

PARKSIDE PLACE PLANNED DEVELOPMENT
OVERALL DEMAND FACTORS

JUNE 28, 2018

PALMEIRA

INTRODUCTION

The Parkside Place planned development is a mixed-use development project that is currently seeking additional entitlements in order to realize its vision of a Live/Work/Play environment that is steeped in nature.

As the Developer, Palmeira Holdings LLC sees the following factors that will drive demand and lead to a successful project over a 13-year development timeframe.

A. Site/Location

1. The large property size at 111 acres (with 77 acres being developable) allows for many types of uses, each with substantial density.
2. Thirty-four acres of protected conservation land onsite that will form the backbone of a very green development.
3. 17-92 has been identified as a key growth corridor for Seminole County and is and being widened to six lanes, which will allow for easy access/egress
4. Ronald Reagan Blvd is a four-lane roadway facility with a wide median suitable for expansion.
5. Seminole County has designated this location as one of three growth catalyst areas.
6. The site is in close proximity to the historic downtown Sanford area, which has seen significant growth in cultural, ecological, and entertainment opportunities in the last few years. Sanford's downtown and waterfront areas are poised for future growth which will have a positive influence on the region and this property as well.
7. There is abundant regional transportation infrastructure:
 - a. International airports (Sanford Orlando Airport is ten minutes away; Orlando International Airport is thirty minutes away)
 - b. I-4 and 417 are nearby easily accessible from the site.
 - c. Sunrail is located nearby and has expansion plans for the area.
8. Proximity to natural settings such as the Atlantic Ocean (45 minutes), Lake Monroe and the St. John's River (15 minutes).

B. Neighborhood growth

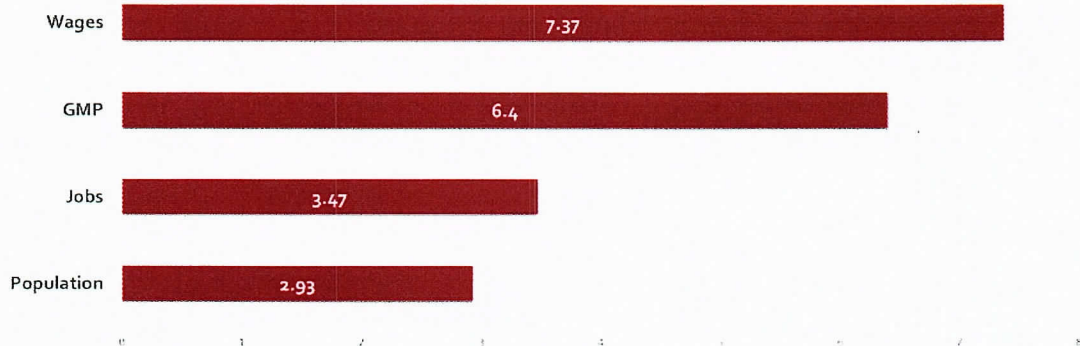
1. Seminole County's government complex is a neighbor across the street from this location, and currently desires to consolidate services thereby increasing the number of workers and potential housing needs population in the immediate vicinity.
2. Seminole State College has 39,000 students, with an average age of 29 years. The student population generally commutes from locations throughout Central Florida, some of which could be consolidated on this site, thereby reducing regional traffic to and from the college.

Macro-economic factors

A. Growth rate

The Kissimmee-Orlando-Sanford region has the 2nd highest growth in the U.S.

In 2018, Greater Orlando (Kissimmee-Orlando-Sanford) projected to grow as follows, in % terms year over year:



B. Median Income

Seminole County has the 2nd highest median household income in Florida.

	Income	Household income	Family income		households
St. Johns	\$36,027	\$62,663	\$79,080	190,039	75,338
Seminole	\$29,795	\$58,971	\$70,597	422,718	164,706
Martin	\$35,772	\$53,210	\$70,271	146,318	63,899
Collier	\$37,046	\$58,106	\$68,556	321,520	133,179
Clay	\$26,872	\$61,185	\$67,922	190,865	68,792
Nassau	\$29,089	\$58,712	\$66,233	73,314	28,794
Leon	\$25,803	\$44,490	\$66,157	275,487	110,945
Monroe	\$35,516	\$53,821	\$66,152	73,090	32,629
Palm Beach	\$33,610	\$53,242	\$64,445	1,320,134	544,227
Okaloosa	\$28,621	\$54,242	\$64,224	180,822	72,379
Wakulla	\$21,892	\$53,301	\$63,924	30,776	10,490
United States	\$27,334	\$51,914	\$62,982	308,745,538	116,716,292

Vision

Our vision of Parkside Place is intended to harness key emerging societal trends and create an exemplary development that reduces urban sprawl:

1. **Living in nature:** Rehabilitate the 32 acre wetland conservation area with potential public access. Provide a publicly accessible “green” connection from the project’s open spaces to the conservation area.
2. **A new eco-system:** Bring life, work, play, education, health, culture and art together in nature and wildlife.
3. **A new destination:** Develop a new community hub, with fresh programming and new community events.
4. **Authentic sustainability:** Filter key decisions about living, working, visiting and playing at *Parkside Place* through a sustainability lens.
5. **Healthy lifestyle:** Ensure architecture, retail, office, arts, and other amenities contribute to a healthy lifestyle.

Timeline

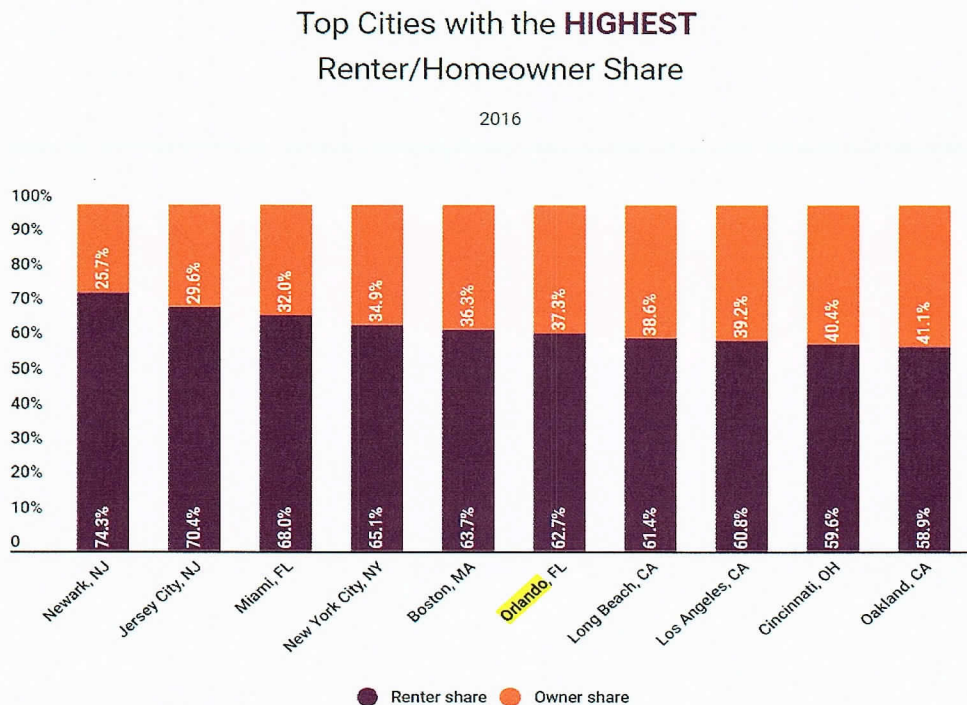
The development program envisions a phasing schedule that will contract or expand depending on market forces.

PARKSIDE PLACE	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13
DEVELOPMENT SCHEDULE VISION	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
County Planning & Land Purchase													
Site Planning													
Site Works - 40%													
Site Works - 60%													
MULTI-FAMILY (Residential) - 5,012 units													
825 units			400	425									
984 - MF and student					444	540							
936 Units							648	288					
1118 - MF and student									308	810			
961 units											440	521	
Independent Living - 184 units - 184,000				184									
COMMERCIAL - 2,082,876 sq feet													
Office - 1,442,876 sq feet					300,000		300,000		300,000		300,000		242,876
Assisted Living - 150 Units - 200,000 sq feet			200,000										
Specialized Retail - 290,000 sq. feet			50,000	50,000	50,000	90,000	50,000						
Hotel - 250 rooms - 150,000 sq feet				150,000			-						

Residential demand

In addition to the demographic, job growth and wage increase projections, as rents get more expensive in the metro Orlando area, people will move to the outskirts, which makes Parkside Place a perfect location for new growth that is suburban and has deep connections to nature – and yet is very accessible to a strong urban core in Orlando. This trend has been repeated in city after city across North America.

There has been tremendous demand for multi-family land from developers, and we expect this to continue as Orlando and surrounding areas are a renter market as can be seen below.



Data Source: U.S. Census

The current landowner has had multiple offers to purchase individual parcels of land; the contract purchaser has also had much interest from users. The plan for the site will be one of a fully integrated community, without selling individual parcels to unrelated entities. Therefore, the total appearance and level of quality will be maintained throughout the property.

Multi Housing News latest forecast indicates: "Markets with educated workforces, attractive lifestyle amenities and healthy business climates are growing the fastest. Examples of these markets include Dallas, Houston, Atlanta and Charlotte. Orlando and Las Vegas are among the projected growth leaders . . ."

We therefore expect the 5,012 units of multi-family density, including student housing and an independent living facility, along with a mix of market rent but affordable one, two and three-bedroom rental apartments, will be absorbed easily over a 13-year timeframe, **as it only amounts to about 500 units per year on average.**

Office space demand

The total inventory of office space in the Orlando MSA sits at 106.1 million sq. ft. There is currently only 1.81 million sq. ft. under construction.

Based on current forecasts on the conservative side, inventory is predicted to grow as shown below, with Parkside Place being a very small fraction of new inventory.

Based on discussions with the Orlando Economic Partnership, a development like Parkside Place is extremely appealing to larger firms either expanding or relocating, given the **Work.Live.Play** environment, and the five factors in our vision that make the development unique.

Given the 13-year phase-in period for office and retail, the developer feels confident of being able to utilize the density being requested of the County.

Year	Growth rate	New office inventory	Inventory forecast	Parkside Place	% of Orlando MSA
2017	1.9%	2,000,000	106,000,000		
2018	1.9%	2,041,200	108,000,000		
2019	1.9%	2,079,779	110,041,200		
2020	1.9%	2,119,086	112,120,979		
2021	1.9%	2,159,137	114,240,065		
2022	1.9%	2,199,945	116,399,202	300,000	0.26%
2023	1.9%	2,241,524	118,599,147		
2024	1.9%	2,283,889	120,840,671	300,000	0.25%
2025	1.9%	2,327,054	123,124,560		
2026	1.9%	2,371,036	125,451,614	300,000	0.24%
2027	1.9%	2,415,848	127,822,650		
2028	1.9%	2,461,508	130,238,498	300,000	0.23%
2029	1.9%	2,508,030	132,700,005		
2030	1.9%	2,555,432	135,208,035	242,876	0.18%

Hotel Demand

According to Seminole County's own Spring 2017 Hotel Markey Analysis, there is a growing shortage of hotel rooms in Seminole County. In fact, we have been approached numerous times by hotel developers interested in purchasing land for a hotel.

Being hotel developers ourselves, we believe there is strong demand for possibly a dual branded major hotel up to 250 beds on the site, to serve the community and visitors.

Once we have overall density approval, we will undertake a more detailed, site specific study to determine sizing, type of hotel, brand, etc.

Assisted Living Demand

Florida has a strong market for assisted living, and one of the outparcels on the site offers the perfect location for a proposed 150 bed assisted living facility.

Conclusion

The Parkside Place project brings a new opportunity to Seminole County and Central Florida that will be a showcase project for a sustainable and efficient community development model. The developer is also aware that demand for the various land uses will be fluid over the time span of the project, therefore, the development plan will allow for land uses to be flexible and react to changing market forces. At the same time, the project's controls will provide for the master plan to unfold with an orderly development plan, exemplifying careful planning and attention to detail in the built environment.