampa Bay Rays operating agreement at the Tropicana Field ends in 2027 and the subject will likely not be fully developed before that time. We anticipate a strong pent-up demand for residential, office, retail, and hotels by this time. We concluded that the maximally productive use of the subject, as vacant, would be ideal for a mixture of retail, office (including medical), hotel, convention center, and residential uses while the small triangular shaped parcel could be developed with a small-scale industrial use. The following table shows the development potential based on the zoning, size, and potential floor area ratios.

DEVELOPMENT POTENTIAL							
General Location	Zoning	Parcel # on HKS Plan	BBG Land Allocation	Potential F.A.R.	Potential Developable SF	Useable Land SF	Useable Land Acres
Land north of Tropicana Field Stadium Site	DC-1	Parcel 10, Institutional Campus, 200,000 SF, 9 Floors	Mid-Rise Residential	2.00	358,063	179,032	4.11
	DC-1	4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 23	Eastern 10 Acres of Land - High Rise Apartments, Hotel, Office	3.00	1,306,800	435,600	10.00
			Central 35 Acres Land - Retail, Low-Mid Rise Office	2.00	3,049,200	1,524,600	35.00
			Western 12.7 Acres of Land - Mid Rise Residential	2.00	1,106,424	553,212	12.70
NW Lot	DC-2	Parcel 17, 300,000 SF Residential	Mid-Rise Residential	2.00	199,626	99,813	2.29
Rectangular site	DC-2	Parcel 18, Residential, 100,000 SF	Mid Rise-Residential	2.00	53,640	26,820	0.62
SW Parking	DC-2	19, 20, 21, 22	Mid-Rise Residential	2.00	960,934	480,467	11.03
West of Interstate	IT	Not on plan	Small-Scale Industrial	2.00	34,394	17,197	0.39
Total					7,069,081	3,316,740	76.14

## AS IMPROVED

*Legally Permissible:* The current use as a 1,100,000 SF enclosed baseball stadium and entertainment venue is a legal, conforming use.

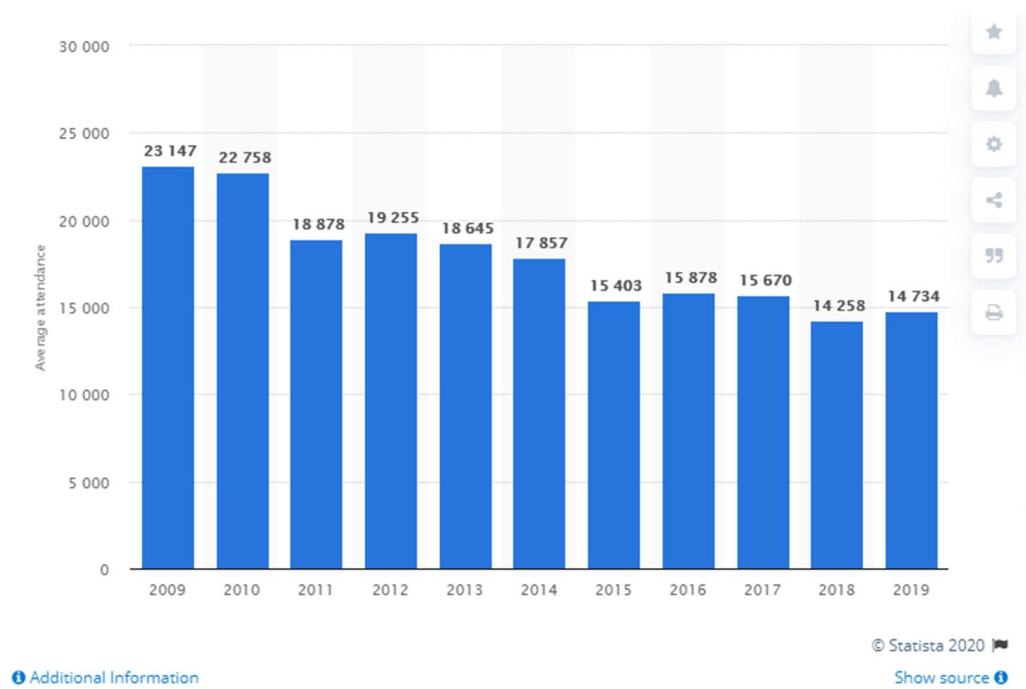
*Physically Possible:* The property appraised is a 1,100,000 SF enclosed dome stadium with 42,735 seats that was built in 1990 and is commonly known as Tropicana Field (due to naming rights). It has reinforced masonry and metal construction with a cable-supported Teflon covered fiberglass domed roof structure that has a center height of 225 feet. There are approximately 7,000 parking spaces and the land to building ratio is 3.02:1. The improvements are 30 years old and will be 37 years old upon the Tampa Bay Rays lease expiration. Modern stadiums have retractable roofs, multiple restaurants/dining options, large screens, high fidelity audio systems, luxury suites, etc. so the market perceives that this stadium is functionally obsolete or outdated.

We note that the client has specifically requested that we ignore all leases and operating agreements in place, so we assume that the Tampa Bay Rays would not be using the facility for baseball for this appraisal. However, the stadium could be re-purposed and host events such as college sports, minor league sports, concerts, home shows, political events, holiday events, automobile shows, boat shows, etc. It is physically possible to continue use as a multi-use enclosed stadium facility until the end of its economic life. In the next section we analyze the feasibility of operating the facility compared to the potential of demolition and redevelopment.

*Financially Feasible & Maximally Productive:* As previously stated, the Tampa Bay Rays lease expires in 2027. However, the client has specifically requested that existing leases not be considered. Therefore, we have estimated how much revenue the stadium could generate by hosting events such as college sports, minor league sports, concerts, home shows, political events, holiday events, automobile shows etc. In the Income Approach section of this report we have estimated revenue of \$7,500,000, expenses of \$4,200,000, and a net operating income of \$3,300,000. After applying a capitalization rate of 8.00%, the estimated value as improved is calculated to be \$41,300,000.

PRO FORMA		
<b>Income</b>		
<b>Potential Base Rental Income</b>		\$6,000,000
Plus: Concessions		\$600,000
Plus: Staffing Reimbursements		\$600,000
Plus: Naming Rights		\$300,000
<b>Effective Gross Income</b>		<b>\$7,500,000</b>
<b>Expenses</b>		
Real Estate Taxes	\$0.00 /SF	\$0
Property Insurance	\$0.75 /SF	\$825,000
Common Area Maintenance	\$1.00 /SF	\$1,100,000
Advertising, Promotion, and Administrative	5%	\$300,000
Staff Expenses		\$600,000
Utilities	10%	\$750,000
Management	1%	\$75,000
Reserves	\$0.50 /SF	\$550,000
<b>Total Expenses</b>	<b>\$3.82 /SF</b>	<b>\$4,200,000</b>
<b>Net Operating Income</b>		<b>\$3,300,000</b>
<b>INCOME CAPITALIZATION APPROACH CONCLUSION</b>		
Where: Value = NOI / Ro		
NOI		\$3,300,000
Overall Capitalization Rate	/	8.00%
Value Indication		\$41,250,000
<b>Rounded</b>		<b>\$41,300,000</b>

We have compared our estimate of revenue to the revenue that the stadium could generate by Tampa Bay Rays ticket sales. According to Page 17 of the Stadium Use Agreement, the City collects \$0.50 per ticket for each home game (for the first 3,300,000 tickets, \$0.25 for each ticket after). According to Statista.com, the average attendance for home games has been declining over the past decade, with a slight uptick in 2017 and 2019. In 2019 the average ticket sales for Rays home games was 14,734, or 1,193,454 for 81 home games. Of course the Rays just won the American League Baseball Conference and competed in the 2020 World Series where they unfortunately lost. This along with an increase in population downtown and surrounding areas should boost attendance. But, even if the Rays sold 3,300,000 annual tickets, the ticket sales would only generate \$1,650,000 in revenue which is significantly lower than our estimated revenue of \$6,000,000 per year.



In the Development Approach, we have estimated the aggregate retail value of the land to be \$219,700,000, shown in the table below.

Parcel ID Number	General Location	Zoning	LAND VALUE CONCLUSION					
			BBG Land Allocation	Useable Land SF	Useable Land Acres	Estimated Value Per SF	Value	Rounded
24-31-16-86381-001-0010	Land north of Tropicana Field	DC-1	Mid-Rise Residential	179,032	4.11	\$90.00	\$16,112,844	\$16,100,000
24-31-16-86381-002-0010	Stadium Site	DC-1	Eastern 10 Acres of Land - High Rise Apartments, Hotel, Office	435,600	10.00	\$150.00	\$65,340,000	\$65,350,000
			Central 35 Acres Land - Retail, Low-Mid Rise Office	1,524,600	35.00	\$22.00	\$33,541,200	\$33,550,000
			Western 12.7 Acres of Land - Mid Rise Residential	553,212	12.70	\$90.00	\$49,789,080	\$49,800,000
24-31-16-92418-001-0010	NW Lot	DC-2	Mid-Rise Residential	99,813	2.29	\$90.00	\$8,983,170	\$9,000,000
24-31-16-92418-002-0010	Rectangular site	DC-2	Mid Rise-Residential	26,820	0.62	\$90.00	\$2,413,800	\$2,400,000
24-31-16-92418-003-0010	SW Parking	DC-2	Mid-Rise Residential	480,467	11.03	\$90.00	\$43,242,012	\$43,250,000
24-31-16-92418-004-0010	West of Interstate	IT	Small-Scale Industrial	17,197	0.39	\$14.75	\$253,656	\$250,000
<b>Totals</b>				<b>3,316,740</b>	<b>76.14</b>	<b>\$66.24</b>	<b>\$219,675,762</b>	<b>\$219,700,000</b>

Then we completed a discounted sell-out and the bulk value was estimated to be \$66,100,000, which is higher than the value as improved of \$41,300,000, so the highest and best use of the property is to demolish the improvements at the end of its useful life. We have compiled a list of stadiums that have been demolished over the past 12 years and costs have ranged between \$97 and \$598 per seat. Outdoor stadiums tend to have a demolition cost toward the low end of the range while enclosed stadiums tend to have a higher demolition cost per seat. Also, it appears that there is an inverse relationship between the number of seats and the demolition cost per seat. Considering that the subject is an enclosed medium size dome stadium with 42,735 seats, we have estimated the cost to demolish it at \$400 per seat or \$17,100,000 rounded.

DEMOLITION COSTS							
Name, City, State	Use	Cost Low	Cost High	Year	Seating Capacity	Cost Per Seat Min	Cost Per Seat Max
Joe Louis Arena, Detroit, MI	Enclosed, Hockey		\$12,000,000	2019	20,066		\$598
Hughes Stadium, Fort Collins, CO	Outdoor, College Football	\$4,000,000	\$6,000,000	2018	32,500	\$185	\$185
Pontiac Silverdome, Pontiac, MI	Enclosed, Football, Hockey		\$8,000,000	2018	80,311		\$100
Fouts Field, Denton, TX	Outdoor, College Football		\$14,000,000	2018	30,500		\$459
Georgia Dome, Atlanta, GA	Enclosed, Football, Basketball		\$8,200,000	2017	80,000		\$103
Yankee Stadium, Bronx, NY	Outdoor, Baseball		\$22,000,000	2010	57,545		\$382
Miami Orange Bowl, Miami, FL	Outdoor, Football	\$5,000,000	\$7,000,000	2008	72,319	\$97	\$97
Indianapolis RCA Dome	Enclosed, Football		\$13,000,000	2008	56,127		\$232
						\$97	\$598
						<b>Projected Demolition Costs</b>	
						Cost Per Seat	\$400
						Seats	42,735
						Costs	\$17,094,000
						<b>Rounded</b>	<b>\$17,100,000</b>

We note that the client has specifically asked us to not consider the costs of demolition in our land valuation. However, we should note that the estimated bulk land value of \$66,100,000 less demolition costs of \$17,100,000 equals \$49,000,000 which is still higher than our estimated value as improved as \$41,300,000.

Consequently, the highest and best use of the property is to demolish the improvements at the end of its useful life. The highest and best use of the property is to continue interim use as a stadium and demolish the improvements at the end of its useful life and there is demand for development.



## INCOME APPROACH

In this section, we are estimating the market value of the Tropicana Field, both with and without height restrictions. the Tampa Bay Rays lease expires in 2027. However, the client has specifically requested that existing leases not be considered. Therefore, we have estimated how much revenue the stadium could generate by hosting events such as college sports, minor league sports, concerts, home shows, political events, holiday events, automobile shows, private corporate events, etc.

First, we attempt to estimate the potential gross income by using public information as well as published data. We note that 2020 has been an unusual year as sporting events, concerts, and similar events have been cancelled due to the COVID 19 global pandemic. However, as the 2020 year ends and the global pandemic is managed better, some stadiums and arenas are opening with limited capacity and social distancing. We viewed websites for venues throughout the state of Florida and it appears that concerts and event calendars are filling up in 2021.

We first interviewed several people from booking departments of professional and minor league sports stadiums as well as concert venues throughout the state of Florida, as well as some facilities in Georgia and New York. Unfortunately, we were instructed by all parties to keep information confidential, as they desire to prohibit other venues from knowing their contract rates, bookings, and revenues. This information will be kept in our appraisal file but will not be shared with the public.

**Revenue:** In order to calculate potential gross revenue, it is necessary to calculate the amount of revenue this stadium could produce per event and estimate the number of events possible for the year.

Community events such as graduations and fundraisers could range between \$2,000 and \$15,000 plus expenses for staffing. Events with ticket sales such as concerts, holiday events, boat shows, minor league sports, etc. are typically negotiated on a case by case basis as there are several ways to generate revenue. Typically, the booking staff would negotiate either a flat rental rate plus staff expenses or a base rental rate plus a percentage of ticket sales. Our conversations also revealed that concerts could generate between \$10,000 for lower tier artists to \$100,000 (or even higher) for top tier artists for flat fees (negotiated with concert promoters) and an additional percentage from ticket sales revenue.

We reviewed an article published on August 18, 2020 by TPWW.net and they reported that the WWE (World Wrestling Entertainment) is renting the Amway Center in Orlando for \$450,000 for two months (\$2,700,000 annualized). Next we have referenced the Tampa Sports Authority Financial Statements dated September 30, 2017. Raymond James Stadium (Tampa Bay Buccaneers) has a seating capacity of 65,890. Based on their 2017 actual revenue, concerts and motorsports generated \$2,346,044 in revenue (\$35 per seat) while other activities and events generated revenue of \$3,040,593 (\$46 per seat) for combined revenue of \$5,386,637. Professional and college football both generate more revenue than concerts and other activities.

TAMPA SPORTS AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

The Sports Authority used the following revenue assumptions in arriving at a budgeted revenue for FY 2016-2017. These assumptions were based on historical data. Also, shown below are the actual numbers.

Operating revenue and budget compared to actual for FY 2016-2017:

	Budget	Actual
Professional football	\$ 5,448,833	\$ 5,209,544
College football	3,592,531	5,473,394
Concerts and motorsports	4,509,921	2,346,044
Other activities and events	2,066,167	3,040,593
Less Buccaneer and other splits	<u>(2,882,556)</u>	<u>(4,709,056)</u>
Totals	<u>\$ 12,734,896</u>	<u>\$ 11,360,519</u>

After speaking with several event stadium representatives and reviewing information on websites, the ideal number would be between 125 and 225 events with a central tendency of around 150 per year. Toward the lower end of the range would be an event center without a professional sports team that could host home shows, holiday events, boat shows, concerts, graduations, etc. On the higher end toward 225 events would be a venue that has professional or minor league sporting events and has the versatility to host other events. Since we are assuming that the Rays would not be playing at this stadium, we have estimated 150 events per year.

We reviewed an article on Patch.com titled *DeSantis Clears Gators to Open Stadium to Full Capacity*, dated October 7, 2020. "Florida Governor Ron DeSantis have given the University of Florida Gators permission to open Hard Rock Stadium to its full capacity of more than 65,000 fans." This is a positive sign for sporting and concert events as they will be able to operate at full capacity over the course of the next year.

However, we also read an article published by the New York Post titled *Super Bowl 2021 Won't Have Many Fans in Attendance*, dated October 28, 2020. "The NFL is planning for 20 percent seating capacity for the Super Bowl on Feb. 7 at Raymond James Stadium in Tampa, Fla., according to ESPN. Fans will be in pods separated by six feet and masks will be required in accordance with COVID-19 safety protocols. The capacity is 65,890, so that would put slightly more than 13,000 fans in the building – instead of the anticipated 75,000 with additional temporary seating – at the end of a season played during a global pandemic. The Buccaneers started allowing fans into their games earlier this month, with less than 6,383 on hand against the Chargers and 15,540 on hand against the Packers."

*Potential Base Rental Revenue:* Based on the information reviewed, it would be reasonable to estimate an average event would generate \$40,000 in revenue, with an average of 150 events per year. Therefore, the potential base rental revenue is calculated to be \$6,000,000.

**Concessions:** We are assuming that the concessions would be operated by a food services company who would pay a portion of sales to the venue operator. We have estimated that concessions would generate 10% of base rental income or \$600,000.

**Staffing Reimbursement:** We have estimated that staffing reimbursements for security, staff, admissions, etc. would be 10% of base rental income or \$600,000.

**Naming Rights Income:** Arenas and stadiums sell naming rights, which is a form of advertising for a corporation for a defined period of time (10 years, 20 years, etc.). It is typical for professional sports team stadiums to have multi-million dollar naming rights contracts. However, we have seen minor league stadiums and concert venues with naming rights ranging from \$50,000 to \$500,000 per year. While we were asked to ignore the existing leases, it is worth noting that Tropicana is currently paying \$296,544 to the City of St. Petersburg for naming rights in 2020, with a larger amount going to the Tampa Bay Rays baseball organization. Therefore, we have estimated naming rights income to be \$300,000 per year.

**Effective Gross Income:** After adding the base rental revenue of \$6,000,000 to the concessions income of \$600,000, staffing reimbursements of \$600,000., and naming rights of \$300,000, the effective gross income is calculated to be \$7,500,000.

**Expenses:** There are expenses associated with operating a stadium including real estate taxes, property insurance, common area maintenance, advertising (promotion and administration), staff expenses, utilities, management, and reserves. Please note that comparable information is not published or widely available, so we have relied on our historical experience and used our best judgement to estimate expenses.

**Real Estate Taxes:** The subject is operated by a government municipality, so it is tax-exempt.

**Insurance:** The site is located outside of a flood zone. This expense could vary significantly as we have not estimated the replacement cost of the building. Given the size of the improvements and the high replacement costs, Insurance expenses are estimated to be \$825,000 (\$0.75 per SF).

**Common Area Maintenance:** The subject was built in 1990 and been renovated and well-maintained. As buildings age, the cost to maintain them also increases. In addition to maintaining the building this category is also used to maintain site improvements. Please note that we have also included a reserve for the replacement of capital improvements below. Therefore, we have estimated common area maintenance of \$1.00 per SF or \$1,100,000.

**Advertising, Promotion, and Administrative:** It is essential to promote the stadium and to oversee the operation. We have estimated advertising, promotion, and administrative expenses of 5% of revenue, or \$300,000.

**Staff Expenses:** There are staff expenses associated with event operations such as parking lot attendants, porters/runners, box office, and security, etc. These expenses are typically reimbursed by the event organizers. We have estimated staff expenses of 10% of base rental revenue or \$600,000 (as estimated in the staffing reimbursements).

**Utilities:** Utility costs for running the facility include water/sewer, electricity, and natural gas and these utilities would be used regardless of stadium usage. We have estimated the utility expense to be 10% of EGI or \$750,000.

**Management:** Management fees are typically based upon a percentage of the effective gross income, otherwise known as collections. Management includes a contract with a management firm for operating the property. Based upon the minimal expense associated with structures such as the subject, management was estimated at 1% of EGI or \$75,000.

**Reserves:** This account accrues funds for the eventual repair and replacement of building components that are not included in the repairs and maintenance charge. Such charges typically include capital expenditures for parking lots, roof replacement, HVAC, mechanical and plumbing, and other major components necessary to maintain the integrity of the structural shell. An expense of \$0.50 per SF or \$550,000 was concluded.

**Total Operating Expenses:** We have estimated total operating expenses for the subject at \$4,200,000 or \$3.82 per SF.

## NET OPERATING INCOME

Net operating income is estimated at \$3,300,000.

## PRO FORMA

Following is a summary of the income and expense projections for the subject which is a summation of the preceding analysis. The Gross Potential Rental Income was calculated within the rent analysis section of this report and will be utilized herein. The expenses as determined within the Expense Analysis section of this report for the subject building will be utilized within the Direct Capitalization Technique.

PRO FORMA		
<b>Income</b>		
<b>Potential Base Rental Income</b>		\$6,000,000
Plus: Concessions		\$600,000
Plus: Staffing Reimbursements		\$600,000
Plus: Naming Rights		\$300,000
<b>Effective Gross Income</b>		<b>\$7,500,000</b>
<b>Expenses</b>		
Real Estate Taxes	\$0.00 /SF	\$0
Property Insurance	\$0.75 /SF	\$825,000
Common Area Maintenance	\$1.00 /SF	\$1,100,000
Advertising, Promotion, and Administrative	5%	\$300,000
Staff Expenses		\$600,000
Utilities	10%	\$750,000
Management	1%	\$75,000
Reserves	\$0.50 /SF	\$550,000
<b>Total Expenses</b>	<b>\$3.82 /SF</b>	<b>\$4,200,000</b>
<b>Net Operating Income</b>		<b>\$3,300,000</b>


**Cap Rate Support:** We searched on CoStar for sales of stadiums and concert halls throughout the United States over the past 10 years. Unfortunately, this property rarely sells with operations, rather they are typically publicly owned (by city municipalities) and redeveloped at the end of their lives. An 84,835 SF concert hall sold in Elkhorn Wisconsin in August 2019 with a 7.28% capitalization rate. Also, a 69,000 SF concert hall sold in San Antonio in April 2019 with an 8.00% capitalization rate. The House of Blues 40,000 SF concert hall in Dallas, Texas sold in February 2013 with a

9.08% capitalization rate and The House of Blues 50,000 SF concert hall in Houston, Texas sold in August 2012 with a 7.63% capitalization rate. Therefore, we have concluded to a capitalization rate of 8.00%.

INCOME CAPITALIZATION APPROACH CONCLUSION		
Where: Value = NOI / Ro		
NOI		\$3,300,000
Overall Capitalization Rate	/	8.00%
Value Indication		\$41,250,000
<b>Rounded</b>		<b>\$41,300,000</b>

Finally, we note that there is no impact on value with or without height restrictions, so the values are the same.

For secondary support, we conducted a search on CoStar for stadium/entertainment venues (greater than 200,000 SF) that have sold throughout the United States over the past 20 years. Unfortunately, our search did not present any suitable, arms-length transactions. It appears that these large-scale venues are sold as re-development projects, as indicated by the comps below.




1/4

Sold July 2019 • \$22M (\$213.3K/AC)

Investment

6 Championship Dr  
Auburn Hills, MI 48326 • The Palace of Auburn Hills  
103.14 AC (4,492,778 SF) Land  
Sold for Land Value

★★★★☆ + VIEW MORE



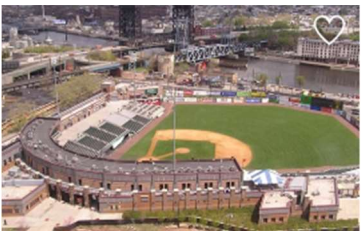
1/3

Sold March 2020 • \$400M (\$13.8M/AC)

Investment

3900 W Manchester Blvd  
Inglewood, CA 90305 • LA Forum  
29 AC (1,263,166 SF) Land  
Sold for Land Value

★★★★☆ + VIEW MORE

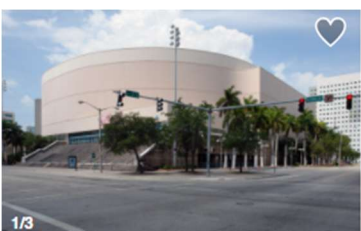


Sold Nov 2016 • \$23.5M (\$2.8M/AC)

Investment

450 Broad St  
Newark, NJ 07102 • Bears & Eagles Riverfront Stadium  
8.43 AC (367,311 SF) Land  
Sold for Land Value

★★★★☆ + VIEW MORE



1/3

Sold Dec 2004 • \$28.1M (\$94.90/SF)

Investment

721 NW 1st Ave  
Miami, FL 33136 • Miami Arena  
296,560 SF Baseball Field • Demolished  
Auction Sale

★★★★☆ + VIEW MORE

## DEVELOPMENT APPROACH

The subdivision analysis or discounted sellout approach begins by estimating the market value and absorption rate of subdivision lots as if developed and ready for sale based upon analysis of historical trends, direct comparison with competing developments, and projections provided by the developer. The costs to sell the units are subtracted from the projected gross sale proceeds in each year. These costs typically include real estate taxes, closing costs, and administrative overhead and maintenance costs.

The cash flows are then discounted at a rate that considers the risk and return characteristics associated with the project. The present value of the cash flow received during the sellout period is, in effect, a Discounted Cash Flow Analysis, resulting in a value estimate for the subject property as if sold to one buyer in “bulk” assuming the improvements are completed. The following steps are required to complete this approach:

1. Estimate the price for each component.
2. Estimate an appropriate appreciation factor.
3. Estimate an appropriate absorption period.
4. Estimate the cost of sales.
5. Estimate sellout costs.
6. Estimate profit incentive.
7. Estimate an appropriate discount rate.
8. Discount the projected cash flows less expenses to a present value.

We have valued land components based on zoning and most likely uses including multifamily, hotel, retail/office, and industrial land. Additional consideration was given to public uses such as a convention center, parks, schools, etc. We have valued the land components in the following order:

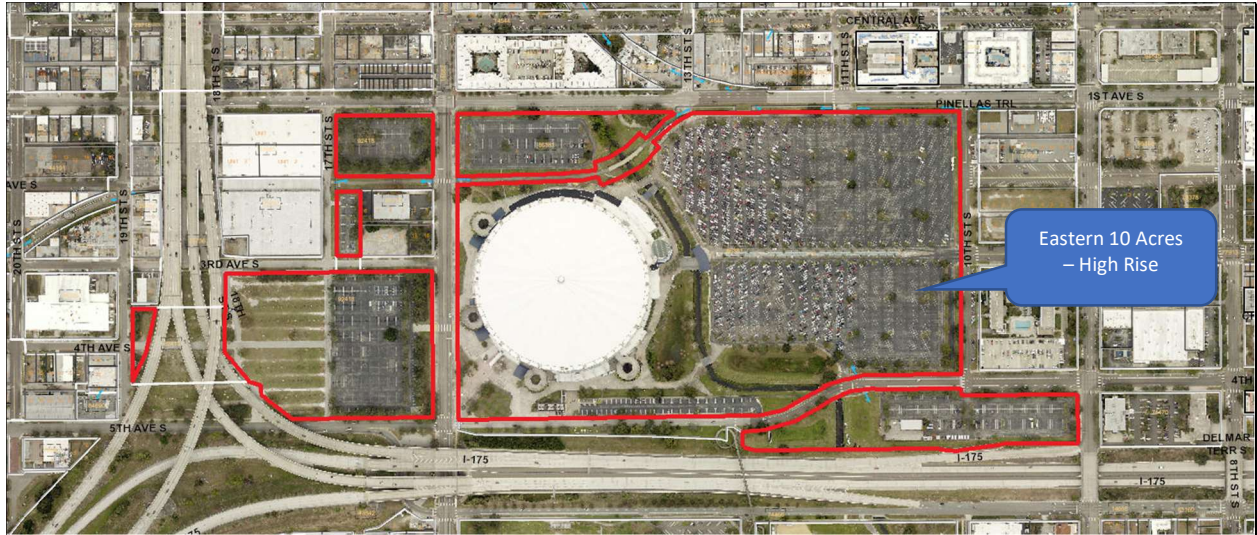
- 1.) High Rise Land – Apartments and Hotel
- 2.) Mid-Rise Land – Apartments
- 3.) Retail / Mid-Rise Office Land
- 4.) Industrial Land

Each section has its own set of comparable sales, a sales grid, adjustments, and value conclusion which is later used to estimate the aggregate retail value.



## HIGH RISE LAND – APARTMENTS AND HOTEL

In this section we are estimating the market value of the proposed high-rise sites which we projected would be located on the eastern 10 acres of the Tropicana Site, depicted in the exhibit below.



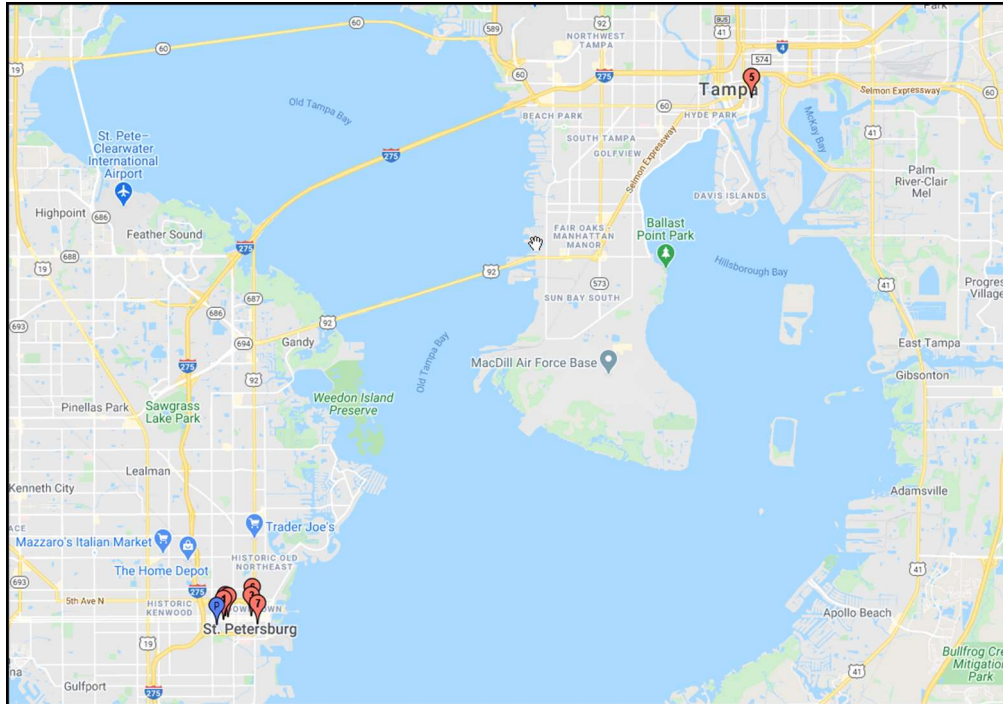
## METHODOLOGY

The Cost Approach is based on the principle of substitution, which states that no prudent person will pay more for a property than the cost of acquiring a site and constructing, without undue delay, an equally desirable and useful property. The steps have been outlined in the Valuation Process section of this report.

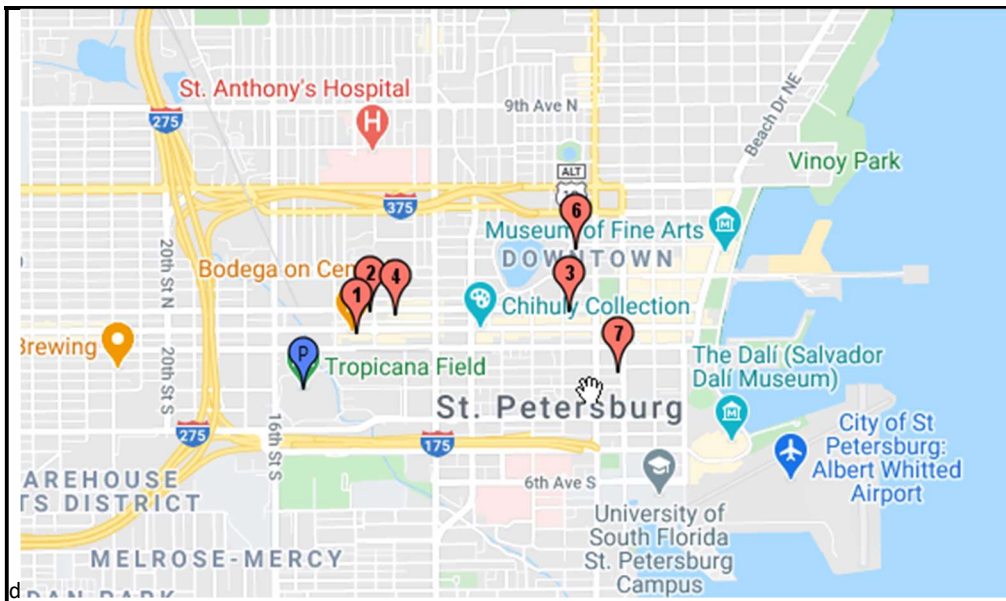
## LAND SALE COMPARABLES

We searched for comparable land sales throughout St. Petersburg and Tampa that sold over the past 24 months. A map showing the comparable sales locations compared to subject follows. On following pages are found a summary of the comparable land sale adjustment table and the adjustment process. Additional details of these comparable land are found in the addenda.

## LAND SALE COMPARABLES MAP – HIGH RISE



Map zoomed in to show locations of Subject and Sales 1, 2, 3, 4, 6, and 7.



LAND SALE COMPARABLES SUMMARY AND ADJUSTMENT GRID - APARTMENT / HOTEL / HIGH-RISE								
Sale Comparable	Subject	1	2	3	4	5	6	7
Location			1st Avenue North & 11th	SEC 1st Avenue N & 5th	1st Avenue North & 11th			
	1 Tropicana Drive	1120 Central Avenue	Street	Street	Street	101 N Meridian Avenue	442 3rd Avenue	211 3rd Street South
City	St. Petersburg	St. Petersburg	St. Petersburg	St. Petersburg	St. Petersburg	Tampa	St. Petersburg	St. Petersburg
Sale Date		Jun-20	Jan-20	Dec-19	Dec-19	Oct-19	Aug-19	Jan-18
Useable Size (SF)		6,000	19,378	28,000	19,690	43,630	40,198	35,000
Useable Size (Acres)		0.14	0.44	0.64	0.45	1.00	0.92	0.80
Zoning/Density	DC-1	DC-1	DC-1	DC-C	DC-1	CD-3	DC-1	DC-1
Development Plans			24-28 Story Tower,					
		Hold for Development	11 Story Boutique Hotel,	Retail, Office, Hotel,	Unknown	Apartments, Self Storage,	270 Unit Apartment	
			135 Units	Residential, Parking		Retail, 15 Stories	Building, 21 Story	201 Apartments, 23 Story
Sale Price		\$850,000	\$3,000,000	\$5,300,000	\$2,500,000	\$6,075,000	\$7,530,000	\$6,020,000
Price/SF		\$141.67	\$154.81	\$189.29	\$126.97	\$139.24	\$187.32	\$172.00
<b>Transaction Adjustments</b>								
Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
		0%	0%	0%	0%	0%	0%	0%
Financing		Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
		0%	0%	0%	0%	0%	0%	0%
Conditions of Sale		Normal	Normal	Normal	Normal	Normal	Normal	Normal
		0%	0%	0%	0%	0%	0%	0%
Market Conditions	5%	Improving	Improving	Improving	Improving	Improving	Improving	Improving
	2/29/2020	0.00%	0.52%	1.05%	1.14%	1.75%	2.82%	11.09%
Net Adjustments		0.00%	0.52%	1.05%	1.14%	1.75%	2.82%	11.09%
<b>Adjusted Price/SF</b>		<b>\$141.67</b>	<b>\$155.62</b>	<b>\$191.27</b>	<b>\$128.42</b>	<b>\$141.68</b>	<b>\$192.60</b>	<b>\$191.08</b>
<b>Physical Adjustments</b>								
Location		Similar	Similar	Superior	Similar	Similar	Superior	Superior
Size (SF)		Similar	Similar	Similar	Similar	Similar	Similar	Similar
Zoning/Density	DC-1	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Configuration/Utility	Good	Similar	Similar	Similar	Similar	Similar	Similar	Similar
<b>Net Adjustments</b>		<b>Similar</b>	<b>Similar</b>	<b>Superior</b>	<b>Similar</b>	<b>Similar</b>	<b>Superior</b>	<b>Superior</b>

## **ADJUSTMENT PROCESS**

The comparables that we have utilized represent the pertinent transactions with which to develop an opinion of value for the subject property through the adjustment and reconciliation process. The most widely accepted unit of comparison in this case is the price per SF of useable land area. Please note that we have used qualitative adjustments in our adjustment grids. However, the qualitative adjustments are not the same magnitude so inferior may not necessarily offset superiors equally.

## **RIGHTS CONVEYED**

All comparables involved the transfer of the fee simple estate. As such, no adjustments were warranted.

## **FINANCING**

All comparables utilized in this analysis reflect cash or cash equivalent financing. As such, no adjustments were warranted.

## **CONDITIONS OF SALE**

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. All comparables are considered to be "arm's length" transactions between knowledgeable buyers and sellers on the open market. As such, no adjustments were warranted.

## **MARKET CONDITIONS**

In March 2020 the COVID-19 global pandemic started which lead to an uncertain economic climate for real estate. It is too early to truly understand how the real estate markets will be affected as investor activity increases as we move past this pandemic. Market values were increasing through February 2020 but then may have likely been adversely affected in March 2020 so to reflect that we are only applying market conditions (differences over time), of 5% per year between the dates of each sale up to February 29, 2020.

## **LOCATION**

The subject property is located in the Edge District of St. Petersburg and has frontage along 1<sup>st</sup> Avenue South, 5<sup>th</sup> Avenue South, and 10<sup>th</sup> Street South. Comparables 3, 6, and 7 are also located in St. Petersburg, but east of the subject, closer to the downtown central business district with better bay views. Therefore, these comparables are considered to be superior to the subject.

## **SIZE**

Normally, all other characteristics being equal, this unit value of a property is impacted by its size due to economies of scale. While we are allocating 10 acres to high-rise sites, they would likely be sold off in smaller portions so size adjustments were not warranted.

## **ZONING/DENSITY**

All comparables have similar zoning designations and permitted uses allowing for similar development. Therefore, no adjustments were warranted.

## CONFIGURATION/UTILITY

Overall, the subject is considered to have good configuration/utility characteristics. The comparables indicated that an adjustment for configuration/utility was not required.

## LAND VALUE CONCLUSION – HIGH RISE SITES

Comparable 1 sold for \$141.67 per SF in June 2020 and it was overall considered to be similar to the subject, indicating that the value should be similar.

Comparable 2 sold for \$154.81 per SF in January 2020 and it was adjusted upward for market conditions and the adjusted sale price is \$155.81 per SF. It was overall considered to be similar to the subject, indicating that the value should be similar.

Comparable 3 sold for \$189.29 per SF in December 2019 and it was adjusted upward for market conditions and the adjusted sale price is \$191.27 per SF. It has a superior location compared to the subject. Overall, Comparable 3 is considered to be superior to the subject, indicating that the value should be lower.

Comparable 4 sold for \$126.97 per SF in December 2019 and it was adjusted upward for market conditions and the adjusted sale price is \$128.42 per SF. It was overall considered to be similar to the subject, indicating that the value should be similar.

Comparable 5 sold for \$139.24 per SF in October 2019 and it was adjusted upward for market conditions and the adjusted sale price is \$141.68 per SF. It was overall considered to be similar to the subject, indicating that the value should be similar.

Comparable 6 sold for \$187.32 per SF in August 2019 and it was adjusted upward for market conditions and the adjusted sale price is \$192.60 per SF. It has a superior location compared to the subject. Overall, Comparable 6 is considered to be superior to the subject, indicating that the value should be lower.

Comparable 7 sold for \$172.00 per SF in January 2018 and it was adjusted upward for market conditions and the adjusted sale price is \$191.08 per SF. It has a superior location compared to the subject. Overall, Comparable 7 is considered to be superior to the subject, indicating that the value should be lower.

The adjusted price range (time adjustments only) of the subject and the comparables range from \$128.42 to \$192.60 per SF. Comparables 1, 2, 4, and 5 are considered to be similar to the subject while Comparables 3, 6, and 7 are considered to be superior. It is our opinion that the market supports a value of \$150.00 per SF for the subject property. The indicated land value opinion is calculated as follows. Please note that we have provided a table at the end of this section with an aggregate retail value.

LAND VALUE CONCLUSION - HIGH-RISE SITES	
Indicated Value per SF	\$150.00



## MID-RISE LAND – APARTMENTS

In this section we are estimating the market value of the proposed mid-rise sites which we projected would be located on the western 12.7 acres of the Tropicana Site as well as four other parcels (24-31-16-86381-001-0010, 24-31-16-92418-001-0010, 24-31-16-92418-002-0010 and 24-31-16-92418-003-0010), depicted in the exhibit below.

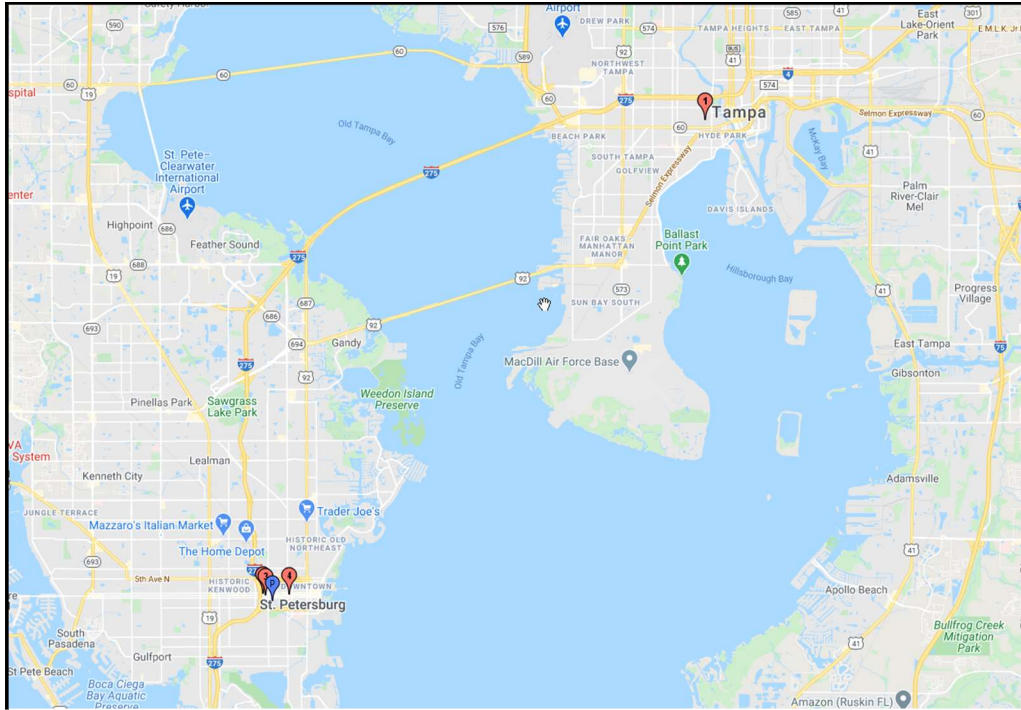


## LAND SALE COMPARABLES

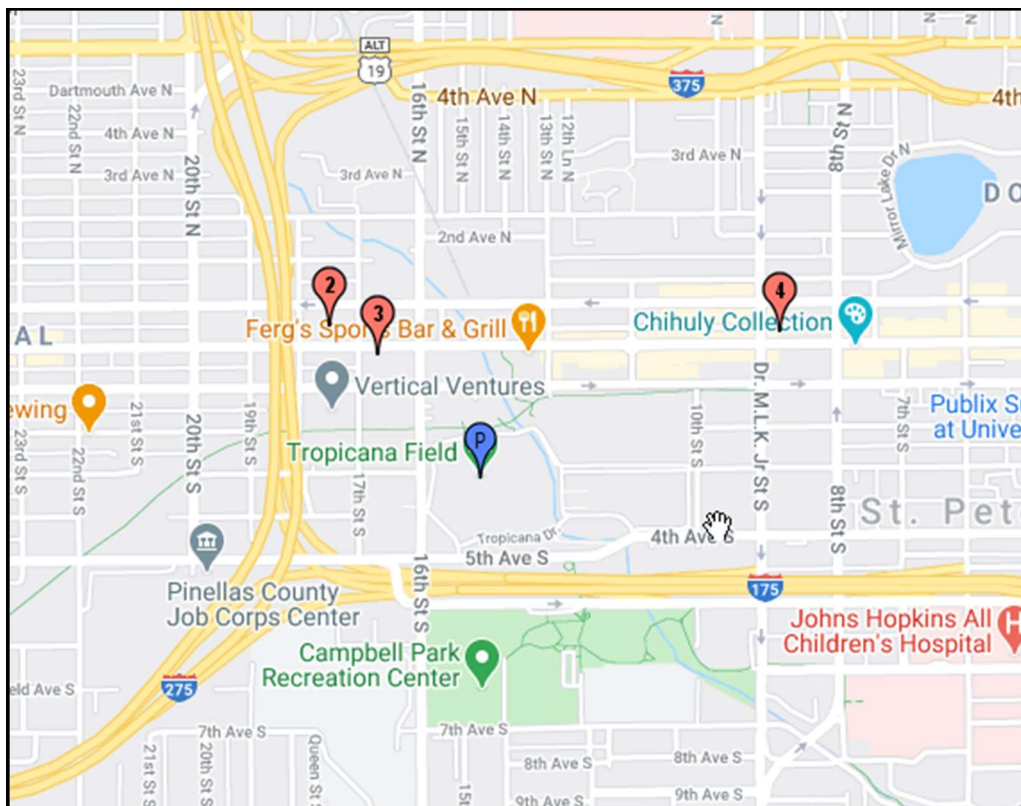
We searched for comparable land sales throughout St. Petersburg and Tampa that sold over the past 48 months. A map showing the comparable sales locations compared to subject follows. On following pages are found a summary of the comparable land sale adjustment table and the adjustment process. Additional details of these comparable land are found in the addenda.



## LAND SALE COMPARABLES MAP – MID-RISE LAND - APARTMENTS



Map zoomed in to show locations of Subject and Sales 2, 3, and 4.



LAND SALE COMPARABLES SUMMARY AND ADJUSTMENT GRID - MID-RISE APARTMENT					
Sale Comparable	Subject	1	2	3	4
Location		311 North Newport Avenue	1701 Central Avenue	1660 Central Avenue	801 Central Avenue North
City	1 Tropicana Drive St. Petersburg	Tampa	St. Petersburg	St. Petersburg	St. Petersburg
Sale Date		Aug-20	Aug-18	Jun-18	Dec-16
Useable Size (SF)		69,819	88,000	19,989	108,464
Useable Size (Acres)	0.62 - 12.70	1.60	2.02	0.46	2.49
Zoning/Density		Planned Development	DC-2	DC-2	DC-1
Development Plans		Student Housing - 500 Beds, 6 Stories	243 Apartments and 5,000 SF Retail	132 Room Tru Hotel	368 Apartments, Retail
Sale Price		\$5,400,000	\$7,200,000	\$1,775,000	\$9,180,000
Price/SF		\$77.34	\$81.82	\$88.80	\$84.64
<b>Transaction Adjustments</b>					
Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple
		0%	0%	100%	0%
Financing		Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
		0%	0%	100%	0%
Conditions of Sale		Normal	Normal	Normal	Normal
		0%	0%	100%	0%
Market Conditions	5%	Improving	Improving	Improving	Improving
	2/29/2020	0.00%	7.84%	8.70%	16.84%
Net Adjustments		0.00%	7.84%	8.70%	16.84%
<b>Adjusted Price/SF</b>		<b>\$77.34</b>	<b>\$88.24</b>	<b>\$95.77</b>	<b>\$98.89</b>
<b>Physical Adjustments</b>					
Location	Average	Inferior	Similar	Similar	Superior
Size (SF)	0.62 - 12.70	Similar	Similar	Similar	Similar
Zoning/Density		Similar	Similar	Similar	Similar
Configuration/Utility	Average	Similar	Similar	Similar	Similar
<b>Net Adjustments</b>		<b>Inferior</b>	<b>Similar</b>	<b>Similar</b>	<b>Superior</b>

## **ADJUSTMENT PROCESS**

The comparables that we have utilized represent the pertinent transactions with which to develop an opinion of value for the subject property through the adjustment and reconciliation process. The most widely accepted unit of comparison in this case is the price per SF of useable land area. Please note that we have used qualitative adjustments in our adjustment grids. However, the qualitative adjustments are not the same magnitude so inferior may not necessarily offset superiors equally.

## **RIGHTS CONVEYED**

All comparables involved the transfer of the fee simple estate. As such, no adjustments were warranted.

## **FINANCING**

All comparables utilized in this analysis reflect cash or cash equivalent financing. As such, no adjustments were warranted.

## **CONDITIONS OF SALE**

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. All comparables are considered to be "arm's length" transactions between knowledgeable buyers and sellers on the open market. As such, no adjustments were warranted.

## **MARKET CONDITIONS**

In March 2020 the COVID-19 global pandemic started which lead to an uncertain economic climate for real estate. It is too early to truly understand how the real estate markets will be affected as investor activity increases as we move past this pandemic. Market values were increasing through February 2020 but then may have likely been adversely affected in March 2020 so to reflect that we are only applying market conditions (differences over time), of 5% per year between the dates of each sale up to February 29, 2020.

## **LOCATION**

The subject property is located in the Edge District of St. Petersburg and has frontage along 1<sup>st</sup> Avenue South and 5<sup>th</sup> Avenue South, as well as several secondary streets. Comparable 1 is located in an industrial area of Tampa which is undergoing revitalization, so it is considered to be inferior to the subject. Comparable 4 is located further east of the subject site, closer to the central business district and bay views, so it is considered to be superior to the subject.

## **SIZE**

Normally, all other characteristics being equal, this unit value of a property is impacted by its size due to economies of scale. It is likely that these larger parcels would be sold off in smaller portions so size adjustments were not warranted.

## **ZONING/DENSITY**

All comparables have similar zoning designations and permitted uses allowing for similar development. Therefore, no adjustments were warranted.

## CONFIGURATION/UTILITY

Overall, the subject is considered to have good configuration/utility characteristics. The comparables indicated that an adjustment for configuration/utility was not required.

## LAND VALUE CONCLUSION – MID-RISE SITES

Comparable 1 sold for \$77.34 per SF in August 2020. It has an inferior location compared to the subject. Overall, Comparable 1 is considered to be inferior to the subject, indicating that the value should be higher.

Comparable 2 sold for \$81.82 per SF in August 2018 and it was adjusted upward for market conditions and the adjusted sale price is \$88.82 per SF. It was overall considered to be similar to the subject, indicating that the value should be similar.

Comparable 3 sold for \$88.80 per SF in June 2018 and it was adjusted upward for market conditions and the adjusted sale price is \$95.77 per SF. It was overall considered to be similar to the subject, indicating that the value should be similar.

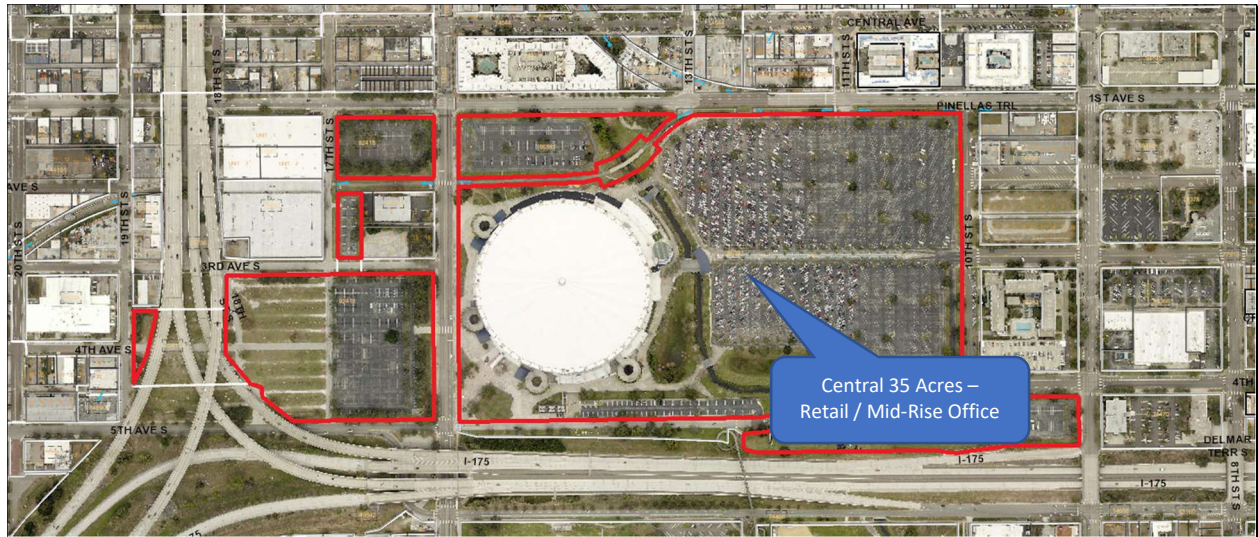
Comparable 4 sold for \$84.64 per SF in December 2016 and it was adjusted upward for market conditions and the adjusted sale price is \$98.89 per SF. It has a superior location compared to the subject. Overall, Comparable 4 is considered to be superior to the subject, indicating that the value should be lower.

Comparable 1 is considered to be inferior, Comparables 2 and 3 are considered to be similar, and Comparable 4 is considered to be superior. The adjusted price range (time adjustments only) of the subject and the comparables range from \$77.34 to \$98.89 per SF. It is our opinion that the market supports a value of \$90.00 per SF for the subject property. The indicated land value opinion is calculated as follows. Please note that we have provided a table at the end of this section with an aggregate retail value.

LAND VALUE CONCLUSION - MID-RISE SITES	
Indicated Value per SF	\$90.00

## LAND – RETAIL / MID-RISE OFFICE (LARGE SITES)

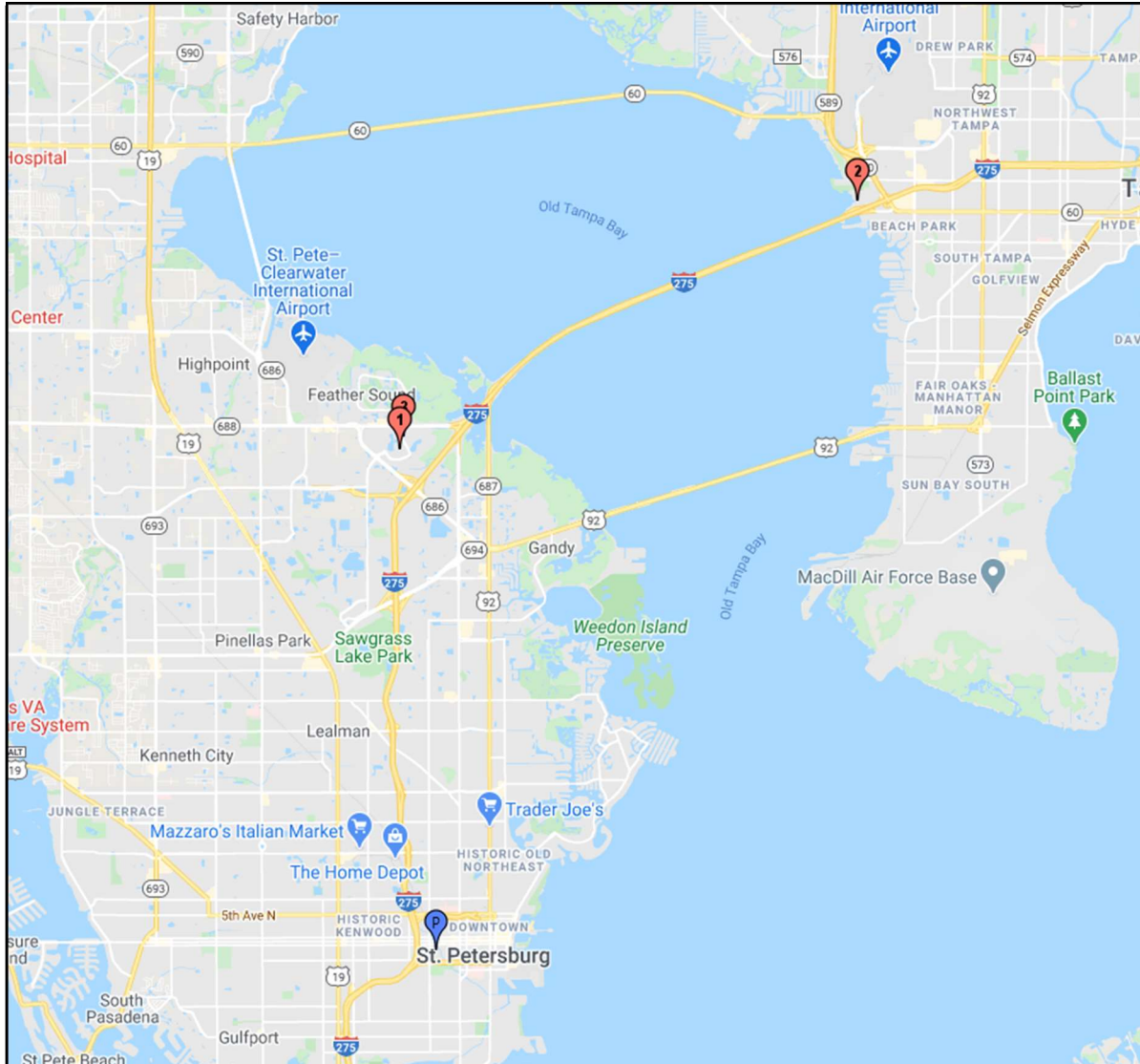
In this section we are estimating the market value of the retail and mid-rise office area which we projected would be located on the central 35.00 acres of the Tropicana Site, depicted in the exhibit below.



## LAND SALE COMPARABLES

We searched for comparable land sales throughout St. Petersburg and Tampa that sold over the past 48 months. A map showing the comparable sales locations compared to subject follows. On following pages are found a summary of the comparable land sale adjustment table and the adjustment process. Additional details of these comparable land are found in the addenda.



**LAND SALE COMPARABLES MAP – RETAIL / MID-RISE OFFICE (LARGE SITES)**



LAND SALE COMPARABLES SUMMARY AND ADJUSTMENT GRID - RETAIL / MID-RISE OFFICE				
Sale Comparable	Subject	1	2	3
Location				
	1 Tropicana Drive	220 Carillon Parkway	402 North Reo Street	101 Carillon Parkway
City	St. Petersburg	St. Petersburg	Tampa	St. Petersburg
Sale Date		Jun-19	Feb-19	Dec-17
Useable Size (SF)		526,597	394,218	438,584
Useable Size (Acres)	35.00	12.09	9.05	10.07
Zoning/Density	DC-1 Downtown Core	EC - Employment Center	Planned Development	RC-3 Retail/Office
Development Plans		Top Golf Entertainment	10 Story Office Building	Office and Apartments
Sale Price		\$11,000,000	\$8,500,000	\$9,000,000
Price/SF		\$20.89	\$21.56	\$20.52
<b>Transaction Adjustments</b>				
Rights Conveyed		Fee Simple	Fee Simple	Fee Simple
		0%	0%	0%
Financing		Cash Equivalent	Cash Equivalent	Cash Equivalent
		0%	0%	0%
Conditions of Sale		Normal	Normal	Normal
		0%	0%	0%
Market Conditions	5%	Improving	Improving	Improving
	2/29/2020	3.44%	5.03%	11.20%
Net Adjustments		3.44%	5.03%	11.20%
<b>Adjusted Price/SF</b>		<b>\$21.61</b>	<b>\$22.65</b>	<b>\$22.82</b>
<b>Physical Adjustments</b>				
Location	Average	Similar	Similar	Similar
Size (SF)	35 acres	Similar	Similar	Similar
Zoning/Density	DC-1 Downtown Core	Similar	Similar	Similar
Configuration/Utility	Average	Similar	Similar	Similar
<b>Net Adjustments</b>		<b>Similar</b>	<b>Similar</b>	<b>Similar</b>

## **ADJUSTMENT PROCESS**

The comparables that we have utilized represent the pertinent transactions with which to develop an opinion of value for the subject property through the adjustment and reconciliation process. The most widely accepted unit of comparison in this case is the price per SF of useable land area. Please note that we have used qualitative adjustments in our adjustment grids. However, the qualitative adjustments are not the same magnitude so inferior may not necessarily offset superiors equally.

## **RIGHTS CONVEYED**

All comparables involved the transfer of the fee simple estate. As such, no adjustments were warranted.

## **FINANCING**

All comparables utilized in this analysis reflect cash or cash equivalent financing. As such, no adjustments were warranted.

## **CONDITIONS OF SALE**

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. All comparables are considered to be "arm's length" transactions between knowledgeable buyers and sellers on the open market. As such, no adjustments were warranted.

## **MARKET CONDITIONS**

In March 2020 the COVID-19 global pandemic started which lead to an uncertain economic climate for real estate. It is too early to truly understand how the real estate markets will be affected as investor activity increases as we move past this pandemic. Market values were increasing through February 2020 but then may have likely been adversely affected in March 2020 so to reflect that we are only applying market conditions (differences over time), of 5% per year between the dates of each sale up to February 29, 2020.

## **LOCATION**

The subject property is located in the heart of St. Petersburg and has frontage along 1<sup>st</sup> Avenue South and 5<sup>th</sup> Avenue South. Comparables 1 and 3 are located in the Carillon development in St. Petersburg which is a popular area with apartments, retail, and home to corporate headquarters of national and international companies. Therefore, an adjustment for location was not required. Comparable 2 is located in the Westshore market of Tampa, with bay views. Overall, an adjustment for location was not required.

## **SIZE**

Normally, all other characteristics being equal, this unit value of a property is impacted by its size due to economies of scale. The comparables are all smaller in size. However, larger, high intensity sales are extremely rare. While smaller sites typically do sell for more per square foot larger sites offer more development options and configurations. It is our opinion that adjustments for size were not warranted.

## **ZONING/DENSITY**

All comparables have similar zoning designations and permitted uses allowing for similar development. Therefore, no adjustments were warranted.

### CONFIGURATION/UTILITY

Overall, the subject is considered to have good configuration/utility characteristics. The comparables indicated that an adjustment for configuration/utility was not required.

### LAND VALUE CONCLUSION – RETAIL / MID-RISE OFFICE (LARGE SITES)

Comparable 1 sold for \$20.89 per SF in June 2019 and it was adjusted upward for market conditions and the adjusted sale price is \$21.61 per SF. Overall, Comparable 1 is considered to be similar to the subject, indicating that the value should be similar.

Comparable 2 sold for \$21.56 per SF in February 2019 and it was adjusted upward for market conditions and the adjusted sale price is \$22.65 per SF. Overall, Comparable 2 is considered to be similar to the subject, indicating that the value should be similar.

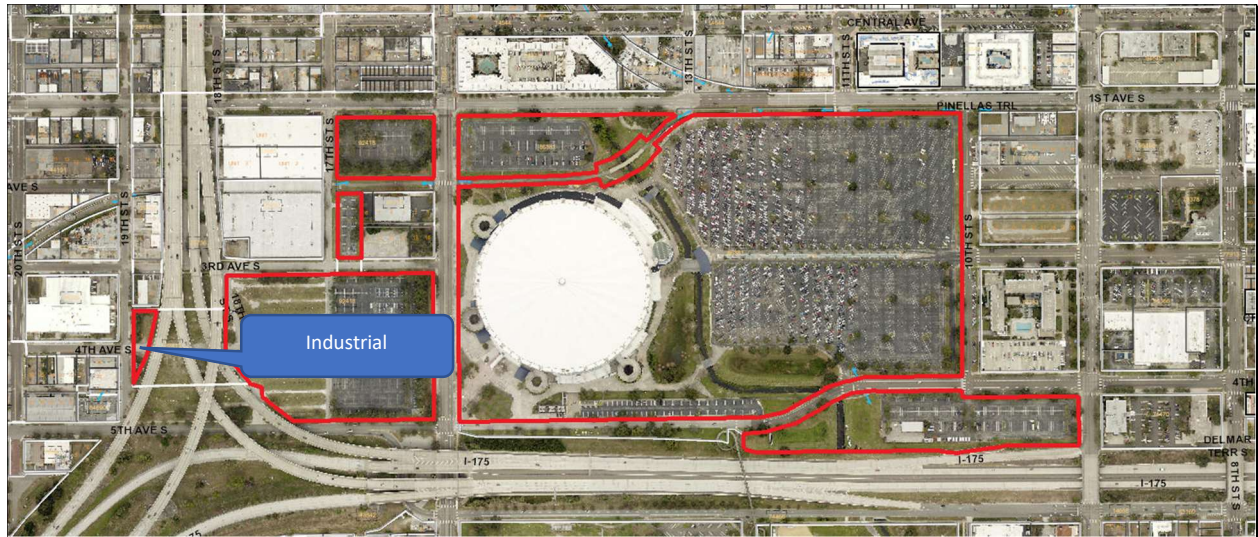
Comparable 3 sold for \$20.65 per SF in December 2017 and it was adjusted upward for market conditions and the adjusted sale price is \$22.82 per SF. Overall, Comparable 3 is considered to be similar to the subject, indicating that the value should be similar.

The adjusted price range (time adjustments only) of the subject and the comparables range from \$21.61 to \$22.82 per SF. All of the comparables are considered to be similar to the subject. It is our opinion that the market supports a value of \$22.00 per SF for the subject property. The indicated land value opinion is calculated as follows. Please note that we have provided a table at the end of this section with an aggregate retail value.

LAND VALUE CONCLUSION - RETAIL / MID-RISE OFFICE	
Indicated Value per SF	\$22.00

## INDUSTRIAL LAND

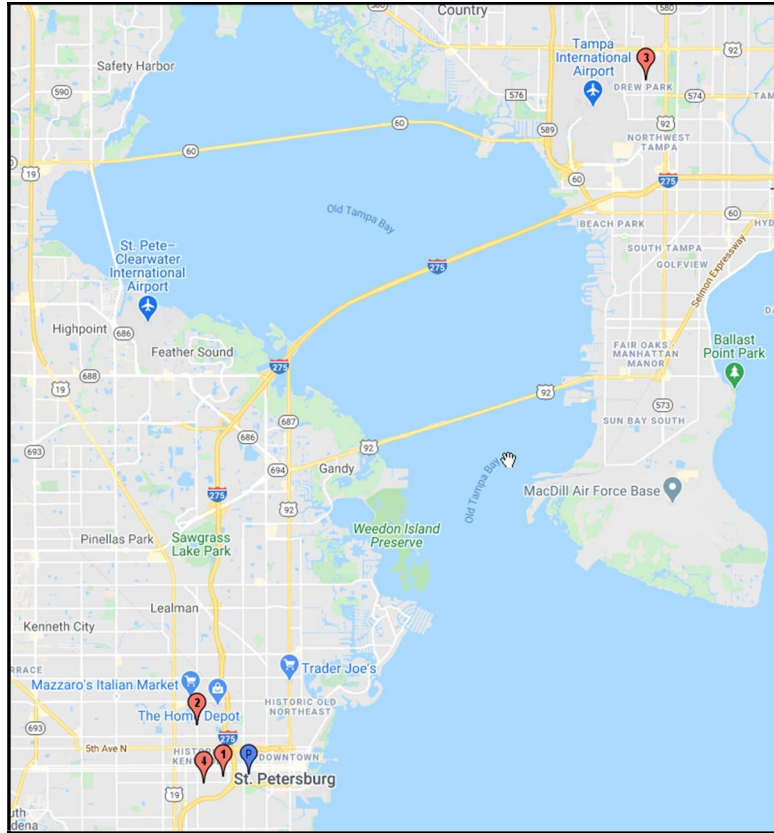
In this section we are estimating the market value of the 0.42 acre (18,334 SF) industrial site, depicted in the exhibit below.



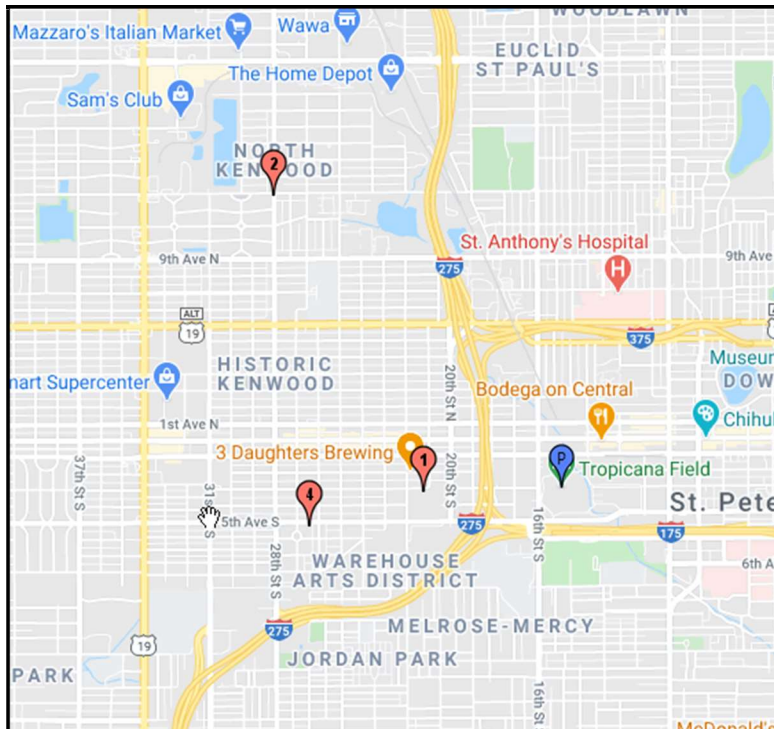
## LAND SALE COMPARABLES

We searched for comparable land sales throughout St. Petersburg and Tampa that sold over the past 48 months. A map showing the comparable sales locations compared to subject follows. On following pages are found a summary of the comparable land sale adjustment table and the adjustment process. Additional details of these comparable land are found in the addenda.

## LAND SALE COMPARABLES MAP – INDUSTRIAL



Map zoomed in to show locations of Subject and Sales 1, 2, and 4.



LAND SALE COMPARABLES SUMMARY AND ADJUSTMENT GRID - INDUSTRIAL					
Sale Comparable	Subject	1	2	3	4
Location		28 Street North and 20th			
	19th Street S	2100 3rd Avenue South	Avenue North	4108 West Cayuga Street	2620 5th Avenue South
City	St. Petersburg	St. Petersburg	St. Petersburg	Tampa	St. Petersburg
Sale Date		Jan-20	Oct-19	Feb-19	Mar-18
Useable Size (SF)	18,334	128,621	10,202	30,056	12,445
Useable Size (Acres)	0.42	2.95	0.23	0.69	0.29
Zoning/Density	IT, Industrial Traditional	IT, Industrial Traditional	IT, Industrial Traditional	IG, Industrial General	IT, Industrial Traditional
Development Plans	Industrial	Industrial	Industrial	Industrial	Industrial
Sale Price		\$1,800,000	\$147,500	\$350,000	\$140,000
Price/SF		\$13.99	\$14.46	\$11.64	\$11.25
<b>Transaction Adjustments</b>					
Rights Conveyed		Fee Simple	Fee Simple	Fee Simple	Fee Simple
		0%	0%	0%	0%
Financing		Cash Equivalent	Cash Equivalent	Cash Equivalent	Cash Equivalent
		0%	0%	0%	0%
Conditions of Sale		Normal	Normal	Normal	Normal
		0%	0%	0%	0%
Market Conditions	5%	Improving	Improving	Improving	Improving
	2/29/2020	0.58%	2.00%	5.01%	9.87%
Net Adjustments		0.58%	2.00%	5.01%	9.87%
<b>Adjusted Price/SF</b>		<b>\$14.08</b>	<b>\$14.75</b>	<b>\$12.23</b>	<b>\$12.36</b>
<b>Physical Adjustments</b>					
Location		Similar	Similar	Inferior	Inferior
Size (SF)	18,334	Inferior	Similar	Similar	Similar
Zoning/Density	IT, Industrial Traditional	Similar	Similar	Similar	Similar
Configuration/Utility	Average	Similar	Similar	Similar	Similar
<b>Net Adjustments</b>		<b>Inferior</b>	<b>Similar</b>	<b>Inferior</b>	<b>Inferior</b>



## **ADJUSTMENT PROCESS**

The comparables that we have utilized represent the pertinent transactions with which to develop an opinion of value for the subject property through the adjustment and reconciliation process. The most widely accepted unit of comparison in this case is the price per SF of useable land area. Please note that we have used qualitative adjustments in our adjustment grids. However, the qualitative adjustments are not the same magnitude so inferior may not necessarily offset superiors equally.

## **RIGHTS CONVEYED**

All comparables involved the transfer of the fee simple estate. As such, no adjustments were warranted.

## **FINANCING**

All comparables utilized in this analysis reflect cash or cash equivalent financing. As such, no adjustments were warranted.

## **CONDITIONS OF SALE**

Adjustments for conditions of sale typically reflect various motivations of the buyer and/or seller. All comparables are considered to be "arm's length" transactions between knowledgeable buyers and sellers on the open market. As such, no adjustments were warranted.

## **MARKET CONDITIONS**

In March 2020 the COVID-19 global pandemic started which lead to an uncertain economic climate for real estate. It is too early to truly understand how the real estate markets will be affected as investor activity increases as we move past this pandemic. Market values were increasing through February 2020 but then may have likely been adversely affected in March 2020 so to reflect that we are only applying market conditions (differences over time), of 5% per year between the dates of each sale up to February 29, 2020.

## **LOCATION**

The subject property is located at 4<sup>th</sup> Avenue S and 19<sup>th</sup> Street S., just west of Interstate 275 in St. Petersburg. Comparable 3 is located in an industrial area of Tampa where property values tend to be lower so this comparable is considered to be inferior to the subject. Comparable 4 is located in the Grand Central District farther away from downtown and the Edge District area of St. Petersburg so it is considered to be inferior to the subject.

## **SIZE**

Normally, all other characteristics being equal, this unit value of a property is impacted by its size due to economies of scale. Comparable 1 is larger in size so it is considered to be inferior to the subject.

## **ZONING/DENSITY**

All comparables have similar zoning designations and permitted uses allowing for similar development. Therefore, no adjustments were warranted.

## CONFIGURATION/UTILITY

The subject has a triangular configuration with adequate road frontage. Overall, the subject is considered to have average configuration/utility characteristics. The comparables indicated that an adjustment for configuration/utility was not required.

## LAND VALUE CONCLUSION – INDUSTRIAL

Comparable 1 sold for \$13.99 per SF in January 2020 and it was adjusted upward for market conditions and the adjusted sale price is \$14.08 per SF. It has an inferior size compared to the subject. Overall, Comparable 1 is considered to be inferior to the subject, indicating that the value should be higher.

Comparable 2 sold for \$14.46 per SF in October 2019 and it was adjusted upward for market conditions and the adjusted sale price is \$14.75 per SF. Overall, Comparable 2 is considered to be similar to the subject, indicating that the value should be similar.

Comparable 3 sold for \$11.64 per SF in February 2019 and it was adjusted upward for market conditions and the adjusted sale price is \$12.23 per SF. It has an inferior location compared to the subject. Comparable 3 is considered to be inferior to the subject, indicating that the value should be higher.

Comparable 4 sold for \$11.25 per SF in March 2018 and it was adjusted upward for market conditions and the adjusted sale price is \$12.36 per SF. It has an inferior location compared to the subject. Comparable 4 is considered to be inferior to the subject, indicating that the value should be higher.

The adjusted price range (time adjustments only) of the subject and the comparables range from \$12.23 to \$14.75 per SF. Comparables 1, 3 and 4 are considered to be inferior while Comparable 2 is considered to be similar to the subject. It is our opinion that the market supports a value of \$14.75 per SF for the subject property. The indicated land value opinion is calculated as follows. Please note that we have provided a table at the end of this section with an aggregate retail value.

LAND VALUE CONCLUSION - INDUSTRIAL	
Indicated Value per SF	\$14.75

The following table shows our market value conclusions for each component and is followed by a map. The aggregate retail value of the components was calculated to be \$219,700,000.

LAND VALUE CONCLUSION								
Parcel ID Number	General Location	Zoning	BBG Land Allocation	Useable Land SF	Useable Land Acres	Estimated Value Per SF	Value	Rounded
24-31-16-86381-001-0010	Land north of Tropicana Field	DC-1	Mid-Rise Residential	179,032	4.11	\$90.00	\$16,112,844	\$16,100,000
24-31-16-86381-002-0010	Stadium Site	DC-1	Eastern 10 Acres of Land - High Rise Apartments, Hotel, Office	435,600	10.00	\$150.00	\$65,340,000	\$65,350,000
			Central 35 Acres Land - Retail, Low-Mid Rise Office	1,524,600	35.00	\$22.00	\$33,541,200	\$33,550,000
			Western 12.7 Acres of Land - Mid Rise Residential	553,212	12.70	\$90.00	\$49,789,080	\$49,800,000
24-31-16-92418-001-0010	NW Lot	DC-2	Mid-Rise Residential	99,813	2.29	\$90.00	\$8,983,170	\$9,000,000
24-31-16-92418-002-0010	Rectangular site	DC-2	Mid Rise-Residential	26,820	0.62	\$90.00	\$2,413,800	\$2,400,000
24-31-16-92418-003-0010	SW Parking	DC-2	Mid-Rise Residential	480,467	11.03	\$90.00	\$43,242,012	\$43,250,000
24-31-16-92418-004-0010	West of Interstate	IT	Small-Scale Industrial	17,197	0.39	\$14.75	\$253,656	\$250,000
Totals				3,316,740	76.14	\$66.24	\$219,675,762	\$219,700,000

## MAP



Please note that the sliver of land on the south side of 4<sup>th</sup> Avenue S. and 5<sup>th</sup> Avenue S. is included in the 35 acres that is will be developed with retail and mid-rise office.

Now that we have calculated the aggregate land values, we must estimate the bulk market value of all the parcels. The City has the option of selling the parcels individually with the assistance of a brokerage firm or they can sell the entire site to one developer. Either way, we need to discount the retail values of each parcel over a projected holding period. This is commonly known as a “Development Approach”.

**Absorption:** COVID-19 has caused market disruptions across all real estate industry sectors. However, we are currently experiencing economic recovery and expect it to continue as the Governor of Florida has eased Coronavirus restrictions and is allowing most businesses to operate at full capacity with social distancing. Currently, there are many vacant apartments in the neighborhood (newer projects that were completed within the past year) and there are multiple apartment complexes scheduled for completion and delivery within the next year. It could take two to three years to absorb all of the existing vacant units as well as new inventory planned for the next couple years. We also expect retail, office, and the hotel industry to achieve stability within the next two to three years. The components are interconnected and dependent on each other, meaning that as more residents move into the area, there will be more demand for retail and professional services (office and medical office). We note our absorption projection assumes that development would occur within one to two years from our date of value, allowing for permitting, approval, and design, and will also allow for existing vacant space to be absorbed. Given the magnitude

of the project, we have projected a 10-year sell-out, with no sales occurring during the first year and then selling an equal amount per year (8.46 acres per year) over the remaining nine years. As previously stated, it would be difficult to predict which sites would sell first so we have used an average pricing for each sale. The annual appreciation rate is 5% throughout the duration of the cash flow.

*Pricing and Appreciation:* It would be nearly impossible to predict which parcels or sections of land would sell throughout the term of the cash flow and more than likely sales will reflect pieces of land in various parcels in a one year period. A 10-year cash flow was constructed to reflect the sell-out period, with no sales occurring during the first year, but selling over the remaining nine years. We have estimated that on average, 8.46 acres would sell per year, (76.14 acres / 9 = 8.46 acres). The gross aggregate pricing per year per year is calculated to be \$24,411,111 (\$219,700,000 gross aggregate retail / 9 equals \$24,411,111) and we have estimated an annual appreciation rate of 5% per year moving forward as the real estate markets and economy continue to recover.

*Marketing, sales, and closing costs:* Sales and closing expenses will occur as the parcels of land sell. We estimate an appropriate cost at 6.0% of gross sales revenues. This expense is ordinarily allocated as 4% for sales, which includes marketing, commissions and selling bonuses to staff or to outside brokers who may bring clients to the project and 1% for closing expense, which includes doc stamps and title fees associated with the individual lot sales. We have also included 1% for general and administrative expenses.

*Real Estate Taxes:* While the property is owned by a municipality and is currently not being taxed, the most likely buyer would be a developer and Pinellas County Property Appraiser would assess the land and issue a tax notice. The new owner would be responsible for real estate taxes on the unsold parcels over the course of the sell-out. The real estate taxes per lot or sale was calculated by multiplying the average sale price \$24,411,111 by 70% (\$24,411,111) by the millage rate of 21.557, resulting in a tax of \$368,361 per lot per year. The taxes increase every year based on the projected sale prices.

*Discount Rate:* The 3<sup>rd</sup> Quarter 2020 Developer Survey from RealtyRates.com indicated mixed use residential projects with actual discount rates ranging from 21.98% to 48.21%, with an average of 32.29%. The survey also indicated pro-forma discount rates ranging from 21.11% to 46.28%, with an average of 31.00% for these projects. According to the RealtyRate.com survey, actual rates are historical rates achieved by survey respondents, while pro-forma rates reflect forward-looking revenue, expenses, and developer's costs. Profit is included in the discount rate.

RealtyRates.com DEVELOPER SURVEY - 3rd Quarter 2020 <sup>a</sup>						
Florida/Caribbean - Subdivisions & PUDs						
	Actual Rates			Pro-Forma Rates		
	Min	Max	Avg	Min	Max	Avg
<b>Site-Built Residential</b>	20.45%	48.21%	31.81%	19.63%	46.28%	30.54%
-100 Units	20.45%	41.56%	30.39%	19.63%	39.90%	29.17%
100-500 Units	20.96%	45.72%	32.01%	20.12%	43.89%	30.73%
500+ Units	21.47%	47.80%	32.56%	20.61%	45.88%	31.25%
Mixed Use	21.98%	48.21%	32.29%	21.11%	46.28%	31.00%
<b>Manufactured Housing</b>	20.10%	52.21%	33.47%	19.30%	50.12%	32.13%
-100 Units	20.10%	45.40%	32.10%	19.30%	43.58%	30.81%
100-500 Units	20.60%	49.94%	33.86%	19.78%	47.94%	32.51%
500+ Units	21.11%	52.21%	34.46%	20.26%	50.12%	33.08%
<b>Business Parks</b>	20.46%	47.45%	31.50%	19.64%	45.55%	30.24%
-100 Acres	20.46%	41.26%	30.25%	19.64%	39.61%	29.04%
100-500 Acres	20.97%	45.39%	31.85%	20.14%	43.57%	30.58%
500+ Acres	21.49%	47.45%	32.40%	20.63%	45.55%	31.11%
<b>Industrial Parks</b>	20.71%	41.21%	28.80%	19.88%	39.56%	27.65%
-100 Acres	20.71%	35.83%	27.71%	19.88%	34.40%	26.60%
100-500 Acres	21.23%	39.42%	29.11%	20.38%	37.84%	27.95%
500+ Acres	21.75%	41.21%	29.59%	20.88%	39.56%	28.41%

\*2nd Quarter 2020 Data

Copyright 2020 RealtyRates.com<sup>TM</sup>

The subject property is a large-scale redevelopment project within the City of St. Petersburg. This is a desirable location in a city that has been experiencing growth and new development. Considering the magnitude of the project and the length of sell-out (related to absorption), we have concluded to a discount rate of 25.00%, which is inclusive of entrepreneurial profit.

**Conclusion:** The present value of cash flows achieved after completion of the discounted sell out (DSO) of the entire project via the Development Analysis method is **\$66,100,000**, rounded. Finally, we note that there is no impact on value with or without height restrictions, therefore the values are the same.

## DISCOUNTED CASH FLOW ANALYSIS

<b>Inventory</b>										
Number of Sales	9									
Price Appreciation Per Year	5.00%									
Marketing/Sales/Closing	6.00%									
Real Estate Taxes/Sale/Year	\$368,361									
Discount Rate	25.00%									
Periods per Year	1									
<b>Absorption Schedule</b>										
Period	1	2	3	4	5	6	7	8	9	10
Sales - Beginning of Period:	0	0	0	0	0	0	0	0	0	0
Sales - Closed over Period:	0	1	1	1	1	1	1	1	1	1
Sale - End of Period	0	0	0	0	0	0	0	0	0	0
Price Per Sale	\$24,411,111	\$25,631,667	\$26,913,250	\$28,258,913	\$29,671,858	\$31,155,451	\$32,713,224	\$34,348,885	\$36,066,329	\$37,869,645
Gross Revenue:	\$0	\$25,631,667	\$26,913,250	\$28,258,913	\$29,671,858	\$31,155,451	\$32,713,224	\$34,348,885	\$36,066,329	\$37,869,645
<b>TOTALS</b>										
<b>Less Project Expenses</b>										
Marketing/Sales/Closing	\$0	(\$1,537,900)	(\$1,614,795)	(\$1,695,535)	(\$1,780,311)	(\$1,869,327)	(\$1,962,793)	(\$2,060,933)	(\$2,163,980)	(\$2,272,179)
Real Estate Taxes	(\$3,315,251)	(\$3,287,624)	(\$3,045,887)	(\$2,771,757)	(\$2,462,600)	(\$2,115,597)	(\$1,727,737)	(\$1,295,803)	(\$816,356)	(\$285,725)
Total Expenses	(\$3,315,251)	(\$4,825,524)	(\$4,660,682)	(\$4,467,292)	(\$4,242,911)	(\$3,984,924)	(\$3,690,531)	(\$3,356,736)	(\$2,980,336)	(\$2,557,903)
Gross Revenue	\$0	\$25,631,667	\$26,913,250	\$28,258,913	\$29,671,858	\$31,155,451	\$32,713,224	\$34,348,885	\$36,066,329	\$37,869,645
Less Total Expenses	(\$3,315,251)	(\$4,825,524)	(\$4,660,682)	(\$4,467,292)	(\$4,242,911)	(\$3,984,924)	(\$3,690,531)	(\$3,356,736)	(\$2,980,336)	(\$2,557,903)
Net Revenue Before Discnt.	(\$3,315,251)	\$20,806,143	\$22,252,568	\$23,791,621	\$25,428,947	\$27,170,527	\$29,022,693	\$30,992,149	\$33,085,993	\$35,311,742
Discount Factor	0.800000	0.640000	0.512000	0.409600	0.327680	0.262144	0.209715	0.167772	0.134218	0.107374
Discounted Net Revenue	(\$3,315,251)	\$13,315,931	\$11,393,315	\$9,745,048	\$8,332,557	\$7,122,591	\$6,086,500	\$5,199,620	\$4,440,727	\$3,791,569
Cumulative Net Revenue	(\$3,315,251)	\$10,000,680	\$21,393,995	\$31,139,043	\$39,471,600	\$46,594,191	\$52,680,691	\$57,880,311	\$62,321,037	\$66,112,607
Net Present Value Estimate	\$66,112,607									
Rounded	\$66,100,000									



## RECONCILIATION AND CONCLUDED VALUE OPINIONS

Reconciliation and correlation of value is performed when more than one approach is used to value real property and weighs the relative significance, applicability, and defensibility of each value indication and relies most heavily on the one that is most appropriate to the type and definition of value sought. The conclusion drawn in the reconciliation is based on the appropriateness, accuracy, and quantity of evidence in the entire appraisal.

**Tropicana Field:** The Income Capitalization Approach was used to estimate the market value of the Tropicana Field improvements. In the Income Capitalization Approach, the Direct Capitalization technique was used to develop a value opinion for the subject property. The income and expenses were supported by discussions with market participants. An overall capitalization rate was derived using extraction from sales across the United States. The most likely buyer would be an investor or national entertainment venue operator.

**Land Value:** We have used the Sales Comparison Approach to value the separate components of the underlying land. We were able to find several sales to support the value for each land component. Next, we use the Development Approach to estimate the market value of the bulk market value of the entire site. The Development Approach is based on the premise that prudent investors would pay no more for the subject property than they would for another investment with similar risk and return characteristics. Since the value of an investment can be considered equal to the present worth of anticipated future benefits in the form of dollar income or amenities, this approach is an estimate of the present value of the net income that the property is capable of producing. This amount is normally discounted at a rate that reflects risk to the investor and the amount of income necessary to support debt service for the mortgage requirement. This approach was given primary consideration in estimating the subject's "bulk" market value "as is" because the most likely buyer is an investor and they would base their purchase decision on the discounted cash flow analysis.

The value indications and final value opinions are summarized in the following table:

VALUE INDICATIONS AND CONCLUSIONS		
<b>Scenario 1 - Tropicana Field, With Height Restrictions (Based on Hypothetical Condition)</b>		
As Is Market Value	Leased Fee	August 25, 2020
Income Capitalization Approach		\$41,300,000
Concluded Value Opinion		<b>\$41,300,000</b>
<b>Scenario 2 - Tropicana Field, Without Height Restrictions (Based on Hypothetical Condition)</b>		
As Is Market Value	Leased Fee	August 25, 2020
Income Capitalization Approach		\$41,300,000
Concluded Value Opinion		<b>\$41,300,000</b>
<b>Scenario 3 - Underlying Land Value - With Height Restrictions (Based on Hypothetical Condition)</b>		
As Is Market Value	Fee Simple	August 25, 2020
Sales Comparison Approach		\$66,100,000
Concluded Value Opinion		<b>\$66,100,000</b>
<b>Scenario 4 - Underlying Land Value - Without Height Restrictions (Based on Hypothetical Condition)</b>		
As Is Market Value	Fee Simple	August 25, 2020
Sales Comparison Approach		\$66,100,000
Concluded Value Opinion		<b>\$66,100,000</b>

## CERTIFICATION

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Brian E. Zamorski, MAI (Cert Gen RZ3173), and Woodman S. Herr, MAI (Cert Gen RZ785) of this firm, personally viewed the exterior of the Tropicana as well as site improvements. We drove the market area and observed new development trends in the neighborhood. We were unable to view the interior of the improvements due to COVID-19 concerns. Mr. Herr and Mr. Zamorski have both attended Tampa Bay Rays baseball games or other events at Tropicana Field within the past year. We have based our appraisal on our observations from our August 25, 2020 site visit as well as from prior visits to baseball games and we have also referenced online photographs.
- No one provided significant real property appraisal assistance to the persons signing this certification.
- Woodman S. Herr, MAI and Brian E. Zamorski, MAI have not provided services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute and the minimum appraisal standards cited in Section 323.4 of Title XI of FIRREA and subsequent updates and the December 2010 Interagency Appraisal and Valuation Guidelines.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- As of the date of this report, Woodman S. Herr, MAI, and Brian E. Zamorski, MAI have completed the continuing education program for Designated Members of the Appraisal Institute. Woodman S. Herr, MAI, and Brian E. Zamorski, MAI, have fulfilled the certification requirements for the state of Florida.
- As of the date of this report, Woodman S. Herr, MAI, and Brian E. Zamorski, MAI are certified to practice as a general appraiser in the state of Florida. My analyses, opinion, and conclusion were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice, the Florida Real Estate Appraiser Classification and Regulation Act and the Rules and Regulations of the Florida Real Estate Appraisers Board.



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## STANDARD ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal report has been made with the following general assumptions:

- 1) Notwithstanding that Appraiser may comment on, analyze or assume certain conditions in the appraisal, BBG, Inc. shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations or other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise. Accordingly:
  - a) The Appraiser has not conducted any engineering or architectural surveys in connection with this appraisal assignment. Information reported pertaining to dimensions, sizes, and areas is either based on measurements taken by the Appraiser or the Appraiser's staff or was obtained or taken from referenced sources and is considered reliable. The Appraiser and BBG, Inc. shall not be monetarily liability or responsible for or assume the costs of preparation or arrangement of geotechnical engineering, architectural, or other types of studies, surveys, or inspections that require the expertise of a qualified professional.
  - b) Unless otherwise stated in the report, only the real property is considered, so no consideration is given to the value of personal property or equipment located on the premises or the costs of moving or relocating such personal property or equipment. Further, unless otherwise stated, it is assumed that there are no subsurface oil, gas or other mineral deposits or subsurface rights of value involved in this appraisal, whether they are gas, liquid, or solid. Further, unless otherwise stated, it is assumed that there are no rights associated with extraction or exploration of such elements considered. Unless otherwise stated it is also assumed that there are no air or development rights of value that may be transferred.
  - c) Any legal description or plats reported in the appraisal are assumed to be accurate. Any sketches, surveys, plats, photographs, drawings or other exhibits are included only to assist the intended user to better understand and visualize the subject property, the environs, and the competitive data. BBG, Inc. has made no survey of the property and assumes no monetary liability or responsibility in connection with such matters.
  - d) Title is assumed to be good and marketable, and in fee simple, unless otherwise stated in the report. The property is considered to be free and clear of existing liens, easements, restrictions, and encumbrances, except as stated. Further, BBG, Inc. assumes there are no private deed restrictions affecting the property which would limit the use of the subject property in any way.
  - e) The appraisal report is based on the premise that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in the appraisal report; additionally, that all applicable zoning, building, and use regulations and restrictions of all types have been complied with unless otherwise stated in the appraisal report. Further, it is assumed that all required licenses, consents, permits, or other legislative or administrative authority, local, state, federal and/or private entity or organization have been or can be obtained or renewed for any use considered in the value estimate. Moreover, unless otherwise stated herein, it is assumed that there are no encroachments or violations of any zoning or other regulations affecting the subject property, that the utilization of the land and improvements is within the boundaries or property lines of the property described, and that there are no trespasses or encroachments.
  - f) The American Disabilities Act (ADA) became effective January 26, 1992. The Appraiser has not made a specific compliance survey or analysis of the property to determine whether or not it is in conformity with e various detailed requirements of ADA. It is possible that a compliance survey of the property and a detailed analysis of the requirements of the ADA would reveal that the property is not in

- compliance with one or more of the requirements of the Act. If so, this fact could have a negative impact upon the value of the property. Since the Appraiser has no direct evidence relating to this issue, possible noncompliance with the requirements of ADA was not considered in estimating the value of the property.
- g) No monetary liability or responsibility is assumed for conformity to specific governmental requirements, such as fire, building, safety, earthquake, or occupancy codes, except where specific professional or governmental inspections have been completed and reported in the appraisal report.
  - h) It is assumed the subject property is not adversely affected by the potential of floods, unless otherwise stated herein. Further, it is assumed all water and sewer facilities (existing and proposed) are or will be in good working order and are or will be of sufficient size to adequately serve any proposed buildings.
  - i) Unless otherwise stated within the appraisal report, the depiction of the physical condition of the improvements described therein is based on visual inspection. No monetary liability or responsibility is assumed for (a) the soundness of structural members since no engineering tests were conducted; (b) the condition of mechanical equipment, plumbing, or electrical components, as complete tests were not made; and (c) hidden, unapparent or masked property conditions or characteristics that were not clearly apparent during the Appraiser's inspection.
  - j) If building improvements are present on the site, it is assumed that no significant evidence of termite damage or infestation was observed during physical inspection, unless so stated in the appraisal report. Further, unless so stated in the appraisal report, no termite inspection report was available. No monetary liability or responsibility is assumed for hidden damages or infestation.
  - k) Unless subsoil opinions based upon engineering core borings were furnished, it is assumed there are no subsoil defects present, which would impair development of the land to its maximum permitted use or would render it more or less valuable. No monetary liability or responsibility is assumed for such conditions or for engineering which may be required to discover them.
  - l) BBG, Inc. is not an expert in determining the presence or absence of hazardous substances, defined as all hazardous or toxic materials, wastes, pollutants or contaminants (including, but not limited to, asbestos, PCB, UFFI, or other raw materials or chemicals) used in construction or otherwise present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such substances or for loss as a result of the presence of such substances. Appraiser is not qualified to detect such substances. The Client is urged to retain an expert in this field; however, Client retains such expert at Client's own discretion, and any costs and/or expenses associated with such retention are the responsibility of Client.
  - m) BBG, Inc. is not an expert in determining the habitat for protected or endangered species, including, but not limited to, animal or plant life (such as bald eagles, gophers, tortoises, etc.) that may be present on the property. BBG, Inc. assumes no monetary liability or responsibility for the studies or analyses which would be required to determine the presence or absence of such species or for loss as a result of the presence of such species. The Appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions contained within the appraisal report based upon any subsequent endangered species impact studies, research, and investigation that may be provided. However, it is assumed that no environmental impact studies were either requested or made in conjunction with this analysis, unless otherwise stated within the appraisal report.
- 2) If the Client instructions to the Appraiser were to inspect only the exterior of the improvements in the appraisal process, the physical attributes of the property were observed from the street(s) as of the inspection date of the appraisal. Physical characteristics of the property were obtained from tax assessment records, available plans, if any, descriptive information, and interviewing the client and other knowledgeable persons. It is assumed the interior of the subject property is consistent with the exterior conditions as observed and that other information relied upon is accurate.
  - 3) If provided, the estimated insurable value is included at the request of the Client and has not been performed by a qualified insurance agent or risk management underwriter. This cost estimate should not be solely relied upon for insurable value purposes. The Appraiser is not familiar with the definition of insurable value from the insurance provider, the local governmental underwriting regulations, or the types of insurance coverage available. These factors can impact cost estimates and are beyond the scope of the intended use of this appraisal. The Appraiser is not a cost expert in cost estimating for insurance purposes.

- 4) The dollar amount of any value opinion herein rendered is based upon the purchasing power and price of the United States Dollar as of the effective date of value. This appraisal is based on market conditions existing as of the date of this appraisal.
- 5) The value estimates reported herein apply to the entire property. Any proration or division of the total into fractional interests will invalidate the value estimates, unless such proration or division of interests is set forth in the report. Any division of the land and improvement values estimated herein is applicable only under the program of utilization shown. These separate valuations are invalidated by any other application.
- 6) Any projections of income and expenses, including the reversion at time of resale, are not predictions of the future. Rather, they are BBG, Inc.'s best estimate of current market thinking of what future trends will be. No warranty or representation is made that such projections will materialize. The real estate market is constantly fluctuating and changing. It is not the task of an appraiser to estimate the conditions of a future real estate market, but rather to reflect what the investment community envisions for the future in terms of expectations of growth in rental rates, expenses, and supply and demand. The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changes with future conditions.
- 7) The Appraiser assumes no monetary liability or responsibility for any changes in economic or physical conditions which occur following the effective date of value within this report that would influence or potentially affect the analyses, opinions, or conclusions in the report. Any subsequent changes are beyond the scope of the report.
- 8) Any proposed or incomplete improvements included in the appraisal report are assumed to be satisfactorily completed in a workmanlike manner or will be thus completed within a reasonable length of time according to plans and specifications submitted.
- 9) If the appraisal report has been prepared in a so-called "public non-disclosure" state, real estate sales prices and other data, such as rents, prices, and financing, are not a matter of public record. If this is such a "non-disclosure" state, although extensive effort has been expended to verify pertinent data with buyers, sellers, brokers, lenders, lessors, lessees, and other sources considered reliable, it has not always been possible to independently verify all significant facts. In these instances, the Appraiser may have relied on verification obtained and reported by appraisers outside of our office. Also, as necessary, assumptions and adjustments have been made based on comparisons and analyses using data in the report and on interviews with market participants. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.
- 10) Although the Appraiser has made, insofar as is practical, every effort to verify as factual and true all information and data set forth in this report, no responsibility is assumed for the accuracy of any information furnished the Appraiser either by the Client or others. If for any reason, future investigations should prove any data to be in substantial variance with that presented in this report, the Appraiser reserves the right to alter or change any or all analyses, opinions, or conclusions and/or estimates of value.
- 11) The right is reserved by the Appraiser to make adjustments to the analyses, opinions, and conclusions set forth in the appraisal report as may be required by consideration of additional or more reliable data that may become available. No change of this report shall be made by anyone other than the Appraiser. The Appraiser shall have no monetary liability or responsibility for any unauthorized change(s) to the report.

The submission of the appraisal report constitutes completion of the services authorized and agreed upon. Such appraisal report is submitted on the condition the Client will provide reasonable notice and customary compensation, including expert witness fees, relating to any subsequent required attendance at conferences, depositions, or judicial or administrative proceedings. In the event the Appraiser is subpoenaed for either an appearance or a request to produce documents, a best effort will be made to notify the Client immediately. The Client has the sole responsibility for obtaining a protective order, providing legal instruction not to appear with the appraisal report and related work files, and will answer all questions pertaining to the assignment, the preparation of the report, and the reasoning used to formulate the estimate of value. Unless paid in whole or in part by the party issuing the subpoena or by another party of interest in the matter, the Client is responsible for all unpaid fees resulting from the appearance or production of documents regardless of who orders the work.





Third-party reports by a true third party.

## BBG OVERVIEW

BBG is one of the nation's largest real estate due diligence firms with more than 35 offices across the country serving more than 2,700 clients. We deliver best-in-class valuation, advisory and assessment services with a singular focus of meeting our clients' needs.

Our professional team offers broad industry expertise and deep market knowledge to help clients meet their objectives throughout the real estate life cycle.

BBG clients include commercial real estate professionals, investors, lenders, attorneys, accountants and corporations.

## THE BBG DIFFERENCE

**National Footprint.** BBG is one of only two national firms offering in-house valuation and environmental and property condition assessment services for all commercial property types.

**Customer-focused Growth.** BBG is one of the largest national due diligence firms because we deliver best-in-class work product and provide excellent customer care.

**Qualified Team.** Over 50 percent of BBG appraisers are MAI designated and offer deep industry expertise gained through real-world experience.

**Unbiased Independence.** By focusing exclusively on due diligence services, BBG guarantees an independent perspective free from potential conflicts of interest.

**Innovative Technology.** BBG has made significant analytics and IT investments to continually improve our data and report quality.

## SERVICES

### Valuation

- + Single Asset Valuation
- + Portfolio Valuation
- + Institutional Asset Valuation
- + Appraisal Review
- + Appraisal Management
- + Lease and Cost Analysis
- + Insurance Valuation
- + Arbitration & Consulting
- + Feasibility Studies
- + Highest and Best Use Studies
- + Evaluation
- + Investment analysis
- + Tax appeals
- + Litigation Support

### Advisory

- + ASC 805 Business combinations
- + ASC 840 Leases
- + Purchase Price Allocations
- + Portfolio Valuations for reporting net asset values (NAV)
- + Public and non-traded REIT valuations
- + Valuations for litigation and litigation support
- + Sale-leaseback valuation analysis
- + Valuations for bankruptcy/fresh start accounting
- + Cost segregation analysis

### Assessment

- + Environmental due diligence
- + Property condition consulting
- + Small loan services
- + Energy consulting
- + Environmental consulting
- + Zoning



VALUATION



ADVISORY



ASSESSMENT



ZONING

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## GLOSSARY

**Assessed Value:** The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value.<sup>1</sup>

**Asset:**

1. Any item, the rights to which may have economic value, including financial assets (cash or bonds), business interests, intangible assets (copyrights and trademarks), and physical assets (real estate and personal property).
2. In general business usage, something owned by a business and reflected in the owner's business sheet.

**Asset:** A resource controlled by the entity as a result of past events and from which future economic benefits are expected to flow to the entity.<sup>2</sup>

**Capital Expenditure:** Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations.<sup>1</sup>

**Cash Equivalency:** An analytical process in which the sale price of a transaction with nonmarket financing or financing with unusual conditions or incentives is converted into a price expressed in terms of cash or its equivalent.<sup>1</sup>

**Client:**

1. The individual, group, or entity who engages a valuer to perform a service (USPAP)
2. The party or parties who engage, by employment or contract, an appraiser in a specific assignment. Comment: The client may be an individual, group, or entity, and may engage and communicate with the appraiser directly or through an agent (USPAP, 2016-17-ed).
3. Generally the party or parties ordering the appraisal report. It does not matter who pays for the work (CUSPAP, 2014-ed).<sup>1</sup>

**Condominium Ownership:** A form of fee ownership of separate units or portions of multiunit buildings that provides for formal filing and recording of a divided interest in real property.<sup>3</sup>

**Cost Approach:** A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive, deducting depreciation from the total cost, and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised.<sup>1</sup>

**Credible:**

1. Worthy of belief, supported by analysis of relevant information. Creditability is always measured in the context of intended use. (SVP)
2. Worthy of belief. Comment: Creditable assignment results require support, by relevant evidence and logic, to the degree necessary for the intended use. (USPAP, 2016-2017-ed.).<sup>1</sup>

**Deferred Maintenance:** Needed repairs or replacement of items that should have taken place during the course of normal maintenance.<sup>1</sup>

**Disposition Value:** The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a specific time, which is short than the typical exposure time for such a property in that market. 2) The property is subjected to market conditions prevailing as of the date of valuation. 3) Both the buyer and seller are acting prudently and knowledgeably. 4) The seller is under compulsion to sell. 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) An adequate marketing effort will be made during the exposure time. 8) Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration of the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms.<sup>1</sup>

**Economic Life:** The period over which improvements to real property contribute to property value.<sup>1</sup>

**Effective Date:** 1) The date on which the analyses, opinions, and advice in an appraisal, review, or consulting service apply. 2) In a lease document, the date upon which the lease goes into effect.<sup>1</sup>

**Effective Gross Income Multiplier (EGIM):** The ratio between the sale price (or value) of a property and its effective gross income.<sup>1</sup>

**Effective Rent:** Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions, the rent that is effectively paid by a tenant net of financial concessions provided by a landlord.<sup>1</sup>

**Exposure Time:** 1) The time a property remains on the market. 2) The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market (USPAP 2016-2017-ed).<sup>1</sup>

**Extraordinary Assumptions:** An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property, or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed).<sup>1</sup>

**Fair Market Value:** In nontechnical usage, a term that is equivalent to the contemporary usage of market value.<sup>1</sup>

**Fair Share:** That portion of total market supply accounted for by a subject property. For example, a 100-key hotel in 1,000-key market has a fair share of 10%.<sup>1</sup>

**Fair Value:**

1. The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. (FASB)
2. The estimated price for the transfer of an asset or liability between identified knowledgeable and willing parties that reflects the respective interests of those parties. (This does not apply to valuations for financial reporting.) (IVS).<sup>1</sup>

**Fair Value:** The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.<sup>2</sup>

**Fee Simple Estate:** Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.<sup>1</sup>

**Floor Area Ratio (FAR):** The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.<sup>1</sup>

**Going-Concern Value:** 1) 73. An established and operating business having an indefinite future life. 2) 74. An organization with an indefinite life that is sufficiently long that, over time, all currently incomplete transformations [transforming resources from one form to a different, more valuable form] will be completed.<sup>1</sup>

**Gross Building Area (GBA):** 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. 2) Gross leasable area plus all common areas. 3) 16. For residential space, the total area of all floor levels measured from the exterior of the walls and including the super structure and substructure basement; typically does not include garage space.<sup>1</sup>

**Highest and Best Use:** 1) The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. 2) The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS). 3) [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) <sup>1</sup>

**Hypothetical Condition:** 1) 117. A condition that is presumed to be true when it is known to be false. (SVP). 2) A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (USPAP, 2016-2017 ed.) <sup>1</sup>

**Income Capitalization Approach:** Specific appraisal techniques applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income. <sup>1</sup>

**Inspection:** Personal observation of the exterior or interior of the real estate that is the subject of an assignment performed to identify the property characteristics that are relevant to the assignment, such as amenities, general physical condition, and functional utility. Note that this is not the inspection process performed by a licensed or certified building inspector. <sup>1</sup>

**Insurable Value:** A type of value for insurance purposes. <sup>1</sup>

**Intangible Assets:** 1) A nonmonetary asset that manifests itself by its economic properties. It does not have physical substance but grants rights and economic benefits to its owner. (IVS). 2) A nonphysical asset such as a franchise, trademark, patent, copyright, goodwill, equity, mineral right, security, and contract (as distinguished from physical assets) that grant rights and privileges, and have value for the owner. (ASA). 3) An identifiable nonmonetary asset without physical substance. An asset is a resource that is controlled by the entity as a result of past events (for ex-ample, purchase or self-creation) and from which future economic benefits (inflows of cash or other assets) are expected. [IAS 38.8] Thus, the three critical attributes of an intangible asset are: identifiability, control (power to obtain benefits from the asset), -future economic benefits (such as revenues or reduced future costs). (IAS 38) <sup>1</sup>

**Intangible property:** Nonphysical assets, including but not limited to franchises, trademarks, patents, copyrights, goodwill, equities, securities, and contracts as distinguished from physical assets such as facilities and equipment. (USPAP, 2016-2017 ed.) <sup>1</sup>

**Intended Use:** 1) The valuer's intent as to how the re-port will be used. (SVP) 2) The use or uses of an appraiser's reported appraisal or appraisal review assignment opinions and conclusions, as identified by the appraiser based on communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.) <sup>1</sup>

**Intended User:** 1) The party or parties the valuer intends will use the report. (SVP) 2) The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser on the basis of communication with the client at the time of the assignment. (USPAP, 2016-2017 ed.) <sup>1</sup>

**Internal Rate of Return ("IRR"):** The annualized yield rate or rate of return on capital that is generated or capable of being generalized within an investment of portfolio over a period of ownership. Alternatively, the indicated return of capital associated with a projected or pro forma income stream. The discount rate that equates the present value of the net cash flows of a project with the present value of the capital investment. It is the rate at which the Net Present Value (NPV) equals zero. The IRR reflects both the return on invested capital and the return of the original investment, which are basic considerations of potential investors. Therefore, deriving the IRR from analysis of market transactions of similar properties having comparable income

patterns is a proper method for developing market discount rates for use in valuations to arrive at Market Value. Used in discounted cash flow analysis to find the implied or expected rate of return of the project, the IRR is the rate of return which gives a zero net present value (NPV). See also equity yield rate (YE); financial management rate of return (FMRR); modified internal rate of return (MIRR); yield rate (Y). <sup>1</sup>

**Investment Value:** 1) The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2) The value of an asset to the owner or a prospective owner for individual investment or operational objectives. (IVS) <sup>1</sup>

**Leasehold Interest:** The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. <sup>1</sup>

**Leased Fee Interest:** The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires. <sup>1</sup>

**Liquidation Value:** The most probable price that a specified interest in real property should bring under the following conditions: 1) Consummation of a sale within a short time period; 2) The property is subjected to market conditions prevailing as of the date of valuation; 3) Both the buyer and seller are acting prudently and knowledgeably; 4) The seller is under extreme compulsion to sell; 5) The buyer is typically motivated. 6) Both parties are acting in what they consider to be their best interests. 7) A normal marketing effort is not possible due to the brief exposure time 8) Payment will be made in cash in U.S. dollars or in terms of financial arrangements comparable thereto. 9) The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. This definition can also be modified to provide for valuation with specified financing terms. <sup>1</sup>

**Load Factor:** A measure of the relationship of common area to useable area and therefore the quality and efficiency of building area layout, with higher load factors indicating a higher percentage of common area to overall rentable space than lower load factors; calculated by subtracting the amount of usable area from the rentable area and then dividing the difference by the usable area: <sup>1</sup>

$$\frac{(\text{Rentable Area} - \text{Useable Area})}{\text{Useable Area}}$$

**Market Value.** The major focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined.\*

1. The most widely accepted components of market value are incorporated in the following definition: The most probable price that the specified property interest should sell for in a competitive market after a reasonable exposure time, as of a specified date, in cash, or in terms equivalent to cash, under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, for self-interest, and assuming that neither is under duress.

2. Market value is described, not defined, in the Uniform Standards of Professional Appraisal Practice (USPAP) as follows: A type of value, stated as an opinion, that presumes the transfer of a property (i.e., a right of ownership or a bundle of such rights), as of a certain date, under specific conditions set forth in the definition of the term identified by the appraiser as applicable in an appraisal. Comment: Forming an opinion of market value is the purpose of many real property appraisal assignments, particularly when the client's intended use includes more than one intended user. The conditions included in market value definitions establish market perspectives for development of the opinion. These conditions may vary from definition to definition but generally fall into three categories:

- the relationship, knowledge, and motivation of the parties (i.e., seller and buyer);
- the terms of sale (e.g., cash, cash equivalent, or other terms); and
- the conditions of sale (e.g., expo- sure in a competitive market for a reasonable time prior to sale).

USPAP also requires that certain items be included in every appraisal report. Among these items, the following are directly related to the definition of market value:

- Identifications of the specific property rights to be appraised.
- Statement of the effective date of the value opinion.
- Specification as to whether cash, terms equivalent to cash, or other precisely described financing terms are assumed as the basis of the appraisal.
- If the appraisal is conditioned upon financing or other terms, specification as to whether the financing or terms are at, below, or above market interest rates and/or contain unusual conditions or incentives. The terms of above- or below-market interest rates and/or other special incentives must be clearly set forth; their contribution to, or negative influence on, value must be described and estimated; and the market data supporting the opinion of value must be described and explained.

3. The following definition of market

value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

Buyer and seller are typically motivated;

Both parties are well informed or well advised, and each acting in what they consider their own best interests;

A reasonable time is allowed for exposure in the open market;

Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

• The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

4. The International Valuation Standards Council defines market value for the purpose of international standards as follows: The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (IVS)

5. The Uniform Standards for Federal Land Acquisitions defines market value as follows: Market value is the amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal. (Uniform Appraisal Standards for Federal Land Acquisitions) <sup>1</sup>

**Market Value "As If Complete" On The Appraisal Date:**

Market value as if complete on the effective date of the appraisal is an estimate of the market value of a property with all construction, conversion, or rehabilitation hypothetically completed, or under other specified hypothetical conditions as of the date of the appraisal. With regard to properties wherein anticipated market conditions indicate that stabilized occupancy is not likely as of the date of completion, this estimate of value should reflect the market value of the property as if complete and prepared for occupancy by tenants.

**Market Value "As Is" On The Appraisal Date:** Value As Is -The value of specific ownership rights to an identified parcel of real estate as of the effective date of the appraisal; relates to what physically exists and is legally permissible and excludes all assumptions concerning hypothetical market conditions or possible rezoning. See also effective date; prospective value opinion.

**Market Value of the Total Assets of the Business:** The market value of the total assets of the business is the market value of all of the tangible and intangible assets of a business as if sold in aggregate as a going concern. This assumes that the business is expected to continue operations well into the future. <sup>4</sup>

**Marketing Time:** An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of The Appraisal Foundation and Statement on Appraisal Standards No. 6, "Reasonable Exposure Time in Real Property Market Value Opinions" address the determination of reasonable exposure and marketing time.) <sup>3</sup>

**Net Lease:** A lease in which the landlord passes on all expenses to the tenant. See also lease. <sup>1</sup>

**Net Rentable Area (NRA):** 1) The area on which rent is computed. 2) The Rentable Area of a floor shall be computed by measuring to the inside finished surface of the dominant portion of the permanent outer building walls, excluding any major vertical penetrations of the floor. No deductions shall be made for columns and projections necessary to the building. Include space such as mechanical room, janitorial room, restrooms, and lobby of the floor. <sup>5</sup>

**Penetration Ratio (Rate):** The rate at which stores obtain sales from within a trade area or sector relative to the number of potential sales generated; usually applied to existing facilities. Also called: penetration factor. <sup>1</sup>

**Prospective opinion of value.** A value opinion effective as of a specified future date. The term does not define a type of value. Instead it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy. <sup>1</sup>

**Reconciliation:** A phase of a valuation assignment in which two or more value indications are processed into a value opinion, which may be a range of value, a single point estimate, or a reference to a benchmark value. <sup>1</sup>

**Reliable Measurement:** [The IAS/IFRS framework requires that] neither an asset nor a liability is recognized in the financial statements unless it has a cost or value that can be measured reliably. <sup>2</sup>

**Remaining Economic Life:** The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation. <sup>1</sup>

**Replacement Cost:** The estimated cost to construct, at current prices as of the effective appraisal date, a substitute for the building being appraised, using modern materials and current standards, design, and layout. <sup>1</sup>

**Retrospective Value Opinion:** A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." <sup>1</sup>



**Sales Comparison Approach:** The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.<sup>1</sup>

**Scope of Work:** 1) The type of data and the extent of research and analyses. (SVP). 2) The type and extent of research and analyses in an appraisal or appraisal review assignment. (USPAP, 2016–2017 ed.)<sup>1</sup>

**Stabilized value:** A value opinion that excludes from consideration any abnormal relationship between supply and demand such as is experienced in boom periods when cost and sale price may exceed the long-term value, or during periods of depression, when cost and sale price may fall short of long-term value. It is also a value opinion that excludes from consideration any transitory condition that may cause excessive construction costs, e.g., a premium paid due to a temporary shortage of supply.

**Substitution:** The principle of substitution states that when several similar or commensurate commodities, goods, services are available, the one with the lowest price will attract the greatest demand and widest distribution. This is the primary principle upon which the cost and sales comparison approaches are based.<sup>3</sup>

**Total Assets of a Business:** Total assets of a business is defined by the Appraisal Institute as “the tangible property (real property and personal property, including inventory and furniture, fixtures and equipment) and intangible property (cash, workforce, contracts, name, patents, copyrights, and other residual intangible assets, to include capitalized economic profit).”

**Use Value:**

The value of a property assuming a specific use, which may or may not be the property’s highest and best use on the effective date of the appraisal. Use value may or may not be equal to market value but is different conceptually.<sup>1</sup>

<sup>1</sup>Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute 2010). <sup>2</sup>Appraisal Institute, *International Financial Reporting Standards for Real Property Appraiser, IFRS Website, [www.ifrs-ebooks.com/index.html](http://www.ifrs-ebooks.com/index.html)*. <sup>3</sup>Appraisal Institute, *The Appraisal of Real Estate*, 13th ed. (Chicago: Appraisal Institute 2008). <sup>4</sup> This definition is taken from “Allocation of Business Assets Into Tangible and Intangible Components: A New Lexicon,” *Journal of Real Estate Appraisal*, January 2002, Volume LXX, Number 1. This terminology is to replace former phrases such as: value of the going concern. <sup>5</sup>Financial Publishing Company, *The Real Estate Dictionary*, 7<sup>th</sup> ed. <sup>6</sup> U.S. Treasury Regulations

# LETTER OF ENGAGEMENT

## APPRAISAL AGREEMENT

THIS APPRAISAL AGREEMENT, ("**Agreement**"), made and entered into by and between the CITY OF ST. PETERSBURG, a municipal corporation of the State of Florida, ("**City**") and Woodman S. Herr, MAI ("**Appraiser**"), (collectively, "**Parties**");

### W I T N E S S E T H

**WHEREAS**, the City desires to obtain an appraisal substantially in compliance with the appraisal instructions set forth in **Exhibit "A"**, attached hereto, for the real property described in **Exhibits "B" and "C" ("Property")**, attached hereto and made a part hereof; and

**WHEREAS**, the Appraiser represents that the Appraiser is authorized and qualified to make such appraisal in accordance with recognized appraisal practices and standards and has an active certification by the State of Florida as a certified appraiser.

**NOW THEREFORE**, in consideration of the promises and covenants contained herein the Parties hereto agree as follows:

1. **RECITALS.** The above recitals are true and accurate and are incorporated herein.
2. **EFFECTIVE DATE; FACSIMILE.** The effective date of this Agreement shall be the latest of the dates that the Appraiser and the appropriate City signatories have approved and signed this Agreement ("**Effective Date**"). A facsimile, or electronic, copy of this Agreement and any signatures thereon shall be considered for all purposes as originals.
3. **APPRAISAL COMPLETION AND DELIVERY.** The Appraiser, in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), shall perform the appraisal of the Property and provide the City with an electronic copy (via email) of the appraisal report ("**Appraisal Report**") on or before October 19, 2020 ("**Completion Date**"). The Appraisal Report shall include the market value of any and all interests as set forth in Exhibit "A". The City may, at its sole discretion, extend the completion date. Any such extension will not be effective unless memorialized in a written document signed by representative of the City authorized in such capacity.
4. **INSPECTION BY SUPERVISING APPRAISER.** The undersigned appraiser, as supervising appraiser or as any status requiring the co-signing of the appraisal report, does hereby affirm the undersigned appraiser has physically and personally inspected the subject property and the individual properties used as comparable sales.
5. **LATE COMPLETION.** Time is of the essence in the Agreement. The Parties agree that it would be extremely difficult and impractical under known and anticipated facts and circumstances to ascertain and fix the actual damages the City would incur if Appraiser does

not complete the Appraisal Report within the time stipulated herein. Therefore, Appraiser shall be liable for and shall pay to the City the sums hereafter stipulated as fixed, agreed and acknowledged as reasonable liquidated damages, not as a penalty, for each calendar day of delay until the Work reaches Substantial Completion, in the aggregate amount of one hundred dollars (\$100) per calendar day. These liquidated damages shall be the City's sole and exclusive damages for Contractor's delay of the Work. Said liquidated damages may be deducted from the amount to be paid to the Appraiser by the City and shall be limited to the total appraisal fee as set forth below.

6. **APPRAISAL FEE.** In consideration for the performance of said appraisal services and furnishing of said Appraisal Report, the City shall pay the Appraiser the sum of [REDACTED] within thirty (30) days following the receipt by the City of an invoice for the amount. The Appraiser agrees to update the Appraisal Report as necessary or convenient at a reasonable fee to be determined at the time such update becomes necessary or convenient.

7. **APPRAISER'S TESTIMONY.** In the event the testimony of the Appraiser is required in any legal proceeding in connection with the City's use of the Appraisal Report, the Appraiser agrees to appear as a witness on behalf of the City. The amount of any such fee shall be reasonable and shall be determined at the time such testimony becomes necessary or convenient.

8. **TERMINATION.** If through any cause, the Appraiser shall fail to fulfill in a timely and proper manner the Appraiser's obligation under this Agreement, the City shall have the right to terminate this Agreement upon the giving of five (5) business days written notice to the Appraiser of said termination and the City shall be relieved of all other obligations hereunder. Additionally, the City may terminate this Agreement as provided in Florida Statute section 287.135.

9. **ENTIRE AGREEMENT.** The drafting, execution and delivery of this Agreement by the Parties have not been induced by representations, statements, warranties or agreements other than those expressed herein. This Agreement embodies the entire understanding of the Parties, and there are no further or other agreements or understandings, written or oral, in effect between the Parties relating to the subject matter hereof, unless expressly referred to herein.

10. **NO MODIFICATIONS.** This Agreement may not be modified unless such modification is in writing and signed by both Parties hereto.

11. **NO DISCRIMINATION.** The Appraiser shall not discriminate against anyone in the performance of duties under this Agreement because of race, color, religion, age, sex or national origin.

12. **INDEMNIFICATION.** Commencing on the Effective Date and continuing until the Completion Date, the Appraiser shall defend at its expense, pay on behalf of, hold harmless and

indemnify the City, its officers, employees, agents, elected and appointed officials and volunteers (collectively, "**Indemnified Parties**") from and against any and all claims, demands, liens, liabilities, penalties, fines, fees, judgments, losses and damages (collectively, "**Claims**"), whether or not a lawsuit is filed, including but not limited to Claims for damage to property or bodily or personal injuries, including death at any time resulting therefrom, sustained by any persons or entities; and costs, expenses and attorney's and experts' fees at trial and on appeal, which Claims are alleged or claimed to have arisen out of or in connection with, in whole or in part, directly or indirectly the performance of this Agreement; the failure of Appraiser, its employees, agents, representatives, contractors, subcontractors or volunteers to comply and conform with any applicable laws; or any negligent act or omission of the Appraiser, its employees, agents, representatives, contractors, subcontractors or volunteers, whether or not such negligence is claimed to be either solely that of the Appraiser, its employees, agents, representatives, contractors, subcontractors or volunteers or to be in conjunction with the claimed negligence of others, including that of any of the Indemnified Parties; or any reckless or intentional wrongful act or omission of the Appraiser, its employees, agents, representatives, contractors, subcontractors or volunteers.

13. **DEFAULT.** If any claim, demand, liability, damage, loss, action or suit of any nature whatsoever arises due to the breach of, out of, or because of this agreement by the Appraiser, its agents, consultants, employees or subcontractors or due to any action or occurrence of omission or commission of the Appraiser, its agents, consultants, employees or subcontractors the City may, in its discretion, immediately and permanently suspend the Appraiser from its approved appraiser list without penalty to the City.

14. **APPLICABLE LAWS.** This Agreement shall be governed by and interpreted in accordance with the laws of the State of Florida.

15. **COMPLIANCE WITH LAWS.** Appraiser shall comply at all times with all federal, state, and local statutes, rules, regulations and ordinances, the federal and state constitutions, and the orders and decrees of lawful authorities having jurisdiction over the matter at issue. Appraiser hereby makes all certifications required under Florida Statute section 287.135.

16. **PUBLIC RECORDS.**

- A. Appraiser shall (i) keep and maintain public records (as defined in Florida's Public Records law) required by the City to perform the services pursuant to this Agreement; (ii) upon request from the City Clerk's Office, provide the City (at no cost to the City) with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided under Florida's Public Records law or other applicable laws; (iii) ensure that public records in Appraiser's possession that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by applicable laws for the Term and after the

expiration or earlier termination of this Agreement; and (iv) after the expiration or earlier termination of this Agreement, at the City's request, either transfer, at no cost, to the City all public records in Appraiser's possession within ten (10) days following the City's request and/or keep and maintain any public records required by the City to perform the services pursuant to this Agreement. If Appraiser transfers all public records to the City upon the expiration or earlier termination of this Agreement, Appraiser shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If Appraiser keeps and maintains public records upon the expiration or earlier termination of this Agreement, Appraiser shall meet all applicable requirements for retaining public records in accordance with this Agreement and all applicable laws. At the City's request, all public records stored electronically by Appraiser shall be provided to the City in a format approved by the City.

- B. IF APPRAISER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, AS TO APPRAISER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS AGREEMENT, CONTACT THE CITY CLERK'S OFFICE (THE CUSTODIAN OF PUBLIC RECORDS) AT (727) 893-7448, [CITY.CLERK@STPETE.ORG](mailto:CITY.CLERK@STPETE.ORG), OR 175 FIFTH ST. N., ST. PETERSBURG FL 33701.**
- C. Nothing contained herein shall be construed to affect or limit Appraiser's obligations including but not limited to Appraiser's obligations to comply with all other applicable laws.

*[The Remainder of This Page Intentionally Left Blank]  
[Signature Page and Illustrations Follow]*



IN WITNESS WHEREOF, the Parties hereto have caused this document to be signed on the date(s) as expressed hereinafter.

APPRAISER:

By: Woodman S. Herr

Print: Woodman S. Herr, MAI

Date: 8-3-20

AS TO CITY:

ATTEST:

Chandrahase Srinivasa  
Chandrahase Srinivasa, City Clerk



CITY OF ST. PETERSBURG

By: Alfred Wendler

Alfred Wendler, Director  
Real Estate and Property Management  
as Mayor's Designee

8-5-2020  
Date

Approved as to Content and Form:

City Attorney (Designee)

By: Assistant City Attorney

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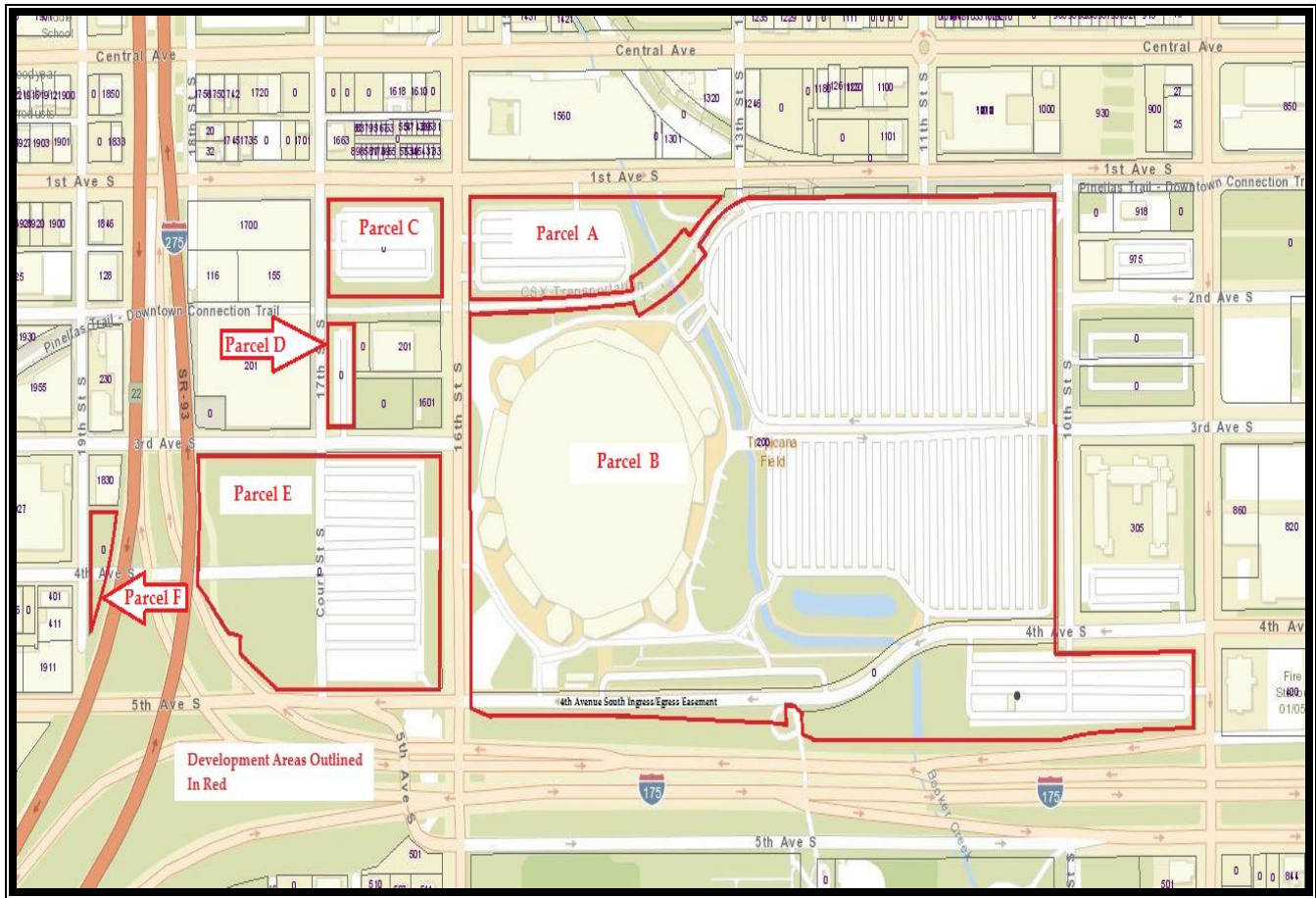
**EXHIBIT "A"**  
**APPRAISAL INSTRUCTIONS**

The appraiser is to provide a Fair Market Value for each of the following scenarios:

- 1) Considering height restriction and existing Tropicana Field.
- 2) Considering height restriction and no stadium (vacant land only, demolition costs are not to be considered).
- 3) Without height restriction and including existing Tropicana Field.
- 4) Without height restriction and no stadium (vacant land only, demolition costs are not to be considered).

Existing leases or agreements are not to be considered.

**EXHIBIT "B"**  
**ILLUSTRATION & LEGAL DESRIPTIONS OF PROPERTY TO BE APPRAISED**



**Parcel A:** SUNCOAST STADIUM REPLAT BLK 1, LOT 1  
Parcel ID#: 24-31-16-86381-001-0010

**Parcel B:** SUNCOAST STADIUM REPLAT BLK 2, LOT 1 LESS INGRESS/ EGRESS FOR 4TH AVE S  
Parcel ID #: 24-31-16-86381-002-0010

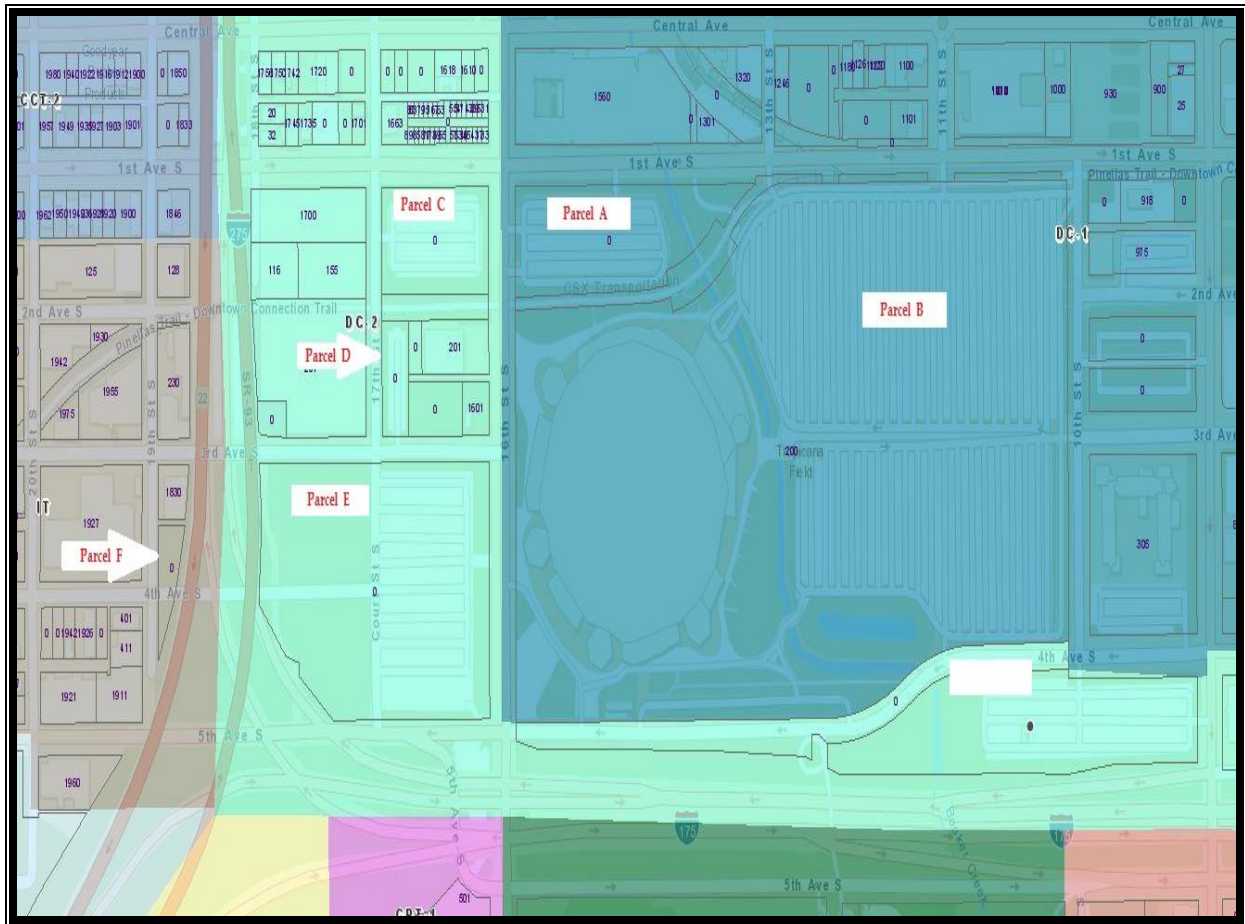
**Parcel C:** TROPICANA FIELD WEST PARKING AREA REPLAT BLK 1, LOT 1  
Parcel ID#: 24-31-16-92418-001-0010

**Parcel D:** TROPICANA FIELD WEST PARKING AREA REPLAT BLK 2, LOT 1  
Parcel ID#: 24-31-16-92418-002-0010

**Parcel E:** TROPICANA FIELD WEST PARKING AREA REPLAT BLK 3, LOT 1  
Parcel ID#: 24-31-16-92418-003-0010

**Parcel F:** TROPICANA FIELD WEST PARKING AREA REPLAT BLK 4, LOT 1  
Parcel ID#: 24-31-16-92418-004-0010

**EXHIBIT "C"**  
**ZONING MAP OF PROPERTY**



Parcels A and B: Zoned DC-1 (Downtown Center)  
Three hundred (300) foot base height restriction

Parcels C, D and E: Zoned DC-2 (Downtown Center)  
Three hundred (300) foot base height restriction

Parcel F: Zoned IT (Industrial Traditional)

## SUBJECT PHOTOGRAPHS





**Southerly Toward Tropicana Field From 1st Avenue S**



**Easterly Toward Tropicana Field**





**Tropicana Field from Parking Lot 1**



**Southwesterly Toward Tropicana Field - Gate 1**



**Westerly on Lot 1**



**Westerly Toward Tropicana Field From Lot 6**





**East Along 1st Avenue South**



**Westerly Toward Tropicana Field From Lot 6**



**North Along Booker Creek**



**North Along 16th Street**





**West Along 4th Avenue South**



**Northerly Along 10th Street South**



**Easterly on Parking 7**



**Southerly Toward Lot 6**





**Southerly Toward Lot 9**



**Westerly on Lot 3**





**Westerly Toward Lot 5**



**Westerly Along Pinellas Trail**





**North on Industrial Zoned Land**



**Westerly Toward Industrial Land**

# COVID MARKET ANALYSIS

# COVID-19 DISEASE; SARS-CoV-2 VIRUS

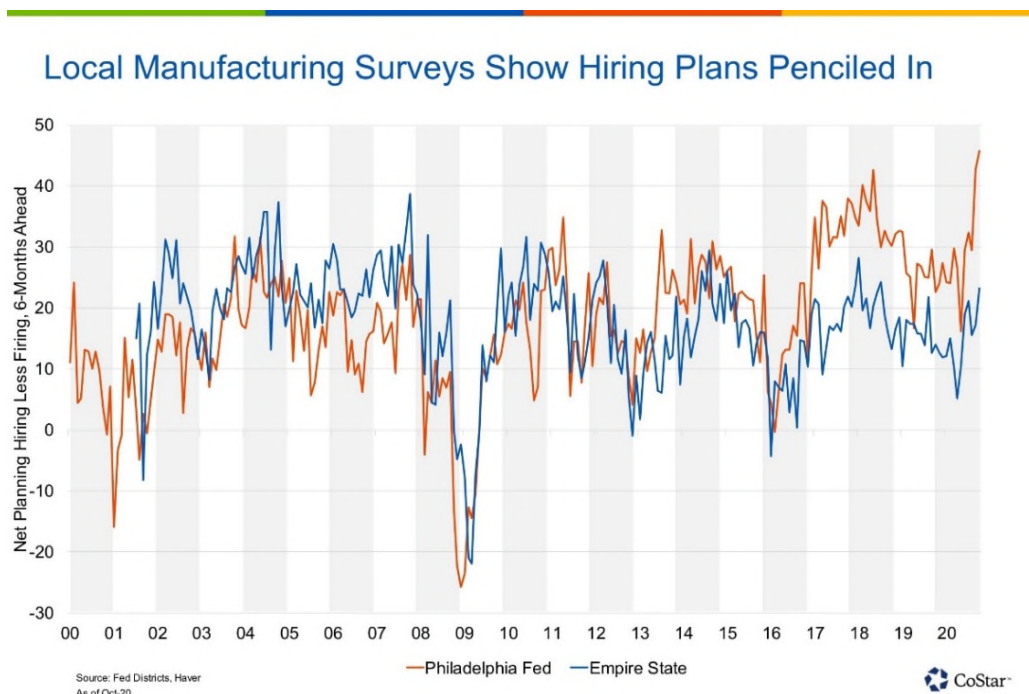
## CDC

On January 30, 2020, the International Health Regulations Emergency Committee of the World Health Organization (WHO) declared the outbreak a “public health emergency of international concern” (PHEIC). On January 31, Health and Human Services Secretary Alex M. Azar II declared a public health emergency (PHE) for the United States to aid the nation’s healthcare community in responding to COVID-19. On March 11, WHO publicly characterized COVID-19 as a pandemic. On March 13, the President of the United States declared the COVID-19 outbreak a national emergency.

## COSTAR | OCTOBER 19, 2020

A thing that happens sometimes in the constant flow of economic data across our screens is a divergence between hard data measures telling us what actually happened last month and soft data surveys that give us clues about what might happen next month. It’s happening again. For instance, we haven’t been alone in highlighting the slowing jobs recovery. Piling on, last week saw a surprise increase in new weekly claims for unemployment, up to nearly 900,000 from 845,000 the week prior, another sign that the labor market is struggling. On the other hand, a plethora of recent surveys show signs of a widespread stabilization in confidence, in both businesses and households. The breadth of improving survey data is notable, so let’s jump right in.

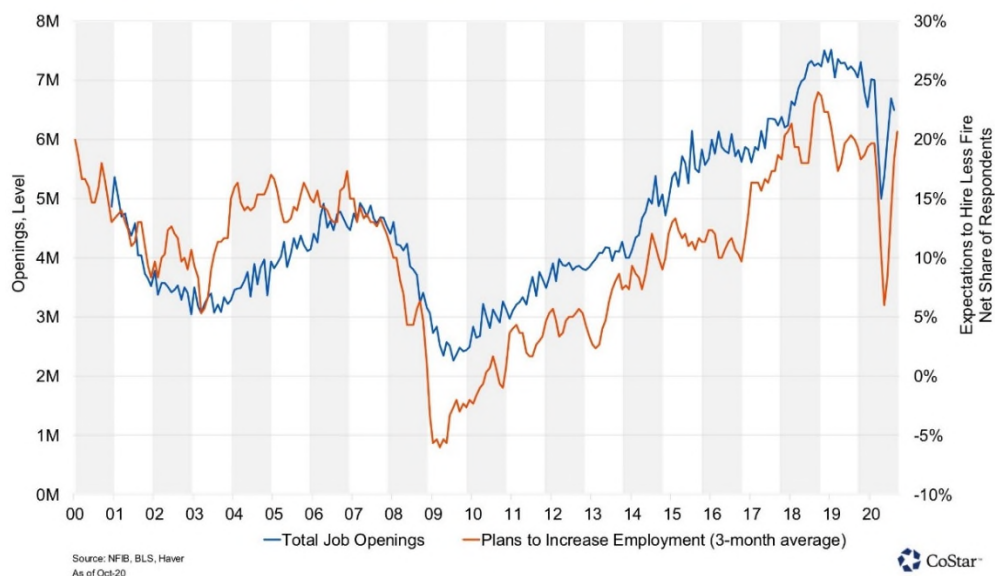
The earliest relevant surveys for the month as we experience it are always the surveys of manufacturers by the regional Federal Reserve banks. The New York and Philadelphia districts provide very timely data on how manufacturers in their states are managing conditions month to month, releasing October data last Thursday. There are many questions that get asked in these surveys, and often the most useful are those related to hiring expectations. The chart below tracks future hiring expectations, specifically the percentage of firms saying that they plan to hire in the next six months less the percentage of firms saying they plan to lay employees off in the next six months.



Manufacturers appeared hell-bent on hiring at a pace not seen since 2017 in the New York district, and in the Philadelphia district they are looking to hire at a pace not seen since 1976 — and the third-highest print on record. This isn’t typical behavior in a recession. Manufacturing employment remains down over 600,000 from February, so this seems to indicate a return to form by early next year.

We see a similar return of labor demand in two other monthly surveys. The Job Opening and Labor Turnover Survey (or JOLTS as its more commonly known) saw a slight decline in job openings in August but remains quite high. The National Federation of Independent Business (NFIB) showed the same thing in its September survey. The JOLTS data is relatively backward-looking, while the NFIB survey question on hiring plans is forward looking. Both point to a rebound in the labor market.

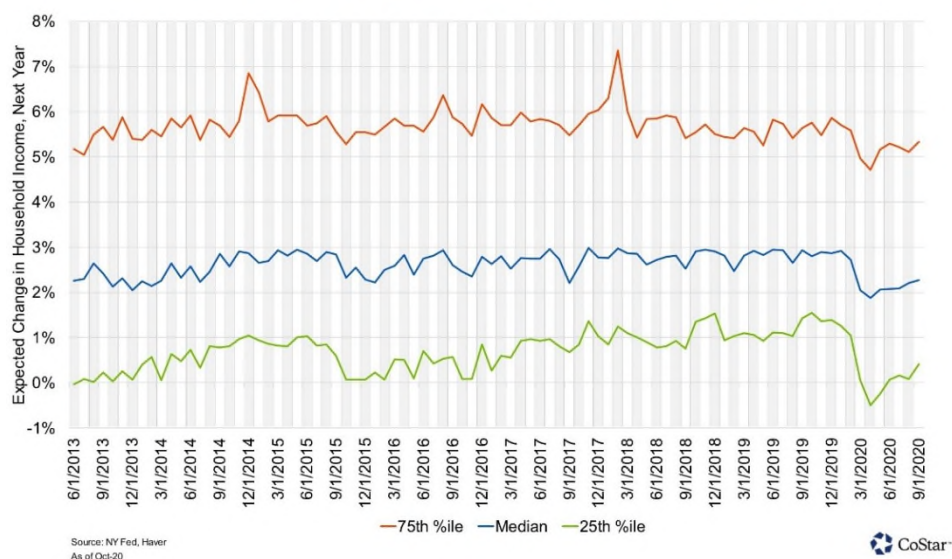
## Job Postings Have Stabilized At High Levels



It's not just business confidence that seems to be returning. Several measures of household confidence are also recovering.

The New York Fed's consumer-focused survey shows that households envision incomes rising over the next year. The best part is that this recovery is very broad across the spectrum of household incomes. The lowest income respondents expected income cuts to come in April and May but have since returned to positive expectations.

## Household Income Expectations Have Stabilized, Too

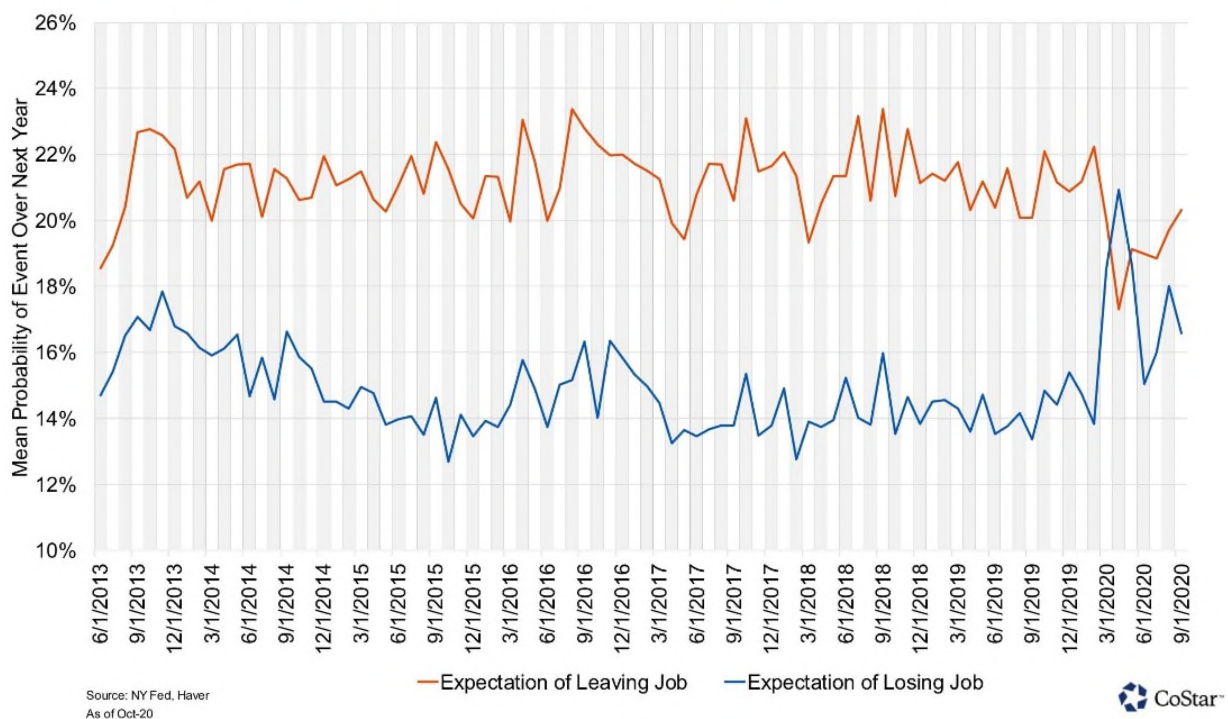




We see also see signs of household confidence returning in the job security questions in the survey. There are two very important, and telling, questions asked about this topic: What is the probability of losing your job in the next 12 months, and what is the probability of you leaving your job voluntarily in the next 12 months. The first measures fear, the second measures optimism.

What the data below shows is that fear has begun to ebb while optimism has begun to return. Notably, the probability of losing one's job appears to have declined after a worrisome spike in August. We would still point out that these levels are still consistent with poor labor market conditions, but not a recessionary panic as we saw earlier in the year. And now you're seeing retail sales continue to beat expectations, now up 4% from February after a surprise 2% rise in September data, released Friday.

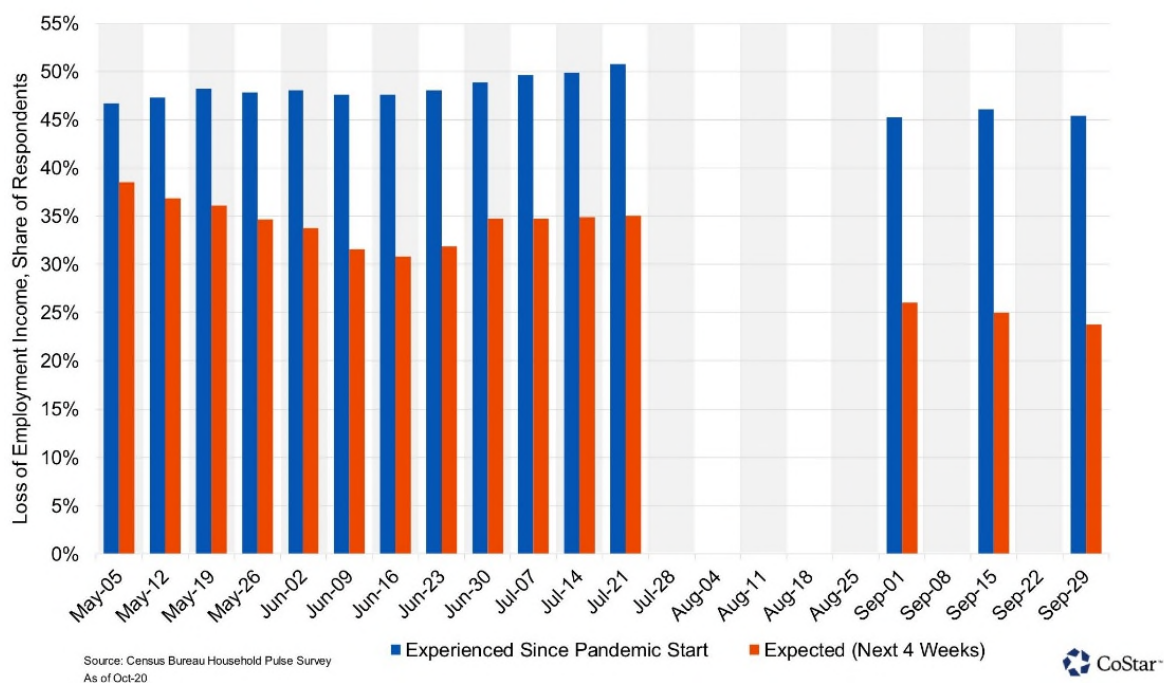
## Employee Fear Ebbs, Confidence Returns



Another consumer-focused survey, this time the new Household Pulse Survey conducted by the Census Bureau, shows similar increases in confidence. This survey does a good job of asking about current conditions as well as future expectations, both plotted on the chart below. Over the summer, the percentage of households actually experiencing income loss rose to 50%, and the percentage of households expecting further income loss was steady around 35%.

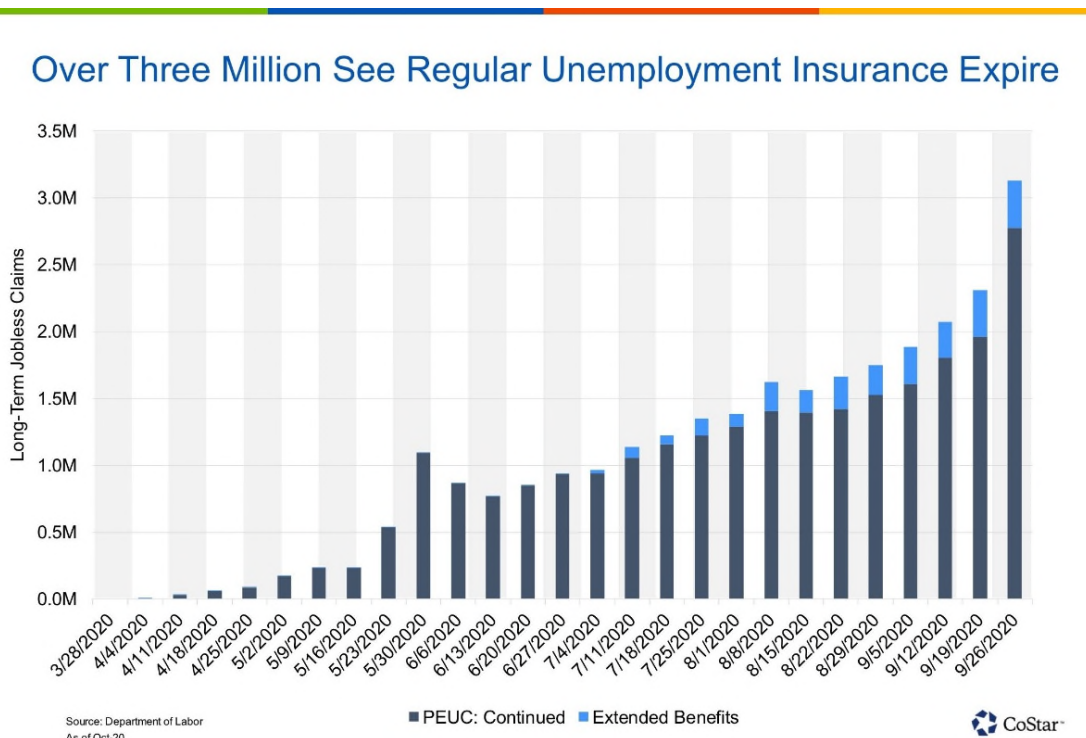
After the survey's brief hiatus (it lost its Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, funding on July 31), we've seen fewer households experiencing income loss. But it's in the expectations category that we've seen the most dramatic improvement. Expectations for income losses over the next month have dropped from a peak of 40% in May to levels below 25% in September.

## Job Loss Expectations Drastically Reduced



It appears that Keynes' animal spirits are showing their resilience again. Businesses and households alike are beginning to display the confidence necessary to hire and build and make and spend. The problem — ah, yes, of course we wouldn't leave you without a problem — is that the potential for chaos, harder to measure, remains very high.

The graph below will be familiar to regular readers, as we used it just last week. This is a rare occurrence. We like to keep things fresh. We'll make an exception this time. As a reminder, the graph shows the number of unemployed workers who have exhausted all their benefits available under the typical program (whose length varies by state, but typically 16-26 weeks) and are now on special, CARES Act-enabled extended benefits. In one week alone, the number applying for these extended claims rose by 820,223.



The COVID-19 recession is defined by exogenous shocks, the chaos of a virus we are still learning about. We've reduced the impact of these shocks, whether by fiscal policy or simply putting on a mask, but they still have not gone away, especially as further fiscal support is so uncertain. But our animal spirits will persist. They always have. In confirmation of this, we saw last week that new business formations in 2020 are up nearly 40% from a year ago, more than triple the growth in 2019 and more than 10 times the growth seen in 2018. This isn't something that happens in recessions. The comparable number during the 2008 recession was a decline of 15% and 0% growth in 2009. Let's get to work.

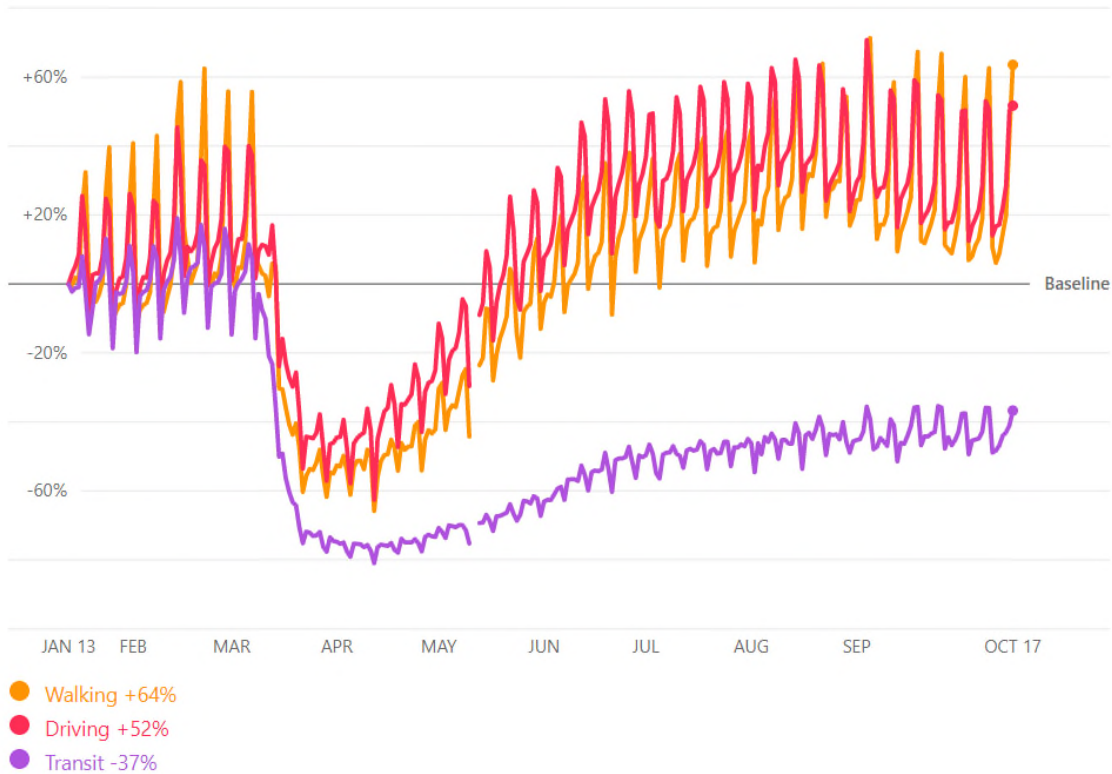
### The Week Ahead ...

The coming week is riddled with Fed communications, with Chairman Jerome Powell kicking off the week with a Monday morning speech to the International Monetary Fund. He is followed by Vice Chair Richard Clarida speaking to the American Bankers Association later this morning, and the other Vice Chair, Randal Quarles, speaking at a Securities Industry and Financial Markets Association event on Tuesday. Influential Governor Lael Brainard, who has been floated as a potential Treasury Secretary choice should Democrat Joe Biden win the presidency, will be speaking to the Society of Professional Economists on Wednesday.

As a fiscal agreement on Capitol Hill appears ever elusive, some are calling upon the Fed to take more action to support the economy in the meantime. The onslaught of high-profile Fed speeches to important stakeholders this week could be an early sign of how policymakers should react if fiscal stimulus talks fail altogether. On top of this, the Fed's pre-meeting Beige Book, a collection of local economic anecdotes, is scheduled to be released Wednesday afternoon. In the absence of essential economic data releases, these communications will all be key to how the economy transforms in coming months.

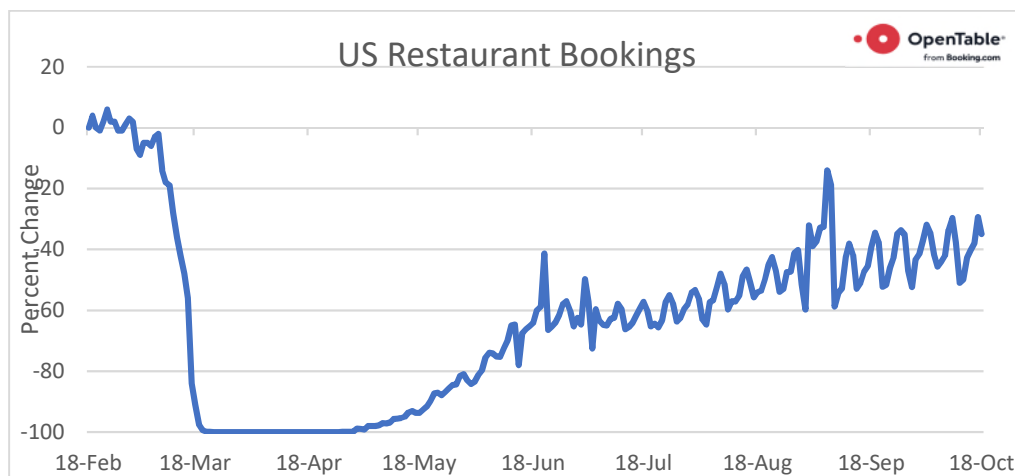
## APPLE: DIRECTION REQUESTS | SEPTEMBER 21, 2020

Requests for walking and driving directions from Apple's navigation tool, Maps, has shown a material recovery since the bottom in April although transit remains well below pre-covid levels. In any event Americans' mobility has improved greatly.



## OPENTABLE: RESTAURANT BOOKINGS | OCTOBER 19, 2020

U.S. restaurant bookings have increased off the April lows but remain much lower than pre-covid.



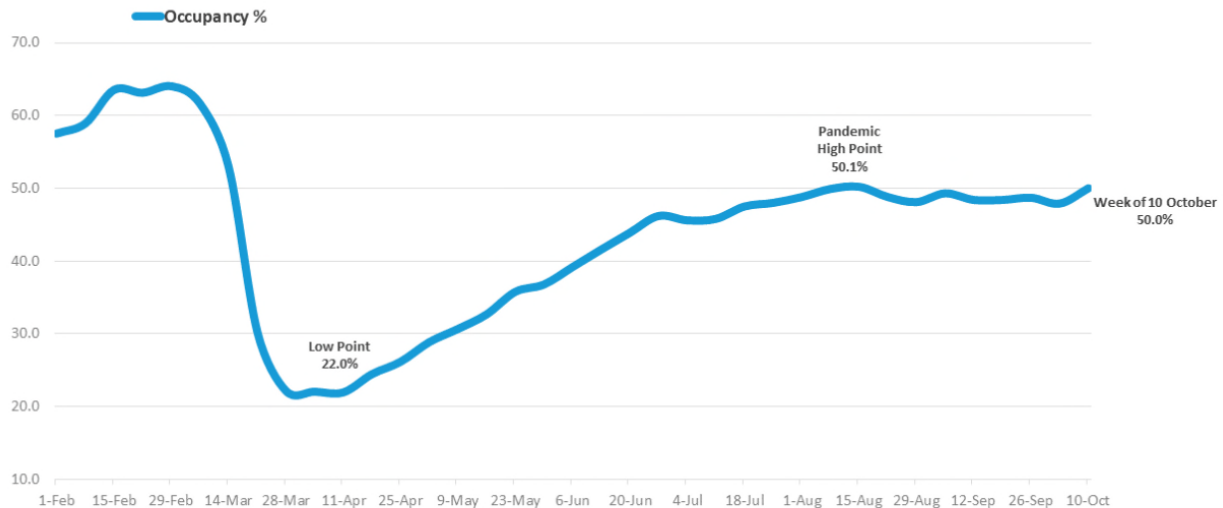
Rhode Island leads the US in restaurant recovery followed by Connecticut. Colorado is third nationally but still down about 10%. Hawaii, Illinois and Wisconsin round out the bottom three, respectively.

## STR: HOTEL OCCUPANCY | OCTOBER 15, 2020

Hotel occupancy has increased from its April low of 22% but remains below pre-covid levels.

### U.S. Hotel Occupancy

Weeks ending with specified dates

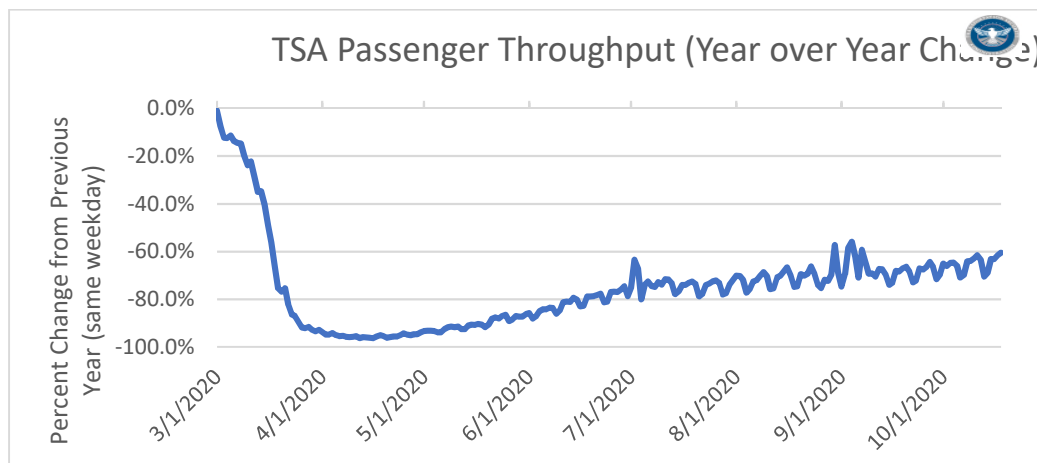


Source: STR, 2020 © CoStar Realty Information, Inc.

While a handful of the highest occupancy markets were those in areas affected by natural disasters (i.e. California wildfires), Saturday produced the week's highest occupancy (65.2%) and ADR (US\$110.84), indicating that the leisure and weekend staycation demand seen during the summer may make appearances into the fall. Aggregate data for the Top 25 Markets showed lower occupancy (44.1%) but higher ADR (US\$101.17) than all other markets. Seven of those major markets reached or surpassed 50% occupancy, led by Norfolk/Virginia Beach, Virginia (54.7%); Houston, Texas (54.4%); and San Diego, California (54.2%). Markets with the lowest occupancy levels for the week included Oahu Island, Hawaii (19.3%), and Orlando, Florida (33.7%)

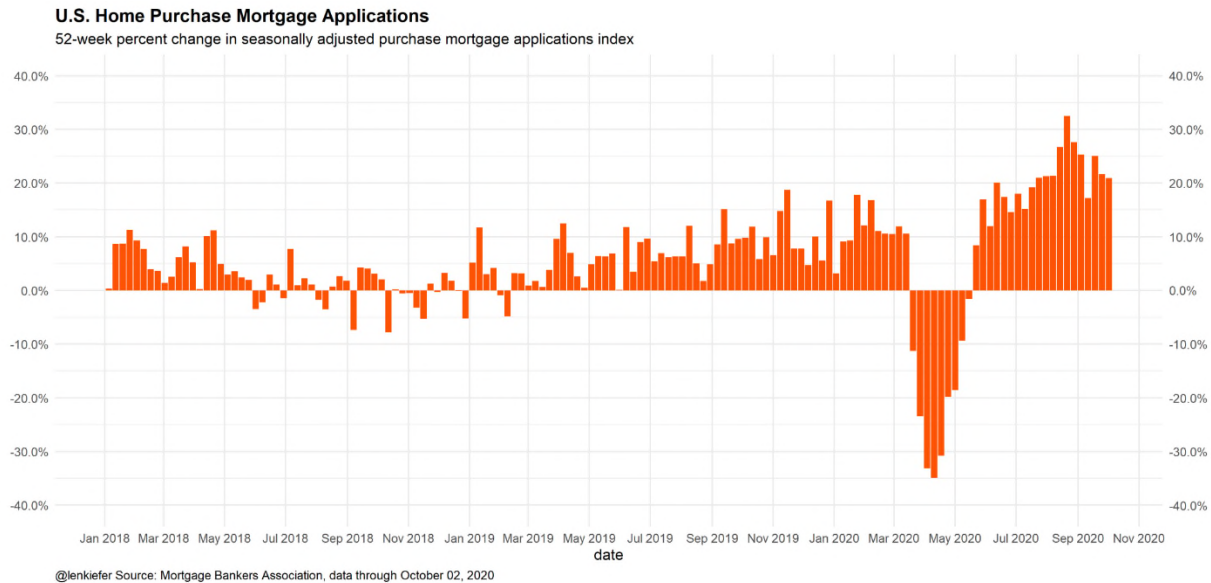
## TSA: AIR TRAVEL | OCTOBER 18, 2020

According to data from the Transportation Security Administration, air travel is down about 64% from the same period a year ago.



## MORTGAGE BANKERS ASSOCIATION: HOME PURCHASES | OCTOBER 2, 2020

Mortgage applications to purchase a home have accelerated in the second half of 2020 and the housing market remains healthy. Home purchases spur economic activity.

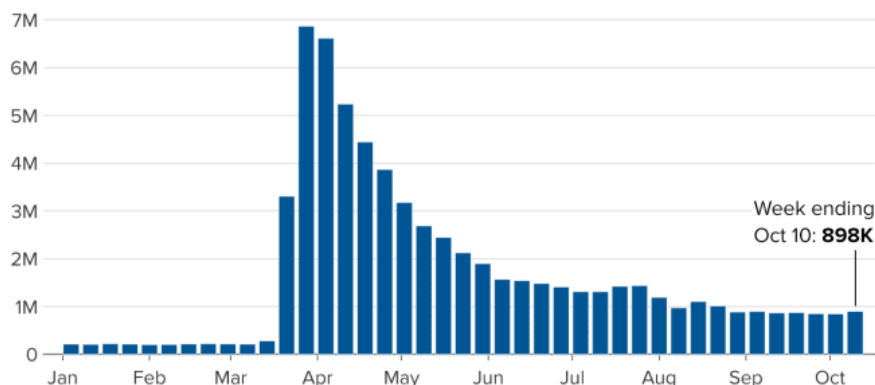


## INITIAL JOBLESS CLAIMS | OCTOBER 15, 2020

On March 26<sup>th</sup> initial jobless claims showed an increase in unemployment by 3.1 million persons for the week of March 16<sup>th</sup>-20<sup>th</sup>, setting a record that would be broken the following week at 6.9 million. All weekly claims reported since March 26<sup>th</sup> are higher than any historical figure prior to COVID-19. The following chart illustrates the weekly initial jobless claims in 2020.

### Initial claims for unemployment insurance

Weekly in 2020, seasonally adjusted



SOURCE: Dept. of Labor. Data is seasonally adjusted and through Oct 10, 2020. The DOL began using a new seasonal adjustment methodology the week of August 29.



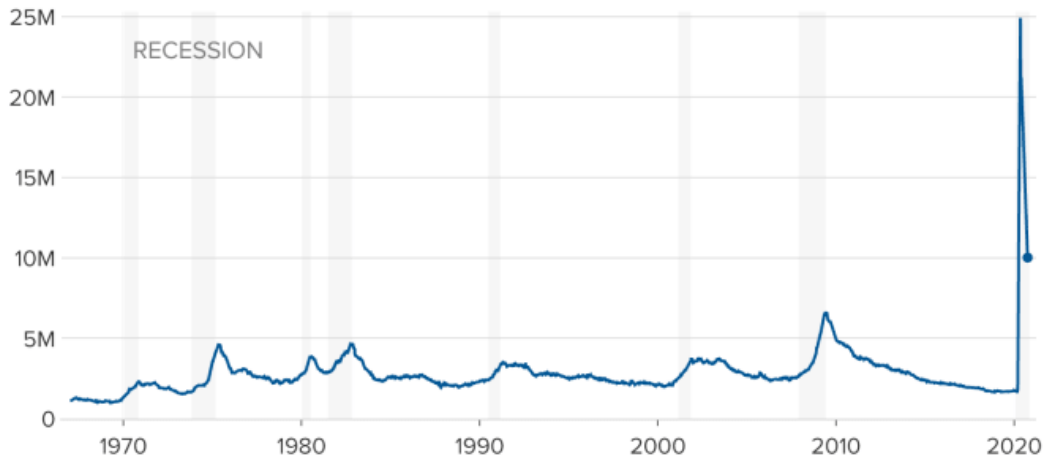
The total for the week ended Oct. 10 was the highest number since Aug. 22 and another sign that the labor market continues to struggle to get back to its pre-coronavirus pandemic mark as cases rise and worries increase over a renewed wave in the fall and winter. The number represented a gain of 53,000 from the previous week's upwardly revised total of 845,000.



Continuing claims appear to have peaked indicating there has been hiring and re-hiring in the labor market. Despite the higher-than-expected total, the level of continuing claims continues to fall at a brisk pace, declining by 1.165 million to just over 10 million. Continuing claims data runs a week behind the headline claims number. The economy has recaptured some 11.4 million positions, or about half those who were sidelined.

## Continuing claims for unemployment insurance

Weekly since 1967, seasonally adjusted



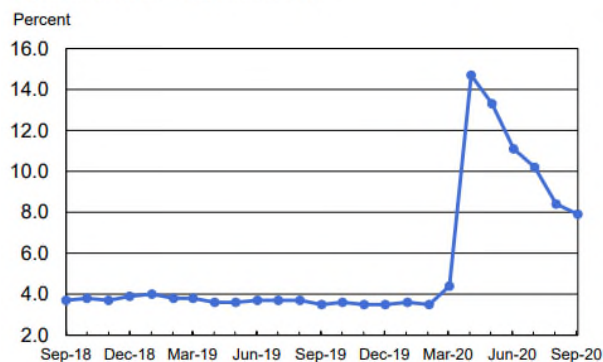
SOURCE: Dept. of Labor. Data seasonally adjusted and as of Oct 3, 2020. Data based on week of unemployment, not week claim was filed. DOL began using new seasonal adjustment methodology week of 8/22.



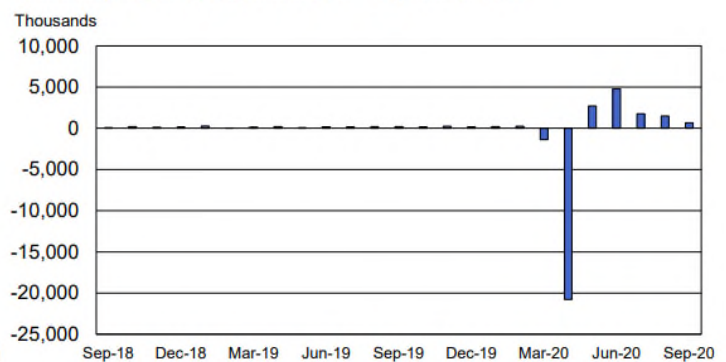
## BUREAU OF LABOR AND STATISTICS | OCTOBER 2, 2020

The US unemployment rate (U-3) has declined to 7.9% in September from an April 2020 high of 14.7%. These improvements in the labor market reflected the continued resumption of economic activity that had been curtailed in March and April due to the coronavirus (COVID-19) pandemic and efforts to contain it. Jobs gains have primarily been in leisure and hospitality, retail trade, health care and social assistance, professional services and transportation and warehousing.

**Chart 1. Unemployment rate, seasonally adjusted, September 2018 – September 2020**



**Chart 2. Nonfarm payroll employment over-the-month change, seasonally adjusted, September 2018 – September 2020**



## GDP FORECASTS

The following chart summarizes GDP forecasts from various economists and institutions. Please note the annualized figures are the quarterly change multiplied by four.

2020 GDP Forecasts Annualized						
Source	Date	Q1	Q2	Q3	Q4	Full Year
CNBC/Moody's Consensus	10/16	--	--	29.0%	6.0%	-4.1%
Mortgage Bankers Association	9/18	--	--	28.1%	3.6%	-3.7%
Goldman Sachs	9/11	--	--	35.0%	--	--
Atlanta Fed GDP Now	10/16	--	--	35.2%	--	--
Actual		-5.0%	-32.9%			
Change from Previous Quarter						
CNBC/Moody's Consensus		--	--	7.3%	1.5%	
Mortgage Bankers Association		--	--	7.0%	0.9%	
Goldman Sachs		--	--	8.8%	--	
Atlanta Fed GDP Now		--	--	8.8%	--	
Actual		-1.3%	-8.2%			

While Q2 was beyond painful, the worst is behind us and Q3 looks promising.

## RENT COLLECTIONS

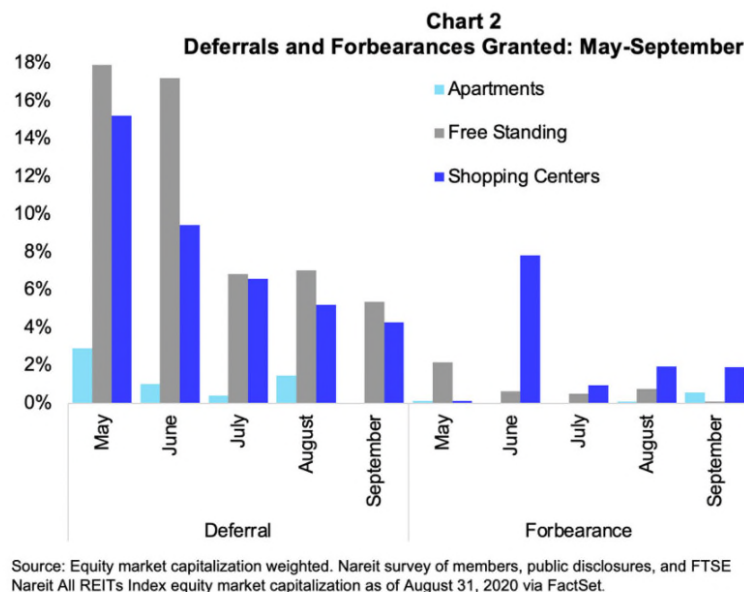
The following chart from NAREIT summarizes rent collections by property type showing retail the most affected. This table shows the estimated REIT rent collections as a share of typical rent collections. A total of 34 equity U.S. REITs were included in the survey sample across six property sectors.

**Table 1**  
**Share of Typical Rent Received April-September**

Property Sector	April	May	June	July	August	September
Industrial	97.0%	95.7%	97.8%	99.4%	N/A	N/A
Office	93.2%	92.6%	97.5%	96.4%	N/A	N/A
Apartments	93.8%	94.8%	96.0%	95.4%	96.0%	95.7%
Health Care	90.2%	89.9%	94.8%	95.2%	N/A	N/A
Retail						
Free Standing	72.6%	70.0%	79.5%	90.9%	90.5%	94.9%
Shopping Centers	50.3%	49.3%	60.9%	72.8%	80.2%	81.6%

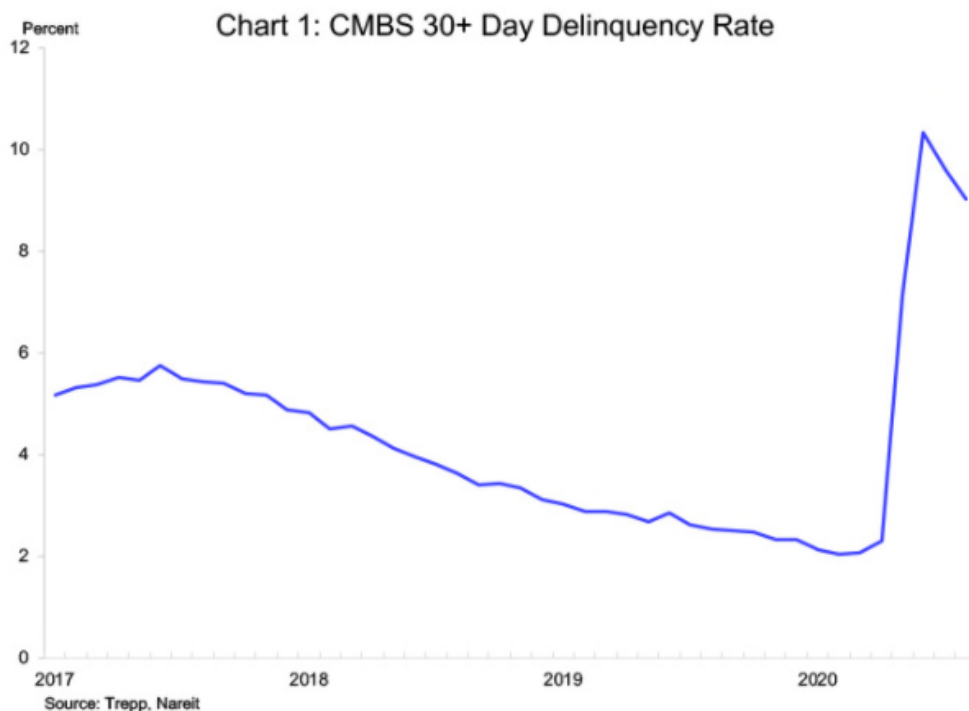
Source: Equity market capitalization weighted. Nareit survey of members, public disclosures, and FTSE Nareit All REITs Index equity market capitalization as of August 31, 2020 via FactSet.

The following chart illustrates deferrals and forbearances granted.



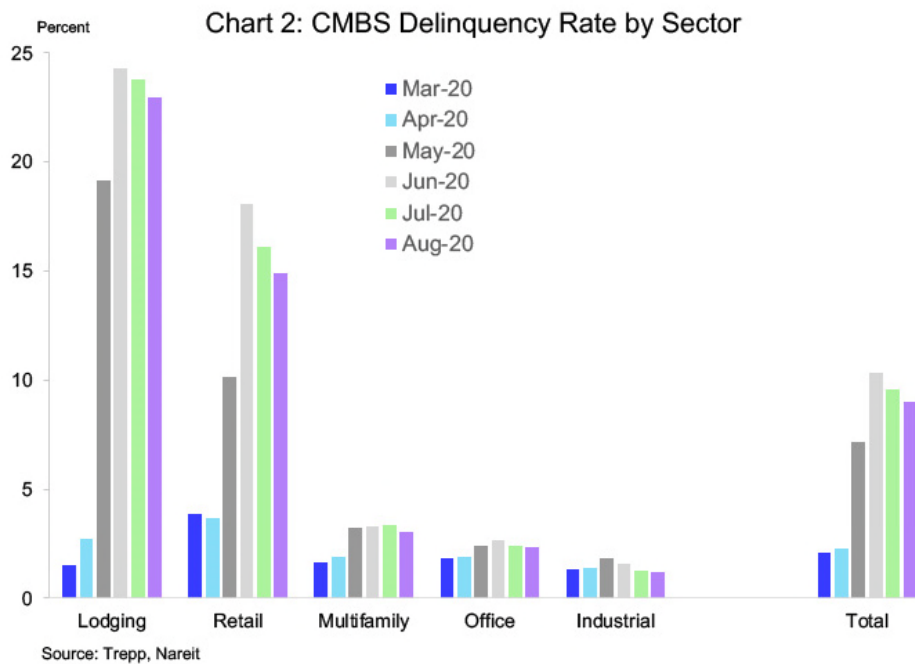
### NAREIT/TREPP: CMBS DELINQUENCY | SEPTEMBER 2, 2020

The CMBS delinquency rate continued to decline in August as the reopening of the economy helped revive cash flows at some troubled tenants. The overall 30+ delinquency rate fell 58 bps, to 9.02%, according to data from Trepp. While delinquencies are considerably below the June peak of 10.32%, they are still 648 bps above one year ago. Some of the improvement reflects mortgages that the borrower brought current by making up any past-due payments. Others, however, could reflect forbearance being granted to remove the loan from delinquent status rather than any improvement in underlying credit quality, cautions Trepp.



Delinquency rates fell most among mortgages on retail properties, declining 122 bps, to 14.88%. Retail delinquencies are 319 bps below their peak level in June as stores and shopping malls have continued opening up. The decline in delinquencies on lodging properties also declined, slipping 83 bps, to 22.96%. The improvement in this sector has been slower, as travel volumes remain deeply depressed, and lodging delinquencies have come down just 122 bps.

Other property sectors did not experience as severe a drop in revenues during the spring as did lodging and retail, and delinquencies among office, multifamily, and industrial properties increased much by less in April, May, and June. These sectors nevertheless also saw slight declines in delinquency rates last month.



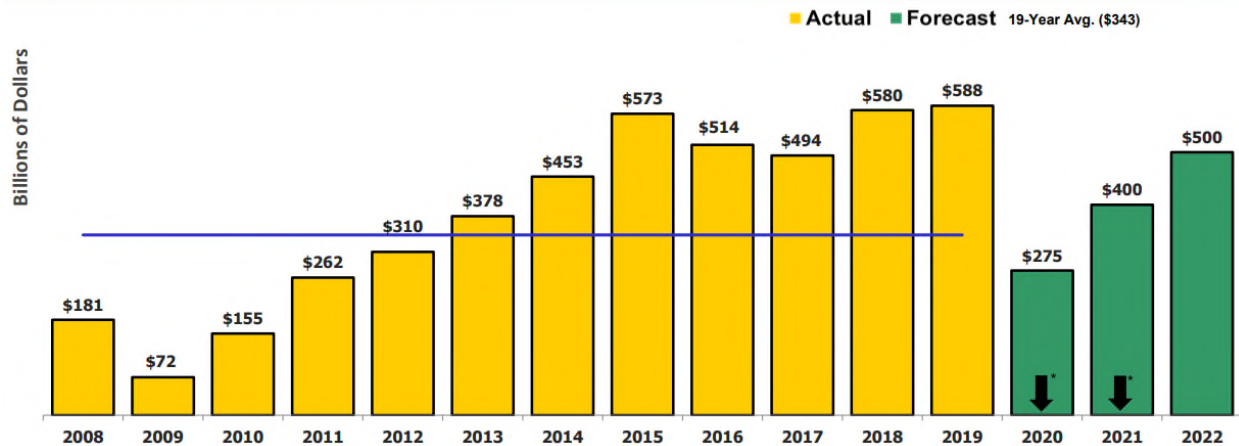
## URBAN LAND INSTITUTE: REAL ESTATE ECONOMIC FORECAST | MAY 2020

ULI compiled forecasts from 39 economist/analysts at 35 real estate organizations. The next release will be October 28th. The key findings are noted as follows.

### TRANSACTION VOLUME

Commercial real estate transaction volume reached \$588 billion in 2019, a post-Great Financial Crisis peak. Volume is expected to be over 50% lower in 2020 with a forecast of \$275 billion. Forecasts for '21 and '22 show growth of \$400 billion and \$500 billion, respectively.

#### Commercial Real Estate Transaction Volume



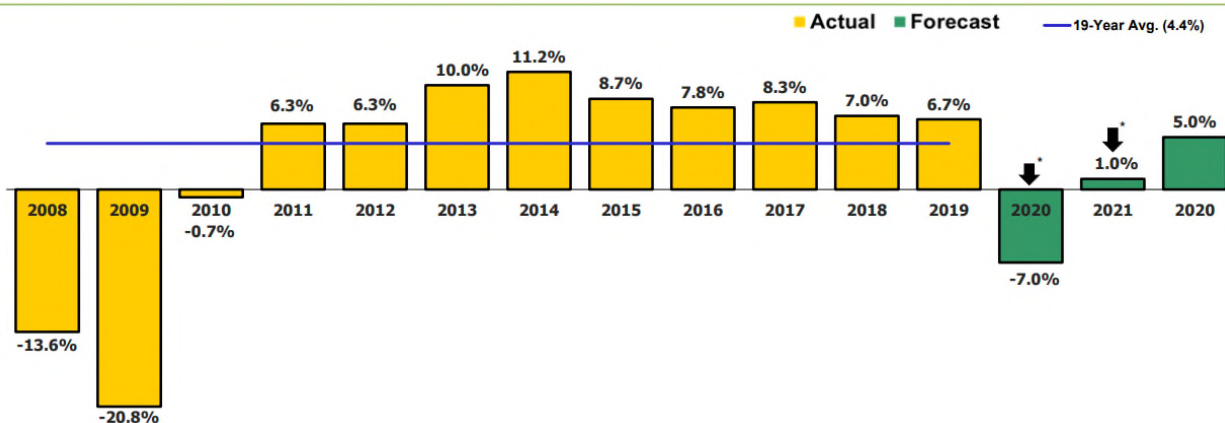
Sources: 2001-2019, Real Capital Analytics (RCA); 2020-2022, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous forecast (released in October, 2019) projected 480B for 2020 and 470B for 2021.

### CRE PRICING

Commercial property prices are expected to drop by 7% in 2020, returning to positive, minimal growth of 1% in '21, with further growth of 5% in '22.

#### RCA Commercial Property Price Index (annual change)



Sources: 2000-2019, Real Capital Analytics (RCA); 2020-2022, ULI Real Estate Economic Forecast.

\*Indicated directions (↑ ↓ =) refer to the current forecast relative to the previous ULI Real Estate Economic Forecast. The previous forecast (released in October, 2019) projected 4.0% for 2020 and 3.9% for 2021.

## CRE RETURNS

NCREIF total returns in 2020 for the industrial sector in 2020 are expected to be positive, the only sector for which this is the case. Still, at 2%, this is a significant decline from industrial returns in 2019 of 13.4% and well below its long-term average of 10.4%. Apartment, office and retail returns for 2020 are all forecast to be negative, at -3%, 5.9%, and -12%, respectively.

### NCREIF Property Types Total Returns

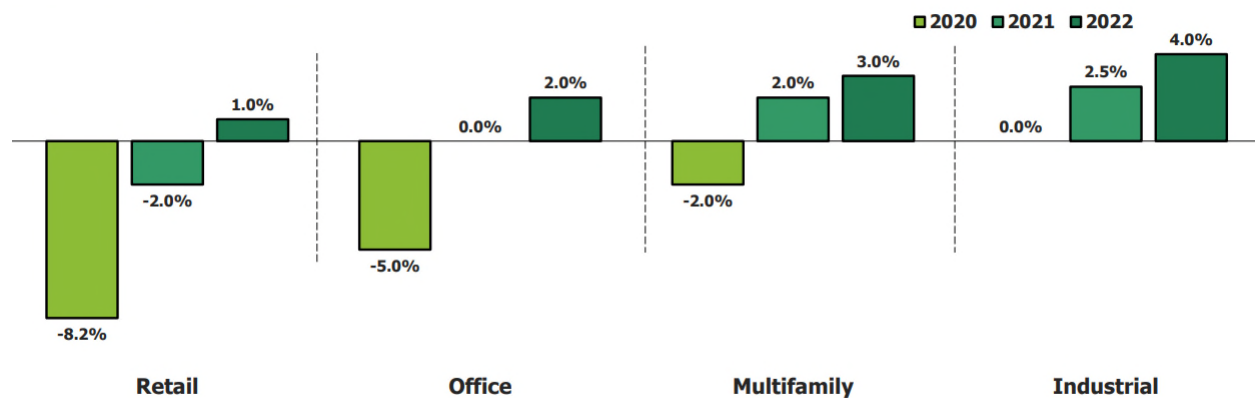


Source: 2020-2022, ULI Real Estate Economic Forecast.

## RENT GROWTH

Commercial property rent growth differs widely by property type, as well. In 2020, industrial rent growth is forecast to be 0.0%, while apartments, office and retail are forecast at -2.0%, -5.0%, and -8.2%, respectively. In '21, both the industrial and multifamily sectors experience positive growth, at 2.5% and 2.0%, respectively, while office rental rate growth is 0.0% and retail is -2.0%. By '22, positive rental growth is forecast for all sectors, ranging from 4.0% in the industrial sector to 1.0% in the retail sector.

### Rental Rate Growth 2019-2022



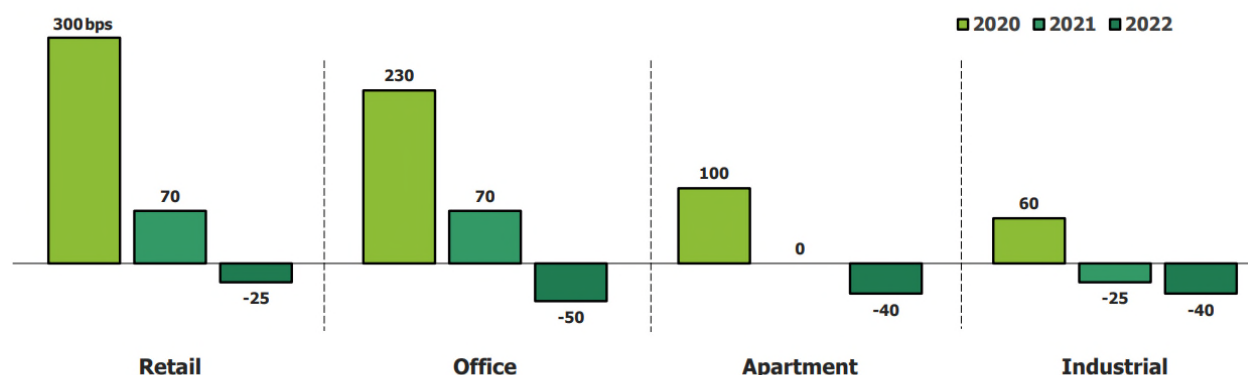
Source: 2020-2022, ULI Real Estate Economic Forecast.



## VACANCY

Change in vacancy and availability rates differ widely by property type. In 2020, industrial availability is forecast to move up 60 basis points, while apartments, office, and retail vacancy rates are forecast to move up 100, 230, and 300 basis points, respectively. In '21, industrial availability is expected to move down slightly, apartment vacancy remains unchanged, and both office and retail vacancy rates continue to increase, albeit just moderately. In '22, all sectors show slight improvement.

### Vacancy Rate Change 2019-2022 (bps)



Source: 2020-2022, ULI Real Estate Economic Forecast.

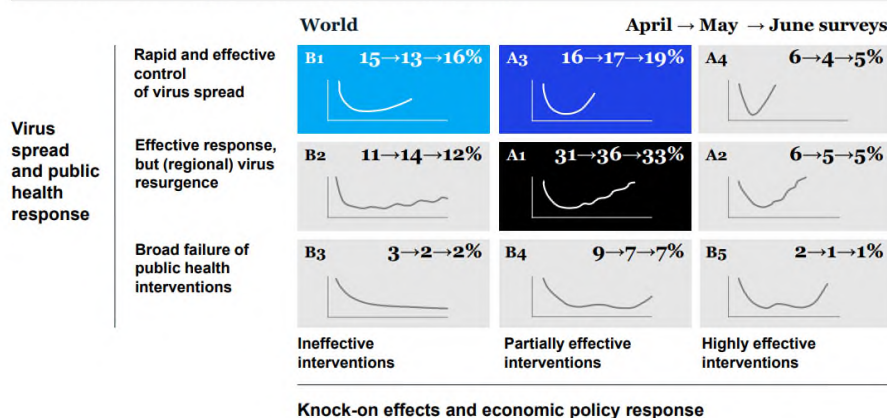
## MCKINSEY & COMPANY | JULY 6TH, 2020

The following from McKinsey & Company illustrates the many possible scenarios for the economic impact of the COVID-19 crisis. With a strong public health response and the stimulus package the most likely scenarios are A1 through A4. Other, more extreme scenarios can also be conceived, and some of them are already being discussed (B1–B5 in Exhibit 3). One can't exclude the possibility of a "black swan of black swans": structural damage to the economy, caused by a yearlong spread of the virus until a vaccine is widely available, combined with the lack of policy response to prevent widescale bankruptcies, unemployment, and a financial crisis.

### Shape of the COVID-19 impact: the view from global executives

Updated June 9, 2020

"Thinking globally, please rank the following scenarios in order of how likely you think they are to occur over the course of the next year"; % of total global respondents<sup>1</sup>



1. Monthly surveys: April 2–April 10, 2020, N=2,079; May 4–May 8, 2020, N=2,452; June 1–5, N=2,174

Source: McKinsey surveys of global executives

If Scenario A1 occurs, McKinsey & Company projects US GDP will return to pre-crisis levels in the second quarter of 2023. If Scenario A3 occurs, McKinsey & Company projects US GDP will return to pre-crisis levels in the first quarter of 2021.

## **OTHER FEDERAL, STATE AND LOCAL CONSIDERATIONS**

The federal government, states and municipalities are enacting legislation to lessen the economic impact of COVID-19. Landlords', owners' and tenants' rights may be affected by such legislation. Many states and cities issued shelter-in-place orders forcing most residents to remain indoors except for essential needs like groceries and essential businesses. Several states have proposed legislation that would forgive rent and/or would allow termination of contracts. These issues should be closely monitored as they could place downward pressure on value.

## **FORCE MAJEURE**

*Force majeure* clauses are contract provisions that excuse a party's inability to perform its obligations under the contract if an unforeseeable event prevents such performance. Most leases have similar clauses. We are not experts with regard to force majeure contracts and laws. Should COVID-19 become accepted in the US as a force majeure event there may be additional risk for landlords.

## **CONCLUSION**

COVID-19 infections and overall economic implications are the primary concern of US and international investors. This is an ongoing and evolving situation. Third quarter GDP growth is expected by most to be overwhelmingly positive as nearly all industry sectors have seen an increase in investment activity. Fourth quarter growth should continue, but at a slower pace than the third quarter. The continuing rise of national COVID-19 infections may cause economic deterioration in the fourth quarter as people are forced indoors due to colder temperatures; however, the death rate remains low and new treatments continue to improve patient outcomes.

Portions of the first and second quarters were recessionary; however, barring a second wave in the winter the worst of the demand shock has passed as consumption and mobility are beginning to show meaningful improvement. Medium and long-term outlooks are much more favorable and interest rates are expected to remain low into 2023, which could bode well for commercial real estate. Over the short-term hotels, restaurants and non-credit retail have taken the brunt of the declines while industrial, self-storage and multi-family have been the least affected, but none unscathed. Office will likely face downward pressures due to remote working trends and elevated levels of unemployment, which are declining. We will continue to interview market participants regarding changes in market conditions.

## LAND SALE COMPARABLES SET 1 – HIGH RISE

## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: **992564**  
Property Type: **Land**  
Property Use: **Commercial**

## PROPERTY LOCATION

**Address:** 1120 Central Avenue  
**City, St., Zip:** St. Petersburg, FL 33705  
**County:** Pinellas  
**Tax Accounts:** 24-31-16-53478-000-0090

South side of Central Avenue, west of 11th Street South

## PROPERTY SIZE

*Gross*

Net

**Land Area: 0.14 Acres (6,000 SF)**

**0.14 Acres (6,000 SF)**

## SALE INFORMATION

Consideration:	\$850,000	Grantor: Tricera Eastman, LLC
Adjustments:	\$0	Grantee: EE 1246 Central Avenue
Cash Equivalent Price:	\$850,000	Date of Sale: 06-19-20
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 21047/670
Equity:	\$0	
Sales Price (\$/SF):	\$141.67	
Sales Price/Acre:	\$6,171,047	

## SALE ATTRIBUTES

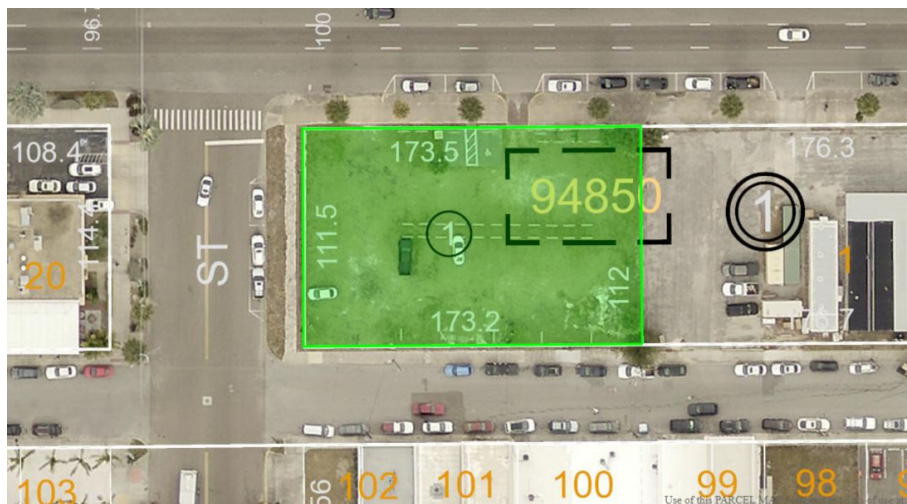
## SALE TRANSACTION INFORMATION

Verified On: 9/13/2020

Verified By: **Buyer**

**Comments:** The buyer, Jonathan Daou of Eastman Equity, stated that there are no development plans at this time as he plans to hold for future development. Surrounding uses include retail buildings to the north, a bar to the east, The Bodega restaurant to the west, and a parking lot and Dr. BBQ to the south.

## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: 992429  
 Property Type: Land  
 Property Use: Hotel

## PROPERTY LOCATION

Address: 1st Avenue North and 11th Street N  
 City, St., Zip: St. Petersburg, FL 33705  
 County: Pinellas  
 Tax Accounts: 24-31-16-94850-001-0011

Southeast Corner of 1st Avenue North and 11th Street North

## PROPERTY SIZE

	Gross	Net
Land Area:	0.44 Acres (19,378 SF)	0.44 Acres (19,378 SF)

## SALE INFORMATION

Consideration:	\$3,000,000	Grantor: 11th & Baum, LLC
Adjustments:	\$0	Grantee: DevMar Baum Boutique, LLC
Cash Equivalent Price:	\$3,000,000	Date of Sale: 01-21-20
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 20852 / 0335
Equity:	\$0	
Sales Price (\$/SF):	\$154.81	
Sales Price/Acre:	\$6,743,695	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

Verified On: 9/11/2020

Verified By: Buyer

Comments: This site was purchased for development of an 11 story hotel with 135 rooms with a Marriott Flag. Per DevMar's website, the hotel will be 97,553 SF, have 135 rooms, a restaurant/bar, rooftop sky lounge, and on-site parking with a projected cost of \$51,000,000.



## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: 935829

*Property Type:* **Land**

Property Use: **Commercial**

## PROPERTY LOCATION

*Address:* **1st Avenue N**

City, St., Zip: **St Petersburg, FL**

County:

**Tax Accounts:** 19-31-17-74466-027-0040, 0070  
& 0100

## PROPERTY SIZE

Gross

Net

**Land Area: 0.64 Acres (28,000 SF)**

**0.64 Acres (28,000 SF)**

## SALE INFORMATION

**Consideration: \$5,300,000**

*Adjustments:* **\$0**

**Cash Equivalent Price: \$5,300,000**

1st Mortgage: \$0

2nd Mortgage: \$0

Equity:	\$0
---------	-----

**Sales Price (\$/SF): \$189.29**

*Sales Price/Acre:* **\$8,245,306**

**Grantor: Christ Methodist Church Inc**

**Grantee: PLDD 1st Avene LLC**

**Date of Sale: 12-13-19**

**Sale Status: Closed**

**Record info: 20808/845**

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

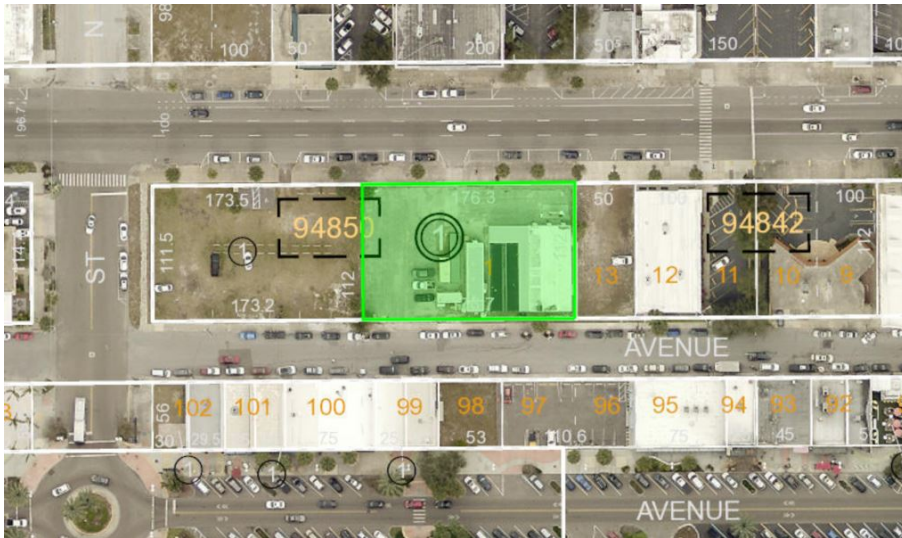
**Verified On: 6/18/2020**

*Verified By:* **Broker, Public Record**

**Comments:** The 28,000 SF site is located on the southeast corner of 1st Ave N and 5th Street in Downtown St Pete. The site is zoned DC-C, Downtown Center Core. The former church parking lot was purchased by a Massachusetts development group who plans to develop the site with a 24 to 28 story tower that will include ground-level retail, offices, a hotel, residential rental units and parking.



## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: 935821  
 Property Type: Land  
 Property Use: Mixed Use Development

## PROPERTY LOCATION

Address: 1st Avenue North  
 City, St., Zip: st petersburg, FL 33705  
 County: Pinellas  
 Tax Accounts: 24-31-16-94850-001-0010

24-31-16-94850-001-0011

## PROPERTY SIZE

	Gross	Net
Land Area:	0.45 Acres (19,690 SF)	0.45 Acres (19,690 SF)

## SALE INFORMATION

Consideration:	\$2,500,000	Grantor: Frontier Florida LLC
Adjustments:	\$0	Grantee: OZ 1020 1st Ave N LLC
Cash Equivalent Price:	\$2,500,000	Date of Sale: 12-06-19
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 20798/2367
Equity:	\$0	
Sales Price (\$/SF):	\$126.97	
Sales Price/Acre:	\$5,530,729	

## SALE ATTRIBUTES

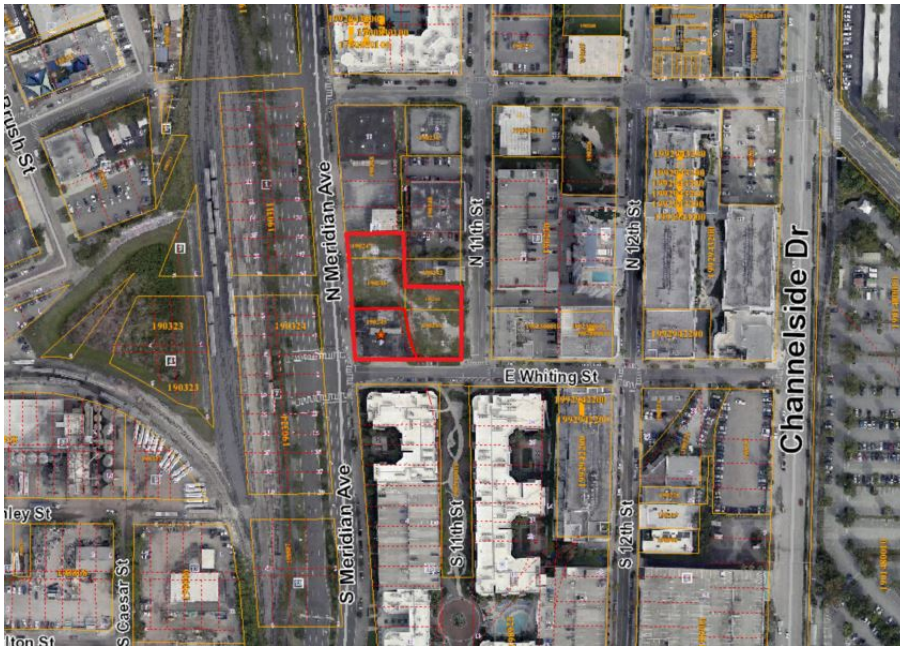
## SALE TRANSACTION INFORMATION

Verified On: 6/18/2020

Verified By: Jason Sasser, Broker, Marketing Brochure

Comments: The 19,690 SF site is located on the south side of 1st Ave N and the north side of Baum Avenue, just east of 11th Street, in the Edge District of Downtown St Pete. The site is zoned DC-1. The property was purchased by the owner of the adjoining lot to the west which is proposed to be developed with an 11 story boutique hotel. The buyer's intended use for this site was unknown, however it is assumed the purchase was for use with the adjoining development. The sale was an arm's length transaction.

## PROPERTY INFORMATION



Northeast corner of Meridian Avenue and Whiting Street

## PROPERTY SIZE

	Gross	Net
Land Area:	1.00 Acres (43,630 SF)	1.00 Acres (43,630 SF)

## PROPERTY TYPE

Property #: 929488  
Property Type: Land  
Property Use: (Unknown)

## PROPERTY LOCATION

Address: 101 North Meridian Avenue  
City, St., Zip: Tampa, FL 33602  
County: Hillsborough  
Tax Accounts: 190247-0000, 190246-0000, 190245-0000, 190244-0000, 190243-0000

## SALE INFORMATION

Consideration:	\$6,075,000	Grantor: Kurian Limited Partnership
Adjustments:	\$0	Grantee: Channelside Self Storage, LLC
Cash Equivalent Price:	\$6,075,000	Date of Sale: 10-22-19
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 27060/1805
Equity:	\$0	
Sales Price (\$/SF):	\$139.24	
Sales Price/Acre:	\$6,065,235	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

Verified On: 5/7/2020  
Verified By: Steven Silverman, buyer's broker ALD  
Comments: This site is located at the northeast corner of Meridian Avenue and Whiting Street in the Channelside District of Tampa. The buyer intends to construct a mixed use project of 460,000 square feet with retail, multi-family and self storage (15 Stories). The property was listed for sale for 30 months for \$6,000,000 and sold for \$139.24 per square foot. The site improvements of 8,912 sf warehouse constructed in 1955 were considered of no value. The "L" shaped site has access from three streets, Meridian Ave, Whiting Street and 11th Street.

## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: **843114**  
Property Type: **Land**  
Property Use: **Apartment**

## PROPERTY LOCATION

**Address:** 442 3rd Avenue North  
**City, St., Zip:** St. Petersburg, FL 33701  
**County:** Pinellas  
**Tax Accounts:** 19-31-17-21006-0200-0030, 19-31-17-21006-000-040, 19-31-1-21006-000-0060, 19-31-17-21006-000-0010 and 19-31-17-21006-0080

## PROPERTY SIZE

*Gross*

*Net*

**Land Area: 0.92 Acres (40,198 SF)                      0.92 Acres (40,198 SF)**

## SALE INFORMATION

Consideration:	\$7,530,000	Grantor: Cara Fl. Properties, LLC
Adjustments:	\$0	Grantee: Third Avenue at St. Petersburg, LLC
Cash Equivalent Price:	\$7,530,000	Date of Sale: 08-05-19
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 2019247321
Equity:	\$0	
Sales Price (\$/SF):	\$187.32	
Sales Price/Acre:	\$8,159,771	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

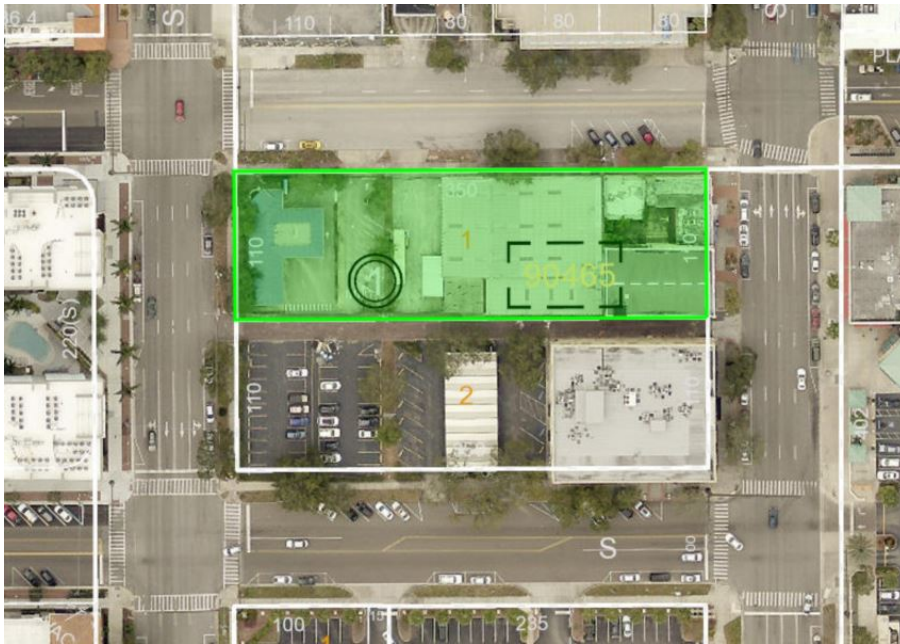
Verified On: 12/3/2019

Verified By: JRF with listing broker

Comments: This sale represents an assemblage of five separate parcels, located in the downtown district of St. Petersburg. The parcels are improved with various older residential apartment buildings but these will be removed upon development. The assembled tract is proposed for development with a 270 unit apartment complex with 21 stories, that has yet to be named. The recorded price was \$7,150,000 but this does not include demolition costs. We were not provided this cost but we have estimated it to be approximately \$380,000 or roughly \$8.00 per buildable square foot. The adjusted purchase therefore equates to \$7,530,000 or \$27,888 per unit.



## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: **843135**  
 Property Type: **Land**  
 Property Use: **Apartment**

## PROPERTY LOCATION

Address: **211 3rd Street South**  
 City, St., Zip: **St. Petersburg, FL 33701**  
 County: **Pinellas**  
 Tax Accounts: **19-31-17-90465-001-0010**

## PROPERTY SIZE

	Gross	Net
Land Area:	<b>0.80 Acres (35,000 SF)</b>	<b>0.80 Acres (35,000 SF)</b>

## SALE INFORMATION

Consideration:	<b>\$6,020,000</b>	Grantor: <b>334 Second Avenue South Investors, LLC</b>
Adjustments:	<b>\$0</b>	Grantee: <b>ALV 334 St. Pete, LLC</b>
Cash Equivalent Price:	<b>\$6,020,000</b>	Date of Sale: <b>01-03-18</b>
1st Mortgage:	<b>\$0</b>	Sale Status: <b>Closed</b>
2nd Mortgage:	<b>\$0</b>	Record info: <b>2018001931</b>
Equity:	<b>\$0</b>	
Sales Price (\$/SF):	<b>\$172.00</b>	
Sales Price/Acre:	<b>\$7,492,315</b>	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

Verified On: **12/3/2019**  
 Verified By: **JRF with listing broker**  
 Comments: **This is the sale of the underlying land for the 201 unit Onyx Apartments, currently under construction (23 Story). The site was improved with a bank building and other commercial improvements but these will be removed. The recorded price was \$5,800,000 but we must include demolition costs, estimated at \$220,000. The adjusted price therefore equates to \$6,020,000 or \$29,950 per unit.**

## **LAND SALE COMPARABLES SET 2 – MID RISE APARTMENTS**



## PROPERTY INFORMATION



Southeast corner of N Newport Avenue and W Fig Street

## PROPERTY TYPE

Property #: 992615  
 Property Type: Land  
 Property Use: Multi Family - Units

## PROPERTY LOCATION

Address: 311 North Newport Avenue  
 City, St., Zip: Tampa, FL 33606  
 County: Hillsborough  
 Tax Accounts: 183584-0000

## PROPERTY SIZE

	Gross	Net
Land Area:	1.60 Acres (69,819 SF)	1.60 Acres (69,819 SF)

## SALE INFORMATION

Consideration:	\$5,400,000	Grantor: Hamilton Land Company
Adjustments:	\$0	Grantee: 311 N Newport, LLC
Cash Equivalent Price:	\$5,400,000	Date of Sale: 08-12-20
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 2020329408
Equity:	\$0	
Sales Price (\$/SF):	\$77.34	
Sales Price/Acre:	\$3,369,062	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

Verified On: 9/14/2020  
 Verified By: Seller's Agent  
 Comments: This is the sale of a redevelopment project. The site was improved with a 23,550 SF industrial building but it was purchased by a developer based in New York and they plan to develop a six-story, 500 bed student housing facility with a pool, outdoor exercise facility, parking garage, and ground floor retail. We note that the development project is not affiliated with the University of Tampa but is intended to attract university students as it is located within walking distance.

## PROPERTY INFORMATION



N side of Central between 17th St S & 8th St S

## PROPERTY TYPE

Property #: **786557**  
 Property Type: **Land**  
 Property Use: **Mixed Use Development**

## PROPERTY LOCATION

Address: **1701 Central Ave**  
 City, St., Zip: **St. Petersburg, FL 33712**  
 County: **Pinellas**  
 Tax Accounts: **24-31-16-29720-001-0010**  
 Legal Description: **FULLER SUB G.T.E. REP BLK 1, LOT 1**

## PROPERTY SIZE

	Gross	Net
Land Area:	<b>2.02 Acres (88,000 SF)</b>	<b>2.02 Acres (88,000 SF)</b>

## PROPERTY ATTRIBUTES

## Site

Road Frontage: **400' Central & 1st Ave N; 220' 17th & 18 St**  
 Improvements: **A 9,950 SF commercial building was on the site but removed**  
 Utilities: **All available**  
 Zoning: **DC-2, Downtown Center - 2**  
 Terrain: **Level**  
 Easements: **None detrimental**

## PROPERTY COMMENTS

General: **This site is located at the southwest corner of 1st Avenue North and 17th Street North in St. Petersburg.**

## SALE INFORMATION

<i>Consideration:</i>	<b>\$7,200,000</b>	<b>Grantor: Castlefrank Florida Holdings, LLC</b>
<i>Adjustments:</i>	<b>\$0</b>	<b>Grantee: 1701 Grand Central LLC</b>
<i>Cash Equivalent Price:</i>	<b>\$7,200,000</b>	<b>Date of Sale: 08-13-18</b>
<i>1st Mortgage:</i>	<b>\$0</b>	<b>Sale Status: Closed</b>
<i>2nd Mortgage:</i>	<b>\$0</b>	<b>Record info: 20171/1797</b>
<i>Equity:</i>	<b>\$0</b>	
<i>Sales Price (\$/SF):</i>	<b>\$81.82</b>	
<i>Sales Price/Acre:</i>	<b>\$3,564,004</b>	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

*Verified On:* **7/3/2019**

*Verified By:* **Third party source; CoStar; Public records**

*Comments:* **This is the sale of a city block located along Central Ave and 1st Ave N, between 17th Street and 18th Street in Edge District of St. Petersburg. The site was purchased for the development of 243 unit apartment complex and 5,000 SF of retail space. At the time of sale, the site was improved with a 9,950 SF office building that was demolished. We were not provided with the cost of demolition but these cost were considered to be minor and offset by impact fee credits. The purchase price equates to \$29,630 per unit.**

## PROPERTY INFORMATION



Northeast quadrant of Central Avenue North and Dr. Martin Luther King Jr. Street North

## PROPERTY TYPE

Property #: 640482

*Property Type:* **Land**

*Property Use:* (Unknown)

## PROPERTY LOCATION

**Address:** 801 Central Avenue North

City, St., Zip: Saint Petersburg, FL 33701

County: **Pinellas**

**Tax Accounts:** 19-31-17-94843-001-0010

**Legal Description:** Lots 1, 2, 3 and 4, Block 1, PARTIAL REPLAT OF WARD & BAUM'S ADDITION TO ST. PETERSBURG, according to the Map or Plat thereof as recorded in Plat Book 85, at Page 24 of the Public Records of Pinellas County, Florida.

## PROPERTY SIZE

Gross

Net

**Land Area: 2.49 Acres (108,464 SF)**

**2.49 Acres (108,464 SF)**

## PROPERTY ATTRIBUTES

## Site

**Utilities:** All available

**Road Frontage:** Central Avenue, 8th Street South, 9th Street South and 1st Avenue North

**Zoning:** DC-1, Downtown Center 1

*Terrain:* **Level**

**Improvements:** The existing bank building was removed

## PROPERTY COMMENTS

**General:** This site is located at the southwest corner of 8th Street South and 1st Avenue South in St. Petersburg.



## SALE INFORMATION

Consideration:	\$9,180,000	Grantor: Art Village I LLC
Adjustments:	\$0	Grantee: 801 Central St Pete LLC
Cash Equivalent Price:	\$9,180,000	Date of Sale: 12-22-16
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 19466 / 2621
Equity:	\$0	
Sales Price (\$/SF):	\$84.64	
Sales Price/Acre:	\$3,686,747	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

Verified On: **4/30/2018**

Verified By: **Albert Azogui/Seller**

Comments: **At the time of purchase, this property was improved with the Union Trust Bank building constructed in 1926. The remainder of the property was vacant. The buyer is developing a 15-story, 368-unit luxury apartment building known as Icon Central. The recorded purchase price was \$9,180,000 which equates to \$24,878 per planned unit or \$84.64 per square foot of land. The demolition costs were considered to be minimal and are offset by impact fee credits.**

## **LAND SALE COMPARABLES SET 3 – RETAIL AND OFFICE**



## PROPERTY INFORMATION



West side of Carillon Parkway, just south of Ulmerton Road.

## PROPERTY TYPE

Property #: 770296  
 Property Type: Land  
 Property Use: Golf Course/ Driving Range

## PROPERTY LOCATION

Address: 220 Carillon Parkway  
 City, St., Zip: St Petersburg, FL 33762  
 County: Pinellas  
 Tax Accounts: 12-30-16-13463-005-0030; 12-30-16-13463-005-0041 and portion of 12-30-16-13463-005-0050

## PROPERTY SIZE

	Gross	Net
Land Area:	12.09 Acres (526,597 SF)	12.09 Acres (526,597 SF)

## SALE INFORMATION

Consideration:	\$11,000,000	Grantor: Transamerica Premier Life Insurance Company
Adjustments:	\$0	Grantee: TopGolf USA Pete, LLC
Cash Equivalent Price:	\$11,000,000	Date of Sale: 06-21-19
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 20601 / 0227
Equity:	\$0	
Sales Price (\$/SF):	\$20.89	
Sales Price/Acre:	\$909,918	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

Verified On: 6/3/2019  
 Verified By: Contract/ARY  
 Comments: Sale of 12.09 acres of vacant land located on the west side of Carillon Parkway just south of Ulmerton Road. Site has average visibility and is located in Flood Zone AE. The site was purchased for the construction of a 68,000 square foot TopGolf driving range and entertainment facility. Upon completion, the property will be leased on a 20 year absolute net basis.

## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: **781855**  
 Property Type: **Land**  
 Property Use: **Office Park**

## PROPERTY LOCATION

Address: **402 North Reo Street**  
 City, St., Zip: **Tampa, FL 33609**  
 County: **Hillsborough**  
 Tax Accounts: **A-19-29-18-ZZZ-000005-49390.0,**  
**A-19-29-18-3K5-000003-00001.0**

West side of N. Reo Street, west of George J. Bean Parkway

## PROPERTY SIZE

	Gross	Net
Land Area:	<b>9.05 Acres (394,218 SF)</b>	<b>9.05 Acres (394,218 SF)</b>

## SALE INFORMATION

Consideration:	<b>\$8,500,000</b>	Grantor: <b>North Reo Street</b>
Adjustments:	<b>\$0</b>	Grantee: <b>Westview Holdings, LLC</b>
Cash Equivalent Price:	<b>\$8,500,000</b>	Date of Sale: <b>02-27-19</b>
1st Mortgage:	<b>\$0</b>	Sale Status: <b>Closed</b>
2nd Mortgage:	<b>\$0</b>	Record info: <b>26442-0396</b>
Equity:	<b>\$0</b>	
Sales Price (\$/SF):	<b>\$21.56</b>	
Sales Price/Acre:	<b>\$939,227</b>	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

Verified On: **6/5/2019**

Verified By: **Broker/ARY**

Comments: **This is the sale of a vacant parcel of land located on the west side of N Reo Street just northwest of Interstate 275. The site was purchased for the development of a 10 story office complex known as West View Tampa (size is unavailable). Site is not located in a flood zone (Zone X-unshaded).**

## PROPERTY INFORMATION



Northeast corner of Carillon Parkway and Fountain Parkway

## PROPERTY TYPE

Property #: 771007  
 Property Type: Land  
 Property Use: Office Park

## PROPERTY LOCATION

Address: 101 Carillon Parkway  
 City, St., Zip: St. Petersburg, FL  
 County: Pinellas  
 Tax Accounts: 12-30-16-1383-000-0040, 12-30-16-13183-000-0050, 12-30-16-13183-000-0060, 12-30-16-13183-000-0070, 12-30-16-13183-000-0080, 12-30-16-13183-000-0090

## PROPERTY SIZE

	Gross	Net
Land Area:	10.07 Acres (438,584 SF)	10.07 Acres (438,584 SF)

## SALE INFORMATION

Consideration:	\$9,000,000	Grantor: Carillon Land Development
Adjustments:	\$0	Grantee: Grove Isle at Echelon City Center, LLC
Cash Equivalent Price:	\$9,000,000	Date of Sale: 12-27-17
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 1981-0995
Equity:	\$0	
Sales Price (\$/SF):	\$20.52	
Sales Price/Acre:	\$893,877	

## SALE ATTRIBUTES

## SALE TRANSACTION INFORMATION

Verified On: 6/3/2019  
 Verified By: Broker/ARY  
 Comments: This is the sale of 10.06 acres of land located in the popular development known as Carillon. At the time of sale, the site was vacant and the broker said that it was purchased for development of a mid-rise office park as well as apartments. The project is known as Echelon City Center. The site is located in flood hazard zone AE.

## **LAND SALE COMPARABLES SET 4 – INDUSTRIAL**



## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: **992334**  
 Property Type: **Land**  
 Property Use: **Industrial**

## PROPERTY LOCATION

Address: **2100 3rd Avenue South**  
 City, St., Zip: **St. Petersburg, FL 33712**  
 County: **Pinellas**  
 Tax Accounts: **24-31-16-00000-320-0200**

Southeast corner of 3rd Avenue South and 22nd Street South

## PROPERTY SIZE

	Gross	Net
Land Area:	<b>2.95 Acres (128,621 SF)</b>	<b>2.95 Acres (128,621 SF)</b>

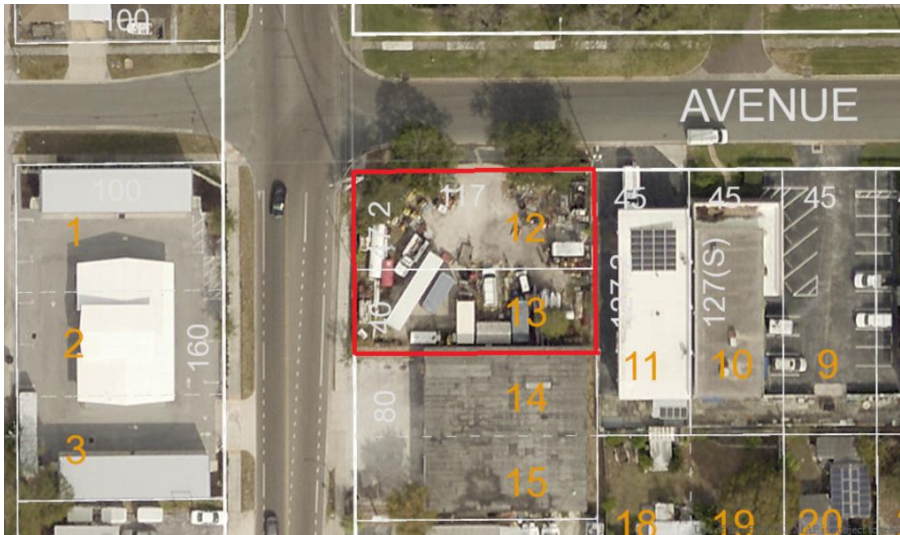
## SALE INFORMATION

Consideration:	<b>\$1,800,000</b>	Grantor: <b>Lantmannen Unibake USA, Inc.</b>
Adjustments:	<b>\$0</b>	Grantee: <b>Tricera Nitneil Venture Property Owner, LLC</b>
Cash Equivalent Price:	<b>\$1,800,000</b>	Date of Sale: <b>01-17-20</b>
1st Mortgage:	<b>\$0</b>	Sale Status: <b>Closed</b>
2nd Mortgage:	<b>\$0</b>	Record info: <b>20852 / 0855</b>
Equity:	<b>\$0</b>	
Sales Price (\$/SF):	<b>\$13.99</b>	
Sales Price/Acre:	<b>\$609,605</b>	

## SALE TRANSACTION INFORMATION

Verified On: **9/11/2020**  
 Verified By: **CoStar, Public Records**  
 Comments: **This is the sale of industrial zoned land (IT - Industrial Traditional) located on the southeast corner of 3rd Avenue South and 22nd Street South. Surrounding uses include industrial uses to the north and south, vacant land to the west, and the Pinellas Trail and industrial uses to the east.**

## PROPERTY INFORMATION



## PROPERTY TYPE

Property #: 992184  
 Property Type: Land  
 Property Use: Industrial

## PROPERTY LOCATION

Address: 28th Street North  
 City, St., Zip: St. Petersburg, FL 33713  
 County: Pinellas  
 Tax Accounts: 14-31-16-01782-001-0120  
 14-31-16-01782-001-0130

Southeast corner of 28 Street North and 20th Avenue North

## PROPERTY SIZE

	Gross	Net
Land Area:	0.23 Acres (10,202 SF)	0.23 Acres (10,202 SF)

## SALE INFORMATION

Consideration:	\$147,500	Grantor: Sugar, LLC
Adjustments:	\$0	Grantee: Goliath Builders, LLC
Cash Equivalent Price:	\$147,500	Date of Sale: 10-04-19
1st Mortgage:	\$0	Sale Status: Closed
2nd Mortgage:	\$0	Record info: 20724/2114
Equity:	\$0	
Sales Price (\$/SF):	\$14.46	
Sales Price/Acre:	\$629,777	

## SALE TRANSACTION INFORMATION

Verified On: 9/10/2020  
 Verified By: Listing Agent  
 Comments: This is the sale of vacant industrial land zoned IT, Industrial Traditional. It is located on the southeast corner of 28 Street North and 20th Avenue North. Surrounding uses include an office building to the north and industrial uses to the west, south, and east.



## PROPERTY INFORMATION



Southwest corner of W Cayuga Street and N Clark Ave

## PROPERTY TYPE

Property #: **641758**  
 Property Type: **Land**  
 Property Use: **(Unknown)**

## PROPERTY LOCATION

Address: **4108 West Cayuga Street**  
 City, St., Zip: **Tampa, FL 33614**  
 County: **Hillsborough**  
 Tax Accounts: **107897-0000**

## PROPERTY SIZE

	Gross	Net
Land Area:	<b>0.69 Acres (30,056 SF)</b>	<b>0.69 Acres (30,056 SF)</b>

## SALE INFORMATION

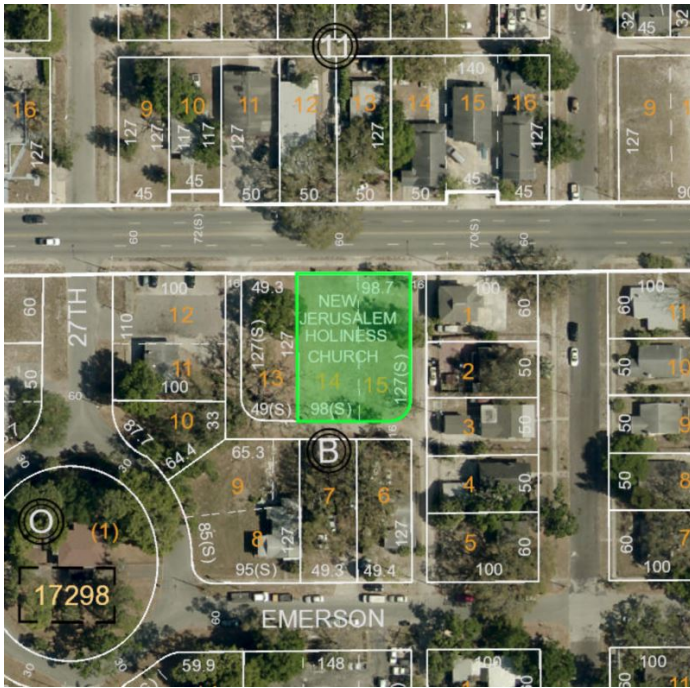
Consideration:	<b>\$350,000</b>
Adjustments:	<b>\$0</b>
Cash Equivalent Price:	<b>\$350,000</b>
1st Mortgage:	<b>\$0</b>
2nd Mortgage:	<b>\$0</b>
Equity:	<b>\$0</b>
Sales Price (\$/SF):	<b>\$11.64</b>
Sales Price/Acre:	<b>\$507,246</b>

Grantor: **Marnoelle Corporation**  
 Grantee: **1 Cayuga Street, LLC**  
 Date of Sale: **02-28-19**  
 Sale Status: **Closed**  
 Record info: **26437 / 0001**

## SALE TRANSACTION INFORMATION

Verified On: **9/11/2020**  
 Verified By: **CoStar, Public Records**  
 Comments: **This is the sale of industrial zoned land located within Drew Park. The Drew Park neighborhood is a popular industrial park area within proximity of the Tampa International Airport.**

## PROPERTY INFORMATION



South side of 5th Avenue South, west of and 26th Street South

## PROPERTY TYPE

Property #: **703302**  
 Property Type: **Land**  
 Property Use: **(Unknown)**

## PROPERTY LOCATION

Address: **2620 5th Avenue South**  
 City, St., Zip: **Saint Petersburg, FL 33712**  
 County: **Pinellas**  
 Tax Accounts: **23-31-16-17298-002-0140**

## PROPERTY SIZE

	Gross	Net
Land Area:	<b>0.29 Acres (12,445 SF)</b>	<b>0.29 Acres (12,445 SF)</b>

## SALE INFORMATION

Consideration:	<b>\$140,000</b>	Grantor: TRRE Properties LLC Grantee: ONYX and East Properties Date of Sale: 03-27-18 Sale Status: Closed Record info: 20018/1283
Adjustments:	<b>\$0</b>	
Cash Equivalent Price:	<b>\$140,000</b>	
1st Mortgage:	<b>\$0</b>	
2nd Mortgage:	<b>\$0</b>	
Equity:	<b>\$0</b>	
Sales Price (\$/SF):	<b>\$11.25</b>	
Sales Price/Acre:	<b>\$490,025</b>	

## SALE TRANSACTION INFORMATION

Verified On: **9/10/2018**  
 Verified By: **Jon La Budde/KW Commercial**  
 Comments: **This is the sale of industrial zoned land (IT - Industrial Traditional) located on the south side of 5th Avenue South, west of and 26th Street South. Surrounding uses include a church to the north, industrial to the south, a convenience store (no gasoline sales) to the west, and residential and industrial uses to the east.**

## **APPRAISER QUALIFICATIONS AND LICENSE**

## Profile

Woodman S. Herr, MAI is the Director of BBG's Tampa office. He has been active in the real estate appraisal business for over 35 years in the Tampa Bay area. He started his career in St. Petersburg in 1984 shortly after graduating from the University of South Florida with a degree in Finance and working for Florida Federal Savings & Loan. In the early 1990s, Mr. Herr earned the MAI designation and was made a partner in a successful appraisal company in St. Petersburg called Corson, Stroud, & Herr, Inc. in 1992. He moved to Tampa in the mid 1990s, where he worked a couple years for a national real estate appraisal company, Realty Services International, traveling the eastern U.S. appraising commercial properties for primarily institutional clients. In the late 1990s, he managed the commercial division for Pardue, Heid, Church, Smith & Waller Inc. now known as Integra Realty Advisors. In 2002, Mr. Herr started his own appraisal company, Herr Valuation Advisors, Inc. – one of the better known and respected commercial appraisal firms in the Tampa Bay Area until 2020 when the company merged with BBG. He has provided appraisals for many of the local, regional, and national banks, attorneys, government agencies, and individuals and his work is widely accepted by most clients who are outside the region. His experience is very broad based although primarily oriented toward commercial real estate. He has also testified in court on behalf of his clients as an expert witness.

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## Professional Affiliations

Appraisal Institute

MAI Designation

Certified Real Estate Appraiser:

State of Florida (License #RZ785)

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## Education

University of South Florida

Bachelor of Arts (Finance), 1982

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VALUATION



ADVISORY



ASSESSMENT



ZONING





RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA**  
**DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION**  
**FLORIDA REAL ESTATE APPRAISAL BD**

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE  
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

**HERR, WOODMAN S**

4236 W LINEBAUGH AVE  
TAMPA FL 33624

**LICENSE NUMBER: RZ785**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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## Profile

Brian Zamorski is a Senior Appraiser at BBG in the Tampa office. After graduating from Florida Gulf Coast University with a Bachelor of Science degree in Finance in 2005, Brian immediately started his career appraising in Naples, Florida. Brian achieved his MAI designation in 2011 and in 2012 he moved to Tampa and joined Herr Valuation Advisors as a Senior Appraiser. Brian's focus has been on mobile home parks, daycare centers, and multitenant office buildings but he has the experience to appraise any type of commercial property. He also has appraised conservation easements and wetlands.

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## Professional Affiliations

Appraisal Institute

MAI Designation, 2011

General Certified Appraiser:

Florida - Certified General Real Estate Appraiser (No. RZ 3173)

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## Education

Florida Gulf Coast University -2005. Fort Myers, Florida. B.S. in Finance with a concentration in real estate.

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VALUATION



ADVISORY



ASSESSMENT



ZONING





RICK SCOTT, GOVERNOR

JONATHAN ZACHEM, SECRETARY



**STATE OF FLORIDA  
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**ZAMORSKI, BRIAN EVERET**

1061 COLLIER CENTER WAY 9  
NAPLES FL 34110

**LICENSE NUMBER: RZ3173**

**EXPIRATION DATE: NOVEMBER 30, 2020**

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