

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Airport Surplus Site

**3300 Blk of SW 60th Ave
Ocala, Florida
Appraisal Report
A&A File #2022.046.010.001**

Certified to:

Tracy L. Taylor, Real Estate Project Manager II
City of Ocala, Real Estate Division
1805 NE 30th Ave, Bldg 700
Ocala, Florida 34470

Certified by:

Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

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Albright & Associates of Ocala, Inc.

Published by:

Albright & Associates of Ocala, Inc.
4361 SE 6th Ave, Ocala, FL 34480

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May 4, 2022

Tracy L. Taylor, Real Estate Project Manager II
City of Ocala, Real Estate Division
1805 NE 30th Ave, Bldg 700
Ocala, Florida 34470

Re: Airport Surplus Site @ 3300 Blk of SW 60th Ave, Ocala, Florida

Dear Mr. Taylor:

Pursuant to your request, I have prepared an appraisal of the above captioned property which is located along the west right of way of SW 60th Ave about five blocks north of SW 38th St, in Ocala, Florida. The subject property includes a total of approximately 3.03 AC which consists of three parcels of record (ranging in size from .92 AC to 1.10 AC). Further, the subject is partially improved with 6' chain link fence (enclosing apparent topographical irregularities at the westerly portion of the site) as well as a double-sided monopole outdoor advertising sign structure associated with a long-term ground lease of a portion of the site (resulting in an extent of "bonus" value to the property).

As a professional discipline, the appraisal practice requires conformance with stringent ethics and standards which are noted, summarized or cited by reference herein. To that end, opinions and conclusions of this report were prepared in conformance with my interpretation of generally accepted appraisal practices and requirements of the *Code of Professional Ethics* and *Standards of Professional Practice* of the Appraisal Institute as well as the *Uniform Standards of Professional Appraisal Practice (USPAP)* of the Appraisal Standards Board of the Appraisal Foundation. This assignment includes an **Appraisal Report** with the following conditions:

Intended User:	City of Ocala
Intended Use:	asset evaluation
Effective Valuation Date:	April 26, 2022
Objective/Purpose:	form opinion of market value
Interest Appraised:	fee simple, subject to restrictions of record

Based on prevailing economic conditions and weighing the best market evidence available as has been set forth in this report, I have formed an opinion of market value of the subject property, predicated on the *Certification* and *General Assumptions* as well as *Extraordinary Assumptions* and *Hypothetical Conditions*, if any, as of the effective valuation date reported for this assignment, of:

Opinion of Market Value

\$317,000

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Respectfully submitted,

ALBRIGHT & ASSOCIATES of Ocala, Inc.

A handwritten signature in blue ink, appearing to read "Stephen J. Albright, Jr.", is positioned above the printed name.

Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

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Executive Summary

Subject Identification: Airport Surplus Site @ 3300 Blk of SW 60th Ave, Ocala, Florida

Relevant Dates: Date of Valuation : April 26, 2022
Date of Inspection: April 26, 2022

Appraisal Objective: provide opinion of market value

Intended User/Use: City of Ocala/asset evaluation

Interest Appraised: fee simple, subject to restrictions of record

Site: 3.03 AC total (per public records; subject to current survey)

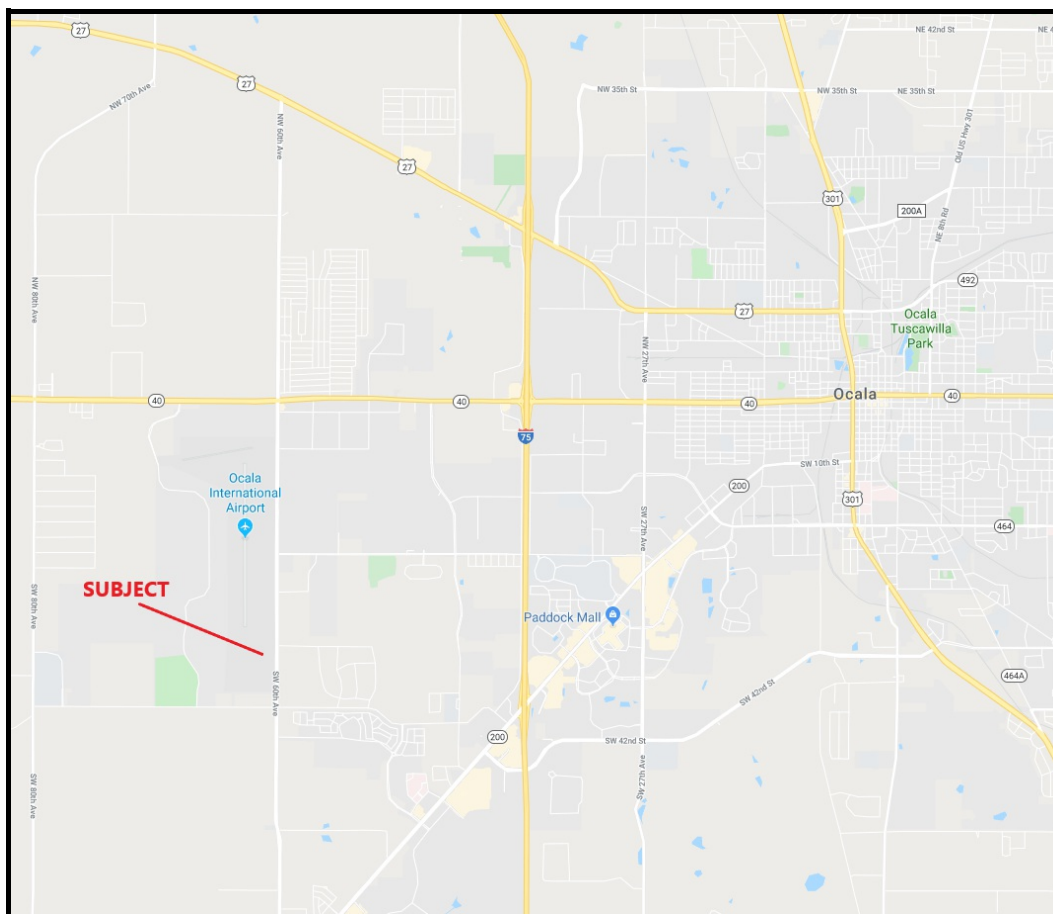
Improvements: partial chain link fence (enclosing apparent topographical irregularities at westerly portion of site); double-sided monopole outdoor advertising sign structure associated with long-term ground lease of a portion of the site (leasehold improvement)

Land Use: low intensity

Zoning: M1, light industrial

Highest and Best Use: eventual industrial development with “bonus value” from ODA ground lease

Opinion of Market Value **\$317,000**

ALBRIGHT & ASSOCIATES of Ocala, Inc.**Subject Location Map**

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View of SW 60th Ave as it extends S; subject at right in photo.



View, facing W, of subject site from SW 60th Ave.

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Certification

The undersigned certifies that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and hypothetical conditions and are my personal, impartial and unbiased professional analyses, opinions and conclusions.
3. 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.
4. I have no bias with respect to the property that is the subject of this report or to the parties involved in this assignment.
5. My engagement in this assignment was not contingent on developing or reporting predetermined results.
6. 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.
7. To the best of my knowledge and belief, 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 Practice* of the Appraisal Institute as well as the *Uniform Standards of Professional Appraisal Practice*.
8. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
9. An inspection of the subject from the public right of way was made by the undersigned.
10. No person added significant real property appraisal assistance except as specified.
11. *USPAP* requires appraisers, prior to accepting assignments, to possess experience and skill necessary for completion, or:
 - A. Disclose lack of knowledge and/or experience before assignment acceptance.
 - B. Take necessary and appropriate steps to complete assignment competently.

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- C. Describe lack of knowledge and/or experience in appraisal report.
- D. Describe steps taken to complete assignment competently in appraisal report.

Stephen J. Albright, Jr. has performed appraisals of properties similar to the subject property for various private- and public-sector clients, for more than 27 years.

12. This ***Certification*** was prepared in conformance with the ***Uniform Standards of Professional Appraisal Practice*** of the Appraisal Standards Board of the Appraisal Foundation as well as the ***Supplemental Standards of Professional Practice*** of the Appraisal Institute.

13. At the date of this report, I, Stephen J. Albright, Jr., have completed the continuing education program for Designated Members of the Appraisal Institute.

14. I have performed professional services (appraisal with same intended user and use) regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of the assignment.



Stephen J. Albright, Jr., MAI
State-Certified General Real Estate Appraiser RZ2392

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Limiting Conditions & General Assumptions

The following are general conditions and assumptions upon which this appraisal is predicated.

1. This report is the work product of Albright & Associates of Ocala, Inc. and is protected by copyright. Violators will be prosecuted to the fullest extent of the law. No change of any item in the appraisal report shall be made by anyone other than the appraisers who shall have no responsibility for unauthorized changes.
2. Disclosure of the report content is governed by the bylaws and regulations of the Appraisal Institute.
3. The appraiser assumes no responsibility for legal matters affecting the property appraised or its title. While title of the subject property is assumed good and marketable, the appraiser renders no such opinion thereof.
4. The appraiser is not required to give testimony, or to appear in court, as a result of having performed the appraisal of the identified subject property, unless prior arrangements have been made.
5. No party shall use or rely upon this appraisal, or any part of its content (i.e. value opinions, appraiser identity, professional designations, reference to professional appraisal organizations or appraiser's firm affiliation), for any purposes, except the client and/or intended users specifically identified herein. Other parties seeking to use or rely on this appraisal must first obtain the written consent of the appraiser before any of the warranties or representations contained in the appraisal report, expressed or implied, shall inure to the benefit of any other party. Violation of this condition renders these findings null and void. Moreover, this report is to be used only in total presented form and cannot be taken out of context or used in any other form including, but not limited to, excerpts or fractions or redistribution thereof, as such a format change may be misleading. The appraiser assumes no liability for any part of the work product taken in fraction from the total report. Any distribution of value in the report between land and improvements applies only under the existing program of utilization. Separate valuations for land and building, outside the scope of this assignment, must not be used for any purpose and are invalid if so used. Any redistribution of value (land and/or improvements) may render the findings of this appraisal null and void.
6. Information, data and opinions furnished to the appraiser, and contained herein, were obtained from sources considered reliable and are believed to be true and correct. However, no responsibility or liability is assumed by the appraiser for accuracy of confirmed or unconfirmed data. A diligent effort was made to verify all reported data. However, as some principals reside out of the area, or are entities that could not be contacted in the time allowed for report completion, some data may not have been confirmed. The appraiser has made no survey of the property. Any sketch of the land and/or of the improvements herein is intended to show approximate dimensions and to assist the reader in visualizing the subject property. The physical size of the subject property is not warranted as fully accurate. This appraisal is contingent on the findings of a qualified survey in terms of not

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only actual dimensions of the land and/or improvements but also any easements, encroachments or other encumbrances. The findings of such a survey may result in the need for re-evaluation of the appraisal process and value opinions associated therewith.

7. In this appraisal assignment, the existence of potentially hazardous materials or waste on, in or beneath the site (including, but not limited to, such items as urea formaldehyde foam insulation, toxic waste, Radon gas level and/or toxic mold, all of which may pose a risk to the property or its inhabitants) has been disregarded from consideration with respect to valuation analysis. The appraiser is neither qualified to detect such substances nor capable of precisely determining its potential impact on the subject property. Moreover, the appraiser assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures which would render it more or less valuable or for engineering which might be required to discover such features. Depending on the level of concern as to the property's condition (i.e. potential on- and off-site soil contamination, ground water pollution and various environmentally-sensitive issues), it may be necessary to retain the services of an expert in this field and/or undergo a Phase I environmental audit, if either or both have not been conducted.

8. Value opinions concluded herein are warranted as accurate, subject to assumptions and hypothetical conditions stated or implicit herein as of the effective valuation date. A thorough property inspection has been conducted as of the specified date shown herein. However, the appraiser(s) are not experts in the field of construction, engineering, repair, renovation, remediation or building inspection services, as such, a professional building inspection is always recommended.

9. No responsibility is assumed by the appraiser for changes or influences, in or about the subject property and its neighborhood, which result in a change, positive or negative, to the subject and thereby to its value conclusion, subsequent to the effective inspection and/or valuation date. The value opinions are applicable only to the fixed point in time associated with the effective valuation date herein and are not applicable to any other point in time, specific or general, prior or subsequent to said date. Values expressed herein are opinions. There is no guarantee, written or implied, that the subject property will sell for this value opinion. For example, expressions of market value constitute "value in exchange" which should not be construed as liquidation value in the unforeseen eventuality that a business operation associated with the subject property proves economically unfeasible and/or the property is conveyed by conditions inconsistent with the market value definition. With respect to income-producing properties, value opinions are contingent on competency of ownership and management as the operational success of leasing real estate is inevitably linked with economic achievement of business. When values include prospective opinions, the appraiser is not responsible for unforeseen events that may alter interim market conditions.

10. Before any loans or commitments are made which may be predicated on the value conclusions reported in this appraisal, the mortgagee should verify facts, data and value conclusions contained

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in this report.

11. Notwithstanding any specification herein of flood plain status of the subject property appraised, it is recommended additional confirmation of the same be obtained prior to any contemplated loan or development.

12. This appraisal and value findings are contingent on the impact, if any, to the subject property by the "Americans With Disabilities Act."

13. Natural landscaping is a habitat for many living species. A good faith effort should be made to preserve maximum natural landscaping, saving all specimen trees and otherwise complying with all tree ordinances. A reasonable effort should be made to allow natural displacement (trap and release) of all habitat. This valuation is based on the assumption that the property is free from any endangered species and does not require any mitigation associated with natural habitats.

14. It is assumed that the property is in compliance with all applicable federal, state and local laws, ordinances, regulations, building standards, use restrictions and zoning unless the lack of compliance is stated in the appraisal report. Determining and reporting on such compliance were not part of the scope of work for this assignment.

15. It is assumed that all water, sewer facilities and utilities (whether existing or proposed) are or will be in good working order, are safe for use, and are or will be sufficient to serve the current or proposed uses of the subject property or any structures or other improvements. Determining and reporting on such matters were not part of the scope of work for this assignment.

Extraordinary Assumptions

The following are extraordinary assumptions upon which this appraisal is predicated. Their use may have affected the appraisal results.

1. It is an assumption of this analysis that the long term ground lease referenced herein includes a remaining term through 2025 and that historical and future rent is \$1,200 per year.

2. There appears to be a significant level of topographical irregularity at the westerly portion of the subject site. To that end, it is an assumption of this analysis that the proposed cure associated with the referenced quotation from Baker Construction is accurate as to the appropriate level of remediation and cost related thereto.

3. What appears to be some extent of electrical service infrastructure is located at or near the south-east corner of the subject property and is presumably located upon the subject property via some form of easement (subject to the findings of a current title search and/or survey).

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Hypothetical Conditions

The following are conditions which are contrary to those which exist at the effective valuation date. Their use may have affected the appraisal results.

None.

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Identification and Location

The subject property is identified as follows.

Property Identification: Airport Surplus Site
Address: 3300 Blk of SW 60th Ave, Ocala, Florida

Apparent Owner of Record

The following information from another source is believed reliable though not warranted as such.

Name: City of Ocala
Address: 1805 NE 30th Ave, Bldg 100, Ocala, Florida 34470

Relevant Dates of Appraisal Process

The following represent the most critical dates of analysis of the appraisal process.

Inspection/Photography: April 26, 2022
Effective Valuation: April 26, 2022
Date of Report: May 4, 2022

Type and Definition of Value

The purpose of the appraisal is to form an opinion of market value.¹

Intended User and Intended Use of Appraisal

The specifically designed and intended use of this appraisal is for asset evaluation. Use of this appraisal is prohibited as it relates to any function other than that identified herein. The intended user of this appraisal is the City of Ocala (who also happens to represent the client).

¹ Market value (value-in-exchange) is defined by Office of the Comptroller of the Currency (12CFR, Part 34) and the Appraisal Institute (*The Dictionary Of Real Estate Appraisal, 6th Edition*) as:

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 not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specific 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 acting in what they consider their 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.

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Scope of Work

USPAP specifically indicates that “for each appraisal and appraisal review assignment, an appraiser must:

1. Identify the problem to be solved;
2. Determine and perform the scope of work necessary to develop credible assignment results;
3. Disclose the scope of work in the report.”

To that end, Mr. Tracy Taylor of the City of Ocala, requested an appraisal of the property identified herein for the intended use described earlier. As such, the problem to be solved for this assignment is to form an opinion of market value of the fee simple interest of the subject property. The necessary scope of work to develop a credible result includes the following.

- Identify an appropriate effective date of valuation (synonymous with my most recent inspection).
- Physically inspect and photograph the subject property.
- Review available information regarding the subject site.
- Research the subject's environment (i.e. region and neighborhood).
- Analyze highest and best use of subject property.
- As discussed in the Valuation Methodology section of this report, only the Sales Comparison Approach is meaningful for the valuation of the subject property. In that regard, the subject neighborhood was researched for current comparable data which were all inspected and verified to the extent possible. As will also be discussed later, the subject includes “bonus” value associated with a long-term ground lease for an outdoor advertising sign structure. The opinion of contributory “bonus” value is supported by the Income Capitalization Approach.
- Form an opinion of market value from market indicators.
- Prepare an appraisal report, as defined in USPAP, which will include photos of the subject property, descriptions and analysis of the region, neighborhood, site, zoning/land use, a highest and best use analysis, presentation of most relevant market data, reconciliations of an opinion of market value, location maps of the subject and comparable sales data and other data deemed by the appraiser to be relevant to the assignment.

Interest Appraised

Fee simple interest,² subject to restrictions of record (acknowledging partial encumbrance associated with long term ground lease).

² Absolute ownership unencumbered by other interest and subject to limitations of eminent domain, escheat, police power and taxes.

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Legal Description

The following legal description was obtained from the public records of Marion County, Florida. While believed to be accurate, it is not warranted as such.

SEC 29 TWP 15 RGE 21

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AND

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Property Assessment

The subject property is included in the 2021 Marion County Property Assessment Roll as the following parcels of record (2021 data summarized in below chart).

PID#	Land	Building	Misc Impr	Just	Assessed	Exemption	Taxable	Tax Burden
23820-015-01	\$69,478	\$0	\$618	\$70,096	\$44,308	\$44,308	\$0	\$0
23820-015-02	\$69,478	\$0	\$0	\$69,478	\$39,930	\$39,930	\$0	\$0
23820-015-03	\$58,109	\$0	\$0	\$58,109	\$36,300	\$36,300	\$0	\$0
TOTALS:	\$197,065	\$0	\$618	\$197,683	\$120,538	\$120,538	\$0	\$0

The total just value has increased considerably from the 2019 total just value of \$99,000 (increase of almost 100%. As the subject is within public ownership, there is no tax burden.

History of Title

The subject property has been within the reported ownership for more than the past three years. As of the date of valuation, the subject does not appear to be listed for sale.

The subject property is encumbered by a long-term ground lease associated with an outdoor advertising sign structure located along SW 60th Ave (encumbering about 1,292 SF of the subject). More specifically, the lease appears to have commenced in March of 2002 and the tenant is Clear Channel Outdoor, Inc. The original lease included a term of 15 years with level rent of \$1,200 annually or 12% of net revenue (it appears that the \$1,200 gross amount has remained applicable). Per the terms of the lease, it appears that the lease reset to 15 years from the date of acquisition by the City of Ocala in 2010 such that the termination will be in 2025.

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Public and Private Utilities and Services

The subject is positioned within the city limits of Ocala with water, sewer and electrical services provided thereby. Additional services include telephone, cable and internet.

Comprehensive Plan, Land Use and Zoning

The subject is positioned in, and governed by the jurisdiction and comprehensive plan of, the City of Ocala. To that end, the subject includes a future land use designation of low intensity. The specific zoning designation is M1, light industrial.

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Description and Analysis of Region

Marion County is located in north-central Florida, about 75 miles west of the Atlantic Ocean and 40 miles east of the Gulf of Mexico. Ocala is located in the geographic central portion of Marion County. The nearest significant metropolitan areas include The Villages (about 20 miles south), Gainesville (about 35 miles north), Daytona Beach (about 75 miles east), Orlando (about 75 miles south), Tampa ("Bay area" about 95 miles southwest) and Jacksonville (100 miles northeast). Ocala is positioned at a key focal point of rural north-central Florida as it represents a major retail trade and employment center for a five-county area.

The four basic forces which influence market value of real property include economic, environmental, governmental and sociological forces. Each of these forces as it applies to the Marion County market will be reviewed in consideration of their impact upon the value of the subject property as more fully discussed within the following subsections of this appraisal report.

Economic Forces

The Marion County real estate market is influenced by many aspects of local, state, and national economic forces. Several leading indicators include: general population, effective buying income, retail sales, manufacturing sales, building permits as well as employment and unemployment conditions.

Population Growth: Of Florida counties, Marion County has historically benefitted from a very high ranking in terms of population growth. In that regard, the following chart summarizes the population of Marion County from July of 2010 to July of 2020 (U.S. Census Bureau).

[Marion County, Population 2010-2020]

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Marion County	331,331	332,286	333,873	335,083	338,005	342,182	347,469	353,339	359,062	365,579	373,513
% Change		0.29%	0.48%	0.36%	0.87%	1.24%	1.55%	1.69%	1.62%	1.82%	2.17%

This chart reveals the considerable growth since 2010 with population growth steadily increasing to over 2% in 2020. The Bureau of Economic and Business Research (BEBR) has projected a population of 403,621 by 2025, 426,585 by 2030 and 444,625 by 2035.

Ocala is the largest incorporated area of Marion County with a 2017 urban area population estimated at 59,668 (up from 56,315 in 2010 or increase of about .85% per year which is similar to the overall county growth rate over the same time period). Notwithstanding the decrease in population growth rates, Marion County and Ocala should eventually continue to expand at a solid pace into the foreseeable future as a result of several factors: (1) Marion County is the "hub" of north central Florida; (2) surrounding counties are less capable of providing a full range of retail and wholesale

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products and services and, with it, greater demand is placed upon drawing employees from surrounding rural counties to service operations; (3) steady immigration of retirees; and (4) low cost of living. Property values are relatively affordable when compared to coastline communities and major inland metropolitan cities. Ocala provides one of the most affordable lifestyles of Florida living for the entire state.

Housing: In 2020, the total number of housing units in Marion was estimated at 177,380 (up from only 137,726 in 2010) of which 88% were occupied. The Ocala MSA has historically been a leader in affordable housing of all MSAs in the nation and state. The median sales price in March of 2021 was only \$105,100. However, that median price has surged since with an increase to \$183,000 in March of 2017, \$226,000 in March of 2020, \$248,000 in March of 2021 and \$307,500 in March of 2022. The overall sales volume has also increased dramatically from \$2,467,368,032 in January of 2017 to \$5,423,278,706 in January of 2022. The imbalance of the market is also evidenced by the reduction to only one month of inventory of homes as of January of 2022. This surge in price has created a considerable shortage in affordable housing which is quite common throughout the state and nation. In response, not only is new construction of single family homes occurring throughout the county, development of new multi-family residential is also surging in response to this shortage. Of course, the price increases which have occurred over the past couple of years is not sustainable over the long term and some level of eventual correction, or at least stabilization, is reasonably anticipated.

Effective Buying Income: The majority of population growth for upcoming years will emphasize a greater increase in the percentage of retirees. Local governmental officials have expressed concern regarding the inability of the Marion County market to attract high-tech industries which provide greater population expansion of professional employees (and accompanying higher income levels). However, the expanding elderly population will continue to support retail and wholesale operations. Historically, residents of Marion County have enjoyed a relatively low cost of living (only 87.9% versus the U.S. as a whole in 2018). However, increases in wages as a whole across Marion County have not kept pace with the substantial increases in real estate prices which could have a significantly negative impact the future prospects of “affordability” of the Marion County area.

Retail Sales: In 2000, annual retail sales for Marion County were reported at over \$3.2 billion. Retail sales per household in the Marion County market have typically matched effective buying income. Obviously, a percentage of retail consumers who patronize Marion County establishments are commuting from outside areas thus contributing to the “hub” effect. The following summarizes total retail sales in Marion County from 2000 to 2017 (provided by the 2011 Florida Statistical Abstract, Bureau of Economic and Business Research and the State of Florida Department of Revenue).

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[Retail Sales - Marion County, Florida]

Year	Gross Sales (Billions)	Taxable Sales (Billions)
2000	\$6.80	\$2.95
2001	\$7.04	\$3.04
2002	\$7.03	\$3.08
2003	\$7.50	\$3.37
2004	\$8.40	\$3.68
2005	\$9.55	\$4.32
2006	\$10.45	\$4.70
2007	\$9.85	\$4.30
2008	\$8.61	\$3.73
2009	\$7.54	\$3.31
2010	\$7.63	\$3.31
2011	\$7.98	\$3.39
2012	\$8.55	\$3.60
2013	\$9.12	\$4.02
2014	\$9.60	\$4.20
2015	\$10.27	\$4.37
2016	\$10.75	\$4.63
2017	\$11.13	\$4.83
2018	\$11.67	\$5.13
2019	\$12.95	\$5.43

The chart reflects the surge in economic conditions up to 2006 with a subsequent decline in retail sales from 2007 to 2010. Subsequently, economic conditions have stabilized and, in fact, improved significantly with gross retail sales surpassing pre-recession levels in 2016 and continuing to steadily increase through 2019.

Manufacturing & Distribution: The EDC has registered a significant amount of local industrial oriented businesses in Marion County. The EDC recently combined forces with the local Chamber of Commerce with stepped up efforts to retain and create more jobs in the Ocala/Marion County market. These companies do not include the numerous contractors and subcontractors of the building trade. Retention of manufacturing jobs became quite a challenge into 2008 as a result of declining economic conditions. Major manufacturing companies based in Ocala/Marion County include Lockheed Martin, Emergency One, Inc., Cheney Brothers, Signature Brands and ClosetMaid. Major distribution centers in the market include Fed Ex, Chewy's and Autozone (all located in the relatively new Ocala/Marion County Commerce Center).

Building Permit Activity: The rate of new residential permits in Marion County peaked in 2006 amidst the housing boom and glut of speculation through the county. More specifically, Marion County issued 6,355 single family residential permits in fiscal year 2005/2006 which was up from 5,645 permits in fiscal year 2004/2005. However, there was a dramatic decline in subsequent years: 2,139 permits in 2007, 933 permits in 2008, 316 permits in 2009, 399 permits issued in 2010 and

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325 permits issued in 2011. In regard to commercial starts, Marion County issued 122 commercial starts in fiscal year 2005/2006. However, Marion County issued only 71 commercial permits in 2007, 44 in 2008, 42 in 2009, 23 in 2010 and 30 in 2011. Finally, multi-family residential permits have also declined from 52 in 2007, to 12 in 2008, 10 in 2009, none in 2010 and only 2 in 2011. More recently, however, activity is improving significantly as summarized in the following chart (in mid-2018, Marion County began combining multi-family and commercial starts):

[Marion County Building Permits]

	2012	2013	2014	2015	2016	2017	2018	2019	2020
Single Family	359	497	608	921	1,285	1,667	2,459	2,350	1,179
Multi-Family	1	3	8	0	3	11	NA	NA	NA
Commercial	27	32	19	30	43	138	100	61	24
Total	387	532	635	951	1,331	1,816	2,559	2,411	1,203

This rather clearly evidences that the Marion County market was rebounding significantly in terms of permits with single family residential and commercial leading the way but also considerable growth in terms of multi-family starts through 2019. The decline in 2020 is directly related to the COVID-19 crisis and “shut down” of the construction industry through much of the year. Construction activity, however, as rebounded considerably into 2021.

Employment/Unemployment: As per information from the United States Bureau of Labor Statistics, the Marion County labor force increased from 126,821 in 2005 to 135,972 in 2009. In fact, the labor force appears to have significantly increased during the market surge of 2006/2007 with an actual decline in the work force in 2009 from 2008. This rather dramatic decrease is associated with the downturn in the economy and sharp rise in unemployment. To that end, the following chart summarizes unemployment rates in the State of Florida and Marion County from 2003 to 2019 as provided by the State of Florida Agency for Workforce Innovation (AWI) and the Florida Department for Economic Opportunity (DEO).

[Unemployment Rates 2003-2020]

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Florida	5.3%	4.7%	3.8%	3.4%	4.1%	6.3%	10.5%	11.9%	10.5%	8.7%	7.2%	6.1%	5.4%	4.9%	4.2%	3.6%	2.5%	7.7%
Marion Co	5.4%	4.6%	3.7%	3.4%	4.5%	7.8%	12.9%	14.4%	12.3%	10.0%	8.3%	7.2%	6.4%	5.8%	5.0%	4.3%	3.2%	7.0%

Unemployment for Marion County has improved steadily from the peak in about 2010 down to the rate of 3.2% as of 2019. Although certainly improving steadily, Marion County has consistently remained above the state-wide unemployment rate. Of course, the onset of the COVID-19 crisis resulted in a surge in the unemployment rate due to government-mandated “shut down” of many businesses. In that regard, unemployment for Marion County peaked in April of 2020 at almost

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13%. As indicated above, however, the unemployment rate rebounded significantly through the balance of 2020 with an annual average of 7%. Further, employment has continued to stabilize into 2021.

Information from the Ocala Marion CEP indicates the top 10 private employers in Marion County are Munroe Regional Medical Center (2,648), Wal-Mart (2,370), Ocala Health (2,166), Publix (1,488), AT&T (1,000), Lockheed Martin (1,200), E-One, Inc. (915), Sitel (700), Cheney Brothers (650) and Custom Window Systems (650). The top 7 public employers in the county include Marion County Public Schools (6,650), State of Florida (2,600), Marion County (1,368), City of Ocala (989), US Government (700), Marion County Sheriff's Department (750) and the College of Central Florida (450).

Environmental Forces

As previously identified, Marion County is located at the center of the north half of the peninsula of the State of Florida. Marion County encompasses approximately 1,624 square miles, making it the fifth largest county in the State of Florida. Unlike many of the coastal regions and southern inland areas of the state, Marion County is aesthetically enhanced by undulating elevations consisting primarily of rolling hills which range from 50' to over 200' above mean sea level. The county's landscape includes numerous lakes, streams, rivers and springs which provide an atmosphere considered unique to much of the State of Florida. Marion County benefits as a major recharge area of the Florida aquifer. Its mild seasonal weather, as typical for the "Sunshine State," enhances the unique terrain of Marion County, commonly referred to as the "Kingdom of the Sun."

Climate: Perhaps the leading consideration for residents immigrating to this area is the favorable mild climate of its seasons (mild winter weather typical of spring and fall climates of other areas of the country). Ocala boasts an average maximum temperature of 82° and average minimum temperature of 61° while the mean humidity is 70.1°. The average rainfall for the year is about 55"± while only 108 days of the calendar year included rainfall of more than 1/100th of an inch. The favorable climate of Marion County generally offers savings in the construction industry due to year round availability of working days. In the agricultural industry, Marion County provides an average annual growing season of 255 days which well exceeds the national average. Its favorable climate also reduces absenteeism with all industries of the subject market. Also, outdoor recreation is available on a year-round basis as a result of Marion County's mild climate. The mild climactic weather of Marion County most importantly provides the market demand to draw a major influx of seasonal residents a high percentage of which eventually become permanent residents. The steadily expanding population of the local market has a direct impact upon the increased labor force and the availability of low-priced labor to service industrial operations. As well, the seasonal and permanent residents impact the need for additional retail services in the area, forcing retail and wholesale sectors of Marion County into the lead in per capita employment and annual payroll.

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Road Network: From a geographical standpoint, Marion County provides an ideal location for a distribution center of north Florida/south Georgia. More specifically, wholesale distributors demand proximity to major market areas which allow their drivers to complete a round trip within one working day. Because Marion County is located geographically at the center of the north Florida peninsula, this community benefits from a major network of state and federal highways. The road network system provides one day round trip to the major metropolitan markets identified earlier and even as far north as Atlanta (375 miles) and as far south as Miami (295 miles). All of these major metropolitan areas are accessed by either federal or interstate highways from the Ocala market. The major road systems of Marion County include I-75, US Hwys 27, 301, and 441 and state highways 40, 200, 464 and 484. I-75 extends north and south through Marion County along the western boundary of the city limits of Ocala. This major roadway extends through the eastern portion of the U. S., connecting Ocala with virtually every major city in the eastern United States via other intersecting interstate highways. I-75 extends south connecting with the Florida Turnpike (approximately 35 miles south of Ocala). The Florida Turnpike originates just south of the intersection of I-75 and SR 44 (near Wildwood), routing in a southeasterly direction connecting north Florida with the major metropolitan areas of Orlando, West Palm Beach, Ft. Lauderdale and Miami. US Hwys 27, 301 and 441 share access as they extend north and south through the center of Ocala as a six-lane highway. These major road systems provide direct access from Ocala to Jacksonville, Tallahassee, Orlando and Gainesville as well as many other central and north Florida destinations. Florida Turnpike officials are also proposing to extend the turnpike northwesterly, beyond I-75, through southwest Marion County and eventually connecting with US Hwy 19 at Lebanon Junction in Levy County just west of Marion County. State governmental officials recognize Ocala as a rapidly growing north-central Florida community. Efforts will be directed toward providing continued improvement of intrastate access for the north half of the peninsula of Florida. Ocala will continue to benefit from future FDOT road network projects as it geographically represents the central crossing point of many proposed major highways. Recognizing existing and future highway development plans, Marion County will continue to grow and establish a market for commercial and industrial distribution.

Air Service: Regarding air service, the Marion County market is relatively limited with only the Ocala Municipal Airport (located about two miles west of I-75 along the south side of SR 40) and the Dunnellon Airport (located in southwest Marion County). At present, these smaller airport facilities offer daily commuter flights to other central Florida cities. However, these airports are not presently utilized to service regional oriented carriers. It is noted that long term planning officials of Ocala and Gainesville have attempted to negotiate for eventual development of an international airport to service the Marion and Alachua County markets. At the present time, the Gainesville authorities do not appear to be enthusiastic as that community has invested significant dollars in providing a major regional airport on the northeast fringe of its city.

Governmental Forces

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Municipal Utilities: The City of Ocala owns and operates its utility distribution system which includes electrical, water, sewer, stormwater, fiber network and garbage collection services. The city purchases electricity wholesale from Duke Energy and distributes to an area of approximately 200 square miles. The City of Ocala also provides central water and sanitary sewer services to virtually all areas contained within its city limits. The most recent sewer facility was constructed adjacent west of the airport facility. Several private utility companies service small areas of the city which are not as densely developed. Central water and sewer services are also available in the City of Belleview. Additionally, Marion County provides central water and sewer service in several unincorporated areas of the county (i.e. S US Hwy 441, SR 200, US Hwy 27 and SR 484) while most rural areas typically require water and sewer service to be provided by on-site means.

Transportation: Within Marion County, only the City of Ocala offers mass transit for public use. This transit system is referred to SunTran and was established in 1998. SunTran consists of a public bus system which services the City of Ocala as well as Silver Springs Shores. SunTran follows several brief attempts with a trolley system which were unsuccessful. In addition, all major passenger bus lines service the Ocala market. In regard to trucking services, Marion County includes a proportionate share of common carriers and terminal facilities. The Ocala Airport Commerce Center, the Ocala International Commerce Park, Meadowbrook Commerce Park (all located west of I-75 near SR 40) and Ocala/Marion County Commerce Center include numerous national oriented trucking terminals. The major railway freight system for Ocala is CSX Transportation (formerly Seaboard System Lines).

Taxes: The City of Ocala and Marion County enjoy favorable tax structures. Additionally, the State of Florida does not have a personal income tax. As local governmental services are financed in part by taxes paid by tourists, the local millage rates have sustained a relatively low level, and below the state average for many years. The favorable tax structure represents a significant lure to numerous businesses to the Marion County area. Industrial operators are particularly attracted by the low tax structure and affordable employment force of Marion County. While the current tax structure has appeared relatively favorable, the increasing population has placed demands upon the services provided by the city and county government. There have been increasing problems associated with road maintenance, garbage collection, police and fire protection and other vital public services to the area due to increasing population expansion with a disproportionate increase in property tax revenue. More specifically, many retirement housing communities provide residential units assessed for little more than the \$25,000 homestead exemption resulting in thousands of these retirees paying little taxes. As such, the fast-growing retiree population of Marion County is not supporting their proportionate share of property taxes in accordance with their demand for public services. As an alternative, Marion County approved a four-year, \$.01 sales tax to support police, fire and transportation systems.

Education: As of 2016, Marion County included 49 public school facilities (elementary, middle and high schools). In addition, there are three charter schools, virtual education and a variety of addi-

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tional facilities associated with the public school system. Several additional facilities are planned for construction in the future to serve the increased population which has placed a stress on existing facilities with temporary solutions provided by modular classroom units. There is also a significant level of private school facilities located within Marion County providing education for grades K-12. In regard to higher education, Ocala is the location for The College of Central Florida. The college is continuing to grow in enrollment population. Most of the students of The College of Central Florida are from the immediate five-county area, of which Ocala is the major retail and employment trade center. The college was just ranked 5th by Schools.com in the State of Florida among all community colleges in the state. Marion County also benefits from multiple public libraries throughout the county.

Medical Community: Marion County includes three primary hospitals: Munroe Regional Medical Center (MRMC) which is publicly owned but was leased to a private entity in 2014; Ocala Regional Medical Center (ORMC) and West Marion Community Hospital (which are privately owned). MRMC includes various satellite facilities across the county. As of early 2018, all three of these facilities are undergoing expansions with costs totaling more than \$100 million dollars. Other health facilities in Marion County include numerous family practices, assisted living facilities (ALFs), skilled nursing facilities, adult family care providers, adult day care facilities, independent residential communities and Hospice. In general, Ocala and Marion County includes an adequate supply of general and specialized medical care providers (physicians) which essentially meets the demand of the ever-expanding population centered on an intense retirement base.

Sociological Forces

Perhaps the most significant sociological force which has historically impacted Ocala/Marion County has been the increase in population. Notwithstanding the adverse impact of the recent recession over the past several years, Ocala has historically ranked high in the state in population growth.

Recreation: Another leading sociological factor influencing the subject market is the recreational benefits available to the residents. The Ocala National Forest consumes much of east Marion County, encompassing 900 square miles. Marion County includes over twenty golf courses, both private and public. The City of Ocala and Marion County maintains numerous public parks or other forms of recreational facilities. The Cross Florida Greenway and related Santos Trail Head represent major recreational attractions for the county. Cultural attractions include the Ocala Civic Theatre, the Reilly Arts Center and the Appleton Cultural Museum. Natural water attractions include Silver Springs, Juniper Springs, Orange Springs and Rainbow Springs. Silver Springs and Rainbow Springs are two of the largest natural springs of the world, both in physical size and daily flow of water production capacity. Other area attractions include Don Garlits Museum of Drag Racing, Marjorie Kinnan Rawlings house and Silver Springs. Marion County also provides numerous lakes and rivers for outdoor recreation, including boating, fishing, skiing, swimming, and sailing. Orange Lake is one of the most popular bass fishing lakes in the state. Lake Weir, Little Lake Weir and Lake

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Kerr provide regional recreational interest for boating, skiing, swimming and sailing. As well, the location of Marion County, about midpoint between the Atlantic Ocean and the Gulf of Mexico, provides proximity to additional recreational benefits for the area residents. The Ocala National Forest is an extremely popular natural recreation facility which offers approximately 366,000 acres of woodlands, lakes, streams and natural springs. Silver Springs attraction represented a major tourist attraction for Marion County. Historically, this natural phenomenon attracted a considerable amount of tourists and was once considered the leading attraction in the tourism industry for all of north-central Florida. However, due to competition from newer theme parks in the Central Florida region, the park experienced economic struggles. As such, the State of Florida took back control of the property from a private management company and now operates the park. Available activities include kayaking, canoeing, glass bottom boat tours, concerts, special events and concessions. Also, Walt Disney World and surrounding tourist attractions of the Orlando market are located just 75 miles southeast of Ocala.

Horse Farm Industry/Terrain: A major drawing card for the Marion County market is its aesthetically pleasing rolling terrain which is attractively landscaped with numerous small lakes and ponds with hammocks of mature oaks and assorted hardwoods. This pleasing landscape, often with pockets of extremely fertile soil which is high in calcium (particularly soil type number #8), provides all of the physical characteristics which support Marion County as the premier horse farm market for the entire State of Florida. Marion County is the nation's largest horse farm market and, as a leading indicator of the successfulness of the local horse farm industry, Marion County is the home of triple crown winner Affirmed in 1978 as well as Carry Back who won both the Kentucky Derby and Preakness in 1961 along with other notables such as Needles and Silver Charm, both Kentucky Derby winners. The last Florida-bred horse to win the Kentucky Derby was Silver Charm in 1997. In addition, many contenders and champions in the triple crown races have trained, and continue to train, at Marion County farms.

The horse farm industry (in terms of its breeding, training and racing) holds at least a twofold purpose: an economic value for the agricultural utility of the land, as well as a recreational opportunity for area residents. A stable force and influence in the economic development of this area's horse industry is the Ocala Breeders Sales which includes ownership by co-op memberships. The facility is open to the public which provides the life-blood support for the business. The total property covers an estimated 221 AC and is extensively developed including storage stables and auditorium for periodic sales, a first class race track with viewing tower and stands along with a new entertainment center which houses the parimutuel wagering facility.

The thoroughbred horse farm industry has enjoyed a long-standing and successful presence in the Ocala/Marion County market for many decades. The tax reforms of 1986 had a substantial negative impact upon horse farm development which were felt for a significant time thereafter. There was resurgence of horse farm success into the late 1990s with the Ocala/Marion County area claiming a stake as the "horse capital of the world" with the Kentucky market as the most relevant rival.

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However, discussions with many active participants in the local horse industry has revealed that the balance has tipped in favor of Kentucky and other markets in terms of demand for horse farms (breeding operations in particular). More specifically, several sources verified that stud fees in the Kentucky market are easily three times that of the Ocala (Florida) market. Further, stallions enjoy booking rates substantially higher than in the local market. Another reported factor in the demand shift from the Ocala market to other locations is the existence of slot machines at racing facilities. Markets such as New York and Pennsylvania reportedly include higher purses as result of the additional gaming income and entry into the races is often reserved for horses bred in-state. In fact, many breeders have chosen to relocate their operations. Despite this shift in demand for larger breeding operations, smaller thoroughbred farms (winter training facilities in particular) retain some level of demand in the Marion/Levy County market as a result of the favorable climate.

The impact of the horse farm industry in Marion County was quantified through a study performed in 2014 through a partnership of the Ocala/Marion County Chamber & Economic Partnership and the Horse Shows in the Sun organization. This study, based on 2014 data, revealed \$2.62 billion in revenues, \$1.68 billion in value-added contribution to the community's GDP and 19,209 full- and part-time employees associated with the industry. Clearly, the impact of this industry to the Ocala/Marion County area is major.

The impact of the national recession along with the changing economics of the horse racing industry have had a significant impact upon the horse farm market of Marion County. The resulting over-supply of available developed thoroughbred horse farm facilities during the economic downturn resulted in drastic reductions in land and improved farm values from 2008 through 2012. While the market has certainly stabilized, and in fact improved significantly into 2020, there remains somewhat limited demand for additional thoroughbred farm development, particularly large breeding and/or training facilities. Per information from the 2020 Florida Fact Book published by the Ocala Jockey Club, the North American foal crop dropped dramatically from about 38,365 in 2005 to 22,175 in 2017 and estimated crop for 2019 of only 20,800. Further, the Florida foal crop was down from 4,499 in 2005, 2,105 in 2016 and only 1,401 in 2019. In that regard, Florida has consistently produced just under 10% of the national crop over the past decade but that figure has dropped to less than 7% for 2019. The source also indicates that gross sales associated with auction sales in the state have decreased for weanlings, yearlings and 2-year olds over that past two decades. For example, gross sales for 2-year olds has declined from \$58,314,500 in 2006 to \$19,494,300 in 2017, \$25,512,400 in 2018 and back down to \$19,666,500 in 2019. That being said, the average price has remained fairly steady over the past decade. In summary, the market for thoroughbred farms (particularly training/breeding facilities) has experienced significant decline over the past 10-15 years.

While the market for thoroughbred farms has declined to some degree, Marion County benefits from significant demand and impact from additional equine disciplines. Probably the most significant discipline other than thoroughbred racing includes the hunter/jumper community. Horses In The Sun

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Showground (HITS) is located in northwest Marion County along US Hwy 27 (well to the southwest of the subject's immediate area). While Ocala Breeders Sales (OBS) provides a facility for sales of local horses to potentially buyers from literally all over the world (located to the southeast of the subject's immediate area adjacent to the Ocala International Airport), HITS hosts an annual winter hunter/jumper horse show which also attracts international competitors.

Also related to this discipline, the owner of Golden Ocala Golf & Equestrian Club has developed the World Equestrian Center along SW NW 80th Ave between SR 40 and US Hwy 27 (also well to the southwest of the subject neighborhood). Per information from the owner's website, "The World Equestrian Center currently inhabits 378 acres, with 300 more acres in reserve for more building. The World Equestrian Center is a world-class multi indoor and outdoor arena facility with state of the art amenities that can accommodate numerous different disciplines within the Equine Industry. This state-of-the-art Ocala, Florida Equestrian Center is designed to offer the ultimate competition experience for both horse and rider. As a professionally operated, family-owned enterprise, the World Equestrian Center illustrates the passion and commitment to equestrian sports in the United States. World Equestrian Center is a true destination. The event grounds will feature a luxurious six-story, 5-star hotel, located at the heart of the equestrian resort. The brand-new hotel will feature 254 extra large suites, some equipped with balconies where guests can take in world-class equestrian events in luxury and comfort. The hotel will also feature retail space, where guests and visitors will find a high-end boutique experience just minutes from the competition rings and barns. With a selection of carefully curated vendors, you'll be able to browse everything from clothing to tack to jewelry to fine art. You'll be able to find anything you might need or want to make your stay at the World Equestrian Center memorable. On-site dining options will include several sit-down restaurants, including a fine dining restaurant with seating for 500 guests. World Equestrian Center and World Equestrian Estates will feature approximately 1.5 million square feet of riding space. The grounds will be manicured with mature trees and hundreds of thousands of flowers. On-site greenhouses will keep the flowers blooming year round. Visitors and competitors alike will find a park-like atmosphere around the grand prix area and throughout the grounds. Paver sidewalks and a tree-lined entrance enhance the park-like feel at World Equestrian Center." This equestrian center is already having a major positive economic impact upon all of Marion County. Further, there has been a significant level of speculation in the real estate near and surrounding this facility.

Because of these influences, Marion County will likely continue to establish itself as a leader in the horse farm industry. The sociological influences of the Marion County market establish this area as a unique inland community of the State of Florida. Major industrial employers have recognized the aesthetic value that the Marion County area has to offer for their employees. The annual economic impact to Marion County from the equine industry is significant.

Comprehensive Plan and Concurrency: In 1985, the legislature of the State of Florida enacted the "Local Government Planning and Land Development Regulation Act" with its major scope expressed as: "public facilities and services needed to support development will be available con-

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current with the impacts of such development." The legislation, which became known as "concurrency," has forced local government to implement major planning tasks pertaining to growth and development of necessary infrastructures required for future population increases. The comprehensive plan of local government is intended to meet the needs of the local population as well as satisfy State-mandated guidelines for control of growth. The comprehensive plan presents guidelines which impact real estate use and value. In order to change the land use or zoning of a property, there are certain criteria which must be met. Land use and zoning are not interchangeable terms. To change zoning, the proposal must be compatible with the land use classification of the property. A physically compatible property that is proposed for change to a zoning in which it is otherwise disallowed requires an amendment to the land use plan within the comprehensive plan (both the City of Ocala and Marion County each have independent plans). In that regard, as a result of new legislation in 2011, state government was reorganized and the Department of Economic Opportunity (DEO) was created. Within this arm of the state government, the Division of Community Planning specifically considers applications for land use amendments. Further, the state and regional agencies interest only comment if the proposed change affects state or regional interests (essentially transferring more authority to local government in terms of the land use amendment process).

Summary of Regional Data

The impact of the expanding population of Marion County has represented a leading force in the prosperity of this community. The increase in population has generally led to increased demand for services in all segments of the economy. Market conditions and the economy in the subject region have been quite strong over the past several years, despite the impact of the COVID-19 pandemic beginning in early 2020. In the final analysis, the local real estate market should benefit from long-term growth.

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Description and Analysis of Neighborhood

Neighborhood is defined as "...a group of complementary land uses."³ The physical neighborhood may be the same as, or different from, the economic neighborhood. The physical boundaries of a defined neighborhood essentially perimeter that land area which confines homogeneous land use. The economic neighborhood is the area which identifies the marketing district of comparable uses and is considered the more general area of influence with which the subject must compete in terms of sale prices, rental rates and employment opportunities. The economic neighborhood boundaries may not be represented by tangible limits to the same extent as the physical neighborhood. It is most ideal when the physical and economic neighborhoods overlap one another and are essentially the same. Comparables are extracted from both neighborhoods for direct comparison with the subject.

Geographic Boundaries:	SR 40 to N, I-75 to E, SR 200 to S, and SW 80 th Ave to W
Economic Boundaries:	expanded to include competitive, inner- and fringe-city W and SW Ocala areas
Subject's Positioning:	generally central with respect to geographic neighborhood
Proximity to Conveniences:	good ⁴
Major Thoroughfares:	I-75 extends N/S through the State of Florida; SR 40 extends E/W across the State of Florida and forms N boundary of neighborhood; SR 200 extends NE/SW through southwest Marion County to the S of the S boundary of neighborhood; SW 60 th Ave extends N/S through the defined subject neighborhood and represents significant local connector corridor; SW 38 th St provides E/W connector route through subject neighborhood
Adverse Influences:	none observed
Demographics:	City of Ocala includes significant residential economic base in support of various commercial uses; housing includes a blend of single-family and multi-tenant
Employment:	average acknowledging steady improvement in the local unemployment rate since the surge in 2020 due to the COVID-19 crisis
Proximity to Necessities:	good ⁵

The north boundary of the neighborhood is represented by the SR 40 West corridor, to the west of I-75. The neighborhood includes a blend of commercial, industrial, residential and agricultural uses. To that end, commercial uses are not surprisingly concentrated at the easterly extreme of the corridor near the I-75 interchange with a predominance of convenience stores with fuel sales, older lodging

³ Appraisal Institute (*The Dictionary Of Real Estate Appraisal*, 6th Edition)

⁴ Recreational opportunities; public venues; religious establishments; civic and community activities; cultural centers.

⁵ Schools; grocery, clothing and retail shopping; medical community; financial district; government; employment centers.

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facilities and restaurants (mostly fast food). Further to the west, commercial and industrial uses are represented along the SR 40 corridor but only sparsely with a considerable amount of available vacant or nominally improved acreage. Although the SR 40 corridor was relatively recently widened through the subject's immediate area, there has been insufficient demand to warrant a significant level of corresponding new vertical development. This appears largely due to insufficient demographics in support of most forms of retail development. More specifically, the demographics do not appear sufficient to support retail uses such as grocery stores or national retailers (i.e. Target). The retail uses that do exist in the vicinity of the airport include convenience stores (restricted to corners), one bank, automotive services and more localized "mom and pop" businesses. That being said, the development and opening of the World Equestrian Center at the northwest extreme of the defined subject neighborhood is creating demand for additional commercial use along the corridor. As discussed within the Regional Analysis section, this world-class facility is anticipated to have a major impact not only in the immediate area but broader county and regional area as well. In anticipation of the success of WEC, there has been a considerable level of land speculation in or near WEC over the past couple of years.

The subject neighborhood is centered around the Ocala International Airport which is anticipated to continue to represent a significant demand generator for the neighborhood. Aviation related improvements to the airport include a relatively new \$2.43 million air traffic control tower, 7,400' main runway with all-weather capability, 3,000' crosswind runway, \$3 million runway rehabilitation and grooving project, 101 t-hangar units, 18 corporate hangars, FAA part 139 Certification with Index B fire fighting capability, 13.8 AC of open apron and ramp space with 70 concrete tie-down locations and an aggressive hangar infrastructure program. More recently, Sheltair took over as the flight based operator in 2015 through a 30-year lease agreement. Further, the airport benefits from a new terminal at a cost of about \$6,400,000 (the new terminal encloses about 17,500 SF). Taxiway A was recently renovated at a reported cost of about \$4,500,000. Clearly, the City of Ocala is committed to keeping the local airport facility current and functional.

As a result of its proximity to the I-75 corridor, industrial represents a primary land use throughout the described neighborhood. Relatively new industrial parks west of I-75 include the Ocala Airport Commerce Center, Ocala International Commerce Park, Meadowbrook Commerce Park, Deerwood Commerce Park and Ocala Business Park at Ocala International Airport. These parks have attracted many of the primary industrial users (both manufacturing and distribution) of the Ocala/Marion County market.

The subject's more immediate vicinity (SW 60th Ave to the south of SW 20th St) includes smaller industrial parks with lots which cater more to the local population but require facilities benefitting from industrial zoning regulations (i.e. local contractors, service/repair businesses and distributors). These parks include the Airport Industrial Park and the Runway Industrial Plaza. There are also several smaller industrial tracts along the west side of SW 60th Ave (including the subject). Only one of these is developed and includes an industrial building recently sold by the City of Ocala to the

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tenant. Additionally, there are several relatively small commercial and industrial properties along the SW 38th St corridor immediately south of the airport. It is noted, however, that a relatively large acreage tract due east of the airport facility (across SW 60th Ave) is being developed with what is named the Airport Logistics Park. The first proposed building will include a total of 112,500 SF which will be divided into two equally sized units. The building will be tenant occupied with rents ranging from \$6.29/SF, triple net to \$6.50/SF, triple net. Further, the lessor representative reported ongoing negotiations for the lease of a second proposed building of 140,000 SF with 15,000 SF of office and extensive supporting site development (well above average) with proposed rental rate of \$8.75/SF, triple net and 4% per year escalation. These buildings were under construction as of the date of valuation. Finally, it appears that the vacant acreage parcel due east of the subject property is proposed for a blend of multi-family residential and commercial uses.

SW 60th Ave, to the south of the SW 38th St, includes a blend of residential, commercial and institutional uses. Residential developments include Fore Ranch and the Hunt Club. Commercial uses include veterinary offices, daycare, medical/assisted living and Charleston Place (office park with limited success since development). Institutional uses include a post office, church and SECO offices. Much of the available acreage in the southerly portion of the neighborhood includes residential and/or agricultural acreage including a very large holding of the On Top of the World community to the southwest. In fact, this large acreage holding is being developed with a master-planned community know as Calesa Township. As a matter of fact, this development with also include an aquatic center and school facility, both of which are planned for locations along what will be the extension of SW 52nd St to the west.

Finally, the subject property is an integral part of its defined physical neighborhood, contributing to highest and best use thereof.

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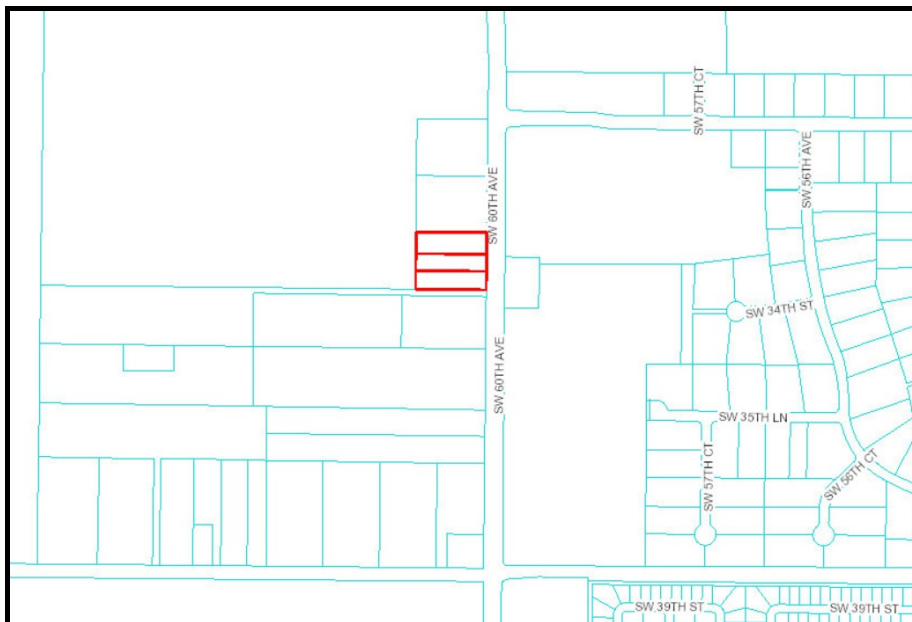
Description and Analysis of Site

The following description is based on my personal inspection as well as information from the public records of Marion County, Florida.

Parcel Size/Position:	3.03 AC (per public records; subject to current survey)/inside
Road Frontage-	330 FF on W r/w of SW 60 th Ave
Access-	site presently includes (2) curb cuts on SW 60 th Ave (directional median opening for N-bound traffic at subject's N curb cut)
Flood Zone-	zone "X" (minimal flooding) per FEMA Map #12083C0511E & #12083C0513E, effective 4/19/17
Topography/Drainage-	approximate ELY half of the site includes generally level terrain while the approximate WLY half of the site appears to include significant topographical irregularities which will reportedly require significant remediation (fill dirt with compaction at a quoted cost of \$64,000 as of April of 2022 (see Extraordinary Assumptions)/appears adequate
Road Improvements-	SW 60 th Ave improved with four lanes of traffic (with center median), concrete curb/gutter, storm sewer and sidewalks
Easements-	presumed easement encumbrance at SE corner of site associated with observed electrical infrastructure (subject to current survey)
Adjacent Land Uses-	N= vacant acreage E= vacant acreage across SW 60 th Ave S= industrial office/warehouse W= Ocala International Airport (across chain link fence enclosure)
Adverse Influences-	topographical irregularities at WLY portion of site will reportedly required remediation (see Extraordinary Assumptions)

As a matter of note, the subject is partially enclosed by 6' chain link fence (enclosing the aforementioned westerly portion which includes topographical irregularity). This fencing is in only fair condition and adds no significant level of contributory value. Further, the site includes a double-sided, monopole outdoor advertising sign which represents a leasehold improvement associated with a long-term ground lease for a small portion of the subject site.

In summary, acknowledging the apparent need for remediation of the topographical irregularity for a portion of the site, the subject property represents a physically and functionally effective entity contributing towards ultimate highest and best use.

ALBRIGHT & ASSOCIATES of Ocala, Inc.**Site Map****Aerial Photo**

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Highest and Best Use

As defined in the Appraisal of Real Estate, 14th Edition (published by the Appraisal Institute in 2013), highest and best use is:

"The reasonably probable use of property that results in the highest value."

The following four tests are implicit within the consideration of highest and best use:

1. Physically Possible.
2. Legally Permissible.
3. Financially Feasible.
4. Maximally Productive.

Application of these four categories to the subject supports my conclusions of highest and best use.

As Vacant

The subject site includes 3.03 AC with an inside position along SW 60th Ave, adjacent to the Ocala International Airport facility. The site benefits from availability of city utilities as well as level terrain. The subject actually consists of three parcels of record ranging in size from .92 AC to 1.10 AC which enhances the flexibility of utility of the property (that is, potential for one to three sites). However, it appears that the westerly portion of the subject includes significant topographical irregularities which will require remediation. In that regard, Baker Construction of Marion County, Florida provided a cost quote of \$64,000 for installation of 2,160 cubic yards of clean fill dirt along with compaction to 95% (see **Extraordinary Assumptions**).

The current entitlement allows a variety of industrial uses, some of which could benefit from the exposure along SW 60th Ave. In that regard, the market for industrial land has improved dramatically over the past several years (even through the COVID-19 crisis). In fact, not only have land values, improved values and rents dramatically increased over the past several years, but new construction is occurring throughout the Ocala/Marion County market.

As noted earlier, the site is improved with an on-site outdoor advertising sign location (via ground lease) which is located at the extreme easterly portion of the site. Such signs are not uncommon within the subject neighborhood and typically do not adversely impact the utility to the primary use of the parcel (as would appear to be the case with the subject property). As a result, the potential income associated with this lease is considered "bonus" land value.

In the final analysis, highest and best use of the subject, as vacant, is for eventual industrial development.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Reasonable Exposure Time

Reasonable exposure time is historically-oriented (**time which lapsed before closing sale/lease**).⁶ Based upon my research with respect to reasonable exposure time of the subject property type, I have formed an opinion of reasonable exposure time applicable to my opinion of market value of the subject property of approximately 3 to 6 months.

Valuation Methodology

The three traditional approaches to value of real estate appraisal process are: Cost Approach, Sales Comparison Approach and Income Capitalization Approach.

The Cost Approach combines an opinion of land value with value of horizontal and vertical improvements. An opinion of land value is based upon an analysis of comparable sales. Valuation of improvements begins with an opinion of current reproduction or replacement costs from which is deducted the total measure of accrued depreciation for the improvement. This approach is most reliable when improvements are new or newer and suffer little or no measure of depreciation. This approach is based upon the Principle of Substitution which holds that a buyer would likely not pay more for a property than the costs of obtaining an equally desirable substitute site plus the costs new of replacing equally desirable and useful improvements thereon, assuming no costly delay in making the substitution.

The Sales Comparison Approach includes the comparison of the subject with similarly located and useful properties that have recently sold to establish a discernible pattern for comparative analysis. Adjustments are necessary to the sales in many instances since no two properties are identical. From the range of (adjusted) sales prices, the indicator of value for the subject property is extracted.

The Income Capitalization Approach is based on the Principle of Anticipation which holds that a purchaser is buying in anticipation of acquiring future net benefits to the property. Value is measured in this approach through capitalization of net income. The rate of capitalization is derived from sources sensitive to market occurrences. In this income presentation, direct capitalization will be presented for the subject property type.

As the subject represents essentially vacant land, only the Sales Comparison Approach is considered applicable. That being said, additional “bonus” value associated with the long term ground lease of a portion of the site requires valuation via the Income Capitalization Approach.

⁶ “Reasonable Marketing Time” differs from “Reasonable Exposure Time” as it is:

Future-oriented, subsequent to or post-effective valuation date; thus, if introduced, “Reasonable Marketing Time” follows **Reconciliation**.

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Sales Comparison Approach

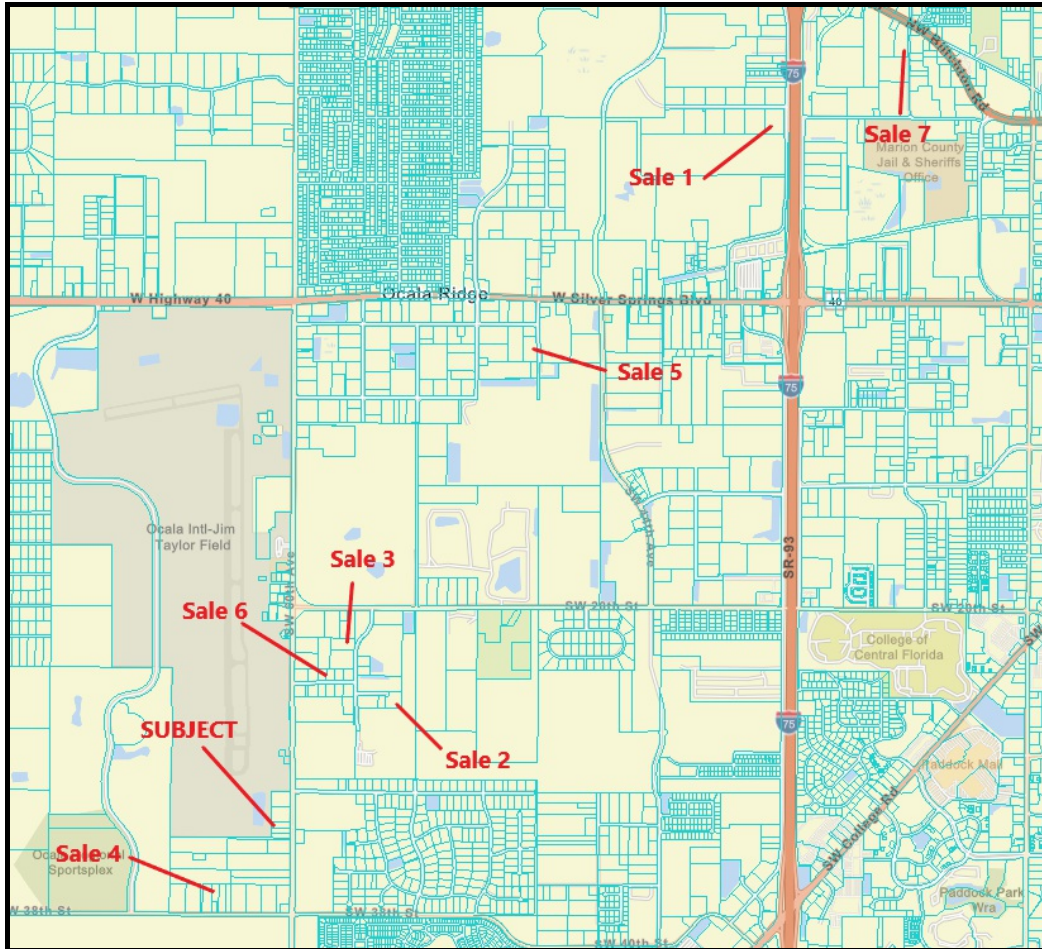
This process represents a “whole-to-whole” valuation methodology which embraces all facets of the subject property as a single economic entity.

1. **Research market for sales which are comparable to the subject property.**
2. **Verify factual data of sales which are concluded comparable to subject.**
3. **Develop appropriate unit of comparison which reflects the basis of sales.**
4. **Compare pertinent criteria of sales with characteristics of the subject.**
5. **Where appropriate, adjust sales for differences of unit value indicators.**
6. **Apply most appropriate unit indicator to derive an indicator of value.**

The following sales are regarded as the best, most current cross-section of data for comparison with the subject property “as cured” (estimated costs to cure the subject’s topographical irregularity as well as the subject’s “bonus value” will be acknowledged in the final conclusions). The most meaningful unit of comparison is the sales price per AC of gross land area.

[COMPARABLE LAND SALES DATA]

Sale	Date	Location/ID	Zoning	Size [AC]	\$/AC
1	7/21	NW 38 th Ave/ Deerwood Commerce Center	M2	5.17	\$96,712
2	10/21	SW 26 th St/ Stinson Industrial Park	M2	2.66	\$86,466
3	11/21	2210 NW 57 th Ave/ Ocala Airport Properties	M2	3.19	\$106,583
4	12/21	SW 38 th St/ Section 29/15/21	B5	1.80	\$144,444
5	12/21	SW 49 th Ave/ Ocala Airport Commerce Center	M1	3.78	\$91,270
6	3/22	5841 SW 25 th St/ Runway Industrial Plaza	IC	2.15	\$130,233
7	Pending 5/22	3308 NW Blichton Rd/ Section 11/15/21	B5	5.24	\$157,443
		Mean of Indicators:		3.43	\$116,164

ALBRIGHT & ASSOCIATES of Ocala, Inc.**Comparable Land Sales Map**

ALBRIGHT & ASSOCIATES of Ocala, Inc.**Land Sale 1****Data Sheet**

OR Book & Page: 7527/1944 (Marion County)
Grantor: Nolan Galloway, et al
Grantee: Michael Hugh Schott
Date of Sale: July 26, 2021
Sale Price: \$500,000
Unit Price: \$96,712/AC
Cash Equivalency: cash to seller
Conditions/Motivations: arm's length/eventual industrial use (trailer manufacturing and sales)
Assessment No. 21671-002-01
Legal Description: Lot 1, Block B, Deerwood Commerce Center
Property Jurisdiction: City of Ocala
Land Use/Zoning: employment center/M2, medium industrial
Interest Conveyed: fee simple
Site Area: 5.17 AC
Frontage: SW corner of NW 38th Ave and NW 11th St
Topography/Drainage: considerable topographical irregularity/adequate
Flood Zone: no apparent flood plain encumbrance
Natural Landscaping: average; moderately wooded

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Land Sale 1**Data Sheet (Cont'd)**

Highest & Best Use:	industrial
Encumbrances:	none adverse
Improvements:	none
Utilities:	central services available
Verified With:	public records; inspection; MLS #OM437246
Exposure Time:	1,813 days on market
3-Yr± Sales History:	no arm's length sales
Comments:	seller verified that this property includes severely sloping terrain which directly impacted the marketability and sale price of this property

ALBRIGHT & ASSOCIATES of Ocala, Inc.**Land Sale 2****Data Sheet**

OR Book & Page:	7599/1891; Marion County
Grantor:	Stinson Land Development LLC
Grantee:	Gemstone USA LLC
Date of Sale:	October 15, 2021
Sale Price:	\$230,000
Unit Price:	\$86,466/AC
Cash Equivalency:	none (cash to seller)
Interest Conveyed:	fee simple
Assessment No.	23321-001-05
Legal Description:	Lot 5, Stinson Industrial Park
Location:	SW 26 th St, Ocala, Florida
Site Area:	2.66 AC
Configuration:	rectangular
Road Frontage:	S r/w of SW 26 th St
Topography/Drainage:	generally level terrain/appears adequate
Flood Zone:	zone "X" (minimal flooding) as per FEMA Maps
Natural Landscaping:	average (densely wooded)

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Land Sale 2**Data Sheet (Cont'd)**

Property Jurisdiction:	City of Ocala
Land Use/Zoning:	employment center/M2
Use at Sale:	vacant at sale
Encumbrances:	none adverse
Improvements:	none
Utilities:	City of Ocala services available
Verified With:	public records; inspection; MLS #OM557591
Exposure Time:	867 days on market
3-Yr Sales History:	none
Comments:	platted lot in industrial subdivision requires on-site storm water retention

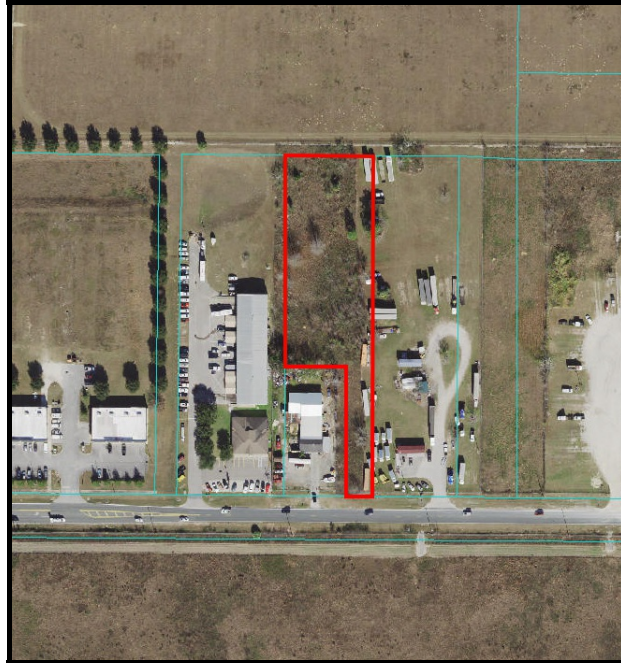
ALBRIGHT & ASSOCIATES of Ocala, Inc.**Land Sale 3****Data Sheet**

OR Book & Page:	7632/0997; Marion County
Grantor:	Quad Partners, Inc.
Grantee:	Karl Montoya, Trustee
Date of Sale:	November 22, 2021
Sale Price:	\$340,000
Unit Price:	\$106,583
Cash Equivalency:	cash to seller
Assessment No.	23204-021-00
Legal Description:	portion of Lot 3, Ocala Airport Properties
Property Jurisdiction:	City of Ocala
Land Use & Zoning:	commerce district/M2
Interest Conveyed:	fee simple, subject to restrictions of record
Site Area:	3.19 AC
Frontage:	W r/w of SW 57 th Ave
Topography/Drainage:	generally level/appears adequate (no apparent flood plain)
Natural Landscaping:	average (cleared)
Highest & Best Use:	eventual industrial/commercial development

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Land Sale 3**Data Sheet (Cont'd)**

Encumbrances:	none adverse
Improvements:	none
Utilities:	central services available
Verified With:	public records; inspection; MLS #OM617284
Exposure Time:	232 days on market
3-Yr± Sales History:	no arm's length sales in last three years
Comments:	property reportedly benefits from off-site storm water retention

ALBRIGHT & ASSOCIATES of Ocala, Inc.**Land Sale 4****Data Sheet**

OR Book & Page: 7670/1383 (Marion County)
Grantor: Patricia A. Marando
Grantee: Ernesto Toribio
Date of Sale: December 29, 2021
Sale Price: \$260,000
Unit Price: \$144,444/AC
Cash Equivalency: NA (terms=cash)
Conditions/Motivations: arm's length/investment
Assessment No. 23820-011-04
Legal Description: lengthy, in Section 29/15/21, Marion County, Florida
Property Jurisdiction: Marion County
Land Use/Zoning: commerce district/B5
Interest Conveyed: fee simple
Site Area: 1.80 AC
Frontage: N r/w of SW 38th St

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Land Sale 4**Data Sheet (Cont'd)**

Topography/Drainage:	generally level/adequate
Flood Zone:	zone "X" (minimal flood) per FEMA Map
Natural Landscaping:	average (cleared)
Highest & Best Use:	industrial or heavy commercial
Encumbrances:	none observed
Improvements:	none
Utilities:	central services available
Verified With:	public records; inspection
Exposure Time:	not available
3-Yr± Sales History:	NA
Comments:	site positioned adjacent S of airport in the midst of a variety of industrial and heavy commercial uses fronting SW 38 th St

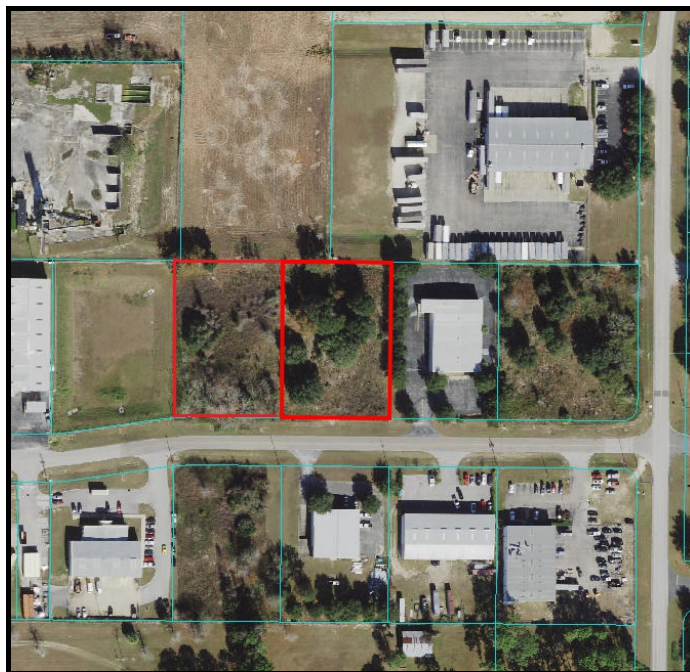
ALBRIGHT & ASSOCIATES of Ocala, Inc.**Land Sale 5****Data Sheet**

OR Book & Page:	7668/1113 (Marion County)
Grantor:	Pellegrino & Michelle Barone
Grantee:	Lugmo Corp
Date of Sale:	December 30, 2021
Sale Price:	\$345,000
Unit Price:	\$91,270/AC
Cash Equivalency:	NA (terms=cash)
Conditions/Motivations:	arm's length/eventual industrial use
Assessment No.	2318-004-009
Legal Description:	portion of Lot 9, Block D, Ocala Airport Commerce Center
Property Jurisdiction:	City of Ocala
Land Use/Zoning:	employment center/M1
Interest Conveyed:	fee simple
Site Area:	3.78 AC
Frontage:	E r/w of SW 49 th Ave

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Land Sale 5**Data Sheet (Cont'd)**

Topography/Drainage:	generally level/adequate
Flood Zone:	zone "X" (minimal flood) per FEMA Map
Natural Landscaping:	average (cleared)
Highest & Best Use:	industrial
Encumbrances:	none observed
Improvements:	none
Utilities:	central services available
Verified With:	public records; inspection; MLS #OM607444
Exposure Time:	447 days on market
3-Yr± Sales History:	NA
Comments:	cleared site in OACC

ALBRIGHT & ASSOCIATES of Ocala, Inc.**Land Sale 6****Data Sheet**

OR Book & Page: 7736/1237 (Marion County)
Grantor: Joseph Lettelier
Grantee: Eon Consumer Welfare
Date of Sale: March 25, 2022
Sale Price: \$280,000
Unit Price: \$130,233/AC
Cash Equivalency: NA (terms=cash)
Conditions/Motivations: arm's length/eventual industrial use
Assessment No. 23819-001-02 & 23819-001-03
Legal Description: Lot 2 and 3, Block A, Runway Industrial Plaza
Property Jurisdiction: Marion County
Land Use/Zoning: commerce district/IC
Interest Conveyed: fee simple
Site Area: 2.15 AC
Frontage: N r/w of SW 25th St

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Land Sale 6**Data Sheet (Cont'd)**

Topography/Drainage:	generally level/adequate
Flood Zone:	zone "X" (minimal flood) per FEMA Map
Natural Landscaping:	average (cleared)
Highest & Best Use:	industrial
Encumbrances:	none observed
Improvements:	none
Utilities:	central services available
Verified With:	public records; inspection; MLS #OMJ944189 (Maria Bernal)
Exposure Time:	not available
3-Yr± Sales History:	NA
Comments:	site appears to benefit from off-site drainage provisions

ALBRIGHT & ASSOCIATES of Ocala, Inc.**Land Sale 7****Data Sheet**

OR Book & Page:	pending (Marion County)
Grantor:	1001 NE 77 th Land Trust
Grantee:	not available
Date of Sale:	scheduled to close on May 23, 2022
Sale Price:	\$825,000
Unit Price:	\$157,442/AC
Cash Equivalency:	NA (terms=cash)
Conditions/Motivations:	arm's length/eventual heavy commercial use
Assessment No.	21825-000-00
Legal Description:	lengthy, in Section 11/15/21, Marion County, Florida
Property Jurisdiction:	City of Ocala
Land Use/Zoning:	employment center/B5
Interest Conveyed:	fee simple
Site Area:	5.24 AC
Frontage:	S r/w of US Hwy 27

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Land Sale 7**Data Sheet (Cont'd)**

Topography/Drainage:	generally level/adequate
Flood Zone:	zone "X" (minimal flood) per FEMA Map
Natural Landscaping:	average (cleared)
Highest & Best Use:	heavy commercial
Encumbrances:	none observed
Improvements:	none
Utilities:	central services available
Verified With:	public records; inspection; MLS #OM626070
Exposure Time:	171 days on market
3-Yr± Sales History:	NA
Comments:	prior to sale, seller cleared access issues for this property to achieve legal access to US Hwy 27 via full median cut; buyer reportedly to develop with some form of outdoor storage facility

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Adjustment Process

In terms of the adjustment process, initial considerations are made to interest conveyed, cash equivalency, conditions of sale and market conditions. In addition, the data are analyzed as to location, physical characteristics (i.e. size, configuration/landscape and topography) and entitlement.

My review of the available data revealed a lack of discernible support for most of these elements of comparison. That is, there is simply not sufficient data to isolate one variable within a single pairing in order to extract value impact attributable thereto. Where specific quantified adjustments are not available, I have relied upon qualitative analysis.

Interest Conveyed:

Each of the sales included the acquisition of the fee simple interest with no adjustment necessary.

Cash Equivalency:

None of the sales require adjustment for cash equivalency.

Conditions of Sale:

All sales included arm's length transactions with no adjustment necessary.

Market Conditions:

While all sales occurred within less than one year from the date of valuation, market conditions have continued to improve into early 2022. In that regard, slight upward consideration is appropriate for Sales 1 through 3.

Location:

All sales are located in west Ocala with high demand for industrial or heavy commercial use. That being said, Sales 2, 3, 5 and 6 all include interior locations without significant exposure and are slightly inferior. While Sales 1 and 4 are regarded as including generally similar locations, Sale 7 includes a superior specific location along US Hwy 27 near the I-75 interchange and downward consideration is appropriate.

Physical Characteristics:

The seven sales include a range of sizes which are all competitive with the overall gross size of the subject property and no adjustment is necessary.

ALBRIGHT & ASSOCIATES of Ocala, Inc.

The subject includes a regularly shaped parcel with mostly cleared. By comparison, Sale 2 includes a densely wooded tract which is considered slightly inferior, Sales 3 and 6 include the benefit of off-site drainage and are superior while Sale 4 includes a flag-lot configuration which is slightly inferior. The remaining sales are all considered similar.

As noted earlier, the initial valuation includes consideration to the subject property “as cured” with respect to the topographical issues. By comparison, only Sale 1 is inferior due to highly irregular slope while the remaining sales are all similar.

Use (Entitlement):

The subject includes M1 zoning. By comparison, Sales 5 and 6 both include the same or similar zoning with no need for adjustment. Sales 1, 2, 3, 4 and 7, however, all include less restrictive zoning designations and are considered slightly superior.

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The following is a summary of the elements of comparison and qualitative analysis thereof related to valuation of each component of the subject property.

[Comparable Land Sales Adjustment Grid]

Element of Comparison	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Sale 7
Sale Price (\$/AC)	\$96,712	\$86,466	\$106,583	\$144,444	\$91,270	\$130,233	\$157,443
Property Rights	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Cash Equivalency	None	None	None	None	None	None	None
Conditions of Sale	Typical	Typical	Typical	Typical	Typical	Typical	Typical
Adj Price (\$/AC)	\$96,712	\$86,466	\$106,583	\$144,444	\$91,270	\$130,233	\$157,443
Time/Market Conditions	Slight Inf (+)	Slight Inf (+)	Slight Inf (+)	Similar	Similar	Similar	Similar
Adj Price (\$/AC)	\$96,712	\$86,466	\$106,583	\$144,444	\$91,270	\$130,233	\$157,443
Location	Similar	Slight Inf (+)	Slight Inf (+)	Similar	Slight Inf (+)	Slight Inf (+)	Slight Sup (-)
Size	Similar	Similar	Similar	Similar	Similar	Similar	Similar
Configuration/Landscape	Similar	Slight Inf (+)	Superior (-)	Slight Inf (+)	Similar	Superior (-)	Similar
Topography	Inferior (+)	Similar	Similar	Similar	Similar	Similar	Similar
Entitlement	Slight Sup (-)	Slight Sup (-)	Slight Sup (-)	Superior (-)	Similar	Similar	Superior (-)
Overall Adjustment	Inferior (+)	Inferior (+)	Slight Inf (+)	Slight Sup (-)	Slight Inf (+)	Slight Sup (-)	Superior (-)
Price (\$/AC)	\$96,712	\$86,466	\$106,583	\$144,444	\$91,270	\$130,233	\$157,443

Conclusions:

The data produce a somewhat broad range of indicated value for the subject site from \$86,466/AC to \$157,443/AC with a mean of \$116,164/AC. Sales 1, 2 and 5 represent the lower tendency but all are considered inferior overall. By contrast, Sale 7 represents the upper extreme tendency but is superior. The remaining three sales produce a more narrow range which brackets the central tendency of the overall range. In the final analysis, it is my opinion that a conclusion toward the upper-central tendency of the overall range of data is most appropriate. Based upon the market data researched and presented herein, I have concluded an opinion of market value of:

Opinion of Market Value - "As Cured" \$364,000
[3.03 AC @ \$120,000/AC, Rd]

LESS: Cost to Cure (Fill Dirt & Compaction) - 64,000

Opinion of Market Value - "As Is" \$300,000
[via Sales Comparison Approach]

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“Bonus” Value of ODA Ground Lease

As indicated earlier, the subject property benefits from a ground lease associated with a small portion of the easterly extreme of the site for an outdoor advertising sign (ODA) location. The lease includes a current (and level) rent of \$1,200 per year (no indication that the 12% of net revenue has been applicable) and is reportedly scheduled to expire in about 2025. The sign benefits from exposure for north- and south-bound traffic on SW 60th Ave.

The subject rent falls within the range of alternate sign locations within the Ocala market although certainly toward the lower tendency which is a reflection of its location on SW 60th Ave (as opposed to more significant corridors in the local market such as I-75, SR 40 and US Hwy 441/301/27). Further, the contract rent is has reportedly remained level since 2002 and will remain level through 2025. As such, the contract rent associated with the current lease is considered relatively “safe.” My research of the local market produced numerous market extracted land capitalization rates which range from below 5% to as much as 9%. Acknowledging that the subject contract rent is relatively safe and with a significant remaining term but with no escalation provision, I have included the lower-central tendency of the overall range of rates as most appropriate for the subject valuation. As applied to the subject income of \$1,200 per year, the resulting indicated “bonus” value of the ground lease \$17,000, rounded (\$1,200 divided by .07, rounded). Based upon the market data researched and presented herein, I have concluded an opinion of value of the subject property of:

Opinion of Market “Bonus” Value “Ground Lease”

\$17,000

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Reconciliation

The Sales Comparison Approach forms the basis of the primary valuation (\$300,000) which is supported by a large volume of current comparable land sales data from the subject's immediate market area. In addition, the subject's bonus value of \$17,000 is supported by the Income Capitalization Approach.

Based on prevailing economic conditions, taking all relevant (area) influences and (property) characteristics into consideration, weighing the best market evidence available as has been set forth in this report, I have formed an opinion of market value of the subject property, with a reasonable degree of appraisal certainty, with respect to the interest identified, according to the program of property utilization which is consistent with the threshold of highest and best use, subject to the *certification, assumptions and hypothetical conditions*, expressed in this appraisal report, as of the effective valuation date identified herein, of:

Opinion of Market Value**\$317,000**

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Addendum

ALBRIGHT & ASSOCIATES of Ocala, Inc.

Stephen J. Albright, Jr.
Curriculum Vitae**Employment**

Professional Golf, Tommy Armour and T.C. Jordan Tour (1992-1993)
Marion and St. Johns County School Boards, School Teacher (1993)
Albright & Associates, Ocala, Inc. (1994 to 2002)
Stephen Albright & Associates, Inc. (2002 to present)

Formal Education

University of North Carolina, Chapel Hill, NC; BA, Psychology, 1992

Professional Designations

State-Certified General Real Estate Appraiser, RZ2392
Member, Appraisal Institute, MAI

Professional Organizations/Service

Appraisal Institute, East Florida Chapter (Former Board Member)
Ocala/Marion County Multiple Listing Service

Community Organizations/Service

Ocala/Marion County Chamber of Commerce
First Presbyterian Church of Ocala (Former Elder)
Community College of Central Florida Foundation (Former Board Member)
Silver Springs Rotary Club (Former Board Member)
Ocala Vision 2035 Leadership Group
Mastering the Possibilities (Board of Directors)
First Tee of Greater Ocala (Board of Directors)
Florida State Golf Association (Board of Directors)

Real Estate Appraisal Education (Courses)

Appraisal Principles, Appraisal Institute
Appraisal Procedures, Appraisal Institute
Basic Income Capitalization, Appraisal Institute
Standards of Professional Practice, Part A (USPAP), Appraisal Institute
Standards of Professional Practice, Part B (USPAP), Appraisal Institute
Standards of Professional Practice, Part C (USPAP), Appraisal Institute
General Applications, Appraisal Institute
Florida License, Core Law
Advanced Income Capitalization, Appraisal Institute

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Highest and Best Use & Market Analysis, Appraisal Institute
 Advanced Sales Comparison and Cost Approaches
 Report Writing and Valuation Analysis
 Advanced Applications
 Uniform Appraisal Standards for Federal Land Acquisitions
 Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
 Condemnation Appraising: Principles & Applications
 The Appraiser as an Expert Witness: Preparation and Testimony

Real Estate Appraisal Education (Seminars)

Using Your HP12C Financial Calculator (Appraisal Institute)
 The Internet and Appraising (Appraisal Institute)
Uniform Standards of Professional Appraisal Practice (Appraisal Institute)
 Small Hotel/Motel Valuation (Appraisal Institute)
 Analyzing Operating Expenses (Appraisal Institute)
 Appraising From Blueprints and Specifications (Appraisal Institute)
 Residential Design & Functional Utility (Appraisal Institute)
 Appraisal of Nursing Facilities (Appraisal Institute)
 Analyzing Distressed Real Estate (Appraisal Institute)
 Feasibility, Market Value, Investment Timing: Option Value (Appraisal Institute)
 Subdivision Valuation

Specialized Services

[Expert Witness]

5th Circuit- Marion County- Judge Swigert (City of Ocala; "Yard Relief Program"; 1997)
5th Circuit- Marion County- Judge Singbush (City of Ocala; "SW 44th Ave Project"; 2000)
5th Circuit- Marion County- Judge Singbush (William Post; 2002)
5th Circuit- Marion County- Judge Singbush (SE/SW 31st St Project; 2005)
5th Circuit- Marion County- Judge Singbush (SW 20th St Project; 2006)
5th Circuit- Marion County- Judge Singbush (Marion County vs Bahia Honda; 2006)
5th Circuit- Marion County- Judge Singbush (NW 44th Ave Project; 2007)
5th Circuit- Marion County- Judge Musleh (Marco Polo vs Peterson, et al; 2007)
5th Circuit- Marion County- Judge Singbush (NW 44th Ave Project Order of Taking; 2007)
5th Circuit- Marion County- Judge Harris (SE 31st St Project Order of Taking; 2009)
5th Circuit- Marion County- Judge Edwards-Stephens (SE 31st St Project Order of Taking; 2009)
5th Circuit- Marion County- Judge Lambert (CR 200A Project Order of Taking; 2009)
5th Circuit- Marion County- Judge King (SW 95th St Project Order of Taking; 2010)
5th Circuit- Marion County- Judge Lambert (SW 42nd St Flyover Project Order of Taking; 2010)
5th Circuit- Marion County- Judge Eddy (Marion Co vs Morgran Center; Fee Hearing; 2012)

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5th Circuit- Marion County- Judge Singbush (NW 35th/49th St Project Order of Taking; 2012)

5th Circuit- Citrus County- Judge Falvey (Community Bank; Deficiency Hearing; 2014)

5th Circuit- Marion County- Judge Tatti (Community Bank; Deficiency Hearing; 2014)

5th Circuit- Marion County- Judge Rogers (Murvin & Altogrey, LLC vs Brown; 2014)

5th Circuit- Lake County- Judge Singeltary (M & S Bank; Deficiency Hearing; 2016)

[Arbitration/Mediation Hearings]

Marion County, Florida Ignatius Ciesla v. Bonded Builders Home Warranty (2006)

[Special Magistrate]

Marion County Value Adjustment Board Hearings (2008-2021)

Citrus County Value Adjustment Board Hearings (2010-2014)

[Speaking Engagements]

International Association of Assessing Officers - Florida Chapter

2015 TPP Seminar - VAB Special Master Panel - Lake Mary, Florida