



**GREATER NAPLES FIRE RESCUE DISTRICT
BOARD OF FIRE COMMISSIONERS
Action Item Worksheet**

NEW BUSINESS

Agenda Item: III. A
Subject: Vacant Land Appraisals
Meeting Date: January 16, 2024
Prepared By: Nicole Chesser, Chief of Staff

Background

At the November 2023 BOFC meeting, the Board requested land appraisals for the White Lake and Outer Drive properties owned by the District. The White Lake property was valued at \$7,860,000 and the Outer Dr. property was valued at \$2,070,000.

Funding Source/Financial Impact

General Fund- Professional Services- \$3,600

Recommendation

Staff recommends keeping the White Lake property to build training, fleet, and logistics facilities for the District and continue to work with the developer on building a fire station with office space on the Outer Drive property.

Potential Motion

N/A

Attachments

1. White Lake Appraisal Report
2. Outer Drive Appraisal Report



REAL ESTATE APPRAISAL REPORT

WHITE LAKE CORPORATE PARK LOTS 17 & 18

Industrial Land

3481 and 3485 Shearwater Street
Naples, Collier County, Florida, 34117

PREPARED FOR:

Ms. Nicole Chesser
Chief of Staff
Greater Naples Fire Rescue District
14575 Collier Boulevard
Naples, FL 34119

EFFECTIVE DATE OF THE APPRAISAL:

December 9, 2023

DATE OF THE REPORT:

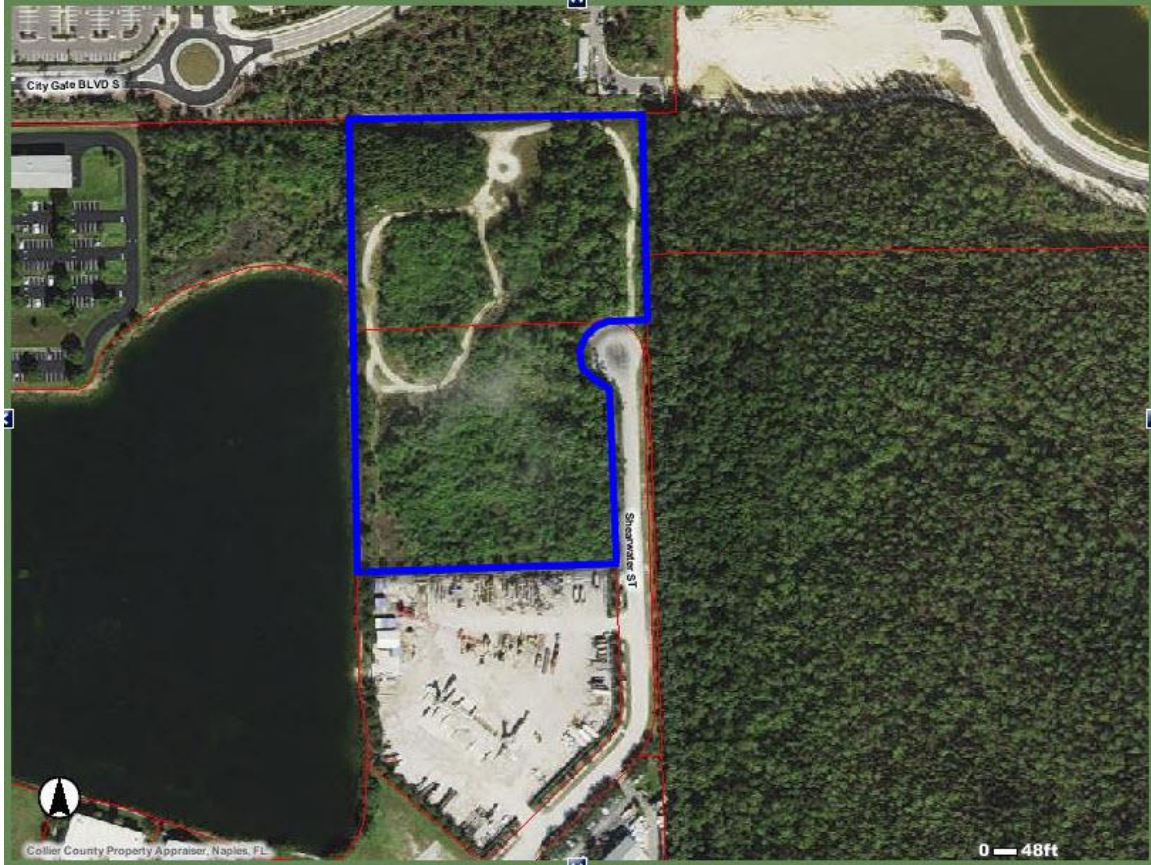
December 18, 2023

REPORT FORMAT:

Appraisal Report

PREPARED BY:

RKL Appraisal and Consulting, PLC
RKL File Number: 2023-229



White Lake Corporate Park Lots 17 & 18
3481 and 3485 Shearwater Street
Naples, Florida



December 18, 2023

Ms. Nicole Chesser
Greater Naples Fire Rescue District
14575 Collier Boulevard
Naples, FL 34119

Re: Real Estate Appraisal
White Lake Corporate Park Lots 17 & 18
3481 and 3485 Shearwater Street, Naples,
Collier County, Florida, 34117
RKL File Number: 2023-229

Dear Ms. Chesser:

At your request, RKL Appraisal and Consulting, PLC has prepared the accompanying appraisal for the above referenced property. The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property. The intended users for the assignment are Greater Naples Fire Rescue District and-or affiliates, and the intended use of the appraisal is to determine the value of the underlying land proposed for construction of a new fire station. We use the appraisal report option of Standards Rule 2-2 of USPAP to report the assignment results.

Please reference the appraisal scope section of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis, and valuation methodology.

The accompanying appraisal conforms with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The appraisal also conforms with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

The subject is a vacant industrial parcel of land containing an area of 10.02 acres, or 436,471 square feet. The site is located within the White Lake Industrial Park PUD. The 144.4-acre PUD includes a 44.1 acre lake, 11.3 acre conservation area, 3 acres of FP&L easements, 77 acres for industrial uses, and 7.80 acres of commercial uses.

Ms. Nicole Chesser
Greater Naples Fire Rescue District
December 18, 2023
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Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value, As Is	Fee Simple	December 9, 2023	\$7,860,000

The value conclusion(s) are subject to the following hypothetical conditions and extraordinary conditions. These conditions may affect the assignment results.

Hypothetical Conditions:	None.
Extraordinary Assumptions:	None.

Respectfully submitted,
RKL APPRAISAL AND CONSULTING, PLC



Rachel M. Zucchi, MAI, CCIM
Florida State-Certified General Real Estate Appraiser RZ2984
rzucchi@rklac.com; Phone 239-596-0801

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

GENERAL

Subject:	White Lake Corporate Park Lots 17 & 18 3481 and 3485 Shearwater Street, Naples, Collier County, Florida, 34117
Owner:	The Greater Naples Fire Rescue District
Legal Description:	Lots 17 and 18, White Lake Corporate Park Phase Three, according to the plat thereof recorded at Plat Book 34, Pages 45 and 46 in the Public Records of Collier County, Florida.
Tax Identification:	81790004762 and 81790004746
Intended Use:	The intended use is to determine the value of the underlying land proposed for construction of a new fire station.
Intended User(s):	Greater Naples Fire Rescue District and-or affiliates

PROPERTY

Land Area:	Total: 10.02 acres; 436,471 square feet
Flood Zone:	Zone AH and X
Zoning:	White Lake PUD - White Lake Industrial Park PUD
Highest and Best Use	
As Vacant	Industrial development
Exposure Time	12 months
Marketing Period	12 months

VALUE INDICATIONS

Value Range of Comparables:	\$12.54 to \$19.04 per square foot
Reconciled Value(s):	As Is
Value Conclusion(s)	\$7,860,000
Effective Date(s)	December 9, 2023
Property Rights	Fee Simple

The value conclusion(s) are subject to the following hypothetical conditions and extraordinary conditions. These conditions may affect the assignment results.

Hypothetical Conditions:	None.
Extraordinary Assumptions:	None.

INTRODUCTION INFORMATION

SUBJECT IDENTIFICATION

Subject:	White Lake Corporate Park Lots 17 & 18 3481 and 3485 Shearwater Street, Naples, Collier County, Florida, 34117
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CURRENT OWNERSHIP AND PROPERTY HISTORY

Owner

The owner of the property is The Greater Naples Fire Rescue District.

Sale History

The subject sold for \$5,300,000 on April 22, 2021. The transaction is recorded in the Collier County public records Instrument #6051605. Our concluded value varies from the purchase price due to the increased property values since time of sale.

Current Listing/Contract(s):

The subject is not currently listed for sale, or under contract.

To the best of our knowledge, no other sale or transfer of ownership has occurred within the past three years, and as of the effective date of this appraisal, the property is not subject to an agreement of sale or option to buy, nor is it listed for sale.

APPRAISAL SCOPE

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and any other intended users;
- the intended use of the appraiser's opinions and conclusions;
- the type and definition of value;
- the effective date of the appraiser's opinions and conclusions;

- subject of the assignment and its relevant characteristics
- assignment conditions
- the expectations of parties who are regularly intended users for similar assignments; and
- what an appraiser's peer's actions would be in performing the same or a similar assignment.

CLIENT, INTENDED USER, AND INTENDED USE

The client and the intended user of the appraisal are Greater Naples Fire Rescue District and-or affiliates. The intended use is to determine the value of the underlying land proposed for construction of a new fire station. The appraisal is not intended for any other use or user.

DEFINITION OF MARKET VALUE

Market value definition used by agencies that regulate federally insured financial institutions in the United States is defined by *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022) as:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and 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 United States 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.”

(Source: 12 C.F.R. Part 34.42(h); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994; 79 Federal Register 28400, May 16, 2014; 83 Federal Register April 9, 2018; 84 Federal Register, October 8, 2019)

DEFINITION OF PROPERTY RIGHTS APPRAISED

Fee simple estate is defined as an: “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” (Source: *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022))

PURPOSE OF APPRAISAL, PROPERTY RIGHTS APPRAISED, AND DATES

The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property. The effective date of the subject appraisal is December 9, 2023. The date of inspection was December 9, 2023. The date of the report is December 18, 2023.

SCOPE OF WORK

The problem to be solved is to estimate the market value of the fee simple interest in the subject property.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	A complete on site inspection was made and photographs were taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible, and financially feasible uses were considered, and the maximally productive use was concluded.
<u>Valuation Analyses</u>	
Cost Approach:	A cost approach was not applied as there are no improvements that contribute value to the property.
Sales Comparison Approach:	A sales approach was applied as typically this is the most appropriate approach for the valuation of vacant land. This approach is applicable to the subject because there is an active market for similar properties and sufficient sales data is available for analysis.
Income Approach:	An income approach was not applied as the subject is not likely to generate rental income as vacant land.
Hypothetical Conditions:	None.
Extraordinary Assumptions:	None.

Comments

The individual sections of the report detail the additional research, confirmation, and analysis of relevant data.

ECONOMIC ANALYSIS

NATIONAL ECONOMIC ANALYSIS

The Federal Reserve Open Market Committee (FOMC) released the following statement on December 13, 2023. Recent indicators suggest that growth of economic activity has slowed from its strong pace in the third quarter. Job gains have moderated since earlier in the year but remain strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated.

The U.S. banking system is sound and resilient. Tighter financial and credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation. The extent of these effects remains uncertain. The Committee remains highly attentive to inflation risks.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 percent. The Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

The following table details the economic forecasts of Federal Reserve Board members and Federal Reserve Bank presidents as of December 2023. Real GDP is projected to grow at a rate of 1.4% in 2024, an decrease from the September projection of 1.5%. The unemployment projection for 2024 remained the same at 4.1%. The Core PCE inflation projection also decreased from 2.6% to 2.4% in 2024.

Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, December 2023

Percent

Variable	Median ¹					Central Tendency ²					Range ³				
	2023	2024	2025	2026	Longer run	2023	2024	2025	2026	Longer run	2023	2024	2025	2026	Longer run
Change in real GDP	2.6	1.4	1.8	1.9	1.8	2.5-2.7	1.2-1.7	1.5-2.0	1.8-2.0	1.7-2.0	2.5-2.7	0.8-2.5	1.4-2.5	1.6-2.5	1.6-2.5
September projection	2.1	1.5	1.8	1.8	1.8	1.9-2.2	1.2-1.8	1.6-2.0	1.7-2.0	1.7-2.0	1.8-2.6	0.4-2.5	1.4-2.5	1.6-2.5	1.6-2.5
Unemployment rate	3.8	4.1	4.1	4.1	4.1	3.8	4.0-4.2	4.0-4.2	3.9-4.3	3.8-4.3	3.7-4.0	3.9-4.5	3.8-4.7	3.8-4.7	3.5-4.3
September projection	3.8	4.1	4.1	4.0	4.0	3.7-3.9	3.9-4.4	3.9-4.3	3.8-4.3	3.8-4.3	3.7-4.0	3.7-4.5	3.7-4.7	3.7-4.5	3.5-4.3
PCE inflation	2.8	2.4	2.1	2.0	2.0	2.7-2.9	2.2-2.5	2.0-2.2	2.0	2.0	2.7-3.2	2.1-2.7	2.0-2.5	2.0-2.3	2.0
September projection	3.3	2.5	2.2	2.0	2.0	3.2-3.4	2.3-2.7	2.0-2.3	2.0-2.2	2.0	3.1-3.8	2.1-3.5	2.0-2.9	2.0-2.7	2.0
Core PCE inflation ⁴	3.2	2.4	2.2	2.0		3.2-3.3	2.4-2.7	2.0-2.2	2.0-2.1		3.2-3.7	2.3-3.0	2.0-2.6	2.0-2.3	
September projection	3.7	2.6	2.3	2.0		3.6-3.9	2.5-2.8	2.0-2.4	2.0-2.3		3.5-4.2	2.3-3.6	2.0-3.0	2.0-2.9	
Memo: Projected appropriate policy path															
Federal funds rate	5.4	4.6	3.6	2.9	2.5	5.4	4.4-4.9	3.1-3.9	2.5-3.1	2.5-3.0	5.4	3.9-5.4	2.4-5.4	2.4-4.9	2.4-3.8
September projection	5.6	5.1	3.9	2.9	2.5	5.4-5.6	4.6-5.4	3.4-4.9	2.5-4.1	2.5-3.3	5.4-5.6	4.4-6.1	2.6-5.6	2.4-4.9	2.4-3.8

According to Freddie Mac Chief Economist Sam Khater, “Given inflation continues to decelerate and the Federal Reserve Board’s current expectations that they will lower the federal funds target rate next year, we likely will see a gradual thawing of the housing market in the new year.” According to a December 2013 AP report, the recent downward shift in mortgage rates is a welcome development for homebuyers. Mortgage applications notched their sixth consecutive weekly increase last week, according to the Mortgage Bankers Association.

According to an November 2023 report by Lawrence Yun, although high mortgage rates, elevated home prices and limited housing inventory have crippled the 2023 housing market, the outlook for 2024 is brighter. Mr. Yun expects existing-home sales to increase by 15% in 2024 as mortgage rates stabilize and home sellers adapt. “I believe we’ve already reached the peak in terms of interest rates. The question is when are rates going to come down?”

According to the National Association of Real Estate Investment Trusts’ (NAREIT) 2024 Outlook, with the Federal Reserve at, or near, the end of its tightening cycle, REITs are well-situated for outsized performance in 2024. “While public real estate valuations have adjusted, private real estate valuations probably will see further declines in 2024.” The firm noted that REITs’ well-managed balance sheets likely will enable them to navigate economic uncertainty in 2024.

The 2024 CBRE U.S. Real Estate Market Outlook there is an increased chance that the U.S. will avoid a recession and achieve a soft economic landing in 2024, but economic growth will slow and downside risks are elevated. Commercial real estate investment activity likely will begin to pick up in the second half of 2024. The normalization of hybrid working arrangements will continue to limit the growth of office demand. Retail real estate fundamentals are expected to remain strong due to the scarcity of new construction deliveries over the past decade. The industrial market is expected to remain healthy, with net absorption on par with 2023 levels. The biggest wave of new apartment supply in decades will temper rent growth and improve affordability for renters in 2024. The hotel industry will face headwinds to RevPAR growth in 2024, including competition from alternative lodging sources and a slower economy, but fewer Americans traveling internationally will benefit the domestic market. Demand for new

data center development will attract more institutional investment in 2024, as investors reallocate capital from the office sector to real estate alternatives.

According to the Deloitte Center for Financial Services annual Commercial Real Estate Outlook for 2024, “the global real estate industry has an opportunity to start rebuilding on more solid ground. Multiple factors, from a pandemic-era recovery that shifted how and where people work to more recent geopolitical uncertainties and financial market instability, the coming year is expected to be pivotal in real estate firms’ ability to recover and build up. Marked by a myriad of mixed signals about the health and trajectory of our industry, real estate leaders may need to find their footing as they shape the next phase of real estate ownership and investment.”

According to the PwC Emerging Trends in Real Estate 2024, there’s a reluctant acceptance in the industry that interest rates will remain high for at least the next year and possibly even longer. “Even good news, such as investors being eager to acquire new assets, is tempered by bleak sector data. For example, despite available equity, transactions are down — and many in the industry point to instances where buyers and sellers simply can’t agree on pricing because the dearth of sales limits price clarity.” Respondents to the *Emerging Trends* survey believe the worst of inflation is behind us, which should give the Federal Reserve a reason to pause interest rate hikes.

According to J.P. Morgan Chase 2024 commercial real estate outlook, “multifamily and neighborhood retail stay strong, while industrial may be starting to soften. The future of office buildings remains unclear.” They also report the future of interest rates is uncertain as the economy begins to slow down.

FLORIDA ECONOMIC ANALYSIS

According to the U.S. Census Bureau, after a historically low rate of change between 2020 and 2021, the U.S. resident population increased by 0.4%, or 1,256,003, to 333,287,557 in 2022. Florida was the fastest-growing state in 2022, with an annual population increase of 1.9%, resulting in a total resident population of 22,244,823. It was also the second largest-gaining state behind Texas, with an increase of 416,754 residents. Net migration was the largest contributing component of change to Florida’s growth, adding 444,484 residents. “While Florida has often been among the largest-gaining states,” Kristie Wilder, a demographer in the Population Division at the Census Bureau noted, “this was the first time since 1957 that Florida has been the state with the largest percent increase in population.

According to the Summer 2023 Florida Forecast prepared by the Institute for Economic Competitiveness at the University of Central Florida, Florida’s economy, as measured by real Gross State Product, will expand at an average annual rate of 1.5% from 2023 to 2026. Real Gross State Product will decelerate during the economic slowdown as growth will slow to 0.5% in 2024 and 0.8% in 2025, then accelerate to reach 1.7% by 2026.

Payroll job growth in Florida will begin to falter with a slowdown in the U.S. economy, but not in every sector. After year-over-year growth of 4.7% in 2021 and job growth of

5.6% in 2022, payroll employment in 2023 will decrease to 2.4%, contract by 1.8% in 2024, and by 0.4% in 2025. Job growth turns positive and grows by 1.0% in 2026.

Housing starts have felt the bitter chill of higher mortgage rates. Total starts were 192,213 in 2022—before higher mortgage rates and worries of a slowing economy will result in a deceleration in starts to 183,134 in 2023, 158,716 in 2024, 154,424 in 2025, and 150,981 in 2026.

The unemployment rate fell to 4.7% in 2021, and then to 2.9% in 2022. The slowing economy will push the rate up to 3.1% in 2023, to 4.4% in 2024, and to 5.0% in 2025 and 2026.

Table 1. Annual Summary of the University of Central Florida's Forecast for Florida

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Personal Income and GSP									
Personal Income (Bil. \$)	1088.8	1165.1	1235.8	1356.3	1414.0	1515.3	1581.7	1659.2	1742.9
Florida.(%Ch Year ago)	6.3	7.0	6.1	9.8	4.2	7.2	4.4	4.9	5.0
U.S.(%Ch Year ago)	5.0	5.1	6.7	7.4	2.3	5.1	4.7	4.4	4.4
Personal Income (Bil. 2012\$)	1000.5	1061.5	1104.1	1157.1	1132.8	1171.5	1194.7	1226.0	1262.6
Florida.(%Ch Year ago)	4.6	6.1	4.0	4.8	-2.1	3.4	2.0	2.6	3.0
U.S.(%Ch Year ago)	2.8	3.6	5.5	3.3	-3.8	1.3	2.2	2.1	2.3
Disp. Income (Bil. 2012\$)	895.9	949.9	992.8	1023.5	974.6	1033.3	1064.0	1093.5	1125.4
Florida.(%Ch Year ago)	6.2	6.0	4.5	3.1	-4.8	6.0	3.0	2.8	2.9
U.S.(%Ch Year ago)	3.3	3.5	6.2	1.9	-6.2	3.7	2.9	2.2	2.2
GSP (Bil. \$)	1057.3	1111.4	1116.7	1255.6	1389.1	1491.7	1538.3	1588.1	1652.2
(%Ch Year ago)	5.4	5.1	0.5	12.4	10.6	7.4	3.1	3.2	4.0
GSP (Bil. 2012\$)	941.6	965.7	950.2	1029.6	1070.9	1101.2	1106.7	1116.0	1135.2
(%Ch Year ago)	3.2	2.6	-1.6	8.4	4.0	2.8	0.5	0.8	1.7
Employment and Labor Force (Household Survey % Change Year Ago)									
Employment	2.5	2.1	-4.9	4.6	5.7	2.4	-1.8	-0.4	1.0
Labor Force	1.5	1.7	-1.7	2.4	3.9	2.3	1.4	0.8	0.8
FL Unemployment Rate (%)	3.7	3.2	8.2	4.7	2.9	3.1	4.4	5.0	5.0
U.S. Unemployment Rate (%)	3.9	3.7	8.1	5.4	3.6	3.5	3.9	4.5	4.8

COLLIER COUNTY AREA ANALYSIS

Collier County has long been an attractive place to retire and it continues to be an area that experiences a great deal of seasonal population increases. According to the Collier County Comprehensive Planning Department, Collier County's population increases up to 25% between November and April due to seasonal residents and short-term agricultural workers in the Immokalee area. The population increase creates a high degree of seasonality within the retail, service, and hospitality sectors of Collier County's economy.

Collier County is located less than 150 miles from Fort Myers, Fort Lauderdale, Miami, Sarasota, and West Palm Beach as shown in the following table.

Distance to Other Major Markets			
Metro Area			Miles
Fort Myers	44	Jacksonville	378
Fort Lauderdale	107	Tallahassee	435
Miami	128	Atlanta	616
Sarasota	120	New York	1,311
West Palm Beach	150	Dallas	1,315
Tampa	169	Chicago	1,335
Orlando	238		

Population

The Bureau of Economic and Business Research, University of Florida released the following population statistics for Southwest Florida. As shown, total population increased in all six Southwest Florida counties with the greatest percentage growth in Lee County and the second highest in Collier County.

Projections of Florida Population by County, 2025-2050, with Estimates for 2022							
	Population				Percent Change		
	2022	2025	2030	2035	2022 to 2025	2025 to 2030	2030 to 2035
Southwest Florida	1,895,116	1,995,400	2,142,100	2,261,600	5.29%	7.35%	5.58%
Charlotte	196,742	206,600	220,900	232,100	5.01%	6.92%	5.07%
Collier	390,912	409,800	436,900	459,500	4.83%	6.61%	5.17%
Glades	12,273	12,300	12,400	12,500	0.22%	0.81%	0.81%
Hendry	40,633	41,600	43,000	44,000	2.38%	3.37%	2.33%
Lee	802,178	852,500	927,700	989,100	6.27%	8.82%	6.62%
Sarasota	452,378	472,600	501,200	524,400	4.47%	6.05%	4.63%

Source: University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 195, April 2023

The following table shows the projected population through 2050. As shown, Lee County also has the highest projected growth rates with Collier County second.

Projections of Florida Population by County						
2025-2050						
County and State	Projections, April 1					
	2025	2030	2035	2040	2045	2050
CHARLOTTE						
Low	192,100	195,500	195,600	193,400	190,200	186,900
Medium	206,600	220,900	232,100	241,000	248,700	256,000
High	221,100	246,300	268,700	288,600	307,100	325,100
COLLIER						
Low	385,200	393,200	396,300	394,400	390,300	385,800
Medium	409,800	436,900	459,500	476,600	491,000	504,400
High	434,400	480,500	522,600	558,800	591,600	622,900
GLADES						
Low	11,600	11,200	10,800	10,400	10,000	9,700
Medium	12,300	12,400	12,500	12,600	12,600	12,700
High	13,100	13,700	14,200	14,700	15,200	15,700
HENDRY						
Low	39,100	38,700	38,000	37,100	36,100	35,200
Medium	41,600	43,000	44,000	44,800	45,400	46,100
High	44,100	47,300	50,100	52,500	54,800	56,900
LEE						
Low	801,300	835,000	853,100	858,400	857,300	854,400
Medium	852,500	927,700	989,100	1,037,300	1,078,300	1,116,800
High	903,600	1,020,500	1,125,100	1,216,200	1,299,400	1,379,300
SARASOTA						
Low	444,300	451,100	452,300	449,400	444,400	438,800
Medium	472,600	501,200	524,400	543,100	559,000	573,600
High	501,000	551,300	596,500	636,800	673,600	708,400

Source: Bureau of Economic and Business Research, Florida Population Studies, Bulletin 195

U.S. News & World Report, the global authority in rankings and consumer advice evaluated the country’s 150 most populous metropolitan areas based on affordability, job prospects and desirability. The 2022-2023 25 Best Places to Retire is dominated by Pennsylvania and Florida metro areas. Pensacola is the top Florida market at No. 3 behind Lancaster and Harrisburg, PA. Naples is No. 6 overall while Sarasota is No. 11. Naples is ranked 12th overall in the 2022-2023 Best Places to Live report released by U.S. News & World Report in May 2022. Cape Coral-Fort Myers fell from No. 43 to No. 100 while Sarasota-Bradenton maintained its No. 9 ranking. According to data released by the National Association of Realtors in November 2022, half of the top 10 most expensive markets were in California. Naples | Marco Island was the 8th most expensive and only Florida market in the top ten.

Employment

The local economy is largely dependent on the real estate market. Covid-19 negatively impacted overall employment and the service and leisure and hospitality sectors in

particular; however, jobs continue to return as the market improves. Tourism drives much of the Collier County area's economy, with leisure and hospitality composing almost 20% of the workforce.

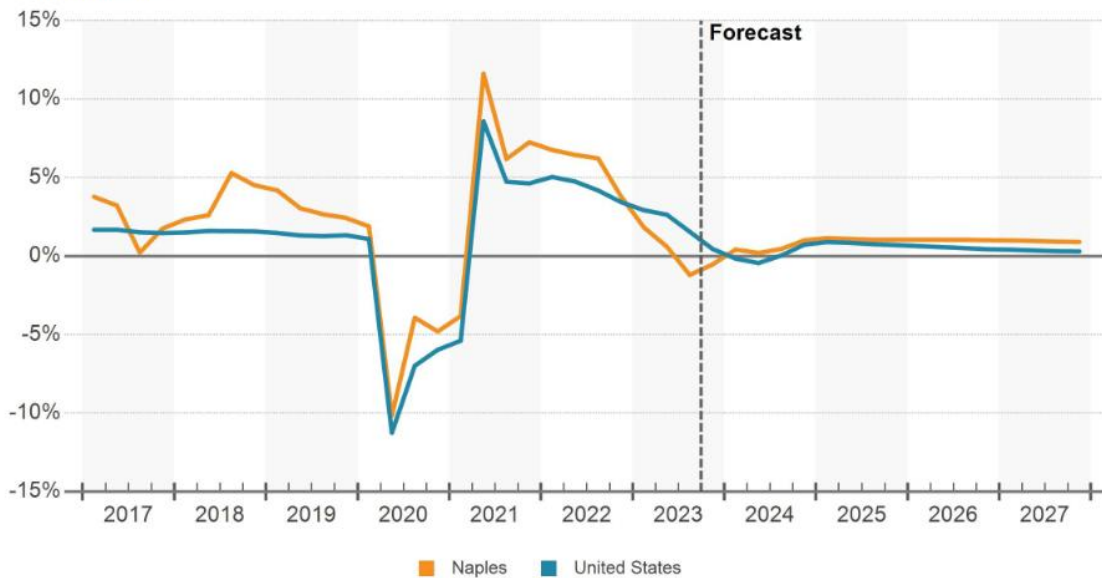
The following table shows the 4Q 2023 Collier County Employment by Industry as well as historical and projected job growth.

NAPLES EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	6	0.4	3.04%	0.22%	6.01%	0.73%	0.95%	0.08%
Trade, Transportation and Utilities	31	1.0	-0.50%	0.25%	2.57%	1.11%	0.28%	0.12%
Retail Trade	23	1.4	-0.53%	0.15%	1.64%	0.28%	0.26%	0.11%
Financial Activities	10	1.1	-0.06%	0.40%	3.70%	1.42%	0.55%	0.14%
Government	14	0.6	3.14%	1.29%	0.95%	0.31%	1.16%	0.44%
Natural Resources, Mining and Construction	20	2.2	3.27%	1.61%	6.54%	2.37%	1.22%	0.24%
Education and Health Services	26	1.0	1.84%	2.61%	3.56%	1.77%	1.26%	0.70%
Professional and Business Services	20	0.8	-3.28%	1.12%	4.06%	2.07%	1.34%	0.38%
Information	1	0.4	-1.09%	-1.60%	-0.85%	1.23%	-0.78%	0.30%
Leisure and Hospitality	28	1.6	-7.90%	4.07%	1.13%	1.51%	0.70%	0.89%
Other Services	9	1.5	-3.62%	1.74%	1.18%	0.61%	0.54%	0.30%
Total Employment	166	1.0	-1.12%	1.41%	2.93%	1.30%	0.87%	0.40%

Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)



Source: Oxford Economics

The following table shows employment projections through 2030 by the Florida Department of Economic Opportunity. As shown, the construction industry has the largest projected growth rate of 16.6% followed by Education and Health Services (12.7%).

JOBS BY INDUSTRY				
CHARLOTTE, COLLIER, GLADES, HENDRY, AND LEE COUNTIES				
NAICS Title	Employment			
	2022	2030	Growth	Percent Growth
Total, All Industries	570,705	622,709	52,004	9.1
Agriculture, Forestry, Fishing and Hunting	7,834	7,200	-634	-8.1
Mining	420	466	46	11.0
Construction	61,755	72,022	10,267	16.6
Manufacturing	13,931	14,805	874	6.3
Trade, Transportation and Utilities	100,302	107,182	6,880	6.9
Information	4,973	5,029	56	1.1
Financial Activities	26,943	29,341	2,398	8.9
Professional and Business Services	70,219	76,888	6,669	9.5
Education and Health Services	108,593	122,385	13,792	12.7
Leisure and Hospitality	82,935	90,974	8,039	9.7
Other Services (except Public Administration)	21,884	24,391	2,507	11.5
Government	66,345	71,937	5,592	8.4
Self Employed and Unpaid Family Workers, All Jobs	44,152	44,487	335	0.8
Source: Florida Department of Economic Opportunity				

Collier County unemployment peaked in August 2010 at 13.0% and had generally been declining until the Covid-19 pandemic with unemployment peaking again at 13.1% in April 2020. The preliminary reported unemployment rate in June 2023 was only 3.0%.

The annual Collier County rate peaked in 2010 at 11.6% and had declined steadily since until the spike from the Covid-19 pandemic in April 2020. However, unemployment numbers have steadily decreased as the economy continues to improve. The 2020 annual rate was 7.3%. The annual rate declined to 3.7% in 2021 and 2.8% in 2022.

Local Area Unemployment Statistics

Series Id: LAUCN120210000000003
 Not Seasonally Adjusted
Area: Collier County, FL
Area Type: Counties and equivalents
State/Region/Division: Florida
Measure: unemployment rate



As of June 2023, the unemployment rate for the State of Florida was 3.0%, down from the peak in May 2020 of 14.2%. On a national level, the unemployment rate in June 2023 was 3.6%, a decrease from the peak in April 2020 of 14.7%. Collier County currently has a similar June rate, at 3.0%, than state levels and lower rate than national levels.

The local economy is largely dependent on the real estate market. The following table from the U.S. Department of Labor shows Naples/Immokalee/Marco Island employment from 2013 through July 2023. As shown, unemployment from the Covid-19 pandemic affected the service and leisure and hospitality sectors the most. With the exception of Leisure and Hospitality, all sectors have regained all lost jobs and have exceeded 2019 levels. The Leisure and Hospitality sector has declined again due to the significant damage caused by Hurricane Ian.

Naples - Immokalee - Marco Island										
Year	Service- Providing	% Change	Goods Producing	% Change	Mining, Logging, & Const.	% Change	Leisure and Hospitality	% Change	All Employees, Total Nonfarm	% Change
2013	109,600	2.8%	13,500	11.6%	10,500	11.7%	24,400	3.4%	123,300	3.9%
2014	114,400	4.4%	15,400	14.1%	12,100	15.2%	25,500	4.5%	129,800	5.3%
2015	119,000	4.0%	17,000	10.4%	13,600	12.4%	26,500	3.9%	136,000	4.8%
2016	123,800	4.0%	18,700	10.0%	14,900	9.6%	27,500	3.8%	142,500	4.8%
2017	126,100	1.9%	19,400	3.7%	15,400	3.4%	28,300	2.9%	145,500	2.1%
2018	129,400	2.6%	21,500	10.8%	17,200	11.7%	29,100	2.8%	150,900	3.7%
2019	133,100	2.9%	22,400	4.2%	17,700	2.9%	30,000	3.1%	155,500	3.0%
2020	126,200	-5.2%	22,100	-1.3%	17,200	-2.8%	25,600	-14.7%	148,400	-4.6%
2021	133,100	5.5%	23,200	5.0%	18,100	5.2%	27,800	8.6%	156,300	5.3%
2022	140,400	5.5%	24,800	6.9%	19,400	7.2%	29,100	4.7%	165,200	5.7%
2023*	140,400	0.2%	25,500	4.6%	19,900	5.0%	28,700	-4.1%	165,900	0.8%

*Through July 2023; percentage increase in comparison to July 2022 YTD
 Source: U.S. Department of Labor

Collier County and the entire Southwest Florida Region is substantially dependent on the real estate and construction sectors. Therefore, the area has been and should be more susceptible to cyclical fluctuations that have occurred in other areas dominated by a single industry. The Southwest Florida Economic Development Alliance reports key employers in Southwest Florida (Collier, Lee and Charlotte County) from Biofuels, healthcare, technology, apparel design, to sugar production are a driving force behind the region’s success. The table below provides a few examples of some key employers in Southwest Florida.

- Industrial Biotechnology, Algenol Biofuels – Global Headquarters
- Medical Devices, [Arthrex, Inc.](#) – Global Headquarters
- Women’s Specialty Apparel Retailer, [Chico’s FAS](#) – Global Headquarters
- Specialty Electronics Manufacturer, [Fox Electronics](#) – Global Corporate Headquarters
- Global IT Research and Advising, [Gartner, Inc.](#)
- Vehicle Rentals and Sales, [Hertz, Inc.](#) – Global Headquarters
- Subsidiary Pittsburgh Glass Works, [Lynx Services, LLC](#) – Customers Service Center
- Manufacturing Fluid Management, [Shaw Development](#) – Global Headquarters
- Agricultural and Food Manufacturer, [U.S. Sugar Corporation](#) – Headquarters
- Healthcare, [21st Century Oncology](#) – Global Headquarters

The following table shows the Top 25 Employers as reported by the Florida Gulf Coast University Regional Economic Research Institute on July 27, 2021.

Rank	Company	SWFL Employees	Industry	County
1	Lee Health	14,028	Healthcare and Social Assistance	Lee
2	Lee County School District	11,003	Educational Services	Lee
3	Publix Super Market	9,768	Retail Trade	Charlotte, Collier, Lee
4	Lee County Local Government	9,142	Public Administration	Lee
5	NCH Healthcare System	8,159	Healthcare and Social Assistance	Collier
6	Walmart	7,286	Retail Trade	Charlotte, Collier, Hendry, Lee
7	Collier County School District	5,756	Educational Services	Collier
8	Collier County Local Government	5,173	Public Administration	Collier
9	Arthrex	4,087	Manufacturing	Collier
10	Marriott International, Inc.	3,620	Accommodation and Food Services	Collier, Lee
11	Bayfront Health	2,801	Healthcare and Social Assistance	Charlotte
12	Charlotte County Local Government	2,614	Public Administration	Charlotte
13	McDonald's	2,613	Accommodation and Food Services	Charlotte, Collier, Hendry, Lee
14	Home Depot	2,497	Retail Trade	Charlotte, Collier, Lee
15	Charlotte County School District	2,152	Educational Services	Charlotte
16	Winn-Dixie	1,899	Retail Trade	Charlotte, Collier, Hendry, Lee
17	Hope Hospice	1,838	Healthcare and Social Assistance	Collier, Lee
18	Chico's Fas Inc.	1,552	Retail Trade	Collier, Lee
19	Florida Gulf Coast University	1,519	Educational Services	Lee
20	Bloomin' Brands, Inc.	1,395	Accommodation and Food Services	Charlotte, Collier, Lee
21	Realty Holdings Corp.	1,381	Real Estate and Rental and Leasing	Charlotte, Collier, Lee
22	Darden Restaurants	1,380	Accommodation and Food Services	Charlotte, Collier, Lee
23	Target	1,300	Retail Trade	Charlotte, Collier, Lee
24	Walgreens	1,170	Retail Trade	Charlotte, Collier, Hendry, Lee
25	Yum! Brands, Inc.	1,141	Accommodation and Food Services	Charlotte, Collier, Hendry, Lee

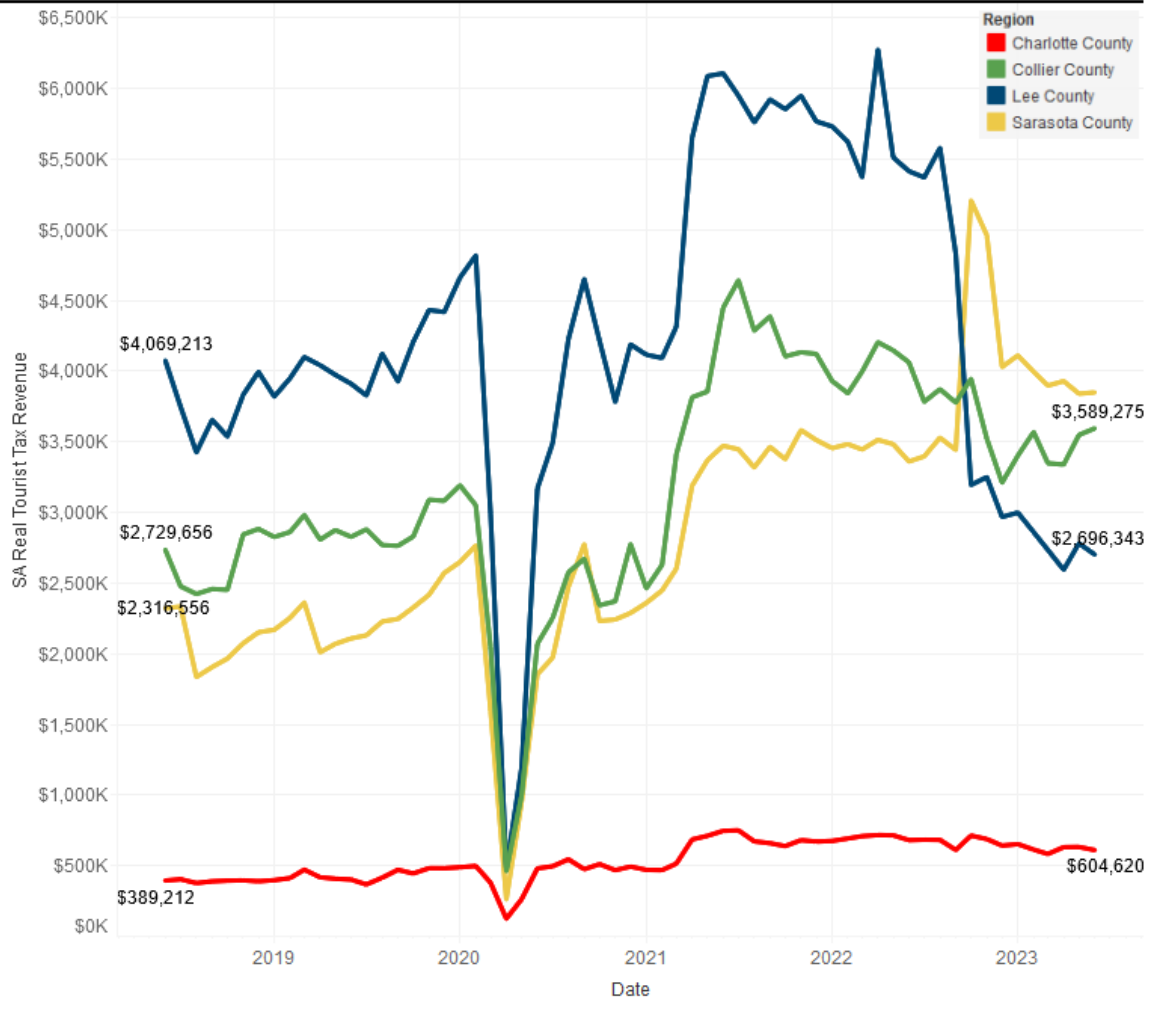
Source: Florida Gulf Coast University Regional Economic Research Institute; July 27, 2021

Tourist Tax Revenues

The following graph from the Southwest Florida Regional Economic Indicators August 2023 report prepared by Florida Gulf Coast University shows Collier, Lee, Charlotte, Sarasota County's tourist tax revenues. The after-effects of Hurricane Ian continue to be felt in the Southwest Florida economy. Lee County's seasonally-adjusted real tourist tax revenues dropped to \$2.7 million in June 2023, a 3% decline from the May 2023 measure of \$2.6 million and 50% below the June 2022 figure. Collier County's seasonally-adjusted real tourist tax revenues rose to \$3.6 million in June 2023, a 1% increase from May 2023 but 12% below the June 2022 figure.

Real Tourist Tax Revenues
Seasonally-adjusted tourist tax revenues

FGCU | LUTHERT COLLEGE OF BUSINESS
Regional Economic Research Institute



search Institute
te, Collier, Glades, Hendry and Lee counties.
Economic Development Reports. All data seasonally adjusted by the Regional Economic Research Institute

Development

Growth continues to shift east with Ave Maria becoming the top-selling single-family residential community in Collier County and was recently ranked as one of the Top 20 Selling Master-Planned Communities in the United States. It has maintained the top ranking in the Naples-Fort Myers market for the past eight years. Ave Maria reported a total of 586 new home sales in 2022, a decrease from the record breaking 646 new home sales in 2021, but still the highest-ranking community in all of Collier County. There are currently four residential builders in Ave Maria, CC Homes, Del Webb Naples, Lennar and Pulte Homes. The grand opening of The National Golf and Country Club at Ave Maria, a bundled golf community by Lennar, was held on January 7, 2021. The Immokalee Road corridor between Naples and Ave Maria is projected to see thousands of new homes developed in the next few years. According to a June 2023 Naples Daily News article, Collier County commissioners approved an increase in the town of Ave

Maria by nearly 1,000 acres to 5,000 acres which doesn't include the roughly 1,000-acre Ave Maria University campus and other public benefits such as parks. According to David Genson, president of development for Barron Collier Cos., while more single-family homes will be built, the maximum number of residences won't change, with the cap remaining at 11,000. With the way the town was originally laid out, it would have supported about 8,400 units without adding more land. The original plans called for 60% of the homes to be single-family which will increase to more than 80%. According to Genson, they are on pace to possibly sell close to 700 homes in 2023. Approximately 50% of the buyers are from the east coast of Florida.

In January 2020, in what has been described as one of the most important votes for the future of growth in Collier County, commissioners approved Rivergrass Village. The village is the first of three planned 1,000-acre villages stretching from just north of Oil Well Road to east of Golden Gate Boulevard East. Rivergrass Village will allow for up to 2,500 homes; 100,000 square feet of retail and office uses and a minimum of 25,000 square feet for civic government, and institutional buildings. Longwater Village will allow for up to 2,600 homes; 65,000 square feet of retail and office space and 25,000 square feet for civic government, and institutional buildings and Bellmar Village will allow for up to 2,750 homes; 85,000 square feet of retail and office space and 27,500 square feet for civic government, and institutional buildings. In a near unanimous decision, the Collier County Planning Commission agreed to recommend approval of Longwater in March 2021. The project has sparked controversy because the property sits in the environmentally sensitive Rural Lands Stewardship Area, or RLSA. Commissioners voted to approve the Longwater and Bellmar Villages on June 8, 2021. The commissioners approved Brightshore, another rural village with thousands of proposed homes in December 2022.

There are more than \$1 billion in new luxury high-rise developments near the coast including One Naples at the northeast corner of Vanderbilt Beach Road and Gulf Shore Drive as well as Pelican Bay (Mystique completed in 2019) and Kalea Bay (Towers 100 and 200 are complete, Tower 300 was completed in December 2022, Tower 400 currently under construction) in North Naples. New commercial development is very active at the intersections of Collier Boulevard and US 41 East as well as Collier Boulevard and Immokalee Road.

In its 2nd Quarter 2023 report, the Office of Federal Housing Enterprise Oversight (OFHEO) found that the Naples- Marco Island MSA had a 11.5% increase in home prices (all-transactions including purchase and refinance mortgage) over the trailing 12 months. Home prices in the state of Florida increased 3.54% over the past year (2Q 2022 - 2Q 2023) which was 34th in the nation.

The continuing care retirement community, Moorings Park, teamed with London Bay Homes to develop an independent living development with 275 residences in 17 buildings. All of the buildings are six stories over parking. Grande Lake, will be built on 55 acres off Golden Gate Parkway, between Airport-Pulling and Livingston Roads. Entrance fees start at \$1.5 million and are 70% refundable. Construction on the first 47 units in three buildings commenced in December 2018 with completion in May 2020.

Arthrex, a medical device manufacturer and one of the county's largest employers, completed construction of its latest expansion plan at its headquarters along Goodlette-Frank Road in early 2020. The development includes a 300,000 square-foot, six-story office complex with an auditorium, a four-story Innovation Hotel with approximately 160 rooms, a two-story wellness center, and a 3-acre park. The hotel hosts orthopedic surgeons from the U.S. and around the world for medical education on the company's devices and instruments. Arthrex has contracted with a Tampa-based company, Mainsail, to manage all elements of the hotel operation, including employees.

The first regional store for Phoenix-based Sprouts Farmers Market anchors The Landings at Logan, a new 18-acre retail center at the southeast corner of Immokalee Road and Logan Boulevard in North Naples. NCH Healthcare Northeast located at the northeast quadrant of Immokalee Road and Collier Blvd (CR 951) opened in late 2015 and is the first free standing ER facility in Collier County. The two-story building consists of approximately 41,500± square feet.

Barron Collier Companies and Metro Development Group broke ground on Founders Square, a 55-acre mixed-use development located on the southeast corner of Immokalee Road and Collier Boulevard in January 2020. The development is anchored by The Pointe, a collection of 10 separate restaurants and other retail tenants. It also includes a 400-unit Class A apartment community, known as The Haldeman; a 35,000 square foot medical office building leased by Physicians Regional Medical Healthcare; and StorQuest a 110,000 square foot self-storage facility.

Seed to Table, a new Oakes Farm grocery store at the northeast corner of Livingston and Immokalee Roads in North Naples opened in December 2019. The former Albertson's was completely gutted and consists of 77,000+ square foot store with sit-down dining, a full-service bar, three bars for beer and wine, wine room with samples on tap, a wood-fired brick oven for pizza, a raw bar, sushi bar, grilling area, coffee bar and stations preparing fresh pasta, guacamole, cheese, cut vegetables, sandwiches, smoothies and even homemade ice cream with indoor-outdoor seating.

Paradise Coast Sports Complex, is Collier County's new \$100 million Amateur Sports Complex. The county hopes to become a destination for traveling youth sports teams and amateur athletes. While the focus of the complex is athletics, there will be 20 fields between soccer, baseball and softball, plus a 10,000-person championship stadium, the goal is to get people to stay after the game is over with The Cove and The Factory. The Cove is a bar and food truck area for patrons to relax, listed to live music and play a variety of yard games (bag toss, oversized Connect Four and Jenga, plus ping pong). The Factory is an outdoor workout facility focusing on functional fitness (similar to CrossFit) which is available on a monthly membership basis. Additionally, the man-made lake next to The Cove includes a 2/3 mile jogging loop with three workout stations. There is a climbing wall for public use and a beach volleyball court.

Collier County Commissioners approved a \$15 million economic development agreement on June 22, 2021 for The Great Wolf Lodge. The land was purchased for \$9,100,000 in

July 2021 and construction commenced in July 2022. The Lodge will be built on 20 acres of land along City Gate Boulevard North and will feature a 100,000 square foot indoor water park, 500-room hotel, and 62,000 square feet of amenities and attractions. The resort is expected to open in the summer of 2024. It will bring in more than 200 construction jobs, plus an additional 600 full-time and part-time jobs once open.

Investment Trends

The following CoStar data shows Collier County trends in the Multi-Family, Retail, Office, and Industrial sectors as of the fourth quarter 2023.

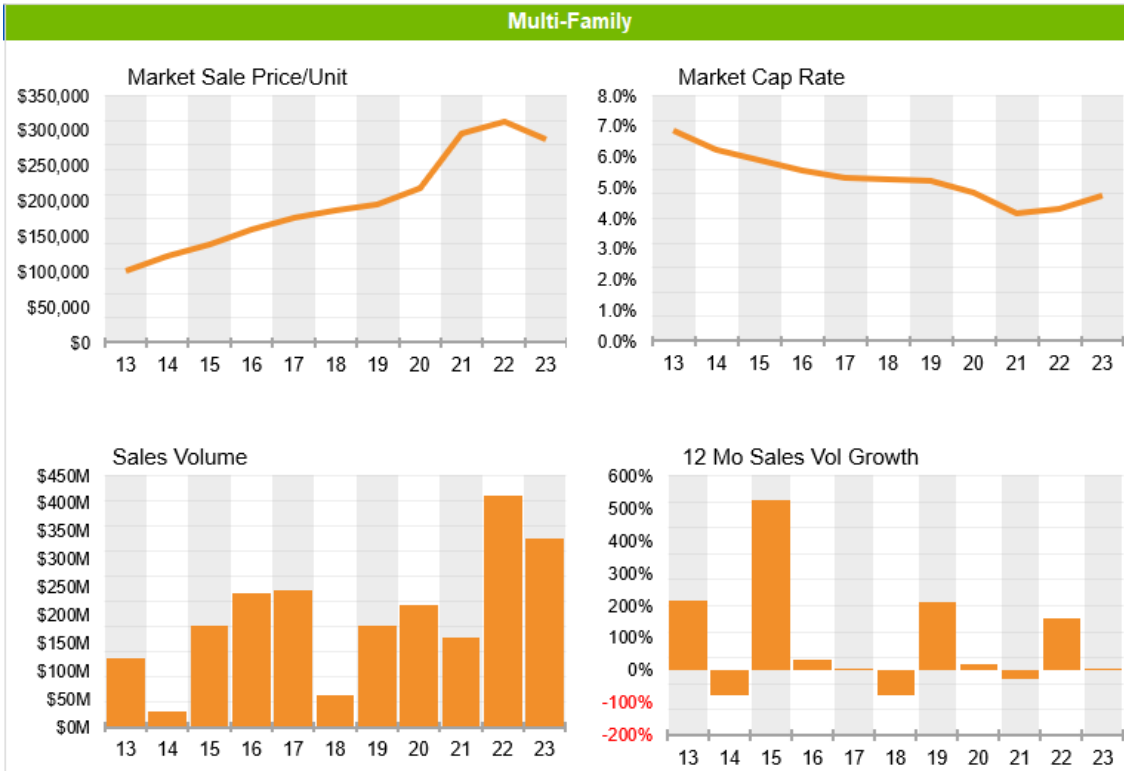
According to the CoStar report, after a strong first quarter it appears that the macro-conditions that have been impacting capital markets have finally caught up to Collier County multifamily investment market. While roughly \$320 million has traded here over the past year, \$160 million occurred in the first quarter and activity has been declining since then. In fact, no multifamily trades took place in the third quarter.

Private buyers have been the only active buyer-group year to date, up from roughly 50% over the past five years. As investment volume has fallen over the past year so too has the average price per unit. Pricing peaked here at roughly \$312,000/unit in early 2022 and has dropped to \$290,000 as of the fourth quarter of 2023, a trend that is anticipated to continue over the coming quarters.

Capital Markets Overview

Naples Multi-Family

Asset Value		12 Mo Sales Volume		Market Cap Rate	Mkt Sale Price/Unit Chg (YOY)		
\$4.3B		\$337.5M		4.7%	-5.8%		
12 MO SALES VOLUME				12 MO SALES PRICE			
Total	Lowest	Highest	Average	Lowest	Highest	Market	
Transactions	7	-	-	6.9%	4.5%	4.7%	
Sales Volume	\$337.5M	\$2.2M	\$125.1M	Sale Price/Unit	\$280K	\$288.6K	
Properties Sold	7	-	-	Sale Price	\$48.2M	\$125.1M	
Transacted Units	1.2K	9	400	Sale vs Asking Price	22.6%	22.6%	
Average Units	172	9	400	% Leased at Sale	97.8%	100%	

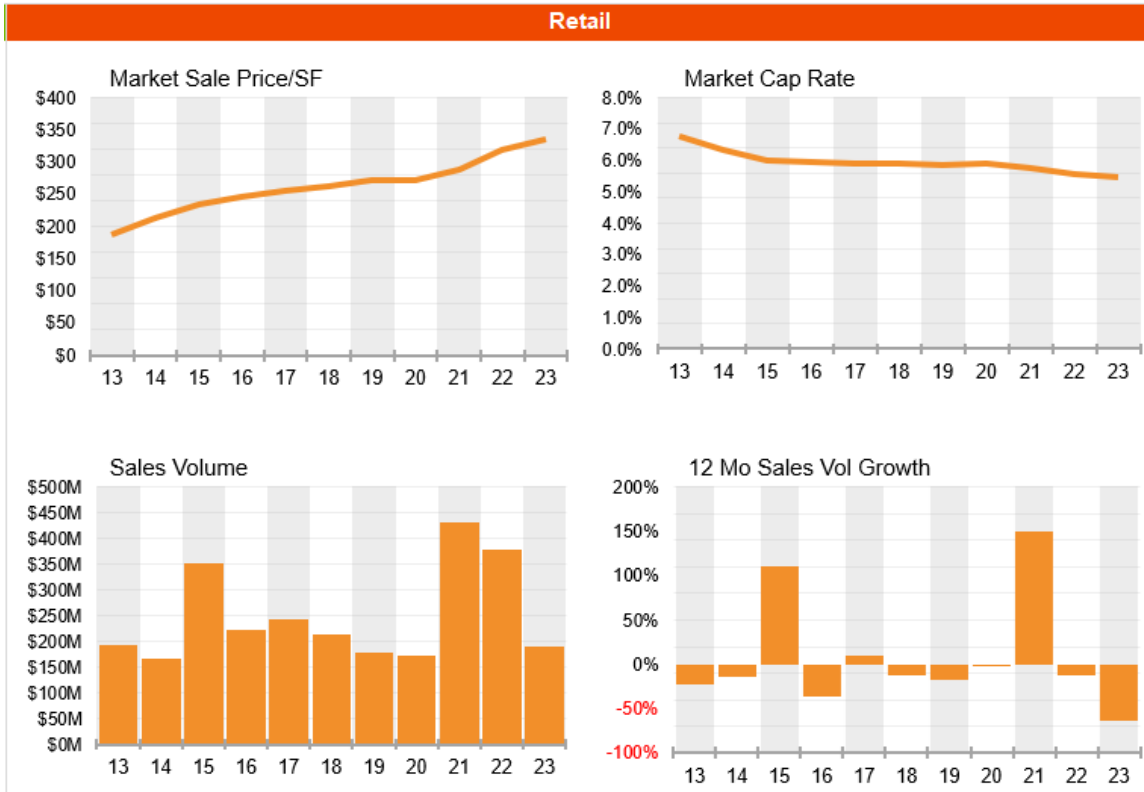


According to the CoStar Report, retail investment activity has been consistent in Collier County but recently has not met the near-historic amount of activity recorded in 22Q2. Nearly \$213 million has traded in the past 12 months, of which just over \$75 million took place through the first six months of this year. The price per SF has stalled somewhat in recent quarters, however at \$340/SF, it is still significantly higher than the national average of \$250/SF and is one of the most expensive retail markets in invest in in Florida.

Capital Markets Overview

Naples Retail

Asset Value		12 Mo Sales Volume		Market Cap Rate	Mkt Sale Price/SF Chg (YOY)			
\$8.1B		\$223.8M		5.4%	8.2%			
12 MO SALES VOLUME				12 MO SALES PRICE				
Total	Lowest	Highest	Average	Lowest	Highest	Market		
Transactions	81	-	-	Cap Rate	5.9%	4.2%	7.8%	5.4%
Sales Volume	\$223.8M	\$158K	\$25.8M	Sale Price/SF	\$433	\$15	\$2K	\$337
Properties Sold	62	-	-	Sale Price	\$3.9M	\$158K	\$25.8M	-
Transacted SF	600.2K	432	64K	Sale vs Asking Price	-4.2%	-34.3%	20.0%	-
Average SF	7.4K	432	64K	% Leased at Sale	94.4%	0%	100%	-

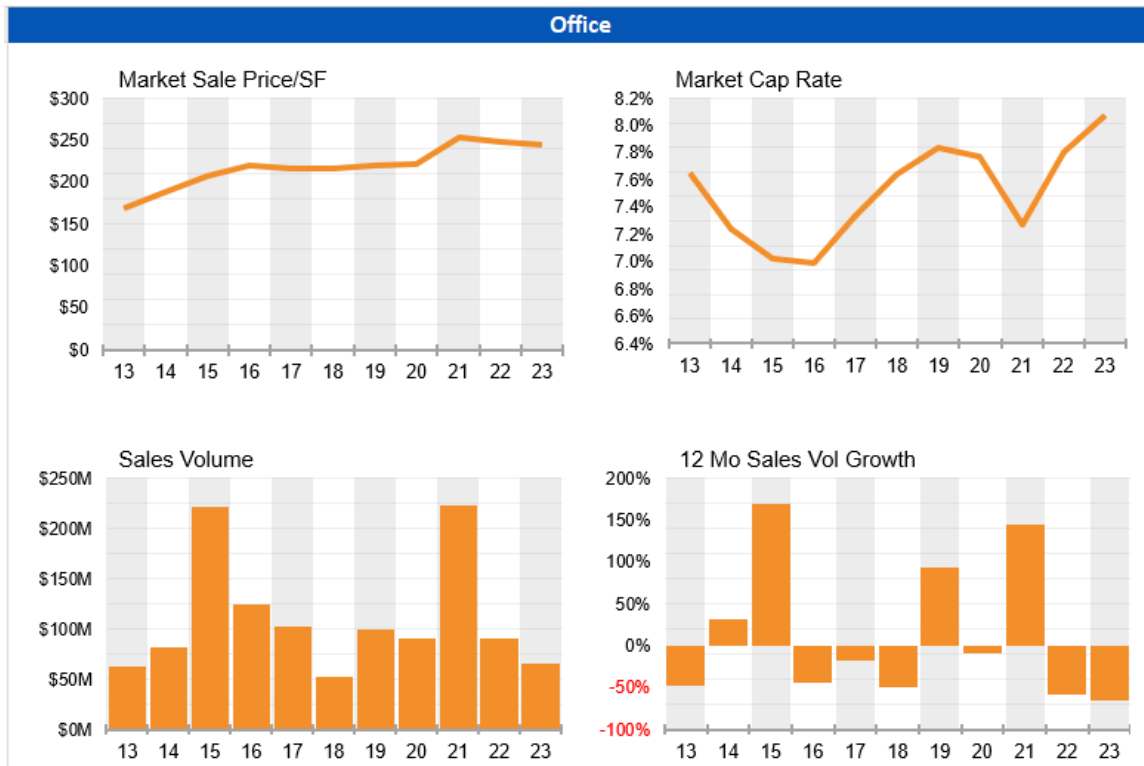


According to the CoStar Report, office investment has reached a five-year low in Collier County, with just \$63.3 million trading in the past 12 months, in comparison, the five-year annual average sales volume is \$110 million. Activity has been extremely limited so far this year with roughly \$40 million in total sales volume. In comparison, the market recorded nearly \$225 million in calendar-year 2021. The trend of limited office investment is likely to continue here given interest rate volatility and recessionary headwinds.

Capital Markets Overview

Naples Office

Asset Value		12 Mo Sales Volume		Market Cap Rate		Mkt Sale Price/SF Chg (YOY)		
\$2.5B		\$65.4M		8.1%		-3.0%		
12 MO SALES VOLUME				12 MO SALES PRICE				
Total	Lowest	Highest	Average	Lowest	Highest	Market		
Transactions	55	-	-	Cap Rate	-	-	8.1%	
Sales Volume	\$65.4M	\$155.9K	\$7.5M	Sale Price/SF	\$317	\$53	\$1.4K	\$245
Properties Sold	37	-	-	Sale Price	\$2.2M	\$155.9K	\$7.5M	-
Transacted SF	278.3K	402	23K	Sale vs Asking Price	-6.7%	-15.4%	0%	-
Average SF	5.1K	402	23K	% Leased at Sale	95.3%	0%	100%	-



According to the CoStar report, industrial investor interest picked up in 2021 through mid-2022 when interest rates were near all-time lows and investors were flocking to the Florida market. Investment volumes have declined in 2023, with just \$75 million trading year to date. In comparison, 2021 was a record year for the region with over \$140 million in annual sales volume. However, while 2023 levels are off from the previous peak, they are well above pre-pandemic levels when the region only surpassed \$60 million in annual sales once.

Sale pricing has largely plateaued over the past year, hovering around \$170/SF as of the fourth quarter of 2023. Naples is one of the most expensive industrial markets to invest in Southwest Florida, roughly 40% more expensive than Sarasota.

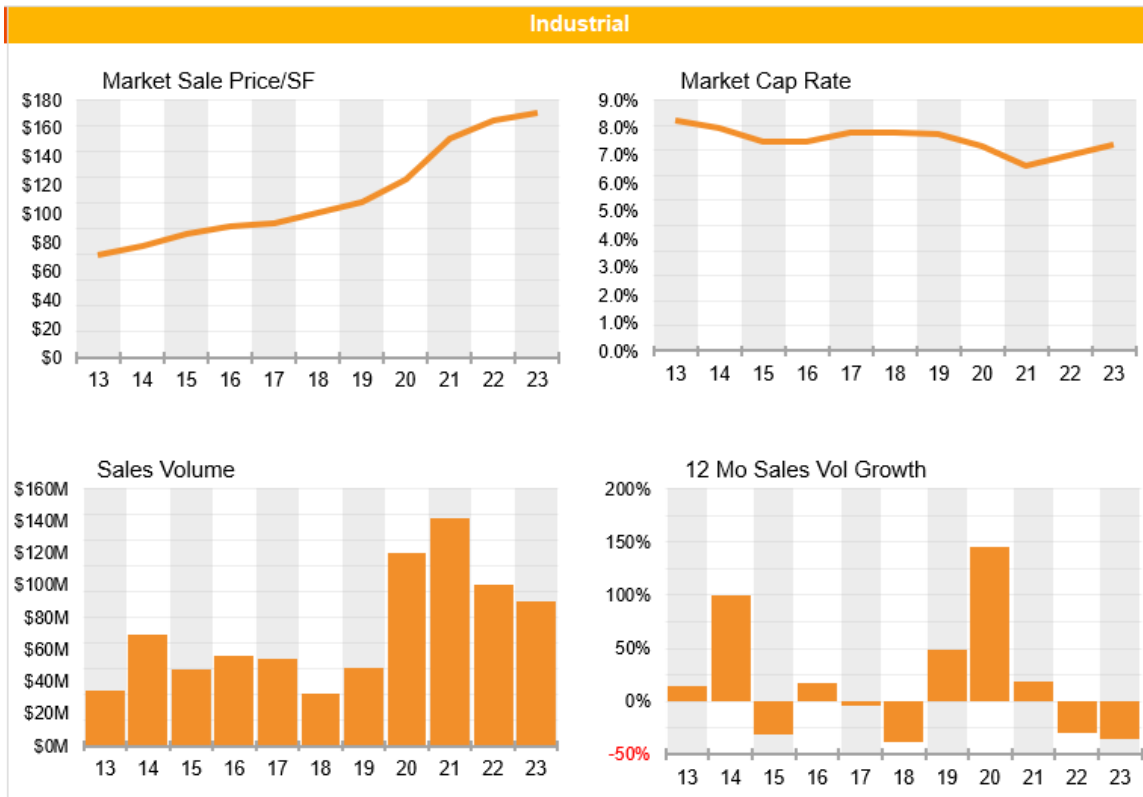
Institutional capital has never played a major role, with private investors and owner-users accounting for roughly 95% of buyers of the past five years. That trend has shifted

somewhat in 2023, with institutional buyers capturing nearly 15% of the buyer market share year to date.

Capital Markets Overview

Naples Industrial

Asset Value		12 Mo Sales Volume		Market Cap Rate		Mkt Sale Price/SF Chg (YOY)				
\$2.5B		\$89.9M		7.4%		3.4%				
12 MO SALES VOLUME		Total	Lowest	Highest	12 MO SALES PRICE		Average	Lowest	Highest	Market
Transactions		90	-	-	Cap Rate		6.4%	4.6%	10.1%	7.4%
Sales Volume		\$89.9M	\$98K	\$16M	Sale Price/SF		\$174	\$11	\$431	\$170
Properties Sold		56	-	-	Sale Price		\$1.6M	\$98K	\$16M	-
Transacted SF		628.3K	313	96.9K	Sale vs Asking Price		-7.2%	-18.4%	0%	-
Average SF		7.1K	313	96.9K	% Leased at Sale		97.6%	0%	100%	-



Income

Personal income is a significant factor in determining the real estate demand in a given market. The following table shows Collier County households by income from the CCIM Site to do Business. Overall, Collier County has an average household income of \$127,724 and a per capita income of \$53,839.

Households by Income	2023		2028	
	Number	Percent	Number	Percent
<\$15,000	9,285	5.5%	8,000	4.6%
\$15,000 - \$24,999	10,678	6.4%	8,340	4.8%
\$25,000 - \$34,999	13,459	8.0%	11,323	6.5%
\$35,000 - \$49,999	17,847	10.6%	15,320	8.8%
\$50,000 - \$74,999	29,018	17.3%	28,611	16.4%
\$75,000 - \$99,999	20,891	12.5%	21,981	12.6%
\$100,000 - \$149,999	26,572	15.8%	30,831	17.6%
\$150,000 - \$199,999	13,065	7.8%	17,794	10.2%
\$200,000+	26,922	16.1%	32,690	18.7%
Median Household Income	\$78,379		\$91,632	
Average Household Income	\$128,096		\$147,676	
Per Capita Income	\$54,169		\$62,957	

Conclusion

The long term economic outlook for Collier County is positive. The area lures people from all over the country for tourism as well as retirement, with the beaches and weather considered major demand drivers.

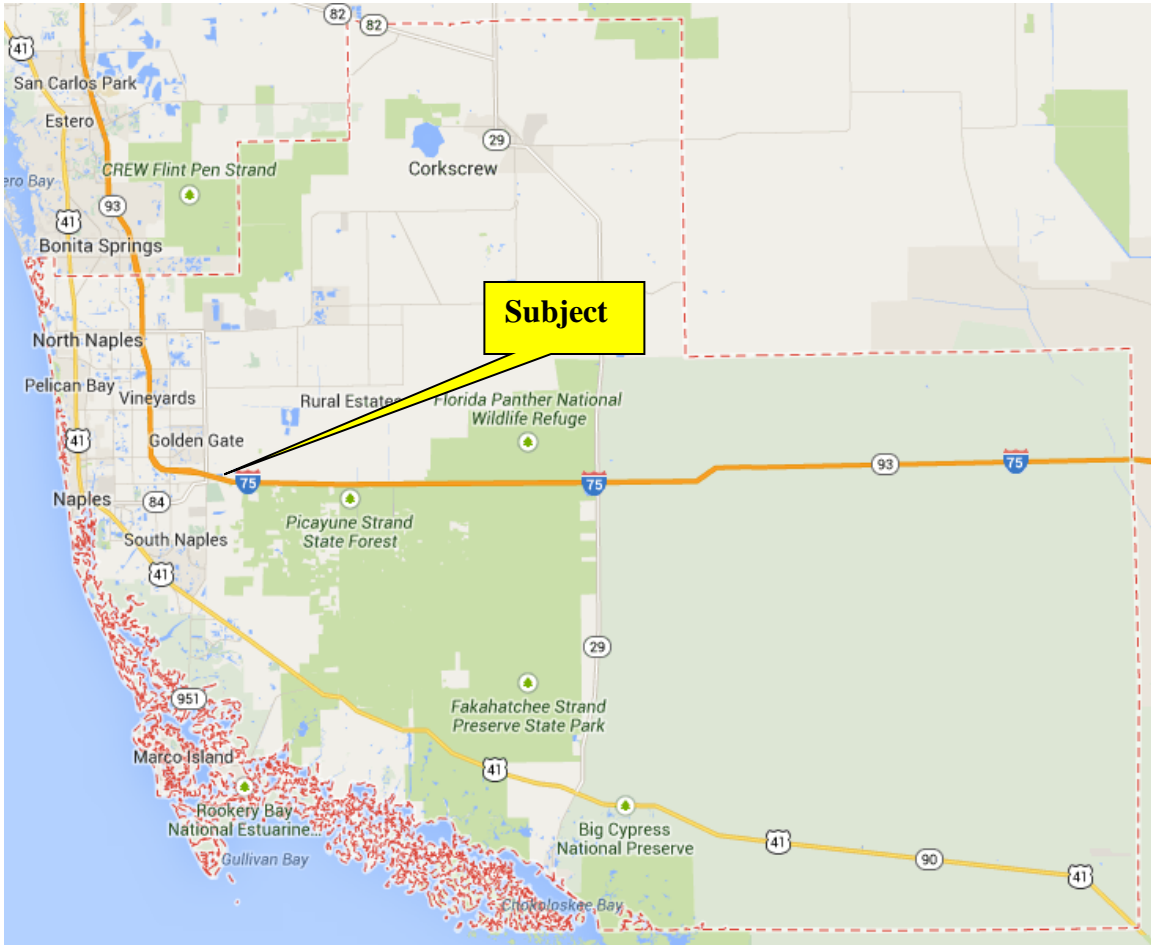
The projected growth in population and employment provide an economic base that supports demand for real estate in the subject neighborhood and for the subject property. These conditions have resulted in increasing property values and should stimulate continued increases within the foreseeable future. Prior to the coronavirus pandemic, the residential market had stabilized after several years of an expansion period, with sustained growth in demand and increasing construction. Since the coronavirus pandemic, residential demand increased significantly with record sales in 2020 and continued high demand but limited inventory in 2021 and 2022. Inventory is increasing in 2023 as demand is declining due to continued increases in interest rates. New home builders continue to face shortages with a lack of building supplies creating a backlog of newly constructed homes. Prices continue to increase; however, the rate of increase is declining.

According to the Naples Area Board of Realtors (NABOR), there was a record \$18.2 billion in sales in Collier County during 2020. Demand eclipsed all expectations in 2021 with a 25.8% increase in overall sales in 2021 and a 20.3% increase in median closed price (year over year). The December 2022 Market Report released by NABOR shows overall closed sales declined by 34.8% in 2022 vs. 2021. Inventory is beginning to rebound, increasing 106.3% to 2,465 properties in December 2022 from 1,195 properties in December 2021. Overall median closed price for single family and condominium units increased 29.2% in 2022 as compared to 2021.

Generally, the commercial market lags the residential market. The significant residential demand since the pandemic has generally stabilized the commercial market overall with an increased demand for the industrial sector and select retail and office properties.

Finally, it is noted that Hurricane Ian, a Category 4 storm, made landfall in Southwest Florida on September 28, 2022, and caused widespread wind and storm surge damage. The analyses and value opinion(s) in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value(s).

Collier County Area Map



MARKET AREA ANALYSIS

Market Overview

The Collier County industrial market has approximately 13,540,566 square feet of industrial space in 1,070 buildings. The Naples area has five predominate industrial areas where the majority of the industrial development is concentrated. In addition to these five areas there are scattered pockets throughout the Naples area with industrial space. The five main areas are as follows:

- Naples Production Park
- Collier Park of Commerce
- J&C/Trade Center Industrial Park
- Rail Head Industrial Area
- White Lake/Tollgate Industrial Area

White Lake/Tollgate Industrial Area

The subject is located in the White Lake/Tollgate Industrial Area consists of the White Lake Corporate Park on the north side of I-75 and the Tollgate Business Park which is located on the south side of I-75. Both parks are just east of Collier Boulevard. Both parks are light industrial developments with a total of approximately 250 acres and is almost 75% built out with office, industrial and commercial uses.

The White Lake/Tollgate Industrial Area is located in the west central part of Collier County in the southwest corner of the Collier County Rural Estates Planning Community, just east of the southeast corner of the Golden Gate Planning Community, north of the northwest corner of the Royal Fakapalm Planning Community and northeast of the South Naples Planning Community; the four planning communities meet at the I-75/CR951 interchange located at mile 101 of I-75. It is technically in the CoStar defined industrial submarket of Outlying Collier County but for all intents and purposes we use the East Naples industrial submarket for our analysis. The area has approximately 835,201 square feet of industrial space in 40 buildings. In 2022 there was approximately \$1,800,000 in property sales with an average sale price of \$241 per square foot.

Access and Linkages

Primary access to the market area is provided by any of four major arterial roadways within Collier County; I-75; Collier Boulevard and Davis Boulevard/Radio Road.

Interstate 75 (I-75) is a major arterial that runs east to Fort Lauderdale and north to Tampa and terminates at the US/Canadian Border in Sault Ste. Marie, Michigan. Collier Boulevard runs in a north/south direction and is a six lane divided highway that runs from Immokalee Road south to Marco Island. Davis Boulevard runs in an east/west direction and is a six and four lane divided highway that begins at Collier Boulevard and runs west to the Old Naples CBD. Approximately ½ mile west of Collier Boulevard, Radio Road connects into Davis Boulevard and is a four and six lane divided highway that runs west and terminates at the Naples Municipal Airport.

The Southwest Florida International Airport (RSW) is located about 30 miles from the market area; travel time is about 45 minutes to one hour, depending on traffic conditions. The Naples Municipal Airport (APF) is approximately 7 miles west and the Marco Island Airport (MKY) is approximately 15 miles south. The Naples CBD, the economic and cultural center of the region, is approximately 10 miles west.

Many businesses find the location of the industrial park convenient due to its location relative to Golden Gate Boulevard, Collier Boulevard, Davis Boulevard and Interstate 75. This allows ease of access to several major arterial roadways which connect parts of Naples as well as Collier and Lee counties.

Demographics

The following table shows the historical, current and projected population, households, housing, and income demographics for the immediate market area defined as a 2 mile radius from the subject. The table was developed using data from STDBOnline.com.



Demographic and Income Profile

White Lake Corporate Park Lots
 3485 Shearwater St, Naples, Florida, 34117
 Ring: 2 mile radius

Prepared by Esri
 Latitude: 26.16082
 Longitude: -81.67160

Summary	Census 2010	Census 2020	2023	2028
Population	7,855	9,162	9,840	10,258
Households	2,960	3,665	3,970	4,195
Families	2,113	2,555	2,695	2,834
Average Household Size	2.65	2.50	2.48	2.44
Owner Occupied Housing Units	1,955	2,577	2,848	2,852
Renter Occupied Housing Units	1,010	1,088	1,122	1,343
Median Age	39.4	48.1	44.3	43.5
Trends: 2023-2028 Annual Rate	Area	State	National	
Population	0.84%	0.63%	0.30%	
Households	1.11%	0.77%	0.49%	
Families	1.01%	0.74%	0.44%	
Owner HHs	0.03%	0.93%	0.66%	
Median Household Income	3.18%	3.34%	2.57%	
Households by Income	2023		2028	
	Number	Percent	Number	Percent
<\$15,000	242	6.1%	226	5.4%
\$15,000 - \$24,999	244	6.1%	205	4.9%
\$25,000 - \$34,999	524	13.2%	505	12.0%
\$35,000 - \$49,999	499	12.6%	471	11.2%
\$50,000 - \$74,999	803	20.2%	734	17.5%
\$75,000 - \$99,999	406	10.2%	381	9.1%
\$100,000 - \$149,999	806	20.3%	1,071	25.5%
\$150,000 - \$199,999	214	5.4%	294	7.0%
\$200,000+	232	5.8%	307	7.3%
Median Household Income	\$62,345		\$72,920	
Average Household Income	\$89,854		\$104,226	
Per Capita Income	\$36,302		\$42,676	

Development Activity and Trends

Paradise Coast Sports Complex, is Collier County’s partially completed \$100 million Amateur Sports Complex. The county hopes to become a destination for traveling youth sports teams and amateur athletes. While the focus of the complex is athletics, there will be 20 fields between soccer, baseball and softball, plus a 10,000-person championship stadium, the goal is to get people to stay after the game is over with The Cove and The

Factory. The Cove is a bar and food truck area for patrons to relax, listed to live music and play a variety of yard games (bag toss, oversized Connect Four and Jenga, plus ping pong). The Factory is an outdoor workout facility focusing on functional fitness (similar to CrossFit) which is available on a monthly membership basis. Additionally, the man-made lake next to The Cove includes a 2/3 mile jogging loop with three workout stations. There is a climbing wall for public use and a beach volleyball court.

The Wisconsin-based Uline Corporation opened a nearly 1 million square foot regional distribution center west of the sports complex in 2023. According to a December 2022 Gulfshore Business article, Uline, Inc. hired about 150 people to staff the center. Per an agreement with the county, the company relocated City Gate Boulevard South at no cost to the county. Uline also added parking for the sports complex, enlarged the recreation lake at the park, added an outdoor obstacle course for public use, and added two small fitness areas around the lake. The development is located in an Innovation zone meant to spur economic development such as corporate headquarters and manufacturing plans. The program functions similarly to Community Redevelopment Areas.

Additionally, a 105,000± square foot “Last Mile” distribution center for Amazon on roughly 18 acres designated for commercial development at the southwest corner of Davis and Collier Boulevards opened in June 2021.

Collier County Commissioners approved a \$15 million economic development agreement on June 22, 2021 for The Great Wolf Lodge. The land was purchased for \$9,100,000 in July 2021 and construction commenced in July 2022. The Lodge will be built on 20 acres of land along City Gate Boulevard North and will feature a 100,000 square foot indoor water park, 500-room hotel, and 62,000 square feet of amenities and attractions. The resort is expected to open in the summer of 2024. It will bring in more than 200 construction jobs, plus an additional 600 full-time and part-time jobs once open.

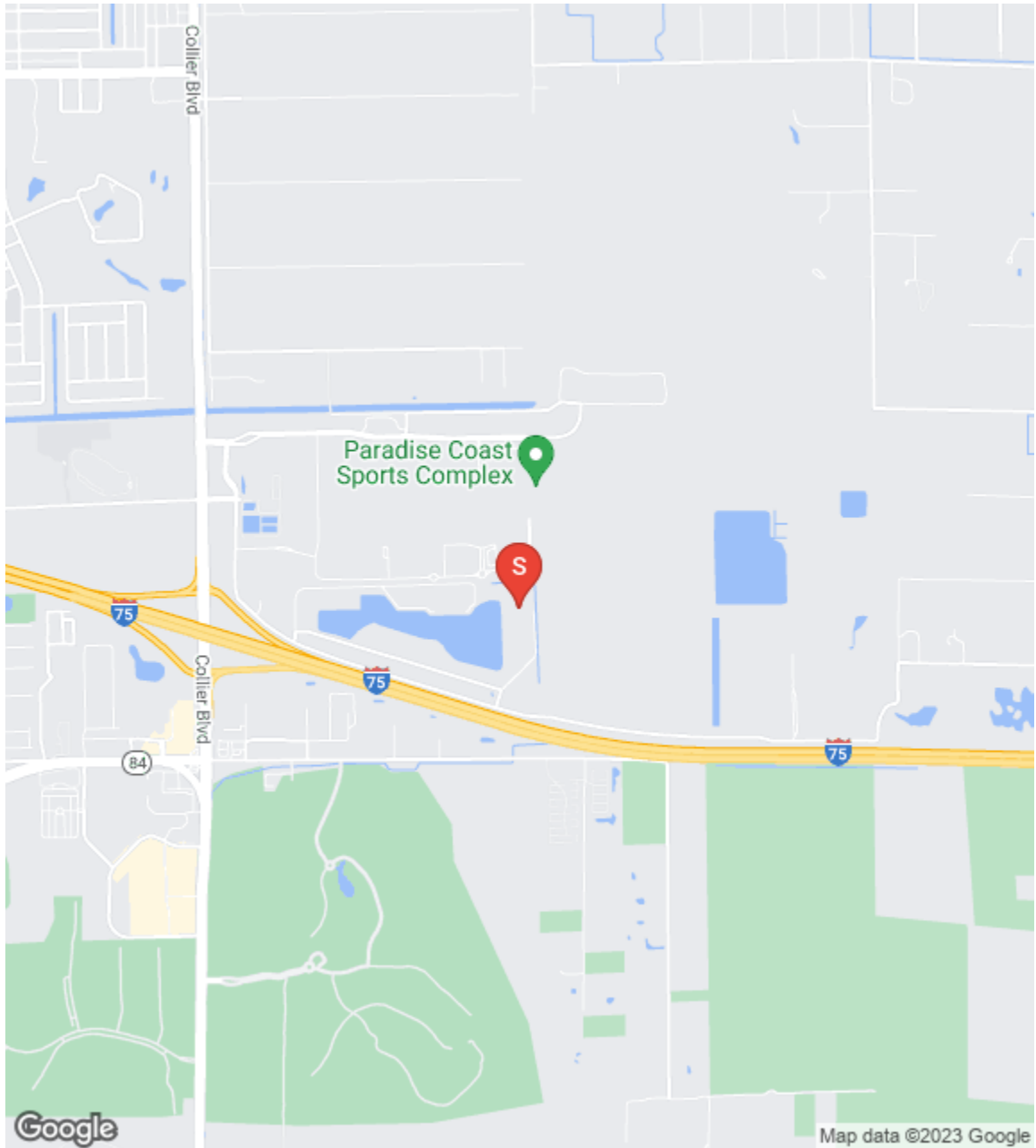
Outlook and Conclusions

As with Collier County, the long term economic outlook for the market area is positive. Total population is projected to increase slightly over the next five years and begin a more normalized pattern thereafter.

Prior to the coronavirus pandemic, the residential market had stabilized after several years of an expansion period, with sustained growth in demand and increasing construction. Since the coronavirus pandemic, residential demand increased significantly with record sales in 2020 and continued high demand but limited inventory in 2021 and 2022. Inventory increased in 2023 as demand is declining due to continued increases in interest rates. Prices continue to increase; however, the rate of increase is declining.

Generally, the commercial market lags the residential market. The significant residential demand since the pandemic has generally stabilized the commercial market overall with an increased demand for the industrial sector and select retail and office properties.

Market Area Map



INDUSTRIAL MARKET ANALYSIS

The following table developed from CoStar summarizes the overall industrial market statistics as of the third quarter 2023 for the Collier County Industrial Market. As shown, current rental rents are \$16.13 per square foot net and have increased 8.5% over the past twelve months. Vacancy rates are currently only 1.2%.

CoStar defines Flex Buildings as versatile buildings that may be used in combination with office, research and development, quasi-retail sales, industrial, warehouse, and distribution uses. Logistics Buildings are distribution and warehouse properties and Specialized Buildings are all other industrial buildings.

Overview

Naples Industrial			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
952K	921K	1.2%	8.5%

KEY INDICATORS

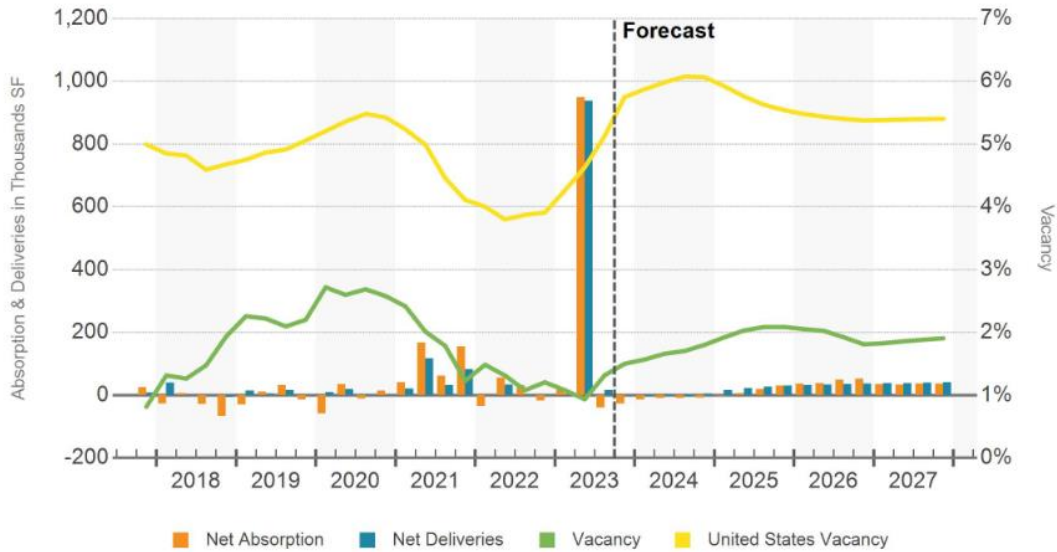
Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	8,292,239	1.5%	\$15.72	1.9%	645	0	7,800
Specialized Industrial	4,639,822	0.8%	\$16.45	0.7%	6,112	0	0
Flex	1,559,864	1.1%	\$17.40	1.1%	0	0	0
Market	14,491,925	1.2%	\$16.13	1.4%	6,757	0	7,800

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0.1%	3.8%	1.9%	10.1%	2010 Q3	0.8%	2017 Q4
Net Absorption SF	921K	123,028	160,183	984,361	2023 Q2	(363,012)	2009 Q2
Deliveries SF	952K	132,195	201,768	952,168	2023 Q3	0	2012 Q3
Rent Growth	8.5%	3.3%	4.7%	11.9%	2022 Q3	-4.2%	2009 Q4
Sales Volume	\$89.9M	\$52.5M	N/A	\$164.4M	2021 Q2	\$4.9M	2009 Q3

According to the CoStar industrial report, Collier County has one of the lowest vacancies in Florida, at just 1.2%. While 940,000 SF delivered here in the second quarter of 2023, all of that was a build-to-suit for Uline, and thus had no impact on the market's vacancy rate. In addition, only 32,000 SF is under construction here, which CoStar is forecasting will only minimally impact vacancies over the near term.

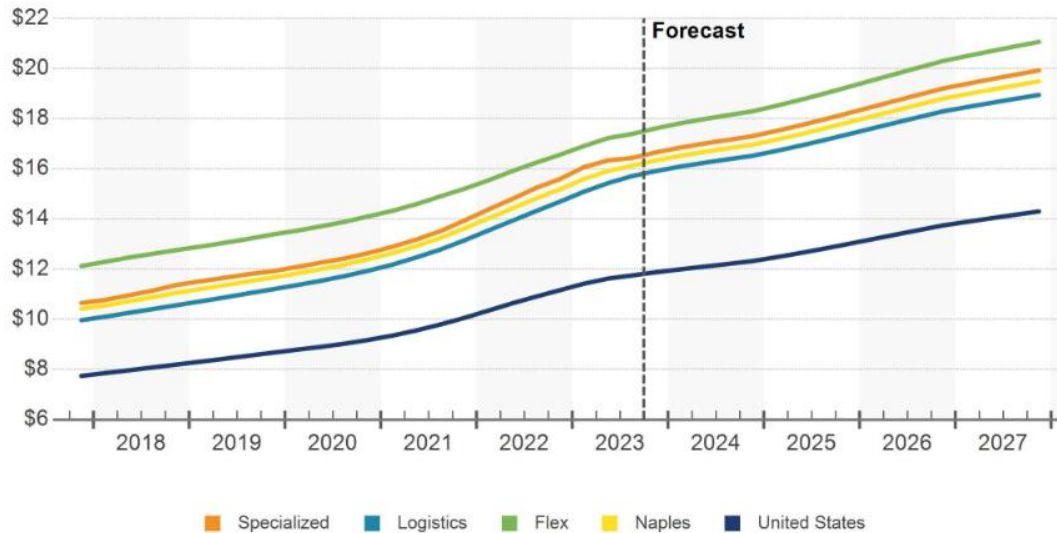
Collier County is easily the most expensive industrial market in Florida, with an average asking rate of \$16.10/SF. Asking rent growth has decelerated over the past few quarters, down to an annual rate of 8.5%. In comparison the market recorded a peak of 12% in annual rent increases just a year ago. CoStar is forecasting rent growth to continue to slow here over the coming quarters, averaging between 4% and 6% on an annual basis for the foreseeable future.

NET ABSORPTION, NET DELIVERIES & VACANCY



Rental rates are projected to increase at approximately 6% through 2023 and then return to a more stable rate of approximately 4-6% per year through 2027.

MARKET RENT PER SQUARE FEET



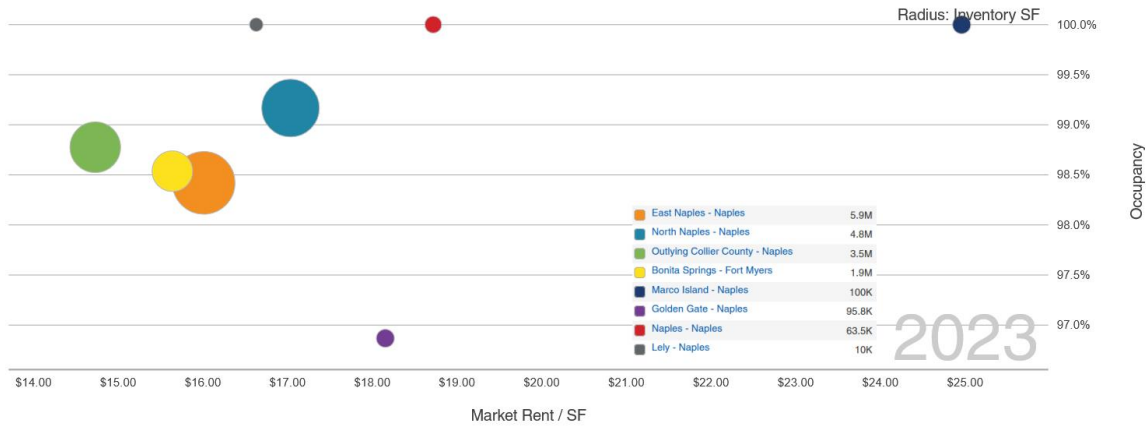
Outlying Collier County Industrial Submarket

The subject is located within the CoStar defined Outlying Collier County Industrial Submarket. The following table summarizes the net asking rents in each of the Collier County industrial submarkets. As shown, the Marco Island submarket has the highest net asking rent followed by the city of Naples submarket.

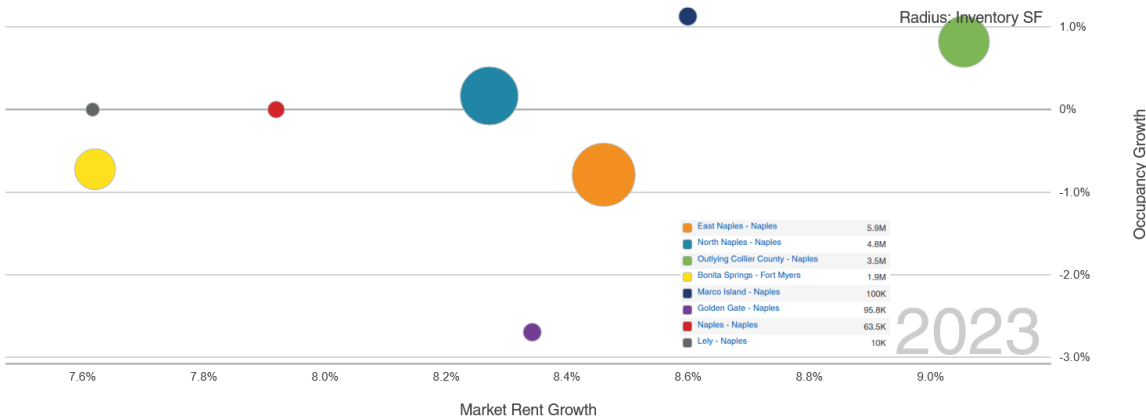
SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	East Naples	\$16.01	6	8.5%	3	2.5%	1
2	Golden Gate	\$18.15	3	8.3%	4	0.7%	7
3	Lely	\$16.63	5	7.6%	7	2.0%	3
4	Marco Island	\$24.96	1	8.6%	2	2.3%	2
5	Naples	\$18.72	2	7.9%	6	1.7%	5
6	North Naples	\$17.03	4	8.3%	5	1.9%	4
7	Outlying Collier County	\$14.73	7	9.1%	1	1.1%	6

The following graph shows average rental rates and occupancy levels for each submarket. The size of the bubble relates to the size (SF) of the submarket. As shown, the East Naples submarket is the largest submarket followed by the North Naples submarket. As previously mentioned, the Marco Island and city of Naples submarkets have the highest average rental rates. All submarkets have high occupancy rates at approximately 97% and higher.

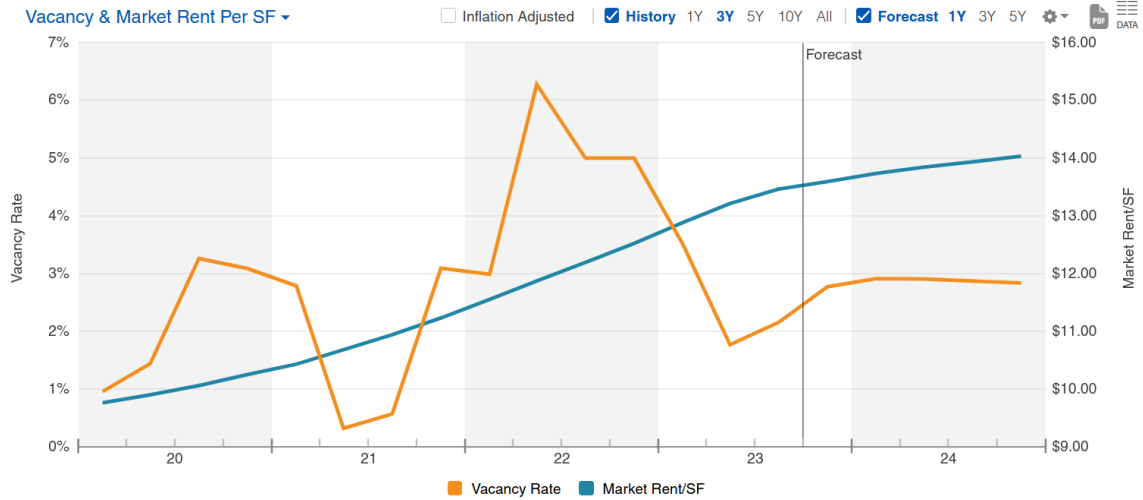


The following graph shows market rent and occupancy growth for each submarket over the past year. As shown, the Outlying Collier County submarket had the highest rent growth of 9.1% with a 0.8% increase in occupancy. The Lely submarket had the lowest rent growth at 7.6% with no change occupancy. Bonita Springs is located in Lee County.



VACANCY AND RENTAL RATE TRENDS

The following graph shows vacancy and rental rates for all classes of flex space within a two mile radius of the subject. The data developed from CoStar includes a survey of 1,982,222 square feet of rentable area. As shown, rental rates have increased significantly since early 2021. The current average rental rate is \$13.57/sf net. Vacancy rates have generally decreased during this time period and are currently 2.3%.



PROPERTY DESCRIPTION AND ANALYSIS

SITE ANALYSIS

The following description is based on our property inspection and public records.

Land Summary		
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)
81790004762	5.01	218,236
81790004746	5.01	218,236
Totals	10.02	436,471

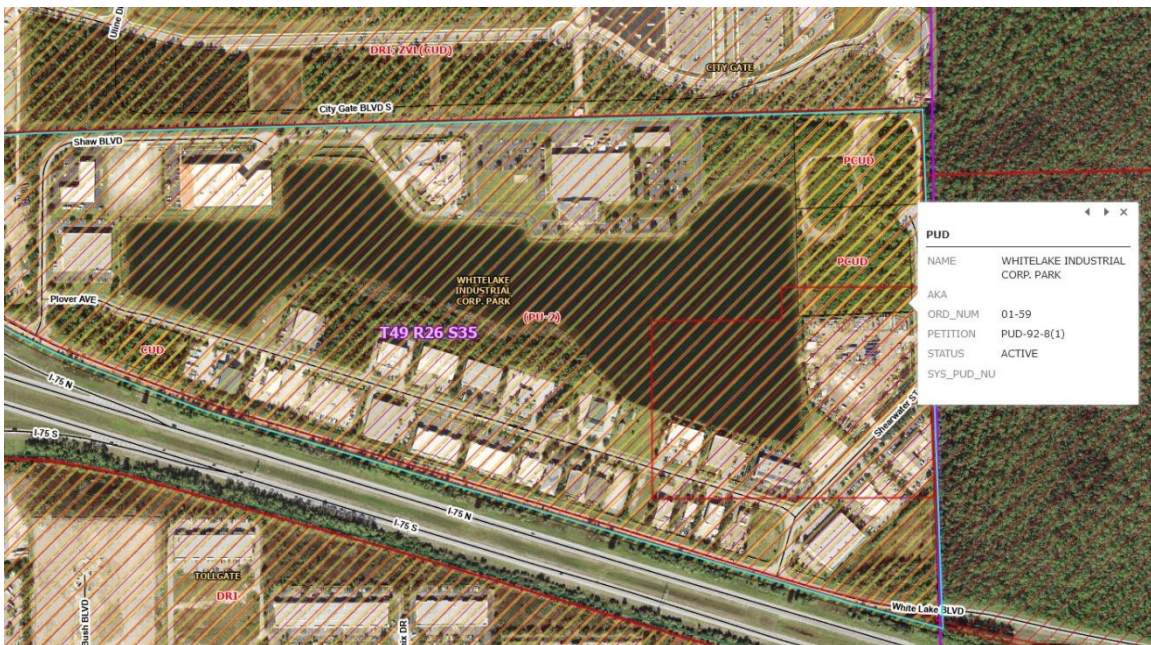
SITE	
Location:	The subject is located along the west side of Shearwater Street at the cul-de-sac with rear frontage along the water management lake.
Current Use of the Property:	Vacant industrial land
Shape:	The site is roughly rectangular.
Road Frontage/Access:	The subject property has average access with frontage as follows: <ul style="list-style-type: none"> • Shearwater Street: 576 feet The site has an average depth of 510 feet. It is not a corner lot.
Visibility:	Average
Topography:	The subject has level topography at grade. According to an Ecological Assessment report dated April 19, 2021 prepared by Earth Tech Environmental, LLC the subject consists of approximately 3.6 acres (36% of the site) of anticipated jurisdictional wetlands located in the southern portion of the site.
Soil Conditions:	According to an Ecological Assessment report dated April 19, 2021 prepared by Earth Tech Environmental, LLC, the subject property is underlain with Pineda fine sand, limestone substratum and Boca fine sand. We are not experts in soils analysis; however, the subject appears to be typical of the region and adequate to support development.
Utilities:	Electricity: FP&L Sewer: Municipal sewer Water: Municipal water Underground Utilities: The site is serviced by underground utilities. Adequacy: The subject's utilities are typical and adequate for the market area.
Site Improvements:	<ul style="list-style-type: none"> • Street Lighting: There is utility pole mounted street lighting along Shearwater Street. • Sidewalks: There are sidewalks along Shearwater Street. • Curbs and Gutters: There are no curbs and gutters along Shearwater Street. • Curb Cuts: The subject currently has no curb cuts along Shearwater Street. Two curb cuts are proposed. • Landscaping: The subject has average landscaping.

Flood Zone:	<p>The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone AH and X. Zone AH is classified as a flood hazard area.</p> <p>FEMA Map Number: 12021C 0416H FEMA Map Date: May 16, 2012</p> <p>The subject is largely in Zone AH with a small portion in the X flood zone. The appraiser is not an expert in this matter and is reporting data from FEMA maps.</p>
Environmental Issues:	<p>According to an Ecological Assessment report dated April 19, 2021 prepared by Earth Tech Environmental, LLC the subject consists of 2.65 acres of Pine Flatwoods with more than 75% exotics, and 0.24 acres of Exotic Wetland Hardwoods with 51-75% exotics. The remaining areas consist of 1.02 acres Brazilian Pepper; 3.36 acres Brazilian Pepper, Hydric; and 2.75 acres Primitive Trails. The 3.36 acres of Brazilian Pepper, Hydric and 0.24 acres of Exotic Wetland Hardwoods are anticipated Jurisdictional Wetlands containing a total of approximately 3.6 acres. Additionally, the report noted portions of the property could potentially be used for bonneted bat foraging requiring consultation with the USFWS before development may occur. Finally, the northern portion of the site reportedly contains habitat that could be suitable for gopher tortoises. If tortoise or burrows are observed, the tortoise would need to be relocated offsite. Environmental issues are beyond our scope of expertise; therefore, we assume the property is not adversely affected by environmental hazards.</p>
Encumbrance / Easements:	<p>A current title report was not provided for the purpose of this appraisal. We are not aware of any easement, restrictions, or encumbrances that would adversely affect value. Therefore, our valuation assumes the subject has a clear and marketable title with no adverse easement, restrictions, or encumbrances.</p>
Site Comments:	<p>According to an Ecological Assessment report dated April 19, 2021 prepared by Earth Tech Environmental, LLC the subject consists of approximately 3.6 acres (36% of the site) of anticipated jurisdictional wetlands located in the southern portion of the site. A wetland jurisdictional determination is required during the environmental resource permitting process if impacts to wetlands are proposed. The subject consists of two adjacent 5.01 acre parcels located along the west side of Shearwater Street at the cul-de-sac with 856' of rear frontage along the water management lake.</p>

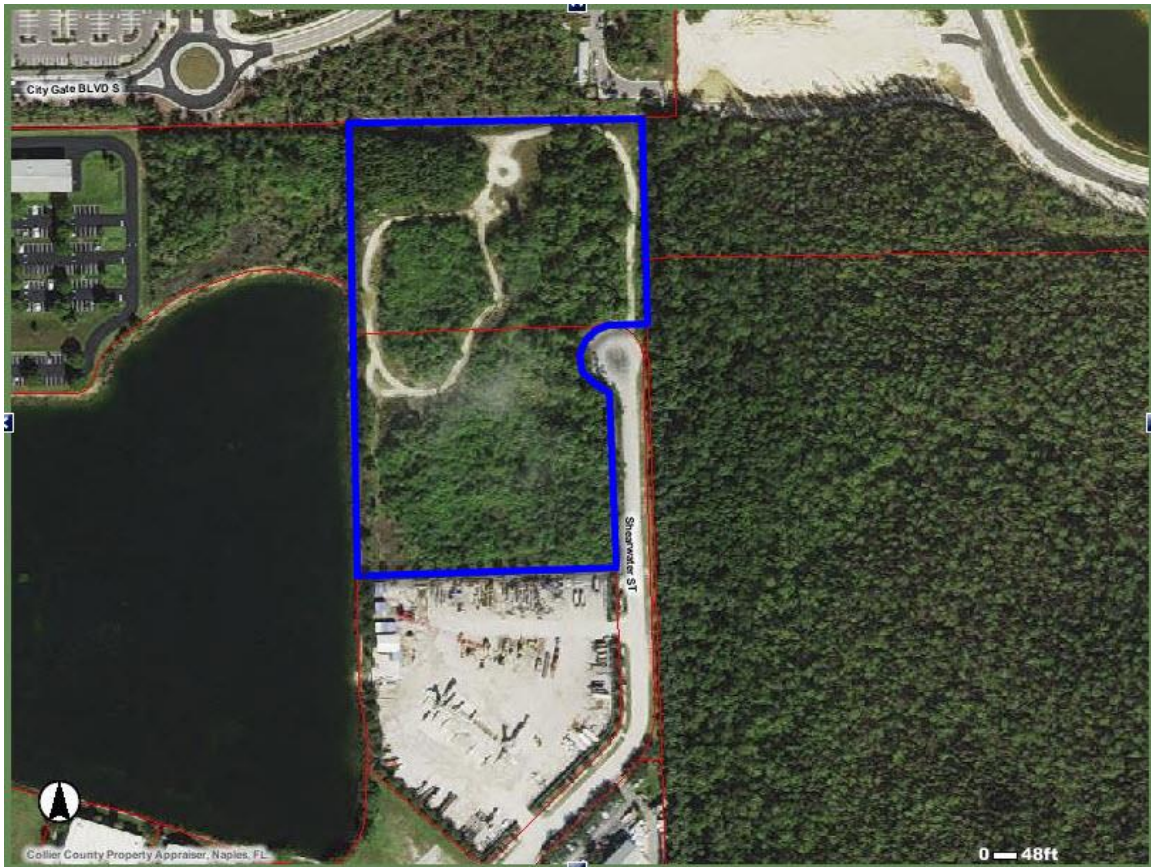
ZONING

Zoning Code	White Lake PUD
Zoning Authority	Collier County
Zoning Description	White Lake Industrial Park PUD
Permitted Uses	Agricultural services; Automotive repair; Building construction; Business services; eating places; Engineering, accounting, research, management and related services; Heavy construction; Lumber and wood products; Motor freight transportation and warehousing; Stone, glass and concrete products; Transportation equipment; Welding repair; Wholesale trade-durable and trade nondurable goods, et al.
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Minimum Lot Area (SF)	10,000
Minimum Floor Area (SF)	None
Minimum Street Frontage (Feet)	100
Front Set Back Distance (Feet)	North and East (Front): 50'; South (Front) 40' - per PUD parcels with 2 frontages may reduce one front yard by 10'.
Rear Set Back Distance (Feet)	25
Side Yard Distance (Feet)	None or a min. of 5' with unobstructed passage from front to rear yard
Parking Requirement	Dependent on specific use
Maximum Density/FAR	40%
Maximum Building Height (Feet)	100
Future Land Use Designation	Industrial District

Zoning Map

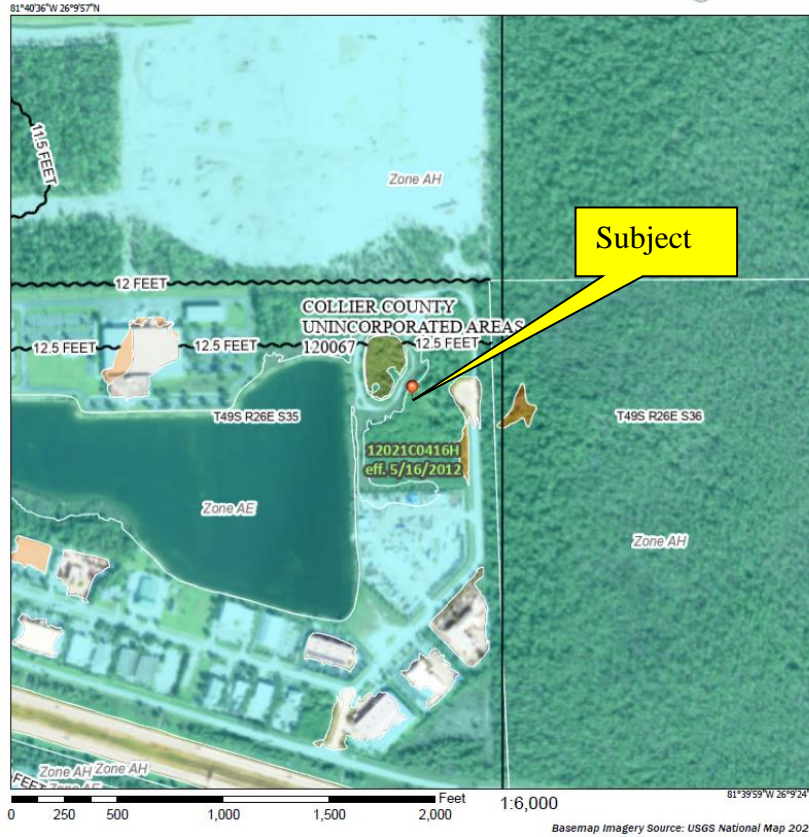


Aerial



Flood Map

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, X, A99
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- NO SCREEN Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Digital Data Available
- No Digital Data Available
- Unmapped

MAP PANELS

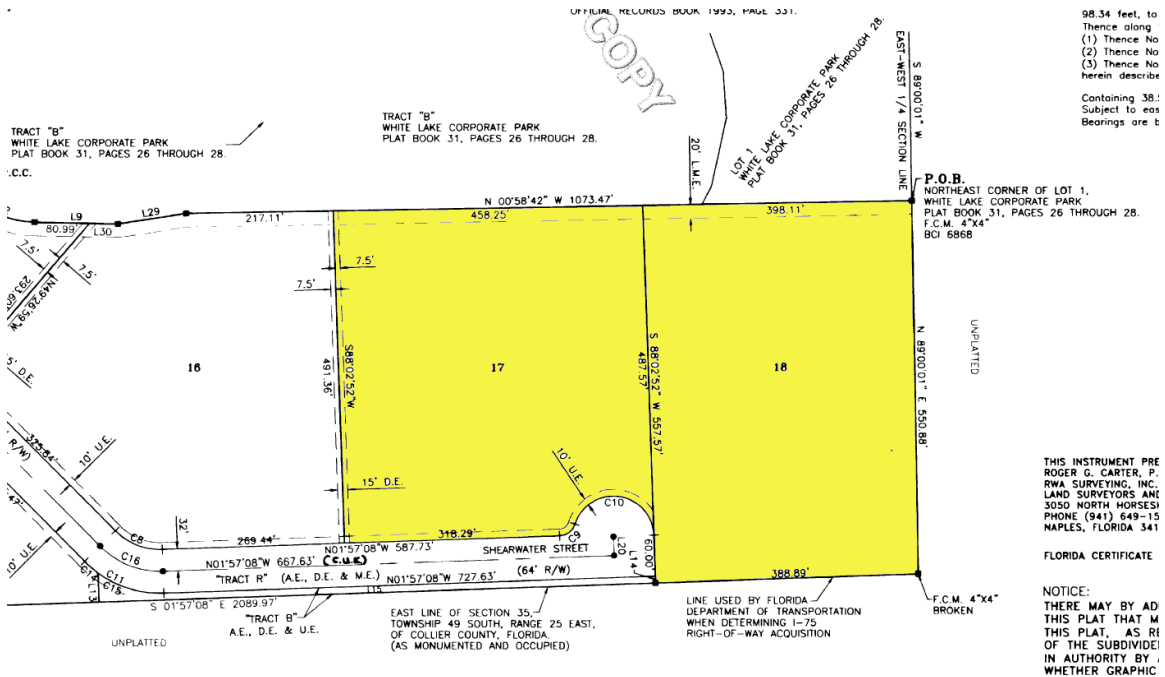
- The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 12/16/2023 at 9:33 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Plat



Site Photographs



Shearwater Street – Northerly
(Photo Taken on December 9, 2023)



Shearwater Street – Southerly
(Photo Taken on December 9, 2023)

Site Photographs



Site View from Shearwater Street
(Photo Taken on December 9, 2023)



Site View from Shearwater Street
(Photo Taken on December 9, 2023)

Site Photographs



Site View
(Photo Taken on December 9, 2023)



Site View
(Photo Taken on December 9, 2023)

Site Photographs



Site View across Drainage Lake
(Photo Taken on December 9, 2023)



Site View across Drainage Lake
(Photo Taken on December 9, 2023)

REAL ESTATE TAXES AND ASSESSMENTS

The real estate tax assessment of the subject is administered by Collier County. In 2008, Florida voters amended the Constitution to give non-homestead property owners some protection against increases in their annual property tax assessments. As amended, the Florida Constitution now prohibits the assessment of certain non-homestead property from increasing by more than 10% per year. The 10% cap applies to most types of commercial property, including non-homestead residential property (i.e. apartments and other rental property) and nonresidential property (i.e. commercial property and vacant land). The cap was set to expire on January 1, 2019; however, in November 2018 Florida voters amended the Constitution to make the cap permanent. The protection of the 10% cap is lost when there is a change of ownership or control.

The property tax identification number and assessed value of the property for tax year 2023 are as follows:

ASSESSED VALUES	
Tax Identification Number	81790004762
Land Assessed Value	\$2,066,625
Building Assessed Value	\$0
10% Assessment Cap	<u>-\$661,320</u>
Total Assessed Value	\$1,405,305
Tax Identification Number	81790004746
Land Assessed Value	\$2,066,625
Building Assessed Value	\$0
10% Assessment Cap	<u>-\$661,320</u>
Total Assessed Value	\$1,405,305
Totals	
Total Land Assessed Value	\$4,133,250
Total Building Assessed Value	\$0
10% Assessment Cap	<u>-\$1,322,640</u>
Total Assessment	\$2,810,610
Total Assessment per Square Foot	\$6.44
Total Assessment per Land Acre	\$280,500
Rates, Taxes, More	
Tax Rate	0.00%
Ad Valorem Tax Amount	\$0
Special Assessment Amount	\$0
Special Assessment Comments	None
Total Tax Liability	\$0
Property Tax Comments	The School Board millage is applied to the uncapped assessed value. The Greater Naples Fire Rescue District is tax exempt.

The tax assessment for subject property is currently \$6.44 per square foot, or \$9.47 per square foot excluding the assessment cap. Based on our valuation analysis, the subject’s assessment appears low.

HIGHEST AND BEST USE

Highest and best use may be defined as:

The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. ¹

- Physically possible for the land to accommodate the size and shape of the ideal improvement.
- Legally permissible under the zoning regulations, building codes, environmental regulations, and other restrictions that apply to the site. A property use that is either currently allowed or most probably allowable.
- Financially feasible to generate sufficient income to support the use.
- Maximally productive, or capable of producing the highest value from among the permissible, possible, and financially feasible uses.

Highest and Best Use As Vacant

Physically Possible

The subject consists of two adjacent parcels containing a total of 10.02 acres or 436,471 square feet with 576 feet of frontage along Shearwater Street with 856 feet of rear frontage along a water management lake. The physical characteristics of the subject tract should reasonably accommodate any use that is not restricted by its size.

According to an Ecological Assessment report dated April 19, 2021 prepared by Earth Tech Environmental, LLC the subject consists of approximately 3.6 acres (36% of the site) of anticipated jurisdictional wetlands located in the southern portion of the site. A wetland jurisdictional determination is required during the environmental resource permitting process if impacts to wetlands are proposed.

The subject's utilities are typical and adequate for the market area. The site is roughly rectangular.

The site is located in a FEMA flood zone AH and X area per FEMA Flood Map Number: 12021C 0416H, dated May 16, 2012. Zone AH is classified as a flood hazard area.

Aside from the wetlands, there are no known physical reasons that would unusually restrict development. The site is considered to have a functional utility suitable for a variety of uses.

Legally Permissible

The subject site is zoned White Lake Industrial Park PUD. The White Lake PUD, permits uses including Agricultural services; Automotive repair; Building construction; Business

¹ *The Dictionary of Real Estate Appraisal* 7th ed. (Chicago: Appraisal Institute, 2022)

services; eating places; Engineering, accounting, research, management and related services; Heavy construction; Lumber and wood products; Motor freight transportation and warehousing; Stone, glass and concrete products; Transportation equipment; Welding repair; Wholesale trade-durable and trade nondurable goods, et al. Recognizing the principle of conformity, we consider the prevailing land use patterns in the area. Therefore, only industrial uses are given further consideration in determining the highest and best use of the site, as if vacant.

Financially Feasible

Financial feasibility is an analysis of the ability of a property to generate sufficient income to support the use, or a reasonable probability of producing a positive income stream net of operating expenses, financial costs, and capital amortization.

The projected growth in population and employment provide an economic base that supports demand for real estate in the subject neighborhood and for the subject property. These conditions have resulted in increasing property values and should stimulate continued increases within the foreseeable future. Prior to the coronavirus pandemic, the residential market had stabilized after several years of an expansion period, with sustained growth in demand and increasing construction. Since the coronavirus pandemic, residential demand increased significantly with record sales in 2020 and continued high demand but limited inventory in 2021 and 2022. Inventory increased in 2023 as demand is declining due to continued increases in interest rates. Prices continue to increase; however, the rate of increase is declining.

Generally, the commercial market lags the residential market. The significant residential demand since the pandemic has generally stabilized the commercial market overall with an increased demand for the industrial sector and select retail and office properties.

On this basis, barring unforeseen changes in the market, a well-designed industrial product that is appropriately marketed and priced, should be received favorably by the market.

Maximally Productive

The maximally productive land use yields the highest value of the possible uses. Industrial development is the only use that meets the tests of physically possible, legally permissible, and financially feasible. Therefore, industrial development is concluded to be the maximally productive and highest and best use of the site.

Highest and Best Use as Improved

No improvements are situated on the site. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

Considering the size, class, and location of the property, the most probable buyer is an owner-user or developer.

VALUATION METHODOLOGY

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

Cost Approach

The Cost Approach estimates the current cost to construct the existing structure including an entrepreneurial incentive, depreciation, and the estimated land value. This approach is particularly applicable when the improvements represent the highest and best use of the land and are relatively new. It is also applicable when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived. This approach is most reliable in an active market, and is least reliable when valuing a property for which no direct comparable sales data is available.

Income Approach

The Income Approach converts the anticipated flow of future benefits (cash flows and reversion) to a present value estimate through a capitalization and or a discounting process. This approach generally reflects a typical investor's perception of the relationship between the potential income of a property and its market value.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. The reconciliation of the approaches is based on an evaluation of the quantity and quality of the available data in each approach. Furthermore, different properties require different means of analysis and lend themselves to one approach over the others.

ANALYSES APPLIED

A **cost analysis** was considered and was not developed because there are no improvements that contribute value to the property.

A **sales comparison analysis** was considered and was developed because typically this is the most appropriate approach for the valuation of vacant land. This approach is applicable to the subject because there is an active market for similar properties and sufficient sales data is available for analysis.

An **income analysis** was considered and was not developed because the subject is not likely to generate rental income as vacant land.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

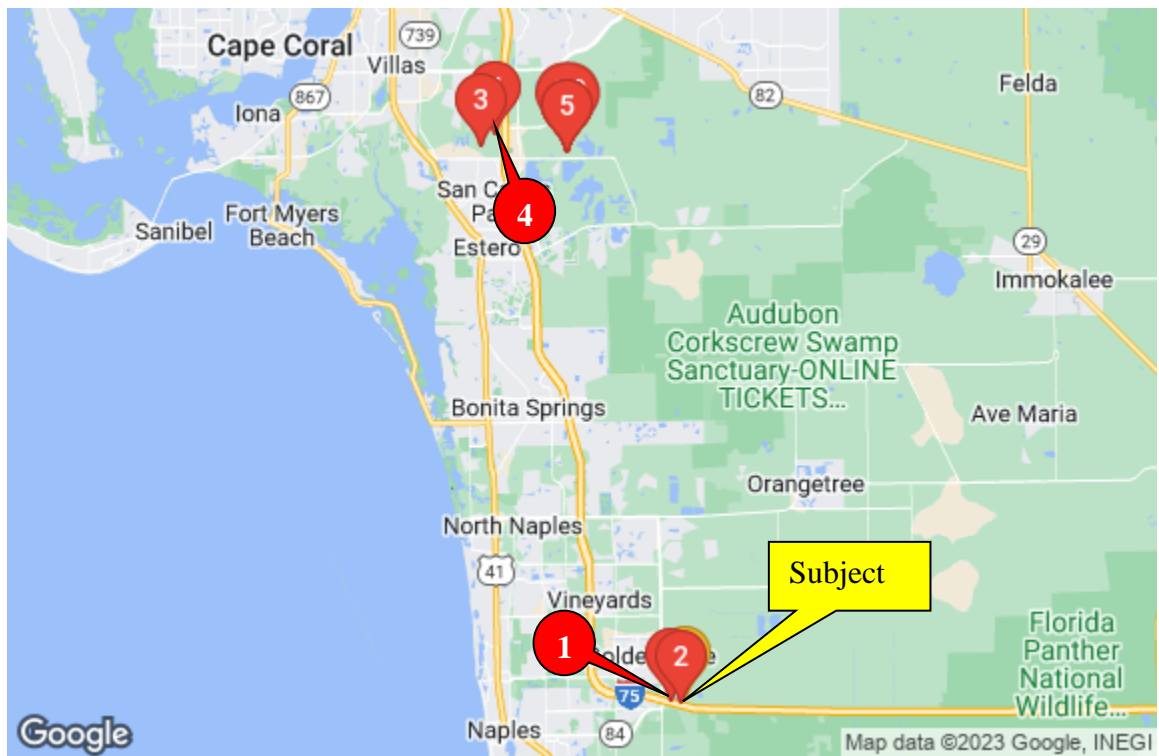
- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

I have researched five comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction. For this analysis, we use the price per square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis.

Comp	Address	Date	Price	
Subject	City	Land SF	Price Per Land SF	Sale Comments
	3481 and 3485 Shearwater Street	12/9/2023		
	Naples	Two (2) 218,236 SF parcels		
1	3584 Plover Ave	1/6/2023	\$1,200,000	Heavily treed parcel with frontage along White Lake Blvd, Shaw Blvd, and Plover Ave. Parcel was listed in September 2022 for \$1.3 million. Buyer, a local developer, is developing the site with Naples Luxury Motor Suites with 2,454 SF climate-controlled auto storage units listed for \$1,227,000.
	Naples	46,609	\$25.75	
2	3530 & 3534 Plover Ave	6/8/2022	\$1,100,000	Two adjacent cleared lots in White Lake Corporate Park. Preliminary plans for a five unit 15,000 SF industrial flex building. Lots were purchased in two separate transactions from different sellers. Lot 6 was purchased in Dec. 2020 for \$400,000. Lot 7 was purchased with the adjacent building on Lot 6 for a total purchase price of \$1.5 million in June 2020 with \$300,000 allocated to Lot 7. The lots were listed for sale at \$1,319,000 in February 2022 and pended in March 2022. The lots re-sold in December 2022 in a non-arm's length, non-market orientated transaction.
	Naples	43,929	\$25.04	
3	16221 Lee Road	1/31/2023	\$2,308,680	Cleared and level parcel filled to street grade. Buyer purchased by local developer.
	Fort Myers	217,903	\$10.59	
4	Three Oaks Pkwy and Oriole Rd	8/31/2023	\$5,269,678	Located in new Alico Trade Center subdivision at the northwest corner of Oriole Road and Three Oaks Pkwy with rear frontage along Gib Rd. Buyer is planning to develop with spec industrial flex space.
	Fort Myers	363,302	\$14.50	
5	Innovation Lane	8/15/2023	\$2,200,000	Parcel was purchased in Nov. 2021 for \$1,428,833. Parcel was listed for \$2,521,470. Filled, cleared, utilities in place. The site has a 20' wide Ingress, Egress, and Utility Easement along the northern border. The easement permits a shared access drive between Tracts C and F (subject). The costs will be shared between the two sites.
	Fort Myers	168,098	\$13.09	

Comparables Map



Comparables Map – White Lake Corporate Park



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

Effective Sale Price	This takes into consideration unusual conditions involved in the sale that could affect the sales price, such as excess land, non-realty components, commissions, or other similar factors. Usually the sale price is adjusted for this prior to comparison to the subject.
Real Property Rights	Property rights dissimilar to the subject which affect value.
Financing Terms	Favorable or unfavorable seller financing, or assumption of existing financing.
Conditions of Sale	Circumstances that atypically motivate the buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Market Conditions	Inflation or deflation since sale date due to economic influences
Location	Market or submarket area influences on sale price; surrounding land use influences.
Physical Characteristics	Attributes such as size, shape, utilities, frontage, zoning, etc.

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	
Name	White Lake Corporate Park Lots 17 & 18	White Lake Lot 38	White Lake Lots 6 & 7	16221 Lee Road	GCLJ Management, Inc	ITEC Tract F	
Address	3481 and 3485 Shearwater Street	3584 Plover Ave	3530 & 3534 Plover Ave	16221 Lee Road	Three Oaks Pkwy and Oriole Rd	Innovation Lane	
City	Naples	Naples	Naples	Fort Myers	Fort Myers	Fort Myers	
Date	12/9/2023	1/6/2023	6/8/2022	1/31/2023	8/31/2023	8/15/2023	
Price		\$1,200,000	\$1,100,000	\$2,308,680	\$5,269,678	\$2,200,000	
Land SF	436,471	46,609	43,929	217,903	363,302	168,098	
Land SF Unit Price		\$25.75	\$25.04	\$10.59	\$14.50	\$13.09	
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing		Cash	0.0%	Cash to seller	0.0%	Cash	0.0%
Conditions of Sale		Arm's Length	0.0%	Arm's Length	0.0%	Arm's Length	0.0%
Adjusted Land SF Unit Price		\$25.75	\$25.04	\$10.59	\$14.50	\$13.09	
Market Trends Through	12/9/2023	15.0%	13.8%	23.4%	12.7%	3.9%	4.5%
Adjusted Land SF Unit Price		\$29.29	\$30.90	\$11.94	\$15.07	\$13.68	
Location	White Lake	White Lake	White Lake	Formosa	Alico Trade Center	ITEC	
% Adjustment		0%	0%	25%	20%	25%	
\$ Adjustment		\$0.00	\$0.00	\$2.98	\$3.01	\$3.42	
Land SF	Two (2) 218,236 SF parcels	46,609	43,929	217,903	363,302	168,098	
% Adjustment		-25%	-25%	0%	0%	-5%	
\$ Adjustment		-\$7.32	-\$7.72	\$0.00	\$0.00	-\$0.68	
Topography	Heavily Treed with 36% wetlands	Heavily Treed	Cleared and level	Cleared and level	Heavily Treed	Cleared and filled	
% Adjustment		-10%	-15%	-15%	-10%	-5%	
\$ Adjustment		-\$2.93	-\$4.63	-\$1.79	-\$1.51	-\$0.68	
Shape	Rectangular	Irregular	Rectangular	Rectangular	Rectangular MOL	Rectangular MOL	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Zoning	White Lake PUD	White Lake PUD	White Lake PUD	Formosa Commerce Center IPD	Three Oaks Commerce Park IPD	FGCU Innovation HUB MPD	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Flood Zone	AH and X	Zone AE	Zone AH	Zone X	Zone X	Zone X	
% Adjustment		0%	0%	-5%	-5%	-5%	
\$ Adjustment		\$0.00	\$0.00	-\$0.60	-\$0.75	-\$0.68	
Adjusted Land SF Unit Price		\$19.04	\$18.54	\$12.54	\$15.82	\$15.05	
Net Adjustments		-35.0%	-40.0%	5.0%	5.0%	10.0%	
Gross Adjustments		35.0%	40.0%	45.0%	35.0%	40.0%	

Comparable Land Sale Adjustments

Property Rights

All of the comparables transferred in fee simple interest; therefore, no adjustments for property rights are required.

Financing

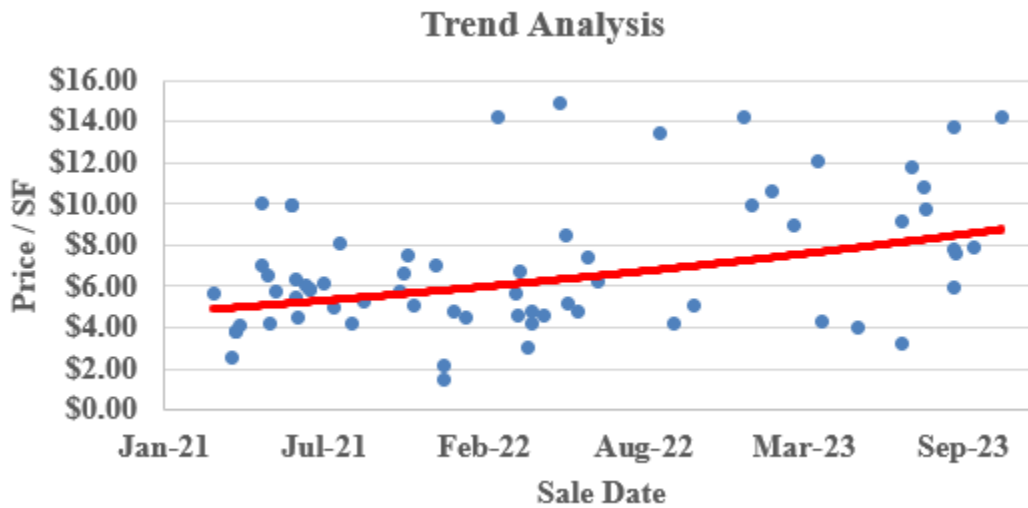
All of the comparable sales had market orientated financing or were cash transactions; therefore, no adjustments for financing are required.

Conditions of Sale

All of the comparable sales were arm’s length transactions; therefore, no adjustments for conditions of sale are required.

Economic Trends

There are an insufficient number of industrial land sales in Collier County to conduct a trend analysis. The following graph developed from CoStar shows industrial land sales in Lee County since January 1, 2021.



The survey included 67 transactions. Prices per square foot ranged from \$1.51 to \$14.91 per square foot and averaged \$6.93 per square foot. Parcels ranged in size from 22,686 to 424,710 square feet and averaged 153,803 square feet. The graph indicates an increasing trend in sales prices from January 2021 through the current date. However, it is noted this is unadjusted raw data and does not relate directly to the subject.

The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value. The significant residential demand since the pandemic

has generally stabilized the commercial market overall with an increased demand and significant price increases for the industrial sector and select retail and office properties.

Based on the previous analysis and considering the increased demand for industrial property, we have applied a 15.0% annual adjustment.

Location

The following table summarizes the population growth and average household income within a two mile radius and the CoStar industrial market areas statistics within a two mile radius.

Locational Adjustment - Site to Do Business (2 Mile Radius)						
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Address	3481 and 3485 Shearwater Street	3584 Plover Ave	3530 & 3534 Plover Ave	16221 Lee Road	Three Oaks Pkwy and Oriole Rd	Innovation Lane
City	Naples	Naples	Naples	Fort Myers	Fort Myers	Fort Myers
2023 Population	9,840	11,802	11,802	12,714	10,373	1,214
2028 Population	10,258	12,236	12,236	12,940	10,721	1,480
% Change	4.25%	3.68%	3.68%	1.78%	3.35%	21.91%
Avg Household Income	\$89,854	\$94,250	\$94,250	\$124,975	\$123,481	\$161,552
CoStar Industrial Analysis (2 mile radius)						
Total Industrial SF	1,982,222	1,982,222	1,982,222	4,912,438	5,116,768	1,351,323
Average Rental Rates	\$13.57	\$13.57	\$13.57	\$13.17	\$12.97	\$12.20
Average Vacancy Rate	2.3%	2.3%	2.3%	3.9%	2.8%	6.0%
Traffic Count	61,300	61,300	61,300	47,500	47,500	8,400
Street	Collier Blvd	Collier Blvd	Collier Blvd	Alico	Alico	Alico
Frontage	Indirect	Indirect	Indirect	Indirect	Indirect	Indirect

Source: STDB Online and Department of Transportation

The subject and Comparables 1 and 2 are located within White Lake Corporate Park.

There are no recent comparable large industrial land sales in Collier County to analyze; therefore, the search area is extended to Lee County. Comparables 3, 4, and 5 are located in the Gateway marketplace in Lee County.

Comparables 3 and 4 are located west of I-75 and Comparable 5 is located east of I-75. Comparable 5 has a small trade population due to its proximity to the Southwest Florida International Airport. It also has the highest household income levels.

Comparables 3 and 4 are located in the largest industrial markets. The industrial rental rates are all fairly similar. Based on past appraisal assignments in ITEC Park (Comparable 5), the industrial rents are believed skewed downwards and are actually similar to Comparables 3 and 4.

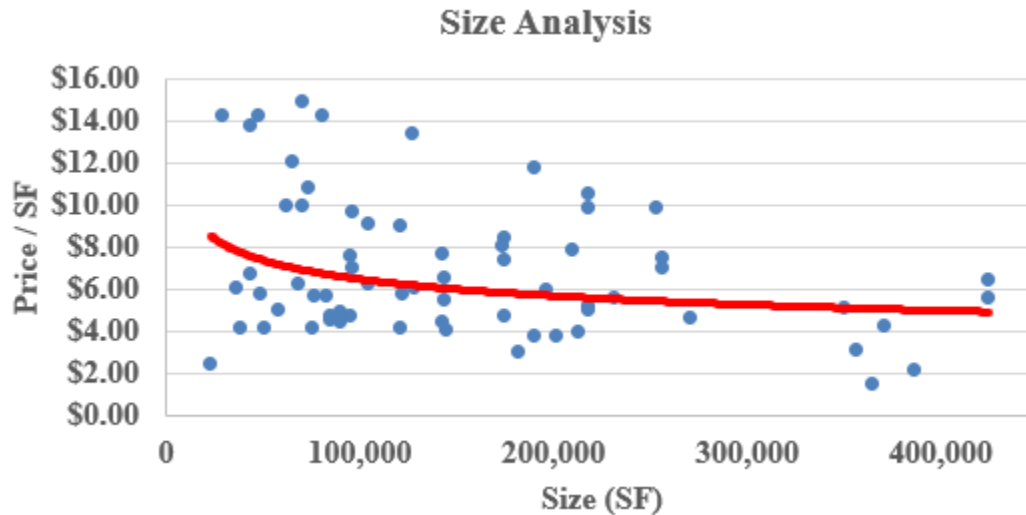
The subject and all comparables have good access to the I-75 corridor. Comparable 4 is located at the corner of Three Oaks Parkway and Oriole Road. Three Oaks Parkway will be extended northward to Daniels Road. Upon extension, this roadway is anticipated to

have high traffic counts as south of Alico Road its traffic counts are in excess of 16,000 daily.

All comparables are evaluated and adjusted for accordingly.

Size

The following was developed with data from the Trend Analysis survey.



The subject consists of two adjacent 5.01 acre or 218,236 square foot parcels that could be sold separately. Size and price per square foot are typically inversely related; therefore Comparables 1, 2, and 5 are adjusted downward for their smaller sizes accordingly.

Comparables 3 and 4 are similar in terms of size; therefore, no adjustments are required.

Topography

The subject is heavily treed. Additionally, according to an Ecological Assessment report dated April 19, 2021 prepared by Earth Tech Environmental, LLC the subject consists of approximately 3.6 acres (36% of the site) of anticipated jurisdictional wetlands located in the southern portion of the site.

Comparable 1 is heavily treed with no known wetlands. It is adjusted downward accordingly.

Comparables 2 and 3 are cleared and level with no known wetlands. They are both adjusted downward accordingly.

Comparable 4 is heavily treed with no known wetlands. It is adjusted downward accordingly.

Comparable 5 is cleared and filled. It is encumbered with a 20' wide Ingress, Egress, and Utility Easement located along the northern border. The easement permits a shared access

drive. The costs will be shared between the two sites. It is adjusted downward as the site is cleared and filled.

Configuration

All of the comparables are relatively similar in terms of configuration. No adjustments could be supported; therefore, none are made.

Zoning

All of the comparables are relatively similar in terms of zoning; therefore, no adjustments are required.

Flood Zone

The subject and Comparables 1 and 2 are partially or entirely located within Flood Zone AE or AH; therefore, no adjustments are required. Comparables 3, 4, and 5 are adjusted downward for their location outside the flood zone.

Sales Comparison Approach Conclusion

All of the value indications have been considered. Comparables 1 and 2 are most similar in location while Comparables 3, 4, and 5 are most similar in terms of size. Based on the previous analysis and considering the subject wetlands, I arrive at my final reconciled per square foot value of \$18.00.

Land Value Ranges & Reconciled Values				
Number of Comparables:	5	Unadjusted	Adjusted	% Δ
Low:		\$10.59	\$12.54	18.32%
High:		\$25.75	\$19.04	-26.05%
Average:		\$17.79	\$16.20	-8.97%
Reconciled Value/Unit Value:			\$18.00	
Subject Size:			436,471	
Indicated Value:			\$7,856,482	
Reconciled Final Value:			\$7,860,000	

RECONCILIATION

The process of reconciliation involves the analysis of each approach to value. The quantity and quality of data applied the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other. As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

FINAL VALUE CONCLUSION

Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion(s), as of December 9, 2023, subject to the Limiting Conditions and Assumptions of this appraisal.

VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value, As Is	Fee Simple	December 9, 2023	\$7,860,000

The value conclusion(s) are subject to the following hypothetical conditions and extraordinary conditions. These conditions may affect the assignment results.

Hypothetical Conditions:	None.
Extraordinary Assumptions:	None.

Exposure and Marketing Times

Exposure time is always presumed to precede the effective date of the appraisal and is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Marketing time is an estimate of the amount of time it might take to sell a property at the estimated market value immediately following the effective date of value.

Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market it is our opinion that the probable marketing and exposure time for the property is 12 months.

CERTIFICATION

I certify 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 limiting conditions, and are my personal, 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 have 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 with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our 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. 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 & Standards of Professional Appraisal Practice of the Appraisal Institute.
8. My reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. Rachel M. Zucchi, MAI, CCIM has made an inspection of the subject property.
11. No one provided significant real property appraisal assistance to the person signing this certification.
12. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

13. This appraisal is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
14. We have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
15. Rachel M. Zucchi, MAI, CCIM has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
16. As of the date of this report, Rachel M. Zucchi, MAI, CCIM has completed the continuing education program for Designated Members of the Appraisal Institute.



Rachel M. Zucchi, MAI, CCIM
Florida State-Certified General Real Estate Appraiser RZ2984
rzucchi@rklac.com; Phone 239-596-0801

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be

- scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
 11. Information, estimates and opinions contained in the report, obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to *ADA*. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. RKL Appraisal and Consulting, PLC is not a building or environmental inspector. RKL Appraisal and Consulting, PLC does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

ADDENDA

ADDENDUM A

APPRAISER QUALIFICATIONS



RKL Appraisal and Consulting, PLC

COMPANY PROFILE:

RKL Appraisal and Consulting, PLC was founded in 2009 by three designated Members of the Appraisal Institute. It is our mission to maximize our combined appraisal experience to provide our clients with the highest quality of Real Estate Appraisal and Consulting Services.

Rachel M. Zucchi, MAI, CCIM
Partner / Managing Director
rzucchi@rklac.com

K.C. Lowry, MAI, CPA
Partner
klowry@rklac.com


Louis C. Bobbitt, MAI
Senior Partner (Retired)
lbobbitt@rklac.com

BUSINESS FOCUS:

Practice is focused on community/neighborhood shopping centers, retail and office buildings, industrial warehouse/distribution buildings, residential and commercial condominium and subdivision projects, hotels and motels, vacant land and special purpose properties. Specialized services include appraisal review, business valuations, market feasibility studies, acquisition/disposition counseling, and litigation support in connection with real estate transactions including bankruptcy, eminent domain, estate valuations, and matrimonial and equitable distribution. Clients served include banks and financial institutions, developers and investors, law firms, government, and property owners.

**PROFESSIONAL QUALIFICATIONS OF
Rachel M. Zucchi, MAI, CCIM**

EXPERIENCE:	<p>Partner / Managing Director of RKL Appraisal and Consulting, PLC Naples, FL (2009 – Present)</p> <p>President of D&R Realty Group, Inc. Naples, FL (2009 – Present)</p> <p>Senior Real Estate Analyst, Integra Realty Resources – Southwest Florida Naples, FL (2003 – 2009)</p> <p>Research Associate, Integra Realty Resources – Southwest Florida Naples, FL (2002-2003)</p>
PROFESSIONAL ACTIVITIES:	<p>Member: Appraisal Institute – MAI Certificate Number 451177</p> <p>President: Appraisal Institute Florida Gulf Coast Chapter (2020)</p> <p>VP/Secretary/Treasurer: Appraisal Institute Florida Gulf Coast Chapter (2017 - 2019)</p> <p>Region X Representative: Appraisal Institute Florida Gulf Coast Chapter (2017 - 2022)</p> <p>Board of Directors: Appraisal Institute Florida Gulf Coast Chapter (2015 - 2021)</p> <p>Government. Relations: Appraisal Institute National (2022)</p> <p>Prof. Standards & Guidance: Appraisal Institute National (2023)</p> <p>LDAC Attendee: Leadership Development & Advisory Council Appraisal Institute - Washington, D.C. (2016, 2017, 2018)</p> <p>Member: CCIM Institute - CCIM Designation Pin Number 21042</p> <p>Member: Naples Area Board of REALTORS</p> <p>Licensed: Florida State Certified General Real Estate Appraiser License No. RZ 2984</p> <p>Licensed: Real Estate Broker (Florida) License No. BK3077672</p>
EXPERT WITNESS:	<p>Qualified as an expert witness in the Twentieth Judicial Circuit Court of Collier County and Lee County</p>
EDUCATION:	<p>Bachelor of Arts, Major in Economics Florida Gulf Coast University, 2002 Graduated Magna Cum Laude Presented at Eastern Economic Association Conference</p> <p>Successfully completed real estate and valuation courses and seminars sponsored by the Appraisal Institute and others.</p>
BUSINESS FOCUS:	<p>Actively engaged in real estate valuation and consulting since 2003. Practice is focused on community/neighborhood shopping centers, retail and office buildings, industrial warehouse/distribution, multi-family and single-family subdivisions, condominium developments, hotels/motels, vacant land and special purpose properties. Specialized services include market feasibility studies and litigation support in connection with real estate transactions. Clients served include banks and financial institutions, developers and investors, law firms, government, and property owners. Valuations have been performed for eminent domain, bankruptcy, estate, matrimonial/equitable distribution, financing, and due diligence support.</p>

 Ron DeSantis, Governor

Melanie S. Griffin, Secretary 

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

ZUCCHI, RACHEL M
4500 EXECUTIVE DRIVE SUITE 230
NAPLES FL 34119

LICENSE NUMBER: RZ2984

EXPIRATION DATE: NOVEMBER 30, 2024

Always verify licenses online at MyFloridaLicense.com



Do not alter this document in any form.

This is your license. It is unlawful for anyone other than the licensee to use this document.

ADDENDUM B

PROPERTY INFORMATION

Collier County Property Appraiser Property Summary

Parcel No	81790004762	Site Address <u>*Disclaimer</u>	3481 SHEARWATER ST	Site City	NAPLES	Site Zone <u>*Note</u>	34117
-----------	-------------	------------------------------------	-----------------------	-----------	--------	---------------------------	-------

Name / Address	GREATER NAPLES FIRE RES DIST						
	14575 COLLIER BLVD						
City	NAPLES	State	FL	Zip	34119		

Map No.	Strap No.	Section	Township	Range	Acres	<u>*Estimated</u>
4B35	712560 184B35	35	49	26	5.01	

Legal	WHITE LAKE CORPORATE PARK PHASE 3 LOT 18
-------	------------------------------------------

<u>Millage Area</u> ①	60	<u>Millage Rates</u> ① <u>*Calculations</u>		
Sub./Condo	712560 - WHITE LAKE CORPORATE PARK PH 3	School	Other	Total
<u>Use Code</u> ①	86 - COUNTIES INCLUDING NON-MUNICIPAL GOV.	4.292	6.0197	10.3117

Latest Sales History

(Not all Sales are listed due to Confidentiality)

Date	Book-Page	Amount
04/22/21	<u>5940-1307</u>	\$ 5,300,000
02/11/05	<u>3732-4078</u>	\$ 3,702,600

2023 Certified Tax Roll

(Subject to Change)

Land Value	\$ 2,066,625
(+) Improved Value	\$ 0
(=) Market Value	\$ 2,066,625
(-) 10% Non-Homestead Cap	\$ 661,320
(=) Assessed Value	\$ 1,405,305
(=) School Taxable Value	\$ 0
(=) Taxable Value	\$ 0

If all Values shown above equal 0 this parcel was created after the Final Tax Roll

Collier County Property Appraiser Property Detail

Parcel No	81790004762	Site Address <u>*Disclaimer</u>	3481 SHEARWATER ST	Site City	NAPLES	Site Zone <u>*Note</u>	34117
-----------	-------------	------------------------------------	-----------------------	-----------	--------	---------------------------	-------

Name / Address	GREATER NAPLES FIRE RES DIST								
	14575 COLLIER BLVD								
City	NAPLES			State	FL		Zip	34119	

Permits (Provided for reference purposes only. *Full Disclaimer.)

Tax Yr	Issuer	Permit #	CO Date	Tmp CO	Final Bldg	Type
--------	--------	----------	---------	--------	------------	------

Land

#	Calc Code	Units
10	ACREAGE	5.01

Building/Extra Features

#	Year Built	Description	Area	Adj Area
---	------------	-------------	------	----------

Collier County Property Appraiser Property Summary

Parcel No	81790004746	Site Address <u>*Disclaimer</u>	3485 SHEARWATER ST	Site City	NAPLES	Site Zone <u>*Note</u>	34117
-----------	-------------	------------------------------------	-----------------------	-----------	--------	---------------------------	-------

Name / Address	GREATER NAPLES FIRE RES DIST						
	14575 COLLIER BLVD						
City	NAPLES	State	FL	Zip	34119		

Map No.	Strap No.	Section	Township	Range	Acres	<u>*Estimated</u>
4B35	712560 174B35	35	49	26	5.01	

Legal	WHITE LAKE CORPORATE PARK PHASE 3 LOT 17
-------	------------------------------------------

<u>Millage Area</u> ①	60	<u>Millage Rates</u> ① <u>*Calculations</u>		
Sub./Condo	712560 - WHITE LAKE CORPORATE PARK PH 3	School	Other	Total
<u>Use Code</u> ①	86 - COUNTIES INCLUDING NON-MUNICIPAL GOV.	4.292	6.0197	10.3117

Latest Sales History

(Not all Sales are listed due to Confidentiality)

Date	Book-Page	Amount
04/22/21	<u>5940-1307</u>	\$ 5,300,000
02/11/05	<u>3732-4078</u>	\$ 3,702,600

2023 Certified Tax Roll

(Subject to Change)

Land Value	\$ 2,066,625
(+) Improved Value	\$ 0
(=) Market Value	\$ 2,066,625
(-) 10% Non-Homestead Cap	\$ 661,320
(=) Assessed Value	\$ 1,405,305
(=) School Taxable Value	\$ 0
(=) Taxable Value	\$ 0

If all Values shown above equal 0 this parcel was created after the Final Tax Roll

Collier County Property Appraiser Property Detail

Parcel No	81790004746	Site Address <u>*Disclaimer</u>	3485 SHEARWATER ST	Site City	NAPLES	Site Zone <u>*Note</u>	34117
-----------	-------------	------------------------------------	-----------------------	-----------	--------	---------------------------	-------

Name / Address	GREATER NAPLES FIRE RES DIST								
	14575 COLLIER BLVD								
City	NAPLES			State	FL		Zip	34119	

Permits (Provided for reference purposes only. *Full Disclaimer.)

Tax Yr	Issuer	Permit #	CO Date	Tmp CO	Final Bldg	Type
--------	--------	----------	---------	--------	------------	------

Land

#	Calc Code	Units
10	ACREAGE	5.01

Building/Extra Features

#	Year Built	Description	Area	Adj Area
---	------------	-------------	------	----------

Prepared By:

Thad D. Kirkpatrick, Esquire
Thornton Law Firm, PLLC
7400 Trail Blvd, Suite 121
Naples, FL 34108
(239) 649-4900
File Number: **8383.002**

Parcel Identification No. **81790004762**

Consideration: \$5,300,000.00
Doc Stamps: \$51,100.00

[Space Above This Line For Recording Data]

Warranty Deed
(STATUTORY FORM - SECTION 689.02, F.S.)

THIS INDENTURE made this 22nd day of **April, 2021** between **Plover Group Properties LLC, a Florida limited liability company**, whose post office address is 4480 7th Ave NW, Naples, FL 34119, grantor*, and **The Greater Naples Fire Rescue District, an independent special district created under Chapter 2014-240, Laws of Florida and Operated pursuant to Chapter 191, Florida Statutes**, whose post office address is 14575 Collier Blvd, Naples, FL 34119, grantee*,

WITNESSETH, that said grantor, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00) and other good and valuable considerations to said grantor in hand paid by said grantee, the receipt whereof is hereby acknowledged, has granted, bargained, and sold to the said grantee, and grantee's heirs and assigns forever, the following described land, situate, lying and being in Collier County, Florida, to-wit:

Lots 17 and 18, White Lake Corporate Park Phase Three, according to the plat thereof recorded at Plat Book 34, Pages 45 and 46 in the Public Records of Collier County, Florida.

Subject to the following: (a) ad valorem and non ad valorem real property taxes for the year 2021 and subsequent years; (b) zoning, building code and other use restrictions imposed by governmental authority; (c) outstanding oil, gas and mineral interests of record, if any; and (d) restrictions, reservations and easements common to the subdivision.

TOGETHER with all the tenements, hereditaments and appurtenances thereto belonging or in anywise appertaining.

TO HAVE AND TO HOLD, the same in fee simple forever.

And said grantor does hereby fully warrant the title to said land, and will defend the same against lawful claims of all persons whomsoever.

* "grantor" and "grantee" are used for singular or plural, as context requires.

IN WITNESS WHEREOF, grantor has hereunto set grantor's hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Plover Group Properties LLC, a Florida limited liability company

Richard D. Harvey
By: Richard D. Harvey, Manager

Alicia M. Rosa
Witness # 1 Signature

Alicia M. Rosa
Witness #1 Printed Name

Cathy Koert
Witness #2 Signature

Cathy Koert
Witness #2 Printed Name

State of Florida
County of Collier

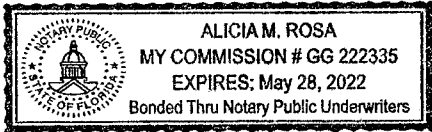
The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 22nd day of April, 2021 by Richard D. Harvey, as Manager of Plover Group Properties LLC, a Florida limited liability company, who is personally known or has produced a driver's license as identification.

[Notary Seal]

Alicia M. Rosa
Notary Public

Printed Name: Alicia M. Rosa

My Commission Expires: _____





GNFD WHITE LAKE PARCELS

Ecological Assessment

SECTION 35, TOWNSHIP 49, RANGE 26
COLLIER COUNTY, FLORIDA



Prepared For:



Davidson Engineering, Inc.
4365 Radio Road, #201
Naples, FL 34104



Prepared By:



Earth Tech Environmental, LLC
10600 Jolea Avenue
Bonita Springs, FL 34135
239.304.0030
www.eteflorida.com

April 19, 2021

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APPENDICES

Appendix A: Historical Aerial Report

EXHIBITS

- Figure 1 Location Map
- Figure 2 Site Vicinity Map
- Figure 3 Aerial Map
- Figure 4 NRCS Soils Map
- Figure 5 FLUCCS Map
- Figure 6 Anticipated Jurisdictional Wetlands

1.0 INTRODUCTION

Earth Tech Environmental (ETE) conducted an Ecological Assessment (EA) on the parcel referred to as GNFD White Lake Parcels (Subject Property), located in Collier County. The field assessment occurred on April 6, 2021 by ETE ecologists. The purpose of the assessment was to:

1. Map the property according to Florida Land Use Cover and Forms Classification System (FLUCCS) vegetation mapping.
2. Under current conditions, identify the presence and approximate location of any environmentally sensitive lands such as wetlands.
3. Evaluate the property for potential listed species concerns.

2.0 PROPERTY LOCATION

The Subject Property for this report consists of two adjoining parcels (Parcel Folios: 81790004762 and 81790004746) located at the north end of Shearwater Street approximately 0.33-miles north of I-75 in Collier County (see Figures 1 & 2). According to the Collier County Property Appraiser's website, the Subject Property totals approximately 10.02 acres.

Good location

ZIP CODE - 34117

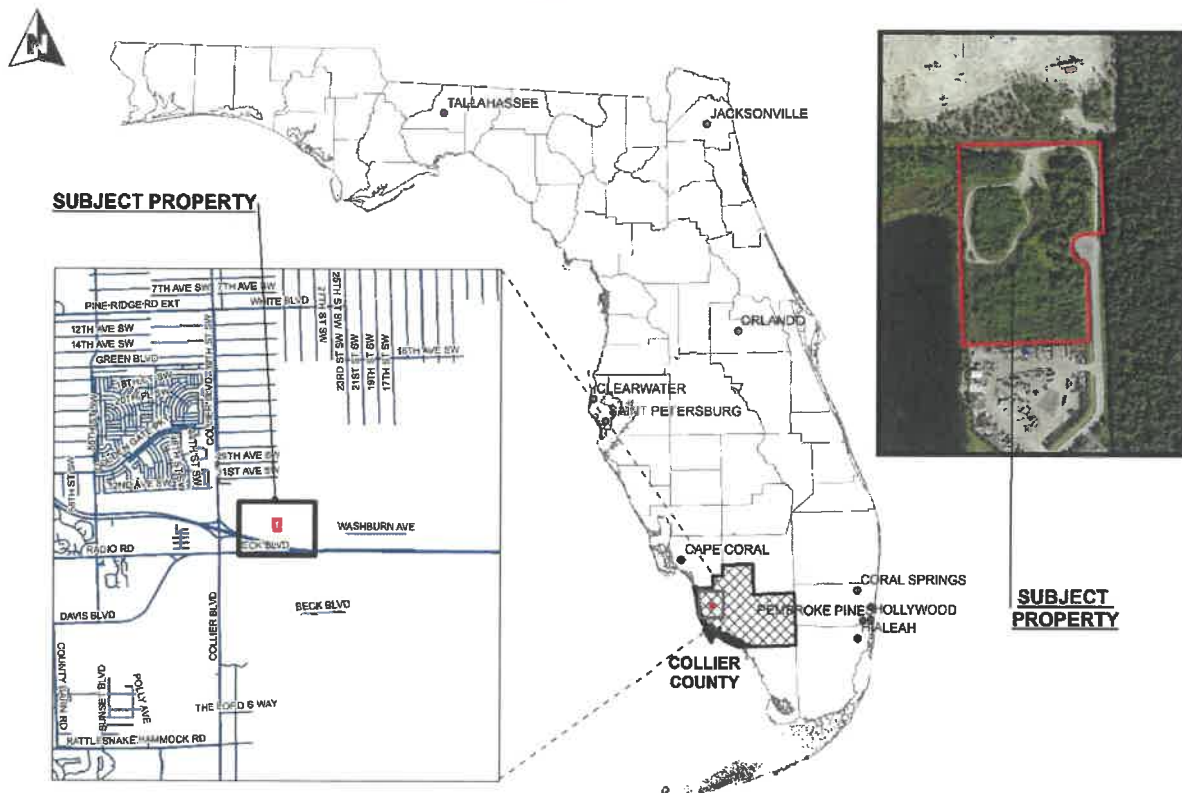


Figure 1. Location Map

3.0 EXISTING SITE CONDITIONS

The Subject Property is predominantly vegetated with scattered primitive trails and consists of the northern end of Shearwater Street (See Figures 2 and 3 below). Vegetation consists primarily of exotic species. A vehicle trail runs along the eastern and northern boundaries of the property and forms a loop in the northwestern corner.

The Subject Property contains the following surrounding land uses:

North:	Collier County Sports Complex & Event Center
East:	Vacant/Undeveloped
South:	Commercial
West:	Man-made Lake/Vacant/Undeveloped



Figure 2. Site Vicinity Map



Figure 3. Aerial Map

4.0 PARCEL HISTORY

A historical aerial search was conducted on the Subject Property. According to the historical aerials reviewed, a majority of the Subject Property appears to have been cleared between 1973 and 1985 during the excavation of the man-made lake adjoining the Subject Property to the west. After 1985 the Subject Property appears to have continued to recruit vegetation to its current state today. A copy of the historical aerial report is attached in Appendix A.

Ⓐ A permit search was conducted on the Subject Property and revealed no previous permits. Ⓑ

5.0 PRELIMINARY WETLAND ASSESSMENT

The U.S. Army Corps of Engineers (ACOE), Florida Department of Environmental Protection (FDEP), and the South Florida Water Management District (SFWMD) are the agencies that regulate development activities in wetlands. In general, to be considered a wetland by agencies, the area should exhibit hydric soils, wetland hydrology, and wetland vegetation. Ultimately, these agencies have the final say in determining if a property contains wetlands in Florida, despite the opinions of the preparer of this report. ETE searched the Subject Property for indicators of the aforementioned mentioned parameters.

5.1 SOILS

The soils on the property have been previously mapped by the Natural Resource Conservation Service (NRCS). These mappings are general in nature but can provide a certain level of information about the site as to the possible extent of wetland areas. According to NRCS, the Subject Property is underlain with three (3) different soil types:

- Pineda fine sand, limestone substratum (hydic classification)
- Boca fine sand (non-hydric classification)
- Water – this area consists of a small strip along the southwestern portion of the Subject Property affiliated with the adjacent man-made lake to the west.

See Figure 4 below for NRCS mappings on the Subject Property.



Figure 4. NRCS Soils Map

5.2 WETLAND HYDROLOGY

Wetland hydrology is normally present if the soil is saturated or inundated for a long duration, which in South Florida normally occurs during the rainy season. In our region, the rainy season occurs in the summer through early fall. Therefore, if an area exhibits soil saturation or is inundated for an extended period of time, the area is considered to have wetland hydrology. In the absence of visual signs of saturation or inundation, one may use secondary indicators of hydrology such as adventitious rooting, lichen lines, or algal matting. On the Subject Property, minimal hydrologic indicators were observed during the field assessment, which occurred during the dry season (April 6, 2021).

5.3 FLUCCS VEGETATION MAPPING

Vegetation communities were mapped on the property according to the Florida Land Use, Cover and Forms Classification System (FLUCCS) system used by the regulatory agencies. Vegetation is one parameter used in determining the presence of a wetland. Wetland vegetation is present if the majority

of the plants present in the habitat are those which are adapted to saturated soil conditions. The vegetation mapping for this report was conducted during the dry season.

The Florida Exotic Pest Plant Council's (FLEPPC) list of invasive species contains Category I and Category II species that may be found on the Subject Property. Category I species are invasive exotics that are altering native plant communities by displacing native species, changing community structures or ecological functions, or hybridizing with natives (FLEPPC). Category II species are invasive exotics that are increasing in abundance or frequency but have not yet altered Florida plant communities (FLEPPC). A significant factor in mapping vegetative associations and local habitats is the invasion of these species such as Brazilian pepper (*Schinus terebinthifolia*), earleaf acacia (*Acacia auriculiformis*), and melaleuca (*Melaleuca quinquenervia*). Levels of exotic density were mapped by using field observations and photo interpretation as shown in Figure 5. Modifiers, or "E" designators, are appended to the FLUCCS codes to indicate the approximate density of exotics in the canopy and/or sub-canopy.

Listed below are the FLUCCS communities identified on the site. The community descriptions correspond to the mappings on the FLUCCS map in Figure 5. See Florida Land Use, Cover and Forms Classification System (Department of Transportation, Surveying & Mapping Geographic Mapping Section, 1999) for definitions.

TABLE 1. VEGETATION COMMUNITY SUMMARY		
FLUCCS CODE	DESCRIPTION	ACREAGE
411-E4	Pine Flatwoods (>75% Exotics)	2.65
422	Brazilian Pepper	1.02
422H	Brazilian Pepper, Hydric	3.36
619-E3	Exotic Wetland Hardwoods (51-75% Exotics)	0.24
8146	Primitive Trails	2.75
TOTAL		10.02

- E1 = Exotics <25% of total cover
- E2 = Exotics 26-50% of total cover
- E3 = Exotics 51-75% of total cover
- E4 = Exotics >75% of total cover



Figure 5. FLUCCS Map

FLUCCS DESCRIPTIONS:

* = exotic species

5.4 UPLAND COMMUNITIES

Upland communities on the property include previously disturbed/developed areas containing high levels of exotic vegetation. The following are descriptions of communities that would likely be considered upland, based on vegetation and a lack of hydrologic indicators:

FLUCCS 411 – E4, Pine Flatwoods (>75% Exotics)

This community is found in the northwestern and eastern areas of the Subject Property. It is comprised of slash pine (*Pinus elliottii*), *earleaf acacia (*Acacia auriculiformis*), *Brazilian pepper (*Schinus terebinthifolia*), and cabbage palm (*Sabal palmetto*) in the canopy. Mid story vegetation is mostly composed of cabbage palm and *earleaf acacia. Groundcover includes tickseed (*Coreopsis floridana*), broomsedge (*Andropogon virginicus*), *shrubby false buttonweed (*Spermacoce verticillata*), *earleaf acacia, cabbage palm, and *Brazilian pepper. In the northwest corner of the Subject Property, several slash pine snags were found that contained cavities in them.

FLUCCS 422, Brazilian Pepper

This community is found in the western area of the Subject Property. The canopy and mid-story primarily consist of *Brazilian pepper and *earleaf acacia. Groundcover consists almost entirely of *shrubby false

buttonweed and *cogon grass (*Imperata cylindrica*) with some tickseed. This community is built up on top of fill rock from the lake to the west.

5.5 WETLAND COMMUNITIES

Based on the dominance of wetland vegetation, the following communities would likely be considered as wetland by the regulatory agencies:

422H, Brazilian Pepper Hydric

This community is in the central and southern areas of the Subject Property. Canopy cover is dominated by *Brazilian pepper, Carolina willow (*Salix caroliniana*), and *earleaf acacia with sparse amounts of *Australian pine (*Casuarina equisetifolia*). Mid-story vegetation includes earleaf acacia, Carolina willow, and *Brazilian pepper. Groundcover vegetation includes *shrubby false buttonweed, tickseed, *chocolateweed (*Melochia corchorifolia*), *cogon grass, and Carolina wild petunia (*Ruellia caroliniensis*).

FLUCCS 619-E3, Exotic Wetland Hardwoods (51-75% Exotics)

This community is located in the southwestern portion of the Subject Property and borders the White Lake Industrial Park. Canopy vegetation is sparse and includes Carolina willow and *earleaf acacia. Most of the vegetation exists on the ground and includes *torpedo grass (*Panicum repens*), cattail (*Typha domingensis*), cabbage palm, and cocoplum (*Chrysobalanus icaco*).

Based on the habitat descriptions above, Figure 6 shows the anticipated wetland limits on the Subject Property.



Figure 6. Anticipated Jurisdictional Wetlands

6.0 LISTED SPECIES

The Subject Property does have community types in which protected species could reside. A formal Protected Species Survey would be needed prior to development to further document the presence or absence of any listed species utilizing the property. During permitting, the following protected species concerns may be raised by the regulatory agencies:

Florida Bonneted Bat (*Eumops floridanus*)

The Subject Property falls within the United States Fish & Wildlife Service's (USFWS) Florida bonneted bat consultation area. The property contains atypical bonneted bat roosting habitat due to the presence of dense exotic vegetation and the existence of power lines nearby. Portions of the property could potentially be used for bat foraging. During the initial site visit, three (3) tree cavities were observed in slash pine snags in the northwestern part of the Subject Property. Consultation with USFWS may be required for Florida bonneted bat before development may occur.

Gopher Tortoise (*Gopherus polyphemus*)

The northern portion of the property contains habitat that could be suitable for gopher tortoise. A 100% gopher tortoise survey will be required prior to development. If tortoise or tortoise burrows are observed, the tortoise would be relocated offsite.

7.0 DISCUSSION & SUMMARY

Wetland locations were drawn using a non-rectified aerial with approximate property boundaries. Approximate wetland limits have not been flagged or verified by SFWMD or FDEP. Before any detailed

site planning, it is recommended that the anticipated wetland lines be flagged and subsequently surveyed along with the property boundary by a professional land surveyor upon agency approval.

Per ETE's FLUCCS mapping, the site contains approximately 3.6 acres of anticipated jurisdictional wetlands. The South Florida Water Management District (SFWMD) and Florida Department of Environmental Regulation (FDEP) are the regulatory agencies that handles wetlands and storm water management permitting on the state level. A wetland jurisdictional determination is required during the environmental resource permitting process if impacts to wetlands are proposed. An Environmental Resource Permit (ERP) will be required for authorization to fill and/or dredge onsite wetlands. Any impacts to onsite wetlands will require mitigation to offset the impacts. Mitigation is typically provided through the purchase of off-site wetland credits at an approved wetland mitigation bank prior to commencement of construction. Uniform Mitigation Assessment Methodology (UMAM) worksheets along with the acreage of wetland impacts are used to calculate the exact number of functional units that would be required to offset wetland impacts. The cost of a forested freshwater wetland credit is currently \$175,000 at Panther Island Mitigation Bank (PIMB).

From an environmental perspective, the next steps for this property would be to:

1. Flag the wetland/upland limits in the field and request jurisdictional determinations from the SFWMD & FDEP.
2. Conduct an official Protected Species Survey completed to further rule out any listed species of concern.
3. Determine proposed development limits and calculate potential mitigation costs for different development scenarios.

SITE PHOTOGRAPHS



View of the vegetation in the northwestern portion of the Subject Property



White Lake Industrial Park lake on the western edge of the Subject Property



Exotic vegetation including earleaf acacia in the southern portion of the Subject Property



Exotic earleaf acacia in southern portion of the Subject Property along trail

8.0 REFERENCES

Atlas of Florida Plants. Institute for Systematic Botany. <https://florida.plantatlas.usf.edu/>

Collier County Property Appraiser. <https://collierappraiser.com>

“Florida’s Endangered and Threatened Species”- Official List. Florida Fish & Wildlife Conservation Commission. Updated December 2018.

<https://myfwc.com/media/1945/threatend-endangered-species.pdf>

<http://myfwc.com/imperiledspecies/>

Florida Exotic Pest Plant Council’s 2019 List of Invasive Plant Species. www.fleppc.org

Florida Land Use, Cover and Forms Classification (FLUCCS) Handbook. Florida Department of Transportation, Surveying & Mapping Geographic Mapping Section. January 1999.

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http://www.fdot.gov/geospatial/doc_pubs.shtm

Environmental Data Management, Inc., Historical Aerial Photograph Report: “Folios: 81790004762 and 81790004746, Collier County, Florida”, April 13, 2021.

Google Earth Historical Images. <https://www.google.com/earth/> Accessed: 4/13/21

Map Direct. Florida Department of Environmental Protection.

<https://castg.dep.state.fl.us/mapdirect/>

Soil Survey of Collier County, Florida. United States Department of Agriculture. Natural Resources Conservation Service. 1998.

https://www.nrcs.usda.gov/Internet/FSE_MANUSCRIPTS/florida/collierFL1998/Collier.pdf

Appendix A Historical Aerial Report

ADDENDUM C

COMPARABLE DATA

Land Comparable 1



Transaction

ID	8219	Date	1/6/2023
Name	White Lake Lot 38	Price	\$1,200,000
Address	3584 Plover Ave	Price Per Land SF	\$25.75
City	Naples	Transaction Type	Closed Sale
Grantor	Wood Rock Design Art Inc.	Financing	Cash
Grantee	Plover Realty III, LLC and Plover Development, LLC	Property Rights	Fee Simple
Tax ID	81790002382		
Days on Market	2 Months	Sale Verification Date	12/11/2023
Book/Page or Reference Doc	6205/1821	Sale Verification Source	Dave Bartley; Barley Realty LLP
Conditions of Sale	Arm's Length	Sale History	None in previous 3 years.

Site

Acres	1.07	Topography	Heavily Treed
Land SF	46,609	Zoning	White Lake PUD
Primary Frontage Feet	307	Flood Zone	Zone AE
Primary Frontage Street	Plover Avenue	Dimensions	Irregular
Utilities	All Public	Shape	Irregular

Comments

Heavily treed parcel with frontage along White Lake Blvd, Shaw Blvd, and Plover Ave. Parcel was listed in September 2022 for \$1.3 million. Buyer, a local developer, is developing the site with Naples Luxury Motor Suites with 2,454 SF climate-controlled auto storage units listed for \$1,227,000.

Land Comparable 2



Transaction

ID	4402	Date	6/8/2022
Name	White Lake Lots 6 & 7	Price	\$1,100,000
Address	3530 & 3534 Plover Ave	Price Per Land SF	\$25.04
City	Naples	Transaction Type	Closed Sale
Grantor	GWE Realty LLC	Financing	Cash to seller
Grantee	Plover Realty, LLC	Property Rights	Fee Simple
Tax ID	81790004526 + 81790004542		
Days on Market	--	Sale Verification Date	6/1/2022
Book/Page or Reference Doc	6142/2581	Sale Verification Source	Dave Bartley; Barley Realty LLLP
Conditions of Sale	Arm's Length	Sale History	June and Dec 2020

Site

Acres	1.01	Topography	Level
Land SF	43,929	Zoning	White Lake PUD
Primary Frontage Feet	201	Flood Zone	Zone AH
Primary Frontage Street	Plover Avenue	Dimensions	201' x 219'
Utilities	All Public	Shape	Rectangular

Comments

Two adjacent cleared lots in White Lake Corporate Park. Preliminary plans for a five unit 15,000 SF industrial flex building. Lots were purchased in two separate transactions from different sellers. Lot 6 was purchased in Dec. 2020 for \$400,000. Lot 7 was purchased with the adjacent building on Lot 6 for a total purchase price of \$1.5 million in June 2020 with \$300,000 allocated to Lot 7. The lots were listed for sale at \$1,319,000 in February 2022 and pended in March 2022. The lots re-sold in December 2022 in a non-arm's length, non-market orientated transaction.

Land Comparable 3



Transaction

ID	7774	Date	1/31/2023
Name	16221 Lee Road	Price	\$2,308,680
Address	16221 Lee Road	Price Per Land SF	\$10.59
City	Fort Myers	Transaction Type	Closed Sale
Grantor	Formosa Commerce Center, LLC	Financing	Cash
Grantee	RandyMyles, LLC	Property Rights	Fee Simple
Tax ID	04-46-25-L3-09000.002B		
Days on Market	N/A	Sale Verification Date	3/23/2023
Book/Page or Reference Doc	Instr #. 2023000038925	Sale Verification Source	Kim Daugherty; Trinity CRE
Conditions of Sale	Arm's Length	Sale History	No sales in previous 3 years

Site

Acres	5.00	Topography	Level/cleared
Land SF	217,903	Zoning	Formosa Commerce Center IPD
Primary Frontage Feet	241	Flood Zone	Zone X
Primary Frontage Street	Lee Road	Dimensions	241' x 916'
Utilities	All available	Shape	Rectangular

Comments

Cleared and level parcel filled to street grade. Buyer purchased by local developer.

Land Comparable 4



Transaction

ID	8062	Date	8/31/2023
Name	GCLJ Management, Inc	Price	\$5,269,678
Address	Three Oaks Pkwy and Oriole	Price Per Land SF	\$14.50
City	Fort Myers	Transaction Type	Closed Sale
Grantor	Three Oaks 59 LLC	Financing	Conventional
Grantee	GCLJ Management, Inc	Property Rights	Fee Simple
Tax ID	03-46-25-L1-09000.0020		
Days on Market	N/A	Sale Verification Date	9/7/2023
Book/Page or Reference Doc	Instru #2023000290282	Sale Verification Source	Matt Price; Seagate Development Group
Conditions of Sale	Arm's Length	Sale History	None

Site

Acres	8.34	Topography	Treed
Land SF	363,302	Zoning	Three Oaks Commerce Park IPD
Primary Frontage Feet	567	Flood Zone	Zone X
Primary Frontage Street	Three Oaks Pkwy	Dimensions	567' x 632' x 531' x 622'
Utilities	All Public	Shape	Rectangular MOL

Comments

Located in new Alico Trade Center subdivision at the northwest corner of Oriole Road and Three Oaks Pkwy with rear frontage along Grib Rd. Buyer is planning to develop with spec industrial flex space.

Land Comparable 5



Transaction

ID	8205	Date	8/15/2023
Name	ITEC Tract F	Price	\$2,200,000
Address	Innovation Lane	Price Per Land SF	\$13.09
City	Fort Myers	Transaction Type	Closed Sale
Grantor	Jaifer Zabala, LLC	Financing	Cash
Grantee	ITEC F Realty, LLC	Property Rights	Fee Simple
Tax ID	06-46-26-L4-1000F.0000		
Days on Market	--	Sale Verification Date	11/28/2023
Book/Page or Reference Doc	Instru #2023000278950	Sale Verification Source	Christine McManus; IPC
Conditions of Sale	Arm's Length	Sale History	11/2021: \$1,428,833

Site

Acres	3.86	Topography	Cleared and filled
Land SF	168,098	Zoning	FGCU Innovation HUB MPD
Primary Frontage Feet	425	Flood Zone	Zone X
Primary Frontage Street	Innovation Lane	Dimensions	425'x365'x403'x426'
Utilities	All Public	Shape	Rectangular MOL

Comments

Parcel was purchased in Nov. 2021 for \$1,428,833. Parcel was listed for \$2,521,470. Filled, cleared, utilities in place. The site has a 20' wide Ingress, Egress, and Utility Easement along the northern border. The easement permits a shared access drive between Tracts C and F (subject). The costs will be shared between the two sites.



REAL ESTATE APPRAISAL REPORT

PINELAND ON THE TRAIL LOTS 39-42 AND LOTS 45-49

Commercial Land

4711 Outer Drive

Naples, Collier County, Florida, 34112

PREPARED FOR:

Ms. Nicole Chesser

Chief of Staff

Greater Naples Fire Rescue District

14575 Collier Boulevard

Naples, FL 34119

EFFECTIVE DATE OF THE APPRAISAL:

December 9, 2023

DATE OF THE REPORT:

December 18, 2023

REPORT FORMAT:

Appraisal Report

PREPARED BY:

RKL Appraisal and Consulting, PLC

RKL File Number: 2023-228



Pineland on the Trail Lots 39-42 and Lots 45-49
4711 Outer Drive
Naples, Florida



December 18, 2023

Ms. Nicole Chesser
Greater Naples Fire Rescue District
14575 Collier Boulevard
Naples, FL 34119

Re: Real Estate Appraisal
Pineland on the Trail Lots 39-42 and Lots 45-49
4711 Outer Drive, Naples,
Collier County, Florida, 34112
RKL File Number: 2023-228

Dear Ms. Chesser:

At your request, RKL Appraisal and Consulting, PLC has prepared the accompanying appraisal for the above referenced property. The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property. The intended users for the assignment are Greater Naples Fire Rescue District and-or affiliates, and the intended use of the appraisal is for future planning purposes which could include the sale of the property. We use the appraisal report option of Standards Rule 2-2 of USPAP to report the assignment results.

Please reference the appraisal scope section of this report for important information regarding the scope of research and analysis for this appraisal, including property identification, inspection, highest and best use analysis, and valuation methodology.

The accompanying appraisal conforms with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The appraisal also conforms with the appraisal regulations issued in connection with the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA).

The subject is a vacant commercial parcel of land containing an area of 1.98 acres, or 86,297 square feet. All uses in C-1 and C-2 as well as activity centers uses are permitted under the present Commercial Intermediate District (C-3) zoning designation.

Ms. Nicole Chesser
Greater Naples Fire Rescue District
December 18, 2023
Page 2

Based on the appraisal described in the accompanying report, subject to the Limiting Conditions and Assumptions, Extraordinary Assumptions and Hypothetical Conditions (if any), I have made the following value conclusion(s):

VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value, As Is	Fee Simple	December 9, 2023	\$2,070,000

The value conclusion(s) are subject to the following hypothetical conditions and extraordinary conditions. These conditions may affect the assignment results.

Hypothetical Conditions:	None.
Extraordinary Assumptions:	None.

Respectfully submitted,
RKL APPRAISAL AND CONSULTING, PLC



Rachel M. Zucchi, MAI, CCIM
Florida State-Certified General Real Estate Appraiser RZ2984
rzucchi@rklac.com; Phone 239-596-0801

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

GENERAL

Subject:	Pineland on the Trail Lots 39-42 and Lots 45-49 4711 Outer Drive, Naples, Collier County, Florida, 34112
Owner:	The Greater Naples Fire Rescue District
Legal Description:	Pineland on the Trail, Lots 39, 40, 41, 42, 45, 46, 47, 48 and 49, according to the map or plat thereof as recorded in Plat Book 3, Page 60, Public Records of Collier County, Florida.
Tax Identification:	67080640009
Intended Use:	The intended use is for future planning purposes which could include the sale of the property.
Intended User(s):	Greater Naples Fire Rescue District and-or affiliates

PROPERTY

Land Area:	Total: 1.98 acres; 86,297 square feet
Flood Zone:	Zone AE
Zoning:	C-3 - Commercial Intermediate District
Highest and Best Use As Vacant	Commercial development
Exposure Time	12 months
Marketing Period	12 months

VALUE INDICATIONS

Value Range of Comparables:	\$18.02 to \$25.51 per square foot
Reconciled Value(s):	As Is
Value Conclusion(s)	\$2,070,000
Effective Date(s)	December 9, 2023
Property Rights	Fee Simple

The value conclusion(s) are subject to the following hypothetical conditions and extraordinary conditions. These conditions may affect the assignment results.

Hypothetical Conditions:	None.
Extraordinary Assumptions:	None.

INTRODUCTION INFORMATION

SUBJECT IDENTIFICATION

Subject:	Pineland on the Trail Lots 39-42 and Lots 45-49 4711 Outer Drive, Naples, Collier County, Florida, 34112
Legal Description:	Pineland on the Trail, Lots 39, 40, 41, 42, 45, 46, 47, 48 and 49, according to the map or plat thereof as recorded in Plat Book 3, Page 60, Public Records of Collier County, Florida.
Tax Identification:	67080640009

The subject is a vacant commercial parcel of land containing an area of 1.98 acres, or 86,297 square feet. All uses in C-1 and C-2 as well as activity centers uses are permitted under the present Commercial Intermediate District (C-3) zoning designation.

CURRENT OWNERSHIP AND PROPERTY HISTORY

Owner

According to the Collier County Property Appraiser, the owner of the property is The Greater Naples Fire Rescue District. The most recent recorded Deed shows ownership as the East Naples Fire Control & Rescue District, an Independent Special District of the County of Collier, State of Florida, created under Chapter 65-1413 and 79-444, Laws of Florida, its successors and assigns.

Sale History

According to public records, the subject has not sold in the last three years.

Current Listing/Contract(s):

The subject is not currently listed for sale, or under contract.

To the best of our knowledge, no other sale or transfer of ownership has occurred within the past three years, and as of the effective date of this appraisal, the property is not subject to an agreement of sale or option to buy, nor is it listed for sale.

APPRAISAL SCOPE

According to the Uniform Standards of Professional Appraisal Practice, it is the appraiser's responsibility to develop and report a scope of work that results in credible results that are appropriate for the appraisal problem and intended user(s). Therefore, the appraiser must identify and consider:

- the client and any other intended users;
- the intended use of the appraiser's opinions and conclusions;
- the type and definition of value;

- the effective date of the appraiser's opinions and conclusions;
- subject of the assignment and its relevant characteristics
- assignment conditions
- the expectations of parties who are regularly intended users for similar assignments; and
- what an appraiser's peer's actions would be in performing the same or a similar assignment.

CLIENT, INTENDED USER, AND INTENDED USE

The client and the intended user of the appraisal are Greater Naples Fire Rescue District and-or affiliates. The intended use is for future planning purposes which could include the sale of the property. The appraisal is not intended for any other use or user.

DEFINITION OF MARKET VALUE

Market value definition used by agencies that regulate federally insured financial institutions in the United States is defined by *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022) as:

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

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and 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 United States 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.”

(Source: 12 C.F.R. Part 34.42(h); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994; 79 Federal Register 28400, May 16, 2014; 83 Federal Register April 9, 2018; 84 Federal Register, October 8, 2019)

DEFINITION OF PROPERTY RIGHTS APPRAISED

Fee simple estate is defined as an: “Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” (Source: *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022))

PURPOSE OF APPRAISAL, PROPERTY RIGHTS APPRAISED, AND DATES

The purpose of the appraisal is to estimate the market value of the fee simple interest in the subject property. The effective date of the subject appraisal is December 9, 2023. The date of inspection was December 9, 2023. The date of the report is December 18, 2023.

SCOPE OF WORK

The problem to be solved is to estimate the market value of the fee simple interest in the subject property.

SCOPE OF WORK

Report Type:	This is an Appraisal Report as defined by Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2(a). This format provides a summary or description of the appraisal process, subject and market data and valuation analyses.
Property Identification:	The subject has been identified by the legal description and the assessors' parcel number.
Inspection:	A complete on site inspection was made and photographs were taken.
Market Area and Analysis of Market Conditions:	A complete analysis of market conditions has been made. The appraiser maintains and has access to comprehensive databases for this market area and has reviewed the market for sales and listings relevant to this analysis.
Highest and Best Use Analysis:	A complete as vacant highest and best use analysis for the subject has been made. Physically possible, legally permissible, and financially feasible uses were considered, and the maximally productive use was concluded.
<u>Valuation Analyses</u>	
Cost Approach:	A cost approach was not applied as there are no improvements that contribute value to the property.
Sales Comparison Approach:	A sales approach was applied as typically this is the most appropriate approach for the valuation of vacant land. This approach is applicable to the subject because there is an active market for similar properties and sufficient sales data is available for analysis.
Income Approach:	An income approach was not applied as the subject is not likely to generate rental income as vacant land.
Hypothetical Conditions:	None.
Extraordinary Assumptions:	None.

Comments

The individual sections of the report detail the additional research, confirmation, and analysis of relevant data.

ECONOMIC ANALYSIS

NATIONAL ECONOMIC ANALYSIS

The Federal Reserve Open Market Committee (FOMC) released the following statement on December 13, 2023. Recent indicators suggest that growth of economic activity has slowed from its strong pace in the third quarter. Job gains have moderated since earlier in the year but remain strong, and the unemployment rate has remained low. Inflation has eased over the past year but remains elevated.

The U.S. banking system is sound and resilient. Tighter financial and credit conditions for households and businesses are likely to weigh on economic activity, hiring, and inflation. The extent of these effects remains uncertain. The Committee remains highly attentive to inflation risks.

The Committee seeks to achieve maximum employment and inflation at the rate of 2 percent over the longer run. In support of these goals, the Committee decided to maintain the target range for the federal funds rate at 5-1/4 to 5-1/2 percent. The Committee will continue to assess additional information and its implications for monetary policy. In determining the extent of any additional policy firming that may be appropriate to return inflation to 2 percent over time, the Committee will take into account the cumulative tightening of monetary policy, the lags with which monetary policy affects economic activity and inflation, and economic and financial developments. In addition, the Committee will continue reducing its holdings of Treasury securities and agency debt and agency mortgage-backed securities, as described in its previously announced plans. The Committee is strongly committed to returning inflation to its 2 percent objective.

In assessing the appropriate stance of monetary policy, the Committee will continue to monitor the implications of incoming information for the economic outlook. The Committee would be prepared to adjust the stance of monetary policy as appropriate if risks emerge that could impede the attainment of the Committee's goals. The Committee's assessments will take into account a wide range of information, including readings on labor market conditions, inflation pressures and inflation expectations, and financial and international developments.

The following table details the economic forecasts of Federal Reserve Board members and Federal Reserve Bank presidents as of December 2023. Real GDP is projected to grow at a rate of 1.4% in 2024, an decrease from the September projection of 1.5%. The unemployment projection for 2024 remained the same at 4.1%. The Core PCE inflation projection also decreased from 2.6% to 2.4% in 2024.

Table 1. Economic projections of Federal Reserve Board members and Federal Reserve Bank presidents, under their individual assumptions of projected appropriate monetary policy, December 2023

Percent

Variable	Median ¹					Central Tendency ²					Range ³				
	2023	2024	2025	2026	Longer run	2023	2024	2025	2026	Longer run	2023	2024	2025	2026	Longer run
Change in real GDP	2.6	1.4	1.8	1.9	1.8	2.5-2.7	1.2-1.7	1.5-2.0	1.8-2.0	1.7-2.0	2.5-2.7	0.8-2.5	1.4-2.5	1.6-2.5	1.6-2.5
September projection	2.1	1.5	1.8	1.8	1.8	1.9-2.2	1.2-1.8	1.6-2.0	1.7-2.0	1.7-2.0	1.8-2.6	0.4-2.5	1.4-2.5	1.6-2.5	1.6-2.5
Unemployment rate	3.8	4.1	4.1	4.1	4.1	3.8	4.0-4.2	4.0-4.2	3.9-4.3	3.8-4.3	3.7-4.0	3.9-4.5	3.8-4.7	3.8-4.7	3.5-4.3
September projection	3.8	4.1	4.1	4.0	4.0	3.7-3.9	3.9-4.4	3.9-4.3	3.8-4.3	3.8-4.3	3.7-4.0	3.7-4.5	3.7-4.7	3.7-4.5	3.5-4.3
PCE inflation	2.8	2.4	2.1	2.0	2.0	2.7-2.9	2.2-2.5	2.0-2.2	2.0	2.0	2.7-3.2	2.1-2.7	2.0-2.5	2.0-2.3	2.0
September projection	3.3	2.5	2.2	2.0	2.0	3.2-3.4	2.3-2.7	2.0-2.3	2.0-2.2	2.0	3.1-3.8	2.1-3.5	2.0-2.9	2.0-2.7	2.0
Core PCE inflation ⁴	3.2	2.4	2.2	2.0		3.2-3.3	2.4-2.7	2.0-2.2	2.0-2.1		3.2-3.7	2.3-3.0	2.0-2.6	2.0-2.3	
September projection	3.7	2.6	2.3	2.0		3.6-3.9	2.5-2.8	2.0-2.4	2.0-2.3		3.5-4.2	2.3-3.6	2.0-3.0	2.0-2.9	
Memo: Projected appropriate policy path															
Federal funds rate	5.4	4.6	3.6	2.9	2.5	5.4	4.4-4.9	3.1-3.9	2.5-3.1	2.5-3.0	5.4	3.9-5.4	2.4-5.4	2.4-4.9	2.4-3.8
September projection	5.6	5.1	3.9	2.9	2.5	5.4-5.6	4.6-5.4	3.4-4.9	2.5-4.1	2.5-3.3	5.4-5.6	4.4-6.1	2.6-5.6	2.4-4.9	2.4-3.8

According to Freddie Mac Chief Economist Sam Khater, “Given inflation continues to decelerate and the Federal Reserve Board’s current expectations that they will lower the federal funds target rate next year, we likely will see a gradual thawing of the housing market in the new year.” According to a December 2013 AP report, the recent downward shift in mortgage rates is a welcome development for homebuyers. Mortgage applications notched their sixth consecutive weekly increase last week, according to the Mortgage Bankers Association.

According to an November 2023 report by Lawrence Yun, although high mortgage rates, elevated home prices and limited housing inventory have crippled the 2023 housing market, the outlook for 2024 is brighter. Mr. Yun expects existing-home sales to increase by 15% in 2024 as mortgage rates stabilize and home sellers adapt. “I believe we’ve already reached the peak in terms of interest rates. The question is when are rates going to come down?”

According to the National Association of Real Estate Investment Trusts’ (NAREIT) 2024 Outlook, with the Federal Reserve at, or near, the end of its tightening cycle, REITs are well-situated for outsized performance in 2024. “While public real estate valuations have adjusted, private real estate valuations probably will see further declines in 2024.” The firm noted that REITs’ well-managed balance sheets likely will enable them to navigate economic uncertainty in 2024.

The 2024 CBRE U.S. Real Estate Market Outlook there is an increased chance that the U.S. will avoid a recession and achieve a soft economic landing in 2024, but economic growth will slow and downside risks are elevated. Commercial real estate investment activity likely will begin to pick up in the second half of 2024. The normalization of hybrid working arrangements will continue to limit the growth of office demand. Retail real estate fundamentals are expected to remain strong due to the scarcity of new construction deliveries over the past decade. The industrial market is expected to remain healthy, with net absorption on par with 2023 levels. The biggest wave of new apartment supply in decades will temper rent growth and improve affordability for renters in 2024. The hotel industry will face headwinds to RevPAR growth in 2024, including competition from alternative lodging sources and a slower economy, but fewer Americans traveling internationally will benefit the domestic market. Demand for new

data center development will attract more institutional investment in 2024, as investors reallocate capital from the office sector to real estate alternatives.

According to the Deloitte Center for Financial Services annual Commercial Real Estate Outlook for 2024, “the global real estate industry has an opportunity to start rebuilding on more solid ground. Multiple factors, from a pandemic-era recovery that shifted how and where people work to more recent geopolitical uncertainties and financial market instability, the coming year is expected to be pivotal in real estate firms’ ability to recover and build up. Marked by a myriad of mixed signals about the health and trajectory of our industry, real estate leaders may need to find their footing as they shape the next phase of real estate ownership and investment.”

According to the PwC Emerging Trends in Real Estate 2024, there’s a reluctant acceptance in the industry that interest rates will remain high for at least the next year and possibly even longer. “Even good news, such as investors being eager to acquire new assets, is tempered by bleak sector data. For example, despite available equity, transactions are down — and many in the industry point to instances where buyers and sellers simply can’t agree on pricing because the dearth of sales limits price clarity.” Respondents to the *Emerging Trends* survey believe the worst of inflation is behind us, which should give the Federal Reserve a reason to pause interest rate hikes.

According to J.P. Morgan Chase 2024 commercial real estate outlook, “multifamily and neighborhood retail stay strong, while industrial may be starting to soften. The future of office buildings remains unclear.” They also report the future of interest rates is uncertain as the economy begins to slow down.

FLORIDA ECONOMIC ANALYSIS

According to the U.S. Census Bureau, after a historically low rate of change between 2020 and 2021, the U.S. resident population increased by 0.4%, or 1,256,003, to 333,287,557 in 2022. Florida was the fastest-growing state in 2022, with an annual population increase of 1.9%, resulting in a total resident population of 22,244,823. It was also the second largest-gaining state behind Texas, with an increase of 416,754 residents. Net migration was the largest contributing component of change to Florida’s growth, adding 444,484 residents. “While Florida has often been among the largest-gaining states,” Kristie Wilder, a demographer in the Population Division at the Census Bureau noted, “this was the first time since 1957 that Florida has been the state with the largest percent increase in population.

According to the Summer 2023 Florida Forecast prepared by the Institute for Economic Competitiveness at the University of Central Florida, Florida’s economy, as measured by real Gross State Product, will expand at an average annual rate of 1.5% from 2023 to 2026. Real Gross State Product will decelerate during the economic slowdown as growth will slow to 0.5% in 2024 and 0.8% in 2025, then accelerate to reach 1.7% by 2026.

Payroll job growth in Florida will begin to falter with a slowdown in the U.S. economy, but not in every sector. After year-over-year growth of 4.7% in 2021 and job growth of

5.6% in 2022, payroll employment in 2023 will decrease to 2.4%, contract by 1.8% in 2024, and by 0.4% in 2025. Job growth turns positive and grows by 1.0% in 2026.

Housing starts have felt the bitter chill of higher mortgage rates. Total starts were 192,213 in 2022—before higher mortgage rates and worries of a slowing economy will result in a deceleration in starts to 183,134 in 2023, 158,716 in 2024, 154,424 in 2025, and 150,981 in 2026.

The unemployment rate fell to 4.7% in 2021, and then to 2.9% in 2022. The slowing economy will push the rate up to 3.1% in 2023, to 4.4% in 2024, and to 5.0% in 2025 and 2026.

Table 1. Annual Summary of the University of Central Florida's Forecast for Florida

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Personal Income and GSP									
Personal Income (Bil. \$)	1088.8	1165.1	1235.8	1356.3	1414.0	1515.3	1581.7	1659.2	1742.9
Florida.(%Ch Year ago)	6.3	7.0	6.1	9.8	4.2	7.2	4.4	4.9	5.0
U.S.(%Ch Year ago)	5.0	5.1	6.7	7.4	2.3	5.1	4.7	4.4	4.4
Personal Income (Bil. 2012\$)	1000.5	1061.5	1104.1	1157.1	1132.8	1171.5	1194.7	1226.0	1262.6
Florida.(%Ch Year ago)	4.6	6.1	4.0	4.8	-2.1	3.4	2.0	2.6	3.0
U.S.(%Ch Year ago)	2.8	3.6	5.5	3.3	-3.8	1.3	2.2	2.1	2.3
Disp. Income (Bil. 2012\$)	895.9	949.9	992.8	1023.5	974.6	1033.3	1064.0	1093.5	1125.4
Florida.(%Ch Year ago)	6.2	6.0	4.5	3.1	-4.8	6.0	3.0	2.8	2.9
U.S.(%Ch Year ago)	3.3	3.5	6.2	1.9	-6.2	3.7	2.9	2.2	2.2
GSP (Bil. \$)	1057.3	1111.4	1116.7	1255.6	1389.1	1491.7	1538.3	1588.1	1652.2
(%Ch Year ago)	5.4	5.1	0.5	12.4	10.6	7.4	3.1	3.2	4.0
GSP (Bil. 2012\$)	941.6	965.7	950.2	1029.6	1070.9	1101.2	1106.7	1116.0	1135.2
(%Ch Year ago)	3.2	2.6	-1.6	8.4	4.0	2.8	0.5	0.8	1.7
Employment and Labor Force (Household Survey % Change Year Ago)									
Employment	2.5	2.1	-4.9	4.6	5.7	2.4	-1.8	-0.4	1.0
Labor Force	1.5	1.7	-1.7	2.4	3.9	2.3	1.4	0.8	0.8
FL Unemployment Rate (%)	3.7	3.2	8.2	4.7	2.9	3.1	4.4	5.0	5.0
U.S. Unemployment Rate (%)	3.9	3.7	8.1	5.4	3.6	3.5	3.9	4.5	4.8

COLLIER COUNTY AREA ANALYSIS

Collier County has long been an attractive place to retire and it continues to be an area that experiences a great deal of seasonal population increases. According to the Collier County Comprehensive Planning Department, Collier County’s population increases up to 25% between November and April due to seasonal residents and short-term agricultural workers in the Immokalee area. The population increase creates a high degree of seasonality within the retail, service, and hospitality sectors of Collier County’s economy.

Collier County is located less than 150 miles from Fort Myers, Fort Lauderdale, Miami, Sarasota, and West Palm Beach as shown in the following table.

Distance to Other Major Markets			
Metro Area			Miles
Fort Myers	44	Jacksonville	378
Fort Lauderdale	107	Tallahassee	435
Miami	128	Atlanta	616
Sarasota	120	New York	1,311
West Palm Beach	150	Dallas	1,315
Tampa	169	Chicago	1,335
Orlando	238		

Population

The Bureau of Economic and Business Research, University of Florida released the following population statistics for Southwest Florida. As shown, total population increased in all six Southwest Florida counties with the greatest percentage growth in Lee County and the second highest in Collier County.

Projections of Florida Population by County, 2025-2050, with Estimates for 2022							
	Population				Percent Change		
	2022	2025	2030	2035	2022 to 2025	2025 to 2030	2030 to 2035
Southwest Florida	1,895,116	1,995,400	2,142,100	2,261,600	5.29%	7.35%	5.58%
Charlotte	196,742	206,600	220,900	232,100	5.01%	6.92%	5.07%
Collier	390,912	409,800	436,900	459,500	4.83%	6.61%	5.17%
Glades	12,273	12,300	12,400	12,500	0.22%	0.81%	0.81%
Hendry	40,633	41,600	43,000	44,000	2.38%	3.37%	2.33%
Lee	802,178	852,500	927,700	989,100	6.27%	8.82%	6.62%
Sarasota	452,378	472,600	501,200	524,400	4.47%	6.05%	4.63%

Source: University of Florida, Bureau of Economic and Business Research, Florida Population Studies, Bulletin 195, April 2023

The following table shows the projected population through 2050. As shown, Lee County also has the highest projected growth rates with Collier County second.

Projections of Florida Population by County						
2025-2050						
County and State	Projections, April 1					
	2025	2030	2035	2040	2045	2050
CHARLOTTE						
Low	192,100	195,500	195,600	193,400	190,200	186,900
Medium	206,600	220,900	232,100	241,000	248,700	256,000
High	221,100	246,300	268,700	288,600	307,100	325,100
COLLIER						
Low	385,200	393,200	396,300	394,400	390,300	385,800
Medium	409,800	436,900	459,500	476,600	491,000	504,400
High	434,400	480,500	522,600	558,800	591,600	622,900
GLADES						
Low	11,600	11,200	10,800	10,400	10,000	9,700
Medium	12,300	12,400	12,500	12,600	12,600	12,700
High	13,100	13,700	14,200	14,700	15,200	15,700
HENDRY						
Low	39,100	38,700	38,000	37,100	36,100	35,200
Medium	41,600	43,000	44,000	44,800	45,400	46,100
High	44,100	47,300	50,100	52,500	54,800	56,900
LEE						
Low	801,300	835,000	853,100	858,400	857,300	854,400
Medium	852,500	927,700	989,100	1,037,300	1,078,300	1,116,800
High	903,600	1,020,500	1,125,100	1,216,200	1,299,400	1,379,300
SARASOTA						
Low	444,300	451,100	452,300	449,400	444,400	438,800
Medium	472,600	501,200	524,400	543,100	559,000	573,600
High	501,000	551,300	596,500	636,800	673,600	708,400

Source: Bureau of Economic and Business Research, Florida Population Studies, Bulletin 195

U.S. News & World Report, the global authority in rankings and consumer advice evaluated the country’s 150 most populous metropolitan areas based on affordability, job prospects and desirability. The 2022-2023 25 Best Places to Retire is dominated by Pennsylvania and Florida metro areas. Pensacola is the top Florida market at No. 3 behind Lancaster and Harrisburg, PA. Naples is No. 6 overall while Sarasota is No. 11. Naples is ranked 12th overall in the 2022-2023 Best Places to Live report released by U.S. News & World Report in May 2022. Cape Coral-Fort Myers fell from No. 43 to No. 100 while Sarasota-Bradenton maintained its No. 9 ranking. According to data released by the National Association of Realtors in November 2022, half of the top 10 most expensive markets were in California. Naples | Marco Island was the 8th most expensive and only Florida market in the top ten.

Employment

The local economy is largely dependent on the real estate market. Covid-19 negatively impacted overall employment and the service and leisure and hospitality sectors in

particular; however, jobs continue to return as the market improves. Tourism drives much of the Collier County area's economy, with leisure and hospitality composing almost 20% of the workforce.

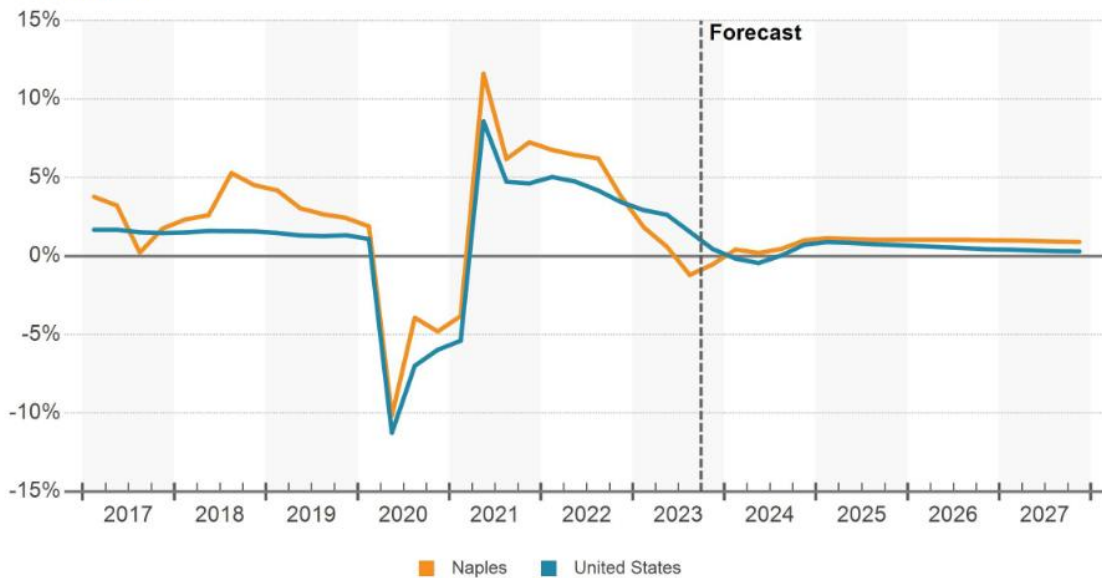
The following table shows the 4Q 2023 Collier County Employment by Industry as well as historical and projected job growth.

NAPLES EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	6	0.4	3.04%	0.22%	6.01%	0.73%	0.95%	0.08%
Trade, Transportation and Utilities	31	1.0	-0.50%	0.25%	2.57%	1.11%	0.28%	0.12%
Retail Trade	23	1.4	-0.53%	0.15%	1.64%	0.28%	0.26%	0.11%
Financial Activities	10	1.1	-0.06%	0.40%	3.70%	1.42%	0.55%	0.14%
Government	14	0.6	3.14%	1.29%	0.95%	0.31%	1.16%	0.44%
Natural Resources, Mining and Construction	20	2.2	3.27%	1.61%	6.54%	2.37%	1.22%	0.24%
Education and Health Services	26	1.0	1.84%	2.61%	3.56%	1.77%	1.26%	0.70%
Professional and Business Services	20	0.8	-3.28%	1.12%	4.06%	2.07%	1.34%	0.38%
Information	1	0.4	-1.09%	-1.60%	-0.85%	1.23%	-0.78%	0.30%
Leisure and Hospitality	28	1.6	-7.90%	4.07%	1.13%	1.51%	0.70%	0.89%
Other Services	9	1.5	-3.62%	1.74%	1.18%	0.61%	0.54%	0.30%
Total Employment	166	1.0	-1.12%	1.41%	2.93%	1.30%	0.87%	0.40%

Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)



Source: Oxford Economics

The following table shows employment projections through 2030 by the Florida Department of Economic Opportunity. As shown, the construction industry has the largest projected growth rate of 16.6% followed by Education and Health Services (12.7%).

JOBS BY INDUSTRY				
CHARLOTTE, COLLIER, GLADES, HENDRY, AND LEE COUNTIES				
NAICS Title	Employment			
	2022	2030	Growth	Percent Growth
Total, All Industries	570,705	622,709	52,004	9.1
Agriculture, Forestry, Fishing and Hunting	7,834	7,200	-634	-8.1
Mining	420	466	46	11.0
Construction	61,755	72,022	10,267	16.6
Manufacturing	13,931	14,805	874	6.3
Trade, Transportation and Utilities	100,302	107,182	6,880	6.9
Information	4,973	5,029	56	1.1
Financial Activities	26,943	29,341	2,398	8.9
Professional and Business Services	70,219	76,888	6,669	9.5
Education and Health Services	108,593	122,385	13,792	12.7
Leisure and Hospitality	82,935	90,974	8,039	9.7
Other Services (except Public Administration)	21,884	24,391	2,507	11.5
Government	66,345	71,937	5,592	8.4
Self Employed and Unpaid Family Workers, All Jobs	44,152	44,487	335	0.8
Source: Florida Department of Economic Opportunity				

Collier County unemployment peaked in August 2010 at 13.0% and had generally been declining until the Covid-19 pandemic with unemployment peaking again at 13.1% in April 2020. The preliminary reported unemployment rate in June 2023 was only 3.0%.

The annual Collier County rate peaked in 2010 at 11.6% and had declined steadily since until the spike from the Covid-19 pandemic in April 2020. However, unemployment numbers have steadily decreased as the economy continues to improve. The 2020 annual rate was 7.3%. The annual rate declined to 3.7% in 2021 and 2.8% in 2022.

Local Area Unemployment Statistics

Series Id: LAUCN120210000000003
 Not Seasonally Adjusted
Area: Collier County, FL
Area Type: Counties and equivalents
State/Region/Division: Florida
Measure: unemployment rate



As of June 2023, the unemployment rate for the State of Florida was 3.0%, down from the peak in May 2020 of 14.2%. On a national level, the unemployment rate in June 2023 was 3.6%, a decrease from the peak in April 2020 of 14.7%. Collier County currently has a similar June rate, at 3.0%, than state levels and lower rate than national levels.

The local economy is largely dependent on the real estate market. The following table from the U.S. Department of Labor shows Naples/Immokalee/Marco Island employment from 2013 through July 2023. As shown, unemployment from the Covid-19 pandemic affected the service and leisure and hospitality sectors the most. With the exception of Leisure and Hospitality, all sectors have regained all lost jobs and have exceeded 2019 levels. The Leisure and Hospitality sector has declined again due to the significant damage caused by Hurricane Ian.

Naples - Immokalee - Marco Island										
Year	Service- Providing	% Change	Goods Producing	% Change	Mining, Logging, & Const.	% Change	Leisure and Hospitality	% Change	All Employees, Total Nonfarm	% Change
2013	109,600	2.8%	13,500	11.6%	10,500	11.7%	24,400	3.4%	123,300	3.9%
2014	114,400	4.4%	15,400	14.1%	12,100	15.2%	25,500	4.5%	129,800	5.3%
2015	119,000	4.0%	17,000	10.4%	13,600	12.4%	26,500	3.9%	136,000	4.8%
2016	123,800	4.0%	18,700	10.0%	14,900	9.6%	27,500	3.8%	142,500	4.8%
2017	126,100	1.9%	19,400	3.7%	15,400	3.4%	28,300	2.9%	145,500	2.1%
2018	129,400	2.6%	21,500	10.8%	17,200	11.7%	29,100	2.8%	150,900	3.7%
2019	133,100	2.9%	22,400	4.2%	17,700	2.9%	30,000	3.1%	155,500	3.0%
2020	126,200	-5.2%	22,100	-1.3%	17,200	-2.8%	25,600	-14.7%	148,400	-4.6%
2021	133,100	5.5%	23,200	5.0%	18,100	5.2%	27,800	8.6%	156,300	5.3%
2022	140,400	5.5%	24,800	6.9%	19,400	7.2%	29,100	4.7%	165,200	5.7%
2023*	140,400	0.2%	25,500	4.6%	19,900	5.0%	28,700	-4.1%	165,900	0.8%

*Through July 2023; percentage increase in comparison to July 2022 YTD
 Source: U.S. Department of Labor

Collier County and the entire Southwest Florida Region is substantially dependent on the real estate and construction sectors. Therefore, the area has been and should be more susceptible to cyclical fluctuations that have occurred in other areas dominated by a single industry. The Southwest Florida Economic Development Alliance reports key employers in Southwest Florida (Collier, Lee and Charlotte County) from Biofuels, healthcare, technology, apparel design, to sugar production are a driving force behind the region’s success. The table below provides a few examples of some key employers in Southwest Florida.

- Industrial Biotechnology, Algenol Biofuels – Global Headquarters
- Medical Devices, [Arthrex, Inc.](#) – Global Headquarters
- Women’s Specialty Apparel Retailer, [Chico’s FAS](#) – Global Headquarters
- Specialty Electronics Manufacturer, [Fox Electronics](#) – Global Corporate Headquarters
- Global IT Research and Advising, [Gartner, Inc.](#)
- Vehicle Rentals and Sales, [Hertz, Inc.](#) – Global Headquarters
- Subsidiary Pittsburgh Glass Works, [Lynx Services, LLC](#) – Customers Service Center
- Manufacturing Fluid Management, [Shaw Development](#) – Global Headquarters
- Agricultural and Food Manufacturer, [U.S. Sugar Corporation](#) – Headquarters
- Healthcare, [21st Century Oncology](#) – Global Headquarters

The following table shows the Top 25 Employers as reported by the Florida Gulf Coast University Regional Economic Research Institute on July 27, 2021.

Rank	Company	SWFL Employees	Industry	County
1	Lee Health	14,028	Healthcare and Social Assistance	Lee
2	Lee County School District	11,003	Educational Services	Lee
3	Publix Super Market	9,768	Retail Trade	Charlotte, Collier, Lee
4	Lee County Local Government	9,142	Public Administration	Lee
5	NCH Healthcare System	8,159	Healthcare and Social Assistance	Collier
6	Walmart	7,286	Retail Trade	Charlotte, Collier, Hendry, Lee
7	Collier County School District	5,756	Educational Services	Collier
8	Collier County Local Government	5,173	Public Administration	Collier
9	Arthrex	4,087	Manufacturing	Collier
10	Marriott International, Inc.	3,620	Accommodation and Food Services	Collier, Lee
11	Bayfront Health	2,801	Healthcare and Social Assistance	Charlotte
12	Charlotte County Local Government	2,614	Public Administration	Charlotte
13	McDonald's	2,613	Accommodation and Food Services	Charlotte, Collier, Hendry, Lee
14	Home Depot	2,497	Retail Trade	Charlotte, Collier, Lee
15	Charlotte County School District	2,152	Educational Services	Charlotte
16	Winn-Dixie	1,899	Retail Trade	Charlotte, Collier, Hendry, Lee
17	Hope Hospice	1,838	Healthcare and Social Assistance	Collier, Lee
18	Chico's Fas Inc.	1,552	Retail Trade	Collier, Lee
19	Florida Gulf Coast University	1,519	Educational Services	Lee
20	Bloomin' Brands, Inc.	1,395	Accommodation and Food Services	Charlotte, Collier, Lee
21	Realogy Holdings Corp.	1,381	Real Estate and Rental and Leasing	Charlotte, Collier, Lee
22	Darden Restaurants	1,380	Accommodation and Food Services	Charlotte, Collier, Lee
23	Target	1,300	Retail Trade	Charlotte, Collier, Lee
24	Walgreens	1,170	Retail Trade	Charlotte, Collier, Hendry, Lee
25	Yum! Brands, Inc.	1,141	Accommodation and Food Services	Charlotte, Collier, Hendry, Lee

Source: Florida Gulf Coast University Regional Economic Research Institute; July 27, 2021

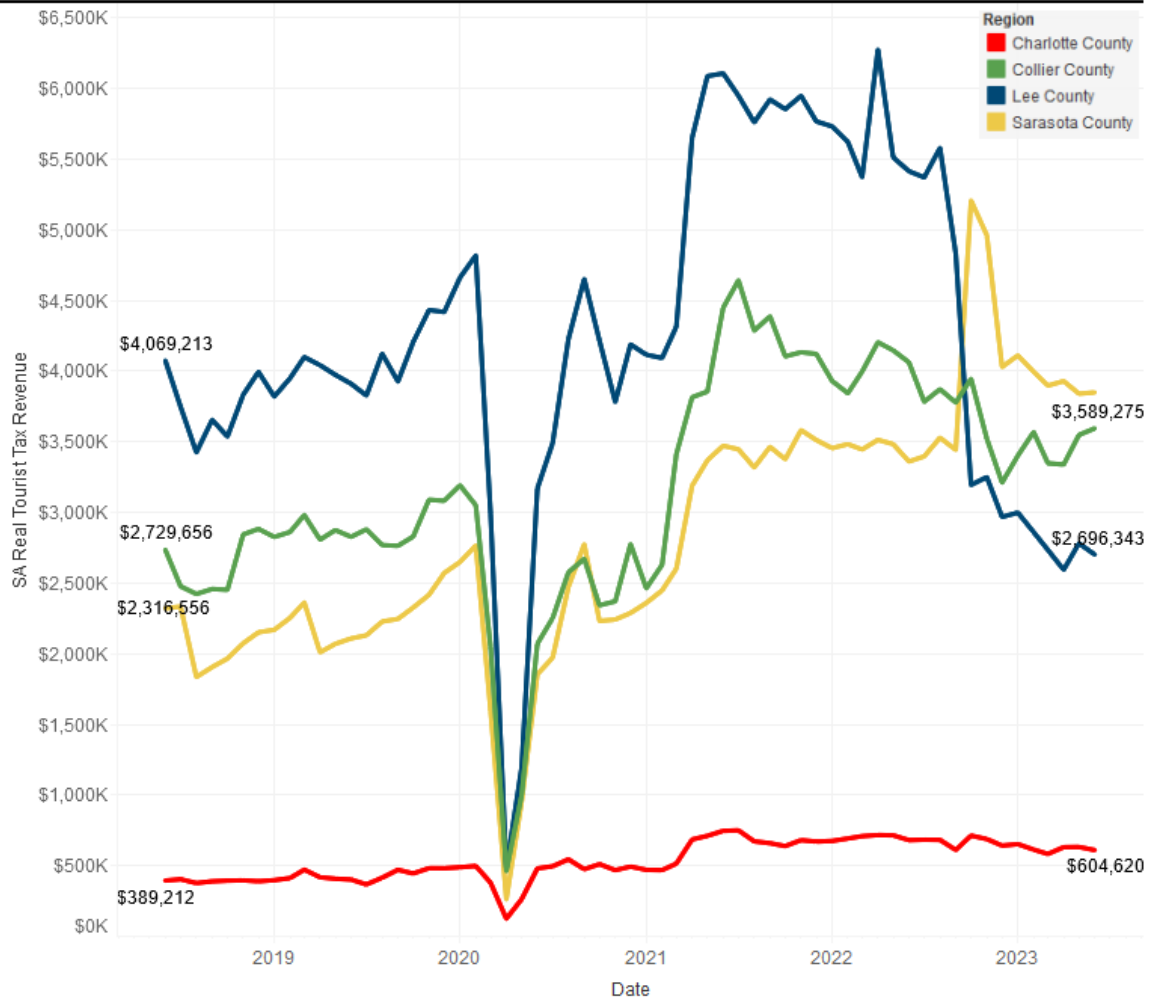
Tourist Tax Revenues

The following graph from the Southwest Florida Regional Economic Indicators August 2023 report prepared by Florida Gulf Coast University shows Collier, Lee, Charlotte, Sarasota County's tourist tax revenues. The after-effects of Hurricane Ian continue to be felt in the Southwest Florida economy. Lee County's seasonally-adjusted real tourist tax revenues dropped to \$2.7 million in June 2023, a 3% decline from the May 2023 measure of \$2.6 million and 50% below the June 2022 figure. Collier County's seasonally-adjusted real tourist tax revenues rose to \$3.6 million in June 2023, a 1% increase from May 2023 but 12% below the June 2022 figure.

Real Tourist Tax Revenues

Seasonally-adjusted tourist tax revenues

FGCU | LUTHERT COLLEGE OF BUSINESS
Regional Economic Research Institute



search Institute
te, Collier, Glades, Hendry and Lee counties.
Economic Development Reports. All data seasonally adjusted by the Regional Economic Research Institute

Development

Growth continues to shift east with Ave Maria becoming the top-selling single-family residential community in Collier County and was recently ranked as one of the Top 20 Selling Master-Planned Communities in the United States. It has maintained the top ranking in the Naples-Fort Myers market for the past eight years. Ave Maria reported a total of 586 new home sales in 2022, a decrease from the record breaking 646 new home sales in 2021, but still the highest-ranking community in all of Collier County. There are currently four residential builders in Ave Maria, CC Homes, Del Webb Naples, Lennar and Pulte Homes. The grand opening of The National Golf and Country Club at Ave Maria, a bundled golf community by Lennar, was held on January 7, 2021. The Immokalee Road corridor between Naples and Ave Maria is projected to see thousands of new homes developed in the next few years. According to a June 2023 Naples Daily News article, Collier County commissioners approved an increase in the town of Ave

Maria by nearly 1,000 acres to 5,000 acres which doesn't include the roughly 1,000-acre Ave Maria University campus and other public benefits such as parks. According to David Genson, president of development for Barron Collier Cos., while more single-family homes will be built, the maximum number of residences won't change, with the cap remaining at 11,000. With the way the town was originally laid out, it would have supported about 8,400 units without adding more land. The original plans called for 60% of the homes to be single-family which will increase to more than 80%. According to Genson, they are on pace to possibly sell close to 700 homes in 2023. Approximately 50% of the buyers are from the east coast of Florida.

In January 2020, in what has been described as one of the most important votes for the future of growth in Collier County, commissioners approved Rivergrass Village. The village is the first of three planned 1,000-acre villages stretching from just north of Oil Well Road to east of Golden Gate Boulevard East. Rivergrass Village will allow for up to 2,500 homes; 100,000 square feet of retail and office uses and a minimum of 25,000 square feet for civic government, and institutional buildings. Longwater Village will allow for up to 2,600 homes; 65,000 square feet of retail and office space and 25,000 square feet for civic government, and institutional buildings and Bellmar Village will allow for up to 2,750 homes; 85,000 square feet of retail and office space and 27,500 square feet for civic government, and institutional buildings. In a near unanimous decision, the Collier County Planning Commission agreed to recommend approval of Longwater in March 2021. The project has sparked controversy because the property sits in the environmentally sensitive Rural Lands Stewardship Area, or RLSA. Commissioners voted to approve the Longwater and Bellmar Villages on June 8, 2021. The commissioners approved Brightshore, another rural village with thousands of proposed homes in December 2022.

There are more than \$1 billion in new luxury high-rise developments near the coast including One Naples at the northeast corner of Vanderbilt Beach Road and Gulf Shore Drive as well as Pelican Bay (Mystique completed in 2019) and Kalea Bay (Towers 100 and 200 are complete, Tower 300 was completed in December 2022, Tower 400 currently under construction) in North Naples. New commercial development is very active at the intersections of Collier Boulevard and US 41 East as well as Collier Boulevard and Immokalee Road.

In its 2nd Quarter 2023 report, the Office of Federal Housing Enterprise Oversight (OFHEO) found that the Naples- Marco Island MSA had a 11.5% increase in home prices (all-transactions including purchase and refinance mortgage) over the trailing 12 months. Home prices in the state of Florida increased 3.54% over the past year (2Q 2022 - 2Q 2023) which was 34th in the nation.

The continuing care retirement community, Moorings Park, teamed with London Bay Homes to develop an independent living development with 275 residences in 17 buildings. All of the buildings are six stories over parking. Grande Lake, will be built on 55 acres off Golden Gate Parkway, between Airport-Pulling and Livingston Roads. Entrance fees start at \$1.5 million and are 70% refundable. Construction on the first 47 units in three buildings commenced in December 2018 with completion in May 2020.

Arthrex, a medical device manufacturer and one of the county's largest employers, completed construction of its latest expansion plan at its headquarters along Goodlette-Frank Road in early 2020. The development includes a 300,000 square-foot, six-story office complex with an auditorium, a four-story Innovation Hotel with approximately 160 rooms, a two-story wellness center, and a 3-acre park. The hotel hosts orthopedic surgeons from the U.S. and around the world for medical education on the company's devices and instruments. Arthrex has contracted with a Tampa-based company, Mainsail, to manage all elements of the hotel operation, including employees.

The first regional store for Phoenix-based Sprouts Farmers Market anchors The Landings at Logan, a new 18-acre retail center at the southeast corner of Immokalee Road and Logan Boulevard in North Naples. NCH Healthcare Northeast located at the northeast quadrant of Immokalee Road and Collier Blvd (CR 951) opened in late 2015 and is the first free standing ER facility in Collier County. The two-story building consists of approximately 41,500± square feet.

Barron Collier Companies and Metro Development Group broke ground on Founders Square, a 55-acre mixed-use development located on the southeast corner of Immokalee Road and Collier Boulevard in January 2020. The development is anchored by The Pointe, a collection of 10 separate restaurants and other retail tenants. It also includes a 400-unit Class A apartment community, known as The Haldeman; a 35,000 square foot medical office building leased by Physicians Regional Medical Healthcare; and StorQuest a 110,000 square foot self-storage facility.

Seed to Table, a new Oakes Farm grocery store at the northeast corner of Livingston and Immokalee Roads in North Naples opened in December 2019. The former Albertson's was completely gutted and consists of 77,000+ square foot store with sit-down dining, a full-service bar, three bars for beer and wine, wine room with samples on tap, a wood-fired brick oven for pizza, a raw bar, sushi bar, grilling area, coffee bar and stations preparing fresh pasta, guacamole, cheese, cut vegetables, sandwiches, smoothies and even homemade ice cream with indoor-outdoor seating.

Paradise Coast Sports Complex, is Collier County's new \$100 million Amateur Sports Complex. The county hopes to become a destination for traveling youth sports teams and amateur athletes. While the focus of the complex is athletics, there will be 20 fields between soccer, baseball and softball, plus a 10,000-person championship stadium, the goal is to get people to stay after the game is over with The Cove and The Factory. The Cove is a bar and food truck area for patrons to relax, listed to live music and play a variety of yard games (bag toss, oversized Connect Four and Jenga, plus ping pong). The Factory is an outdoor workout facility focusing on functional fitness (similar to CrossFit) which is available on a monthly membership basis. Additionally, the man-made lake next to The Cove includes a 2/3 mile jogging loop with three workout stations. There is a climbing wall for public use and a beach volleyball court.

Collier County Commissioners approved a \$15 million economic development agreement on June 22, 2021 for The Great Wolf Lodge. The land was purchased for \$9,100,000 in

July 2021 and construction commenced in July 2022. The Lodge will be built on 20 acres of land along City Gate Boulevard North and will feature a 100,000 square foot indoor water park, 500-room hotel, and 62,000 square feet of amenities and attractions. The resort is expected to open in the summer of 2024. It will bring in more than 200 construction jobs, plus an additional 600 full-time and part-time jobs once open.

Investment Trends

The following CoStar data shows Collier County trends in the Multi-Family, Retail, Office, and Industrial sectors as of the fourth quarter 2023.

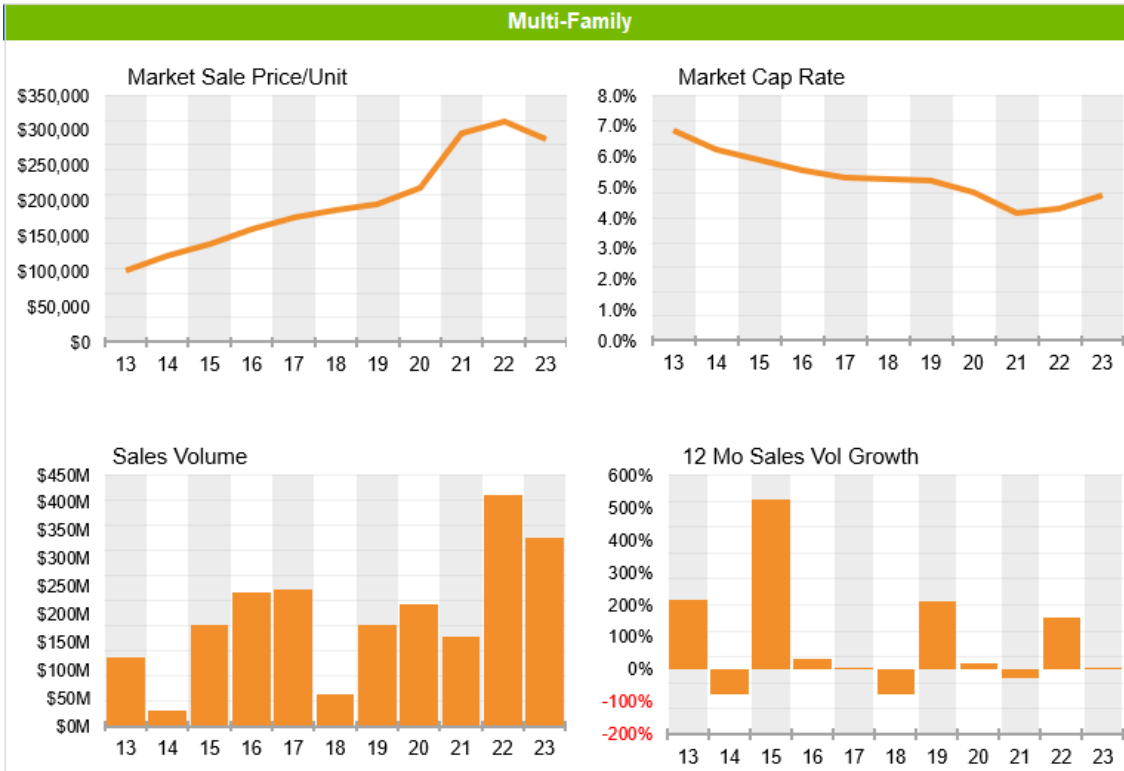
According to the CoStar report, after a strong first quarter it appears that the macro-conditions that have been impacting capital markets have finally caught up to Collier County multifamily investment market. While roughly \$320 million has traded here over the past year, \$160 million occurred in the first quarter and activity has been declining since then. In fact, no multifamily trades took place in the third quarter.

Private buyers have been the only active buyer-group year to date, up from roughly 50% over the past five years. As investment volume has fallen over the past year so too has the average price per unit. Pricing peaked here at roughly \$312,000/unit in early 2022 and has dropped to \$290,000 as of the fourth quarter of 2023, a trend that is anticipated to continue over the coming quarters.

Capital Markets Overview

Naples Multi-Family

Asset Value		12 Mo Sales Volume		Market Cap Rate	Mkt Sale Price/Unit Chg (YOY)		
\$4.3B		\$337.5M		4.7%	-5.8%		
12 MO SALES VOLUME				12 MO SALES PRICE			
Total	Lowest	Highest	Average	Lowest	Highest	Market	
Transactions	7	-	-	6.9%	4.5%	9.4%	
Sales Volume	\$337.5M	\$2.2M	\$125.1M	Sale Price/Unit	\$280K	\$160.6K	
Properties Sold	7	-	-	Average	\$48.2M	\$2.2M	
Transacted Units	1.2K	9	400	Sale vs Asking Price	22.6%	22.6%	
Average Units	172	9	400	% Leased at Sale	97.8%	93.0%	

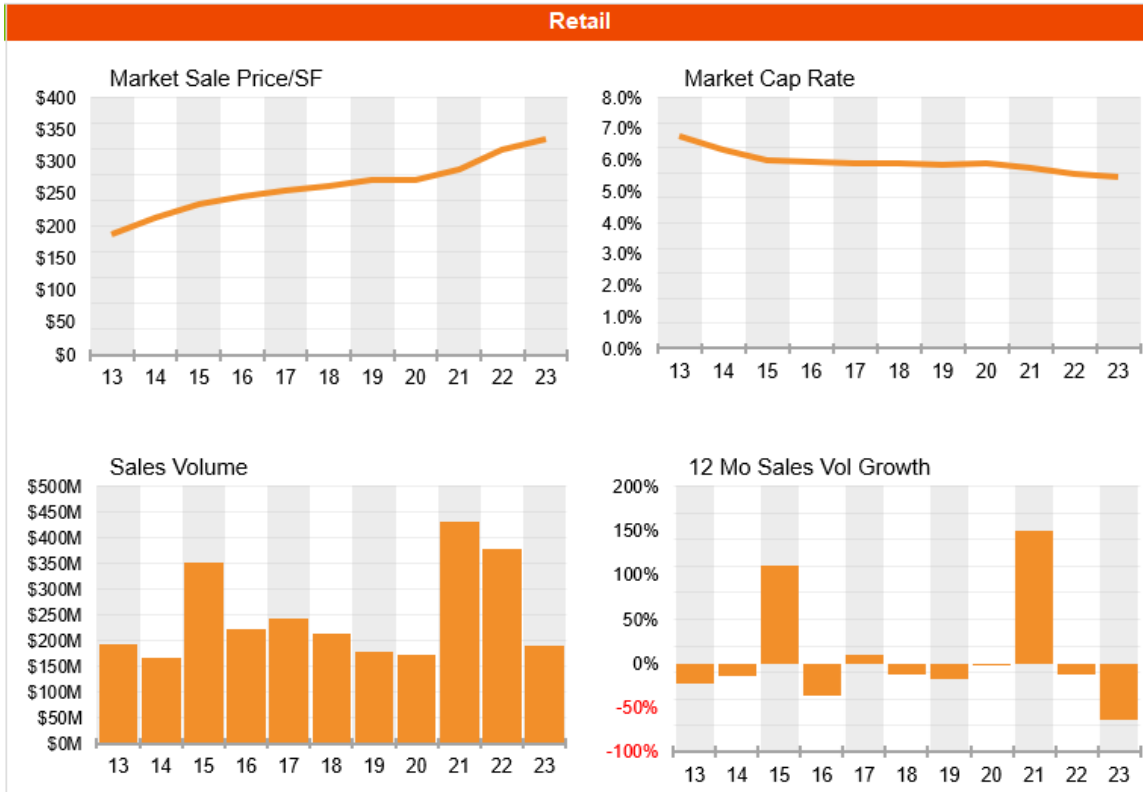


According to the CoStar Report, retail investment activity has been consistent in Collier County but recently has not met the near-historic amount of activity recorded in 22Q2. Nearly \$213 million has traded in the past 12 months, of which just over \$75 million took place through the first six months of this year. The price per SF has stalled somewhat in recent quarters, however at \$340/SF, it is still significantly higher than the national average of \$250/SF and is one of the most expensive retail markets in invest in in Florida.

Capital Markets Overview

Naples Retail

Asset Value		12 Mo Sales Volume		Market Cap Rate		Mkt Sale Price/SF Chg (YOY)		
\$8.1B		\$223.8M		5.4%		8.2%		
12 MO SALES VOLUME				12 MO SALES PRICE				
Total	Lowest	Highest	Average	Lowest	Highest	Market		
Transactions	81	-	-	Cap Rate	5.9%	4.2%	7.8%	5.4%
Sales Volume	\$223.8M	\$158K	\$25.8M	Sale Price/SF	\$433	\$15	\$2K	\$337
Properties Sold	62	-	-	Sale Price	\$3.9M	\$158K	\$25.8M	-
Transacted SF	600.2K	432	64K	Sale vs Asking Price	-4.2%	-34.3%	20.0%	-
Average SF	7.4K	432	64K	% Leased at Sale	94.4%	0%	100%	-

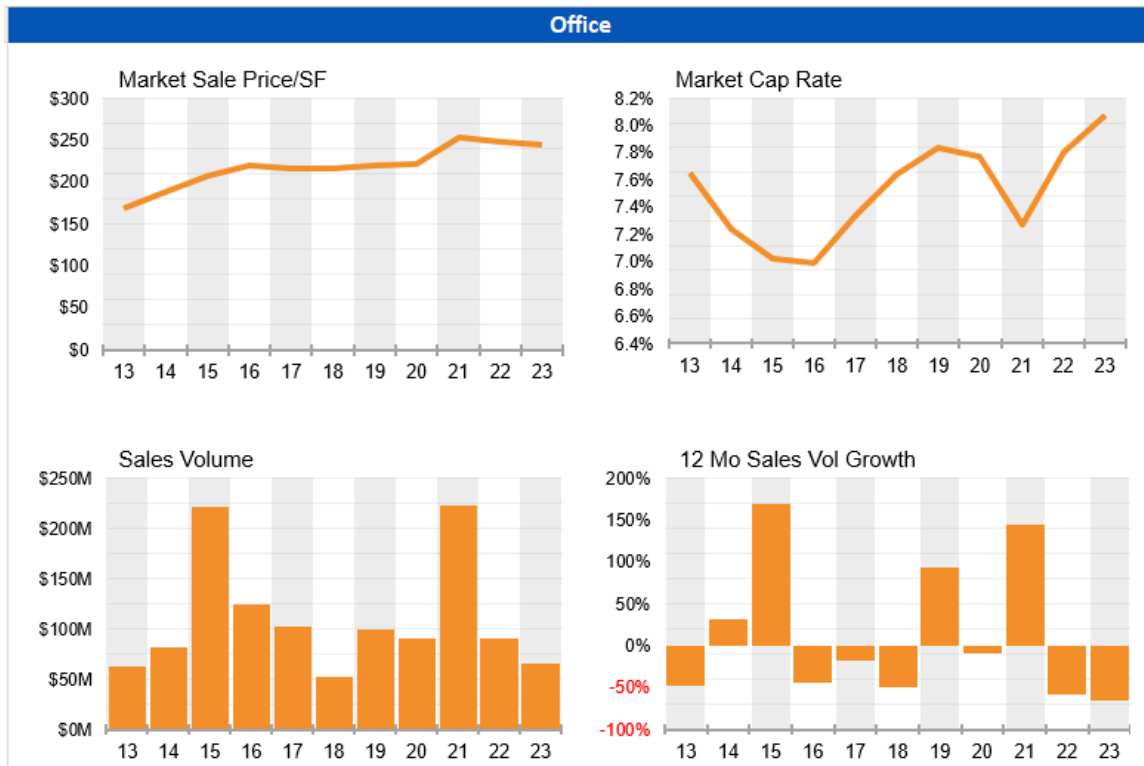


According to the CoStar Report, office investment has reached a five-year low in Collier County, with just \$63.3 million trading in the past 12 months, in comparison, the five-year annual average sales volume is \$110 million. Activity has been extremely limited so far this year with roughly \$40 million in total sales volume. In comparison, the market recorded nearly \$225 million in calendar-year 2021. The trend of limited office investment is likely to continue here given interest rate volatility and recessionary headwinds.

Capital Markets Overview

Naples Office

Asset Value		12 Mo Sales Volume		Market Cap Rate		Mkt Sale Price/SF Chg (YOY)				
\$2.5B		\$65.4M		8.1%		-3.0%				
12 MO SALES VOLUME		Total	Lowest	Highest	12 MO SALES PRICE		Average	Lowest	Highest	Market
Transactions		55	-	-	Cap Rate		-	-	-	8.1%
Sales Volume		\$65.4M	\$155.9K	\$7.5M	Sale Price/SF		\$317	\$53	\$1.4K	\$245
Properties Sold		37	-	-	Sale Price		\$2.2M	\$155.9K	\$7.5M	-
Transacted SF		278.3K	402	23K	Sale vs Asking Price		-6.7%	-15.4%	0%	-
Average SF		5.1K	402	23K	% Leased at Sale		95.3%	0%	100%	-



According to the CoStar report, industrial investor interest picked up in 2021 through mid-2022 when interest rates were near all-time lows and investors were flocking to the Florida market. Investment volumes have declined in 2023, with just \$75 million trading year to date. In comparison, 2021 was a record year for the region with over \$140 million in annual sales volume. However, while 2023 levels are off from the previous peak, they are well above pre-pandemic levels when the region only surpassed \$60 million in annual sales once.

Sale pricing has largely plateaued over the past year, hovering around \$170/SF as of the fourth quarter of 2023. Naples is one of the most expensive industrial markets to invest in Southwest Florida, roughly 40% more expensive than Sarasota.

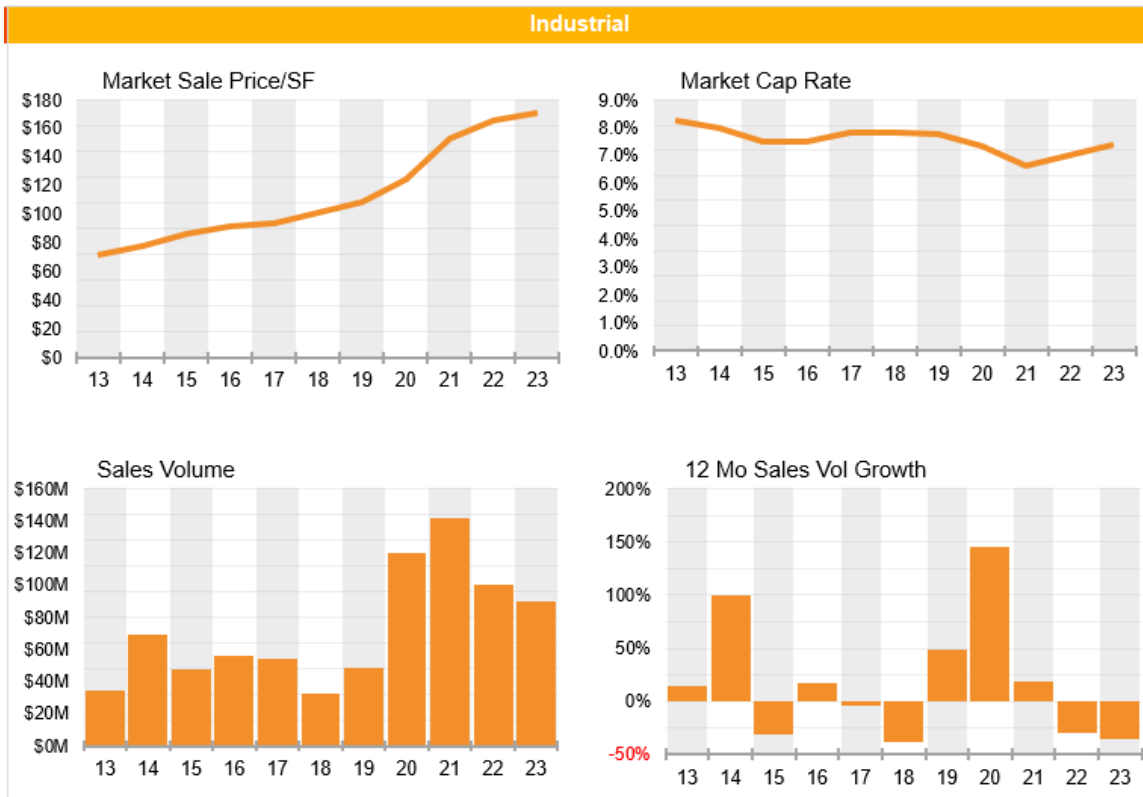
Institutional capital has never played a major role, with private investors and owner-users accounting for roughly 95% of buyers of the past five years. That trend has shifted

somewhat in 2023, with institutional buyers capturing nearly 15% of the buyer market share year to date.

Capital Markets Overview

Naples Industrial

Asset Value	12 Mo Sales Volume			Market Cap Rate	Mkt Sale Price/SF Chg (YOY)				
\$2.5B	\$89.9M			7.4%	3.4%				
12 MO SALES VOLUME				12 MO SALES PRICE					
Total	Lowest	Highest	Average	Lowest	Highest	Market			
Transactions	90	-	-	6.4%	4.6%	10.1%	7.4%		
Sales Volume	\$89.9M	\$98K	\$16M	\$174	\$11	\$431	\$170		
Properties Sold	56	-	-	\$1.6M	\$98K	\$16M	-		
Transacted SF	628.3K	313	96.9K	-7.2%	-18.4%	0%	-		
Average SF	7.1K	313	96.9K	97.6%	0%	100%	-		



Income

Personal income is a significant factor in determining the real estate demand in a given market. The following table shows Collier County households by income from the CCIM Site to do Business. Overall, Collier County has an average household income of \$127,724 and a per capita income of \$53,839.

Households by Income	2023		2028	
	Number	Percent	Number	Percent
<\$15,000	9,285	5.5%	8,000	4.6%
\$15,000 - \$24,999	10,678	6.4%	8,340	4.8%
\$25,000 - \$34,999	13,459	8.0%	11,323	6.5%
\$35,000 - \$49,999	17,847	10.6%	15,320	8.8%
\$50,000 - \$74,999	29,018	17.3%	28,611	16.4%
\$75,000 - \$99,999	20,891	12.5%	21,981	12.6%
\$100,000 - \$149,999	26,572	15.8%	30,831	17.6%
\$150,000 - \$199,999	13,065	7.8%	17,794	10.2%
\$200,000+	26,922	16.1%	32,690	18.7%
Median Household Income	\$78,379		\$91,632	
Average Household Income	\$128,096		\$147,676	
Per Capita Income	\$54,169		\$62,957	

Conclusion

The long term economic outlook for Collier County is positive. The area lures people from all over the country for tourism as well as retirement, with the beaches and weather considered major demand drivers.

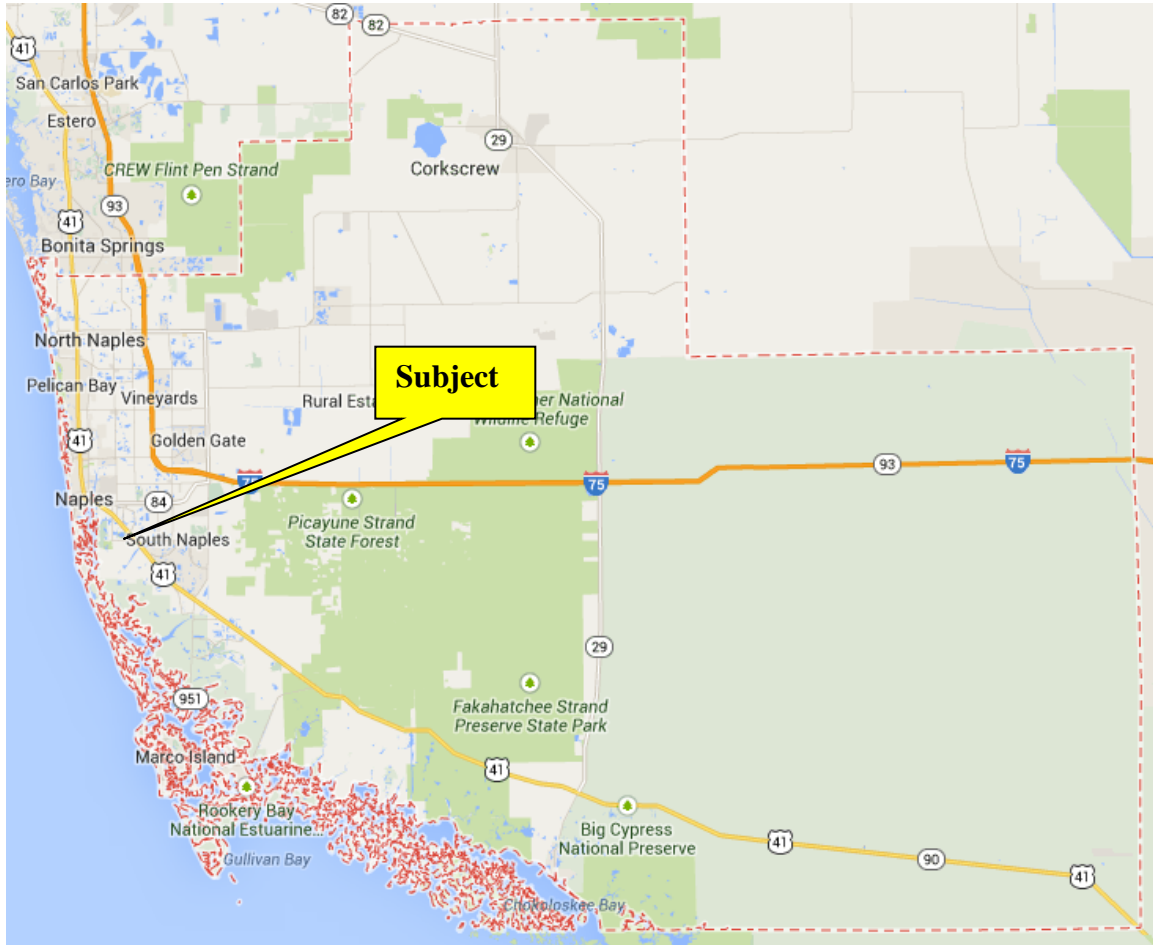
The projected growth in population and employment provide an economic base that supports demand for real estate in the subject neighborhood and for the subject property. These conditions have resulted in increasing property values and should stimulate continued increases within the foreseeable future. Prior to the coronavirus pandemic, the residential market had stabilized after several years of an expansion period, with sustained growth in demand and increasing construction. Since the coronavirus pandemic, residential demand increased significantly with record sales in 2020 and continued high demand but limited inventory in 2021 and 2022. Inventory is increasing in 2023 as demand is declining due to continued increases in interest rates. New home builders continue to face shortages with a lack of building supplies creating a backlog of newly constructed homes. Prices continue to increase; however, the rate of increase is declining.

According to the Naples Area Board of Realtors (NABOR), there was a record \$18.2 billion in sales in Collier County during 2020. Demand eclipsed all expectations in 2021 with a 25.8% increase in overall sales in 2021 and a 20.3% increase in median closed price (year over year). The December 2022 Market Report released by NABOR shows overall closed sales declined by 34.8% in 2022 vs. 2021. Inventory is beginning to rebound, increasing 106.3% to 2,465 properties in December 2022 from 1,195 properties in December 2021. Overall median closed price for single family and condominium units increased 29.2% in 2022 as compared to 2021.

Generally, the commercial market lags the residential market. The significant residential demand since the pandemic has generally stabilized the commercial market overall with an increased demand for the industrial sector and select retail and office properties.

Finally, it is noted that Hurricane Ian, a Category 4 storm, made landfall in Southwest Florida on September 28, 2022, and caused widespread wind and storm surge damage. The analyses and value opinion(s) in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value(s).

Collier County Area Map



MARKET AREA ANALYSIS

Boundaries

The property is located in the East Naples Planning Community. This market area is generally delineated as follows:

North	Naples Airport
South	Thomasson Drive
East	County Barn Road
West	Naples Bay

A map identifying the location of the property follows this section.

Market Area Access and Linkages

The roadways that are utilized for primary access to the subject area are as follows. Tamiami Trail, the area's major roadway, extends westward into Naples then swings northward as the major arterial roadway through Naples and into Lee County. Tamiami Trail extends south past Marco Island and then east to Miami.

Additionally, Davis Boulevard, another major roadway in the subject's area, has its origin at the western apex of the Triangle, a nickname for the area which originated from the triangular shape the major roadways configure, and extends eastward as a major arterial for the southeastern portion of the County. It provides a connection with I-75 and, thus, is a significant linkage. Airport Pulling Road also has its origin at Tamiami Trail and extends northward as a major arterial roadway providing access to the Naples Airport and the northwestern portion of the County.

Two north-south streets, Commercial Drive and Shadowlawn Drive, and an east-west street, Linwood Avenue, serve the internal portions of the Triangle. Shadowlawn Drive is a northerly extension of the Bayshore Drive alignment and extends to the north of Davis Boulevard into a residential area. Linwood Avenue extends from Airport Pulling Road to Commercial Drive.

Bayshore Drive is a curbed four-lane section with a median from Tamiami Trail southward to Thomasson Drive. South of Thomasson it is a two-lane facility with side swale drainage facilities. Bayshore reaches a dead-end approximately 0.8 miles south of Thomasson. Thomasson Drive is the second major street serving the Bayshore area by providing two lanes of service extending eastward to Tamiami Trail.

Collier County completed a \$6,022,000 Thomasson Drive improvement project in June 2021 consisting of a signature roundabout at the intersection of Thomasson Drive and Bayshore Drive, new 6-foot-wide sidewalks, improved drainage, bike lanes, decorative street lighting, signage and Florida-friendly landscaping along Thomasson Drive from Orchard Lane to Hamilton Avenue.

Redevelopment Area

The Bayshore and Gateway Triangle Redevelopment area is located on the southeastern edge of the City of Naples in Collier County. US Highway 41 (Tamiami Trail) is the common boundary of the two sub-areas with the Gateway Triangle area lying to the north of Tamiami Trail and the Bayshore area to the south. Davis Boulevard (State Road 84) further defines the Triangle on the north, with commercial properties facing the north side of Davis being included in the redevelopment area. The eastern boundary of the Triangle is defined by Airport Pulling Road (County Road 31) with properties facing the eastern side the road being included. The area also includes the Collier County Government Complex which extends further to the east. The name of the area is derived from the triangle formed by these three arterial roads. The Triangle area contains approximately 291 acres.

The Bayshore area extends south of Tamiami Trail as a large rectangular area that is accessed primarily by and extends to the east and west of Bayshore Drive. The eastern and northern boundaries are defined by US-41. Thomasson Dr. identifies the southern boundary and the western boundary is defined by Naples Bay.

The Bayshore and Gateway Triangle area is beset by many problems that are typical of older urban areas that have been passed over in the wave of newer urban development: dilapidated and vacant structures; inadequate site amenities; inadequate drainage and the reuse of older structures by marginal or less-desirable users. At the same time, the area possesses a number of assets and presents some clear opportunities that are supportive of redevelopment which has been accelerating in the past couple of years.

On November 13, 2020, the sale of the 5.27 acre site (“mini-triangle) in the Bayshore Gateway Triangle was completed. Metropolitan Naples acquired approximately 3.67 acres and is the lead private partner. Naples Triangle Development simultaneously closed on approximately 1.6 acres for the development of 240 luxury apartments. In February 2018, the MiniTriangle Comprehensive Plan Amendment and MPUD zoning district were approved. The Mixed-Use zoning district allows for a mix of residential units and commercial uses, including retail, restaurants, and offices. The county offered the developers property tax rebates that could range from \$3 million to \$5 million to complete their Metropolitan Naples project, in hopes it will bring more investment to East Naples. The \$250 million development will consist of three, 15-story towers featuring a mix of housing, retail and entertainment. Clearing of the site began in May 2021 and construction is underway. The first building, Aura, will be a 15-story boutique condominium with 56 luxury residences. Prices currently start at \$2.5 million.

The final 2-acre piece of the Gateway Triangle (located immediately west of the Metropolitan Naples at the intersection of U.S. 41 and Davis Boulevard) sold for \$8.6 million on December 9, 2021. The developer, David Parker, is hoping to break ground in 2023 on a \$100 million project known as The Ellington managed by Indigo Road Hospitality Group based in Charleston, South Carolina. The Ellington will include 125 guest rooms and suites. Additional residential condominiums will include two penthouse units. “The top floors of the hotel will be dedicated to residential use in the form of 24

highly amenitized, lifestyle-driven luxury residences,” reports Indigo Road Hospitality Group. Hotel guest rooms will be on floors two through six with residential condo units on floors seven through 10. A five-story parking garage will begin on the basement level. A 5,100-square-foot restaurant will be on the first level with separate hotel and residential lobbies, meeting rooms and a 3,772-square-foot kitchen. An 18,351-square-foot hotel amenity deck on the fifth level includes a fitness center and a 3,644-square-foot bar. Other features will include a sculpture garden on the second level and a residential amenity deck on the top level, several food and beverage venues, including a marquee restaurant concept from Indigo Road with outdoor terraces for al fresco drinking and dining, poolside venues and the catering of private event.

Kite Realty Group sold the vacant Courthouse Shopping center, at the southeast corner of Tamiami Trail E (US 41) and Airport Pulling Road, in July 2020 to Johnson Development Associates, a developer based in Spartanburg, South Carolina. Demolition of the center commenced in July 2021. The first buildings in the 300-unit apartment development, Courthouse Shadows Apartments, were completed in land 2022.

Development Activity and Trends

WoodSpring Suites, a national lodging brand acquired in early 2019 by Choice Hotels International, one of the world's largest hotel companies opened a four-story, 123 room extended stay hotel at the southeast corner of Tamiami Trail E. and Pine Street in late 2019.

Porsche of Naples opened a new 31,000 square foot dealership with an adjacent 33,000 square foot parking garage at the northwest corner of Davis Blvd and Airport Road in 2017.

Continental Properties completed construction of the Springs at Hammock Cove, an East Naples apartment complex located along Thomasson Drive near the Isles of Collier Preserve in early 2020. The development has 14 two-story buildings with a total of 340 apartments.

Lamborghini opened a 18,000+ square foot supercar dealership in the second phase of the Shops of Hammock Cove on U.S. 41 East in 2023. Under construction directly behind the high-performance car dealership is Hampton by Hilton, a four-story, 124-room hotel with an outdoor pool. The nearly 75,000-square-foot building is scheduled to open in February 2024.

According to a May 2023 Gulfshore Business article, Rebecca Maddox, the owner of Three60 Market and Celebration Park on Bayshore Drive who recently opened Rebecca’s wine bar with plans to launch The Maddox private social club in October on Bayshore. The new modern wine bar fronting Bayshore is open to the public with an actual bar, a charcuterie room and a Three60 Wine shop. A companion project, a private members-only social club named The Maddox, will open in October on the shared open-air campus at 2955 Bayshore Drive in East Naples.


Demand Generators

One of the strongest assets of the area is its location at the convergence of major regional roadway facilities and the high capacity of these facilities. Tamiami Trail, Davis Boulevard, and Airport Pulling Road are all six-lane arterial roads that link the area to all parts of Collier County, Naples, and the region. These roadways bring thousands of local commuters and visitors to and through the subject area daily.

Additionally, Naples Municipal Airport is located just north of the market area and the Collier County Government Center is located at the intersection of Airport Road and Tamiami Trail.

Demographics

The following table shows the historical, current and projected population, households, housing, and income demographics for the immediate market area defined as a 2 mile radius from the subject. The table was developed using data from STDBOnline.com.



Demographic and Income Profile

Pineland on the Trail
4711 Outer Dr, Naples, Florida, 34112
Ring: 2 mile radius

Prepared by Esri
Latitude: 26.10994
Longitude: -81.75160

Summary	Census 2010	Census 2020	2023	2028
Population	24,925	25,595	26,673	27,533
Households	11,293	11,847	12,494	13,179
Families	6,497	6,796	6,998	7,310
Average Household Size	2.10	2.08	2.06	2.02
Owner Occupied Housing Units	8,450	8,854	9,443	9,937
Renter Occupied Housing Units	2,841	2,993	3,051	3,242
Median Age	53.9	58.0	56.8	58.5
Trends: 2023-2028 Annual Rate	Area	State	National	
Population	0.64%	0.63%	0.30%	
Households	1.07%	0.77%	0.49%	
Families	0.88%	0.74%	0.44%	
Owner HHs	1.03%	0.93%	0.66%	
Median Household Income	2.50%	3.34%	2.57%	
Households by Income	2023		2028	
	Number	Percent	Number	Percent
<\$15,000	712	5.7%	664	5.0%
\$15,000 - \$24,999	1,103	8.8%	896	6.8%
\$25,000 - \$34,999	1,076	8.6%	1,105	8.4%
\$35,000 - \$49,999	1,768	14.2%	1,718	13.0%
\$50,000 - \$74,999	2,699	21.6%	2,557	19.4%
\$75,000 - \$99,999	1,831	14.7%	1,907	14.5%
\$100,000 - \$149,999	1,604	12.8%	1,982	15.0%
\$150,000 - \$199,999	879	7.0%	1,239	9.4%
\$200,000+	821	6.6%	1,111	8.4%
Median Household Income	\$62,141		\$70,314	
Average Household Income	\$92,978		\$108,441	
Per Capita Income	\$43,631		\$51,663	

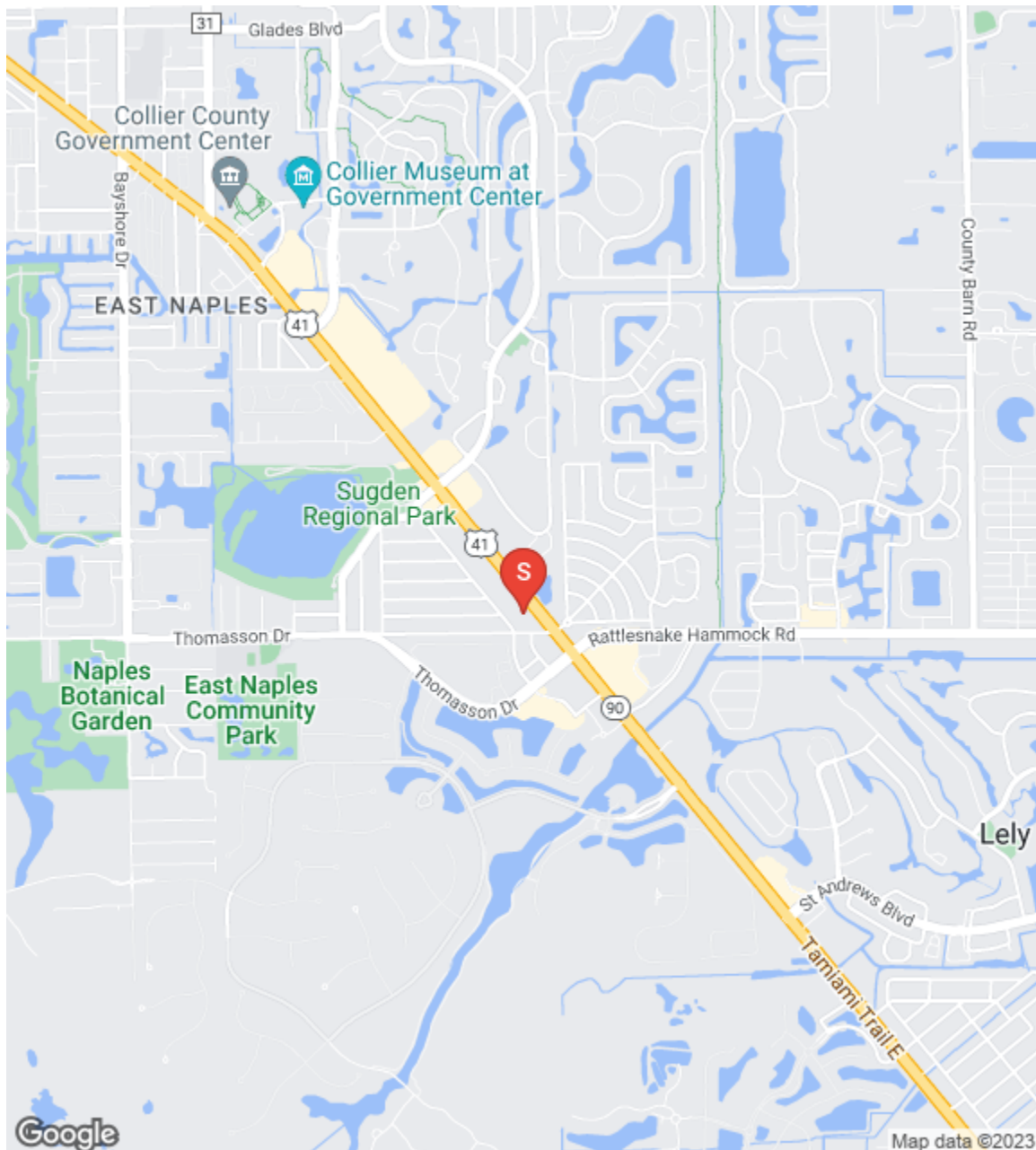
Outlook and Conclusions

As with Collier County, the long term economic outlook for East Naples is positive. The area had been experiencing revitalization/speculation through the recent real estate boom as developers and users were looking for a well priced alternative to competing properties on Tamiami Trail and Airport Road. Overall, we project overall property values will continue to increase at a stabilized rate in 2023 and 2024.

Prior to the coronavirus pandemic, the residential market had stabilized after several years of an expansion period, with sustained growth in demand and increasing construction. Since the coronavirus pandemic, residential demand increased significantly with record sales in 2020 and continued high demand but limited inventory in 2021 and 2022. Inventory increased in 2023 as demand is declining due to continued increases in interest rates. Prices continue to increase; however, the rate of increase is declining.

Generally, the commercial market lags the residential market. The significant residential demand since the pandemic has generally stabilized the commercial market overall with an increased demand for the industrial sector and select retail and office properties.

Market Area Map



RETAIL MARKET ANALYSIS

The following table developed from CoStar summarizes the overall retail market statistics as of the third quarter 2023 for the Collier County Retail Market. As shown, current rental rents are \$28.19 per square foot triple net and have increased 5.1% over the past year. Current vacancy rates are 3.8%.

Overview

Naples Retail			
12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
58.4K	79.3K	3.8%	5.1%

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	1,792,355	4.5%	\$35.84	0.3%	(1,259)	0	0
Power Center	879,289	9.4%	\$31.39	9.4%	0	0	0
Neighborhood Center	8,748,607	4.5%	\$26.67	5.2%	21,345	0	0
Strip Center	1,930,008	1.5%	\$24.97	2.5%	3,735	0	20,000
General Retail	10,434,298	1.9%	\$28.54	2.3%	(17,323)	0	39,899
Other	259,753	50.1%	\$26.06	50.1%	0	0	0
Market	24,044,310	3.8%	\$28.19	4.0%	6,498	0	59,899

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.1%	5.3%	3.9%	8.9%	2010 Q1	1.9%	2006 Q1
Net Absorption SF	79.3K	271,778	65,678	1,062,643	2007 Q2	(457,698)	2010 Q2
Deliveries SF	58.4K	343,280	92,552	1,243,709	2009 Q1	27,922	2023 Q1
Rent Growth	5.1%	1.5%	1.4%	6.1%	2022 Q3	-5.0%	2010 Q1
Sales Volume	\$224M	\$195.6M	N/A	\$539.5M	2022 Q2	\$45M	2008 Q2

According to the CoStar retail report, the Collier County retail vacancy is hovering around historic lows, decreasing over the past year to 3.8% as of the fourth quarter of 2023, a near record low. Limited new construction has been a key factor in keeping vacancy low here, as only 58,000 SF has delivered in the past 12 months. Preleasing has been robust on the current pipeline of 60,000 SF, which will have minimal impact on the market's vacancy rate in the near term. CoStar is forecasting Collier County vacancy to remain around 4% for the foreseeable future, in large part due to the limited construction pipeline and consistent demand.

The Naples/Collier County market has one of the highest retail asking rates in Southwest Florida. Asking rate gains have been consistent over the past several years, hovering around the 4% to 5% range and are up 5.1% year over year. Looking ahead, asking rent growth is forecast to decelerate here over the coming quarters and eventually flatten by mid-2024.

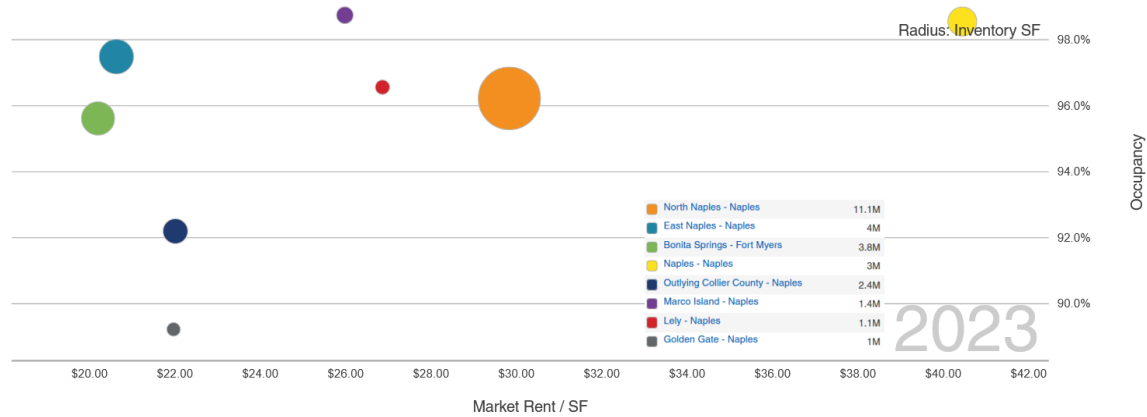
East Naples Retail Submarket

The subject is located within the CoStar defined East Naples Retail Submarket. The following table summarizes the asking rents in each of the Collier County retail submarkets. As shown, the City of Naples submarket has the highest asking rent followed by the North Naples submarket. The Naples Submarket commands some of the highest rents for any submarket outside of South Florida. Tenants along Fifth Avenue in Old Naples, predominately boutiques and high-end retail, pay the highest rents in the market to capitalize on the high visibility and walk-ability. Proximity to wealthy households along the beach also spurs tenants to pay higher rents.

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	East Naples	\$20.63	7	4.7%	4	3.9%	3
2	Golden Gate	\$21.97	6	4.4%	7	4.0%	2
3	Lely	\$26.86	3	4.7%	5	3.7%	4
4	Marco Island	\$25.98	4	5.2%	2	2.2%	7
5	Naples	\$40.44	1	4.6%	6	2.5%	6
6	North Naples	\$29.83	2	5.5%	1	7.0%	1
7	Outlying Collier County	\$22.01	5	4.7%	3	3.6%	5

The following graph shows average rental rates and occupancy levels for each submarket. The size of the bubble relates to the size (SF) of the submarket. As shown, the North Naples submarket is the largest submarket followed by the East Naples submarket. As previously mentioned, the City of Naples and North Naples submarkets have the highest average rental rates. With the exception of Golden Gate (89.2%), all submarkets have stabilized occupancy rates above 92%.



The following table developed from CoStar summarizes the third quarter of 2023 retail market statistics for the East Naples Retail Submarket. As shown, current market rents are \$20.63 per square foot triple net and have increased 4.7% over the past twelve months. Vacancy rates are currently 2.5%.

Overview

East Naples Retail

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	12 Mo Rent Growth
10K	(30.2K)	2.5%	4.7%

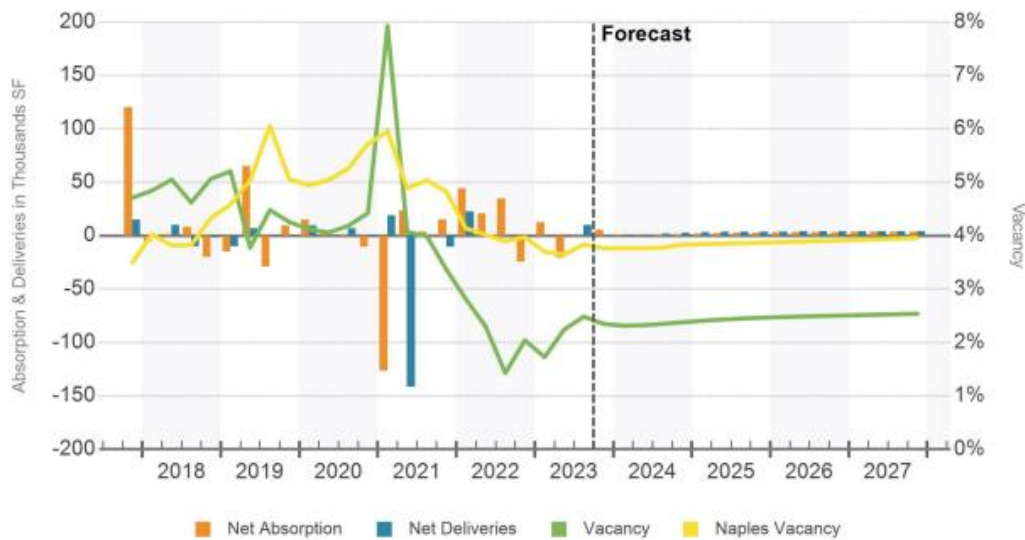
KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	0	-	-	-	0	0	0
Power Center	0	-	-	-	0	0	0
Neighborhood Center	1,572,122	2.4%	\$21.93	4.7%	0	0	0
Strip Center	506,211	1.5%	\$17.90	3.9%	0	0	0
General Retail	1,942,451	2.8%	\$20.28	3.5%	(1,213)	0	0
Other	0	-	-	-	0	0	0
Submarket	4,020,784	2.5%	\$20.63	4.0%	(1,213)	0	0

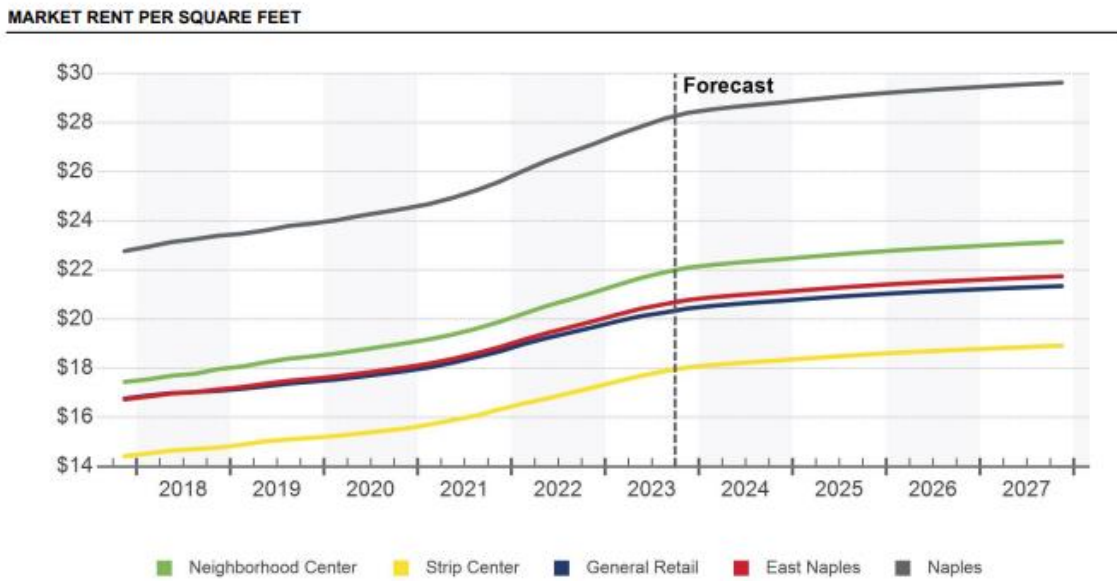
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.0%	5.6%	2.5%	10.3%	2011 Q1	1.4%	2022 Q3
Net Absorption SF	(30.2K)	12,287	8,269	137,405	2012 Q2	(134,013)	2021 Q1
Deliveries SF	10K	26,658	14,682	141,983	2008 Q3	0	2023 Q2
Rent Growth	4.7%	1.3%	1.5%	5.7%	2022 Q3	-4.2%	2009 Q4
Sales Volume	\$33.7M	\$25.1M	N/A	\$58.1M	2021 Q1	\$4.2M	2010 Q3

As shown in the following graph, net absorption is projected to remain positive through 2027 with East Naples vacancy rates stabilizing in the mid 2% range and Collier County stabilizing in the 4% range.

NET ABSORPTION, NET DELIVERIES & VACANCY

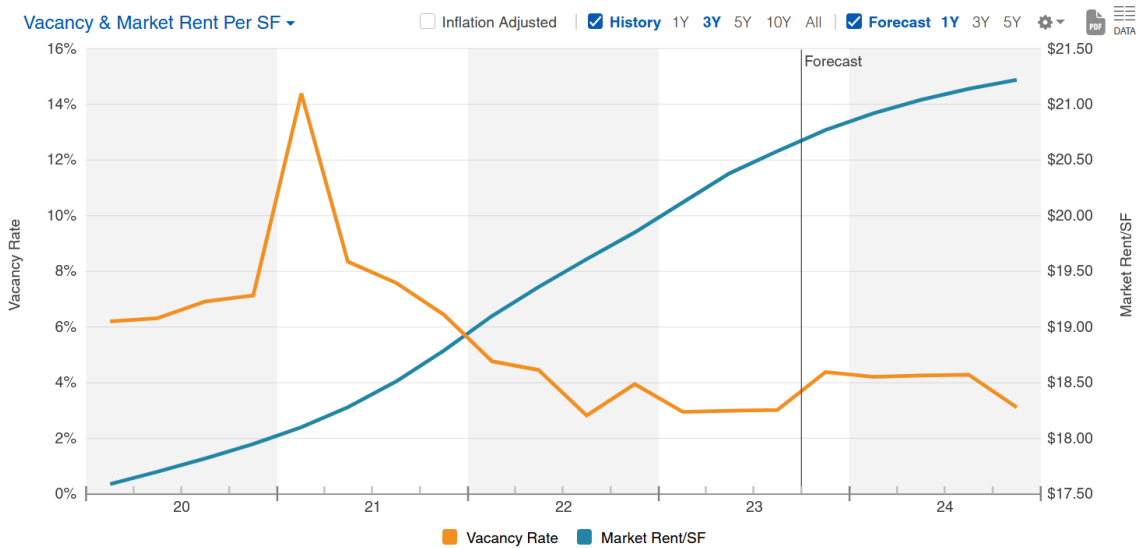


Rental rates are projected to slightly increase through 2027.



VACANCY AND RENTAL RATE TRENDS

The following graph shows vacancy and rental rates for all classes of retail space within a two mile radius of the subject. The data developed from CoStar includes a survey of 1,745,547 square feet of rentable area. As shown, rental rates have significantly increased since early 2021. The current average rental rate is \$20.73/sf triple net. Vacancy rates have also generally declined during this time period and are currently 4.3%.



PROPERTY DESCRIPTION AND ANALYSIS

SITE ANALYSIS

The following description is based on our property inspection and public records.

Land Summary		
Parcel ID	Gross Land Area (Acres)	Gross Land Area (Sq Ft)
67080640009	1.98	86,297

SITE

Location:	The subject is located along the southwest side of Tamiami Trail East (U.S. 41) with frontage along Outer Drive to the west and Thomasson Lane to the south. A shell gas station is located at the intersection of Tamiami Trail E (U.S. 41) and Thomasson Lane. A Publix anchored shopping center is located at the signalized intersection of Thomasson Drive and Rattlesnake Hammock Road, approximately 800 feet south of the subject.
Current Use of the Property:	Vacant commercial land
Shape:	The site is flag shaped.
Road Frontage/Access:	The subject property has average access with frontage as follows: <ul style="list-style-type: none"> • Tamiami Trail E (U.S. 41): 200 feet • Outer Drive: 230 feet • Thomasson Lane: 180 feet The site has an average depth of 360 feet. It is a corner lot.
Traffic Count (2022):	57,648 along Tamiami Trail E (U.S. 41)
Visibility:	Average
Topography:	The subject has level topography at grade and no known areas of wetlands.
Soil Conditions:	We were not provided with a soils report for the purpose of this appraisal. We are not experts in soils analysis; however, the soil conditions observed at the subject appear to be typical of the region and adequate to support development.
Utilities:	Electricity: FP&L Sewer: Municipal sewer Water: Municipal water Underground Utilities: The site is not serviced by underground utilities Adequacy: The subject's utilities are typical and adequate for the market area.
Site Improvements:	<ul style="list-style-type: none"> • Street Lighting: There is street lighting along Tamiami Trail East (U.S. 41) and Thomasson Lane. • Sidewalks: There are sidewalks along Tamiami Trail East (U.S. 41), Outer Drive, and Thomasson Lane. • Curbs and Gutters: There are no curbs or gutters. • Curb Cuts: The subject does not currently have any curb cuts.

Flood Zone: • Landscaping: The subject has average landscaping.
 The subject is located in an area mapped by the Federal Emergency Management Agency (FEMA). The subject is located in FEMA flood zone AE, which is classified as a flood hazard area.

FEMA Map Number: 12021C 0582H
 FEMA Map Date: May 16, 2012

Environmental Issues: The subject is in a flood zone. The appraiser is not an expert in this matter and is reporting data from FEMA maps.
 We were not provided with an environmental assessment report for the purpose of this appraisal. Environmental issues are beyond our scope of expertise; therefore, we assume the property is not adversely affected by environmental hazards.

Encumbrance / Easements: According to the plat, there is a 20' wide Utility & Drainage Easement running through the middle of the site. A current title report was not provided for the purpose of this appraisal. We are not aware of any additional easement, restrictions, or encumbrances that would adversely affect value. Therefore, our valuation assumes the subject has a clear and marketable title with no adverse easement, restrictions, or encumbrances.

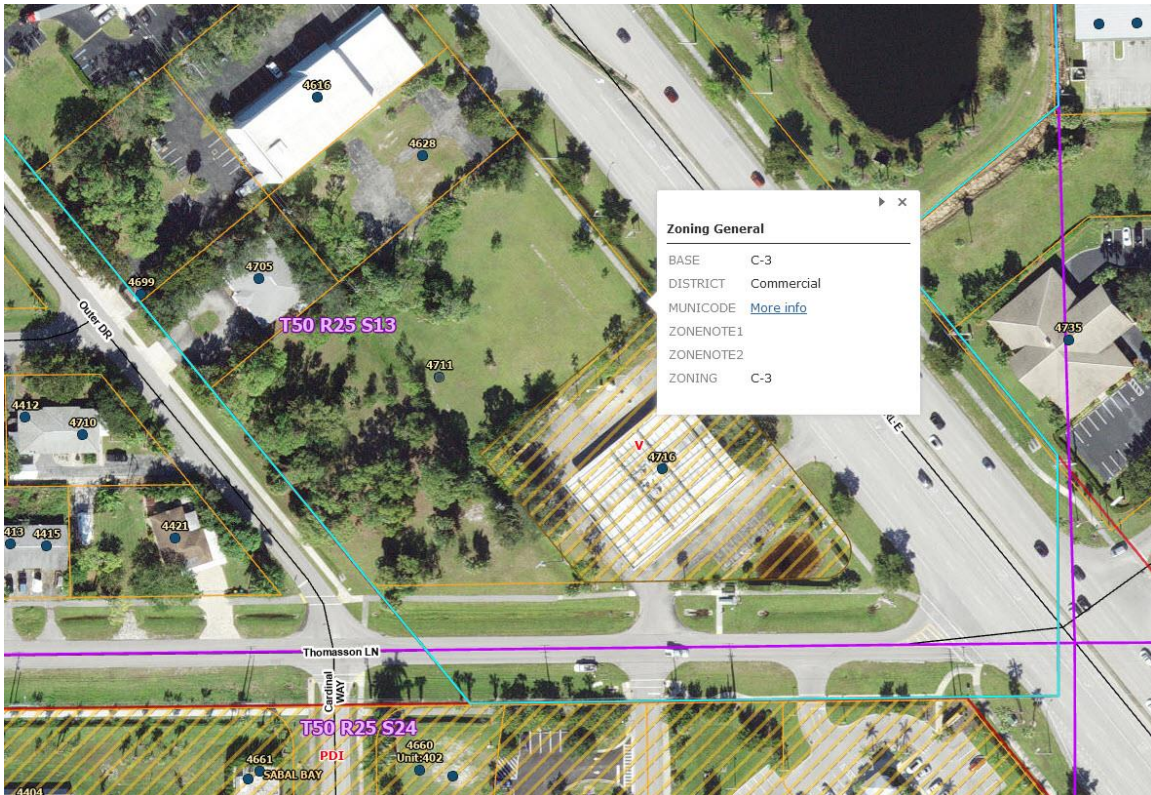
Site Comments: The site is flag shaped with 200' of frontage along Tamiami Trail E (U.S. 41), 230' of frontage along Outer Drive, and 180' of frontage along Thomasson Lane. A shell gas station is located at the intersection of Tamiami Trail E (U.S. 41) and Thomasson Lane. A Publix anchored shopping center is located at the signalized intersection of Thomasson Drive and Rattlesnake Hammock Road, approximately 800 feet south of the subject. According to the plat, there is a 20' wide Utility & Drainage Easement running through the middle of the site. The site has average and typical utility.

ZONING

Zoning Code	C-3
Zoning Authority	Collier County
Zoning Description	Commercial Intermediate District
Permitted Uses	Accounting; automotive services; business services; child day care; churches; dry-cleaning; eating places; food stores; funeral services; gasoline service stations; group care facilities; hardware stores; health services; laundry; real estate offices and travel agencies; et al.
Current Use Legally Conforming	The subject is legal and conforming use.
Zoning Change Likely	A zoning change is unlikely.
Minimum Lot Area (SF)	10,000
Minimum Floor Area (SF)	700 (ground floor)
Minimum Street Frontage (Feet)	75
Front Set Back Distance (Feet)	50% of the building height, but not less than 25 feet; Waterfront: 25
Rear Set Back Distance (Feet)	50% of the building height, but not less than 15 feet; Residential or waterfront: 25

Side Yard Distance (Feet)	50% of the building height, but not less than 15 feet; Residential or waterfront: 25
Parking Requirement	Dependent on specific use
Maximum Density/FAR	None
Maximum Building Height (Feet)	50
Future Land Use Designation	Mixed Use Activity Center Subdistrict

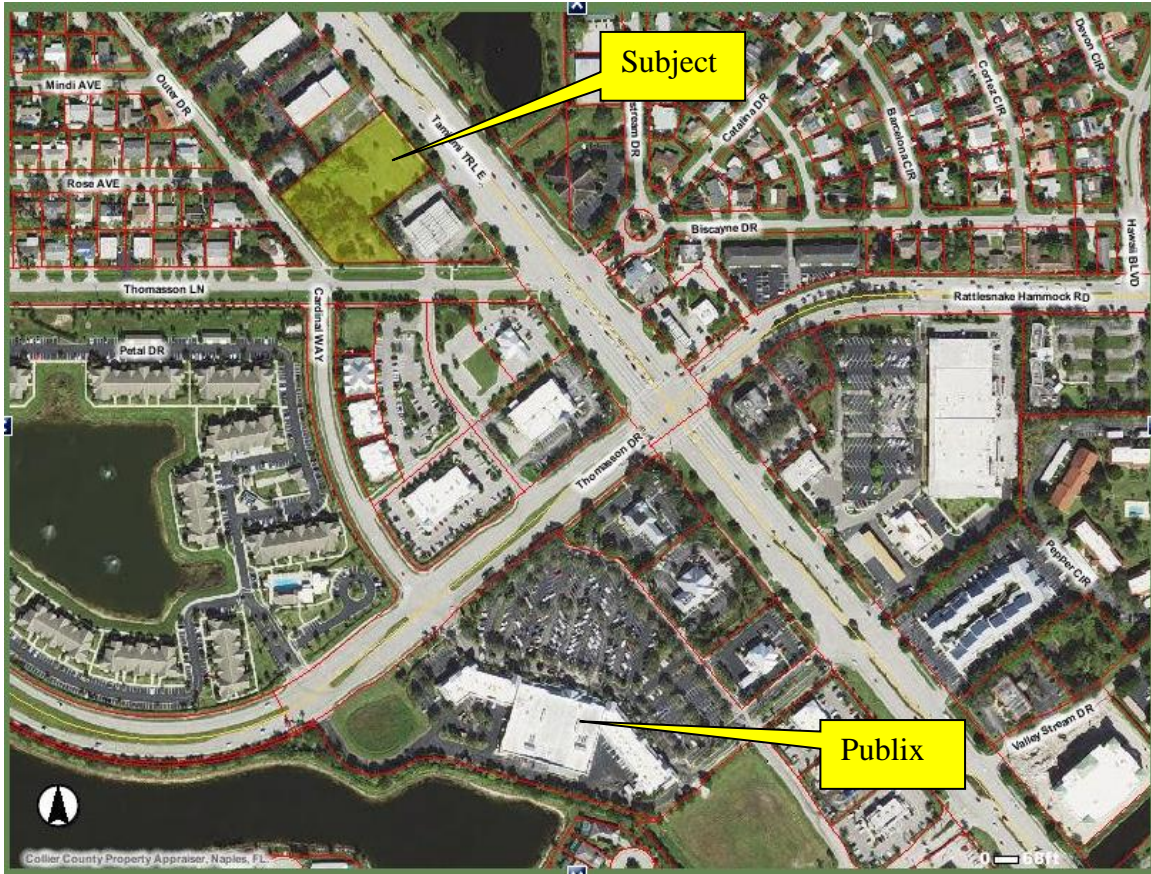
Zoning Map



Aerial – Subject

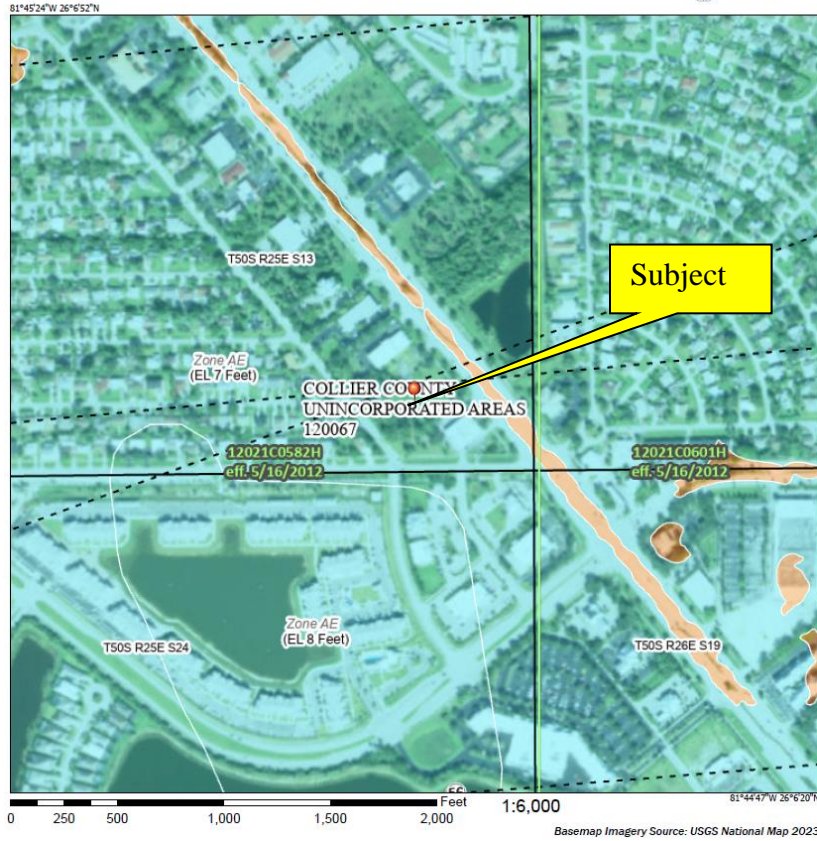


Aerial – Surrounding Area



Flood Map

National Flood Hazard Layer FIRMette



Legend

SEE FIG REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS

- Without Base Flood Elevation (BFE) Zone A, X, AE
- With BFE or Depth Zone AE, AO, AH, VE, AR
- Regulatory Floodway

OTHER AREAS OF FLOOD HAZARD

- 0.2% Annual Chance Flood Hazard. Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
- Future Conditions 1% Annual Chance Flood Hazard Zone X
- Area with Reduced Flood Risk due to Levee. See Notes. Zone X
- Area with Flood Risk due to Levee Zone D

OTHER AREAS

- Area of Minimal Flood Hazard Zone X
- Effective LOMRs
- Area of Undetermined Flood Hazard Zone D

GENERAL STRUCTURES

- Channel, Culvert, or Storm Sewer
- Levee, Dike, or Floodwall

OTHER FEATURES

- Digital Data Available
- No Digital Data Available
- Unmapped

MAP PANELS

- 20.2 Cross Sections with 1% Annual Chance
- 17.5 Water Surface Elevation
- Coastal Transect
- Base Flood Elevation Line (BFE)
- Limit of Study
- Jurisdiction Boundary
- Coastal Transect Baseline
- Profile Baseline
- Hydrographic Feature

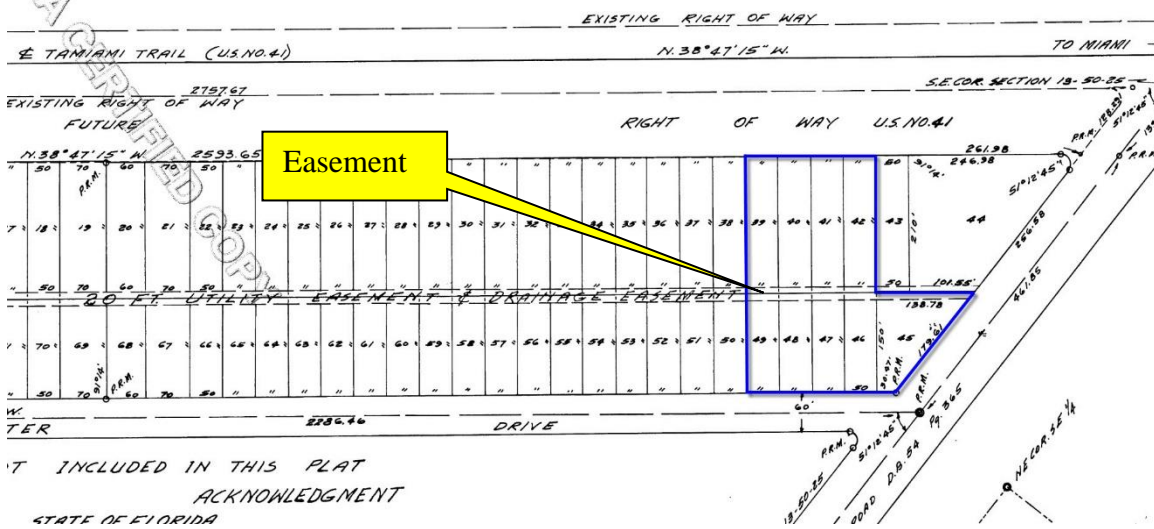
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

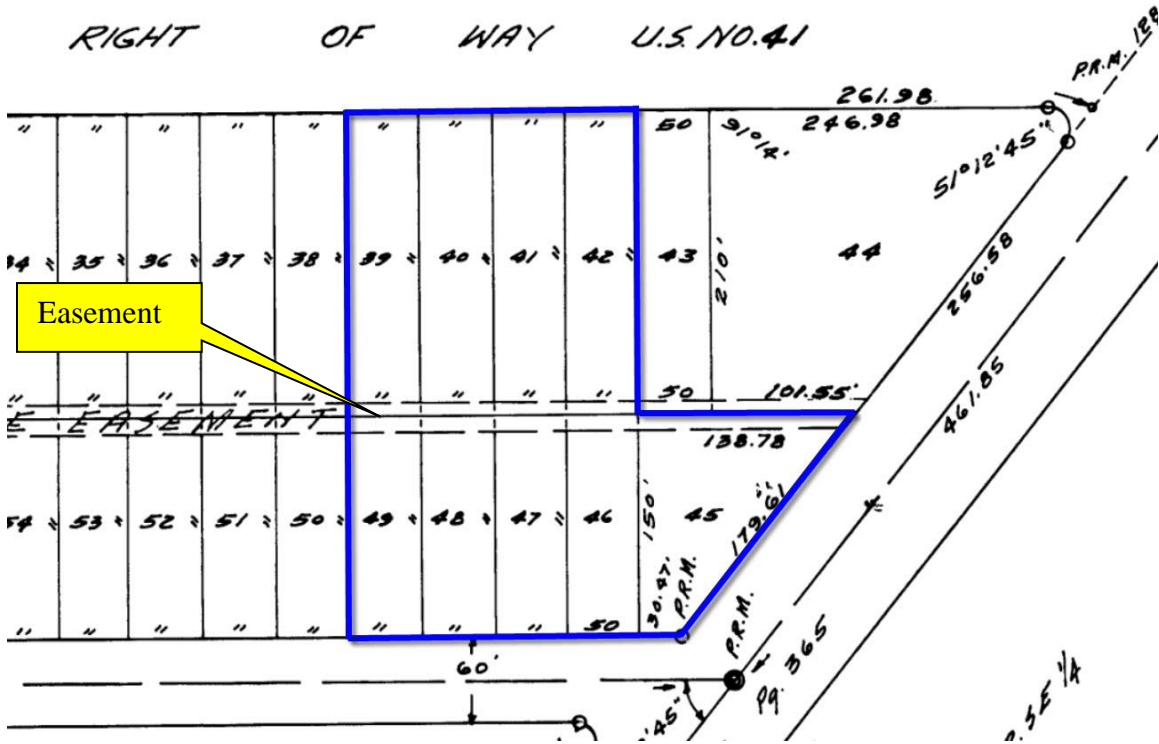
The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 12/16/2023 at 9:29 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.

Plat



Plat – Subject Lots



Site Photographs



Tamiami Trail E (U.S. 41) – Southeasterly
(Photo Taken on December 9, 2023)



Tamiami Trail E (U.S. 41) – Northwesterly
(Photo Taken on December 9, 2023)

Site Photographs



Outer Drive – Northwesterly
(Photo Taken on December 9, 2023)



Outer Drive – Southeasterly
(Photo Taken on December 9, 2023)

Site Photographs



Thomasson Lane – Easterly
(Photo Taken on December 9, 2023)



Thomasson Lane – Westerly
(Photo Taken on December 9, 2023)

Site Photographs



Site View from Outer Drive
(Photo Taken on December 9, 2023)



Site View from Thomasson Lane
(Photo Taken on December 9, 2023)

Site Photographs



Site View looking at Tamiami Trail E frontage
(Photo Taken on December 9, 2023)



Utility & Drainage Easement – Northerly
(Photo Taken on December 9, 2023)

Site Photographs



Utility & Drainage Easement – Southerly
(Photo Taken on December 9, 2023)



Site View from Tamiami Trail East
(Photo Taken on December 9, 2023)

Site Photographs



Site View from Tamiami Trail East
(Photo Taken on December 9, 2023)



Adjacent Shell Gas Station
(Photo Taken on December 9, 2023)

REAL ESTATE TAXES AND ASSESSMENTS

The real estate tax assessment of the subject is administered by Collier County. In 2008, Florida voters amended the Constitution to give non-homestead property owners some protection against increases in their annual property tax assessments. As amended, the Florida Constitution now prohibits the assessment of certain non-homestead property from increasing by more than 10% per year. The 10% cap applies to most types of commercial property, including non-homestead residential property (i.e. apartments and other rental property) and nonresidential property (i.e. commercial property and vacant land). The cap was set to expire on January 1, 2019; however, in November 2018 Florida voters amended the Constitution to make the cap permanent. The protection of the 10% cap is lost when there is a change of ownership or control.

The property tax identification number and assessed value of the property for tax year 2023 are as follows:

	ASSESSED VALUES
Tax Identification Number	67080640009
Land Assessed Value	\$862,970
Building Assessed Value	\$1,068
10% Assessment Cap	<u>\$0</u>
Total Assessed Value	\$864,038
Totals	
Total Land Assessed Value	\$862,970
Total Building Assessed Value	\$1,068
10% Assessment Cap	<u>\$0</u>
Total Assessment	\$864,038
Total Assessment per Square Foot	\$10.01
Total Assessment per Land Acre	\$436,139
Rates, Taxes, More	
Tax Rate	0.00%
Ad Valorem Tax Amount	\$0
Special Assessment Amount	\$0
Special Assessment Comments	None
Total Tax Liability	\$0
Property Tax Comments	The School Board millage is applied to the uncapped assessed value. The Greater Naples Fire Rescue District is tax exempt.

The tax assessment for subject property is currently \$10.01 per square foot. Based on our valuation analysis, the subject’s assessment appears low.

HIGHEST AND BEST USE

Highest and best use may be defined as:

The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. ¹

- Physically possible for the land to accommodate the size and shape of the ideal improvement.
- Legally permissible under the zoning regulations, building codes, environmental regulations, and other restrictions that apply to the site. A property use that is either currently allowed or most probably allowable.
- Financially feasible to generate sufficient income to support the use.
- Maximally productive, or capable of producing the highest value from among the permissible, possible, and financially feasible uses.

Highest and Best Use As Vacant

Physically Possible

The subject site is 1.98 acres or 86,297 square feet with 200 feet of frontage along Tamiami Trail E (U.S. 41), 230 feet along Outer Drive, and 180 feet along Thomasson Lane. The physical characteristics of the subject tract should reasonably accommodate any use that is not restricted by its size.

The subject's utilities are typical and adequate for the market area. The site is flag shaped.

The site is located in a FEMA flood zone AE area per FEMA Flood Map Number: 12021C 0582H, dated May 16, 2012, which is classified as a flood hazard area.

There are no known physical reasons that would unusually restrict development. The site is considered to have a functional utility suitable for a variety of uses.

Legally Permissible

The subject site is zoned Commercial Intermediate District (C-3), which allows all uses in C-1 and C-2 as well as activity centers. Permitted uses include: Accounting; automotive services; business services; child day care; churches; dry-cleaning; eating places; food stores; funeral services; gasoline service stations; group care facilities; hardware stores; health services; laundry; real estate offices and travel agencies; et al. Recognizing the principle of conformity, we consider the prevailing land use patterns in the area. Therefore, only commercial uses are given further consideration in determining the highest and best use of the site, as if vacant.

¹ *The Dictionary of Real Estate Appraisal* 7th ed. (Chicago: Appraisal Institute, 2022)

According to the plat, there is a 20' wide Utility & Drainage Easement running through the middle of the site.

Financially Feasible

Financial feasibility is an analysis of the ability of a property to generate sufficient income to support the use, or a reasonable probability of producing a positive income stream net of operating expenses, financial costs, and capital amortization.

The projected growth in population and employment provide an economic base that supports demand for real estate in the subject neighborhood and for the subject property. These conditions have resulted in increasing property values and should stimulate continued increases within the foreseeable future. Prior to the coronavirus pandemic, the residential market had stabilized after several years of an expansion period, with sustained growth in demand and increasing construction. Since the coronavirus pandemic, residential demand increased significantly with record sales in 2020 and continued high demand but limited inventory in 2021 and 2022. Inventory is increasing in 2023 as demand is declining due to continued increases in interest rates. Prices continue to increase; however, the rate of increase is declining.

Generally, the commercial market lags the residential market. The significant residential demand since the pandemic has generally stabilized the commercial market overall with an increased demand for the industrial sector and select retail and office properties.

On this basis, barring unforeseen changes in the market, a well-designed commercial/retail/office product that is appropriately marketed and priced, should be received favorably by the market.

Maximally Productive

The maximally productive land use yields the highest value of the possible uses. Commercial development is the only use that meets the tests of physically possible, legally permissible, and financially feasible. Therefore, commercial development is concluded to be the maximally productive and highest and best use of the site.

Highest and Best Use as Improved

No improvements are situated on the site. Therefore, a highest and best analysis as improved is not applicable.

Most Probable Buyer

Considering the size, class, and location of the property, the most probable buyer is an owner-user or developer.

VALUATION METHODOLOGY

Three basic approaches may be used to arrive at an estimate of market value. They are:

1. The Cost Approach
2. The Sales Comparison Approach
3. The Income Approach

Cost Approach

The Cost Approach estimates the current cost to construct the existing structure including an entrepreneurial incentive, depreciation, and the estimated land value. This approach is particularly applicable when the improvements represent the highest and best use of the land and are relatively new. It is also applicable when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

Sales Comparison Approach

The Sales Comparison Approach compares sales of similar properties with the subject property. Each comparable sale is adjusted for its inferior or superior characteristics. The values derived from the adjusted comparable sales form a range of value for the subject. By process of correlation and analysis, a final indicated value is derived. This approach is most reliable in an active market, and is least reliable when valuing a property for which no direct comparable sales data is available.

Income Approach

The Income Approach converts the anticipated flow of future benefits (cash flows and reversion) to a present value estimate through a capitalization and or a discounting process. This approach generally reflects a typical investor's perception of the relationship between the potential income of a property and its market value.

Final Reconciliation

The appraisal process concludes with the Final Reconciliation of the values derived from the approaches applied for a single estimate of market value. The reconciliation of the approaches is based on an evaluation of the quantity and quality of the available data in each approach. Furthermore, different properties require different means of analysis and lend themselves to one approach over the others.

ANALYSES APPLIED

A **cost analysis** was considered and was not developed because there are no improvements that contribute value to the property.

A **sales comparison analysis** was considered and was developed because typically this is the most appropriate approach for the valuation of vacant land. This approach is applicable to the subject because there is an active market for similar properties and sufficient sales data is available for analysis.

An **income analysis** was considered and was not developed because the subject is not likely to generate rental income as vacant land.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership. It is based on the principles of supply and demand, balance, substitution and externalities. The following steps describe the applied process of the Sales Comparison Approach.

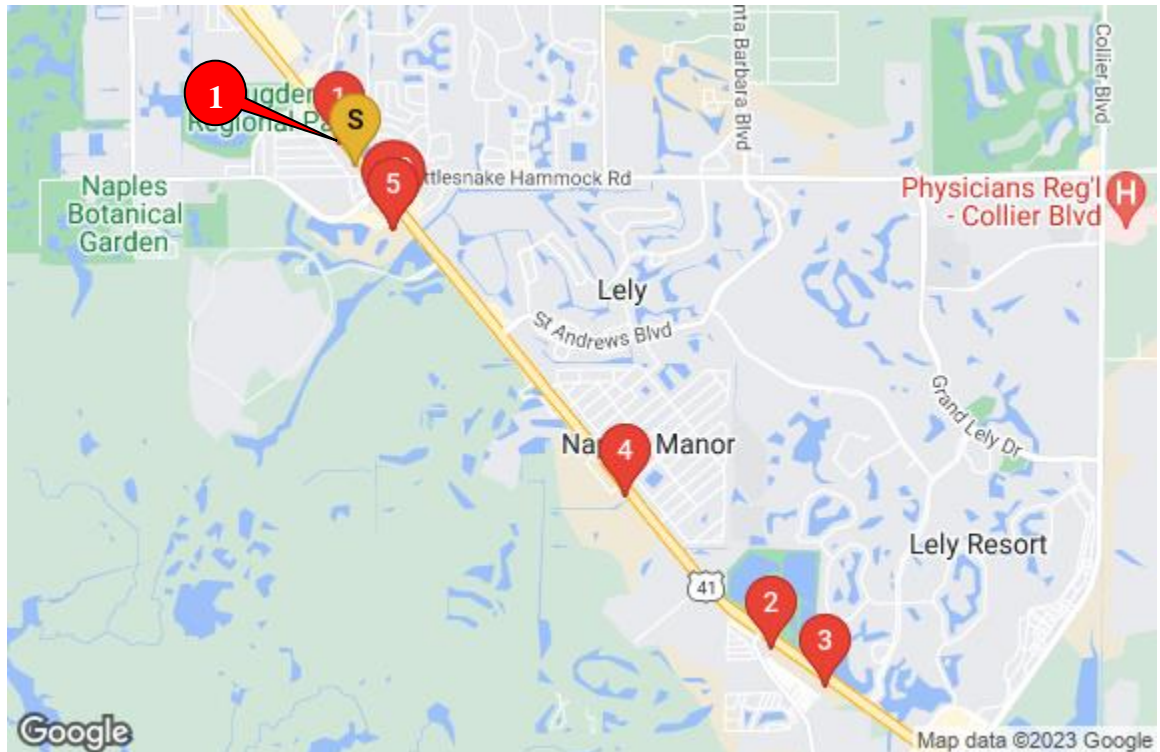
- The market in which the subject property competes is investigated; comparable sales, contracts for sale and current offerings are reviewed.
- The most pertinent data is further analyzed and the quality of the transaction is determined.
- The most meaningful unit of value for the subject property is determined.
- Each comparable sale is analyzed and where appropriate, adjusted to equate with the subject property.
- The value indication of each comparable sale is analyzed and the data reconciled for a final indication of value via the Sales Comparison Approach.

Land Comparables

I have researched five comparables for this analysis; these are documented on the following pages followed by a location map and analysis grid. All sales have been researched through numerous sources, inspected and verified by a party to the transaction. For this analysis, we use the price per square foot as the appropriate unit of comparison because market participants typically compare sale prices and property values on this basis.

Comp	Address	Date	Price	
Subject	City	Land SF	Price Per Land SF	Sale Comments
	4711 Outer Drive	12/9/2023		
	Naples	86,297		
1	4516 Tamiami Trail E	10/22/2022	\$585,000	The site is lightly wooded, level and at grade. Located along the southwest side of Tamiami Trail E (U.S. 41) between two office buildings and across from Texas Tony's restaurant. Purchased by local investor.
	Naples	31,500	\$18.57	
2	11760 Tamiami Trail E	2/21/2023	\$2,100,000	Cleared and filled site located along south side of Tamiami Trail E (U.S. 41). Located adjacent to Racetrac gas station and west of proposed Home Depot. Buyer has submitted a GMP application to amend the future land use to allow a zoning change from C-3 to C-4 for a proposed 5,000 SF tunnel car wash. There is a 50' wide ingress/egress easement along Tamiami Trail (U.S. 41) for cross access for the adjacent Racetrac and proposed Home Depot. Property was not publicly listed for sale and calls to confirm transaction were not returned.
	Naples	83,502	\$25.15	
3	12000 block of Tamiami Trail E	4/26/2022	\$2,200,000	Listed at \$2,000,000. The listing got into a bidding war, then seller instructed Mr. Stevens to invite "best and final". Buyer is investor.
	Naples	120,000	\$18.33	
4	11290 Tamiami Trail E	3/27/2023	\$930,000	Heavily treed parcel located along south side of Tamiami Trail E (U.S. 41) adjacent to Advance Auto Parts. Site is entitled for up to 5,000 SF building. Buyer plans to improve with a hardware store. The eastern 30' of the site is encumbered by a drainage easement. Site was listed for \$1,080,000.
	Naples	66,246	\$14.04	
5	4936 Tamiami Trail E	8/4/2023	\$4,900,000	Last vacant parcel in The Shoppes at Hammock Cove located adjacent to Hampton Inn and behind new Lamborghini Dealership, Culver's and Jersey Mikes. Located adjacent to Public anchored shopping center. According to the Deed recorded in March 2022 (OR 6102 PG 3747) the property is restricted to residential purposes of not more than 63 residential units subject to approval by the Design Review Committee. The listing agent, Kolby Jones, of Caliber Florida reported the purchase price was based on language in the zoning that said if the site was not suitable for commercial, with administrative county approval it could be developed with multi-family with the 63 units remaining in the PUD allotment. The sellers successfully obtained a letter from the zoning director allowing multi-family development on the site. They had planned to develop to the max of 63 allowable units, but decided to sell. Parcel was listed by the developer in August 2021 for \$2.4 million. Property was re-listed in April 2023 for \$4,850,000 and due to multiple offers sold for \$4.9 million. Parcel has a gross area of 4.33 acres which includes the common area spine road. Additionally the rear approximately 60' are encumbered by drainage and utility easements. The net usable area of 2.88 acres. The buyers are looking to develop with 43-50 townhomes.
	Naples	188,615	\$25.98	

Comparables Map



Analysis Grid

The above sales have been analyzed and compared with the subject property. I have considered adjustments in the areas of:

Effective Sale Price	This takes into consideration unusual conditions involved in the sale that could affect the sales price, such as excess land, non-realty components, commissions, or other similar factors. Usually the sale price is adjusted for this prior to comparison to the subject.
Real Property Rights	Property rights dissimilar to the subject which affect value.
Financing Terms	Favorable or unfavorable seller financing, or assumption of existing financing.
Conditions of Sale	Circumstances that atypically motivate the buyer or seller, such as 1031 exchange transaction, assemblage, or forced sale.
Market Conditions	Inflation or deflation since sale date due to economic influences
Location	Market or submarket area influences on sale price; surrounding land use influences.
Physical Characteristics	Attributes such as size, shape, utilities, frontage, zoning, etc.

On the following page is a sales comparison grid displaying the subject property, the comparables and the adjustments applied.

Land Analysis Grid		Comp 1	Comp 2	Comp 3	Comp 4	Comp 5	
Name	Pineland on the Trail Lots 39-42 and Lots 45-49	4516 Tamiami Trail E	11760 Tamiami Trail E	SWC of Tamiami Trail E and Habitat Drive	11290 Tamiami Trail	Sabal Bay Tract O	
Address	4711 Outer Drive	4516 Tamiami Trail E	11760 Tamiami Trail E	12000 block of Tamiami Trail E	11290 Tamiami Trail E	4936 Tamiami Trail E	
City	Naples	Naples	Naples	Naples	Naples	Naples	
Date	12/9/2023	10/22/2022	2/21/2023	4/26/2022	3/27/2023	8/4/2023	
Price		\$585,000	\$2,100,000	\$2,200,000	\$930,000	\$4,900,000	
Land SF	86,297	31,500	83,502	120,000	66,246	188,615	
Land SF Unit Price		\$18.57	\$25.15	\$18.33	\$14.04	\$25.98	
Transaction Adjustments							
Property Rights	Fee Simple	Fee Simple	0.0%	Fee Simple	0.0%	Fee Simple	0.0%
Financing		Cash	0.0%	Cash	0.0%	Cash sale	0.0%
Conditions of Sale		Arm's Length	0.0%	Arm's Length	0.0%	Arm's length	0.0%
Adjusted Land SF Unit Price		\$18.57	\$25.15	\$18.33	\$14.04	\$25.98	
Market Trends Through	12/9/2023	10.0%	11.4%	7.9%	16.7%	6.9%	3.4%
Adjusted Land SF Unit Price		\$20.69	\$27.13	\$21.40	\$15.01	\$26.85	
Location	Average	Inferior	Superior	Inferior	Inferior	Superior	
% Adjustment		10%	-5%	15%	15%	-15%	
\$ Adjustment		\$2.07	-\$1.36	\$3.21	\$2.25	-\$4.03	
Land SF	86,297	31,500	83,502	120,000	66,246	188,615	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Topography	Level with 20' wide Utility & Drainage Easement	Lightly wooded	Cleared and filled with 50' Ingress/Egress Easement	Heavily Treed and Below Grade	Heavily Treed with 30' Drainage Easement	Cleared and level with 2.88 acres usable	
% Adjustment		-5%	-5%	0%	5%	10%	
\$ Adjustment		-\$1.03	-\$1.36	\$0.00	\$0.75	\$2.69	
Shape	Flag shaped	Rectangular	Rectangular	Rectangular	Rectangular	Rectangular MOL	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Zoning	C-3	C-3 (Commercial)	C-3 (Commercial)	C-3 (Commercial)	C-4 (General Commercial)	MPUD	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Flood Zone	AE	Zone AE	Zone AE	Zone AE	Zone AE	Zone AE	
% Adjustment		0%	0%	0%	0%	0%	
\$ Adjustment		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	
Adjusted Land SF Unit Price		\$21.72	\$24.42	\$24.61	\$18.02	\$25.51	
Net Adjustments		5.0%	-10.0%	15.0%	20.0%	-5.0%	
Gross Adjustments		15.0%	10.0%	15.0%	20.0%	25.0%	

Comparable Land Sale Adjustments

Property Rights

All of the comparables transferred in fee simple interest; therefore, no adjustments for property rights are required.

Financing

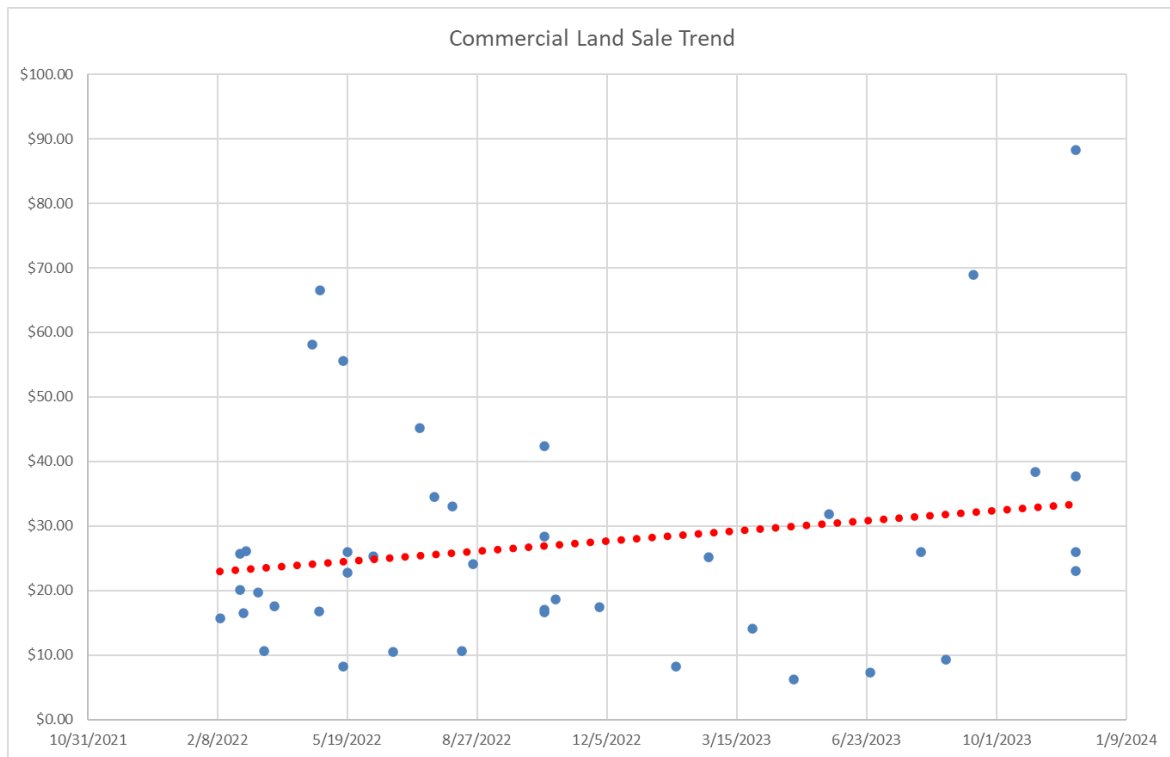
All of the comparable sales had market orientated financing or were cash transactions; therefore, no adjustments for financing are required.

Conditions of Sale

All of the comparable sales were arm’s length transactions; therefore, no adjustments for conditions of sale are required.

Economic Trends

The following graph developed from CoStar shows all commercial land sales, excluding outliers, in Collier County less than 10 acres.



The survey included 43 transactions. Prices per square foot ranged from \$6.23 to \$88.30 per square foot and averaged \$27.13 per square foot. The graph indicates an increasing trend in sales prices from January 2022 through the current date. However, it is noted this is unadjusted raw data and does not relate directly to the subject.

The analyses and value opinion in this appraisal are based on the data available to the appraiser at the time of the assignment and apply only as of the effective date indicated. No analyses or opinions contained in this appraisal should be construed as predictions of future market conditions or value. The significant residential demand since the pandemic has generally stabilized the commercial market overall with an increased demand and significant price increases for the industrial sector and select retail and office properties.

Based on the previous analysis and considering the increased demand for commercial property, we have applied a 10.0% annual adjustment.

Location

The following table summarizes the population growth and average household income within a two mile radius and the CoStar retail market areas statistics within a two mile radius.

Locational Adjustment - Site to Do Business (2 Mile Radius)						
	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Address	4711 Outer Drive	4516 Tamiami Trail E	11760 Tamiami Trail E	12000 block of Tamiami Trail E	11290 Tamiami Trail E	4936 Tamiami Trail E
City	Naples	Naples	Naples	Naples	Naples	Naples
2023 Population	26,673	26,673	18,752	17,857	18,268	26,672
2028 Population	27,533	27,533	20,489	19,488	20,436	27,774
% Change	3.22%	3.22%	9.26%	9.13%	11.87%	4.13%
Avg Household Income	\$92,978	\$92,978	\$108,325	\$106,481	\$105,590	\$92,769
CoStar Retail Analysis (2 mile radius)						
Total Commercial SF	1,745,547	1,745,547	1,401,381	1,518,298	508,433	1,334,108
Average Rental Rates	\$20.73	\$20.73	\$27.18	\$26.67	\$23.98	\$21.07
Average Vacancy Rate	4.3%	4.3%	5.3%	8.1%	4.0%	3.5%
Traffic Count	57,648 1,150	57,648	35,269	35,269	35,269	44,281
Street	U.S. 41 Thomasson Lane	U.S. 41	U.S. 41	U.S. 41	U.S. 41	U.S. 41
Corner Signal	Yes No	No No	No No	Yes No	No No	No No

Source: STDB Online and Department of Transportation

The subject and the comparables are all located along the Tamiami Trail E (U.S. 41) corridor. The subject has a corner location with 200' of frontage along Tamiami Trail E (U.S. 41), 230' of frontage along Outer Drive, and 180' of frontage along Thomasson Lane. A shell gas station is located at the intersection of Tamiami Trail E (U.S. 41) and Thomasson Lane. A Publix anchored shopping center is located at the signalized intersection of Thomasson Drive and Rattlesnake Hammock Road, approximately 800 feet southeast of the subject.

Comparable 1 is located northwest of the subject along the south side of Tamiami Trail E (U.S. 41). It does not have a corner location.

Comparable 2, 3, 4, and 5 are all located southeast of the subject. Comparable 5 is located adjacent to the Publix anchored shopping center. Comparables 2, 3, and 4 have a smaller

surrounding population with higher income levels. Average rental rates are also higher around Comparables 2 and 3. Traffic counts are lower.

Comparable 2 is located adjacent to a Racetrac gas station. It does not have a corner location; however, a Home Depot is proposed to the east.

Comparable 3 is located at the corner of Tamiami Trail E (U.S. 41) and Habitat Drive. Habitat Drive provides access to the Habitat Village residential development and has minimal traffic.

Comparable 4 is located adjacent to an Advance Auto Parts store. It does not have a corner location.

All of the comparables are evaluated and adjusted for accordingly.

Size

For this analysis, all of the comparable sales are relatively similar in terms of size. No adjustments could be supported; therefore, none are made.

Topography

The subject is level and lightly wooded with a 20' wide Utility & Drainage Easement running through the middle of the site. The easement encumbers approximately 5,388 square feet or 6% of the total land area.

Comparable 1 is lightly wooded similar to the subject. It is not encumbered by any known significant easements and is adjusted downward accordingly.

Comparable 2 is cleared, level and filled. It has a 50' wide ingress/egress easement along Tamiami Trail E (U.S. 41) that provides cross access for the adjacent Racetrac and proposed Home Depot. It is adjusted downward to account for the cleared, level and filled site.

Comparable 3 is heavily treed and below grade. It is not encumbered by any known significant easements. It is considered to have offsetting characteristics. Therefore, no adjustments are required.

Comparable 4 is heavily treed. The eastern 30' of the site is encumbered by a drainage easement. Overall, it is considered inferior to the subject and adjusted upward accordingly.

Comparable 5 is cleared, level and filled. The parcel has a gross area of 4.33 acres or 188,615 square feet which includes the common area spine road. Additionally, the rear approximately 60' feet is encumbered by drainage and utility easements. The net usable area is 2.88 acres or 125,453 square feet. Overall, it is considered inferior to the subject and adjusted upward accordingly.

Configuration

The subject is flag shaped with frontage along three arterials. The comparables are all generally rectangular in shape. No adjustments could be supported; therefore, none are made.

Zoning

All of the comparables are relatively similar in terms of zoning. No adjustments could be supported; therefore, none are made.

Flood Zone

The subject and all of the comparables are located within Flood Zone AE; therefore, no adjustments are required.

Sales Comparison Approach Conclusion

Comparables 1, 2, and 3 have the least gross adjustments and are given greatest weight in arriving at my final reconciled per square foot value of \$24.00.

Land Value Ranges & Reconciled Values				
Number of Comparables:	5	Unadjusted	Adjusted	% Δ
	Low:	\$14.04	\$18.02	28.33%
	High:	\$25.98	\$25.51	-1.80%
	Average:	\$20.41	\$22.86	11.96%
Reconciled Value/Unit Value:			\$24.00	
	Subject Size:		86,297	
	Indicated Value:		\$2,071,128	
	Reconciled Final Value:		\$2,070,000	

RECONCILIATION

The process of reconciliation involves the analysis of each approach to value. The quantity and quality of data applied the significance of each approach as it relates to market behavior and defensibility of each approach are considered and weighed. Finally, each is considered separately and comparatively with each other. As discussed previously, we use only the sales comparison approach in developing an opinion of value for the subject. The cost and income approaches are not applicable, and are not used.

FINAL VALUE CONCLUSION

Based on the data and analyses developed in this appraisal, I have reconciled to the following value conclusion(s), as of December 9, 2023, subject to the Limiting Conditions and Assumptions of this appraisal.

VALUE CONCLUSIONS			
Appraisal Premise	Interest Appraised	Date of Value	Value Conclusion
Market Value, As Is	Fee Simple	December 9, 2023	\$2,070,000

The value conclusion(s) are subject to the following hypothetical conditions and extraordinary conditions. These conditions may affect the assignment results.

Hypothetical Conditions:	None.
Extraordinary Assumptions:	None.

Exposure and Marketing Times

Exposure time is always presumed to precede the effective date of the appraisal and is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Marketing time is an estimate of the amount of time it might take to sell a property at the estimated market value immediately following the effective date of value.

Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local market it is our opinion that the probable marketing and exposure time for the property is 12 months.

CERTIFICATION

I certify 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 limiting conditions, and are my personal, 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 have 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 with this assignment.
5. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
6. Our 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. 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 & Standards of Professional Appraisal Practice of the Appraisal Institute.
8. My reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice
9. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
10. Rachel M. Zucchi, MAI, CCIM has made an inspection of the subject property.
11. No one provided significant real property appraisal assistance to the person signing this certification.
12. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

13. This appraisal is not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
14. We have not relied on unsupported conclusions relating to characteristics such as race, color, religion, national origin, gender, marital status, familial status, age, receipt of public assistance income, handicap, or an unsupported conclusion that homogeneity of such characteristics is necessary to maximize value.
15. Rachel M. Zucchi, MAI, CCIM has not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
16. As of the date of this report, Rachel M. Zucchi, MAI, CCIM has completed the continuing education program for Designated Members of the Appraisal Institute.



Rachel M. Zucchi, MAI, CCIM
Florida State-Certified General Real Estate Appraiser RZ2984
rzucchi@rklac.com; Phone 239-596-0801

ASSUMPTIONS AND LIMITING CONDITIONS

This appraisal is based on the following assumptions, except as otherwise noted in the report.

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal is subject to the following limiting conditions, except as otherwise noted in the report.

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be

- scaled accurately for size. The appraisal covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering and environmental matters.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the person signing the report.
 11. Information, estimates and opinions contained in the report, obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. No consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the value stated in our appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The value found herein is subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.

17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.
18. The *Americans with Disabilities Act (ADA)* became effective January 26, 1992. We have not made a specific survey or analysis of any property to determine whether the physical aspects of the improvements meet the *ADA* accessibility guidelines. In as much as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, we cannot comment on compliance to *ADA*. Given that compliance can change with each owner's financial ability to cure non-accessibility, the value of the subject does not consider possible non-compliance. A specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property and the person signing the report shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The person signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. RKL Appraisal and Consulting, PLC is not a building or environmental inspector. RKL Appraisal and Consulting, PLC does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.

23. The appraisal report and value conclusion for an appraisal assumes the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. The intended use of the appraisal is stated in the General Information section of the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
25. All prospective value estimates presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.

ADDENDA

ADDENDUM A

APPRAISER QUALIFICATIONS



RKL Appraisal and Consulting, PLC

COMPANY PROFILE:

RKL Appraisal and Consulting, PLC was founded in 2009 by three designated Members of the Appraisal Institute. It is our mission to maximize our combined appraisal experience to provide our clients with the highest quality of Real Estate Appraisal and Consulting Services.

Rachel M. Zucchi, MAI, CCIM
Partner / Managing Director
rzucchi@rklac.com

K.C. Lowry, MAI, CPA
Partner
klowry@rklac.com

Louis C. Bobbitt, MAI
Senior Partner (Retired)
lbobbitt@rklac.com

BUSINESS FOCUS:

Practice is focused on community/neighborhood shopping centers, retail and office buildings, industrial warehouse/distribution buildings, residential and commercial condominium and subdivision projects, hotels and motels, vacant land and special purpose properties. Specialized services include appraisal review, business valuations, market feasibility studies, acquisition/disposition counseling, and litigation support in connection with real estate transactions including bankruptcy, eminent domain, estate valuations, and matrimonial and equitable distribution. Clients served include banks and financial institutions, developers and investors, law firms, government, and property owners.

**PROFESSIONAL QUALIFICATIONS OF
Rachel M. Zucchi, MAI, CCIM**

EXPERIENCE:	<p>Partner / Managing Director of RKL Appraisal and Consulting, PLC Naples, FL (2009 – Present)</p> <p>President of D&R Realty Group, Inc. Naples, FL (2009 – Present)</p> <p>Senior Real Estate Analyst, Integra Realty Resources – Southwest Florida Naples, FL (2003 – 2009)</p> <p>Research Associate, Integra Realty Resources – Southwest Florida Naples, FL (2002-2003)</p>
PROFESSIONAL ACTIVITIES:	<p>Member: Appraisal Institute – MAI Certificate Number 451177</p> <p>President: Appraisal Institute Florida Gulf Coast Chapter (2020)</p> <p>VP/Secretary/Treasurer: Appraisal Institute Florida Gulf Coast Chapter (2017 - 2019)</p> <p>Region X Representative: Appraisal Institute Florida Gulf Coast Chapter (2017 - 2022)</p> <p>Board of Directors: Appraisal Institute Florida Gulf Coast Chapter (2015 - 2021)</p> <p>Government. Relations: Appraisal Institute National (2022)</p> <p>Prof. Standards & Guidance: Appraisal Institute National (2023)</p> <p>LDAC Attendee: Leadership Development & Advisory Council Appraisal Institute - Washington, D.C. (2016, 2017, 2018)</p> <p>Member: CCIM Institute - CCIM Designation Pin Number 21042</p> <p>Member: Naples Area Board of REALTORS</p> <p>Licensed: Florida State Certified General Real Estate Appraiser License No. RZ 2984</p> <p>Licensed: Real Estate Broker (Florida) License No. BK3077672</p>
EXPERT WITNESS:	Qualified as an expert witness in the Twentieth Judicial Circuit Court of Collier County and Lee County
EDUCATION:	<p>Bachelor of Arts, Major in Economics Florida Gulf Coast University, 2002 Graduated Magna Cum Laude Presented at Eastern Economic Association Conference</p> <p>Successfully completed real estate and valuation courses and seminars sponsored by the Appraisal Institute and others.</p>
BUSINESS FOCUS:	Actively engaged in real estate valuation and consulting since 2003. Practice is focused on community/neighborhood shopping centers, retail and office buildings, industrial warehouse/distribution, multi-family and single-family subdivisions, condominium developments, hotels/motels, vacant land and special purpose properties. Specialized services include market feasibility studies and litigation support in connection with real estate transactions. Clients served include banks and financial institutions, developers and investors, law firms, government, and property owners. Valuations have been performed for eminent domain, bankruptcy, estate, matrimonial/equitable distribution, financing, and due diligence support.

 Ron DeSantis, Governor

Melanie S. Griffin, Secretary 

STATE OF FLORIDA
DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION

FLORIDA REAL ESTATE APPRAISAL BD

THE CERTIFIED GENERAL APPRAISER HEREIN IS CERTIFIED UNDER THE
PROVISIONS OF CHAPTER 475, FLORIDA STATUTES

ZUCCHI, RACHEL M
4500 EXECUTIVE DRIVE SUITE 230
NAPLES FL 34119

LICENSE NUMBER: RZ2984

EXPIRATION DATE: NOVEMBER 30, 2024

Always verify licenses online at MyFloridaLicense.com



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This is your license. It is unlawful for anyone other than the licensee to use this document.

ADDENDUM B

PROPERTY INFORMATION

Collier County Property Appraiser Property Summary

Parcel No	67080640009	Site Address <small>*Disclaimer</small>	4711 OUTER DR	Site City	NAPLES	Site Zone <small>*Note</small>	34112
-----------	-------------	--------------------------------------------	---------------	-----------	--------	-----------------------------------	-------

Name / Address	GREATER NAPLES FIRE						
	RESCUE DISTRICT						
	14575 COLLIER BLVD						
City	NAPLES		State	FL	Zip	34119-5020	

Map No.	Strap No.	Section	Township	Range	Acres <small>*Estimated</small>
5A13	560200 395A13	13	50	25	1.98

Legal	PINELAND ON THE TRAIL LOTS 39-42 AND LOTS 45-49
--------------	-------------------------------------------------

Millage Area ⓘ	279	Millage Rates ⓘ <small>*Calculations</small>		
Sub./Condo	560200 - PINELAND ON THE TRAIL	School	Other	Total
Use Code ⓘ	86 - COUNTIES INCLUDING NON-MUNICIPAL GOV.	4.292	6.0197	10.3117

Latest Sales History

(Not all Sales are listed due to Confidentiality)

Date	Book-Page	Amount
05/10/05	<u>3795-79</u>	\$ 550,000
05/10/05	<u>3795-78</u>	\$ 1,100,000
05/10/05	<u>3795-76</u>	\$ 0
06/08/04	<u>3582-1536</u>	\$ 950,000
05/01/90	<u>1525-391</u>	\$ 0
06/01/89	<u>1445-643</u>	\$ 675,000
02/01/88	<u>1330-225</u>	\$ 325,000
01/01/86	<u>1176-45</u>	\$ 25,800

2023 Certified Tax Roll

(Subject to Change)

Land Value	\$ 862,970
(+) Improved Value	\$ 1,068
(=) Market Value	\$ 864,038
(=) Assessed Value	\$ 864,038
(=) School Taxable Value	\$ 0
(=) Taxable Value	\$ 0

If all Values shown above equal 0 this parcel was created after the Final Tax Roll

Collier County Property Appraiser Property Detail

Parcel No	67080640009	Site Address <u>*Disclaimer</u>	4711 OUTER DR	Site City	NAPLES	Site Zone <u>*Note</u>	34112
-----------	-------------	------------------------------------	---------------	-----------	--------	---------------------------	-------

Name / Address	GREATER NAPLES FIRE						
	RESCUE DISTRICT						
	14575 COLLIER BLVD						
City	NAPLES		State	FL	Zip	34119-5020	

Permits (Provided for reference purposes only. *Full Disclaimer.)

Tax Yr	Issuer	Permit #	CO Date	Tmp CO	Final Bldg	Type
2000	COUNTY	0005-0555				OTHER

Land

#	Calc Code	Units
10	SQUARE FOOT	86297

Building/Extra Features

#	Year Built	Description	Area	Adj Area
10	2000	CLF6	260	260

RECORDED in OFFICIAL RECORDS of COLLIER COUNTY, FL
05/10/2005 at 12:07PM DWIGHT B. BROCK, CLERK

CONS 1100000.00
REC FEE 10.00
DOC-.70 7700.00

3

Ronald L. Stetler, Esq.
Garlick, Stetler & Peeples, LLP
5551 Ridgewood Drive, Suite 101
Naples, Florida 34108

Retn:
GARBER HOOLEY ET AL
700 ELEVENTH ST S #202
NAPLES FL 34102

Parcel ID Number: 67080640009

Warranty Deed

This Indenture, Made this 9 day of May, 2005 A.D., Between
John T. Magocs

of the County of Collier, State of Florida, grantor, and
East Naples Fire Control & Rescue District, an Independent Special
District of the County of Collier, State of Florida, created under
Chapter 65-1413 and 79-444, Laws of Florida, its successors and assigns
whose address is: 4798 Davis Boulevard, Naples, FL 34104

of the County of Collier, State of Florida, grantee.

Witnesseth that the GRANTOR, for and in consideration of the sum of

-----TEN DOLLARS (\$10)----- DOLLARS,
and other good and valuable consideration to GRANTOR in hand paid by GRANTEE, the receipt whereof is hereby acknowledged, has
granted, bargained and sold to the said GRANTEE and GRANTEE'S heirs, successors and assigns forever, the following described land, situate,
lying and being in the County of Collier State of Florida to wit:
Two Thirds interest in Lots 39, 40, 41, 42, 45, 46, 47, 48 and 49
PINELAND ON THE TRAIL, according to the map or plat thereof as
recorded in Plat Book 3 Page 60, Public Records of Collier County,
Florida.

SUBJECT to zoning, building code and other use restrictions imposed
by governmental authority, outstanding oil, gas, and mineral
interests of record, if any; restrictions and easements of record, if
any; and real estate taxes accruing subsequent to December 31, 2004.

The property herein conveyed DOES NOT constitute the HOMESTEAD
property of the Grantor nor of any member of his family nor is it
contiguous to Grantor's homestead. The Grantor resides at 993 8th
Street South, Naples, Florida

TOGETHER with all the tenements, hereditaments and appurtenances
thereto belonging or in anyway appertaining.
TO HAVE AND TO HOLD the same in fee simple forever,

and the grantor does hereby fully warrant the title to said land, and will defend the same against lawful claims of all persons whomsoever.

In Witness Whereof, the grantor has hereunto set his hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

Wenke O Brandes
Printed Name: Wenke O Brandes
Witness

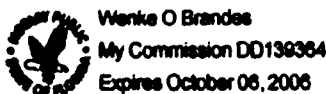
John T. Magocs (Seal)
Printed Name: John T. Magocs
P.O. Address: 993 8th Street South, Naples, FL 34102

Carolyn E. Smith
Printed Name: CAROLYN E. SMITH
Witness

STATE OF Florida
COUNTY OF Collier

The foregoing instrument was acknowledged before me this 9 day of May, 2005 by
John T. Magocs

he is personally known to me or he has produced his Florida driver's license as identification.



Wenke O Brandes
Printed Name: _____
Notary Public
My Commission Expires: _____

HL

RECORDED in OFFICIAL RECORDS of COLLIER COUNTY, FL
05/10/2005 at 12:07PM DWIGHT B. BROCK, CLERK

CONS 550000.00
RBC FEE 10.00
DOC-.70 3850.00

Prepared by:
Ronald L. Stetler, Esq.
Garlick, Stetler & Peeples, LLP
5551 Ridgewood Drive, Suite 101
Naples, Florida 34108

Retn:
GARBER HOOLEY ET AL
700 ELEVENTH ST S #202
NAPLES FL 34102

Parcel ID Number: 67080640009

Warranty Deed

This Indenture, Made this 9 day of May, 2005 A.D., Between
M.G.M., L.L.C., a Florida limited liability company

of the County of Collier, State of Florida, grantor, and
**East Naples Fire Control & Rescue District, an Independent Special
District of the County of Collier, State of Florida, created under
Chapter 65-1413 and 79-444, Laws of Florida, its successors and assigns**
whose address is: **4798 Davis Boulevard, Naples, FL 34104**

of the County of Collier, State of Florida, grantee.

Witnesseth that the GRANTOR, for and in consideration of the sum of

-----**TEN DOLLARS (\$10)**----- DOLLARS,
and other good and valuable consideration to GRANTOR in hand paid by GRANTEE, the receipt whereof is hereby acknowledged, has
granted, bargained and sold to the said GRANTEE and GRANTEE'S heirs, successors and assigns forever, the following described land, situate,
lying and being in the County of Collier State of Florida to wit:
**One-Third interest in Lots 39, 40, 41, 42, 45, 46, 47, 48 and 49
PINELAND ON THE TRAIL, according to the map or plat thereof as
recorded in Plat Book 3 Page 60, Public Records of Collier County,
Florida.**

**SUBJECT to zoning, building code and other use restrictions imposed
by governmental authority, outstanding oil, gas, and mineral
interests of record, if any; restrictions and easements of record, if
any; and real estate taxes accruing subsequent to December 31, 2004.**

**TOGETHER with all the tenements, hereditaments and appurtenances
thereto belonging or in anyway appertaining.
TO HAVE AND TO HOLD the same in fee simple forever,**

and the grantor does hereby fully warrant the title to said land, and will defend the same against lawful claims of all persons whomsoever.

In Witness Whereof, the grantor has hereunto set its hand and seal the day and year first above written.

Signed, sealed and delivered in our presence:

**M.G.M., L.L.C., a Florida limited
liability company**


Wenke O Brandes
Printed Name: Wenke O Brandes
Witness

By: Christopher L. Gehring (Seal)
Christopher L. Gehring
Managing Member
P.O. Address: 110 23rd Street NW, Naples, FL 34120

Carolyn E Smith
Printed Name: CARDLYN E SMITH
Witness

STATE OF Florida
COUNTY OF Collier

The foregoing instrument was acknowledged before me this 9 day of May, 2005 by
**Christopher L. Gehring, Managing Member of M.G.M., L.L.C., a Florida
limited liability company, on behalf of the company**
he is personally known to me or he has produced his **Florida driver's license** as identification.

 **Wenke O Brandes**
My Commission DD139364
Expires October 06, 2006

Wenke O Brandes
Printed Name: _____
Notary Public
My Commission Expires: _____

ADDENDUM C

COMPARABLE DATA

Land Comparable 1



Transaction

ID	8220	Date	10/22/2022
Name	4516 Tamiami Trail E	Price	\$585,000
Address	4516 Tamiami Trail E	Price Per Land SF	\$18.57
City	Naples	Transaction Type	Closed Sale
Grantor	Midland IRA, Inc. and Ashish Adl	Financing	Cash
Grantee	Abdul J. and Bakhat J. Awan	Property Rights	Fee Simple
Tax ID	67080440005		
Days on Market	3 years	Sale Verification Date	12/14/2023
Book/Page or Reference Doc	6186/891 + 889	Sale Verification Source	Chase Mayhugh; Mayhugh Commercial Advisors
Conditions of Sale	Arm's Length	Sale History	No sales previous three years

Site

Acres	0.72	Topography	Lightly wooded
Land SF	31,500	Zoning	C-3 (Commercial)
Primary Frontage Feet	150	Flood Zone	Zone AE
Primary Frontage Street	Tamiami Trail E	Dimensions	210 x 150
Utilities	All available	Shape	Rectangular

Comments

The site is lightly wooded, level and at grade. Located along the southwest side of Tamiami Trail E (U.S. 41) between two office buildings and across from Texas Tony's restaurant. Purchased by local investor.

Land Comparable 2



Transaction

ID	8221	Date	2/21/2023
Name	11760 Tamiami Trail E	Price	\$2,100,000
Address	11760 Tamiami Trail E	Price Per Land SF	\$25.15
City	Naples	Transaction Type	Closed Sale
Grantor	Barefoot 11700, LLC	Financing	Cash
Grantee	11760 Property, LLC	Property Rights	Fee Simple
Tax ID	447760107		
Days on Market	--	Sale Verification Date	12/14/2023
Book/Page or Reference Doc	Instr #6366755	Sale Verification Source	Rick Scali; RMJ Construction
Conditions of Sale	Arm's Length	Sale History	None in previous 3 years.

Site

Acres	1.92	Topography	Cleared and filled
Land SF	83,502	Zoning	C-3 (Commercial)
Primary Frontage Feet	260	Flood Zone	Zone AE
Primary Frontage Street	Tamiami Trail E	Dimensions	260' x 321'
Utilities	All Public	Shape	Rectangular

Comments

Cleared and filled site located along south side of Tamiami Trail E (U.S. 41). Located adjacent to Racetrac gas station and west of proposed Home Depot. Buyer has submitted a GMP application to amend the future land use to allow a zoning change from C-3 to C-4 for a proposed 5,000 SF tunnel car wash. There is a 50' wide ingress/egress easement along Tamiami Trail (U.S. 41) for cross access for the adjacent Racetrac and proposed Home Depot. Property was not publicly listed for sale and calls to confirm transaction were not returned.

Land Comparable 3



Transaction			
ID	4446	Date	4/26/2022
Name	SWC of Tamiami Trail E and Habitat Drive	Price	\$2,200,000
Address	12000 block of Tamiami Trail E	Price Per Land SF	\$18.33
City	Naples	Transaction Type	Closed Sale
Grantor	Utopia East Trail, LLC	Financing	Cash sale
Grantee	Rodney B Hansen, Trustee	Property Rights	Fee Simple
Tax ID	447240009		
Days on Market	--	Sale Verification Date	10/14/2022
Book/Page or Reference Doc	Instr. 6245404	Sale Verification Source	David Stevens w/ IPC Naples
Conditions of Sale	Arm's length	Sale History	None in last 3 years

Site			
Acres	2.75	Topography	Below grade
Land SF	120,000	Zoning	C-3 (Commercial)
Primary Frontage Feet	300	Flood Zone	Zone AE
Primary Frontage Street	Tamiami Trail / US 41	Dimensions	300' x 400'
Utilities	All public	Shape	Rectangular

Comments

Listed at \$2,000,000. The listing got into a bidding war, then seller instructed Mr. Stevens to invite "best and final". Buyer is investor.

Land Comparable 4



Transaction

ID	8222	Date	3/27/2023
Name	11290 Tamiami Trail	Price	\$930,000
Address	11290 Tamiami Trail E	Price Per Land SF	\$14.04
City	Naples	Transaction Type	Closed Sale
Grantor	Dorothy L. Thompson, Trustee of the Lawrence N.	Financing	Cash
Grantee	11290 Tamiami LLC	Property Rights	Fee Simple
Tax ID	60782920008		
Days on Market	23 Months	Sale Verification Date	11/14/2023
Book/Page or Reference Doc	Instr #6381889	Sale Verification Source	Bill Young; Lee & Associates
Conditions of Sale	Arm's Length	Sale History	None in previous 3 years.

Site

Acres	1.52	Topography	Heavily Treed
Land SF	66,246	Zoning	C-4 (General Commercial)
Primary Frontage Feet	220	Flood Zone	Zone AE
Primary Frontage Street	Tamiami Trail E (U.S. 41)	Dimensions	220' x 301'
Utilities	All Public	Shape	Rectangular

Comments

Heavily treed parcel located along south side of Tamiami Trail E (U.S. 41) adjacent to Advance Auto Parts. Site is entitled for up to 5,000 SF building. Buyer plans to improve with a hardware store. The eastern 30' of the site is encumbered by a drainage easement. Site was listed for \$1,080,000.

Land Comparable 5



Transaction			
ID	8015	Date	8/4/2023
Name	Sabal Bay Tract O	Price	\$4,900,000
Address	4936 Tamiami Trail E	Price Per Land SF	\$25.98
City	Naples	Transaction Type	Closed Sale
Grantor	190th Street Holdings, LLC	Financing	Cash
Grantee	DDJ Investments, LLC	Property Rights	Fee Simple
Tax ID	71750002507		
Days on Market	1 Month	Sale Verification Date	8/10/2023
Book/Page or Reference Doc	Instr #6438269	Sale Verification Source	Kolby Jones; Caliber Realty, LLC
Conditions of Sale	Arm's Length	Sale History	3/2022 - \$2,205,000

Site			
Acres	4.33	Topography	Cleared and level with 2.88 acres usable
Land SF	188,615	Zoning	MPUD
Primary Frontage Feet	75	Flood Zone	Zone AE
Primary Frontage Street	Tamiami Trail E	Dimensions	313' x 360'
Utilities	All Public	Shape	Rectangular MOL

Comments

Last vacant parcel in The Shoppes at Hammock Cove located adjacent to Hampton Inn and behind new Lamborghini Dealership, Culver's and Jersey Mikes. Located adjacent to Publix anchored shopping center. According to the Deed recorded in March 2022 (OR 6102 PG 3747) the property is restricted to residential purposes of not more than 63 residential units subject to approval by the Design Review Committee. The listing agent, Kolby Jones, of Caliber Florida reported the purchase price was based on language in the zoning that said if the site was not suitable for commercial, with administrative county approval it could be developed with multi-family with the 63 units remaining in the PUD allotment. The sellers successfully obtained a letter from the zoning director allowing multi-family development on the site. They had planned to develop to the max of 63 allowable units, but decided to sell. Parcel was listed by the developer in August 2021 for \$2.4 million. Property was re-listed in April 2023 for \$4,850,000 and due to multiple offers sold for \$4.9 million. Parcel has a gross area of 4.33 acres which includes the common area spine road. Additionally the rear approximately 60' are encumbered by drainage and utility easements. The net usable area of 2.88 acres. The buyers are looking to develop with 43-50 townhomes.