LAKEMONT GROUP

Real Estate and Economic Development Study
of the
Cypress Gardens Boulevard Corridor

PREPARED FOR:

Winter Haven Economic Development Council
Funded by the Polk County Board of County Commissioners

BY
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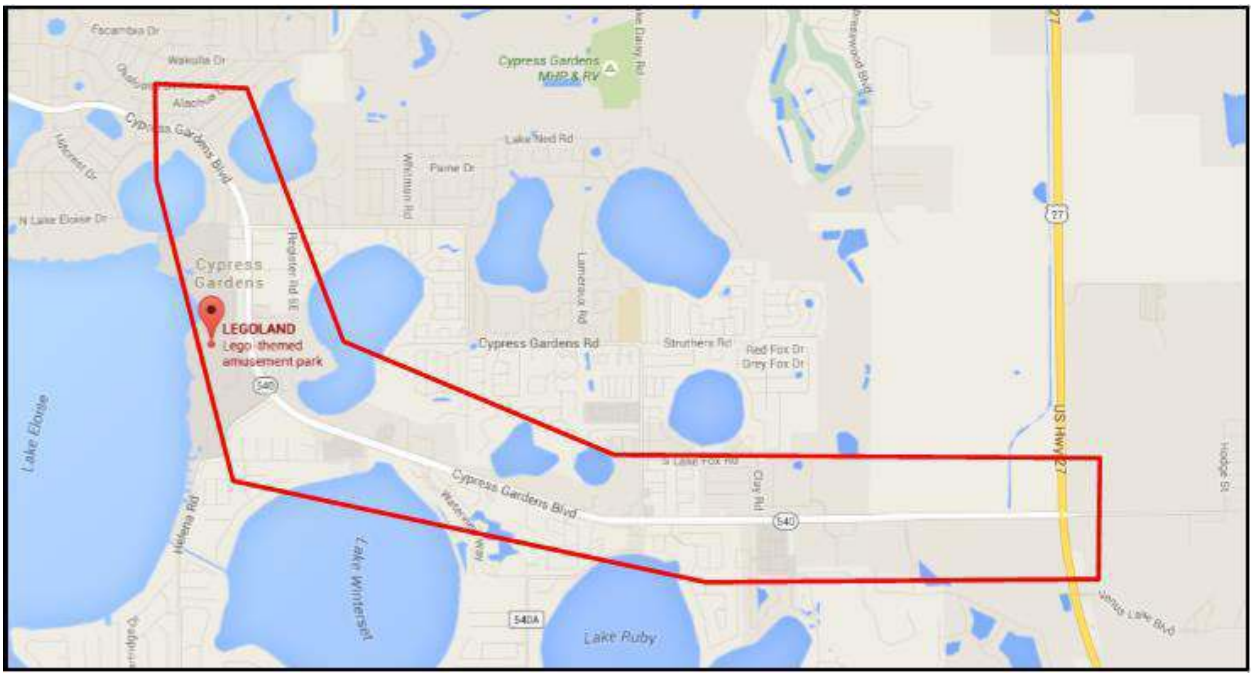
Executive Summary

Scope and Purpose

The purpose of this study is to examine the real estate and economic development potential of the area defined as the Cypress Gardens Boulevard Corridor ("Corridor") located within Polk County, Florida. Lakemont Group is engaged by the Winter Haven Economic Development Council with funding provided by the Polk County Board of County Commissioners to complete this study for the benefit of the residents and business owners in Polk County. The study was conducted by collecting public and private data relating to the Corridor and relevant geographies in close proximity (including Orlando, Florida). Following the analyses of the data, estimates and projections of demand potential for the Corridor are calculated and recommendations related to real estate development (specifically with regard to lodging and hospitality) are reported. Additional topic of interest, such as analysis of Legoland Florida and Merlin Entertainments plc and a macroeconomic analysis, were also studied to aide and support recommendations and findings directly related to the Corridor. The principal investigators of this study are Joshua Harris, Ph. D., CAIA and Michael Terry, Ph. D., CHA, CHE whose curriculum vitae are provided as appendices.

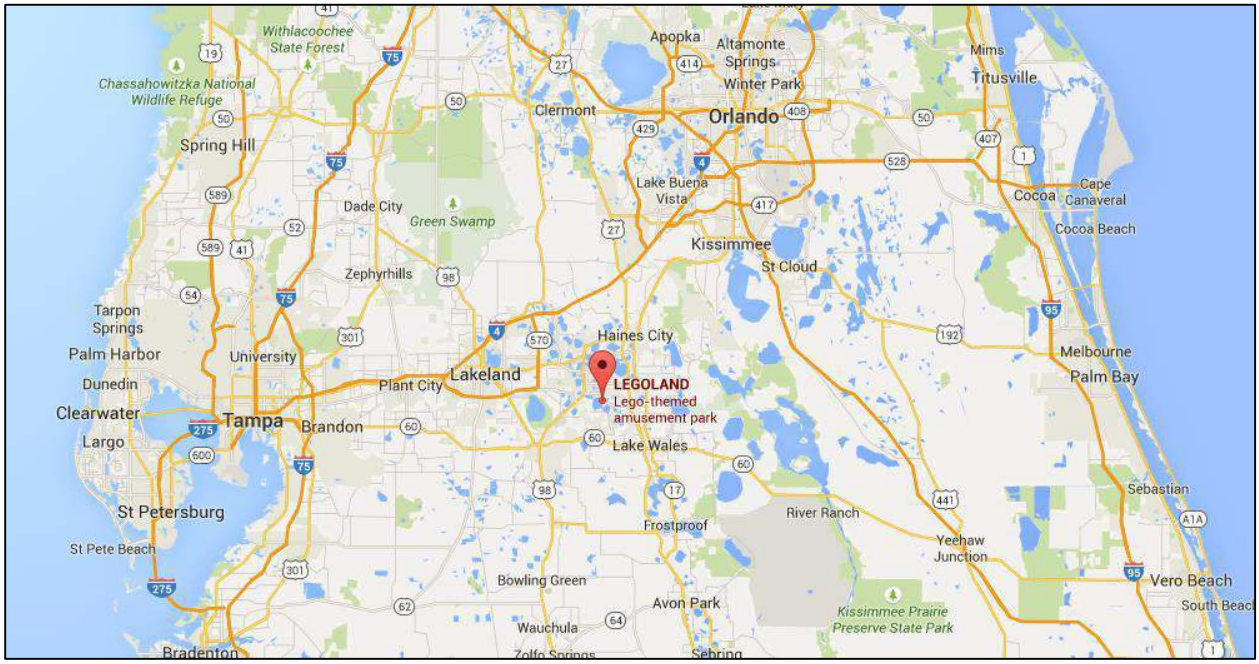
Description of the Study Area

The study area is the Cypress Gardens Boulevard Corridor ("Corridor") and is generally defined as the area from Overlook Drive to US Highway 27 along Cypress Gardens Boulevard also known as State Road 540 as shown on map below. This Corridor and roadway is named for Cypress Gardens, which is considered the first theme park in Florida opened by Dick Pope, Sr. in 1936. Thus this Corridor holds the history that is the foundation of the theme park tourism industry that is dominate in Central Florida today.



Source: Google Maps, Lakemont Group

The Corridor is located in Polk, County which is within the Lakeland-Winter Haven Metropolitan Statistical Area located in Central Florida. The dominant feature and economic driver (at least with respect to this study) is Legoland Florida, a major destination theme park owned and operated by Merlin Entertainments plc on the former Cypress Gardens site.



Source: Google Maps

Summary of Initial Observations of Corridor

The most dominate feature of the Corridor is the presence of Legoland Florida, a theme park that is believed to be hosting at least 1.5 million visitors per year[1] since opening in late 2011. This theme park attracts visitors from around Florida and the world to the Corridor most often via its entrance on US Highway 27. The bulk are believed to be coming from the east along Interstate 4 from Orlando market with some also coming from the south along US Highway 27 from South Florida and from the west along Interstate 4 from Tampa.

Our initial belief, later supported by data, was that the vast majority of associated expenditures and economic benefits of Legoland Florida attendance such as hotel room night stays, retail spending, complementary entertainment expenditures, etc. were being leaked out of the Corridor and back to more established tourist markets, mainly Orlando. Thus, the Corridor to date is failing to capture a great deal of economic benefit that can arise from such a powerful driver. For ease of explanation, the Corridor is like a mall with an established anchor tenant (Legoland Florida), but lacking a significant set of secondary shops and restaurants that can benefit from the traffic the anchor generates.

Upon this observation, we searched for the primary causes or deficiencies that are holding the Corridor back from capturing this potential and found three primary issues:

1. The Corridor lacks any feeling of a "tourist destination" upon the approach driving in or once within the Corridor itself.

2. The Corridor lacks adequate hotel lodging options to support additional entertainment/tourist activity development and is likely constraining attendance at Legoland Florida itself[2].

3. The Corridor and the greater Winter Haven/Polk County area are generally not perceived as a "tourist destination" and lack an adequate range of options to justify a multiday stay within the Corridor. This is of course a circular problem with the lack of adequate hotel rooms to service such development and lack of entertainment options justifying the need for more overnight stays.

While tourism development potential is the primary consideration of this study, it is worth noting a significant discovery during the data collection and interview process of the study. That is the significant and growing demand for hotel rooms and other related services due to non-tourist related economic demand drivers such as the CSX Intermodal Logistics Center and State Farm Insurance, for example. This will be explored in detail in the lodging development feasibility section, but it also creates an interesting dynamic. That is that

[1] Legoland Florida does not publically disclose park attendance figures, however this estimated attendance is generally believed by both knowledgeable parties and supported by financial disclosures of Merlin Entertainments plc.

[2] Legoland Florida recently opened its own 152 room boutique/themed hotel in May 2015 to attempt to mitigate this issue.

competition from other uses can both drive and support tourist development within the Corridor (such as hotel rooms and restaurants), and it presents challenges in changing the Corridor to have a true tourist destination look and feel. This is critical as we strongly believe the highest and best use for the Corridor is as a tourist destination.

We conclude tourist destination development as the highest and best use as it is most complementary to Legoland Florida and thus most likely to maximize positive economic benefits including but not limited to employment growth, local and state tax revenue growth, maximum property values, as well as maximum quality living and amenities for Polk County residents. Growth from other non-tourist related drivers can and should occur as well in the local Winter Haven vicinity, but not necessarily within the Corridor itself.

Summary of Demand and Development Estimates

The Corridor is within less than an hour's drive to the densest hub of tourist activity within the State of Florida, Walt Disney World and surrounding resort/hotel developments. This means the Corridor has the natural ability to capture visitors to Orlando on leisure trips as well as capture business from residents living within a natural 90 minute drive time.

Therefore we establish the following key recommendations:

1. **The Corridor today could support at least 240 net new limited service hotel rooms given existing demand.**

2. **There is a significant demand that could be captured such that the need for hotel rooms could exceed 1200 net new rooms by 2025.**

3. **There is sufficient evidence to support at least 1, and perhaps as many as 3, upscale, full service restaurants in the Corridor today given existing demand.**

4. **There is strong demand and a large available market for additional entertainment facilities and activities that complement Legoland Florida.**

5. **The Corridor has a lot of growth potential; however it needs significant improvements in terms of appearance, sense of arrival, linkages, and overall branding and theming to make such growth potential a reality.**

6. **The local Winter Haven/Polk County market living within a reasonable drive time to the Corridor will reap the direct benefits of additional entertainment and restaurant options while also serving as a base of additional demand for new establishments.**

Recommendations for Maximizing Corridor Potential

The report contains herein details of potential for new development of tourist properties including hotels, attractions, restaurants, and specialty retail within the Corridor. Further, the report contains details on issues and weaknesses of the present condition of the Corridor with prescriptive guidance for improvement. There are two key recommendations we offer for best implementation of recommendations contained herein and to maintain continued stewardship of the Corridor.

1. Creation of Tourist Focused Business Improvement District ("BID")

A Business Improvement District, or "BID", is an officially chartered entity with special taxing authority of its member land-owners and is charged with the duties, responsibilities, and powers to maintain and grow the interests of the tourism industry within the Corridor. Further, a properly formed BID can engage and contract with third parties to coordinate and manage critical tasks such as marketing, outreach, event coordination, government liaison activities, business recruitment and retention, and even oversee physical attributes of the Corridor such as maintenance and landscaping. A BID should be managed by its members and have the autonomy of a quasi-governmental agency such as an Economic Development Agency. Specifically for the recommended Corridor BID, it should heavily coordinate and share resources other local groups and agencies in Winter Haven and Polk County with similar missions and purposes of fostering economic growth and visitor development.

2. Creation of Overlay District and Specialized Development Code

As discussed herein, one of the weaknesses of the Corridor is its lack of aesthetic appeal and incongruent design standards with a tourist district/corridor. The two relevant governing bodies for development and land use, Polk County and City of Winter Haven, should jointly create or adopt a more uniform development and land use code specifically for the Corridor. This may best be accomplished via the use of an "Overlay District" or similar device such that potential developers and investors can understand all relevant land use and design standards in one document or set of documents and ideally face a more uniformed, streamlined approval process at both the County and City level. An ideal code should foster a consistent look and feel and set of uses that promote tourist development and give visitors a higher quality experience. It should not be overly inflexible or impose unneeded cost burdens on private developers as this could greatly hinder private development and economic growth. If properly implemented, an Overlay District can encourage private investment and development and likely increase property values within the Corridor and surrounding areas.

Both of these recommendations have been used successfully in tourist districts/corridors[3] and are generally viewed as best practices for increasing all stakeholders' value.

[3] The International Drive, or I-Drive, district of Orange County is close, regional example of a tourist district managed by similar forms as recommended above.

Study Limitations and Disclaimers

1. The recommendations and finding contained herein are not to be construed as an investment recommendation or endorsement implicit or explicit of any potential development project, real estate deal, or other business venture.

2. The findings contained herein come from analyzing publically available data, private data and forecasts, tours of the study area, and meetings/interviews with relevant stakeholders. As such, the findings represent the authors' best professional judgement but are still opinions and not necessarily the only possible conclusions given an analysis of the same data.

3. Nothing contained herein should be a substitute for a market and feasibility study or appraisal of a given site and specific project.

4. Data points, economic conditions, and market forces can and will change thus these estimates may be invalid after a reasonable amount of time.

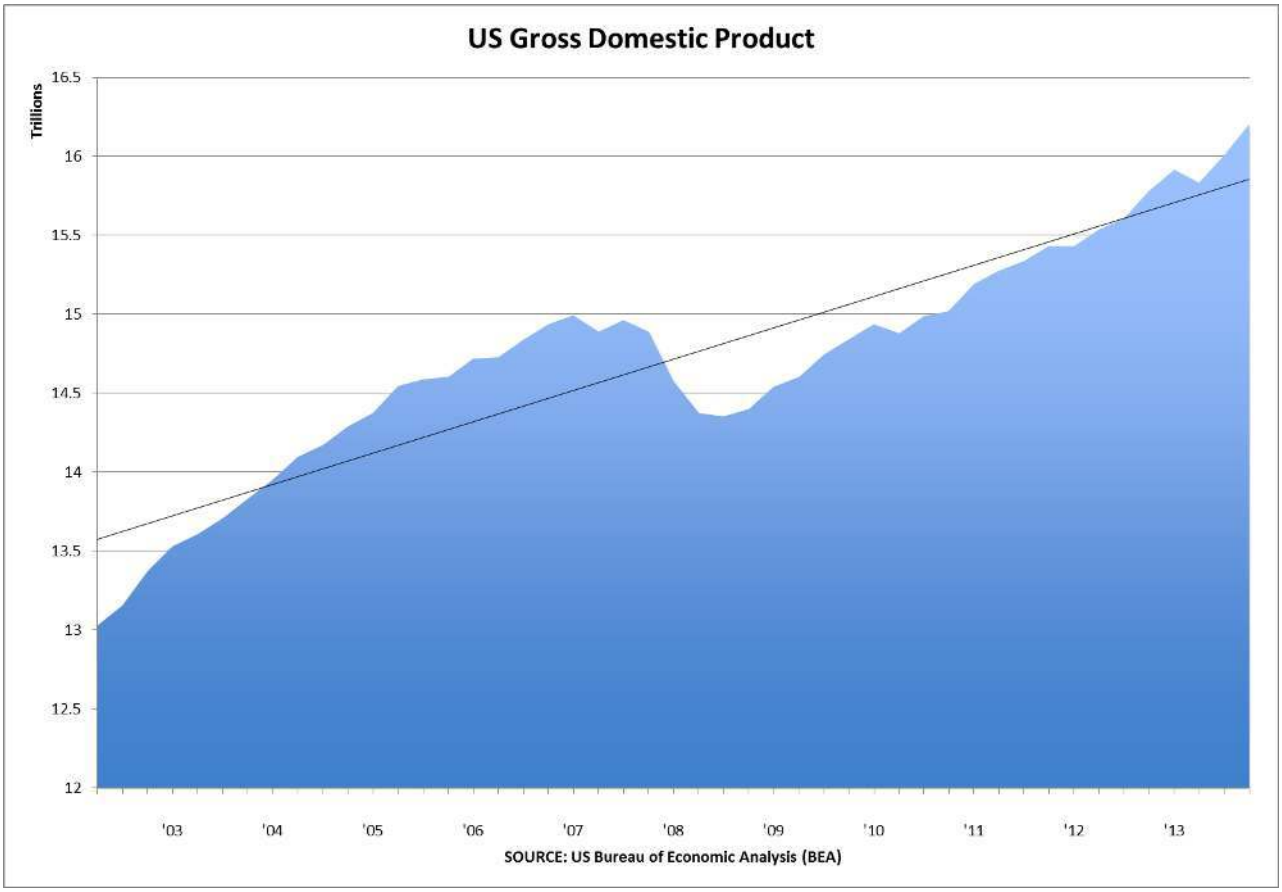
Macroeconomic Condition and Analysis

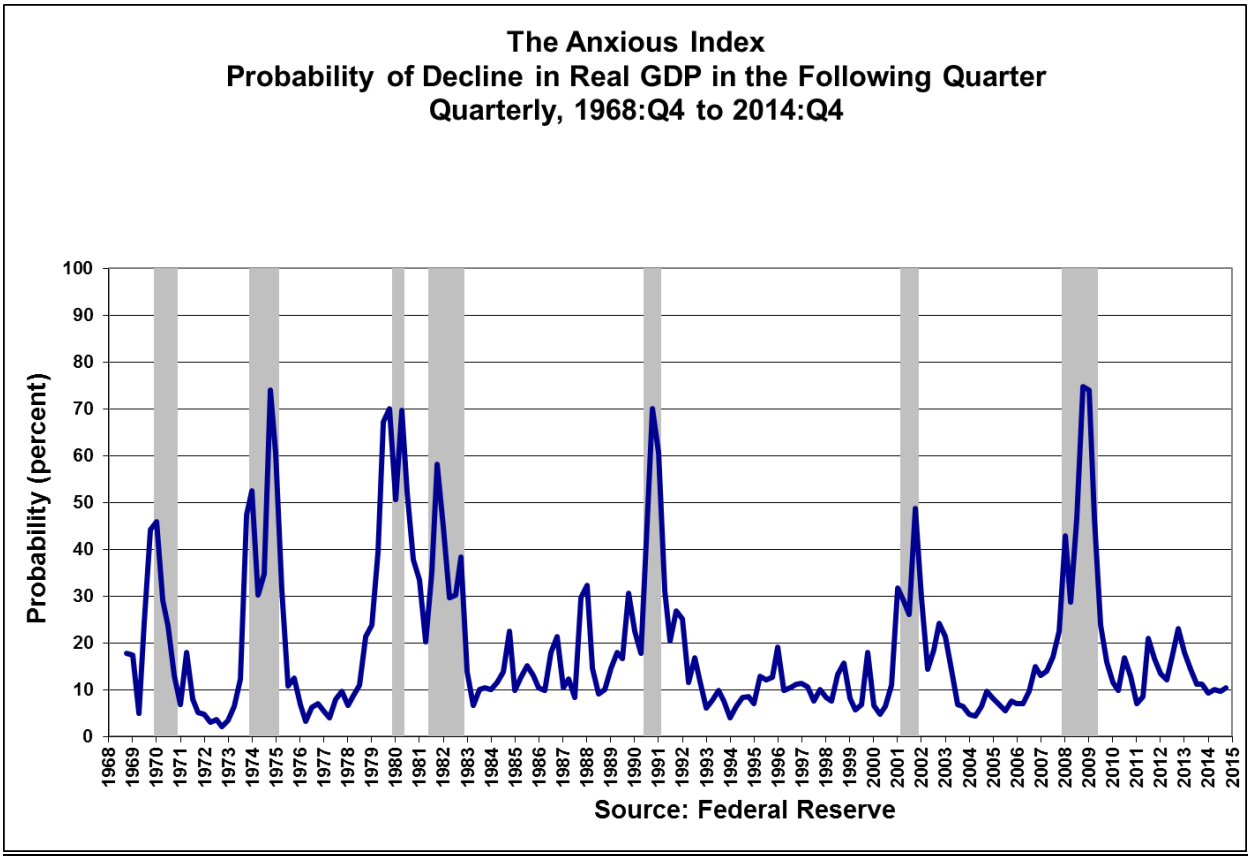
Overview and Purpose

To assess the potential and probability of future demand growth in tourist expenditure nationally, a needed antecedent to future development within the Corridor, a review and analysis of the relevant macroeconomic factors is conducted. Generally, most significant variables point to the continuation of a steady, modest economic growth cycle throughout 2015 and for the foreseeable future for the United States and the State of Florida. Thus, it is rational to expect overall demand for leisure travel activities to increase and such benefit is potentially available for capture within the Corridor. Further, the resurgence of the real estate capital markets make it ever more likely for private developers to be able to find useable debt and equity capital to develop within the Corridor.

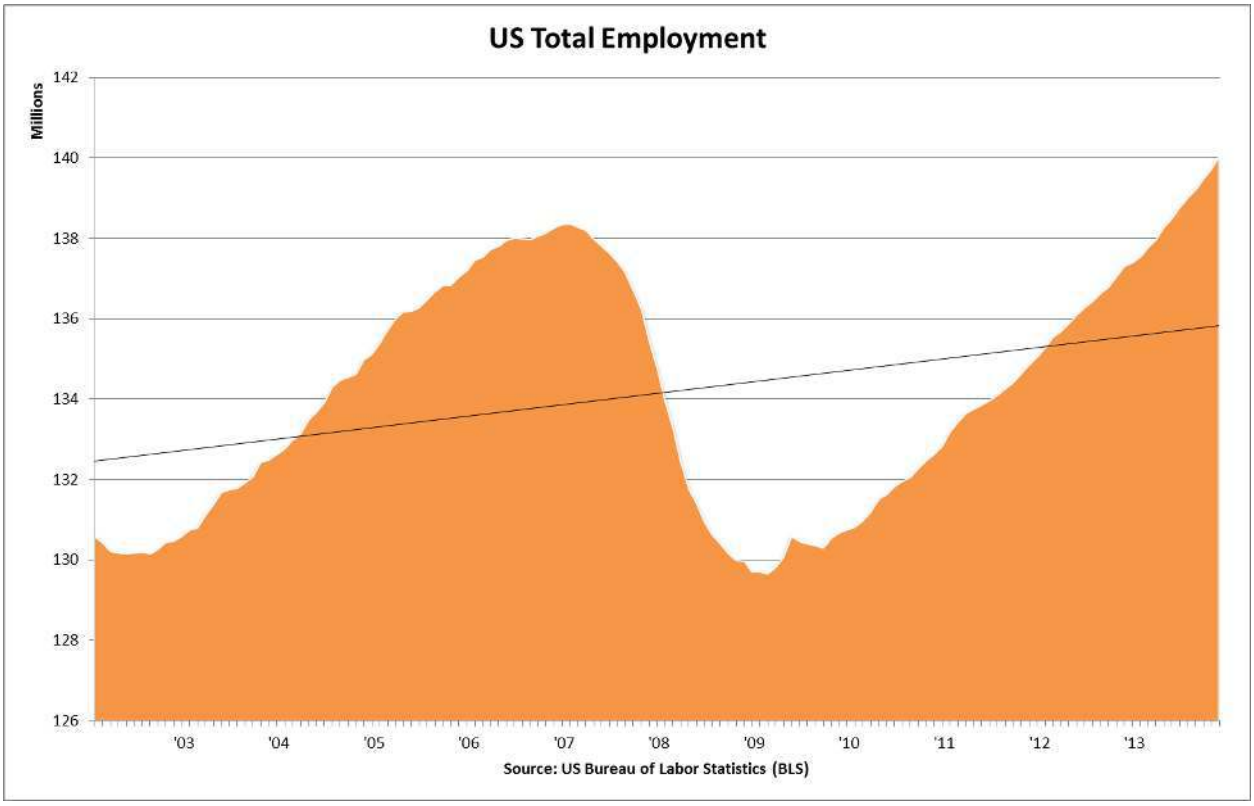
National Macroeconomic Analysis

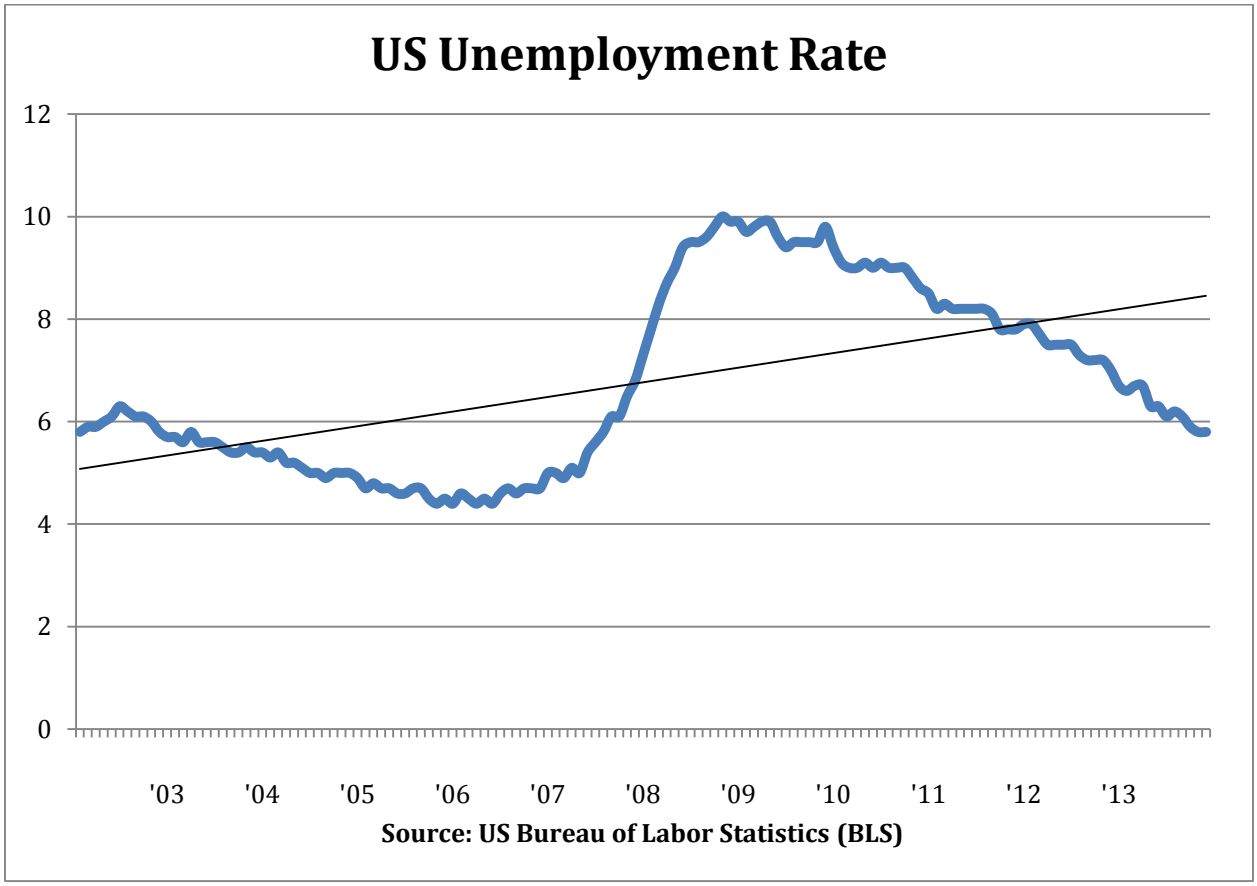
By the start of 2014 and earlier, the U.S. economy had returned to a state of modest, steady growth as evidenced by the ever rising level of gross domestic product. This base measure of economic growth is precursor for the need for additional housing stock and commercial real estate. Further, the risk of a new recession has diminished to relatively low levels as measured by the Anxious Index as published by the Federal Reserve.





The employment situation in the U.S. remained the most troubled part of the macro economy following the past recession. By early 2013 hiring resumed at a robust place allowing the unemployment rate to fall to more normalized levels by early 2014 with the level of total employment reaching new all-time high by May 2014 signaling significant recovery from the recession. Growth in employment is a significant driver for additional tourism and travel demand as well as for development of commercial real estate such as hotels and attractions.


US Total Employment
Millions
142
140
138
136
134
132
130
128
126
'03
'04
'05
'06
'07
'08
'09
'10
'11
'12
'13
Source: US Bureau of Labor Statistics (BLS)


US Unemployment Rate
12
10
8
6
4
2
0
'03
'04
'05
'06
'07
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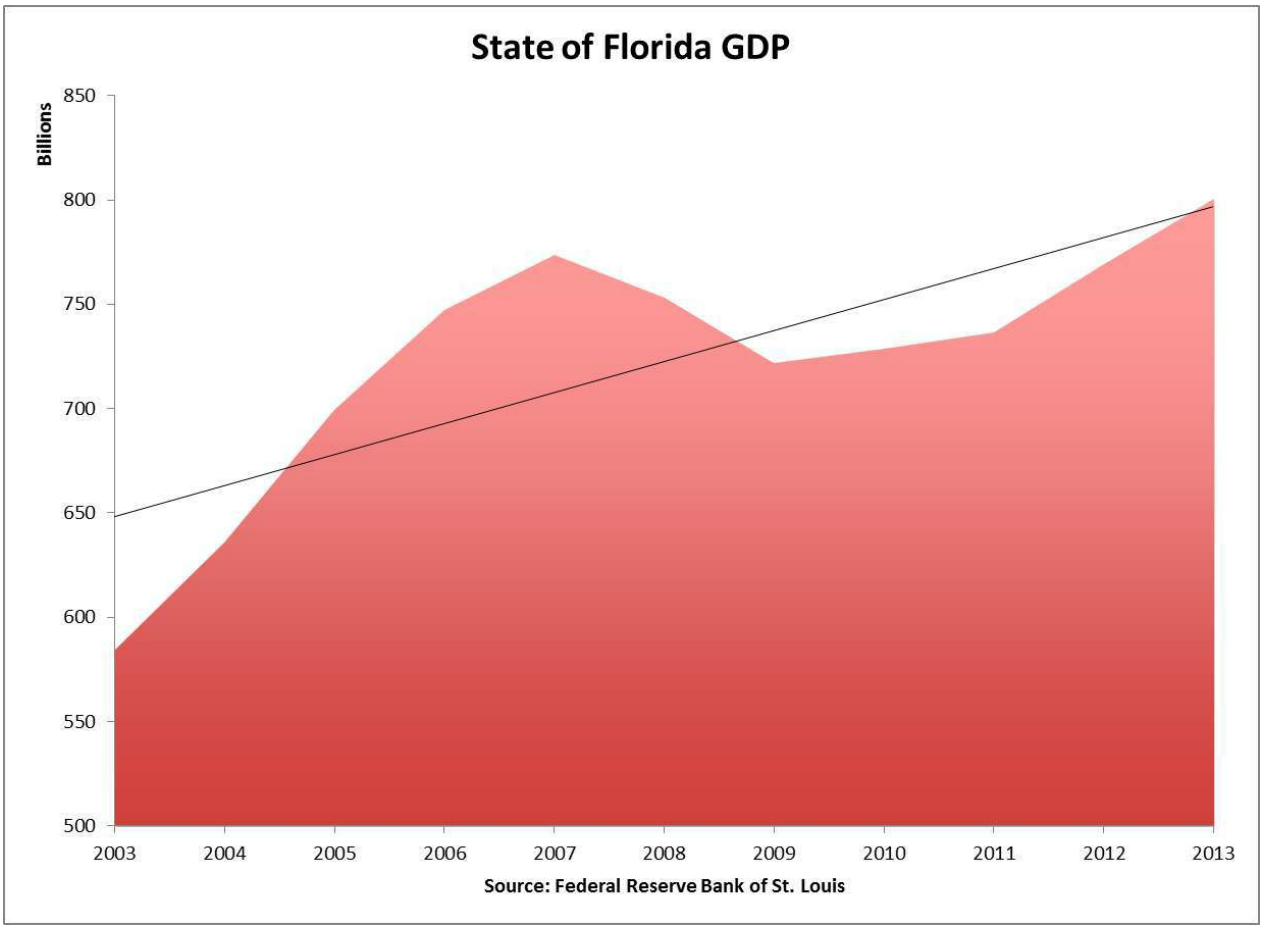
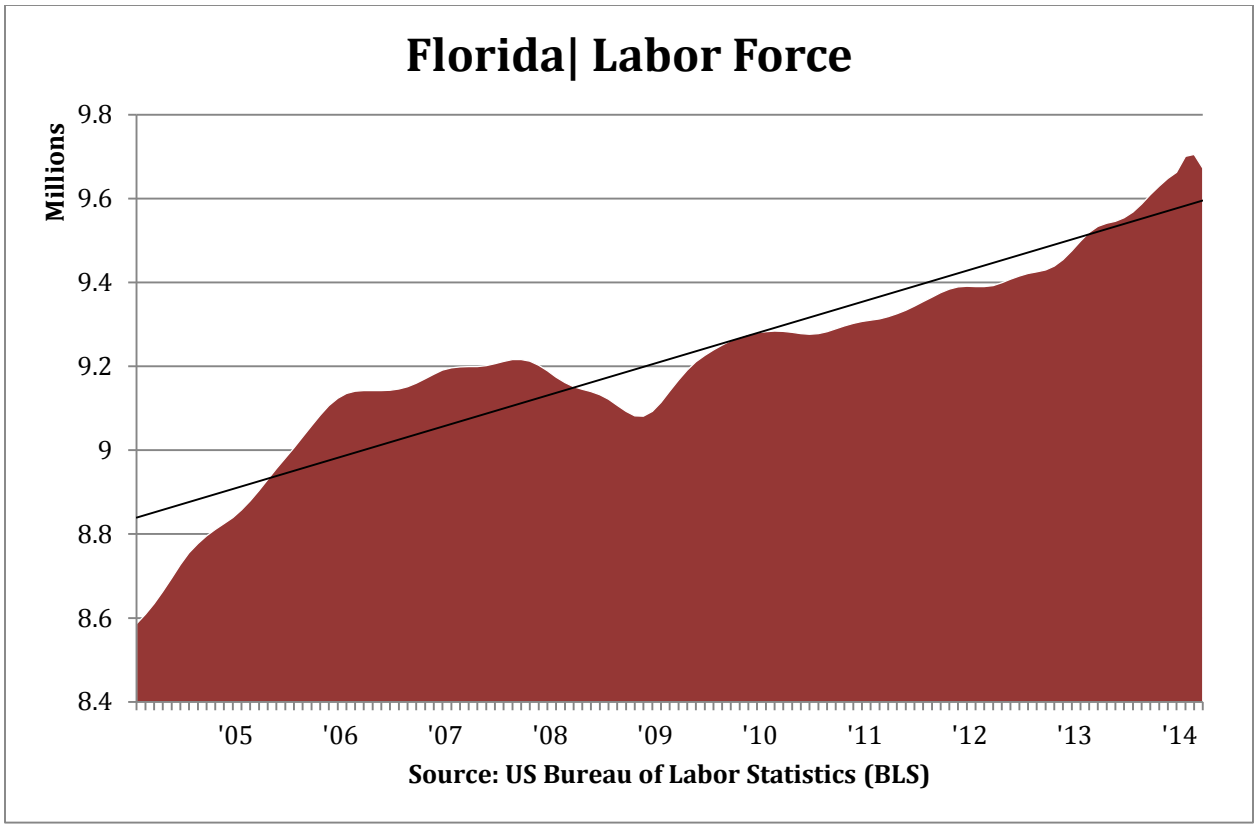
'11
'12
'13
Source: US Bureau of Labor Statistics (BLS)

State and Regional Macroeconomic Analysis

We believe a significant source of visitors who could potentially make an overnight visit to the Corridor will be residents of the State of Florida arriving by car. Thus, the broad economic health of the state is critical to analyze to assess the potential for growth and development in the Corridor. Florida has resumed normal, steady growth in terms of state gross domestic product (GDP); and as such is experiencing increased demand for activities including leisure travel (this will be discussed in detail). In fact, state GDP has reached record high levels marking a complete recovery from the past recession and signaling a new expansion.



The employment situation in the State of Florida has also improved dramatically since the last recession with unemployment steadily falling through 2014 and total employment rising. In fact, total employment now sits at record levels significantly above pre-recession peaks signally a significant recovery and growth trend. In fact, the Orlando Metropolitan Statistical Area has ranked as the number one in terms of job growth amongst MSA's with populations over one million from January 2014 through September 2014 according to a report published by Forbes.com analyzing data from the U.S. Bureau of Labor Statistics. This is a significant positive indicator for increased leisure travel from within the state.


Florida| Labor Force
Millions
9.8
9.6
9.4
9.2
9
8.8
8.6
8.4
'05
'06
'07
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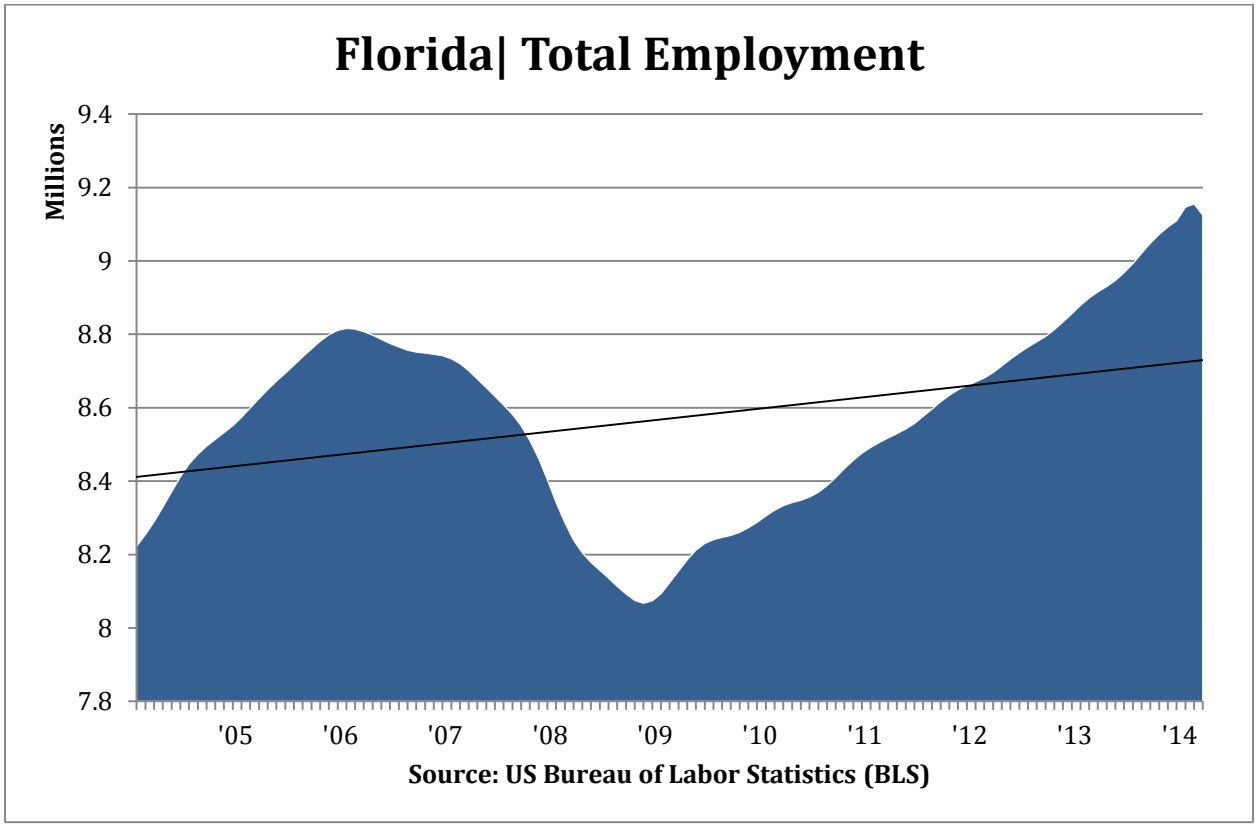
'14
Source: US Bureau of Labor Statistics (BLS)


Florida| Total Employment
Millions
9.4
9.2
9
8.8
8.6
8.4
8.2
8
7.8
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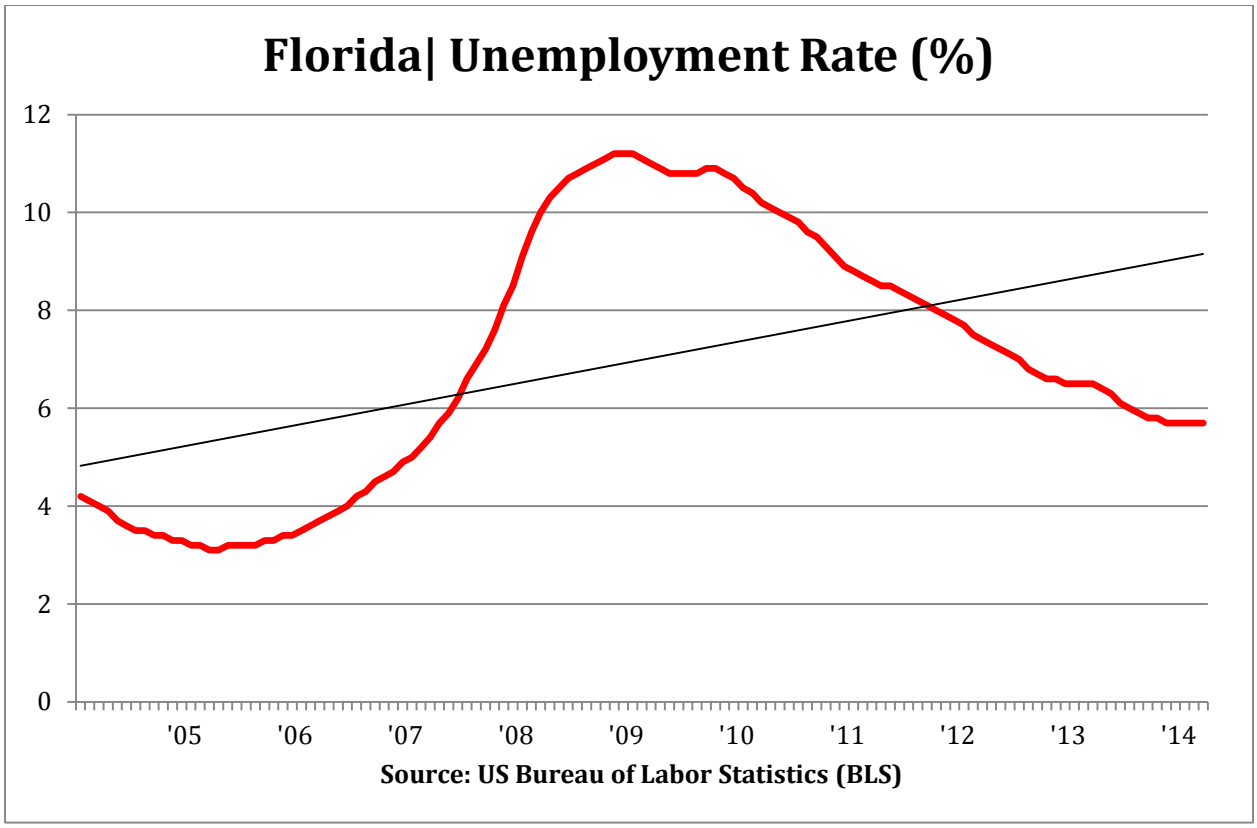
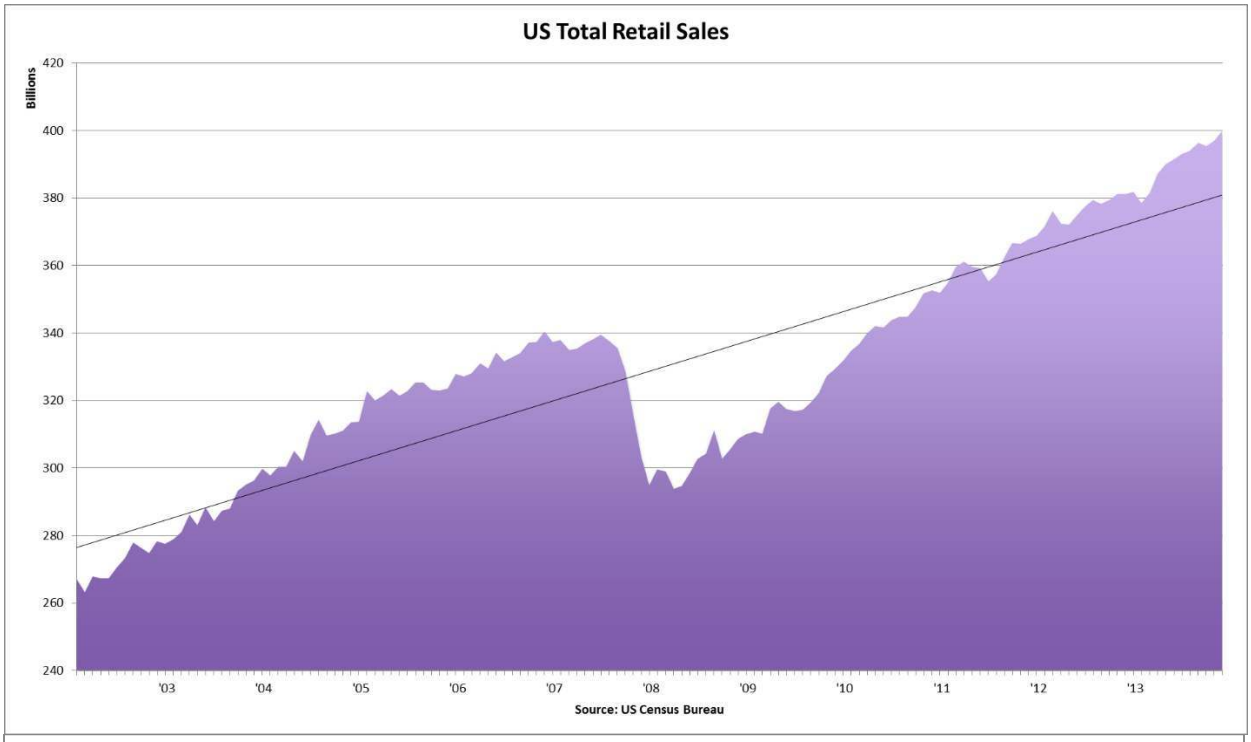
Source: US Bureau of Labor Statistics (BLS)



Consumer Situation Analysis

The consumer makes up approximately 70% of total economic activity in the U.S. and is of course the overwhelming factor in demand for leisure travel, theme park attendance, and other activities that could likely occur within the Corridor. As of early 2014, the consumer segment is relatively healthy and growing. Retail sales, the most powerful measure of consumer activity, claims new highs nearly every month and has done so for a few years. Total aggregate personal income achieved new record highs in 2014 as did per capita disposable personal income, both nominally and inflation adjusted. These factors indicate that demand for leisure travel and hospitality developments are likely to continue to grow and accelerate.


US Total Retail Sales
Billions
420
400
380
360
340
320
300
280
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240
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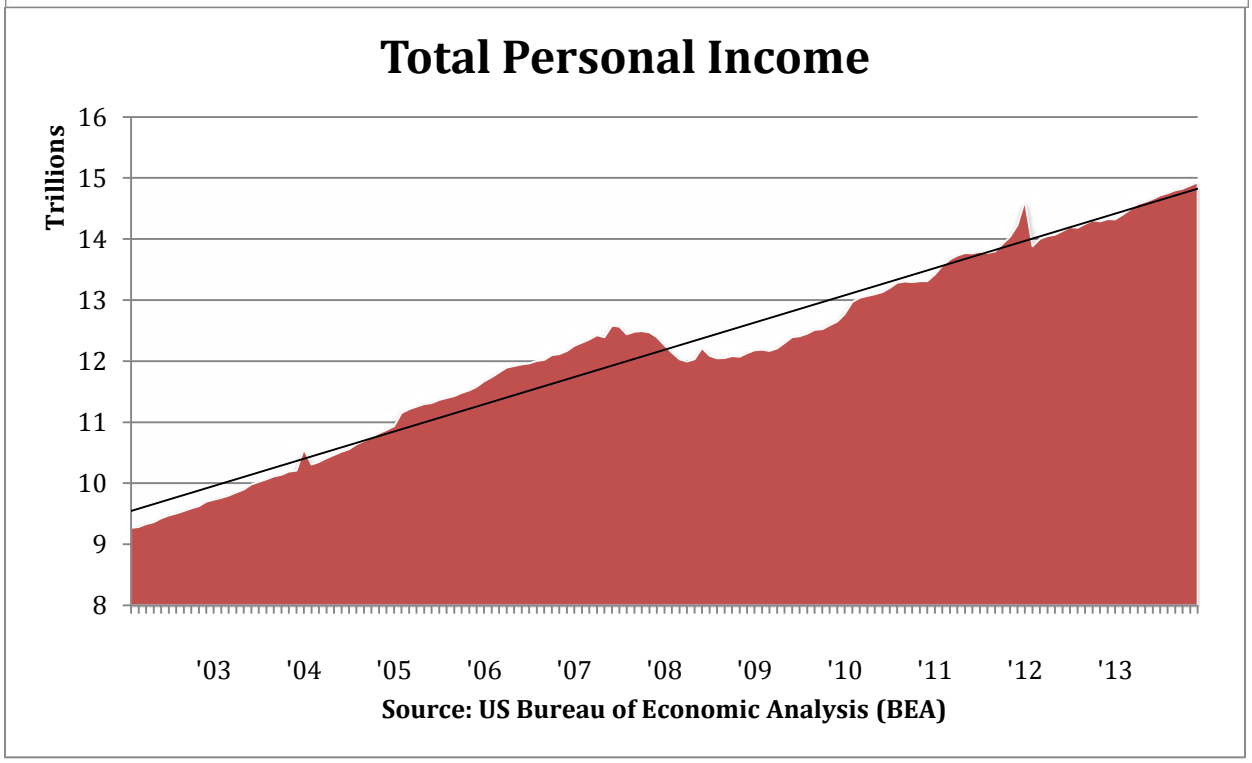
'13
Source: US Census Bureau


Total Personal Income
Trillions
16
15
14
13
12
11
10
9
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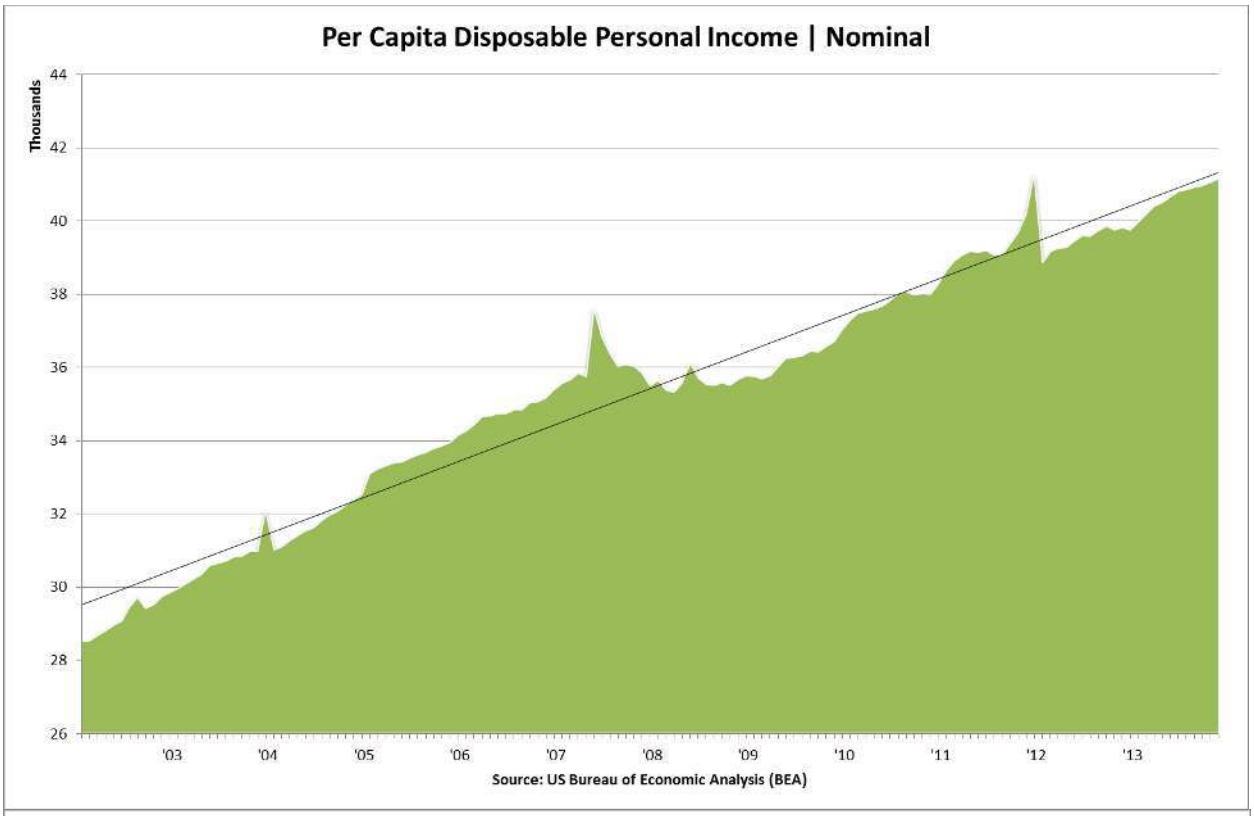
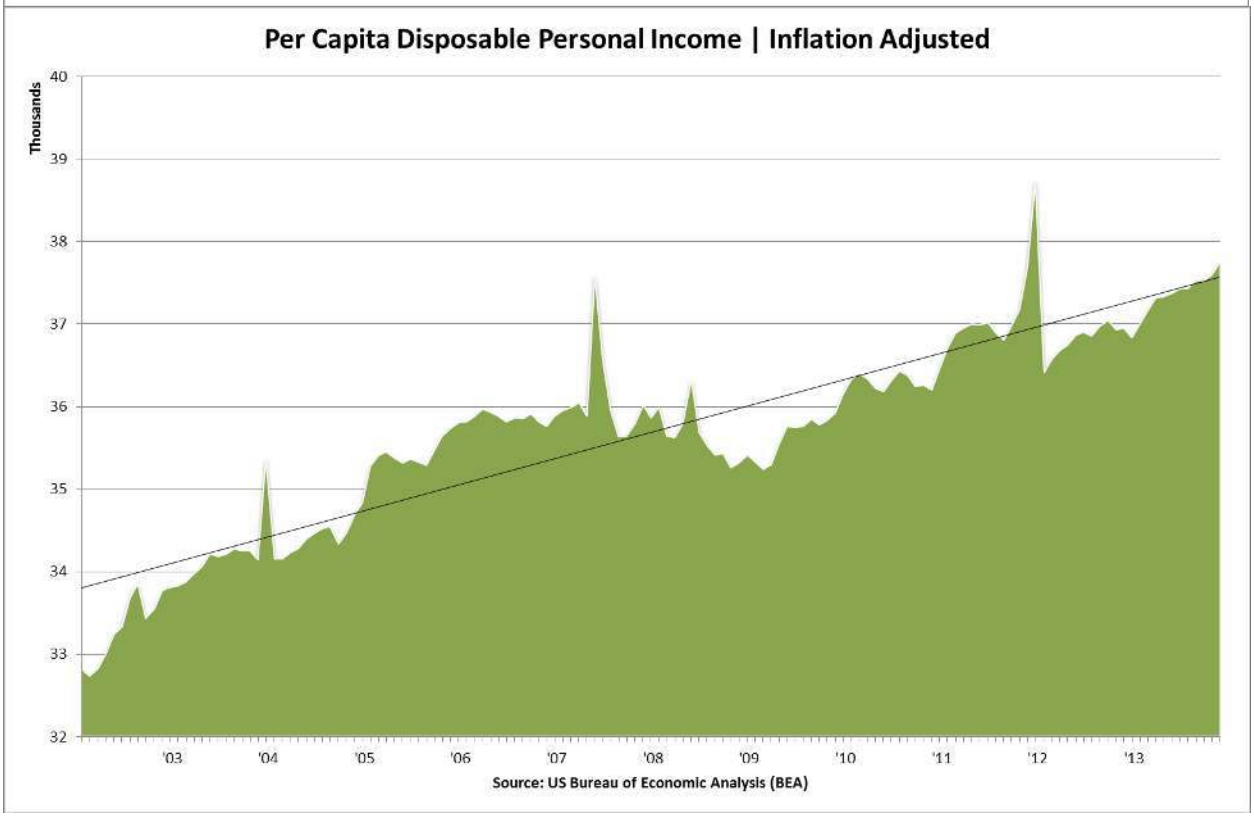
'12
'13
Source: US Bureau of Economic Analysis (BEA)

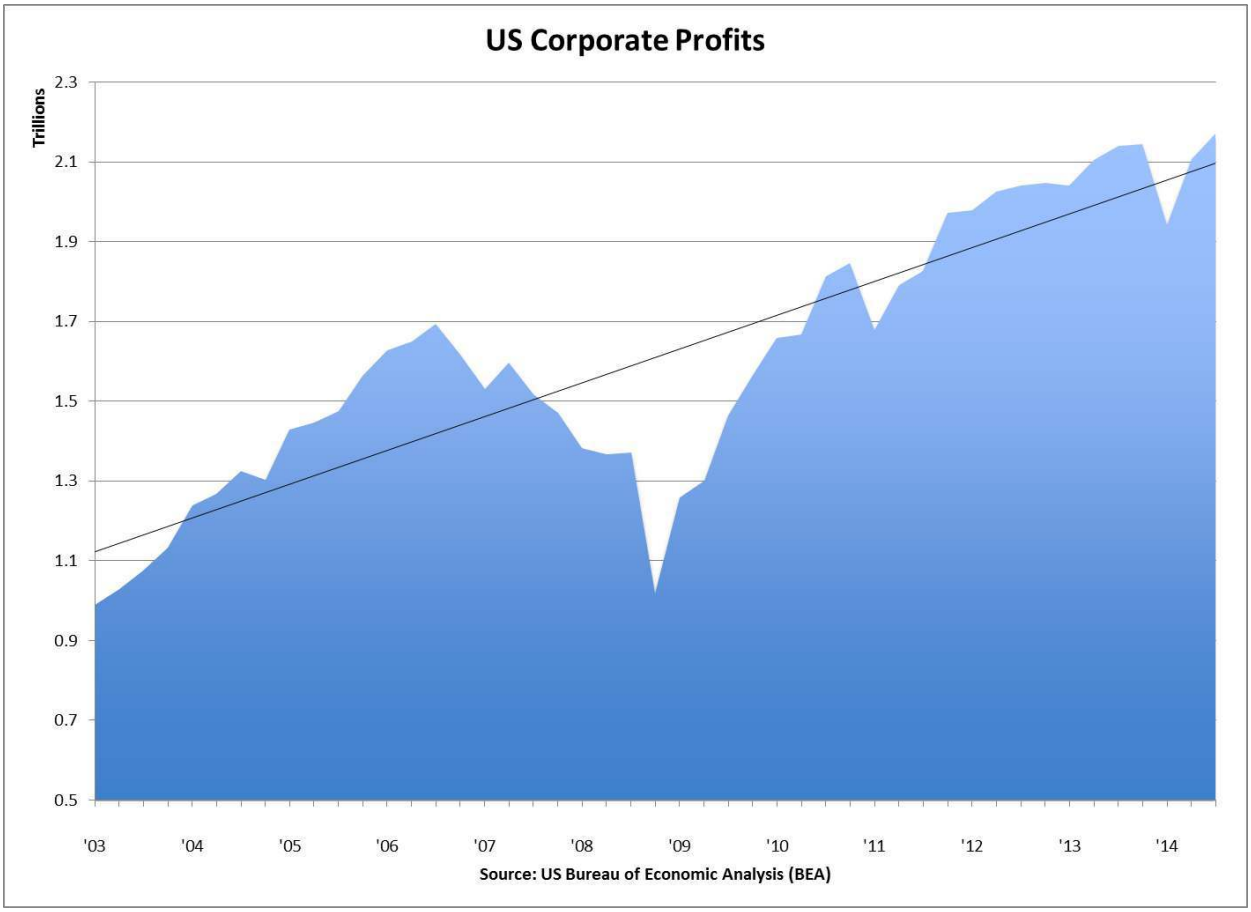


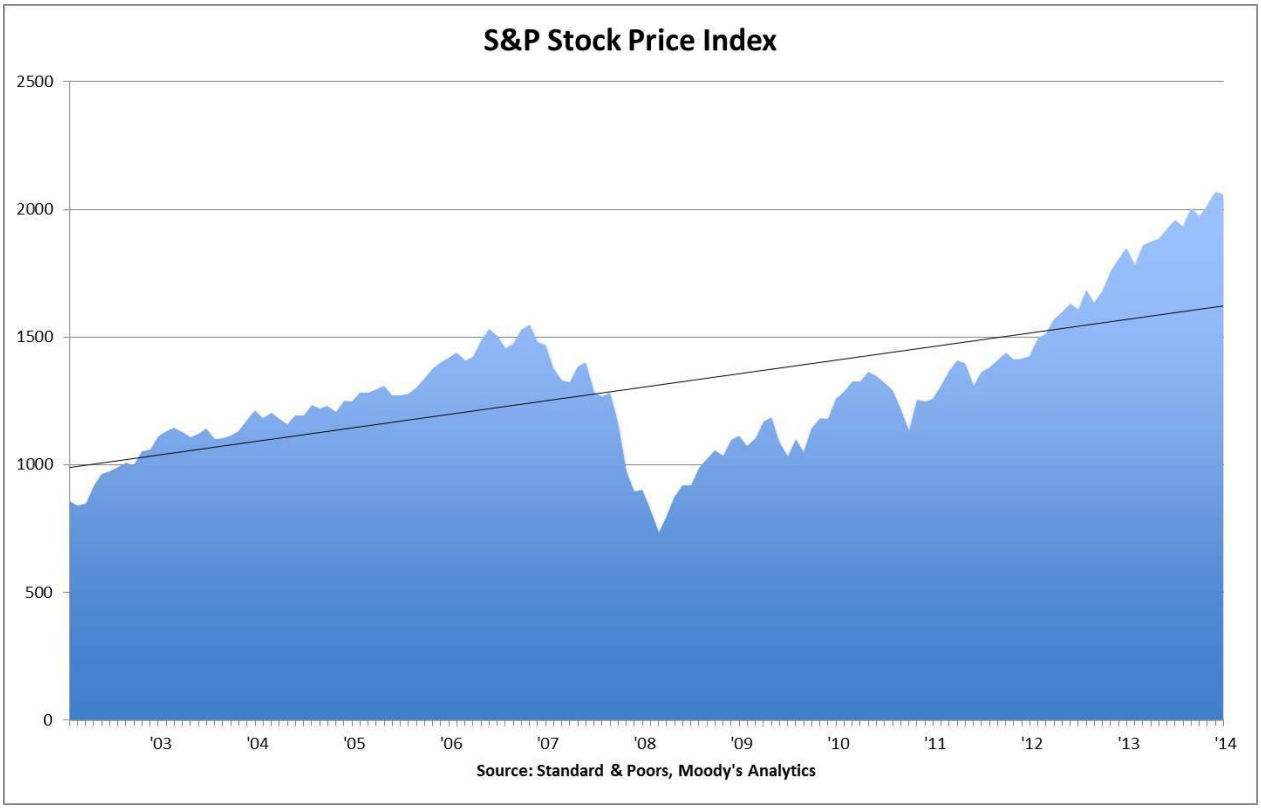


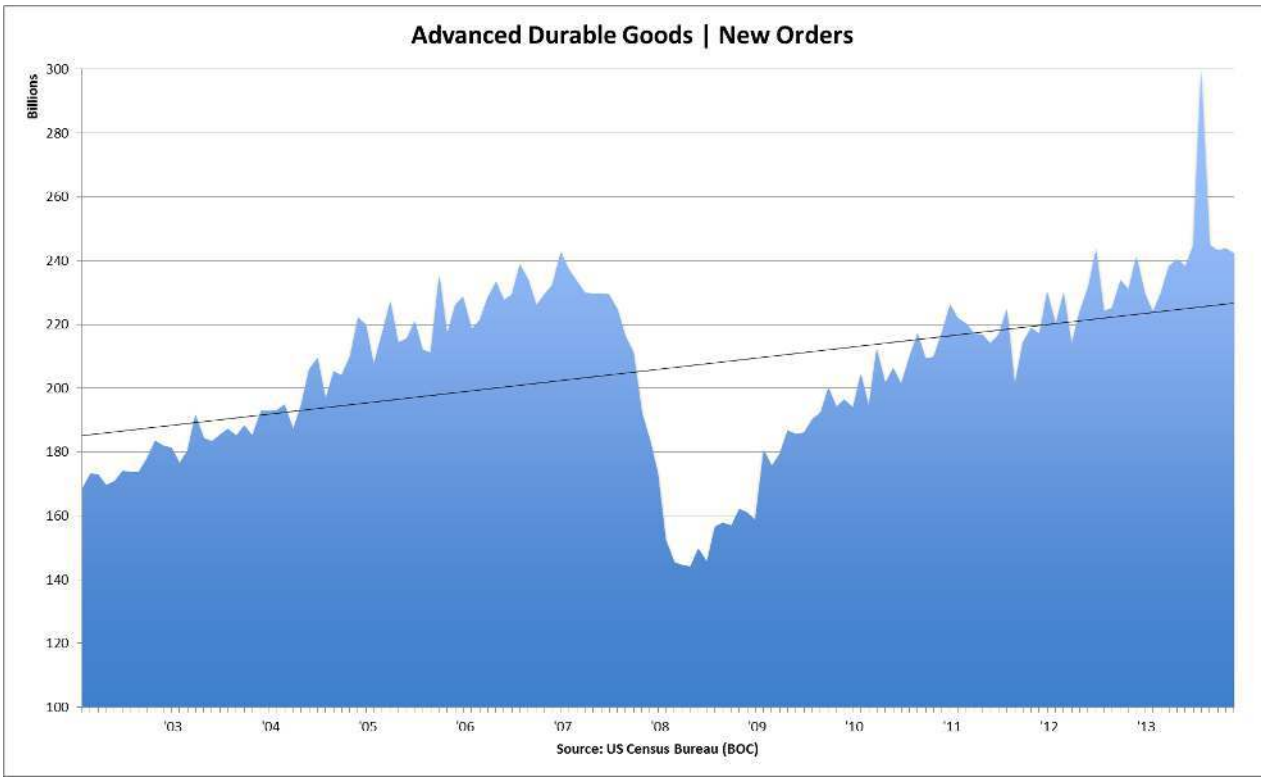
Note: Outliner peaks on personal income charts are the result of idiosyncratic events in the economy, such as the "Fiscal Cliff" in the fourth quarter of 2012.

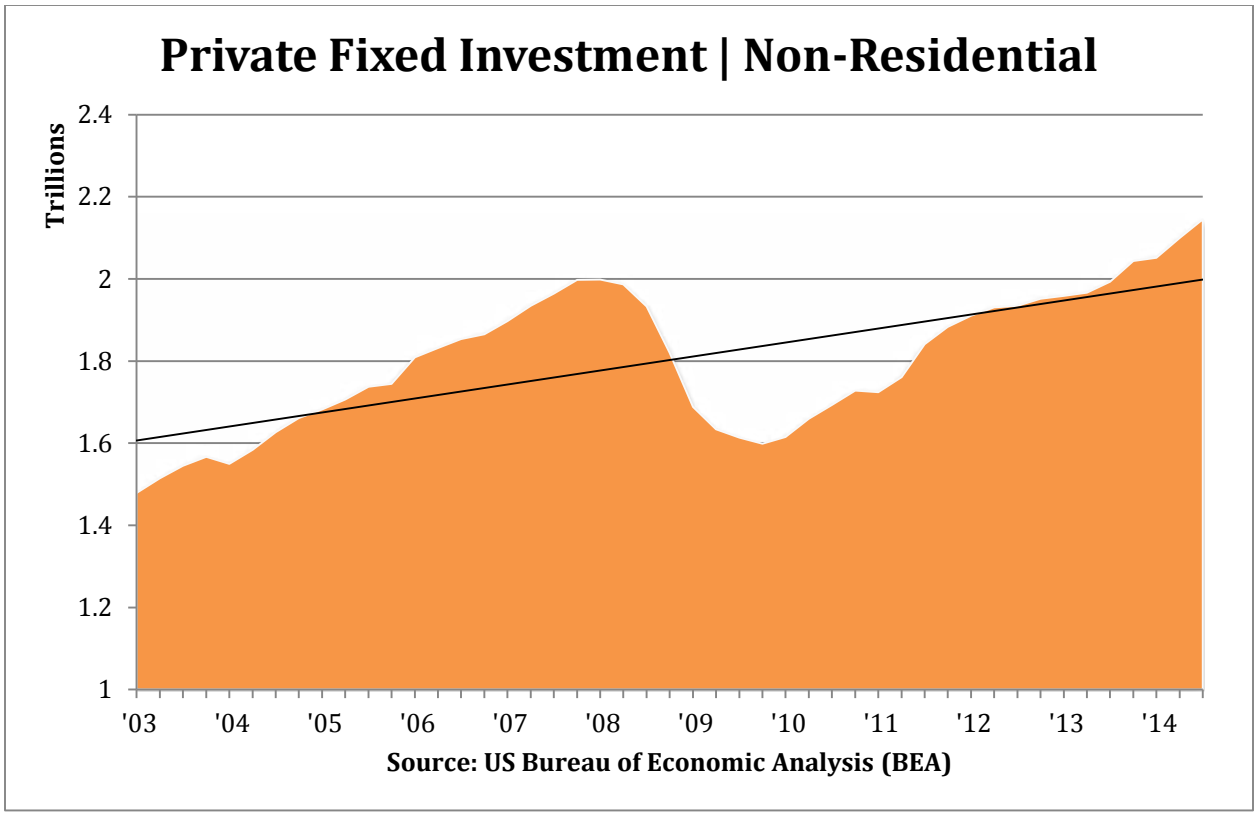
Business Situation Analysis

Given the relative strength in the broad economy and especially the consumer segment, it is not surprising to find that the business situation is also relatively healthy and expanding. Corporate profits, which recovered fairly quickly post-recession, continue to grow and set new record highs into 2014 which has naturally allowed major stock market indices, such as the Standard and Poor's 500, reached new highs in 2014 as well. Future growth also points positive as key indicators such as new orders of durable goods have resumed pre-recession strength causing businesses to invest. In fact, private fixed non-residential investment, a measure which includes commercial real estate and tourist oriented developments, has increased to record highs in 2014.




S&P Stock Price Index
2500
2000
1500
1000
500
0
'03
'04
'05
'06
'07
'08
'09
'10
'11
'12
'13
'14
Source: Standard & Poors, Moody's Analytics


Advanced Durable Goods | New Orders
Billions
300
280
260
240
220
200
180
160
140
120
100
'03
'04
'05
'06
'07
'08
'09
'10
'11
'12
'13
Source: US Census Bureau (BOC)


Private Fixed Investment | Non-Residential
Trillions
2.4
2.2
2
1.8
1.6
1.4
1.2
1
'03
'04
'05
'06
'07
'08
'09
'10
'11
'12
'13
'14
Source: US Bureau of Economic Analysis (BEA)

Real Estate Capital Markets Condition and Analysis

In order for development to occur within the Corridor, private developers must be able to access the broad capital markets for debt and equity to finance acquisition, development, and construction. Thus the health of the real estate capital markets is analyzed. One of the strongest impacts of the recent recession upon real estate investment and development was the freezing of debt and equity capital markets. These "capital freezes" were strongest through 2009 and began to improve starting in 2010. Today it is overwhelmingly evident that debt and equity availability is back to more normal conditions and interested acquirers and developers of commercial investment properties have more ready access to such capital than in recent memory. Key data points that support this finding:

- The Mortgage Bankers Association Originations Index that tracks commercial/multifamily lending reached a level not seen since 2007 in the 4th quarter of 2013.
- New issuances of Commercial Mortgage Backed Securities (CMBS) has rebounded strongly and showed a level not seen since 2007 in the 4th quarter of 2013. This trend was also shown by new mortgage commitments by Life Insurance Companies and the net flow of capital into commercial/multifamily loans.
- Delinquency rates on commercial/multifamily mortgages have fallen dramatically since the height of the recession.
- Spreads on newly issued CMBS offerings have lowered significantly indicating less risk in the mortgage market.
- Risk metrics of individual commercial loans, Loan-to-Value Ratio and Debt Service Coverage have steadily improved throughout 2013 and beyond.
- Availability of debt and equity capital is perceived to be much better in 2015 than in recent years.
- Underwriting standards for debt and equity is viewed to be relatively less rigorous in 2014 than in prior years.
- REITs and private equity funds have been successful in raising money and are likely to be making more investments in 2015 and beyond.

Economic Activity Impacting the Corridor

Overview and Purpose

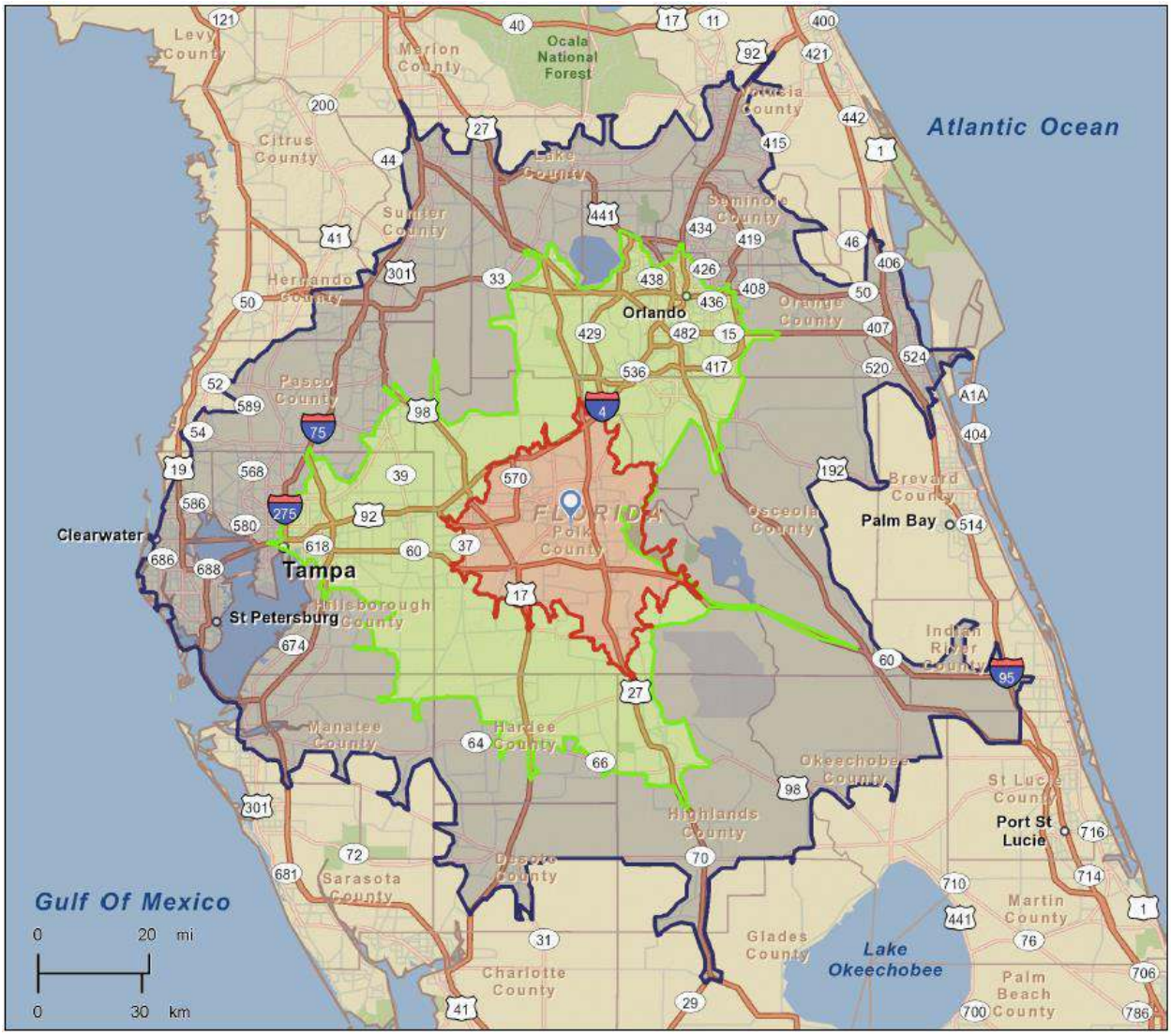
The Corridor has significant existing economic demand drivers and activity centers that are generating demand for hospitality uses such as hotels and restaurants. The most critical one, and the one that gives justification to this study, is Legoland Florida. Additionally, other major non-tourism related activities are growing and could do so at an increasing rate for the next ten years or more. These include large scale distribution facilities (such as the recently announced two million square feet Wal-Mart distribution centers near Interstate 4 and U.S. 27, approximately 30 minutes from the Corridor), the CSX Intermodal Terminal and adjacent Central Florida Logistics Center (in Winter Haven, only 10 miles away currently[4]), and the State Farm Operations Center (actually within the Corridor) for example.

These activity centers, primarily Legoland Florida, will serve as the present day catalyst for hotel, restaurant, and limited retail development within the Corridor. Thus, we attempt to explore their potential contribution to demand herein.

Regional Population and Growth Analysis

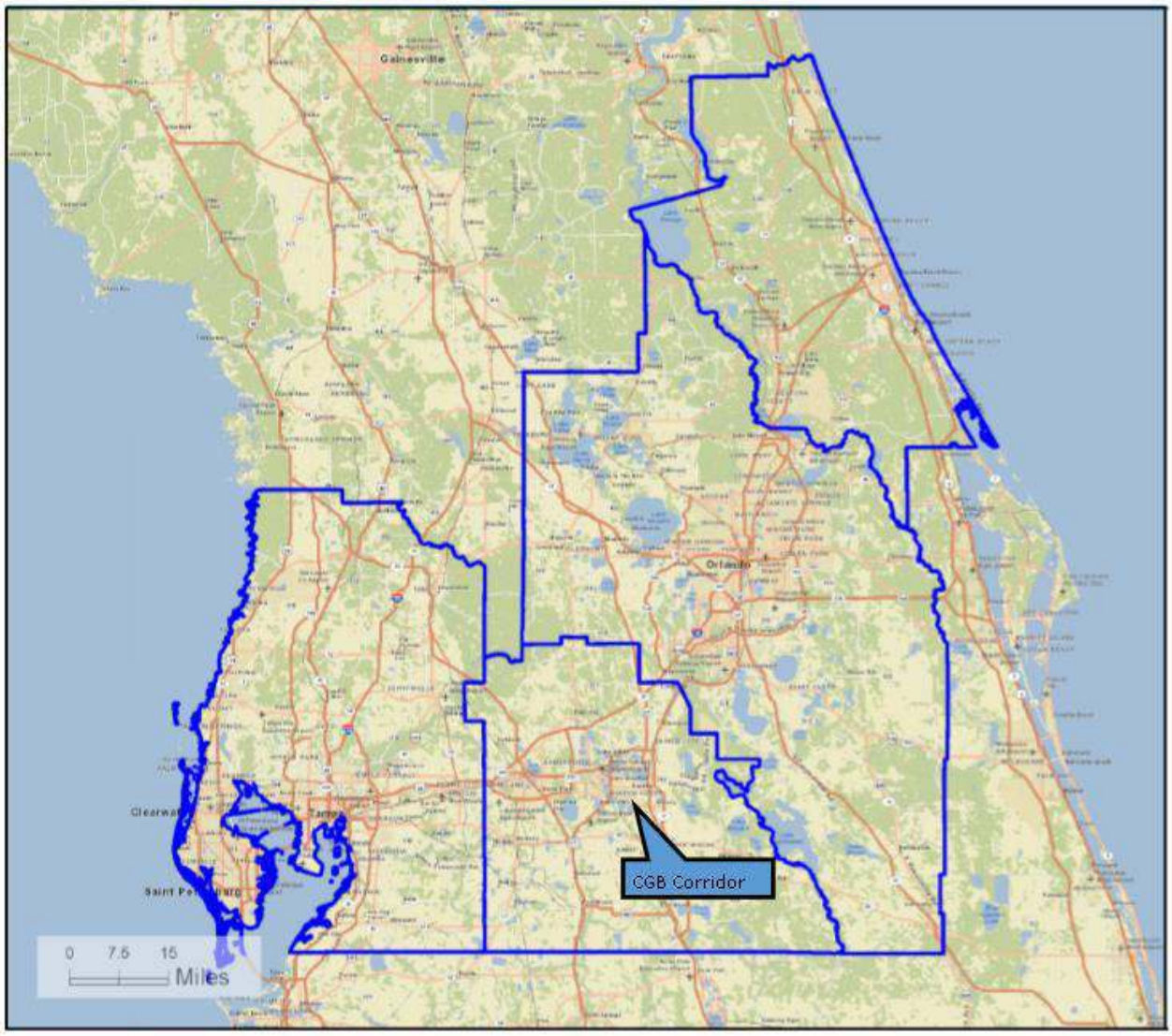
The Corridor is located in a very unique geographical spot, as it is quasi-equidistant from the centroids of the major MSAs of Tampa and Orlando. This means that the Corridor can easily capture drive-in/drive-out daily visitors from the Interstate 4 corridor along with overnight visitors making Orlando or Tampa their arrival city. Below is a 30, 60, and 90 minute drive time map from the center of the Corridor.

[4] There are road projects under consideration that may shorten the distance and travel time.



Source: ESRI, Lakemont Group

For demographic analysis, we define this relevant region as the combination of four US Census Bureau defined Core Based Statistical Areas (Tampa-St. Pete-Clearwater, Orlando-Kissimmee-Sanford, Lakeland-Winter Haven, and Deltona-Daytona Beach-Ormond Beach). While this may be an overly simplistic means of defining the Corridor's local region, it is likely the most relevant sources of local demand. For reference, 90 minutes is considered a locally commutable drive time for purposes of destination activity, shopping, and entertainment. Thus, the residents of the areas shaded in red, green, and blue above are the maximum likely consumers of goods and services along the Corridor if properly incentivized to visit. The map below shows the four CBSAs and the location of the Corridor.



Source: ESRI, US Census Bureau, Lakemont Group

This combined I-4 Corridor Region to has an impressive total population of an estimated 6,325,596 (based on ESRI 2014 projections) that is projected to grow to 6,691,700 by 2019. By comparison, this region is bigger in population terms than Atlanta (estimated 5.4 million) and Miami – Ft. Lauderdale (estimated 5.5 million) and about equal to Dallas – Ft. Worth (estimated 6.3 million). Polk County is the approximate population weighted centroid with continuous access to Interstate 4, the only common linkage to all markets in the region. The following table presents key demographic data points that could rationally form the basis for growing demand and expenditures within the Corridor. These statistics are based on the prior referenced 30, 60, and 90 minute drive times form the Corridor.

	30 Min Drive Time	60 Min Drive Time	90 Min Drive Time
2015 Population	357,172	1,927,011	5,236,130
2020 Population	373,381	2,068,990	5,587,537
2015-2020 Annual Rate	0.89%	2.77%	2.24%
Median HH Income – '15	$41,766	$45,371	$47,607
Median HH Income – '20	$49,832	$52,810	$54,567
Average HH Income – '15	$55,306	$61,786	$64,973
Average HH Income – '20	$62,851	$70,246	$73,763
HH Income >$75k – '15	24.0%	26.8%	28.8%
HH Income >$75k – '20	29.1%	31.8%	34.1%
Average Household Size – '15	2.62	2.69	2.56
Average Household Size – '20	2.63	2.70	2.56
Median Age – '15	40.6	37.6	38.7
Median Age – '20	41.5	37.9	38.8
Consumer Profile (% of Adult)			
Visited a Theme Park	43,358 (15.7%)	269,683 (18.1%)	744,267 (18.1%)
5+ Times in last 12 months	9,667 (3.5%)	59,744 (4.0%)	164,090 (4.0%)
Fresh Water Fishing	37,760 (13.6%)	185,595 (12.5%)	498,515 (12.1%)
Golf	24,296 (8.8%)	132,488 (8.9%)	391,774 (9.5%)
Attend sports event	55,786 (20.2%)	330,965 (22.3%)	955,599 (23.3%)
- Major League Baseball	19,326 (7.0%)	125,763 (8.5%)	373,607 (9.1%)
Attend Auto Show	22,861 (8.3%)	125,041 (8.4%)	345,139 (8.4%)
Overnight Camping	32,671 (11.8%)	178,342 (12.0%)	506,242 (12.3%)
Attend Country Music	16,010 (5.8%)	83,429 (5.6%)	229,815 (5.6%)
Attend Rock Music	21,723 (7.8%)	131,531 (8.8%)	390,350 (9.5%)
Went to zoo	28.602 (10.3%)	163,691 (11.0%)	480,218 (11.7%)
Bought child toy/game	90,172 (32.6%)	500,483 (33.7%)	1,370,395 (33.4%)
- Builder set	11,115 (4.0%)	59,984 (4.0%)	166,155 (4.0%)
- Construction toy	14,240 (5.1%)	73,530 (4.9%)	203,732 (5.0%)
Went to fine dining – 1month	25,458 (9.2%)	149,289 (10.0%)	444,774 (10.8%)
- 3+ times last month	7,228 (2.6%)	41,417 (2.8%)	122,434 (3.0%)

Source: ESRI Market Profile, US Census

These demographic figures will be used later herein to describe the potential for local drive-in, drive-out daily visitors to the Corridor to help support and sustain future growth and development of tourist properties and businesses within the Corridor.

Commerce and Trade Demand Analysis

The Corridor is located within Polk County, Florida, an area that is well located and well served by highways, railways, and airports to distribute goods across the State of Florida and especially within Central Florida. Given the economic growth demographics discussed above, there has been an increasing pace of industrial and commerce development that is fueling employment and thus having a multiplier effect across many industries and economic activities in the region. These activities which are a core component of Polk County's

economic base will generate the need for hotel room nights and some excess restaurant and retail expenditure. Thus, we believe that new hotel and tourist amenities built in the Corridor (discussed in detail in later sections), will benefit from local resident use and business travel, rather than the vast majority being from leisure travel alone.

Below is a summary of some key economic drivers (non-tourist related) that could directly benefit business establishments within the Corridor given their close proximity and accessibility.

1. CSX Intermodal Terminal and Central Florida Intermodal Logistics Center

These adjacent, related projects are located 10 miles from the Corridor and are expected to gain better access via new and expanded roadways in the planning phase currently. The CSX Intermodal Terminal sits on 318 acres itself and the Central Florida Intermodal Logistics Center has an additional 932 adjacent acres with ease of access to the rail terminal[5]. This project opened in 2014 and still very early its development and growth cycle. The total potential square footage that can built on these tracts is over 30 million square feet. The exact timing of build out and firms commencing operations is very difficult to estimate at this point in time. However, we believe this project and its related activities will generate a significant amount of business travelers who can be served by hospitality establishments within the Corridor. Below are summary results from an economic impact study conducted by Martin Associates based on potential levels of industrial space build-out.

Economic Impact of Distribution Center/Warehousing Operations

	4M sf	8M sf	15M sf	30M sf
Jobs				
Direct Jobs	2,392	4,784	8,970	17,940
Induced	1,096	2,192	4,110	8,220
Indirect	1,686	3,372	6,322	12,645
Total	**5,174**	**10,348**	**19,402**	**38,804**
Total Income/Local Consumption	**$293M**	**$585M**	**$1.1B**	**$2.2B**
Local Purchases	**$89M**	**$179M**	**$336M**	**$673M**
State/Local Taxes	**$27M**	**$54M**	**$102M**	**$204M**

Source: Martin Associates, Winter Haven Economic Development Council

2. Florida Polytechnic University

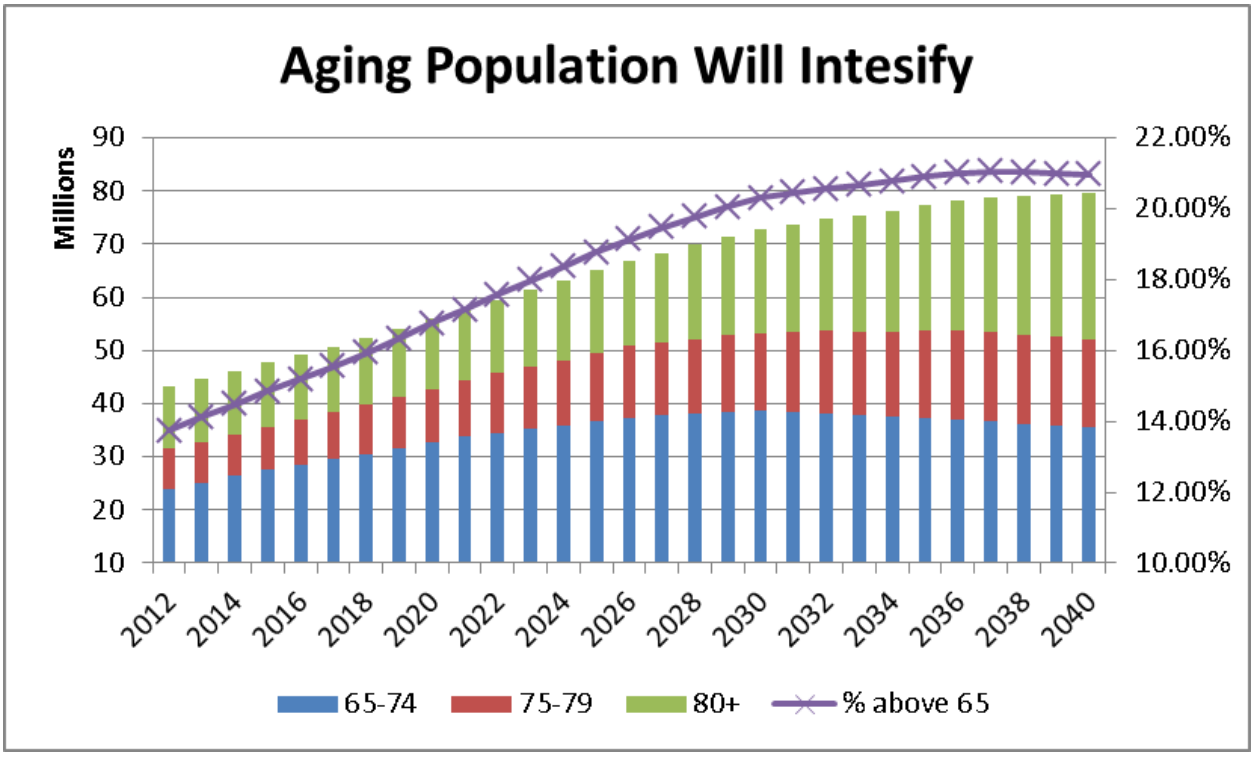
Florida Polytechnic University is the newest university formed within the State University System in Florida and is located approximately 30 minutes from the Corridor. This university was created in 2012 and had approximately 550 students enrolled as of the 2014-15 school year with mandates from the Board of Governors to increase enrollment to target of 1,244

[5] There is an estimated additional 5000 +/- acres that could be developed for future industrial uses near the CSX Intermodal Terminal as well.

by year end of 2016. This university is designed to specialize in high tech STEM fields and thus could cause significant economic development in the local area. While this is not seen as a significant demand driver in the short term, it could become one over the long term. Once again, we believe that this is yet another source of business traveler activity that could benefit the Corridor.

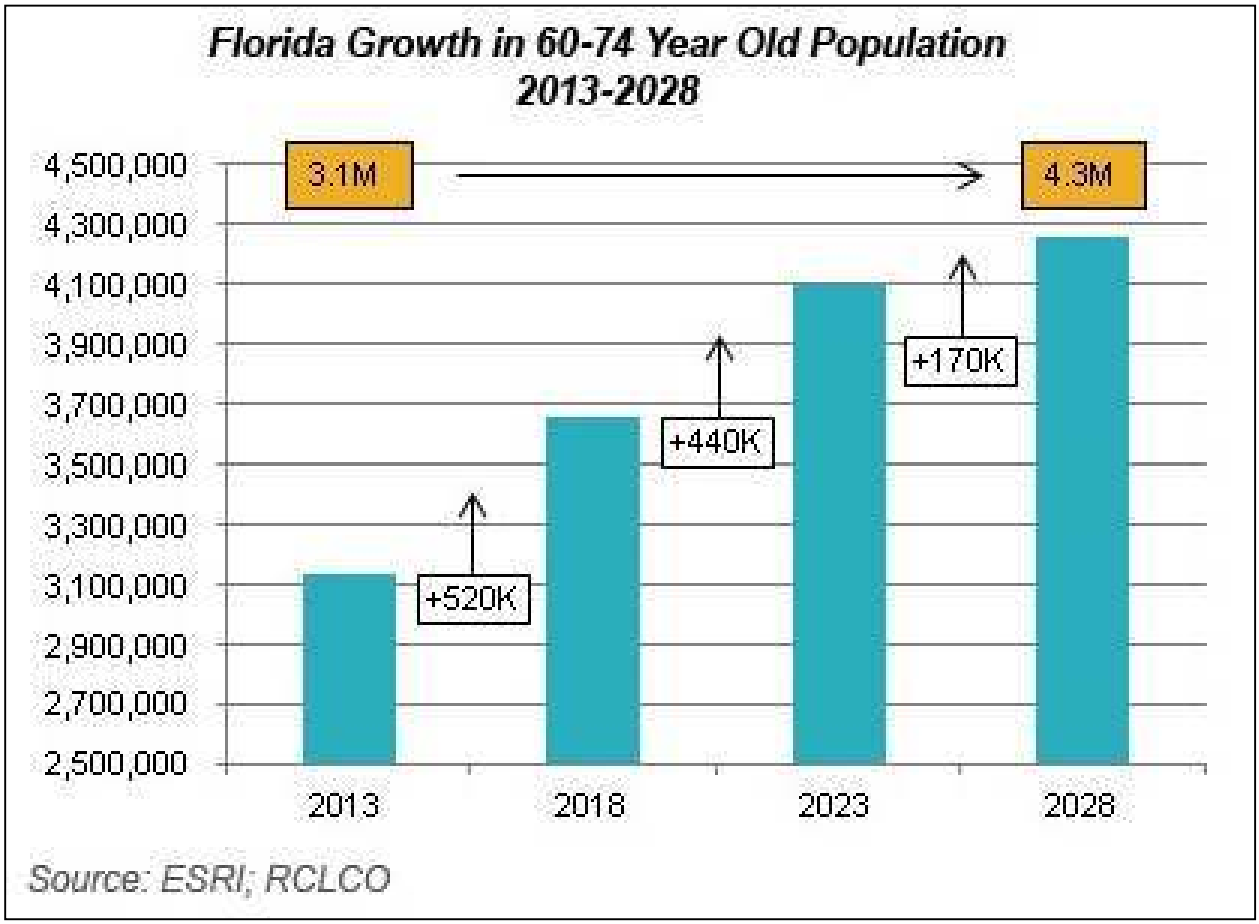
Retirement & Relocation Analysis

The United States is undergoing a demographic shift that will bring the percentage of residents over the age of 65 to over 20% by approximately 2025 (Florida has already achieved this accomplishment). As such, it is our belief that Florida and specifically Polk County will receive an ever increasing share of inbound retirements and relocations given the state and regions high quality of life which includes a great climate, no state income tax, and numerous recreational activities. The Corridor could benefit from additional demand generated by retirements and relocations to the surrounding areas in multiple ways. First, these residents who by their nature have more leisure time than others can make use of establishments within the Corridor themselves; or, more importantly, can be the catalyst to bring their children and grandchildren to the Corridor as tourists themselves. Multiple surveys by travel research organizations have found an increasing desire for multigenerational vacations and the Corridor could potentially be developed to maximize demand from such sources[6].



Source: US Census Bureau, Lakemont Group

[6] Dan Peltier with Skift Travel Trends writes that a survey reported at 26% of Americans expect to take a vacation in the next 12 months that includes three generations.


Florida Growth in 60-74 Year Old Population
2013-2028
4,500,000
4,300,000
4,100,000
3,900,000
3,700,000
3,500,000
3,300,000
3,100,000
2,900,000
2,700,000
2,500,000
3.1M
4.3M
+520K
+440K
+170K
2013
2018
2023
2028
Source: ESRI; RCLCO

Legoland Florida & Merlin Entertainment Analysis

Overview of Merlin Entertainments plc

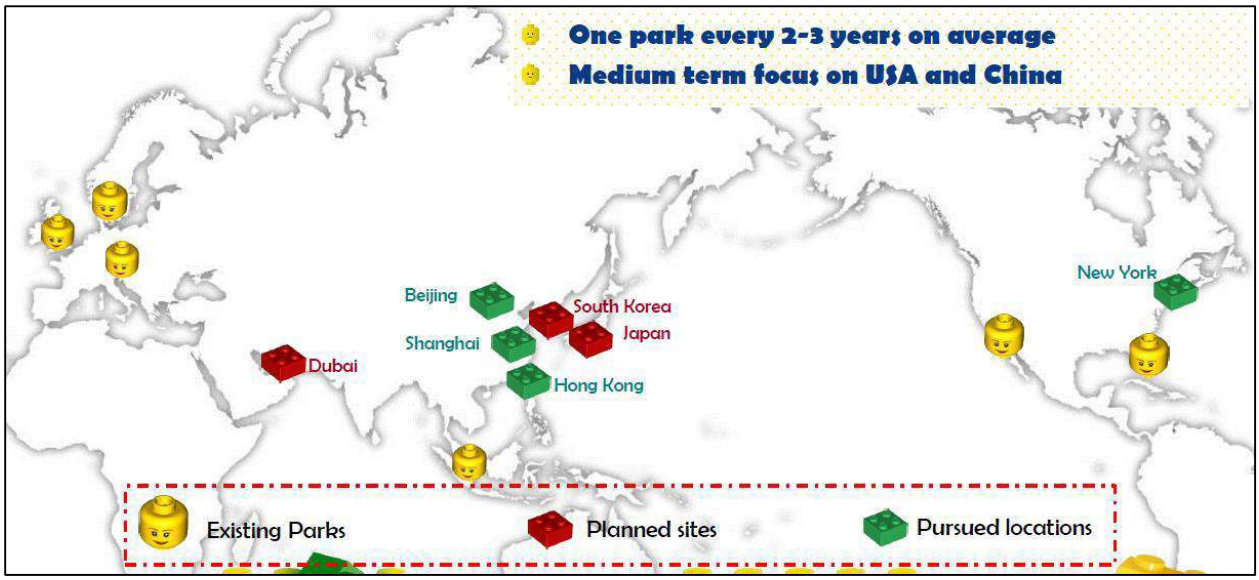
The central and most important demand driver impacting the Corridor is the star of the Corridor itself, Legoland Florida. Legoland Florida opened in late 2011 on the site that formally contained Cypress Gardens, which was considered Florida's first theme park. The park is owned and operated by Merlin Entertainments plc ("Merlin"), a United Kingdom based entertainment developer and operator with locations across the globe. Merlin is second globally (number one is Disney) in number of visitors and divided into three operating groups; Midway Attractions with 92 attractions comprising 42% of Merlin's 2014 revenue; LEGOLAND Parks with 6 parks comprising 31% of 2014 revenue; and Resort Theme Parks with 6 parks comprising 27% of revenue.

Source: Merlin Entertainments plc, brand platform explained

Source: Merlin Entertainments plc, global map of operations and listing of existing Legoland Parks

Source: Unicorp, rendering of the Orlando Eye, a Midway attraction managed by Merlin

Merlin is aggressively acquiring and opening new attractions across all of its platforms and investing significant levels at many of its parks (especially Legoland Florida). According to its public filings, Merlin is opening two new hotels (one being the 152 room Legoland Florida hotel), 14 new Midway attractions and at least three new Legoland parks (Dubai, Japan, and South Korea). Of significant benefit to the Corridor, a cluster of these new Midway attractions have recently opened in the International Drive district of Orlando and Merlin reports plans to use those attractions as a means to sell tickets to Legoland Florida. This cluster consists of the Orlando Eye observation wheel, a Sea Life aquarium, and a Madame Tussauds wax museum.



Source: Merlin Entertainments plc, summary of Legoland Parks development plans

Financial Analysis of Merlin Entertainments plc

Merlin Entertainments plc is publically traded on the London Stock Exchange under the ticker symbol MERL (LON:MERL), a constituent of the FTSE 100 Index, and is considered to be primarily in the entertainment facilities industry. The firm has an approximate 4.5 Billion GBP market capitalization was recently trading at an approximate 28 price to earnings multiple with an approximate one year return of 28.05%. Below is series of selected financial performance data from a recent (March 2015) public filing.

Revenue	2012 (£m)	Per cent. of revenue	2013 (£m)	Per cent. of revenue	2014 (£m)	Per cent. of revenue
U.K.	425	40	466	39	490	39
Continental Europe	280	26	307	26	318	26
North America	217	20	247	21	274	22
Asia Pacific	152	14	172	14	167	13
Total	1,074	100	1,192	100	1,249	100

Source: Merlin Entertainments plc, summary of geographic source of revenue

Consolidated Income Statement

	52 weeks ended 29 December 2012	52 weeks ended 28 December 2013	52 weeks ended 27 December 2014
		(£ in millions)	
Revenue	**1,074**	**1,192**	**1,249**
Cost of sales	(163)	(170)	(181)
Gross profit	**911**	**1,022**	**1,068**
Staff expenses	(262)	(297)	(312)
Marketing	(56)	(63)	(62)
Rent	(74)	(80)	(83)
Other operating expenses[1]	(179)	(222)	(200)
Depreciation, amortisation and impairment	(141)	(100)	(100)
Operating profit	**199**	**260**	**311**
Finance income	25	21	2
Finance costs	(126)	(109)	(87)
Profit before tax	**98**	**172**	**226**
Taxation	(22)	(27)	(64)
Profit for the year	**76**	**145**	**162**

Source: Merlin Entertainments plc

Consolidated Statement of Financial Position

	52 weeks ended 29 December 2012	52 weeks ended 28 December 2013	52 weeks ended 27 December 2014
		(£ in millions)	
Total non-current assets	2,297	2,344	2,414
Total current assets	212	358	372
Total assets	**2,509**	**2,702**	**2,786**
Total non-current liabilities	1,614	1,488	1,449
Total current liabilities	278	270	274
Total liabilities	**1,892**	**1,758**	**1,723**
Net assets	**617**	**944**	**1,063**
Total equity	**617**	**944**	**1,063**

Source: Merlin Entertainments plc

Consolidated Statement of Cash Flows

	52 weeks ended 29 December 2012	52 weeks ended 28 December 2013	52 weeks ended 27 December 2014
		(£ in millions)	
Net cash inflow from operating activities	348	365	357
Net cash outflow from investing activities	(233)	(157)	(193)
Net cash outflow from financing activities	(34)	(83)	(148)
Net increase in cash and cash equivalents	**81**	**125**	**16**

Source: Merlin Entertainments plc

Other Key Performance Measures

	52 weeks ended 29 December 2012	52 weeks ended 28 December 2013	52 weeks ended 27 December 2014
Visitors[1] (million)			
Midway Attractions	33.0	37.1	38.1
LEGOLAND Parks	10.5	11.5	12.7
Resort Theme Parks	10.5	11.2	12.0
Group Total	**54.0**	**59.8**	**62.8**
Revenue per capita[2][3] (£)			
Midway Attractions	13.29	13.48	13.35
LEGOLAND Parks	28.67	29.95	29.97
Resort Theme Parks	22.57	23.11	22.75
Group Total	**17.93**	**18.14**	**18.15**
Like-for-like revenue growth[1][2][4] (per cent.)			
Midway Attractions		9	3
LEGOLAND Parks		5	13
Resort Theme Parks		5	7
Group Total[5]		7	7
Like-for-like Underlying EBITDA growth[1][2][6][7] (per cent.)		**6**	**8**

Source: Merlin Entertainments plc

Other Operating, Financial and *Pro Forma* Financial Information:

	52 weeks ended 29 December 2012	52 weeks ended 28 December 2013	52 weeks ended 27 December 2014
	(£ in millions except ratios)		
Capital expenditures	163	152	192
EBITDA[1]	340	360	411
Underlying EBITDA[1]	346	390	411
Underlying EBITDA margin (per cent.)[2]	32	33	33
Pro forma cash and cash equivalents[3]			149
Pro forma total financial indebtedness[4]			1,112
Pro forma net financial indebtedness[5]			962
Pro forma cash interest expense[6]			34
Ratio of *pro forma* net financial indebtedness to Underlying EBITDA[1][5]			2.3x
Ratio of Underlying EBITDA to *pro forma* cash interest expense[1][6]			12.2x

Source: Merlin Entertainments plc

Overall, Merlin would be considered a growth stock that has been fueled its own expansion of new attractions, growth at existing attractions, and improvement in the overall health of the global economy and tourism market. Merlin and by direct proxy, Legoland Florida, appears to very financially strong with a management team expressing a strong desire to continually fund and increase capital expenditure at its facilities including Legoland Florida.

Regional Tourism Activity and Analysis

Overview and Purpose

In order to construct recommendations on development of real estate and business establishments within the Corridor, it is critical to establish a baseline market potential that the Corridor could capture in terms of market share. Working on the aforementioned determination that the highest and best use of the Corridor is a Tourist – Commercial District, we select the Orlando tourist market as the relevant reference market to make capture and market share determinations. We do this for several reasons; first, it is believed that the bulk of current overnight Legoland Florida visitors are coming from the Orlando region, in other words, already on a "Orlando vacation"; second, the Orlando tourist market is anchored by major theme parks (Walt Disney World, Universal Orlando, Sea World) and thus the Corridor, anchored by Legoland Florida, should be able to capture a somewhat similar visitor profile; and third, the current drive time is approximately one hour from the bulk of Orlando tourist focused lodging establishments, meaning the Corridor is an easy reach for these visitors.

Orlando Tourist Market Overview and Analysis

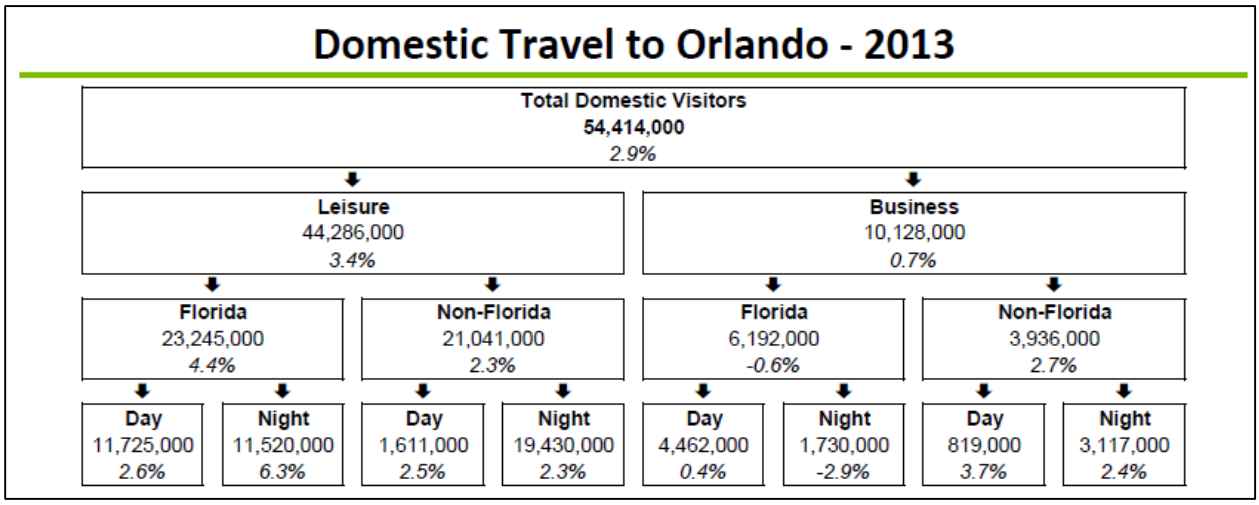
Orlando is now the number one destination in the United States in terms of number of visitors with over 62 million people visiting the region in 2014 up from 59 million in 2013 an increase of 4.84%. Below is a breakdown of statistics from Visit Orlando on the domestic and overseas visitors to Orlando from the most recent comprehensive study, 2013.

Characteristics	US Domestic Leisure		Florida Domestic Leisure		Orlando Domestic Leisure	
Average Household Income	$87,171		$86,895		$89,342	
Average Party Size (persons)	2.1		2.2		2.5	
Party Structure	With Children	17%	With Children	18%	With Children	30%
	Adults only	83%	Adults only	82%	Adults only	70%
	1 Male & 1 Female	36%	1 Male & 1 Female	38%	1 Male & 1 Female	36%
	1 Adult	34%	1 Adult	31%	1 Adult	23%
	2 Males or 2 Females	6%	2 Males or 2 Females	6%	2 Males or 2 Females	6%
	3+ Adults	6%	3+ Adults	7%	3+ Adults	6%
Top Activities	Visit Friends/Relatives	30%	Visit Friends/Relatives	32%	Theme/Water Parks	60%
	Shopping	29%	Beach/Waterfront	34%	Shopping	35%
	Culinary/Dining	27%	Shopping	33%	Culinary/Dining Experience	28%
	Beach/Waterfront	16%	Culinary/Dining	33%	Visit Friends/Relatives	22%
	Touring/Sightseeing	14%	Theme/Water Parks	21%	Touring/Sightseeing	15%
Average Nights (All visitors)	1.5		2.5		2.9	
Average Nights (Overnight only)	2.8		3.7		3.8	
Spending per party per trip	$567		$917		$1,333	

Source: Visit Orlando, D. K. Shifflet & Associates, characteristics of domestic visitors

Characteristics	Florida Residents		Non-Florida Residents	
Purpose of Trip	General vacation	11%	General vacation	58%
	Getaway weekend	22%	Getaway weekend	7%
	Day Trip	12%	Day Trip	4%
	Special event and Other	36%	Special event and Other	17%
	Visit friends and relatives	18%	Visit friends and relatives	14%
Party Structure	With children	25%	With children	35%
	Adults only	75%	Adults only	65%
Average Party Size (persons)	2.4		2.6	
Top Activities	Theme/Water Parks	52%	Theme/Water Parks	68%
	Shopping	30%	Shopping	40%
	Culinary/Dining Experience	24%	Culinary/Dining Experience	32%
	Visit Friends/Relatives	20%	Visit Friends/Relatives	24%
Average Nights	1.2		4.5	
Spending per party per trip	$557		$2,208	
Transportation Type	Air	1%	Air	45%
	Auto	98%	Auto	53%
	Other	1%	Other	1%
Average Household Income	$71,408		$107,169	
Hispanic	24%		13%	

Source: Visit Orlando, D. K. Shifflet & Associates, characteristics of domestic visitors



Source: Visit Orlando, D. K. Shifflet & Associates, characteristics of domestic visitors

Purpose of Trip	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
VACATION	63%	61%	57%	57%	45%	69%	66%	32%
General Vacation	37%	35%	30%	35%	11%	58%	46%	0%
Getaway Weekend	14%	17%	16%	14%	22%	7%	19%	0%
Day Trip	12%	10%	11%	8%	12%	4%	0%	32%
NON-VACATION	37%	39%	43%	43%	55%	31%	35%	68%
Visit Friend/Relative	13%	15%	16%	16%	18%	14%	15%	21%
Special Event	12%	11%	10%	12%	17%	8%	10%	18%
Other Personal	13%	13%	16%	15%	19%	10%	10%	29%

Note: Categories may not add to the total due to rounding.

Top 15 Activities *	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
Theme/Water Parks	56%	53%	58%	60%	52%	68%	66%	45%
Shopping	38%	35%	38%	35%	30%	40%	38%	24%
Culinary/Dining Experience	50%	28%	29%	28%	24%	32%	31%	19%
Visit Friends/Relatives	NA	23%	25%	22%	20%	24%	22%	20%
Touring/Sightseeing	9%	19%	17%	15%	12%	17%	16%	11%
Beach/Waterfront	4%	14%	12%	12%	5%	19%	14%	6%
Nightlife	9%	12%	12%	10%	8%	13%	12%	5%
Movies	NA	8%	11%	7%	7%	7%	7%	8%
Concerts, Theatre, Dance	4%	13%	7%	6%	5%	6%	6%	5%
Parks (national/state, etc)	3%	8%	10%	5%	5%	6%	6%	3%
Wildlife Viewing (i.e. birds)	1%	5%	5%	5%	2%	8%	6%	1%
Holiday (i.e. July 4th)	NA	6%	7%	4%	4%	4%	4%	5%
Zoo/Aquarium	NA	5%	5%	4%	1%	7%	5%	1%
Golfing	2%	3%	4%	4%	3%	5%	4%	4%
Museums, Art Exhibits etc.	1%	4%	5%	4%	3%	5%	4%	5%

*Percentages may add to more than 100% due to multiple responses.

	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
Average Number of Theme Parks Visited per Stay	**NA**	**NA**	**2.85**	**2.75**	**2.05**	**3.28**	**2.92**	**2.05**

Activities Nets*	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
Attractions	60%	60%	65%	66%	59%	73%	72%	50%
Family/Life Events	NA	31%	34%	40%	40%	41%	41%	38%
General	54%	43%	42%	39%	35%	43%	41%	31%
Libation and Culinary	50%	28%	30%	28%	24%	32%	31%	19%
Nature	8%	22%	22%	19%	11%	27%	22%	10%
Culture	8%	20%	22%	18%	17%	19%	18%	18%
Touring/Sightseeing	11%	19%	17%	15%	12%	17%	16%	11%
Outdoor Sports	5%	13%	13%	12%	8%	16%	13%	9%

*Percentages may add to more than 100% due to multiple responses.

Source: Visit Orlando, D. K. Shifflet & Associates, characteristics of domestic visitors

Accommodation Type	2010	2011	2012	2013	Florida Residents	Non-Florida Residents
Hotel/Motel	59%	57%	61%	65%	70%	61%
Home/Apartment/Condo	19%	19%	24%	20%	18%	21%
Timeshare	14%	14%	12%	10%	7%	11%
Other	8%	9%	3%	6%	6%	6%

Note: Categories may not add to 100% due to rounding.

Hotel Levels	2010	2011	2012	2013	Florida Residents	Non-Florida Residents
High End	63%	59%	60%	68%	61%	73%
Mid-Level	25%	27%	28%	21%	23%	20%
Economy	12%	14%	12%	11%	16%	7%

Note: Categories may not add to 100% due to rounding.

Length of Stay	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
AVERAGE NIGHTS	**2.9**	**2.9**	**2.8**	**2.9**	**1.2**	**4.5**	**3.8**	**0.0**
Day-trip	32%	26%	29%	26%	46%	6%	0%	100%
1 to 3 Nights	32%	40%	39%	38%	45%	30%	51%	0%
4 to 7 Nights	28%	30%	28%	32%	9%	55%	43%	0%
8+ Nights	7%	4%	5%	5%	0%	9%	6%	0%

Note: Categories may not add to 100% due to rounding.

	2010	2011	2012	2013	Florida Residents	Non-Florida Residents
Visited in past 3 years	74%	68%	65%	66%	86%	54%
Have not visited in past 3 years	26%	32%	35%	34%	14%	46%

Note: Starting in 2010, the repeat visitation question is only asked of the overnight visitors.

Party Composition	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
AVERAGE PARTY SIZE	**2.8**	**2.5**	**2.4**	**2.5**	**2.4**	**2.6**	**2.6**	**2.2**
With Children	35%	28%	24%	30%	25%	35%	35%	18%
Adults Only	65%	72%	76%	70%	75%	65%	65%	82%
1 Male & 1 Female	35%	35%	38%	36%	39%	32%	35%	36%
1 Adult	15%	24%	24%	23%	24%	22%	20%	31%
2 Males or 2 Females	7%	5%	8%	6%	7%	4%	4%	10%
3+ Adults	9%	8%	6%	6%	5%	6%	6%	5%

Note: Categories may not add to 100% due to rounding.

Source: Visit Orlando, D. K. Shifflet & Associates, characteristics of domestic visitors

Spending Categories	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
TOTAL	**$608**	**$459**	**$516**	**$537**	**$234**	**$851**	**$692**	**$95**
Room	$113	$91	$131	$138	$57	$224	$176	$0
Transportation*	$142	$107	$127	$135	$51	$222	$170	$32
Food	$133	$87	$115	$121	$65	$178	$154	$27
Entertainment	$117	$72	$95	$96	$36	$159	$124	$15
Shopping	$74	$66	$68	$72	$38	$105	$90	$19
Miscellaneous	$29	$35	$14	$15	$7	$23	$20	$2

Expenditures per person per trip = (Average total expenditures per day) x (Average length of stay in days)
* Transportation expenses include travel to and within Orlando
Note: Categories may not add to the total as they are entered separately by each respondent.

	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
Average party size	**2.8**	**2.5**	**2.4**	**2.5**	**2.4**	**2.6**	**2.6**	**2.2**
Total Trip Expenditures	$1,675	$1,148	$1,230	$1,333	$557	$2,208	$1,815	$205

Expenditures per party per trip = (Average total expenditures per day) x (Average length of stay in days) x (Average party size)

	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
Young & Free	16%	16%	15%	15%	17%	14%	15%	17%
Young Family	15%	15%	16%	16%	18%	15%	17%	14%
Maturing & Free	20%	16%	14%	16%	18%	14%	13%	24%
Moderate Family	8%	10%	11%	9%	10%	9%	11%	4%
Affluent Family	17%	17%	13%	18%	10%	26%	21%	11%
Moderate Mature	9%	11%	12%	10%	13%	7%	8%	15%
Affluent Mature	15%	15%	18%	14%	14%	15%	15%	14%

Note: Family segment has children present in household

	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
AVERAGE INCOME	**$89,315**	**$83,799**	**$95,476**	**$89,342**	**$71,408**	**$107,169**	**$95,720**	**$70,952**
Under $50,000	27%	35%	33%	33%	40%	26%	28%	48%
$50,000 - $99,999	37%	34%	37%	36%	41%	30%	38%	30%
$100,000 - $149,999	26%	22%	20%	18%	11%	25%	20%	12%
$150,000 and over	10%	9%	10%	14%	7%	20%	14%	11%

Source: Visit Orlando, D. K. Shifflet & Associates, characteristics of domestic visitors

	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
1 Member	8%	8%	7%	6%	7%	5%	5%	8%
2 Members	32%	33%	35%	35%	38%	32%	32%	45%
3 Members	21%	20%	17%	17%	17%	18%	18%	15%
4 Members	21%	23%	24%	10%	11%	8%	10%	9%
5+ Members	18%	16%	17%	32%	27%	37%	35%	24%

Presence of Children in Household	2010	2011	2012	2013	Florida Residents	Non-Florida Residents	Overnight	Day Trip
None	59%	56%	54%	53%	58%	49%	49%	67%
One or more children	41%	44%	46%	47%	42%	51%	51%	33%
Presence of Children by Age Group (among households with at least one child)								
Ages 0 - 1	4%	4%	3%	7%	7%	7%	6%	9%
Ages 2 - 5	16%	14%	16%	16%	16%	16%	16%	16%
Ages 6 - 12	20%	26%	26%	28%	23%	32%	32%	17%
Ages 13 - 17	15%	19%	22%	18%	14%	22%	21%	9%

Source: Visit Orlando, D. K. Shifflet & Associates, characteristics of domestic visitors

	By Year			Country Comparison				
Main Purpose of Trip	2011	2012	2013	United Kingdom	Germany	Brazil	Colombia	Mexico (air only)
Vacation/Holiday	84%	85%	85%	91%	72%	93%	81%	82%
Business/Convention	6%	7%	6%	3%	15%	4%	6%	12%
Business	4%	3%	3%	2%	7%	1%	4%	4%
Convention/Conference/Tradeshow	2%	4%	4%	2%	8%	2%	3%	9%
Visit Friends/Relatives	8%	6%	7%	5%	9%	2%	12%	4%
Other	2%	2%	2%	1%	3%	2%	2%	2%

	Select Trip Characteristics					Origin Region	
Main Purpose of Trip	Orlando Only	Leisure	Business/ Conv.	Adults Only	Adults w/ Children	South America	Western Europe (no UK)
Vacation/Holiday	86%	94%	13%	80%	98%	90%	79%
Visit Friends/Relatives	5%	4%	0%	12%	1%	5%	8%
Business	2%	1%	34%	4%	0%	2%	4%
Convention/Conference/Tradeshow	6%	1%	47%	4%	0%	2%	6%
Other	2%	1%	5%	1%	0%	2%	3%

Source: Visit Orlando, U.S. Department of Commerce, characteristics of overseas visitors

Activities	By Year 2011	2012	2013	Country Comparison United Kingdom	Germany	Brazil	Colombia	Mexico (air only)
Shopping	93%	92%	91%	90%	89%	92%	98%	89%
Amusement/Theme Parks	86%	85%	84%	84%	73%	91%	79%	74%
Sightseeing	n.a.	72%	75%	75%	51%	67%	61%	42%
Experience Fine Dining	n.a.	31%	34%	27%	22%	21%	34%	24%
National Parks/Monuments	n.a.	29%	24%	15%	37%	28%	16%	3%
Small Towns/ Countryside	n.a.	20%	20%	23%	33%	8%	21%	12%
Historical Locations	30%	17%	18%	10%	24%	13%	13%	8%
Guided Tours	10%	20%	17%	16%	22%	14%	12%	2%
Art Galleries/Museums	14%	16%	16%	8%	17%	20%	10%	8%
Concert/Play/Musical	12%	14%	16%	9%	10%	24%	9%	14%
Nightclubbing/Dancing	12%	13%	14%	5%	11%	28%	13%	6%
Sporting Event	6%	9%	10%	6%	13%	9%	5%	3%
Cultural/Ethnic Heritage Sites	n.a.	8%	8%	4%	22%	7%	7%	9%
Water Sports	n.a.	8%	8%	10%	14%	5%	6%	3%
Casino/Gamble	6%	5%	7%	3%	6%	5%	5%	1%
Golfing/Tennis	5%	5%	5%	10%	8%	2%	2%	2%
Environment/Eco Excursions	3%	3%	3%	2%	6%	2%	2%	0%
Hunting/Fishing	1%	2%	1%	3%	1%	1%	1%	0%
Camping/Hiking	1%	2%	1%	1%	3%	1%	2%	4%

Note: Percentages add to more than 100% due to multiple response.
Changes in the NTTO questionnaire render some activities not directly comparable to prior years.

Length of Stay	By Year 2011	2012	2013	Country Comparison United Kingdom	Germany	Brazil	Colombia	Mexico (air only)
Average Nights in the U.S.	17.3	16.1	15.3	14.7	18.0	14.7	12.1	12.1
Average Nights in Orlando	9.0	8.8	8.6	12.0	4.7	9.5	6.2	6.5
% of U.S. Nights in Orlando	52%	55%	56%	82%	26%	65%	51%	54%

Length of Stay	Select Trip Characteristics Orlando Only	Leisure	Business/Conv.	Adults Only	Adults w/ Children	Origin Region South America	Western Europe (no UK)
Average Nights in the U.S.	11.8	14.2	12.9	16.4	14.3	13.9	16.8
Average Nights in Orlando	11.8	8.5	7.1	7.8	9.3	8.1	6.7
% of U.S. Nights in Orlando	100%	60%	55%	48%	65%	58%	40%

Source: Visit Orlando, U.S. Department of Commerce, characteristics of overseas visitors

Transportation in U.S.	By Year 2011	2012	2013	Country Comparison United Kingdom	Germany	Brazil	Colombia	Mexico (air only)
Rented auto	57%	65%	65%	65%	77%	72%	64%	47%
Air travel between U.S. cities	30%	36%	35%	14%	30%	45%	12%	35%
Auto, private or company	18%	30%	29%	26%	20%	33%	26%	28%
Taxicab/Limousine	30%	22%	20%	20%	22%	19%	10%	31%
City subway/Tram/Bus	14%	16%	15%	14%	14%	12%	5%	6%
Bus between cities	8%	12%	13%	7%	10%	11%	18%	6%
Railroad between cities	6%	3%	2%	0%	8%	1%	1%	5%

Note: Percentages add to more than 100 due to multiple response.

Transportation in U.S.	Select Trip Characteristics Orlando Only	Leisure	Business/ Conv.	Adults Only	Adults w/ Children	Origin Region South America	Western Europe (no UK)
Rented auto	65%	69%	45%	62%	69%	70%	67%
Air travel between U.S. cities	35%	34%	50%	39%	32%	33%	40%
Auto, Private or Company	29%	27%	31%	29%	28%	31%	26%
Taxicab/Limousine	20%	19%	34%	25%	15%	14%	22%
City Subway/Tram/Bus	15%	15%	19%	19%	11%	10%	20%
Bus between cities	13%	13%	10%	12%	14%	16%	11%
Railroad between cities	2%	2%	6%	3%	1%	1%	5%

Note: Percentages add to more than 100% due to multiple response.

Party Composition	By Year 2011	2012	2013	Country Comparison United Kingdom	Germany	Brazil	Colombia	Mexico (air only)
Total Average Party Size	**2.3**	**2.5**	**2.4**	**2.7**	**1.8**	**2.5**	**2.2**	**2.1**
Adults Only	70%	66%	66%	59%	85%	67%	73%	69%
Adults & Children	30%	34%	34%	41%	15%	33%	27%	31%
Total Adults Only - Avg	**1.6**	**1.7**	**1.7**	**1.8**	**1.6**	**1.8**	**1.6**	**1.3**
1 Adult	55%	48%	46%	35%	51%	45%	45%	77%
2 Adults	35%	41%	43%	53%	44%	41%	46%	17%
3 Adults	7%	5%	5%	5%	3%	6%	5%	3%
4+ Adults	4%	7%	6%	7%	3%	8%	4%	3%
Adults & Children - Avg	**3.8**	**4.0**	**3.8**	**3.9**	**3.4**	**4.0**	**3.6**	**3.8**

Party Composition	Select Trip Characteristics Orlando Only	Leisure	Business/ Conv.	Adults Only	Adults w/ Children	Origin Region South America	Western Europe (no UK)
Total Average Party Size	**2.4**	**2.6**	**1.5**	**1.7**	**3.8**	**2.6**	**2.1**
Adults Only	65%	61%	93%	100%	---	62%	77%
Adults & Children	35%	39%	7%	---	100%	38%	23%
Total Adults Only - Avg	**1.6**	**1.8**	**1.3**	**1.7**	---	**1.7**	**1.6**
1 Adult	52%	36%	79%	46%	---	44%	45%
2 Adults	38%	52%	16%	43%	---	44%	50%
3 Adults	5%	5%	3%	5%	---	6%	2%
4+ Adults	4%	7%	3%	6%	---	6%	3%
Adults & Children - Avg	**3.8**	**3.9**	**3.9**	---	**3.8**	**3.9**	**3.7**

Source: Visit Orlando, U.S. Department of Commerce, characteristics of overseas visitors

Travel Companions	By Year 2011	2012	2013	Country Comparison United Kingdom	Germany	Brazil	Colombia	Mexico (air only)
Family/Relatives	58%	42%	42%	48%	23%	42%	38%	35%
Spouse/Partner	38%	41%	41%	54%	35%	37%	38%	23%
Traveling Alone	16%	31%	31%	21%	41%	30%	33%	51%
Friend(s)	12%	7%	6%	4%	9%	10%	7%	5%
Business Associate(s)	2%	1%	1%	0%	3%	0%	---	2%
Tour Group	1%	0%	0%	---	0%	1%	---	---

Note: Percentages add to more than 100% due to multiple response.

Travel Companions	Select Trip Characteristics Orlando Only	Leisure	Business/ Conv.	Adults Only	Adults w/ Children	Region Origin South America	Western Europe (no UK)
Family/Relatives	5%	48%	11%	13%	99%	48%	29%
Spouse/Partner	37%	47%	11%	37%	48%	40%	43%
Traveling Alone	34%	22%	73%	46%	---	27%	35%
Friend(s)	5%	7%	3%	7%	4%	8%	5%
Business Associate(s)	1%	0%	5%	1%	0%	0%	1%
Tour Group	0%	0%	0%	0%	1%	1%	0%

Note: Percentages add to more than 100% due to multiple response.

Expenditures	By Year 2011	2012	2013	Country Comparison United Kingdom	Germany	Brazil	Colombia	Mexico (air only)
Total Trip (Including Airfare)	$3,618	$3,010	$3,343	$2,657	$2,705	$4,218	$2,572	$2,345
International Airfare	$1,269	$1,248	$1,284	$1,110	$1,258	$1,306	$740	$1,131
Total in U.S. (Excluding Airfare)	$2,143	$1,762	$1,847	$1,203	$1,390	$2,600	$1,736	$1,230
Total in Orlando	$1,115	$963	$1,038	$982	$363	$1,680	$890	$661

Note: Due to differences in the spending calculations and data weighting introduced in 2012, it is difficult to compare expenses after 2011 with expenses prior to 2012.

Expenditures	Select Trip Characteristics Orlando Only	Leisure	Business/ Conv.	Adults Only	Adults w/ Children	Origin Region South America	Western Europe (no UK)
Total Trip (Including Airfare)	$2,928	$3,317	$3,606	$3,556	$3,147	$3,506	$3,270
International Airfare	$1,252	$1,235	$1,803	$1,285	$1,283	$1,235	$1,386
Total in U.S. (Excluding Airfare)	$1,452	$1,852	$1,664	$2,104	$1,613	$2,091	$1,802
Total in Orlando	$1,452	$1,109	$916	$1,001	$1,049	$1,218	$719

Source: Visit Orlando, U.S. Department of Commerce, characteristics of overseas visitors

Tourist Demand and Market Potential for Corridor

Using the above cited data from Visit Orlando, we proceed to derive estimates of market potential for the corridor using basic interpolations and assumptions. Below is a summary of our approach and estimates.

Market Sizing Estimates

	2013 Base Year
Total Visitors to Orlando	59,270,000
- Domestic	54,414,000
- Overseas	4,856,000
Total Leisure Market	48,413,600
- Domestic Leisure	44,286,000
- Overseas Leisure	4,127,600
Total Theme Park Market	30,038,784
- Best Fit for Corridor visit[7]	19,826,000
Total Domestic Family Leisure Visitors	23,398,000
- Best Fit for Legoland Florida Visit[8]	23,942,000

Source: Visit Orlando, D. K. Shifflet & Associates, Lakemont Group

We conclude that the total potential market is between 19.8 and 23.9 million as of 2013. Below is a series of Corridor visitor potentials based on a range of capture rates from 2.5% to 15% with a static assumption of a 20 million total potential visitor market. The most likely expected (thus shaded yellow) current rate of capture is 7.5% to 10%, this is based our best judgement of current capture and estimated Legoland Florida attendance figures[9]. Less than 5% would represent a major decline in capture (thus shaded red), and above 12.5% would represent a significant improvement and aspirational goal for the Corridor (thus shaded green). It is worth noting that our range of visitor estimates is not meant to be a direct estimate of Legoland Florida attendance; we expect growth of additional entertainment options will add additional visitors who may not actually enter the park even though they visit or even stay within the Corridor.

[7] This number is an interpolation based the domestic percentage that have visited Orlando in prior three years (66%) and the total theme park market. We postulate that the Corridor is more likely to be an ideal place to visit on a subsequent vacation to Central Florida, not a first.

[8] These figures do not align as they are from different types of survey questions. Legoland states their primary target market is families with 2 to 12 year olds, thus the "best fit" is those families with 2-12 year olds; however, the survey question did not distinguish if the 2-12 year old actually visited in this response (was characteristic of person doing survey), thus we choose to leave it intact as they "could" bring a 2-12 year on their next Central Florida Visit.

[9] Legoland Florida does not release their attendance figures due to company policy. Lakemont Group estimated a range of estimates based on publically available data and logical interpolation.

Projections of Potential Visitors to Cypress Gardens Boulevard Corridor

	2.5%	5.0%	7.5%	10.0%	12.5%	15.0%
Base Year 2013	500,000	1,000,000	1,500,000	2,000,000	2,500,000	3,000,000
Growth 2014 (4.84%)	524,200	1,048,400	1,572,600	2,096,800	2,621,000	3,145,200
Growth 2015 (3%)	539,926	1,079,852	1,619,778	2,159,704	2,699,630	3,239,556
Growth 2016 (3%)	556,124	1,112,248	1,668,371	2,224,495	2,780,619	3,336,743
Growth 2017 (3%)	572,807	1,145,615	1,718,422	2,291,230	2,864,037	3,436,845
Growth 2018 (3%)	589,992	1,179,983	1,769,975	2,359,967	2,949,959	3,539,950
Growth 2019 (3%)	607,691	1,215,383	1,823,074	2,430,766	3,038,457	3,646,149
Growth 2020 (3%)	625,922	1,251,844	1,877,767	2,503,689	3,129,611	3,755,533
Growth 2021 (3%)	644,700	1,289,400	1,934,100	2,578,800	3,223,499	3,868,199
Growth 2022 (3%)	664,041	1,328,082	1,992,123	2,656,164	3,320,204	3,984,245
Growth 2023 (3%)	683,962	1,367,924	2,051,886	2,735,848	3,419,811	4,103,773
Growth 2022 (3%)	704,481	1,408,962	2,113,443	2,817,924	3,522,405	4,226,886
Growth 2023 (3%)	725,615	1,451,231	2,176,846	2,902,462	3,628,077	4,353,692

Source: Lakemont Group

Hotel Room Night Potential for Corridor

The following analysis attempts to estimate the number of hotel room nights being presently generated by Corridor tourist activities and project its growth based on changes in capture rates. The actual split between hotel night stays that occur within or near the Corridor versus Orlando or other markets will be determined in great part by the relative success or failure of the Corridor to develop properly as a tourist district. Thus, it is proper to interpret these estimates as a measure of potential demand. Further, we use a static 50% max in-corridor stay factor to determine this top line potential as we fully expect that many overnight Orlando visitors will always drive in and out of the corridor on the same day despite all efforts along the Corridor.

Further, this analysis is based on a top-down approach of harmonizing and interpolating estimated Legoland Florida attendance figures (including a 51% overnight versus drive home visitor ratio they reported in prior public filings) and overnight leisure visitors to Orlando. To do this we expand the potential market beyond families with 2-12 year old children (the target market of Legoland Florida). We do this for two reasons; first, we are aware of the aforementioned multigenerational vacation trends and thus realize this Corridor could perform well in this dimension (hence the total overnight is a better starting point for estimating hotel room demand), and second, we are making a series of recommendations in this study to improve the Corridor in this dimension thus we wish our demand estimates to be reflective of what could occur if proper tourist development planning were to occur. ***In short, these are valid estimates if and only if proper management and planning of the Corridor occurs***.

Finally, the next section of this report will present hotel room operating forecasts and recommendations for phased development of new product within the corridor. Those

numbers will be calculated from a bottom-up approach based on current operating statistics of existing hotel properties in and near the corridor. We will not attempt to harmonize or otherwise reconcile these two approaches. These top-down demand estimates should be used in a more global context to understand the market and to conduct strategic planning by private entities and public officials alike. The next section's estimates and hotel development recommendations can be used by hotel developers today to begin building out the corridor.

In this regard we view hotel rooms as a form of infrastructure that is needed for a tourist corridor (to a lesser extent any economic region) to properly develop. This concept will be expounded upon in later sections.

Hotel Market Sizing Estimates

	2013 Base Year
Total Overnight Leisure Visitors to Orlando	35,077,600
- Domestic Leisure Overnights – FL Resident	11,520,000
- Domestic Leisure Overnights – Non FL	19,430,000
- Overseas Leisure	4,127,600
Current Estimated Overnight Capture Rate[10]	2.18%
Implied Overnight Hotel Room Nights from LL[11]	306,000
Total Needed Hotel Rooms to Service (based on 365 operating/demand days)	838
Total Supply Needed based on 70% Occupancy Target	1,198
Total Hotel Rooms for 50% Corridor Capture	599

Source: Visit Orlando, D. K. Shifflet & Associates, Lakemont Group

Next, we will project out this analysis under two scenarios and present the results in tables below. The first will assume that the estimated overnight capture rate is fixed at 2.18% (i.e. no improvement in the Corridor, Legoland Florida attendance, or other additional demand drivers open and growth moves at linear 3% long run rate). The second will allow the capture rate to move up to a maximum of 5% at 0.5% per year until 5% is reached. This is based on the notion that exogenous demand drivers occur to allow the Corridor to improve its overall market capture rate of overnight visitors. Additionally, two assumptions of the ratio of Legoland Florida overnight visitors to non-tourist (or at least non Legoland Florida tourists) will be presented. The first is that 75% of visitors will be Legoland destined (25% other activities) and the second will be 50% Legoland destined (50% other activities). The purpose is to proxy for the potential split of commercial versus leisure travelers using the hotel rooms in the Corridor[12]. The net effect on the estimates will be to gross up the number

[10] This is based on interpolation between total leisure overnight visitors to Orlando, estimates of Legoland Florida attendance, and report ratios of overnight to day trip visitors to Legoland Florida.

[11] This is calculated by taking the number of overnight visitors to Legoland Florida and dividing by average travel party size reported by Visit Orlando surveys.

[12] During on-site visits of hotels near the Corridor, we discovered that significant demand is currently coming from business/commercial travelers, thus it was rational to derive estimates with such assumptions.

of rooms needed to account for the non-tourist users. Once more, a red shade means decline, yellow means current expectations, and green is for growth.

Summary of Potential Hotel Room Demand in Corridor

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Static - Legoland 100%	599	628	647	666	686	707	728	750	772	795	819	844	869
Static - Legoland 75%	798	837	862	888	915	942	970	1,000	1,030	1,060	1,092	1,125	1,159
Static - Legoland 50%	1,198	1,256	1,293	1,332	1,372	1,413	1,456	1,499	1,544	1,591	1,638	1,687	1,738
Growth - Legoland 100%	599	720	890	1,069	1,258	1,458	1,669	1,719	1,770	1,823	1,878	1,934	1,992
Growth - Legoland 75%	798	960	1,186	1,425	1,678	1,944	2,225	2,292	2,360	2,431	2,504	2,579	2,657
Growth - Legoland 50%	1,198	1,439	1,779	2,138	2,517	2,916	3,337	3,437	3,540	3,647	3,756	3,869	3,985

Static Growth - No Change in Capture Rate

	2013	2014	2015	2016	2017
Growth Rate in Vistors		4.84%	3%	3%	3%
Total Leisure Overnights	35,077,600	36,775,356	37,878,617	39,014,975	40,185,424
If Legoland Florida Represents 100% of Corridor Potential					
Impied Room Nights	306,000	320,810	330,435	340,348	350,558
- Rooms Need to Service	838	878.93	905.30	932.46	960.43
- Supply Needed for 70% OCC	1,198	1,256	1,293	1,332	1,372
- Total for 50% Corridor Capture	**599**	**628**	**647**	**666**	**686**
If Legoland Florida Represents 75% of Corridor Potential					
Impied Room Nights	408,000	427,747	440,580	453,797	467,411
- Rooms Need to Service	1,118	1,172	1,207	1,243	1,281
- Supply Needed for 70% OCC	1,597	1,674	1,724	1,776	1,829
- Total for 50% Corridor Capture	**798**	**837**	**862**	**888**	**915**
If Legoland Florida Represents 50% of Corridor Potential					
Impied Room Nights	612,000	641,621	660,869	680,696	701,116
- Rooms Need to Service	1,677	1,758	1,811	1,865	1,921
- Supply Needed for 70% OCC	2,395	2,511	2,587	2,664	2,744
- Total for 50% Corridor Capture	**1,198**	**1,256**	**1,293**	**1,332**	**1,372**

Static Growth - No Change in Capture Rate	2018	2019	2020	2021	2022	2023	2024	2025
Growth Rate in Vistors	3%	3%	3%	3%	3%	3%	3%	3%
Total Leisure Overnights	41,390,987	42,632,717	43,911,698	45,229,049	46,585,921	47,983,498	49,423,003	50,905,693
If Legoland Florida Represents 100% of Corridor Potential								
Impied Room Nights	361,075	371,907	383,064	394,556	406,393	418,585	431,142	444,077
- Rooms Need to Service	989.25	1,018.92	1,049.49	1,080.98	1,113.41	1,146.81	1,181.21	1,216.65
- Supply Needed for 70% OCC	1,413	1,456	1,499	1,544	1,591	1,638	1,687	1,738
- Total for 50% Corridor Capture	**707**	**728**	**750**	**772**	**795**	**819**	**844**	**869**
If Legoland Florida Represents 75% of Corridor Potential								
Impied Room Nights	481,433	495,876	510,753	526,075	541,857	558,113	574,856	592,102
- Rooms Need to Service	1,319	1,359	1,399	1,441	1,485	1,529	1,575	1,622
- Supply Needed for 70% OCC	1,884	1,941	1,999	2,059	2,121	2,184	2,250	2,317
- Total for 50% Corridor Capture	**942**	**970**	**1,000**	**1,030**	**1,060**	**1,092**	**1,125**	**1,159**
If Legoland Florida Represents 50% of Corridor Potential								
Impied Room Nights	722,150	743,814	766,129	789,113	812,786	837,170	862,285	888,153
- Rooms Need to Service	1,978	2,038	2,099	2,162	2,227	2,294	2,362	2,433
- Supply Needed for 70% OCC	2,826	2,911	2,999	3,089	3,181	3,277	3,375	3,476
- Total for 50% Corridor Capture	**1,413**	**1,456**	**1,499**	**1,544**	**1,591**	**1,638**	**1,687**	**1,738**

Source: Lakemont Group

Growth in Share - 50 Basis Points per annum till 5%					
Estimated Capture Rate	***2.18%***	***2.50%***	***3.00%***	***3.50%***	***4.00%***
If Legoland Florida Represents 100% of Corridor Potential					
Impied Room Nights	306,000	367,754	454,543	546,210	642,967
- Rooms Need to Service	838	1,008	1,245	1,496	1,762
- Supply Needed for 70% OCC	1,198	1,439	1,779	2,138	2,517
- Total for 50% Corridor Capture	**599**	**720**	**890**	**1,069**	**1,258**
If Legoland Florida Represents 75% of Corridor Potential					
Impied Room Nights	408,000	490,338	606,058	728,280	857,289
- Rooms Need to Service	1,118	1,343	1,660	1,995	2,349
- Supply Needed for 70% OCC	1,597	1,919	2,372	2,850	3,355
- Total for 50% Corridor Capture	**798**	**960**	**1,186**	**1,425**	**1,678**
If Legoland Florida Represents 50% of Corridor Potential					
Impied Room Nights	612,000	735,507	909,087	1,092,419	1,285,934
- Rooms Need to Service	1,677	2,015	2,491	2,993	3,523
- Supply Needed for 70% OCC	2,395	2,879	3,558	4,276	5,033
- Total for 50% Corridor Capture	**1,198**	**1,439**	**1,779**	**2,138**	**2,517**

Growth in Share - 50 Basis Points per annum till 5%

Estimated Capture Rate	*4.50%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*	*5.00%*
Implied Legoland OVR Attend	1,862,594	2,131,636	2,195,585	2,261,452	2,329,296	2,399,175	2,471,150	2,545,285
Impied Room Nights	745,038	852,654	878,234	904,581	931,718	959,670	988,460	1,018,114
- Rooms Need to Service	2,041	2,336	2,406	2,478	2,553	2,629	2,708	2,789
- Supply Needed for 70% OCC	2,916	3,337	3,437	3,540	3,647	3,756	3,869	3,985
- Total for 50% Corridor Capture	**1,458**	**1,669**	**1,719**	**1,770**	**1,823**	**1,878**	**1,934**	**1,992**
If Legoland Florida Represents 75% of Corridor Potential								
Implied Total Corridor Visitors	2,483,459	2,842,181	2,927,447	3,015,270	3,105,728	3,198,900	3,294,867	3,393,713
- Rooms Need to Service	2,722	3,115	3,208	3,304	3,404	3,506	3,611	3,719
- Supply Needed for 70% OCC	3,888	4,450	4,583	4,721	4,862	5,008	5,158	5,313
- Total for 50% Corridor Capture	**1,944**	**2,225**	**2,292**	**2,360**	**2,431**	**2,504**	**2,579**	**2,657**
If Legoland Florida Represents 50% of Corridor Potential								
Implied Total Corridor Visitors	3,725,189	4,263,272	4,391,170	4,522,905	4,658,592	4,798,350	4,942,300	5,090,569
- Rooms Need to Service	4,082	4,672	4,812	4,957	5,105	5,258	5,416	5,579
- Supply Needed for 70% OCC	5,832	6,674	6,875	7,081	7,293	7,512	7,737	7,970
- Total for 50% Corridor Capture	**2,916**	**3,337**	**3,437**	**3,540**	**3,647**	**3,756**	**3,869**	**3,985**

Source: Lakemont Group

Corridor Lodging Development Feasibility Analysis

Overview and Purpose

The purpose of this section is to evaluate the potential market demand for overnight accommodations near and within the Corridor from a bottom-up approach using existing supply operational data. This analysis will assess existing and potential future competitive lodging supply, to determine current and potential future demand for hotel accommodations in the market area based on increased tourism infrastructure, and to consider suggested lodging products that might enhance the Corridor and surrounding economic community. Particular attention is devoted to the current competitive set of hotels in the local market and how they will affect performance of any new hotel development in or near the Corridor. We evaluated the following factors regarding potential lodging and food and beverage development in the Corridor and surrounding geographical area, Polk County, Florida:

Existing social-physical conditions and lodging data
- Perceived consumer insight of the Winter Haven/Cypress Gardens Boulevard Corridor
- Navigation from major arteries to the theme park and surrounding area
- Guest sense of entry to the theme park and retail space nearby
- Available tourism accommodations and related infrastructure

Proposed considerations for expanding the tourism and accommodations space
- More clearly defined community brand
- Symbology and iconography identification to elevate guest anticipation
- Suggested lodging products to expand and upgrade the lodging streetscape
- Feasible return on investment economic impact to the community

We performed primary research in the Polk County market area, consisting of: travel through the major sources of automobile ingress and egress on several occasions (as an objective guest might do from the East and West); attendance of the Legoland Florida attraction; visitation to various retail outlets to gather a sense of hospitality culture; inspection and evaluation of existing assumed competitive set (including 8 national/international hotel brands); cursory interviews with random hotel managers/supervisors to estimate key lodging demand generators; study of six years of existing hotel occupancies, average daily rates, revenue per available room, supply, demand and room revenue trends and development patterns in the local hotel market.

Utilizing historical growth and the characteristics of each principal segment of demand for hotel room supply, we forecasted growth in demand for hotel rooms for major market segments. Taking into consideration industry norms for estimating future supply and demand for hotel rooms, we reached our conclusion concerning overall market potential. Based on these conclusions, we prepared recommendations for hotel facilities which, in our opinion, will best meet demonstrated market demand, including:

- Number and mix of guest rooms

- Size, type and capacity of restaurant and lounge facilities
- Banquet, meeting and other function space
- Related services and amenities such as pool, recreation and parking facilities

It is import to note the recommendations are estimates based on existing information and will vary based on future supply, demand, economics metric adjustments and marketplace behaviors.

The aim of this section of the study is to perform a preliminary analysis of the current travel and tourism conditions existent in the Corridor and surrounding community; and to provide a neutral, professional and qualified opinion as it relates to suggested development of potential lodging and related products. The scope includes an evaluation of the present lodging market conditions and the identification of realistic opportunities to spur local municipal redevelopment by enhancing and complementing the current hotel inventory. Simply said, "Polk County is exploring the possibilities of developing travel, tourism and hospitality venues, particularly as it relates to the Cypress Gardens Boulevard Corridor". The question to be explored is: "Is it the time and place to invest in tourism related infrastructure, and will there likely be adequate mid-and long-term returns on the investments?" All assumptions in this section of the study regarding the project itself with respect to size, layout and design, as well as operator selection are predicated on reasonable industry parameters.

A preliminary, bottom-up, market study follows, which analyzes the current and future infrastructure and market demand for new hotel development within this Central Florida location. The study examines site and market circumstances at the time of the site inspections, market research, all relevant economic issues as well as financial estimations for proposed hotel project/s. Furthermore, the study relies upon information provided by random retail owners/managers/workers and the analysis of secondary data available on the market.

An examination of the legal terms, in particular the ownership, building, corporate and fiscal terms, is not the subject of this study. Based on further interest at the conclusion of this preliminary feasibility study, it is suggested that an in-depth study be conducted with the principals of existing lodging facilities to obtain additional empirical financial and marketing data with which to draw more precise conclusions. Furthermore, exact lodging plans should be measured and developed by a commercial team of experts (designers, architects, general contractors and hotel brand/franchise managers).

Tourism and Lodging Perspective

Macro Overview

Hotel and food and beverage market demand is based on revenue generators that draw leisure and/or commercial guests to the area. Leisure (aka family and pleasure) generators typically are further sub-divided into individual transients or group markets, based on "interest drivers" including social events, weather conditions, terrestrial features (beaches, mountains), natural wonders, architectural esthetics, entertainment venues, convention center (public consumer shows), theme parks and attractions, escape locations, SMERF (social, military, educational, religious, fraternal) and athletic venues. Commercial (aka business, mercantile, trade related) markets are also classified as individual visitors or group markets, which are driven by the following activities: national or regional headquarters, retail consumer goods or services, supply chains, warehouses, factories, industrial parks, educational venues and/or events, convention centers (meetings, trade/exhibition in shows, association, corporate, incentive), etc.

Lodging brand concepts are created to appeal to the above segments, which have been further sub-segmented during the past two decades to introduce more specific product and service offerings: convention hotels, downtown/city hotels, airport hotels, extended stay hotels, suburban hotels, highway hotels, leisure destination resorts, boutiques, casino, ranch and spa hotels and many more. Additionally, lodging products (hotels, time-share, vacation rental houses and condominiums) are branded as a national or regional franchise "flag" (approximately 70% in the United States) or created as a unique independent concept (approximately 70% in the United States).

Accessibility and Transportation

The travel and tourism market can only flourish by augmenting quality tourism infrastructure, which includes the "Hard and Soft fundamentals" - facilities and systems serving a country, city, or area. "Hard" infrastructure (large physical and technical networks) is typically characterized by roads, bridges, tunnels, water supply, sewers, electrical grids, telecommunications, and so forth, and can be defined as "the physical components of interrelated systems providing commodities and services essential to enable, sustain, or enhance tourism-related societal living conditions." The essential "soft" infrastructure elements include economic, health, cultural and social standards, such as the financial system, the hospitality education system, the health care system, the system of government (building department, consumer services, convention and visitors bureau, economic development commission, and law enforcement, as well as emergency services).

Moreover, the basic "hard" core items must be present in order to allow any other factors to materialize. Initial tourism image/brand queries that must be answered include: Are the airways and highways convenient and efficient in allowing potential guests timely, relaxing, safe, and secure transport to the travel and tourist destination? Are the automobile navigation pathways well-defined and easily traversed? Are the ingress and egress arteries

easily penetrated allowing for an enjoyable experience and sense of arrival? Do the directional signage, topography and road conditions add to an efficient and worry free trip? Are there symbols, clues, and cues along the highways, roads and streets to guide the leisure and commercial guests to their destination? Perhaps the most critical component of successful tourism destinations is the sense of arrival....meaning "Is there a clear and compelling initial multidimensional experience that creates a level of excitement and anticipation?" This tourism initial image/brand touch point becomes the most critical moment of truth for the potential leisure (and commercial) overnight guest.

Culture and Tourism

Given the development of adequate hard infrastructure elements, the area must layer on the leisure and commercial tourism hierarchy with outstanding, consistent service delivery. The retail components, CVB, EDC, TDC and all public and private entities must create a united, sustained service approach via education, role-modeling and consumer centric relationships. To be sure, successful tourism communities have created their own "brand of hospitality", and have educated and monitored to ensure the highest degree of consistency at every level. They have invested time, energy and funding to address the service delivery component missing in many unsuccessful, competitive communities. The challenging objective inevitably becomes one of creating and maintaining a guest-centric, hospitality DNA. It should also be noted that the majority of these same successful communities have found a way to incorporate two highlighted travel and tourism components of the 21st century – environmental sustainability "green" and the use of technology for guest-related (handhelds, kiosks, biometrics), which can quickly set apart relevant leading-edge "smart" tourism destinations.

Micro Location Comparative Analysis

As Polk County's population approaches 700,000 and seasonal visitation and residents together exceed the milestone of 1,000,000 people, the county is wise to revisit the longer term vision for the area, especially as it addresses travel and tourism related business. Tourism is the number one industry in Polk County, employing more than 20,000 people and contributed more than $1.5 billion in economic impact in 2014, which helps enhance the quality of life for the citizens and businesses of Polk County. Research by VISIT FLORIDA (the tourism marketing corporation for the state of Florida) indicates more than 97 million visitors came to Florida in 2014, for a fourth consecutive year of record visitation, exceeding the previous high of 93.7 million in 2013. The number of direct travel-related jobs in 2014 was also a record high, with more than 1.1 million Floridians employed in the tourism industry.

Polk County boasts Legoland Florida Theme Park, Lakeland Civic Center, and dozens of vibrant, smaller, lesser known attractions (Bok Tower Gardens, Streamsong, et al) that contribute significantly to the community's tourism chemistry. This Central Florida corridor is the home to fast-growing commercial entities, including Bay Care Health, , CSX Intermodal Terminal and the Central Florida Intermodal Logistics Center, and various agritourism

businesses. It is conveniently sandwiched between two travel and tourism behemoths - Tampa/St. Petersburg on the West and Orlando on the East, which have enjoyed international travel and tourism attention for decades.

Tampa/St. Petersburg and Orlando are both experiencing tremendous residential and commercial construction, which increases the need for commercial elements of lodging and food and beverage. These building booms trigger the employment of related designers, architects, construction, and financial institutions, which further increase the trickle-down, economic multiplier effect. Because these two geographical areas attract leisure guests and commercial guests, they are able to sustain hotels, timeshares, vacation rentals, restaurants and related businesses that thrive on seven day a week retail establishments (commercial guest on weekdays and leisure guests on weekends). Commercial guests, in this case, refer to companies that receive/host business related individuals, who have occasion to stay overnight. An important tenet of tourist related businesses is the mix of families and business traffic - the ideal recipe for these travel and tourism areas.

It is prudent to include in the feasibility study, an assessment of the three competing Central Florida travel and tourism centers. The following travel/tourism SWOT (strengths, weaknesses, opportunities, threats) compares and contrasts Tampa/St. Petersburg, Orlando and Polk County (Winter Haven/Corridor community):

Tourism Strengths (of Orlando and Tampa/St. Petersburg)

Well-established as leisure destinations (theme parks, attractions, beaches)

Reputable air/water transportation infrastructures (OIA; Cruise lines)

Abundance and diversity of hotel, timeshare, vacation rentals, restaurants, sports venues

Home to large arenas, convention centers and performing arts centers

Residential and commercial real estate, including single family homes, apartments, condominiums, office space, warehousing, industrial shopping centers and mixed-use concepts

On-going light rail, proposed speed train and maglev transportation

Interstate highways within minutes of the airport downtown and tourism venues

Major and minor league athletic facilities and teams

Burgeoning technology, simulation, and research centers

Universities and state colleges of significant size and stature, including hospitality colleges

Tourism Strengths (of Corridor/Winter Haven community)

Fast growing health care and commercial/warehouse businesses e.g., high tech related logistics

Legoland theme park has experienced sustained growth during the past 3 years

Location within 45 minutes of two international airports

Public and private factions, eager to "explore the next step" to sustained economic growth

Hundreds of acres of undeveloped land and waterways

Economic top of the cycle is ideal to commit to further development of branding and lodging

Home to a burgeoning Polk State College 20,000 students (4,000 attend Winter Haven campus)

Tourism Weaknesses (of Orlando and Tampa/St. Petersburg)

High profile geographical locations that are becoming oversaturated in retail shopping space

Automobile transport navigation delays in the heart of the cities are documented negatives

Mass movement of bodies to and throughout the theme park venues is a frustrating adventure, particularly when it happens several consecutive days

This overcrowded phenomena has shifted their thrust to becoming transit oriented destinations

Priorities include pursuing light rail, speed trains, queuing theory, priority lines and magic bands

Huge traffic issues on International Drive, exacerbated by new entertainment and retail facilities

Fast paced, hectic, destinations that create havoc, safety, security and frequent frustration

Tourism Weaknesses (of Corridor/Winter Haven community)

Signage from I-4 major artery to Winter Haven/Legoland is minimal

Sense of arrival in the community is not exciting and anticipatory

Minimum number and variety of lodging facilities and restaurants

Shortage of attractions/entertainment options reduce the likelihood of multiple night stays

Insufficient and unclear branding of the area to differentiate and attract potential guests

Opportunities (for Corridor/Winter Haven community)

Brand as a 2-3 day slower paced, laid back, alternative to the "hectic worlds"

Expand "Edutainment" multi-generational, family events

Diversify lodging and food and beverage products to increase guests' choices

Grow organic, craft related, "escape from it all" promoting green sustainability

Promote safe, secure facilities to family vacation guests

Construct and market a dedicated conference center for up to 1,000 participants for technology, sports, education and religious training "escapes"/retreats (corporate and association boards)

Creation of culinary and craft educational facilities

Improve ingress and egress routes from airports and major interstates

Install road signage and iconography to guide potential guests and increase tourism anticipation

Provide a sense of entry as guests approach the Winter Haven/Legoland community

Threats (to Corridor/Winter Haven community)

Heavy reliance on transient individual market versus social and commercial group markets

Insufficient directional signage off of I-4 for auto access, causing confusion and disorientation

Navigational circumvention of rail traffic past the heart of Polk County

Lack of national recognition compounds the challenge versus competitive communities

Absence of major conference or convention center handicaps multiple night stay efforts

Osceola County aggressive sports adjuration

Existing demand generators will become frustrated and consider alternative sites

Inconsistency of seasonal markets, individuals versus groups, etc.

In conclusion, hotels and food and beverage outlets will sustain financially, if they attract leisure and commercial multi-night guests during weekdays and weekends and for multiple seasons of the year. A community such as the Winter Haven/Corridor area has tremendous upside, which can likely be achieved by enhancing their brand image as an escape from the two larger municipalities, increasing navigation routes and signage packages, upgrading the sense of entry from I-4 throughout their trek into the Winter Haven/Corridor area, and expanding the entertainment, educational, experiential, and natural, sustainable adventure offerings.

Hotel Market Analysis

General Overview

Research and case studies validate that constructing additional hotel types to an otherwise small inventory of guestrooms tends to attract additional guests (similar approach to a food court or auto dealership corridor). The average age of nationally branded hotels in Polk County is 11 years, and there is not been a new-build in seven years, and for properties were built more than 14 years ago. More specifically, there are two nationally known brands in the Winter Haven/Corridor market, and all indications are that the company that owns both of those hotels is well exceeding breakeven occupancies and average daily rates. National break-even occupancies approach 55%, depending on location, age and condition of the property, cost of living (supplies, wages), guestroom rates charged, occupancy costs (real estate cost per square foot, utility costs, insurance, property taxes, interest rates), level of competition, whether the hotel is branded and whether a management contract is involved. The Polk county lodging breakeven point, at prevailing room rates, tends to fall in the 45-49% range, since the cost of real estate, property taxes, insurance rates and labor are more favorable than for like products located in larger, crowded cities Florida (Miami, Orlando, Tampa) that often require a 50-54% occupancy. It makes sense to consider adding to the hotel types to increase offerings for both leisure and commercial guests. Furthermore, given

the attraction of more guests, the potential economic multiplier effect resulting from these overnight guests could be significant.

The Lakemont group purchased and investigated the relevant Smith Travel Hotel Statistics, spanning the period of January 2009 through January of 2015. The results clearly indicate that the eight selected Lakeland/Winter Haven, Lake Wales branded hotels averaged occupancies well in excess of 65 percent for each of the past four years (2011/12/13/14) with a healthy Average Daily Rate exceeding $100. For the year 2014, the occupancy rate for the year was 75% at an average daily rate of $117.83. These numbers are based on constant supply (rooms available), and are considered stellar, particularly due to the fact that the average hotel product is 11 years old, several are 14-15 years old, and the newest hotel was built seven years ago.

While several of the hotels appear to be in acceptable physical condition, still others seem to be in need of some degree of renovation, based on "curb appeal" observation and walk-through inspection of guest lobbies, hallways and rooms. Trip Advisor Reports substantiate that five of the eight properties received an average satisfaction rating of 4 (out of a possible 5), and three received a 4.5 (overall average of 4.19. Despite the age and condition of the county-wide properties (total of approximately 800 rooms), their financial results from 2011-2014 are encouraging. Growth of demand during the past 4 years has averaged 5.0 percent year over year.

Competitive Analysis

In preparation for rendering the opinion and as research related to such analysis, this input was based upon on-site observation of the Legoland Theme Park, "consumer view" of surrounding area municipalities (Winter Haven, Lakeland, Haines City, Bartow), transport along main county thoroughfares and mystery shop of existing branded hotel products in the county competitive set. It should be noted that "all hotels" within the Central Florida are technically considered competitors to some extent. However, it is clearly recognized that visitors/guests to the Polk County area may be utilizing hotel accommodations outside of the immediate county. Examples would include those guests staying at hotels in Tampa and Orlando, who visit Winter Haven/Corridor during the day for leisure or business purposes, but do not stay overnight in Polk County. Rather they return to their accommodations in Tampa or Orlando.

This study utilized the traditional industry standard of considering the local, "competitive hotel set" (existing, local, hotels that provide similar quality products, room number, price offerings and amenity packages). This type of analysis certainly can be parsed several ways, but to simplify things, we utilized STR Analytics definitions. STR (Smith Travel) is recognized as the global authority, as it relates to hotel tier classifications. We targeted two local chain/branded scales to review: upper midscale and upscale. Branded was used, since potential visitors living in locations Internationally, Nationally and regionally will clearly and quickly recognize the name and reputation. Upper Midscale and Upscale (based on the daily average rate paid by guests) were used, rather than those as classified as Midscale (e.g.,

Ramada Inn, Sleep Inn, Baymont Inn) and Economy (Howard Johnson, Motel 6, Travelodge), which have limited amenities at a lower average price per night. Economy and Midscale guests tend to attract a bargain hunter, who will tend to spend less on any of the market basket items offered in an area eager to expand. Frequently, these lower tiers are also prone to paying lower wages to employees and less training dollars, which can lead to less employee satisfaction and lower morale. The likely result can be guest dissatisfaction and lower intent to return to the hotel and/or the area.

Current Hotel Supply

The Polk County competitive set includes the following, branded, upper midscale and upscale products (reference http://www.str.com/Media/Default/Documents/STR_Chain_Scales.pdf):

Name of Establishment	Class	Open Date	Rooms	Trip Advisor Rating 4/5/15
Hampton Inn Suites Lakeland South Polk Pkwy	Upper Midscale	Apr 2008	117	4.5
Courtyard Lakeland	Upscale	Jun 2000	78	4.0
Residence Inn Lakeland	Upscale	Oct 2001	78	4.0
Hilton Garden Inn Lakeland	Upscale	Nov 2007	105	4.5
Hyatt Place Lakeland Center	Upscale	Jan 1999	127	4.0
Hampton Inn Suites Lake Wales	Upper Midscale	Feb 2008	78	4.5
Hampton Inn Winter Haven	Upper Midscale	Dec 2000	88	4.0
Holiday Inn Winter Haven	Upper Midscale	Jan 2008	112	4.0
	TOTAL *	8	783	4.2 (avg)

* Does not include Legoland Florida Resort, Upper Upscale, 152 rooms, opened May '15

Hotel Market

The market is robust. By year-end 2015, the group projects that the demand for lodging accommodations will have increased 35.1 percent in the Polk County corridor (since the depths of the recession in 2009), while the supply of hotel rooms will have grown by just 0.0 percent. Legoland Theme Park reports increased results.

> "Despite the arrival of Legoland, the area has continued to lack modern hotels. Bob Gernert, executive director of the Greater Winter Haven Chamber of Commerce, said "research has shown that about 70 percent of the hotel rooms in the area are substandard, and given the economic troubles encountered by Cypress Gardens, businesses have been reluctant to invest. Instead, they've waited to see whether Legoland would take off. The hotel announcement "is going to tip the dominoes, and we're going to start to see some of the folks that have just had a wait-and-see attitude start to build some hotels as well," Gernert said. "And we'll be able to replace those substandard facilities with some new facilities that I think the families will really enjoy."

Future Hotel Supply

There is no reported lodging inventory in the pipeline, as of this reporting, other than the Legoland Florida Resort, Upper Upscale, 152 rooms, which did recently open in May '15.

Future Hotel Demand

The latest STR Report year-to-date through April, 2015 indicate that the positive results will continue into the foreseeable future:

> Amanda Hite, COO and president of STR, while presenting at the NYU International Hospitality Industry Investment Conference. "Supply growth is accelerating but it's nothing to worry about at this point," Hite continued. Demand in the U.S. is forecasted to increase 2.6 percent, while supply is predicted to grow by 1.2 percent. In 2015, STR and Tourism Economics predict occupancy to rise 0.6 percent to 63.5 percent, ADR to increase 4.3 percent to US$119.93 and RevPAR to grow 4.9 percent to US$76.13. Demand is expected to increase 2.2 percent, and supply is predicted to increase 1.6 percent in 2015. Hite also commented, "We will see good group rate increases in 2015 and 2016 because those negotiations are taking place today." (Hotel News Resource, June 4, 2014, Market Report U.S. Continued Increases for U.S. Hotel Industry in 2014 and 2015 – Smith Travel Research)

PKF-Hospitality research, an authority on hospitality data and forecasts reported:

> "An ever-improving economy, and the favorable relationship between supply and demand, have led to significant growth in both revenues and profits from 2009 to the current year. We expect this trend to continue through 2017," said R. Mark Woodworth, president of PKF-HR. "The 1990s were the only other time we observed such a sustained confluence of positive economic and market conditions." With U.S. hotels achieving all-time high occupancy levels, PKF-HR believes that hoteliers will be able to increase their average daily rates (ADR) at an average annual pace of 5.7 percent from 2015 through 2017. "The best news for U.S. hotel owners and investors is that the combination of high occupancy levels and significant real ADR growth will perpetuate strong bottom-line gains. PKF-HR is projecting the current three year streak of double-digit gains in net operating income (NOI) to continue through 2016,"….. All industry participants should have a high degree of confidence that the business environment will offer the potential for strong lodging industry performance in the next few years," Woodworth concluded. (HN Hospitality Net: PKF-HR Forecasts Record Occupancy for 2015, Positive Market and Economic Conditions to Sustain Longest Period of Growth in 20 Years September 3, 2014)

Projections

Based on an extrapolated conservative occupancy and average daily rate (aka Revenue per available room) growth during the next four years of 3.5 percent compounded, occupancies (58-68%) are poised to greatly exceed breakeven levels (45-49%) with average daily rates escalating from $120 - 145, which is considered "extremely healthy" in almost any market in the country. Moreover, new product of as much as 250-350 units should not significantly impact (jeopardize) cash flows for these existing hotels (assuming reasonable management, debt service, etc.

The share of the various markets that any new hotel could reasonably be expected to capture will depend on the size, type and market. Based on our research (even taking into consideration the Upper Upscale Class Legoland Florida Resort), we would be comfortable suggesting an additional 240 guestrooms to be introduced into the market. We can see no significant obstacles that would inhibit absolute dollar increases and room demand increases during the next four years (based on the actual increases during the past four years). Despite growth of supply (240 rooms), our projections indicate that the amount of revenue per room night received by the existing hotel owners will average will in excess of

$30,000 per available room per annum. Another way of saying this is - Based on a straight-line extrapolation - the average existing hotel of 100 rooms will realize revenues in excess of $3,000,000 per year, which does take into consideration any non-room revenues that they will earn.

Current Hotel Development Potential

The following recommendations are based on the above analysis of current data of operating data and reasonable demand forecasts. Each option is one potential development scenario that may be financial feasible today given current market operating statistics and the estimated impact of the recent opening of Legoland Florida Resort's152 upscale rooms.

Options # 1 and # 2 (equivalently could be viewed as phase 1 and phase 2 in a staggered development plan) would ideally be on the same parcel, commonly referred to as a campus or pod scenario, accompanied by a tourist oriented family restaurant that can be enjoyed country by families and adults alike. This approach allows significant economies of scale, cost reductions, and overall risk reductions to the private developer and hotel operator by gaining the benefits of cross-utilization of parking facilities, common use of an oversized pool facility, BBQ and recreational facilities and common equipment energy efficiencies.

As demand is proven, these "options" or campus/pod developments can be repeated along the Corridor to give travelers diversity and options. We recommend caution in delivering too many hotel rooms at once. Even though there is plenty of potential demand as discussed in prior sections and above, overnight stays within the Corridor itself are still a new concept and may take time for the traveling public to understand and book.

Overall Concept

The dearth of midscale products and of suite concepts in the immediate Winter Haven/Corridor market suggest the introduction of a quality select service brand and an all-suite concept. Any of these concepts could also support a coffee shop/breakfast restaurant (such as a Starbuck's for example) outlet inside the hotel lobby. At the moment, there are no Marriott, Starwood or Hyatt products within 18 miles of the Legoland/Winter Haven community. These brand families command significant market shares due to their highly developed loyalty and reward programs as well as expansive cross marketing and reservation system synergies. Ideally, the Winter Have/Corridor would have options from all major national brand families (as well as independents and smaller chains). This is something private developers should aim for over time. Suggested options for immediate development are as follows:

Option #1

Build two inter-related limited service hotel concepts in the campus/pod format. Marriott products suggested below offer an abundance of small suite concepts, which will appeal to leisure and commercial guests alike.

Hotel Property 1 – Limited Service Upscale Suites Concept – 120 Suites

Examples Include: SpringHill Suites by Marriott, XXX Hilton, XXX Starwood, XXX IHG

This type of hotel product is aimed towards the upper-moderate-priced, all-suite lodging segment of the hotel industry. These properties typically feature a hot breakfast buffet, complimentary high-speed internet access, an exercise room and a pool; some offer a separate one for young kids. All rooms (Jr. suites) – typically have a limited kitchen with microwave and a fridge. The rooms usually have partial wall separates the bedroom from a living area with a pull-out couch (a play yard can fit in this space too).

Hotel Property 2 – Limited Service Midscale Hotel/Inn Concept – 80 Rooms and 40 Suites

Examples Include: Fairfield Inn by Marriott, XXX Hilton, XXX Starwood, XXX IHG

These lower-cost, economy brands of hotels are geared towards guests requiring a place to sleep with fewer amenities, thus allowing the hotel operator to offer lower prices than would otherwise be possible. This is usually accomplished via cost-saving measures, such as consistent building architecture and bedding, and the omission of a full-service restaurant. Instead there is typically a deluxe style continental breakfast that is often offered free, featuring a variety of breakfast items, including hot breakfast sandwiches. These properties typically have combination of family oriented suites with king pull-out couches that appeal to several of the market segments, and regular hotel rooms that typically have two queen beds rooms to accommodate leisure and commercial guests.

Option #2

Hotel Property 1 – Limited Service Extended-Stay Midscale Suites Concept – 120 Suites

Examples Include: TownPlace Suites by Marriott, Mainstay Suites, Candlewood Suites, XXX Hilton, XXX Starwood, XXX IHG

These extended-stay hotel concepts cater to a more mid-priced market. Rooms are in all-suite configurations with kitchen, work and sitting areas, and at least one bedroom. Most locations also have business work areas with WiFi access and printers, as well as coin-laundry facilities. Other generally standard features include an exercise gym, pool, a daily breakfast buffet and a convenience-store-like area mostly selling snack foods and sundries. In contrast to other extended-stay brand, these are lower cost within the Upper Midscale segment.

Hotel Property 2 – Limited Service Upper-Upscale Suites Concept – 120 Suites/Apartment Style Suites

Examples Include: XXXX by Marriott, XXX Hilton, XXX Starwood, XXX IHG, Hyatt Place by Hyatt

These hotels are mid-sized properties catering to family and business travelers. Upscale extended branded, contemporary apartment-style suites are the alternative to typical hotel accommodations. Spacious studio, one and two-bedroom kitchen suites with fully-fitted kitchens, comfy living rooms, spacious bedrooms and stylish bathrooms, so guests no longer have to rely on the bed as the sofa and dinner table combo. Properties usually offer free WiFi, remote printing, and constant use of flat panel HDTVs throughout the property. They usually feature complimentary breakfast buffet's sometimes featuring build-your-own omelet bars, fresh fruit and other breakfast items. Other key amenities and offerings include evening socials with free food, beer and wine in the lobby; 24-hour guest markets with fresh-made salads and sandwiches; restaurant delivery service; fully-fitted kitchens in the suites; 24/7 workout Room; indoor or outdoor pool; 24/7 business center with complimentary computers, internet access + printing; dry cleaning services and 24-hour laundry facilities; outdoor social spaces, bbq grills and fire pits.

Hotel Area Viability and Programming

While no one can foretell the future, social-technological-economical-political-legal and environmental horizons appear "sunny". It was perhaps best said by the PNC Bank in their recent forecast:

> "Central Florida's economy will maintain healthy, above-average growth in 2015, with support from a recovering housing market and rebounding tourism, according to a new forecast released by PNC. Continued recovery of the global economy and discretionary income growth at the national level will support increased tourist arrivals and spending. In addition, the plunge in fuel prices is an added boon that will make it cheaper for tourists to fly or drive to Florida. PNC also notes that homebuilding will improve, but with population growth also improving, the supply of homes will be held in check. Longer term, reasonable business costs, strong demographic trends and a well-educated workforce are advantages the area can leverage to boost its long-term growth potential." (Orlando Business Journal, February, February 13, 2015)

As detailed in other sections of this study, the economic fundamentals are ripe (low gas prices for autos and airlines, low unemployment, low interest rates, favorable capital makets, improved consumer confidence, record corporate profits, recovery of retail sales, improved tourist taxes). Thus the time is right to take the next step in the form of tourism branding. Given the growth of Legoland Florida and surrounding commercial traffic, and considering lodging metric data during the past several years, it appears hotel expansion will benefit future leisure guests, commercial guests, county tax base, and encourage additional businesses to expand or relocate.

Hotel Development Financial Analysis

Assumptions

Given no sudden disaster, natural catastrophe, or large scale and violent event in the natural world, the future of Central Florida is quite bright. Gas prices stay under $100 per barrel, interest rates stay under 5%, unemployment ranges between 5-6.5%, housing and apartment construction is moderate, etc. are all in alignment, and the time is potentially right to invest in the next level of tourism in the Polk County area.

Projected Levels of Market Penetration

Based on the STR reports and the results of communication with pertinent retail operations, estimated financial projections and room type options will be offered. Note: Revenues will reflect conservative market segment projections and the addition of our recommended 240 additional hotel rooms described above and the addition of the Legoland Florida Resort's 152 hotel room.

Lodging Demand	Total Occupancy	Leisure Segment	Commercial Segment	Group Segment	Contract Segment
Total Market 2015 YTD	**74.4**	37.5	30.4	4.0	2.5
Select Comp Set (est.) - '16	**67.8**	35.0	28.0	2.3	2.5
Select Comp Set (est.) - '17	**58.0**	31.0	22.0	3.0	2.0
Select Comp Set (est.) - '18	**60.0**	32.0	22.5	3.0	2.5
Select Comp Set (est.) - '19	**62.2**	33.2	23.0	3.1	2.9

Source: Smith Travel Research, Lakemont Group

Market Supply and Demand Dynamics

Building two dual-branded hotels in tandem on the same site, appeals to two markets, and provides for numerous product and service efficiencies. For groups such as sports teams or family reunions people can choose from two differently priced experiences and still stay under the same roof. Cost per room will vary, but will likely fall within a $75-115,000 per bay (typical guest room) for a midscale hotel.

Property and Site Recommendations

Depending on the exact location, the site should be along Cypress Gardens Boulevard and preferably within a 10 minute or less drive time to Legoland Florida. For best probability of success, any hotel campus/pod development should be master planned and appropriately landscaped/hardscaped to concurrent with future planning designs for the Corridor. The Corridor itself should aide in creating a "sense of arrival" to a tourist destination district. The combination of streetscape/curb appeal of the hotel development itself and the surrounding area can make a big opening statement….the moment of truth to the arriving guests.

Specific details and recommendations include:

- General and approximate land space requirements

Range of 4-6 acres, given that a typical hotel floor will accommodate approximately 18-20 standard rooms per floor, and the one conference mixed–use meeting room is located between the two hotels. Each of the two hotels should house 120 guests.

- General and approximate hotel room requirements

Each guest room should range from 325-350 sq ft., designed as rooms with two queen or king beds. The standard size per room/junior suite is approximately 12.5 ft by 26 ft. or 12.5 by 28. For the Limited Service Mid-Scale Hotel/Inn concept, the room mix should be 80/20 two beds/one bed. The preference is for two queen size beds in each of the 80 rooms and one king size for the one-bedded. For an all-suites hotel, it can be 50/50 split of two bedded vs one bedded due to the pull-out couch in the king size rooms.

- General and approximate suites requirements (Junior, Executive, Presidential)

The junior suites are simply extensions of the basic room type. Square footage can actually fall within the 350 sf footprint. However, the executive suites (1 per hotel) require a 750 sf space, which is primarily suited for meeting planners, the occasional VIP/celebrity and small company hospitality suites.

- General and approximate amenities requirements

- Multifunctional meeting and conference rooms, space for up to 100 guests X 10-12 sf/guest plus head table, 1250- 1500 sf.

- Fitness & gym area, common space for both hotels, 300-350 sf.

- Outdoor play area, minimum 1000 sf.

- General and approximate parking requirements

Guest Autos -	240 guestrooms rooms X 75% occupancy X 1 car per room	180
Employees -	25 per hotel of 120 rooms with limited restaurants	50
Banquet facilities limited		12
Local arrivals limited		8
TOTAL spaces		250

- General recommendations and guidelines on accompanying restaurant and bar facility

The mixed use of hotel, hot beverage in the am and cold beverage in the pm (both on-site) with fast-casual light bite restaurants are well positioned and recommended for today's tourist market. Fast casual, better burger or midscale (e.g., TGIFriday's, Chili's, California Pizza Kitchen, Burger 21) should be built as free-standing on the same parcel as the two hotels so they are easily and safely walkable.

Critical Success Factors for Hospitality Developments in the Corridor

The secret to tourism and hospitality success in Polk County to-date has been the two-pronged approach to both leisure and commercial markets. To take the next step by creating a delicate balance of tourism infrastructure, cultural climate, an array of lodging, food and beverage and retail products that appeal to leisure and commercial markets. Identifying the ideal multi-day destination or stop-over and branding the area to differentiate the entertainment, education, aesthetics and escape experience will greatly increase the appeal of visitation, length of stay and repeat/referral factor.

Critical success factors include a further commitment to national branding, and simple billboard attractions located along the major arteries and at strategic locations, as the drive traffic navigates towards the Corridor/Winter Haven. Focus groups show that guests thrive on good directionals, anticipatory attraction signage and a vibrant entrance to the immediate area. These items will need to be addressed in the near future to assure an on-going path of economic success.

The competitive set for the county includes other areas of Florida. The challenges include:

- Attracting a leisure market segment that normally plans to stay at the large theme parks for a week, by providing an alternative tourism "Escape" experience to Winter Haven and Legoland Florida

- Soliciting additional commercial traffic by offering more choice of accommodations (All-suites and quality Midscale inventory)

- Pursuing the group markets for both leisure and commercial guests by creating a dedicated conference center, which may be a phase two project for 2019-20.

- Consider the expansion of timeshare/vacation ownership and vacation rental homes in and around the Corridor.

As a final note regarding the tourism value proposition, it has been demonstrated on numerous occasions throughout the country and other parts the globe that tourism can reap significant returns on investments. Travel and tourism garners large amounts of income into a local economy in the form of payment for goods and services needed by tourists, tax funding for local services and the creation of opportunities for employment in the service sector of the economy associated with tourism. Polk County is a position to take advantage of these opportunities and econometrics, and continue their movement in a very positive direction.

Final note regarding projections and recommendation presented in this section and globally within this report. The study and its findings have been prepared for informational use only and is not an investment recommendation or final determination of feasibility for a specific

project or parcel. The recommendations apply to a broad market, the Corridor and to some extent the Greater Winter Haven community. Thus it may not be suitable for use in connection with exploration of financing proposed projects, and should not be relied upon for any other purpose. Information is based on information gathered and does not constitute a guarantee of economic conditions, competitive pipeline products or future change in demand generators.

Long Range Hotel Development Potential

At the moment, the Corridor is home to two similar products, which are midscale level with standard rooms, and offer virtually no meeting room space. These properties provide limited choices for leisure and commercial guest alike, and they cannot accommodate small or medium size groups. This hotel structure is a deterrent to attracting guests who prefer suites or extended-stay accommodations; and it does not welcome leisure and commercial group segments markets. We have outlined a lodging growth path to consider during the next four years. Given the entry of the Legoland Florida Resort and an additional 240 rooms with a small meeting facility, guests will sense an expansion of the local lodging market and the power of choice. Furthermore, local corporations that presently contract with the only two existing branded hotels available will welcome an open, competitive hotel market of choice.

It is worth considering the next phase of lodging expansion that could attract entirely new markets for the 2020 future. The lodging metric forecast that we have outlined for 2015-19 includes a dip in overall occupancy to a low of 58 percent, which rises to more than 62 percent by 2019. This 62 percent threshold is quite healthy, as it provides very positive cash flow for the owners and is well above break-even levels. At this point in time, it would benefit the area to grow markets by constructing a Conference Hotel (250 rooms). This full service, group oriented hotel could accommodate up to 500 overnight guests (2.0 per room); and it would include meeting room space to host a group at one seating of up to 350 (5000-6000 square feet) with breakouts (one room of 2500 sf and 3 additional rooms of 1000 sf). The brand might be something along the lines of a Westin or Crowne Plaza, which would upgrade the market and attract new business - social and professional groups.

An additional hotel could be absorbed in to the market in 2021 or 2022 (or earlier if a demand shift occurs), which would be in the form of a true extended-stay concept. Brands that would qualify include: The Homewood Suites (Hilton) Residence Inn (Marriott), Staybridge Suites (InterContinental) or Element (Starwood – a millennial brand). By the year 2025 there will likely be room for a dedicated Conference Center to accommodate as many as 2,000 leisure and commercial attendees. This center would be frequented by social, military, educational, religious, fraternal and sports groups, who desire 1-2 week retreats and training sessions. At this point the lodging market will have matured to become a thriving combination of social traffic on the weekends, consistent business transient individuals during the week, and group business year-round. The above 10 year path is feasible, if the proper branding, promotion and operational focus is provided.

Tourist Corridor Development Needs and Potentials Analysis

Overview and Purpose

In order for the Corridor to maximize its potential as a tourist destination, a number of steps much occur on a somewhat order dependent timeline. Step one is the immediate construction of the first set of additional hotels (240 rooms) and at least one accompanying full service family restaurant. Step two opening and expanding additional, more diverse entertainment and activity offerings to all the Corridor to present a multi-day visitation option which drives hotel room night demand. This section is focused on this second step. A simultaneous third step of improving the look and feel of the Corridor itself should also occur and will be discussed in the final section.

Potential for Additional Tourism Demand Drivers in Corridor

The following facts where detailed and demonstrated in prior section; first, the Corridor is located in a large metropolitan region with approximately 5.2 million residents no more than a 90 minute drive away; second, the Orlando market receives over 62 million visitors annually, most of which stay approximately at hour's drive to the Corridor; and third, there are a number of commercial, non-tourism related demand drivers boosting employment, population, and thus consumer spending potential all in a short distance to the corridor.

Thus, we find it rational to believe that additional attraction and entertainment venues and establishments could perform well within and near the Corridor. Below is a set of characteristics and potential opportunities we can identify:

1. Family entertainment catering to the 8 to 16 year old segment. Legoland Florida has an explicit strategy of catering to the 2 to 12 year old age demographic, this logically means that older children may likely desire activities geared towards them in order to desire a multi-day stay within the corridor. Examples include:
    a. Go-Kart tracks
    b. Miniature Golf
    c. High tech video game/simulator rides/arcade
    d. Thrill rides (bungee type, high speed amusement, etc.)

2. Night time family entertainment. Legoland Florida is primarily a day time attraction and thus visitors are in need of an activity either pre-park attendance or after exiting the park. This is perhaps most crucial in making the Corridor and Winter Haven generally a mutli-day vacation requiring a hotel stay in the Corridor. In addition to those listed above (all of which can be operated at nighttime), examples include:
    a. Dinner theater (Medieval Times/Arabian Nights type concept)
    b. Fireworks/laser light shows (Legoland Florida does this at limited time)
    c. Upscale Dining and Shopping (this could be in Corridor or in downtown Winter Haven)
    d. Movie Theater/IMAX

3. Sports and Physical Activity based family entertainment. Demographic data suggest that sports participation is high amongst the regional population. Further, we believe sports and physical activity based entertainment could be dimension where the Corridor and Winter Haven could distinguish and differentiate itself from the Orlando attraction market. Once again, this category can easily overlap with the above to categories and thus highly synergistic. Examples include:
    a. Batting Cages
    b. Water-Ski/wakeboarding school
    c. Lakefront Beach
    d. Lighted Driving Range/Golf Entertainment Concept (like TopGolf concept)
    e. Camp Grounds
    f. Archery/Rifle Ranges
    g. Canoeing/Kayaking
    h. Ropes/obstacle/confidence courses
    i. Paintball fields/courses
    j. Agricultural tourist activities
    k. Eco-tourism activities

4. Multigenerational family entertainment. As stated before, there is an increasing trend in the United States for grandparents to travel with their adult children and young grandchildren. We believe the Corridor and Greater Winter Haven could position itself very well for this segment and capture visitors away from Orlando. The list of examples to be provided are those most likely to appeal to the older travelers (i.e. those who may not wish to accompany the 2-12 year olds to Legoland Florida during the day), however, we fully expect all ages to potentially desire these items to some degree. Examples include:
    a. Golf Courses (this could include linking Corridor hotels to existing Polk County golf assets).
    b. Antique district (better positioned in the downtown of Winter Haven than the Corridor itself)
    c. Full Service Spa and Treatment Center
    d. Birdwatching and Nature (this could be an expanding/marketing of the existing Cypress Gardens asset within Legoland Florida)
    e. Historical and Cultural Experiences

In summary, we recommend that a mix of the above establishments be opened within and near the corridor. Many are complementary and likely to experience economies of agglomeration as more are opened. Those that are more "touristy" should be placed along the corridor, ideally with as short a distance to hotel developments as possible. Walkability to the hotels would be ideal but is not a necessity. The less "touristy" and more "cultured" type of offerings would more ideally be placed in downtown Winter Haven with routine shuttle service provided to the Corridor area hotels.

Recommendations on Theming and Branding

The Cypress Gardens Boulevard Corridor is itself an arbitrarily defined zone of State Road 540 from US Highway 27 to approximately Overlook Drive. This is not a known "tourist destination" by any logical sense of the word. In order to obtain maximum potential for the Corridor, visitors to Florida and regional residents (those along the I-4 Corridor as discussed in prior sections) should be aware of the Corridor and surrounding regions as an offering of high quality vacation experiences. Below are a series of steps/suggestions to brand and theme the Corridor and surrounding area.

1. Destination Branding. First and foremost is the need to brand the destination with an anchor that tourists can remember and desire. Presently, we believe most Legoland Florida visitors are "visiting Orlando" and just "driving to Legoland." The most obvious brand destination is Winter Haven, the name has positive connotations with vacations (hence why it was originally named such). A full brand identity with tagline should be developed. Further this brand should be prominent on signage, marketing, and throughout the Greater Winter Haven area itself. An example would be "**Winter Haven, home of Legoland Florida and the Original Florida Vacation Experience**"

2. Location Branding. Within the greater Winter Haven/Polk County there should be clearly defined tourist sub-markets that can be easily understood and communicated (will be detailed below). An existing example would be the International Drive (I-Drive as it is commonly called) within the Greater Orlando tourist zone. These distinct submarkets should share common identity and develop shared resources and infrastructure. This allows for ease of wayfinding by visitors to the region and marketing synergies for business establishments as well. Examples will be provided in the next section.

Recommendations Defining Submarkets/Districts and Branding

Up to this point in the study, we have generically talked about the Corridor and Winter Haven area without much giving much definition of where development should occur and how these areas should be themed and marketed. We have established that the broader area, likely Winter Haven, needs a global brand and theming. Concurrently, the distinct districts within the Winter Haven tourism market need definition, branding, and theming as well as physical identification and visualization for visitors to understand. We have identified four distinct "districts", two of which are suitable for branding and two of which will provide support and expansion opportunities for the two primary districts. The two primary districts are:

1. The Legoland Area, this is the stretch of Cypress Gardens Boulevard from Cypress Gardens Road to Cypress Gardens Road that straddles Legoland Florida. This area is especially ideal for hotel development (particularly the type discussed in prior section) and additional "touristy" entertainment attractions and support uses such as restaurants and retail. Visitors should be able to say they "wish to stay at a Legoland

Area hotel" and easily be able to find the exact offerings they request. Similarly, a business establishment should be able to advertise "located in the Legoland Area" and visitors should have little issue knowing approximately where such establishment will be located.

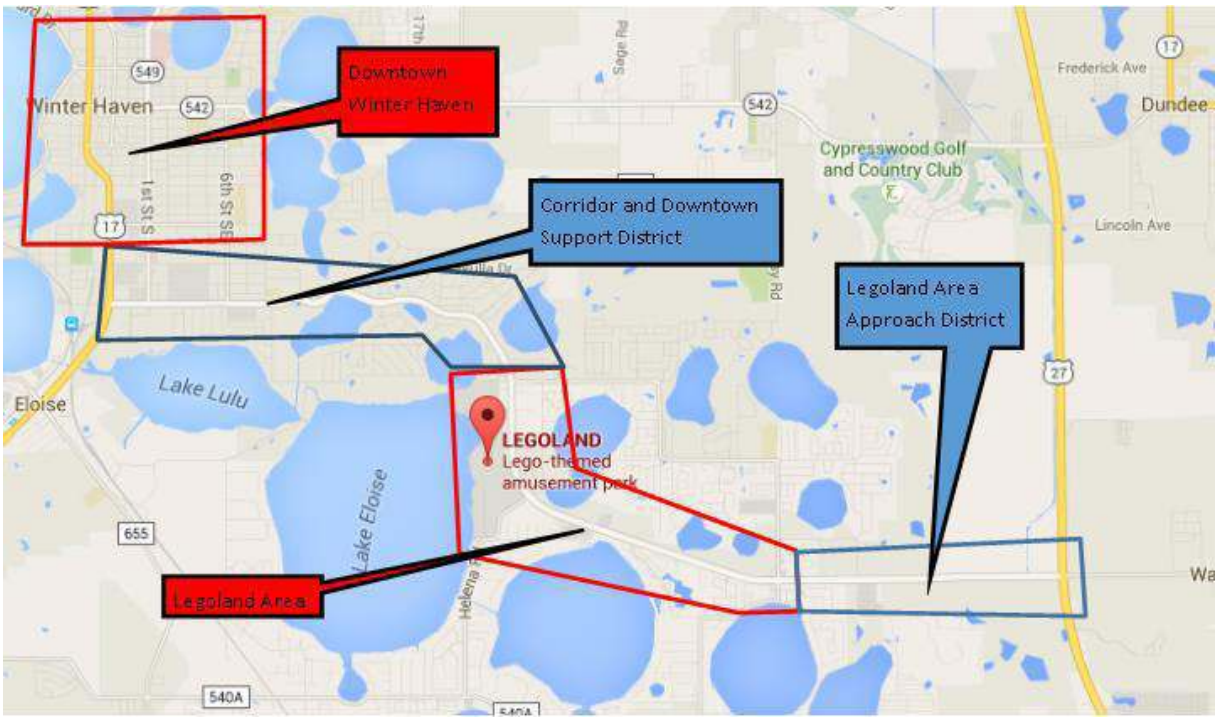
2. Downtown Winter Haven, this defined small town urban village hosts many restaurants and shops that visitors staying in the Legoland Area may wish to visit (especially at night when the park closes). This area should be separately defined, branded, and themed. Further wayfinding resources and signage should make it easy for a visitor to transit between the two primary districts.

The support districts are more important for public officials to use to enhance the Corridor and surrounding area. Overtime, each of these districts may merge or become expansions of the primary ones listed above. The two support districts are:

3. Legoland Area Approach District, this is the stretch of Cypress Gardens Boulevard from US Highway 27 to Cypress Gardens Road. This area should feature physical monuments and signage to allow visitors to feel excited as they are arriving at the Legoland Area. This district will overtime become a natural extension of the Legoland Area itself and gain the benefit of its branding and theming. Additionally, this area is ideal for development of certain complementary land uses to support the tourist and other economic activities in the Corridor and surrounding parts of Polk County.

4. The Corridor and Downtown Support District, this district is the remainder of State Road 540 from Overlook Rd to US Highway 17. This is zone is already densely developed and will continue to provide support functions for visitors and residents to the Greater Winter Haven area. As this district more or less connects the two primary districts, it should be themed and have as consistent a look as possible. If nothing else, ease of wayfinding between the Legoland Area and Downtown Winter Haven should be enacted. It is worth noting that the two main competitor hotels used for data analysis discussed in the last section, actually lie in this part of the Corridor. This district does have one unique asset, the Chain of Lakes Complex[13].

[13] The Chain of Lakes Park in Winter Haven is ball field and sports complex that could potentially be developed further and generate additional demand for establishments along the Corridor. Thus, it represents a significant asset that should be focused on as it could support the Corridor and local economy at large.



Source: Google Maps, Lakemont Group, identification of districts

Recommendations on Development of Complementary Uses

The Corridor serves not only as access point to a tourist destination, primarily Legoland Florida, but also as a significant roadway linking residents and employees of Winter Haven to the major arterial roads US Highways 17 and 27. As such, the corridor has already experienced a great deal of real estate development unrelated and even unsupportive of tourist destination growth. Going forward, it is advisable that development within the Corridor, and especially the area denoted as the Legoland Area above, be kept to direct and indirect uses that support tourist center activity. This is equally if not more important for Legoland Area Approach District, however may be more challenging given that it is relatively less developed so far. Nonetheless, there certain uses that can be beneficial or at least non-impactful to a tourist corridor that should occur along parts of the Corridor. Examples include:

1. Multifamily Housing: Apartment complexes provide housing for workers of hospitality establishments and thus having them in close proximity leads to a better, more available workforce to allow the tourist establishments to flourish. Further, given the aforementioned demographic growth and other commercial demand drivers (especially the CSX Intermodal Logistics Center), there is likely to be an increasing demand for multifamily housing near the Corridor.

2. General and Convenience Retail: Drug stores, grocery stores, and convenience stores all tend to have relatively high levels of sales in tourist districts as both the visitors and employees have need for their products. The corridor does not appear to lacking in this dimension, but should support more upscale, higher end establishments given

the demographics of who is likely to visit the Corridor in the future and who is visiting Legoland Florida today.

Potential for Retail and Restaurant Development

Beyond lodging establishments and entertainment attractions, tourist districts often have significant retail and restaurant offerings that can even be destinations themselves. Presently, we cannot identify any such establishments in the Corridor has built. Beyond the family restaurant recommended in the lodging development section, we believe that the demographics of the area as well as the current drive-in/drive-out daily visitor to Legoland Florida support the development of an additional 1 to 3 upscale, family oriented restaurants. After observing and experiencing the Corridor, we believe that a lot, if not most, of the excess expenditure associated with a theme park such as Legoland Florida is being leaked back to markets such as Orlando due to lack of significant options.

Retail development is more challenging in the Corridor as it lacks the density required to build any significant tourist, destination style retail centers. Small strip retail alongside the proposed hotel campus/pods would likely be economically feasible but not likely going to produce any significant additional demand or economic impact within the Corridor and surrounding areas. After significant additional attractions and lodging establishment have been opened then this question of retail development should be reassessed[14].

[14] There are plans to extend the Polk Parkway, a tolled expressway, and have an interchange close to the Corridor, this could potentially create a location that may make additional destination retail development more feasible, however this notion is too preliminary at this time to assess.

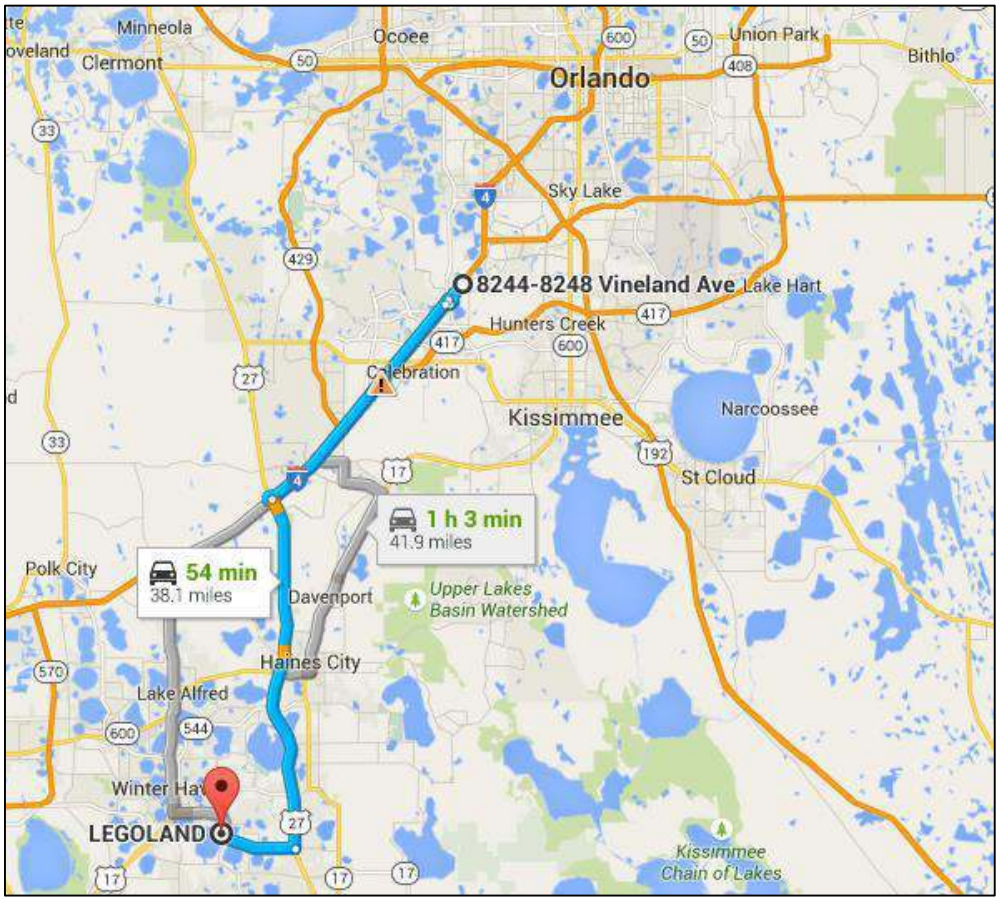
Corridor Linkages and Improvements Analysis

Overview and Purpose

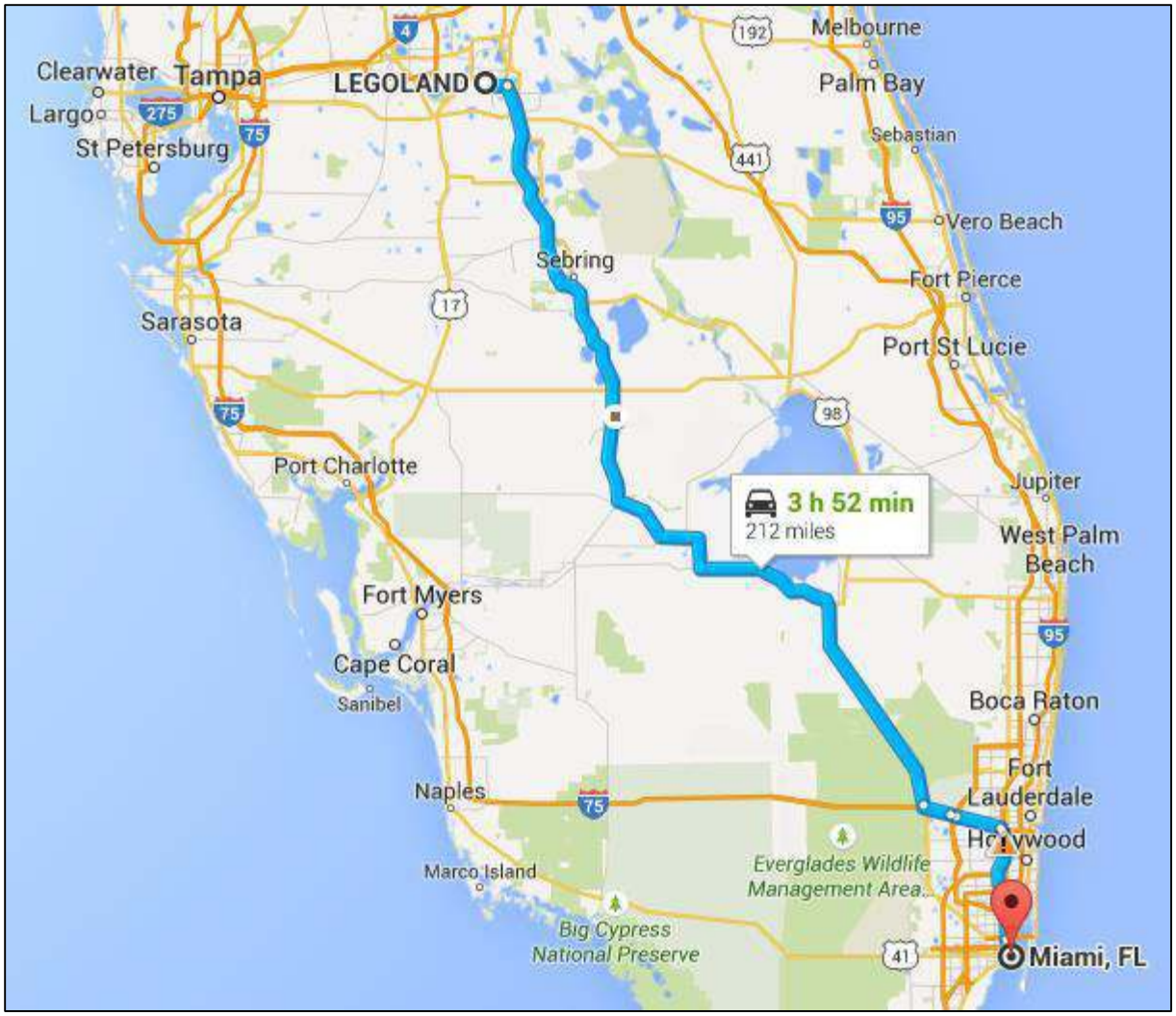
The Cypress Gardens Boulevard Corridor will only be as successful it is linked to the rest of Florida and by proxy the world. This section identifies the current set of linkages and recommends ways to improve connections. In general, the Corridor's lack of interstate access is its most significant negative feature.

Transportation Linkages and Development

The Corridor is directly linked to US Highways 27 and 17 to the east and west respectively. US Highway 27 unquestionably the dominate access way visitors are likely to use to access the Corridor and Legoland Florida. US Highway 27 connects to Interstate 4 to the north (which connects directly to Orlando) and Miami – Ft. Lauderdale to the South. Winter Haven does have an Amtrak rail station, however this is not likely a major source of visitors to the Corridor.



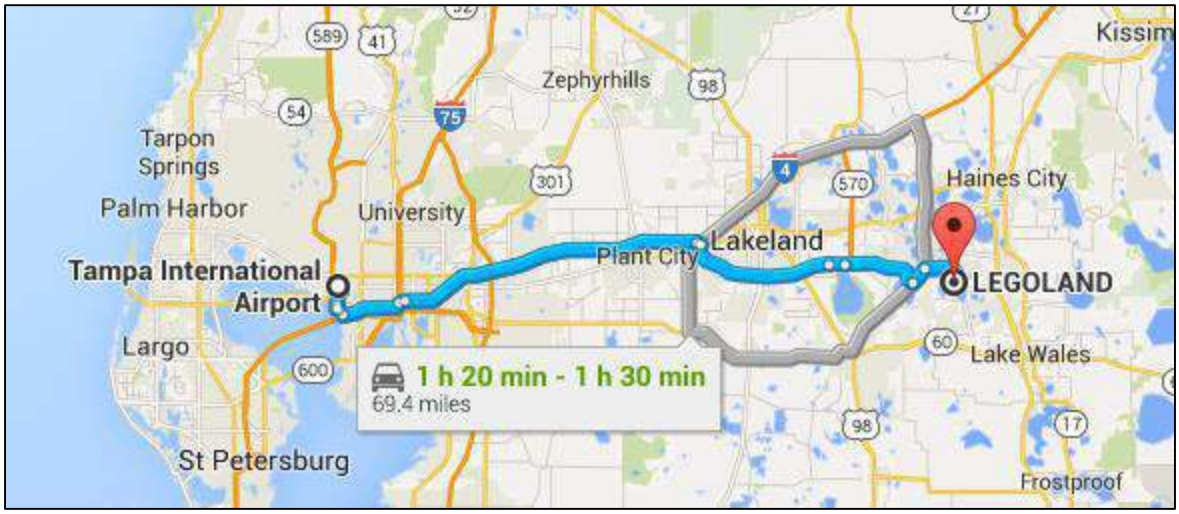
Source: Google Maps, Lakemont Group, approx. drive time from corridor to Orlando tourist market



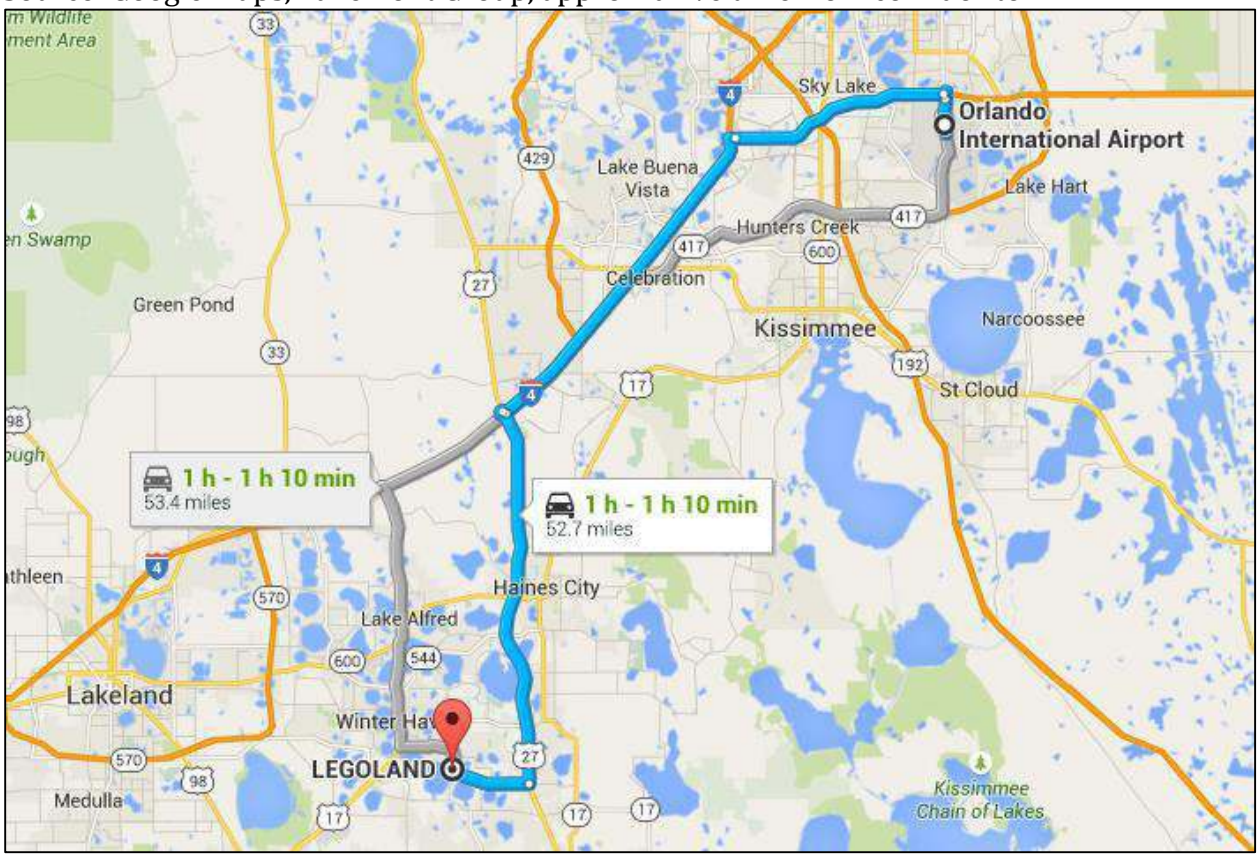
Source: Google Maps, Lakemont Group, approx. drive time from corridor to Miami

The primary means by which an out of state visitor reaches the Corridor is via flight in to Orlando International Airport (approximately 1 hour drive time) or secondarily Tampa International Airport (approximately 1.25 hour drive time). This is exceedingly the best linkage of the Corridor as it means that an out of state visitor could easily be made to feel that the Winter Haven area is part of the Central Florida tourist region and thus make plans to visit if so motivated[15].

[15] Legoland officials report that surveys were conducted prior to purchasing the Cypress Gardens site and they found an acceptable high response to whether Winter Haven was close enough to visit on an Orlando vacation.



Source: Google Maps, Lakemont Group, approx. drive time from corridor to TPA



Source: Google Maps, Lakemont Group, approx. drive time from corridor to MCO

Infrastructure Improvement Recommendations

While Interstate 4 and its resultant traffic patterns may be immobile, there are still many opportunities to improve the infrastructure and linkages supporting the Corridor. Below are some examples.

1. Improved Signage and Wayfinding from I-4 along US Highway 27: While some signs do exist, they are completely indistinguishable from ordinary highway markings. A series of unique signs, billboards, and even monuments, from the interchange of US Highway 27 and Interstate 4 until one has turned on Cypress Gardens Boulevard and at least reached Legoland Florida is the absolute minimum that must be done to give the corridor its best chance of development.

2. Expressway Linkage to Interstate 4: The absolute best solution to the Corridor's distance to Orlando/I-4 problem would be constructing an expressway that linked the Corridor to Interstate 4. This idea is being proposed and should be supported as it could greatly help the Corridor and Legoland Florida grow.

3. Connect the Corridor to Tourist Rail: All Aboard Florida is under construction to connect Orlando International Airport down to Miami. Future plans indicate the potential for a line from Orlando to Tampa, if a station with close proximity to the Corrido could be opened, it could bring a massive influx of tourists. As an alternative or joint option, Orlando's SunRail commuter train could be connected to a station near the corridor as well. SunRail's phase two will open stations nearer the tourist hub of Orlando and thus open the potential for a SunRail tourist oriented line.

Source: All Aboard Florida

Local Market Dynamics and Demographic Analysis

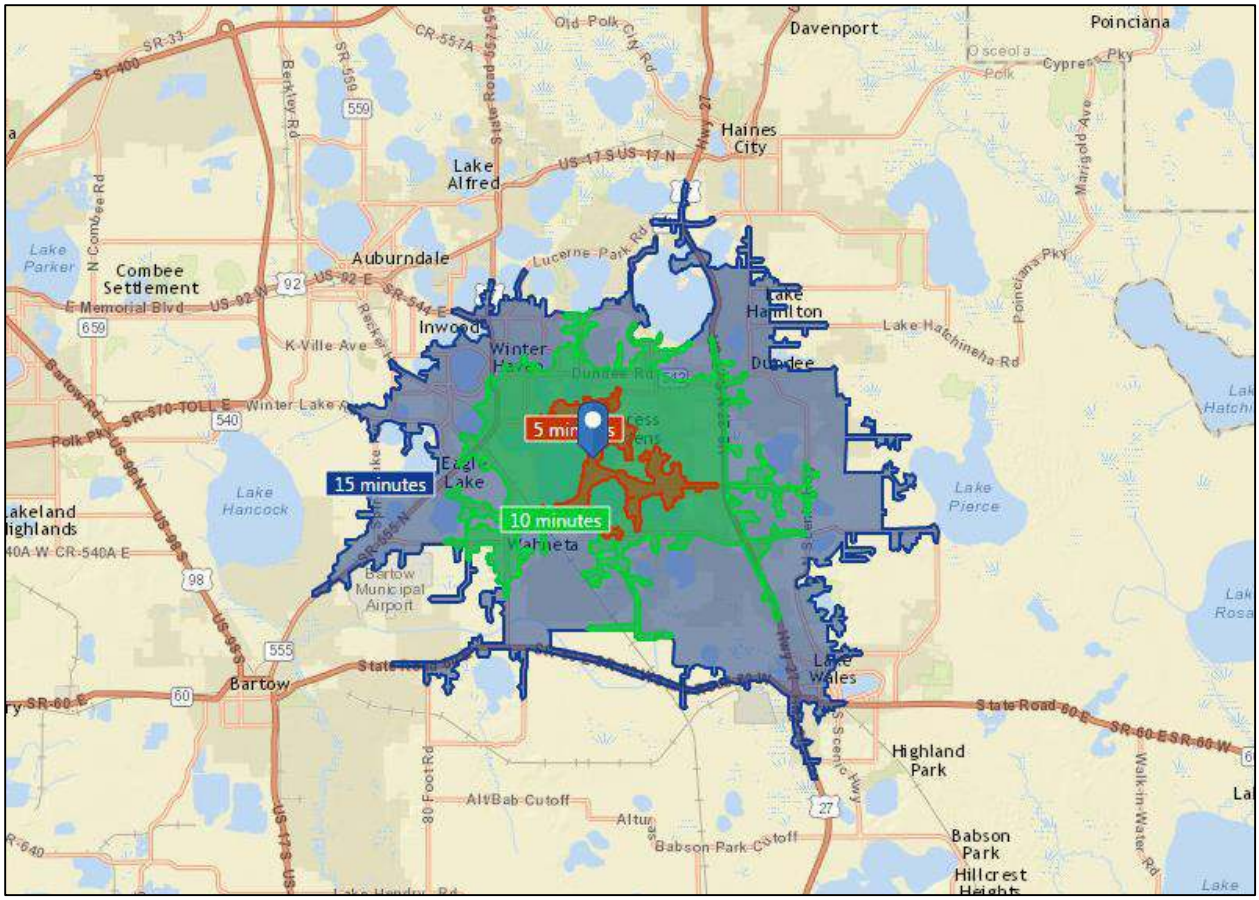
Overview and Purpose

Additional development within the Corridor will not only serve visitors but also local residents who can patronize restaurant, retail, and entertainment facilities as part of their everyday lives. This section will analyze and assess the demographics of the local trade area surrounding the Corridor as defined by a 5, 10, and 15 minute from an approximate centroid of the Corridor (the entrance to Legoland Florida). Overall, these residents of Winter Haven and Polk County will potentially receive multiple benefits of additional tourist oriented development within the Corridor including but not limited to greater diversity of food and entertainment options, new opportunities for employment, growth in the property tax base, increased sales tax revenue, increased property values (all surrounding areas, not just within the Corridor), and a faster growth rate in population.

Further, it is our observation after visiting and touring the region that the local market may be presently underserved in diversity and selection of restaurant, retail, and entertainment options and thus some potential sales from these residents are likely being leaked out of Winter Haven and Polk County.

Corridor Trade Area

We define the local trade area (i.e. the geographic region where local customers will travel from) as up to a fifteen minute drive from the aforementioned relative centroid of Cypress Gardens Boulevard. We further present statistics based on ten and five minute drive times as well. These drive times are generally regarded as the reasonable estimates of how far an average consumer or resident would be willing to travel to visit a local business establishment in daily activities (such as dining, shopping, etc.). Tourist centric businesses routinely seek business from "locals" to diversify from the often cyclical and seasonal nature of the tourist market.



Source: ESRI, Lakemont Group

Trade Area Demographics & Potential

The following table presents local demographics of the trade surrounding the Cypress Gardens Boulevard Corridor and thus represents a potential customer base for business establishments within the Corridor.

esri

Demographic and Income Comparison Profile

CGB Centroid
5998 Cypress Gardens Blvd, Winter Haven, Florida, 33884
Drive Times: 5, 10, 15 minute radii

Prepared by Esri
Latitude: 27.98912
Longitude: -81.68859

	5 minutes	10 minutes	15 minutes
Census 2010 Summary			
Population	11,845	44,788	91,878
Households	4,901	17,612	35,585
Families	3,493	12,143	24,241
Average Household Size	2.39	2.51	2.56
Owner Occupied Housing Units	3,926	12,495	24,309
Renter Occupied Housing Units	975	5,117	11,276
Median Age	45.2	41.7	40.5
2015 Summary			
Population	12,231	46,636	95,674
Households	5,032	18,145	36,705
Families	3,562	12,436	24,836
Average Household Size	2.41	2.54	2.59
Owner Occupied Housing Units	3,878	12,229	23,629
Renter Occupied Housing Units	1,154	5,917	13,076
Median Age	47.2	43.1	41.8
Median Household Income	$55,096	$47,105	$41,190
Average Household Income	$75,476	$64,135	$55,249
2020 Summary			
Population	12,662	48,652	100,310
Households	5,201	18,846	38,313
Families	3,664	12,862	25,813
Average Household Size	2.41	2.55	2.60
Owner Occupied Housing Units	4,002	12,722	24,671
Renter Occupied Housing Units	1,199	6,124	13,643
Median Age	48.7	44.2	42.8
Median Household Income	$65,258	$55,308	$48,691
Average Household Income	$85,644	$72,648	$62,626
Trends: 2015-2020 Annual Rate			
Population	0.70%	0.85%	0.95%
Households	0.66%	0.76%	0.86%
Families	0.57%	0.68%	0.77%
Owner Households	0.63%	0.79%	0.87%
Median Household Income	3.44%	3.26%	3.40%

Source: ESRI, U.S. Census Bureau

The following table presents the 2015 Consumer Spending profile of the residents of the 5, 10, and 15 minute drive radii around the Corridor. This is presented to give insight into the consumption and expenditure potential from locals for the Corridor. The Spending Potential Index represents the relative strength compared to the national average (National Average = 100).

	5 Min	10 Min	15 Min
2015 Consumer Spending			
Apparel & Services: Total $	$11,323,191	$35,340,847	$61,979,827
Average Spent	$2,250.24	$1,947.69	$1,688.59
Spending Potential Index	97	84	73
Computers & Accessories: Total $	$1,268,470	$3,943,121	$6,849,455
Average Spent	$252.08	$217.31	$186.61
Spending Potential Index	99	85	73
Education: Total $	$7,159,739	$21,607,875	$36,572,160
Average Spent	$1,422.84	$1,190.84	$996.38
Spending Potential Index	93	78	65
Entertainment/Recreation: Total $	$16,944,227	$51,798,464	$90,496,070
Average Spent	$3,367.29	$2,854.70	$2,465.50
Spending Potential Index	102	86	74
Food at Home: Total $	$26,318,073	$82,350,125	$145,997,948
Average Spent	$5,230.14	$4,538.45	$3,977.60
Spending Potential Index	100	87	76
Food Away from Home: Total $	$16,343,399	$50,697,194	$88,480,928
Average Spent	$3,247.89	$2,794.00	$2,410.60
Spending Potential Index	99	85	73
Health Care: Total $	$26,016,136	$78,526,944	$137,592,924
Average Spent	$5,170.14	$4,327.75	$3,748.62
Spending Potential Index	109	91	79
HH Furnishings & Equipment: Total $	$9,460,617	$29,046,355	$50,645,098
Average Spent	$1,880.09	$1,600.79	$1,379.79
Spending Potential Index	102	87	75
Investments: Total $	$11,107,198	$36,559,385	$64,492,273
Average Spent	$2,207.31	$2,014.85	$1,757.04
Spending Potential Index	80	73	64
Retail Goods: Total $	$132,001,607	$406,613,364	$715,491,481
Average Spent	$26,232.43	$22,409.11	$19,493.02
Spending Potential Index	103	88	76
Shelter: Total $	$79,843,891	$247,741,565	$429,819,119
Average Spent	$15,867.23	$13,653.43	$11,710.10
Spending Potential Index	96	83	71
TV/Video/Audio: Total $	$6,773,491	$21,003,463	$37,214,263
Average Spent	$1,346.08	$1,157.53	$1,013.87
Spending Potential Index	103	88	78
Travel: Total $	$9,898,365	$29,684,986	$50,479,277
Average Spent	$1,967.08	$1,635.99	$1,375.27
Spending Potential Index	101	84	70
Vehicle Maintenance & Repairs: Total $	$5,688,490	$17,571,450	$30,690,804
Average Spent	$1,130.46	$968.39	$836.15
Spending Potential Index	101	87	75

Source: ESRI, U.S. Census Bureau

The following tables represent the recreation expenditures for the 5, 10, and 15 minute drive time radii around the Corridor.

Recreation Expenditures

CGB Centroid
5998 Cypress Gardens Blvd, Winter Haven, Florida, 33884
Drive Time: 5 minute radius

Prepared by Esri
Latitude: 27.98912
Longitude: -81.68859

Demographic Summary		2015	2020
Population		12,231	12,662
Households		5,032	5,201
Families		3,562	3,664
Median Age		47.2	48.7
Median Household Income		$55,096	$65,258
	Spending Potential Index	**Average Amount Spent**	**Total**
Entertainment/Recreation Fees and Admissions	98	$635.21	$3,196,377
Admission to Movies, Theater, Opera, Ballet	96	$157.44	$792,234
Admission to Sporting Events, excl.Trips	104	$69.02	$347,286
Fees for Participant Sports, excl.Trips	98	$118.04	$594,001
Fees for Recreational Lessons	96	$117.53	$591,393
Membership Fees for Social/Recreation/Civic Clubs	101	$172.71	$869,076
Dating Services	78	$0.47	$2,387
Rental of Video Cassettes and DVDs	93	$21.99	$110,665
Toys & Games	99	$121.52	$611,483
Toys and Playground Equipment	100	$115.37	$580,531
Play Arcade Pinball/Video Games	77	$2.37	$11,938
Online Entertainment and Games	94	$3.78	$19,014
Recreational Vehicles and Fees	101	$221.16	$1,112,885
Docking and Landing Fees for Boats and Planes	108	$10.58	$53,241
Camp Fees	95	$31.82	$160,101
Purchase of RVs or Boats	103	$171.50	$863,012
Rental of RVs or Boats	96	$7.26	$36,530
Sports, Recreation and Exercise Equipment	99	$188.12	$946,613
Exercise Equipment and Gear, Game Tables	100	$76.45	$384,696
Bicycles	90	$26.95	$135,619
Camping Equipment	83	$14.08	$70,843
Hunting and Fishing Equipment	112	$47.18	$237,396
Winter Sports Equipment	91	$5.43	$27,302
Water Sports Equipment	104	$6.78	$34,118
Other Sports Equipment	100	$7.96	$40,065
Rental/Repair of Sports/Recreation/Exercise Equipment	108	$3.29	$16,574
Photographic Equipment and Supplies	96	$78.31	$394,041
Film	96	$1.15	$5,785
Film Processing	105	$12.90	$64,909
Photographic Equipment	92	$36.25	$182,412
Photographer Fees/Other Supplies & Equip Rental/Repair	99	$28.01	$140,935
Reading	104	$158.97	$799,947
Magazine/Newspaper Subscriptions	112	$61.26	$308,277
Magazine/Newspaper Single Copies	104	$16.18	$81,422
Books	99	$63.54	$319,712
Digital Book Readers	100	$17.99	$90,536

Source: ESRI, U.S. Census Bureau

Recreation Expenditures

CGB Centroid
5998 Cypress Gardens Blvd, Winter Haven, Florida, 33884
Drive Time: 10 minute radius

Prepared by Esri
Latitude: 27.98912
Longitude: -81.68859

Demographic Summary		2015	2020
Population		46,636	48,652
Households		18,145	18,846
Families		12,436	12,862
Median Age		43.1	44.2
Median Household Income		$47,105	$55,308
	Spending Potential Index	**Average Amount Spent**	**Total**
Entertainment/Recreation Fees and Admissions	82	$527.80	$9,576,964
Admission to Movies, Theater, Opera, Ballet	81	$133.65	$2,425,112
Admission to Sporting Events, excl.Trips	85	$56.66	$1,028,070
Fees for Participant Sports, excl.Trips	83	$99.70	$1,809,045
Fees for Recreational Lessons	77	$95.10	$1,725,538
Membership Fees for Social/Recreation/Civic Clubs	83	$142.21	$2,580,485
Dating Services	80	$0.48	$8,714
Rental of Video Cassettes and DVDs	84	$19.72	$357,747
Toys & Games	85	$104.27	$1,891,925
Toys and Playground Equipment	85	$98.67	$1,790,293
Play Arcade Pinball/Video Games	74	$2.27	$41,152
Online Entertainment and Games	83	$3.33	$60,480
Recreational Vehicles and Fees	84	$182.13	$3,304,676
Docking and Landing Fees for Boats and Planes	85	$8.36	$151,646
Camp Fees	73	$24.26	$440,167
Purchase of RVs or Boats	86	$143.42	$2,602,403
Rental of RVs or Boats	81	$6.09	$110,461
Sports, Recreation and Exercise Equipment	85	$160.10	$2,905,016
Exercise Equipment and Gear, Game Tables	84	$64.80	$1,175,760
Bicycles	77	$23.18	$420,653
Camping Equipment	75	$12.73	$231,002
Hunting and Fishing Equipment	94	$39.47	$716,244
Winter Sports Equipment	78	$4.68	$85,003
Water Sports Equipment	86	$5.57	$101,148
Other Sports Equipment	86	$6.89	$125,005
Rental/Repair of Sports/Recreation/Exercise Equipment	91	$2.77	$50,201
Photographic Equipment and Supplies	82	$66.82	$1,212,381
Film	83	$0.99	$17,927
Film Processing	87	$10.77	$195,422
Photographic Equipment	79	$31.39	$569,647
Photographer Fees/Other Supplies & Equip Rental/Repair	84	$23.66	$429,385
Reading	87	$132.53	$2,404,675
Magazine/Newspaper Subscriptions	92	$49.84	$904,365
Magazine/Newspaper Single Copies	86	$13.45	$244,078
Books	84	$53.99	$979,563
Digital Book Readers	85	$15.25	$276,669

Source: ESRI, U.S. Census Bureau

Recreation Expenditures

CGB Centroid
5998 Cypress Gardens Blvd, Winter Haven, Florida, 33884
Drive Time: 15 minute radius

Prepared by Esri
Latitude: 27.98912
Longitude: -81.68859

Demographic Summary		2015	2020
Population		95,674	100,310
Households		36,705	38,313
Families		24,836	25,813
Median Age		41.8	42.8
Median Household Income		$41,190	$48,691
	Spending Potential Index	**Average Amount Spent**	**Total**
Entertainment/Recreation Fees and Admissions	68	$438.80	$16,106,261
Admission to Movies, Theater, Opera, Ballet	68	$112.44	$4,126,963
Admission to Sporting Events, excl.Trips	71	$47.37	$1,738,795
Fees for Participant Sports, excl.Trips	69	$83.32	$3,058,284
Fees for Recreational Lessons	63	$77.06	$2,828,361
Membership Fees for Social/Recreation/Civic Clubs	69	$118.17	$4,337,325
Dating Services	75	$0.45	$16,534
Rental of Video Cassettes and DVDs	73	$17.28	$634,121
Toys & Games	74	$90.30	$3,314,453
Toys and Playground Equipment	74	$85.43	$3,135,627
Play Arcade Pinball/Video Games	64	$1.97	$72,258
Online Entertainment and Games	72	$2.90	$106,568
Recreational Vehicles and Fees	72	$157.18	$5,769,262
Docking and Landing Fees for Boats and Planes	71	$6.96	$255,428
Camp Fees	57	$19.12	$701,660
Purchase of RVs or Boats	75	$126.05	$4,626,525
Rental of RVs or Boats	67	$5.06	$185,649
Sports, Recreation and Exercise Equipment	73	$138.51	$5,084,179
Exercise Equipment and Gear, Game Tables	73	$56.08	$2,058,419
Bicycles	65	$19.48	$715,054
Camping Equipment	64	$10.92	$400,982
Hunting and Fishing Equipment	83	$34.67	$1,272,498
Winter Sports Equipment	68	$4.04	$148,356
Water Sports Equipment	73	$4.76	$174,728
Other Sports Equipment	77	$6.15	$225,840
Rental/Repair of Sports/Recreation/Exercise Equipment	79	$2.41	$88,301
Photographic Equipment and Supplies	69	$56.32	$2,067,227
Film	70	$0.84	$30,842
Film Processing	75	$9.23	$338,780
Photographic Equipment	66	$26.22	$962,258
Photographer Fees/Other Supplies & Equip Rental/Repair	71	$20.03	$735,347
Reading	74	$112.84	$4,141,795
Magazine/Newspaper Subscriptions	78	$42.26	$1,551,258
Magazine/Newspaper Single Copies	74	$11.58	$425,141
Books	72	$46.00	$1,688,311
Digital Book Readers	72	$13.00	$477,085

Source: ESRI, U.S. Census Bureau

The following tables present ESRI's Retail MarketPlace Profile for the 5, 10, and 15 minute drive time radii. A positive (green) value for Retail Gap means potential for new businesses to serve this segment of demand from the local resident population. A negative (red) value for Retail Gap means that the trade area is receiving sales from residents of areas outside the defined trade area (commonly referred to as leakage). The reports indicate that the trade area is receiving leakage from other areas in many categories. Given that this market has lots of tourism activities (such as Legoland Florida), seasonal visitors (who often count as "leakage" from their home market), and significant trade and transit business it is not surprising to see such high values for "leakage" surrounding the corridor. We conclude that

is a highly positive reading for the trade area, as it clearly already considered a destination for retail expenditures.

Retail MarketPlace Profile

CGB Centroid
5998 Cypress Gardens Blvd, Winter Haven, Florida, 33884
Drive Time: 5 minute radius

Prepared by Esri
Latitude: 27.98912
Longitude: -81.68859

Summary Demographics	
2015 Population	12,231
2015 Households	5,032
2015 Median Disposable Income	$47,131
2015 Per Capita Income	$30,731

Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$152,885,211	$128,115,070	$24,770,141	8.8	118
Total Retail Trade	44-45	$138,054,766	$112,074,333	$25,980,433	10.4	100
Total Food & Drink	722	$14,830,445	$16,040,738	-$1,210,293	-3.9	18

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$29,379,025	$35,602,165	-$6,223,140	-9.6	8
Automobile Dealers	4411	$25,053,859	$28,828,289	-$3,774,430	-7.0	2
Other Motor Vehicle Dealers	4412	$2,137,133	$946,767	$1,190,366	38.6	3
Auto Parts, Accessories & Tire Stores	4413	$2,188,033	$5,827,109	-$3,639,076	-45.4	4
Furniture & Home Furnishings Stores	442	$3,438,681	$1,722,420	$1,716,261	33.3	7
Furniture Stores	4421	$1,709,034	$702,474	$1,006,560	41.7	2
Home Furnishings Stores	4422	$1,729,647	$1,019,946	$709,701	25.8	5
Electronics & Appliance Stores	443	$3,660,731	$1,412,349	$2,248,382	44.3	6
Bldg Materials, Garden Equip. & Supply Stores	444	$4,790,816	$1,748,750	$3,042,066	46.5	6
Bldg Material & Supplies Dealers	4441	$3,950,974	$726,123	$3,224,851	68.9	4
Lawn & Garden Equip & Supply Stores	4442	$839,842	$1,022,627	-$182,785	-9.8	2
Food & Beverage Stores	445	$23,189,715	$24,344,521	-$1,154,806	-2.4	13
Grocery Stores	4451	$21,474,737	$23,727,808	-$2,253,071	-5.0	8
Specialty Food Stores	4452	$688,440	$372,579	$315,861	29.8	5
Beer, Wine & Liquor Stores	4453	$1,026,538	$0	$1,026,538	100.0	0
Health & Personal Care Stores	446,4461	$11,057,302	$3,617,727	$7,439,575	50.7	3
Gasoline Stations	447,4471	$14,090,736	$1,451,931	$12,638,805	81.3	2
Clothing & Clothing Accessories Stores	448	$8,974,581	$4,249,672	$4,724,909	35.7	12
Clothing Stores	4481	$6,799,415	$3,067,144	$3,732,271	37.8	8
Shoe Stores	4482	$1,110,684	$144,663	$966,021	77.0	1
Jewelry, Luggage & Leather Goods Stores	4483	$1,064,483	$1,037,864	$26,619	1.3	3
Sporting Goods, Hobby, Book & Music Stores	451	$2,833,967	$1,372,887	$1,461,080	34.7	10
Sporting Goods/Hobby/Musical Instr Stores	4511	$1,936,396	$1,268,851	$667,545	20.8	9
Book, Periodical & Music Stores	4512	$897,572	$104,037	$793,535	79.2	1
General Merchandise Stores	452	$21,608,621	$31,179,088	-$9,570,467	-18.1	3
Department Stores Excluding Leased Depts.	4521	$7,310,309	$1,809,209	$5,501,100	60.3	2
Other General Merchandise Stores	4529	$14,298,312	$29,369,880	-$15,071,568	-34.5	1
Miscellaneous Store Retailers	453	$3,808,377	$2,122,054	$1,686,323	28.4	25
Florists	4531	$151,952	$66,315	$85,637	39.2	1
Office Supplies, Stationery & Gift Stores	4532	$1,166,366	$243,696	$922,670	65.4	6
Used Merchandise Stores	4533	$284,012	$123,891	$160,121	39.3	2
Other Miscellaneous Store Retailers	4539	$2,206,047	$1,688,151	$517,896	13.3	16
Nonstore Retailers	454	$11,222,213	$3,250,768	$7,971,445	55.1	4
Electronic Shopping & Mail-Order Houses	4541	$9,493,099	$3,051,844	$6,441,255	51.3	1
Vending Machine Operators	4542	$342,930	$84,628	$258,302	60.4	1
Direct Selling Establishments	4543	$1,386,185	$114,297	$1,271,888	84.8	2
Food Services & Drinking Places	722	$14,830,445	$16,040,738	-$1,210,293	-3.9	18
Full-Service Restaurants	7221	$6,808,329	$8,043,291	-$1,234,962	-8.3	8
Limited-Service Eating Places	7222	$6,395,967	$4,584,947	$1,811,020	16.5	6
Special Food Services	7223	$511,145	$2,427,936	-$1,916,791	-65.2	1
Drinking Places - Alcoholic Beverages	7224	$1,115,005	$984,564	$130,441	6.2	4

Source: ESRI, Dun & Bradstreet

esri

Retail MarketPlace Profile

CGB Centroid
5998 Cypress Gardens Blvd, Winter Haven, Florida, 33884
Drive Time: 10 minute radius

Prepared by Esri
Latitude: 27.98912
Longitude: -81.68859

Summary Demographics	
2015 Population	46,636
2015 Households	18,145
2015 Median Disposable Income	$40,451
2015 Per Capita Income	$25,135

Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$478,086,960	$692,684,039	-$214,597,079	-18.3	461
Total Retail Trade	44-45	$431,870,168	$613,071,187	-$181,201,019	-17.3	385
Total Food & Drink	722	$46,216,792	$79,612,852	-$33,396,060	-26.5	76

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$91,643,007	$186,631,300	-$94,988,293	-34.1	37
Automobile Dealers	4411	$78,181,661	$155,386,925	-$77,205,264	-33.1	10
Other Motor Vehicle Dealers	4412	$6,646,967	$12,465,063	-$5,818,096	-30.4	11
Auto Parts, Accessories & Tire Stores	4413	$6,814,379	$18,779,313	-$11,964,934	-46.7	16
Furniture & Home Furnishings Stores	442	$10,611,451	$10,641,734	-$30,283	-0.1	33
Furniture Stores	4421	$5,316,113	$3,647,328	$1,668,785	18.6	13
Home Furnishings Stores	4422	$5,295,338	$6,994,405	-$1,699,067	-13.8	20
Electronics & Appliance Stores	443	$11,398,850	$11,416,558	-$17,708	-0.1	19
Bldg Materials, Garden Equip. & Supply Stores	444	$14,744,343	$17,864,960	-$3,120,617	-9.6	18
Bldg Material & Supplies Dealers	4441	$12,168,127	$14,938,716	-$2,770,589	-10.2	13
Lawn & Garden Equip & Supply Stores	4442	$2,576,216	$2,926,244	-$350,028	-6.4	4
Food & Beverage Stores	445	$73,065,495	$80,425,279	-$7,359,784	-4.8	56
Grocery Stores	4451	$67,709,880	$74,998,911	-$7,289,031	-5.1	36
Specialty Food Stores	4452	$2,169,263	$3,233,199	-$1,063,936	-19.7	16
Beer, Wine & Liquor Stores	4453	$3,186,353	$2,193,169	$993,184	18.5	3
Health & Personal Care Stores	446,4461	$34,533,159	$64,273,959	-$29,740,800	-30.1	25
Gasoline Stations	447,4471	$44,537,725	$5,474,247	$39,063,478	78.1	9
Clothing & Clothing Accessories Stores	448	$27,902,219	$21,545,624	$6,356,595	12.9	51
Clothing Stores	4481	$21,140,836	$15,830,592	$5,310,244	14.4	38
Shoe Stores	4482	$3,482,788	$1,266,206	$2,216,582	46.7	4
Jewelry, Luggage & Leather Goods Stores	4483	$3,278,595	$4,448,826	-$1,170,231	-15.1	10
Sporting Goods, Hobby, Book & Music Stores	451	$8,883,183	$7,219,171	$1,664,012	10.3	27
Sporting Goods/Hobby/Musical Instr Stores	4511	$6,056,241	$6,588,929	-$532,688	-4.2	21
Book, Periodical & Music Stores	4512	$2,826,943	$630,242	$2,196,701	63.5	6
General Merchandise Stores	452	$67,892,290	$175,342,088	-$107,449,798	-44.2	14
Department Stores Excluding Leased Depts.	4521	$22,823,655	$27,068,619	-$4,244,964	-8.5	10
Other General Merchandise Stores	4529	$45,068,635	$148,273,469	-$103,204,834	-53.4	4
Miscellaneous Store Retailers	453	$11,905,705	$18,251,506	-$6,345,801	-21.0	81
Florists	4531	$458,526	$264,332	$194,194	26.9	5
Office Supplies, Stationery & Gift Stores	4532	$3,635,759	$12,272,372	-$8,636,613	-54.3	23
Used Merchandise Stores	4533	$884,281	$590,628	$293,653	19.9	7
Other Miscellaneous Store Retailers	4539	$6,927,139	$5,124,175	$1,802,964	15.0	46
Nonstore Retailers	454	$34,752,741	$13,984,760	$20,767,981	42.6	16
Electronic Shopping & Mail-Order Houses	4541	$29,598,475	$11,823,568	$17,774,907	42.9	5
Vending Machine Operators	4542	$1,080,453	$218,601	$861,852	66.3	2
Direct Selling Establishments	4543	$4,073,813	$1,942,592	$2,131,221	35.4	10
Food Services & Drinking Places	722	$46,216,792	$79,612,852	-$33,396,060	-26.5	76
Full-Service Restaurants	7221	$21,242,711	$26,476,981	-$5,234,270	-11.0	25
Limited-Service Eating Places	7222	$19,987,813	$41,045,996	-$21,058,183	-34.5	34
Special Food Services	7223	$1,570,288	$5,310,047	-$3,739,759	-54.4	2
Drinking Places - Alcoholic Beverages	7224	$3,415,980	$6,779,829	-$3,363,849	-33.0	15

Source: ESRI, Dun & Bradstreet

Retail MarketPlace Profile

CGB Centroid
5998 Cypress Gardens Blvd, Winter Haven, Florida, 33884
Drive Time: 15 minute radius

Prepared by Esri
Latitude: 27.98912
Longitude: -81.68859

Summary Demographics	
2015 Population	95,674
2015 Households	36,705
2015 Median Disposable Income	$36,002
2015 Per Capita Income	$21,373

Industry Summary	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	$846,707,983	$1,200,953,968	-$354,245,985	-17.3	966
Total Retail Trade	44-45	$765,704,367	$1,081,557,883	-$315,853,516	-17.1	822
Total Food & Drink	722	$81,003,615	$119,396,085	-$38,392,470	-19.2	144

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	$162,401,472	$342,644,972	-$180,243,500	-35.7	90
Automobile Dealers	4411	$138,619,794	$285,254,434	-$146,634,640	-34.6	35
Other Motor Vehicle Dealers	4412	$11,833,145	$26,116,473	-$14,283,328	-37.6	20
Auto Parts, Accessories & Tire Stores	4413	$11,948,533	$31,274,064	-$19,325,531	-44.7	35
Furniture & Home Furnishings Stores	442	$18,494,504	$20,916,341	-$2,421,837	-6.1	64
Furniture Stores	4421	$9,335,593	$8,699,210	$636,383	3.5	22
Home Furnishings Stores	4422	$9,158,910	$12,217,131	-$3,058,221	-14.3	43
Electronics & Appliance Stores	443	$19,974,994	$15,541,240	$4,433,754	12.5	37
Bldg Materials, Garden Equip. & Supply Stores	444	$25,820,716	$64,267,841	-$38,447,125	-42.7	41
Bldg Material & Supplies Dealers	4441	$21,246,158	$56,582,124	-$35,335,966	-45.4	30
Lawn & Garden Equip & Supply Stores	4442	$4,574,558	$7,685,717	-$3,111,159	-25.4	11
Food & Beverage Stores	445	$130,160,177	$185,122,625	-$54,962,448	-17.4	119
Grocery Stores	4451	$120,725,362	$175,893,955	-$55,168,593	-18.6	82
Specialty Food Stores	4452	$3,861,682	$4,721,234	-$859,552	-10.0	29
Beer, Wine & Liquor Stores	4453	$5,573,132	$4,507,436	$1,065,696	10.6	8
Health & Personal Care Stores	446,4461	$61,358,463	$85,211,611	-$23,853,148	-16.3	47
Gasoline Stations	447,4471	$79,874,635	$19,966,634	$59,908,001	60.0	19
Clothing & Clothing Accessories Stores	448	$48,778,493	$54,376,019	-$5,597,526	-5.4	112
Clothing Stores	4481	$36,971,034	$41,561,376	-$4,590,342	-5.8	84
Shoe Stores	4482	$6,142,335	$4,842,678	$1,299,657	11.8	9
Jewelry, Luggage & Leather Goods Stores	4483	$5,665,124	$7,971,965	-$2,306,841	-16.9	20
Sporting Goods, Hobby, Book & Music Stores	451	$15,678,677	$13,363,624	$2,315,053	8.0	56
Sporting Goods/Hobby/Musical Instr Stores	4511	$10,709,183	$10,238,974	$470,209	2.2	42
Book, Periodical & Music Stores	4512	$4,969,494	$3,124,651	$1,844,843	22.8	14
General Merchandise Stores	452	$120,639,134	$228,292,356	-$107,653,222	-30.9	28
Department Stores Excluding Leased Depts.	4521	$40,222,598	$75,735,108	-$35,512,510	-30.6	19
Other General Merchandise Stores	4529	$80,416,535	$152,557,248	-$72,140,713	-31.0	9
Miscellaneous Store Retailers	453	$21,216,968	$27,265,946	-$6,048,978	-12.5	178
Florists	4531	$791,573	$913,474	-$121,901	-7.1	13
Office Supplies, Stationery & Gift Stores	4532	$6,410,655	$13,802,950	-$7,392,295	-36.6	44
Used Merchandise Stores	4533	$1,547,719	$2,479,903	-$932,184	-23.1	23
Other Miscellaneous Store Retailers	4539	$12,467,021	$10,069,618	$2,397,403	10.6	98
Nonstore Retailers	454	$61,306,136	$24,588,674	$36,717,462	42.7	31
Electronic Shopping & Mail-Order Houses	4541	$52,339,536	$16,223,459	$36,116,077	52.7	8
Vending Machine Operators	4542	$1,921,097	$441,526	$1,479,571	62.6	3
Direct Selling Establishments	4543	$7,045,503	$7,923,688	-$878,185	-5.9	20
Food Services & Drinking Places	722	$81,003,615	$119,396,085	-$38,392,470	-19.2	144
Full-Service Restaurants	7221	$37,265,273	$39,637,089	-$2,371,816	-3.1	47
Limited-Service Eating Places	7222	$35,140,169	$61,037,112	-$25,896,943	-26.9	59
Special Food Services	7223	$2,736,134	$6,358,043	-$3,621,909	-39.8	6
Drinking Places - Alcoholic Beverages	7224	$5,862,040	$12,363,841	-$6,501,801	-35.7	32

Source: ESRI, Dun & Bradstreet

Trade Area Tapestry Segmentation

Demographic data provider ESRI has developed a means of categorizing areas by the demographic and socioeconomic characteristics of its residents. These descriptions, called Tapestry Segments (ESRI defines 67 unique Segments in total for the U.S.), are useful for understanding the consumption and expenditure potential of the trade area population as well as give insight into what types of business establishments may most appeal to residents.

The top Tapestry Segments for the households living within the 5, 10 and 15 minute drive time to the Corridor are as follows with descriptions for the top three below:

5 Minute Drive Time Radius

		2015 Households		2015 U.S. Households		
Rank	Tapestry Segment	Percent	Cumulative Percent	Percent	Cumulative Percent	Index
1	Midlife Constants (5E)	34.8%	34.8%	2.5%	2.5%	1367
2	Comfortable Empty Nesters (5A)	33.4%	68.2%	2.5%	5.0%	1,342
3	Southern Satellites (10A)	18.9%	87.1%	3.2%	8.2%	597
4	Golden Years (9B)	7.9%	95.0%	1.3%	9.5%	586
5	Middleburg (4C)	5.0%	100.0%	2.8%	12.3%	178
	Subtotal	**100.0%**		**12.3%**		

Source: ESRI

10 Minute Drive Time Radius

		2015 Households		2015 U.S. Households		
Rank	Tapestry Segment	Percent	Cumulative Percent	Percent	Cumulative Percent	Index
1	Midlife Constants (5E)	33.3%	33.3%	2.5%	2.5%	1309
2	Comfortable Empty Nesters (5A)	16.5%	49.8%	2.5%	5.0%	662
3	Southern Satellites (10A)	10.7%	60.5%	3.2%	8.2%	338
4	Barrios Urbanos (7D)	8.1%	68.6%	1.0%	9.2%	775
5	Senior Escapes (9D)	5.4%	74.0%	0.9%	10.1%	588
	Subtotal	**74.0%**		**10.1%**		

Source: ESRI

15 Minute Drive Time Radius

		2015 Households		2015 U.S. Households		
Rank	Tapestry Segment	Percent	Cumulative Percent	Percent	Cumulative Percent	Index
1	Midlife Constants (5E)	22.0%	22.0%	2.5%	2.5%	865
2	Southern Satellites (10A)	9.1%	31.1%	3.2%	5.7%	287
3	Comfortable Empty Nesters (5A)	8.2%	39.3%	2.5%	8.2%	327
4	Senior Escapes (9D)	7.0%	46.3%	0.9%	9.1%	772
5	Barrios Urbanos (7D)	6.3%	52.6%	1.0%	10.1%	606
	Subtotal	**52.6%**		**10.1%**		

Source: ESRI

1. Midlife Constants

LifeMode Group: GenXurban

Midlife Constants

5E

Households: 3,043,000

Average Household Size: 2.30

Median Age: 45.9

Median Household Income: $48,000

WHO ARE WE?

Midlife Constants residents are seniors, at or approaching retirement, with below average labor force participation and above average net worth. Although located in predominantly metropolitan areas, they live outside the central cities, in smaller communities. Their lifestyle is more country than urban. They are generous, but not spendthrifts.

OUR NEIGHBORHOOD

- Older homes (most built before 1980) found in the suburban periphery of smaller metropolitan markets.
- Primarily married couples, with a growing share of singles.
- Settled neighborhoods with slow rates of change and residents that have lived in the same house for years.
- Single-family homes, less than half still mortgaged, with a median home value of $141,000 (Index 80).

SOCIOECONOMIC TRAITS

- Education: 64% have a high school diploma or some college.
- Unemployment is lower in this market at 7.4% (Index 86), but so is the labor force participation rate (Index 89).
- Almost 42% of households are receiving Social Security (Index 150); 28% also receive retirement income (Index 160).
- Traditional, not trendy; opt for convenience and comfort, not cutting-edge. Technology has its uses, but the bells and whistles are a bother.
- Attentive to price, but not at the expense of quality, they prefer to buy American and natural products.
- Radio and newspapers are the media of choice (after television).

TAPESTRY SEGMENTATION
esri.com/tapestry

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.

Source: ESRI

2. Comfortable Empty Nesters

LifeMode Group: GenXurban

Comfortable Empty Nesters

5A

Households: 2,973,000

Average Household Size: 2.50

Median Age: 46.8

Median Household Income: $68,000

WHO ARE WE?

Residents in this large, growing segment are older, with more than half of all householders aged 55 or older; many still live in the suburbs where they grew up. Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefitting from years of prudent investing and saving. Their net worth is well above average (Index 363). Many are enjoying the transition from child rearing to retirement. They value their health and financial well-being.

OUR NEIGHBORHOOD

- Married couples, some with children, but most without (Index 149).
- Average household size slightly lower at 2.50.
- Found throughout the suburbs and small towns of metropolitan areas, where most residents own and live in single-family detached homes (Index 142).
- Most homes built between 1950 and 1990 (Index 129).
- Households generally have one or two vehicles.

SOCIOECONOMIC TRAITS

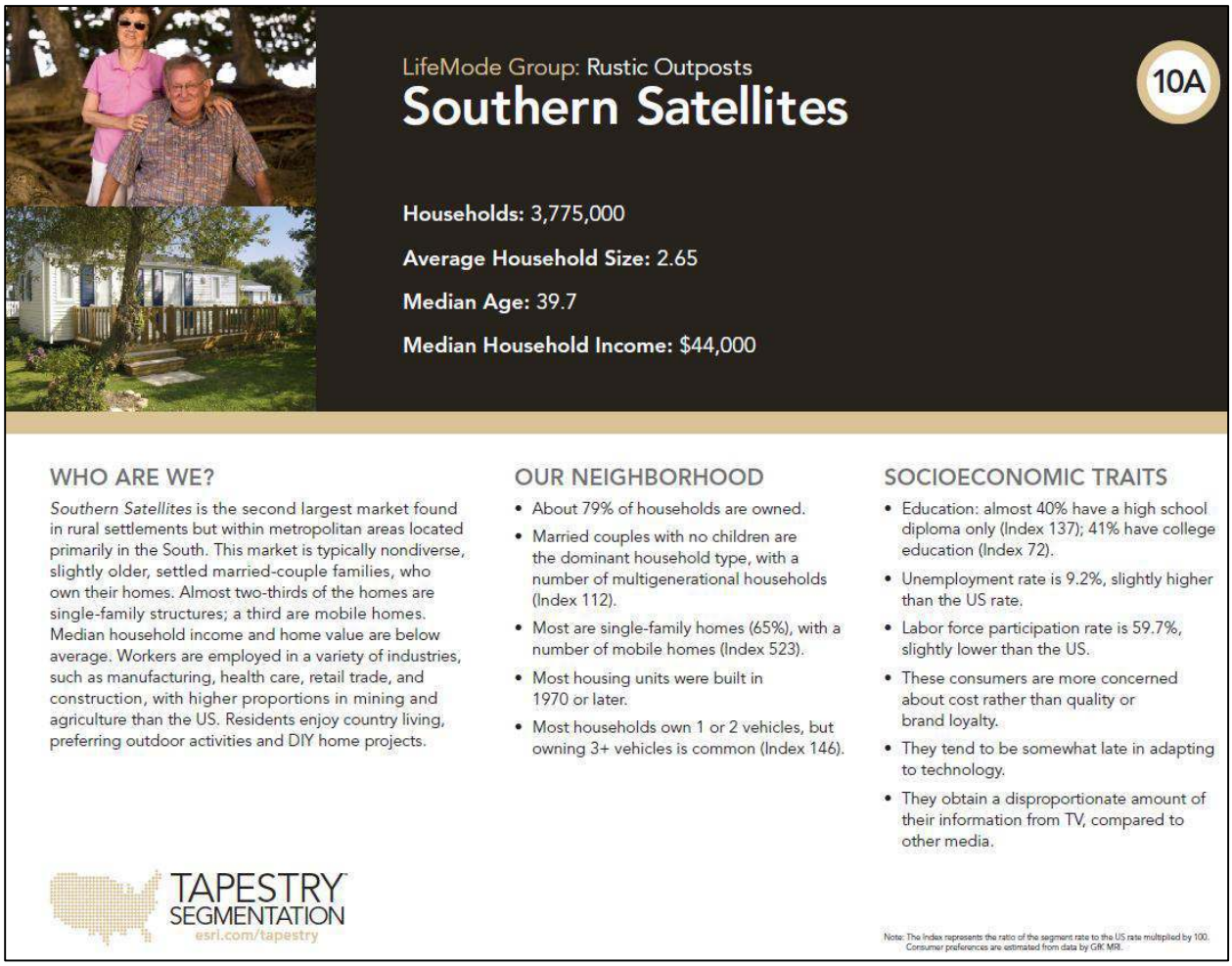
- Education: 34% college graduates; nearly 66% with some college education.
- Low unemployment at 7%; average labor force participation at 61%.
- Most households income from wages or salaries, but a third also draw income from investments (Index 154) and retirement (Index 166).
- *Comfortable Empty Nesters* residents physically and financially active.
- Prefer eating at home instead of dining out.
- Home maintenance a priority among these homeowners.

TAPESTRY SEGMENTATION
esri.com/tapestry

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.

Source: ESRI

3. Southern Satellites



LifeMode Group: Rustic Outposts

Southern Satellites

10A

Households: 3,775,000

Average Household Size: 2.65

Median Age: 39.7

Median Household Income: $44,000

WHO ARE WE?

Southern Satellites is the second largest market found in rural settlements but within metropolitan areas located primarily in the South. This market is typically nondiverse, slightly older, settled married-couple families, who own their homes. Almost two-thirds of the homes are single-family structures; a third are mobile homes. Median household income and home value are below average. Workers are employed in a variety of industries, such as manufacturing, health care, retail trade, and construction, with higher proportions in mining and agriculture than the US. Residents enjoy country living, preferring outdoor activities and DIY home projects.

OUR NEIGHBORHOOD

- About 79% of households are owned.
- Married couples with no children are the dominant household type, with a number of multigenerational households (Index 112).
- Most are single-family homes (65%), with a number of mobile homes (Index 523).
- Most housing units were built in 1970 or later.
- Most households own 1 or 2 vehicles, but owning 3+ vehicles is common (Index 146).

SOCIOECONOMIC TRAITS

- Education: almost 40% have a high school diploma only (Index 137); 41% have college education (Index 72).
- Unemployment rate is 9.2%, slightly higher than the US rate.
- Labor force participation rate is 59.7%, slightly lower than the US.
- These consumers are more concerned about cost rather than quality or brand loyalty.
- They tend to be somewhat late in adapting to technology.
- They obtain a disproportionate amount of their information from TV, compared to other media.

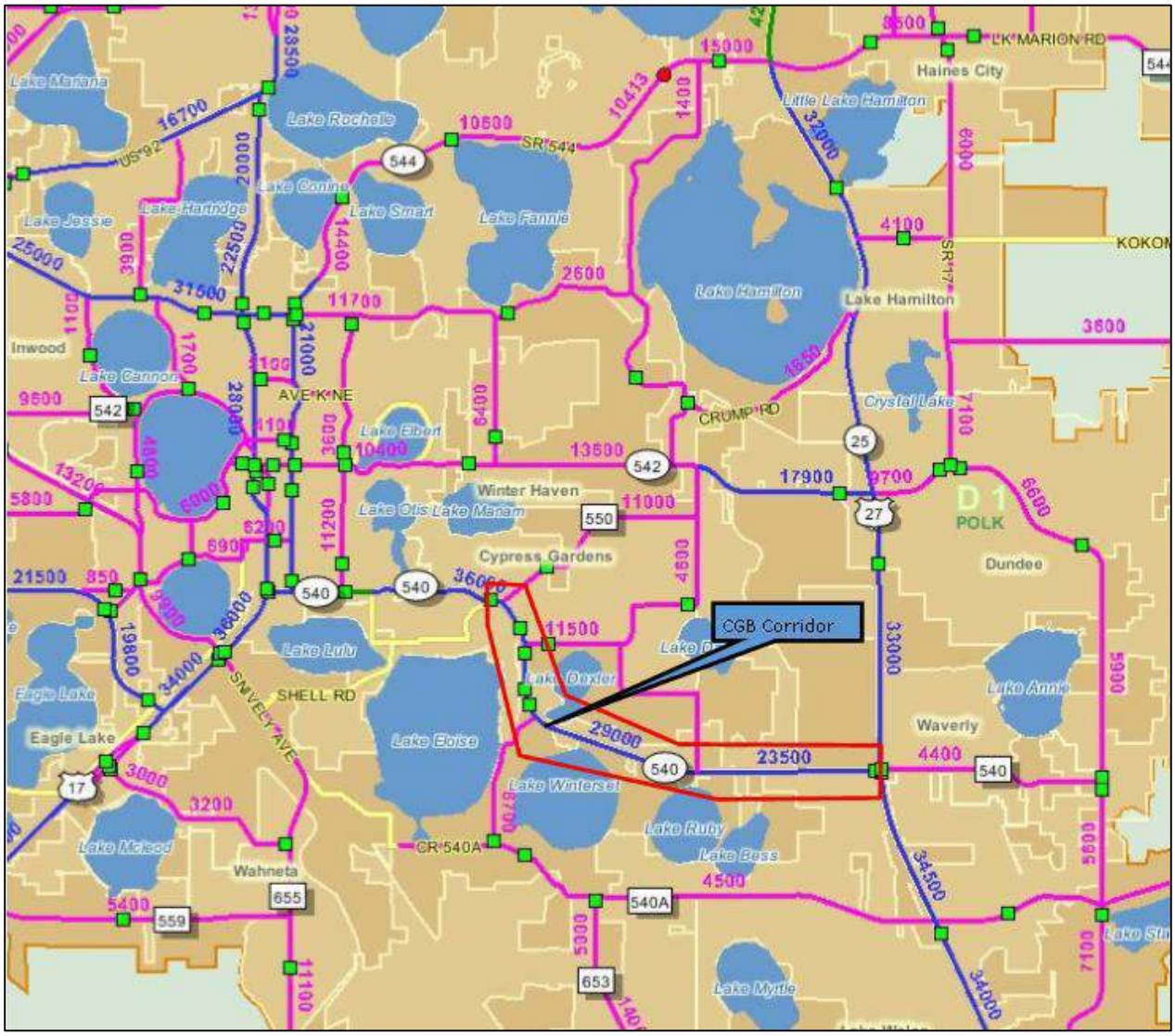
TAPESTRY SEGMENTATION
esri.com/tapestry

Note: The Index represents the ratio of the segment rate to the US rate multiplied by 100. Consumer preferences are estimated from data by GfK MRI.

Source: ESRI

Corridor Trade Area Access and Traffic

Cypress Gardens Boulevard connects U.S. 27 and U.S. 17 and is thus a major arterial road servicing the City of Winter Haven and surrounding areas of Polk County. This effectively means that the Corridor serves dual purposes of hosting destination entertainment (namely Legoland Florida) and serving as a commercial corridor for local trade and commerce. The following map shows Average Annual Daily Traffic along the Corridor and surrounding roads. Cypress Gardens Boulevard receives an average of 29,000 cars daily in the heart of the Corridor. This is highly significant as the major regional connector road, U.S. 27 receives just 33,000. This means retail and restaurant establishments within the Corridor are significantly exposed to the residents of the aforementioned trade areas as well as many through drivers.



Source: Florida Department of Transportation

APPENDIX A: Lakemont Group Corporate Profile

Corporate Profile

The Lakemont Group is a boutique real estate and economic consulting firm based in Orlando, Florida. ***Our mission is to provide Insightful Analysis & Solutions, meaning we go beyond the basic and ordinary to provide highly advanced, customized solutions for each client.*** Our firm uses applied intelligence and fact-based research to provide remarkable results; it also means we say ***no*** when it is in our clients' best interests.

Our clients include large real estate investors, law firms, developers, and national brokerage firms. Assignments range from assessing complex market conditions affecting value in an eminent domain proceeding to modeling and forecasting investment returns for a REIT. ***No client or situation is ever the same, thus no solution is ever the same.***

The Lakemont Group is comprised of ***experienced*** researchers, investors, strategists, and expert witnesses. All of the professionals in the Lakemont Group have advanced degrees and a variety of industry experience.

Philosophy of Service

Our clients' success defines our success. This philosophy means that we do not cease our efforts until the client's goals have been achieved to their level of satisfaction. We only accept assignments where we believe our superior knowledge and experience will allow us to deliver the desired outcome. ***This means that our clients know they can trust us to deliver what we promise.*** If we cannot do so, we refuse the assignment. If we believe the client should not move forward with their proposed project, idea, or case, we will advise so.

Consulting involves not only creating custom tailored programs to solve the client's unique challenges, but building the relationship necessary to provide our clients with the right solution to create value and sustain growth. As this service is time intensive, ***we selectively work with clients on a long-term, continuous basis.***

Whether designing a custom forecasting model, providing guidance in a structured finance transaction, or testifying and providing guidance to counsel in a complex business litigation case, ***our clients are always satisfied because of our extreme level of dedication, perseverance, and skill applied to their project or case.***

Real Estate & Economic Development Advisory Practice Group

Whether developing a site, a corridor, a city, or even a region, the plan must be market rational and economically justifiable for it to be successful. Lakemont Group can conduct regional and local economic studies, feasibility and site analyses, and assist in creating programs and plans that are economically sound. We work on behalf of private land owners, developers, economic development agencies, and even municipalities to ***fully realize the value and potential*** of their respective project or region.

Lakemont Group believes that calculated risk taking and visionary thinking can generate spectacular results. We understand the demands of the capital markets and financial reality facing developers; thus, e***ngaging Lakemont Group as a member of your development team means the highest probability of success.***

APPENDIX B: Curriculum Vitae of Joshua A. Harris, Ph. D., CAIA

JOSHUA A. HARRIS, PH. D., CAIA

PROFESSIONAL PROFILE

Dr. Harris serves as a Managing Partner with the Lakemont Group, a boutique real estate and economic consultancy in Orlando, FL, where he is responsible for executing complex consulting and asset management assignments for a select group of clients. Dr. Harris primary areas of expertise include commercial real estate, real estate development, economic development, structured finance, and private equity real estate vehicles.

Additionally, Dr. Joshua Harris serves as the Director of the Dr. P. Phillips Institute for Research and Education in Real Estate at the University of Central Florida where he is responsible for directing research initiatives, industry outreach, and program development. Dr. Harris also teaches real estate and finance courses at the undergraduate and graduate levels

Dr. Harris holds a Ph. D. in Finance from the University of Central Florida with a research emphasis in institutional real estate and capital markets. Dr. Harris holds the Chartered Alternative Investment Analyst designation, has been named an Honorary Kentucky Colonel, a NAIOP Research Foundation Distinguished Fellow, and has been received a gubernatorial appointment to the Florida Real Estate Appraisal Board. Dr. Harris is routinely called on as an expert witness and for media interviews in the field of real estate, finance, and economics.

INDUSTRY EXPERIENCE

Lakemont Group (Winter Park, FL) 2007 to Present
Managing Partner

- Provide service to large national real estate firms, investors, and developers.
- Responsible for analysis, placement, and transaction management of financing activities.
- Conduct research, report writing, and client consultation for consulting engagements.
- Provide advice regarding capital markets, structured finance, and economics to clients.
- Consult on startup of publically registered/non-traded REIT and S-11 filing.
- Consult on creation of new financial products, including Interval Mutual Funds.
- Act as litigation consultant for cases involving real estate, economics, and finance.

CNL Fund Advisors (Orlando, FL)
2008
Analyst

- Researched public real estate products marketability (ETFs, Mutual Funds, REITs).
- Produced reports and strategic plans regarding the launching of new investment products.
- Created white papers for wholesaling team selling the CNL Global Real Estate Fund.

Franklin Square Capital Partners (Orlando, FL)
2007 - 2008
Analyst

- Researched private equity investments and Business Development Companies (BDCs).
- Produced reports and contributed to creation of SEC N-2 public registration of BDC.

Commercial Real Estate Broker (Orlando, FL) 2002 - 2007
Multi-Family and Retail Investment Specialist

- Focused on acquisition of retail centers and apartment complexes in the Southeastern U.S.
- Managed team of residential/commercial real estate agents.

ACADEMIC EXPERIENCE

Dr. P. Phillips Institute for Research and Education in Real Estate (Orlando, FL)
Director August 2011 – Present

- Responsible for raising operating donations and sponsorships.
- Created and now manage the UCF Real Estate Council.
- Plan, operate and manage UCF Real Estate Conferences.
- Serve as Editor of UCF Real Estate Notes Publication.
- Responsible for directing Institute's research and course development activities.
- Serve as liaison to real estate industry and Central Florida community.
- Serve as Academic Advisor to student real estate club.

Dr. P. Phillips School of Real Estate at the University of Central Florida (Orlando, FL)
Lecturer of Finance & Real Estate August 2012 - Present
Instructor of Finance August 2011 – July 2012
Graduate Teaching Associate August 2008 – July 2011

TEACHING EXPERIENCE

As instructor of record
- REE 3043 - Fundamentals of Real Estate
- REE 4203 – Commercial Real Estate Finance
- REE 4204 – Residential Real Estate Finance
- REE 4303 – Real Estate Investment Analysis
- REE 4933 - Advanced Topics in Real Estate (NAIOP Challenge Course)
- REE 6006 – Real Estate Markets & Institutions (MSRE Class)
- REE 6209 – Real Estate Finance & Investments (MSRE Class)
- FIN 3414 – Intermediate Corporate Finance
- ARGUS DCF & Developer Course for Professional MSRE Program

As visiting lecturer
- European Business School's Kontaktstudium Immobilienokonomie
  - Interest Rate & Currency Risk Management Session
  - Commercial Mortgage Backed Securities Session

ACADEMIC PUBLICATIONS

Concentration in US Mortgage Loans and the Impact of the Great Recession
(with G. Mueller and H. Guirguis). Revise and resubmit at *Real Estate Economics.*

Profitability of Real Estate Investment Trust Internationalization
(with R. Anderson and N. Rottke). Revise and resubmit at *Journal of Real Estate Research*.

Common Risk Factors and Demand Drivers of the Property Sectors
(with R. Anderson and L. Nimkoff). Revise and resubmit at *Journal of Real Estate Practice and Education*.

Timing the Market: You Don't Have to be Perfect
(with R. Anderson). 2011. *Real Estate Issues*, 35: 11-19.

ACADEMIC WORKING PAPERS

Analysis of Historical Pricing and Fundamentals Growth in the National Multifamily Market: Does Property Class and Market Type Matter?
(with R. Anderson)

Effect of International Diversification by U.S. REITs on Cost Efficiency and Scale
(with R. Anderson and J. Zhu)

The Evolution of X-Efficiencies and Economies of Scale for REITs

Cypress Gardens Boulevard Corridor Study
(with R. Anderson and J. Zhu)

INDUSTRY PUBLICATIONS

Emerging Opportunities in Commercial Real Estate
Central Florida Realty Investors Association Newsletter. November 2010.

The Capital and Deal Markets: Shining Stars Emerge Amongst the Darkness
(with R. Anderson). *2010 ICSC Florida Retail Report*. August 2010.

Don't Chase Deals
Central Florida Realty Investors Association Newsletter. January 2011.

The Capital and Deal Markets: Gaining Speed and Momentum
(with R. Anderson). *2011 ICSC Florida Retail Report*. February 2011.

The Great Rental Rate Rise of 2012 and Beyond
Central Florida Realty Investors Association Newsletter. July 2011.

The Capital and Deal Markets: Finding a New Normal
(with R. Anderson). *2011 ICSC Florida Retail Report*. August 2011.

Are You Hedged for Inflation?
Central Florida Realty Investors Association Newsletter. September 2011.

ACADEMIC CONFERENCE PRESENTATIONS

Impact of Foreign Market Holdings on U.S. REIT Total Returns
(with R. Anderson and N. Rottke). Annual meetings of the American Real Estate Society, 2010.

Discussant at Financial Management Association 2010 Annual Conference

Discussant at Florida State University Real Estate Symposium, April 2011

Essays in International Real Estate Diversification (Doctoral Seminar)
Annual meetings of the American Real Estate Society, 2011.

Effect of International Diversification by U.S. REITs on Cost Efficiency
(with R. Anderson and D. Lewis). Annual meetings of the American Real Estate Society, 2011.

Do Rapid Growth Industries Learn Efficiency Over Time? An Investigation using REITs and DEA Analysis
(with R. Anderson and J. Zhu). Annual meetings of the American Real Estate Society, 2012.

The Evolution of Technical Efficiency and Economies of Scale for REITs
(with R. Anderson and J. Zhu). Annual meetings of the American Real Estate Society, 2013.

Profitability of REIT Internationalization
(with R. Anderson and N. Rottke). Annual conference of the Real Estate Investment Securities Association, 2013.

Analysis of Historical Pricing and Fundamentals Growth in the National Multifamily Market: Does Property Class and Market Type Matter?
(with R. Anderson). Annual meetings of the American Real Estate Society, 2014.

EDUCATION

University of Central Florida (Orlando, FL)
Ph. D. in Finance - GPA 3.7/4.0 August 2012
Dissertation Title: Real Estate Investment Trust Performance, Efficiency and Internationalization
Committee Chair: Randy I. Anderson, Ph. D., CRE
Masters of Business Administration - GPA 4.0/4.0
August 2007
B.S. in Business Administration - Finance - GPA 3.8/4.0 December 2004

HONORS

Magna Cum Laude - University of Central Florida	December 2004
University Honors - Burnett Honors College at UCF	December 2004
Beta Gamma Sigma Business Honor Society	2003
Phi Kappa Phi Honor Society	2004
Golden Key Honor Society	2002
Chartered Financial Analyst Institute Level 1 Scholarship	January 2007
Advanced Communicator Bronze - Toastmasters International	January 2008
UCF College of Business Order of Pegasus Award Nominee	November 2010
ARES Doctoral Fellowship	January 2011
Honorary Kentucky Colonel	September 2013
NAIOP Research Foundation Distinguished Fellow	March 2014

MEDIA & INDUSTRY PRESENTATIONS

Expert/Interviewee – Channel 9 Evening News – WFTV – November '11
Expert/Interviewee – Orlando Business Journal – 2013
Expert/Interviewee – World Property Channel – 2013
Guest – Real Estate Investor Radio Show – 660 WORL – July '09
Guest – Capital Ideas Radio Show – 660 WORL – July '09
Keynote Address – Woman's Council of Realtors District Meeting – June '10

Keynote Address – Institute for Real Estate Management District Meeting – January '13
Keynote Address – Florida Commercial Brokers Network Meeting – January '13
Keynote Address – Quality Title Realtor Summit – February '13/September '13
Keynote Address – Realtors Global Council – November '13
Speaker – Central Florida Realty Investors Assoc. Commercial Focus Group – May '09/Sept. '10
Speaker – Central Florida Realty Investors Assoc. Osceola Chapter – August '10
Speaker – Central Florida Realty Investors Assoc. Orange Chapter - April '11
Speaker – Central Florida Realty Investors Assoc. Volusia Chapter - June '11
Speaker – Central Florida Realty Investors Assoc. Lake Chapter - July '11
Speaker – Central Florida Realty Investors Assoc. Main Meeting - December '11
Speaker – Investors Resource Center Commercial Subgroup – October '10
Speaker – Florida Association of Realtors Leadership Conference – '10
Speaker – Society of Industrial & Office Realtors 2010 Spring World Conference – April '10
Speaker – Private Business Assoc. of Seminole County Issues Committee - November '10
Speaker – Private Business Assoc. of Seminole County General Meeting - December '10
Speaker – CLOSEMORE Real Estate Networking Group - March '11/November '12
Speaker – Appraisal Institute Central Florida Valuation Forum – June '12/September '13
Speaker – International Council of Shopping Centers NOI+ Conference – September '12
Speaker – Maitland Morning Rotary – September '12
Speaker – Florida Apartment Association Conference – October '12/October '13
Speaker – Risk Management Association Meetings – November '12/November '13
Speaker – Growing Optimism! UCF Real Estate Conference – April '13
Seminar Lecturer – *Emerging Opportunities in Commercial Real Estate*. Central Florida Realty Investors Assoc. - Nov. '10/Sept. '11/Sept '12/Apr. '13
Seminar Lecturer – *Commercial Deal Analysis and Structuring*. Central Florida Realty Investors Assoc. - Jan. '11/Sept. '11/ Sept '12
Seminar Lecturer – *Market Analysis and Development*. Central Florida Realty Investors Assoc. - Feb. '11/Oct. '11
Seminar Lecturer – *Advanced Commercial Deal Structuring.* Central Florida Realty Investors Assoc. - Mar. '11/Nov '11/Oct '12

INDUSTRY & VOLUNTEER ACTIVITIES

ULI Central Florida – University Liaison Vice Chair 2013 - Present
CCIM Central Florida District Board of Directors 2012 – Present
Central Florida Realty Investors Assoc. Commercial Focus Group Leader – 2011 – Present
NAIOP Central Florida Board of Directors – 2014 - Present
NAIOP Central Florida Event Committee Member – 2009/2011
NAIOP Central Florida REAL Bowl Planning Committee – 2010/2011/2012/2013
UCF Hotel Project Negotiation Committee - 2014

PROFESSIONAL CREDENTIALS

Professional Designations

- Argus Software Certified – DCF – 2011
- Argus Software Certified – Developer – 2011
- Argus University Guide - 2011
- Chartered Alternative Investment Analyst (CAIA) – 2008
- Chartered Financial Analyst (CFA) Candidate – Passed Level II Examination – 2012
- Certified Commercial Investment Member (CCIM) Courses– Passed CI101, CI102, CI103

Professional Licenses

- Florida Real Estate Broker
- FAA Private Pilot License

Professional Organizations

- American Real Estate Society
- American Real Estate and Urban Economics Association
- NAIOP Commercial Development Association
- International Council of Shopping Centers
- Urban Land Institute
- Central Florida Realty Investors
- CAIA Institute
- CCIM Institute
- Winter Park Toastmasters
- Tiger Bay of Central Florida
- Downtown Orlando Partnership

SOFTWARE PROFICIENCIES

- Argus – DCF
- Argus – Developer
- CCIM STDB – ESRI powered Geographical Information Systems (GIS) platform
- Stata 11
- SAS

*Reference available upon request.

APPENDIX C: Curriculum Vitae of Michael "Doc" Terry, Ph. D., CHA, CHE

MICHAEL "DOC" TERRY
OVERVIEW

Third generation hotelier/restaurateur; 30 years - hands-on, executive hospitality experience; advanced degrees in business management; 12 years - hospitality educator/trainer and consultant

INDUSTRY EXPERIENCE

UNIVERSITY OF CENTRAL FLORIDA, ORLANDO, FLORIDA 2001-2014
ROSEN COLLEGE OF HOSPITALITY MANAGEMENT
Faculty/Instructor for undergraduate students: Lodging and Restaurant (Branding, Entrepreneur/Development, Franchising, Marketing) and Guest Services disciplines

SHERATON STUDIO CITY HOTEL, ORLANDO, FLORIDA 1999-2001
General Manager, 300 room Hollywood-themed hotel, located at the entrance to Universal Studios theme park.

HOLIDAY INN ORLANDO AIRPORT, ORLANDO, FLORIDA 1989-1999
General Manager, 300 room commercial hotel located at the Orlando International Airport. Chairman, Central Florida Holiday Inn Marketing Co-op

BOCA RATON/DEERFIELD BEACH HILTON, FLORIDA 1982-1989
General Manager, opened an elegant Four Diamond 220 room commercial hotel. Elected Vice-president of "Hilton's of Florida" Marketing cooperative

HARLEY/HELMSLEY HOTELS, CLEVELAND, OHIO 1976-1982
Corporate Director, Food and Beverage Operations (24 Hotels)
Corporate F & B Operations Manager (75 Fast Casual restaurants)

UNITED STATES AIR FORCE, EUROPE 1970-1976
Officers' Club Food Service Director – awarded # 1 Club Director in the world

PROFESSIONAL ACCOMPLISHMENTS

CONSULTANT/SPEAKER - Marriott Hotels; Chilean Hotel Association, Santiago; Starwood Hotels; Hospitality Sales & Marketing Association International; Cirque de Soleil, Montreal; Hilton Hotels; Disneyland Hotels; ITC Sheraton, Mumbai; Sandals/ Beaches, Caribbean Islands; Mont Tremblant, Intrawest Resorts, Quebec, Canada 2001-2014

CERTIFIED HOSPITALITY SENIOR TRAINER, AH&LA Educational Institute 1989-2014
Instruct candidates for the following certifications: Hotel General Manager; F & B Director, Human Resources Director, Housekeeping Director, Sales and Marketing Director, Rooms Director, Master Hotel Supplier, Hospitality Educator

EDUCATIONAL ACHIEVEMENTS

B.S. - Finance, The Ohio State University
MBA - Marketing, Southern Illinois University
Ph. D. - International Business, University of Orlando