

Bahia Mar Hotel & Marina Proposal Review

March 8, 2022

Prepared for City of Fort Lauderdale
100 N Andrews Ave,
Fort Lauderdale, FL 33301
Chris Lagerbloom, City Manager

Prepared by Colliers
200 E Broward Blvd, Suite 120
Fort Lauderdale, FL 33301
Ken Krasnow | Vice Chairman, Institutional Investor Services
Brooke Berkowitz | Director, Public Institutions
Bastian Lagerbauer | Director, Investment Services

Accelerating success.



This document has been prepared by Colliers International for advertising and general information only. Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers International excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Colliers International and/or its licensor(s). ©2022. All rights reserved.



Task 1

Ground lease discussion and land valuation

A. Due Diligence and Review of Material Documents for the Bahia Mar Redevelopment Plan

Colliers reviewed the existing ground lease with the City of Fort Lauderdale's Tenant to understand the current contractual payments and the implied net present value of the payments over the course of the remaining lease term. Colliers also obtained updated information on City's Tenant's proposed redevelopment plans and the Bahia Mar Master Plan project.

Colliers also reviewed the Market Value Appraisal of the Bahia Mar Hotel & Marina, provided by Integra Realty Resources (IRR) in February of 2022. The appraisal concluded an opinion of value as follows:

| Value Type & Appraisal Premise | Interest Appraised | Value Conclusion |
|------------------------------------------------------|--------------------|------------------|
| Hypothetical Market Value | Fee Simple | \$256,400,000 |
| Market Value of Land (based on lease income) | Leased Fee | \$48,300,000 |
| Market Value of Land (leased income plus surplus) | Leased Fee | \$72,000,000 |

Source: IRR, Appraisal of Bahia Mar Hotel & Marina, 02/28/2022

B. Project Redevelopment Financial Budget and Plan

Entire 99 Year Projections

Assumptions

| | |
|--------------------------------------------------|-------|
| Annual Increase in the Value of the Condominiums | 2.50% |
| Projected Annual Turnover of Condominiums | 7.50% |

| | | |
|-----------------------------------------------------------------------------------------------------------------------|-----------------|---------------------|
| City Recommendation Proforma Straight Percentage Rent off Value and 0.25% On-Going Sales Fee and 3% From Initial Sale | | Value Per Usable AC |
| Total 99-Year Income | \$2,372,021,335 | |
| Average Annual Income Over 99 Years | \$23,959,811 | |
| Bahia Mar Land Value | \$250,000,000 | \$16,666,667 |

| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Branded Residential Development One Time Fee | \$69,374,080 | | | | |
| One-Time Payment to Community Trust Fund | \$5,419,850 | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$325,540 | \$333,679 | \$342,020 | \$350,571 | \$359,335 |
| Transfer Fee | \$610,388 | \$625,647 | \$641,288 | \$657,321 | \$673,754 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$3,144,398 | \$3,175,842 | \$3,207,600 | \$3,239,676 | \$3,272,073 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$1,625,955 | \$1,625,955 | \$1,625,955 | \$1,625,955 | \$1,625,955 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$8,231,556 | \$8,272,714 | \$8,314,078 | \$8,355,648 | \$8,397,426 |
| Total | \$88,731,767 | \$14,033,837 | \$14,130,942 | \$14,229,171 | \$14,328,543 |

| | Year 6 | Year 7 | Year 8 | Year 9 | Year 10 |
|------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$368,319 | \$377,527 | \$386,965 | \$396,639 | \$406,555 |
| Transfer Fee | \$690,597 | \$707,862 | \$725,559 | \$743,698 | \$762,290 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$3,304,794 | \$3,337,842 | \$3,371,220 | \$3,404,932 | \$3,438,982 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$1,625,955 | \$1,625,955 | \$1,625,955 | \$1,625,955 | \$1,625,955 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$8,439,413 | \$8,481,610 | \$8,524,018 | \$8,566,639 | \$8,609,472 |
| Total | \$14,429,078 | \$14,530,796 | \$14,633,717 | \$14,737,863 | \$14,843,254 |

| | Year 11 | Year 12 | Year 13 | Year 14 | Year 15 |
|------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$416,719 | \$427,137 | \$437,815 | \$448,760 | \$459,979 |
| Transfer Fee | \$781,348 | \$800,881 | \$820,903 | \$841,426 | \$862,462 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$3,473,372 | \$3,508,105 | \$3,543,186 | \$3,578,618 | \$3,614,404 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$1,869,848 | \$1,869,848 | \$1,869,848 | \$1,869,848 | \$1,869,848 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$8,652,519 | \$8,695,782 | \$8,739,261 | \$8,782,957 | \$8,826,872 |
| Total | \$15,193,805 | \$15,301,753 | \$15,411,014 | \$15,521,610 | \$15,633,565 |

| | Year 16 | Year 17 | Year 18 | Year 19 | Year 20 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$471,479 | \$483,266 | \$495,348 | \$507,731 | \$520,425 |
| Transfer Fee | \$884,023 | \$906,124 | \$928,777 | \$951,996 | \$975,796 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$3,650,548 | \$3,687,054 | \$3,723,924 | \$3,761,164 | \$3,798,775 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$1,869,848 | \$1,869,848 | \$1,869,848 | \$1,869,848 | \$1,869,848 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$8,871,006 | \$8,915,361 | \$8,959,938 | \$9,004,738 | \$9,049,761 |
| Total | \$15,746,905 | \$15,861,653 | \$15,977,835 | \$16,095,477 | \$16,214,606 |

| | Year 21 | Year 22 | Year 23 | Year 24 | Year 25 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$533,435 | \$546,771 | \$560,440 | \$574,451 | \$588,813 |
| Transfer Fee | \$1,000,191 | \$1,025,196 | \$1,050,826 | \$1,077,096 | \$1,104,024 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$3,836,763 | \$3,875,131 | \$3,913,882 | \$3,953,021 | \$3,992,551 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$2,150,325 | \$2,150,325 | \$2,150,325 | \$2,150,325 | \$2,150,325 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$9,095,010 | \$9,140,485 | \$9,186,188 | \$9,232,118 | \$9,278,279 |
| Total | \$16,615,725 | \$16,737,908 | \$16,861,661 | \$16,987,012 | \$17,113,992 |

| | Year 26 | Year 27 | Year 28 | Year 29 | Year 30 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$603,533 | \$618,621 | \$634,087 | \$649,939 | \$666,187 |
| Transfer Fee | \$1,131,624 | \$1,159,915 | \$1,188,913 | \$1,218,636 | \$1,249,101 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$4,032,477 | \$4,072,801 | \$4,113,529 | \$4,154,665 | \$4,196,211 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$2,150,325 | \$2,150,325 | \$2,150,325 | \$2,150,325 | \$2,150,325 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$9,324,670 | \$9,371,294 | \$9,418,150 | \$9,465,241 | \$9,512,567 |
| Total | \$17,242,630 | \$17,372,957 | \$17,505,005 | \$17,638,806 | \$17,774,393 |

| | Year 31 | Year 32 | Year 33 | Year 34 | Year 35 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$682,842 | \$699,913 | \$717,411 | \$735,346 | \$753,730 |
| Transfer Fee | \$1,280,329 | \$1,312,337 | \$1,345,146 | \$1,378,774 | \$1,413,244 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$4,238,173 | \$4,280,555 | \$4,323,361 | \$4,366,594 | \$4,410,260 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$2,472,874 | \$2,472,874 | \$2,472,874 | \$2,472,874 | \$2,472,874 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$9,560,130 | \$9,607,931 | \$9,655,970 | \$9,704,250 | \$9,752,771 |
| Total | \$18,234,349 | \$18,373,611 | \$18,514,762 | \$18,657,839 | \$18,802,880 |

| | Year 36 | Year 37 | Year 38 | Year 39 | Year 40 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$772,573 | \$791,888 | \$811,685 | \$831,977 | \$852,776 |
| Transfer Fee | \$1,448,575 | \$1,484,789 | \$1,521,909 | \$1,559,957 | \$1,598,956 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$4,454,363 | \$4,498,907 | \$4,543,896 | \$4,589,335 | \$4,635,228 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$2,472,874 | \$2,472,874 | \$2,472,874 | \$2,472,874 | \$2,472,874 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$9,801,535 | \$9,850,543 | \$9,899,796 | \$9,949,295 | \$9,999,041 |
| Total | \$18,949,921 | \$19,099,001 | \$19,250,159 | \$19,403,437 | \$19,558,875 |

| | Year 41 | Year 42 | Year 43 | Year 44 | Year 45 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$874,096 | \$895,948 | \$918,347 | \$941,305 | \$964,838 |
| Transfer Fee | \$1,638,929 | \$1,679,903 | \$1,721,900 | \$1,764,948 | \$1,809,071 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$4,681,580 | \$4,728,396 | \$4,775,680 | \$4,823,437 | \$4,871,671 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$2,843,805 | \$2,843,805 | \$2,843,805 | \$2,843,805 | \$2,843,805 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$10,049,036 | \$10,099,282 | \$10,149,778 | \$10,200,527 | \$10,251,529 |
| Total | \$20,087,447 | \$20,247,334 | \$20,409,510 | \$20,574,022 | \$20,740,915 |

| | Year 46 | Year 47 | Year 48 | Year 49 | Year 50 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$988,959 | \$1,013,683 | \$1,039,025 | \$1,065,001 | \$1,091,626 |
| Transfer Fee | \$1,854,298 | \$1,900,656 | \$1,948,172 | \$1,996,876 | \$2,046,798 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$4,920,388 | \$4,969,592 | \$5,019,288 | \$5,069,480 | \$5,120,175 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$2,843,805 | \$2,843,805 | \$2,843,805 | \$2,843,805 | \$2,843,805 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$10,302,787 | \$10,354,301 | \$10,406,073 | \$10,458,103 | \$10,510,393 |
| Total | \$20,910,238 | \$21,082,037 | \$21,256,363 | \$21,433,266 | \$21,612,798 |

| | Year 51 | Year 52 | Year 53 | Year 54 | Year 55 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$1,118,916 | \$1,146,889 | \$1,175,562 | \$1,204,951 | \$1,235,074 |
| Transfer Fee | \$2,097,968 | \$2,150,417 | \$2,204,178 | \$2,259,282 | \$2,315,764 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$5,171,377 | \$5,223,091 | \$5,275,322 | \$5,328,075 | \$5,381,356 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$3,270,376 | \$3,270,376 | \$3,270,376 | \$3,270,376 | \$3,270,376 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$10,562,945 | \$10,615,760 | \$10,668,839 | \$10,722,183 | \$10,775,794 |
| Total | \$22,221,583 | \$22,406,534 | \$22,594,276 | \$22,784,867 | \$22,978,365 |

| | Year 56 | Year 57 | Year 58 | Year 59 | Year 60 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$1,265,951 | \$1,297,600 | \$1,330,040 | \$1,363,291 | \$1,397,373 |
| Transfer Fee | \$2,373,658 | \$2,433,000 | \$2,493,825 | \$2,556,171 | \$2,620,075 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$5,435,169 | \$5,489,521 | \$5,544,416 | \$5,599,860 | \$5,655,859 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$3,270,376 | \$3,270,376 | \$3,270,376 | \$3,270,376 | \$3,270,376 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$10,829,673 | \$10,883,821 | \$10,938,240 | \$10,992,932 | \$11,047,896 |
| Total | \$23,174,828 | \$23,374,318 | \$23,576,898 | \$23,782,630 | \$23,991,580 |

| | Year 61 | Year 62 | Year 63 | Year 64 | Year 65 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$1,432,308 | \$1,468,115 | \$1,504,818 | \$1,542,439 | \$1,581,000 |
| Transfer Fee | \$2,685,577 | \$2,752,716 | \$2,821,534 | \$2,892,072 | \$2,964,374 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$5,712,417 | \$5,769,542 | \$5,827,237 | \$5,885,509 | \$5,944,365 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$3,760,933 | \$3,760,933 | \$3,760,933 | \$3,760,933 | \$3,760,933 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$11,103,136 | \$11,158,652 | \$11,214,445 | \$11,270,517 | \$11,326,870 |
| Total | \$24,694,370 | \$24,909,957 | \$25,128,967 | \$25,351,470 | \$25,577,541 |

| | Year 66 | Year 67 | Year 68 | Year 69 | Year 70 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$1,620,525 | \$1,661,038 | \$1,702,564 | \$1,745,128 | \$1,788,756 |
| Transfer Fee | \$3,038,483 | \$3,114,446 | \$3,192,307 | \$3,272,114 | \$3,353,917 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$6,003,808 | \$6,063,846 | \$6,124,485 | \$6,185,730 | \$6,247,587 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$3,760,933 | \$3,760,933 | \$3,760,933 | \$3,760,933 | \$3,760,933 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$11,383,504 | \$11,440,421 | \$11,497,624 | \$11,555,112 | \$11,612,887 |
| Total | \$25,807,253 | \$26,040,684 | \$26,277,911 | \$26,519,016 | \$26,764,080 |

| | Year 71 | Year 72 | Year 73 | Year 74 | Year 75 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$1,833,475 | \$1,879,312 | \$1,926,294 | \$1,974,452 | \$2,023,813 |
| Transfer Fee | \$3,437,765 | \$3,523,709 | \$3,611,802 | \$3,702,097 | \$3,794,650 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$6,310,063 | \$6,373,163 | \$6,436,895 | \$6,501,264 | \$6,566,277 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$4,325,073 | \$4,325,073 | \$4,325,073 | \$4,325,073 | \$4,325,073 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$11,670,952 | \$11,729,306 | \$11,787,953 | \$11,846,893 | \$11,906,127 |
| Total | \$27,577,327 | \$27,830,563 | \$28,088,017 | \$28,349,778 | \$28,615,939 |

| | Year 76 | Year 77 | Year 78 | Year 79 | Year 80 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$2,074,408 | \$2,126,269 | \$2,179,425 | \$2,233,911 | \$2,289,759 |
| Transfer Fee | \$3,889,516 | \$3,986,754 | \$4,086,422 | \$4,188,583 | \$4,293,298 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$6,631,939 | \$6,698,259 | \$6,765,241 | \$6,832,894 | \$6,901,223 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$4,325,073 | \$4,325,073 | \$4,325,073 | \$4,325,073 | \$4,325,073 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$11,965,658 | \$12,025,486 | \$12,085,614 | \$12,146,042 | \$12,206,772 |
| Total | \$28,886,594 | \$29,161,840 | \$29,441,775 | \$29,726,502 | \$30,016,123 |

| | Year 81 | Year 82 | Year 83 | Year 84 | Year 85 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$2,347,003 | \$2,405,678 | \$2,465,820 | \$2,527,465 | \$2,590,652 |
| Transfer Fee | \$4,400,630 | \$4,510,646 | \$4,623,412 | \$4,738,997 | \$4,857,472 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$6,970,235 | \$7,039,937 | \$7,110,337 | \$7,181,440 | \$7,253,254 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$4,973,834 | \$4,973,834 | \$4,973,834 | \$4,973,834 | \$4,973,834 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$12,267,806 | \$12,329,145 | \$12,390,790 | \$12,452,744 | \$12,515,008 |
| Total | \$30,959,507 | \$31,259,239 | \$31,564,192 | \$31,874,480 | \$32,190,220 |

| | Year 86 | Year 87 | Year 88 | Year 89 | Year 90 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$2,655,418 | \$2,721,804 | \$2,789,849 | \$2,859,595 | \$2,931,085 |
| Transfer Fee | \$4,978,909 | \$5,103,382 | \$5,230,966 | \$5,361,740 | \$5,495,784 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$7,325,787 | \$7,399,045 | \$7,473,035 | \$7,547,766 | \$7,623,243 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$4,973,834 | \$4,973,834 | \$4,973,834 | \$4,973,834 | \$4,973,834 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$12,577,583 | \$12,640,471 | \$12,703,673 | \$12,767,192 | \$12,831,028 |
| Total | \$32,511,531 | \$32,838,535 | \$33,171,357 | \$33,510,126 | \$33,854,973 |

| | Year 91 | Year 92 | Year 93 | Year 94 | Year 95 |
|------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Branded Residential Development One Time Fee | | | | | |
| One-Time Payment to Community Trust Fund | | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$3,004,362 | \$3,079,471 | \$3,156,458 | \$3,235,369 | \$3,316,253 |
| Transfer Fee | \$5,633,179 | \$5,774,008 | \$5,918,358 | \$6,066,317 | \$6,217,975 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$7,699,476 | \$7,776,470 | \$7,854,235 | \$7,932,777 | \$8,012,105 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$5,719,909 | \$5,719,909 | \$5,719,909 | \$5,719,909 | \$5,719,909 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$12,895,183 | \$12,959,659 | \$13,024,457 | \$13,089,579 | \$13,155,027 |
| Total | \$34,952,108 | \$35,309,517 | \$35,673,417 | \$36,043,952 | \$36,421,270 |

| | Year 96 | Year 97 | Year 98 | Year 99 |
|---------------------------------------------------------------------|--------------|--------------|--------------|--------------|
| Branded Residential Development One Time Fee | | | | |
| One-Time Payment to Community Trust Fund | | | | |
| On-Going Payments to Community Trust Funds (0.125% of Sales) | \$3,399,160 | \$3,484,139 | \$3,571,242 | \$3,660,523 |
| Transfer Fee | \$6,373,424 | \$6,532,760 | \$6,696,079 | \$6,863,481 |
| Annual Ground Rent (Commercial - Grows 1% Per Year) | \$8,092,226 | \$8,173,149 | \$8,254,880 | \$8,337,429 |
| Annual Ground Rent (Residential - Grows by 15% every 10 Years) | \$5,719,909 | \$5,719,909 | \$5,719,909 | \$5,719,909 |
| Property Taxes (Commercial and Residential - Grows by 0.5%/Year) | \$13,220,802 | \$13,286,906 | \$13,353,341 | \$13,420,108 |
| Total | \$36,805,521 | \$37,196,862 | \$37,595,451 | \$38,001,449 |

Annual Payments

Bahia Mar | Ground Lease Extension Proposal

| Annual Payments/Value to the City: | | Notes |
|------------------------------------|---------------------|-------|
| Ground Rent | \$4,770,353 | (C) |
| Property Taxes | \$8,231,556 | (D) |
| Transfer Fee | \$610,388 | (E) |
| | \$13,612,297 | |

Continuing Annual Payments | Commercial Property

| | total sq. ft. | ave. rent price | gross revenue | annual payment to City | | |
|----------------------|---------------|-----------------|---------------|------------------------|--------------------|--------------------|
| | | \$ per sq. ft. | | Colliers Proposed Rate | Tate proposed Rate | ground rent |
| Office, Retail, etc. | 87,644 | \$75 | \$6,573,300 | 6.00% | 5.00% | \$394,398 |
| Hotel | | | \$20,000,000 | 5.00% | 4.25% | \$1,000,000 |
| Marina | | | \$25,000,000 | 7.00% | 5.75% | \$1,750,000 |
| | | | | | | \$3,144,398 |

Continuing Annual Payments | Branded Residential Property

| | units | ave. sq. ft. | total sq. ft. | Colliers Proposed Rate | annual payment to City | |
|--------------------------|-------|--------------|------------------|------------------------|------------------------|--------------------|
| | | | | | Tate proposed Rate | ground rent |
| Branded Residences | 350 | 2,825 | 988,750 | \$1.50/SF | \$1.00/SF | \$1,483,125 |
| Branded Hotel Residences | 60 | 1,587 | 95,220 | \$1.50/SF | \$1.00/SF | \$142,830 |
| | | | 1,083,970 | | | \$1,625,955 |

Continuing Annual Property Taxes | Commercial Property

| Gross revenue | costs | NOI | property taxes | | | | annual allocation to City | |
|----------------------|-------|-------------|----------------|----------------|-------------------|-----------|---------------------------|----------------|
| | | | cap rate | sales discount | taxable value (B) | millage | Tate proposed Rate | property taxes |
| Hotel, Marina, etc. | | | | | | | | |
| | | | | | \$99,668,000 | 0.0041193 | 100.0% | \$410,562 |
| Office, Retail, etc. | | | | | | | | |
| \$6,573,300 | 30.0% | \$4,601,310 | 7.0% | 15.0% | \$55,873,050 | 0.0041193 | 100.0% | \$230,158 |
| | | | | | | | | \$640,720 |

Continuing Annual Property Taxes | Residential Property

| total sq. ft. | ave. sale price | sales value | property taxes | | | annual allocation to City | |
|---------------|-----------------|-----------------|----------------|-----------------|-----------|---------------------------|--------------------|
| | \$ per sq. ft. | | sales discount | taxable value | millage | Tate proposed Rate | property taxes |
| 1,083,970 | \$2,000 | \$2,167,940,000 | 15.0% | \$1,842,749,000 | 0.0041193 | 100.0% | \$7,590,836 |
| | | | | | | | \$7,590,836 |

Continuing Payments from Transfer Fee on Residential Sales
Branded Residential Units

| | units | units (E) | ave. sq. ft. | total sq. ft. sold | ave. sale price | base gross sales | Colliers Proposed Rate | annual payment to City (E) | |
|-----------------------------|-------|-----------|-----------------|-----------------------|-----------------------|---------------------|------------------------------|-------------------------------|------------------|
| | | 7.50% | | each year (E) | \$ per sq. ft. (F) | (F) | | Tate proposed Rate | gross \$ |
| Branded Residences | 350 | 26 | 2,825 | 73,450 | \$2,000.00 | \$146,900,000 | 0.375% | 0.375% | \$550,875 |
| Branded Hotel Residences | 60 | 5 | 1,587 | 7,935 | \$2,000.00 | \$15,870,000 | 0.375% | 0.375% | \$59,513 |
| | | 31 | | 81,385 | | | | | \$610,388 |

Notes

- A. Annual fee to City increases per CPI each year:
 - calculated as of October 1 of the prior year for the following calendar year
 - annual adjustments will have a floor of 1.0% and cap of 3.0%)
- B. Assessed value for hotel & marina is per 2021 TRIM Notice.
- C. Annual rent was approximately \$1,635,000 for 2019 (pre COVID).
- D. Annual property taxes for 2021 will be \$2,033,000 per 2021 TRIM Notice.
- E. assumes 7.5% of units turn each year
- F. Gross Sales Price shall be the sales price net of title insurance, documentary stamps, recording charges, legal fees, sales commissions, and other similar costs or charges.
- G. Boatshow revenue is part of the hotel marina income

Revenue Sharing

Ground Lease Extension Proposal

| | |
|--------------------------------------------------------------------------------------------|---------------------|
| One-Time Revenue Share Payments to City (not including any Bonus Payments (see Note A)) | \$69,374,080 |
|--------------------------------------------------------------------------------------------|---------------------|

Assumptions | Branded Residential Units

| units | ave. sq. ft. | total sq. ft. | ave. sale price | base gross sales |
|-------|--------------|------------------|--------------------|-------------------------|
| | | | \$ per sq. ft. (B) | |
| 350 | 2,825 | 988,750 | \$ 2,000.00 | \$ 1,977,500,000 |
| 60 | 1,587 | 95,220 | \$ 2,000.00 | \$ 190,440,000 |
| | | 1,083,970 | | \$ 2,167,940,000 |

One-Time Payments | Branded Residential Units (assuming a \$1,500 per sq. ft. sales price)

| units | ave. sq. ft. | total sq. ft. | ave. sale price | gross sales price | revenue share with City | | |
|------------------------------------------------|--------------|---------------|--------------------|-------------------|-------------------------|-------|---------------------|
| | | | \$ per sq. ft. (B) | (B) | rate (A) | | \$ |
| 350 | 2,825 | 988,750 | \$1,200.00 | \$1,186,500,000 | Base Rate | 2.00% | \$23,730,000 |
| | | | \$800.00 | \$791,000,000 | Bonus Payment | 5.00% | \$39,550,000 |
| 60 | 1,587 | 95,220 | \$1,200.00 | \$114,264,000 | Base Rate | 2.00% | \$2,285,280 |
| | | | \$800.00 | \$76,176,000 | Bonus Payment | 5.00% | \$3,808,800 |
| Residential Property One-Time Payment to City: | | | | | | | \$69,374,080 |

Notes

- A. If any sale produces an average sales price per sq. ft. greater than \$1,200, then the one time payment would increase as follows:
- If the sales price is between \$1,200 and \$1,500 psf, then the City will be paid 3.00% of such portion of the sales price over \$1,200 psf.
 - If the sales price is between \$1,500 and \$1,800 psf, then the City will be paid 4.00% of such portion of the sales price over \$1,200 psf.
 - If the sales price is greater than \$1,800 psf, then the City will be paid 5.00% of such portion of the sales price over \$1,200 psf.

For example, if the sales price of any unit is \$1,750 psf, then the fee paid to the City for that unit would be:

| ave. sq. ft. | gross sales | sales price | ave. sale price | revenue share with City | |
|----------------------------------------------------|----------------|----------------|--------------------|-------------------------|---------------------------|
| | price | by sq. ft. | \$ per sq. ft. (B) | rate (A) | \$ |
| 2,825 | \$4,943,750.00 | \$3,390,000.00 | \$1,200.00 | 2.000% | \$67,800 |
| | | \$1,553,750.00 | \$550.00 | 4.000% | \$62,150 Bonus Payment |
| | | \$4,943,750.00 | \$1,750.00 | | |
| Branded Residential Unit One-Time Payment to City: | | | | | \$129,950 |

- B. Gross Sales Price shall be the sales price net of title insurance, documentary stamps, recording charges, legal fees, sales commissions, and other similar costs or charges.

Community Trust Fund

Ground Lease Extension Proposal

| | |
|-------------------------------------------|--------------------|
| One-Time Payment to Community Trust Funds | \$5,419,850 |
| Annual Payments to Community Trust Funds | \$325,540 |

- allowable uses shall be: Affordable Housing, Inner City Parks Programs, Environment/Sustainability Programs, Homelessness, Arts & Culture, Historic Preservation
- allowable uses shall include operational expenses but not capital related expenses
- funds to be held by and administered by Community Foundation of Broward or United Way of Broward
- City to appoint a non-political board to request annual donations from funds to community causes

Assumptions | Branded Residential Units

| units | ave. sq. ft. | total sq. ft. | ave. sale price | base gross sales |
|-------------|--------------|------------------|--------------------|-------------------------|
| | | | \$ per sq. ft. (A) | (A) |
| 350 | 2,825 | 988,750 | \$2,000.00 | \$ 1,977,500,000 |
| 60 | 1,587 | 95,220 | \$2,000.00 | \$ 190,440,000 |
| | | 1,083,970 | | \$ 2,167,940,000 |
| Annual Turn | 7.50% | of units | | |

One-Time Payments | Branded Residential Units

| units | ave. sq. ft. | total sq. ft. | ave. sale price | base gross sales | initial payment to Trust Fund | |
|-----------------------------------------------------------------|-----------------|---------------|--------------------|------------------|-------------------------------|-------------|
| | | | \$ per sq. ft. (A) | (A) | rate | gross |
| Branded Residences | | | | | | |
| 350 | 2,825 | 988,750 | \$2,000.00 | \$1,977,500,000 | 0.250% | \$4,943,750 |
| Branded Hotel Residences | | | | | | |
| 60 | 1,587 | 95,220 | \$2,000.00 | \$190,440,000 | 0.250% | \$476,100 |
| Residential Property One-Time Payment to Community Trust Funds: | | | | | | \$5,419,850 |

Continuing Payments from Transfer Fee on Residential Sales

| units | units (B) | ave. sq. ft. | total sq. ft. sold | ave. sale price | base gross sales | annual payment to Trust Fund (B) | | |
|--------------------------|-----------|--------------|--------------------|--------------------|------------------|----------------------------------|--------------------|-----------|
| | 7.50% | | each year (B) | \$ per sq. ft. (A) | (A) | Colliers Proposed Rate | Tate proposed Rate | gross \$ |
| Branded Residences | | | | | | | | |
| 350 | 26 | 2,825 | 73,450 | \$2,000.00 | \$146,900,000 | 0.200% | 0.125% | \$293,800 |
| Branded Hotel Residences | | | | | | | | |
| 60 | 5 | 1,587 | 7,935 | \$2,000.00 | \$15,870,000 | 0.200% | 0.125% | \$31,740 |
| | 31 | | 81,385 | | | | | \$325,540 |

Notes:

- Gross Sales Price shall be the sales price net of title insurance, documentary stamps, recording charges, legal fees, sales commissions, and other similar costs or charges.
- assumes 7.5% of units turn each year

Guiding notes: This opportunity comes with a lot of riparian right – there are no comparable ground leases of this magnitude with a mix of uses that includes a boat show. Market condo sales are approximately \$2,500/SF. The computed retail and office rents of \$75/SF NNN are also market rate. Construction costs range from \$250 to \$350 per square foot for commercial development and \$500 to \$600 per square foot for hotel/condo development, based on current construction benchmarks and recent new developments.

Based upon a 5% cap rate, the value would be \$251,280,000 or \$6,443,077/usable acre after the improvements generate the necessary annual cash flow of roughly \$12,000,000.

Task 2

Commercial Market Assessment

A. Fort Lauderdale's Economic Climate and Future Growth Potential

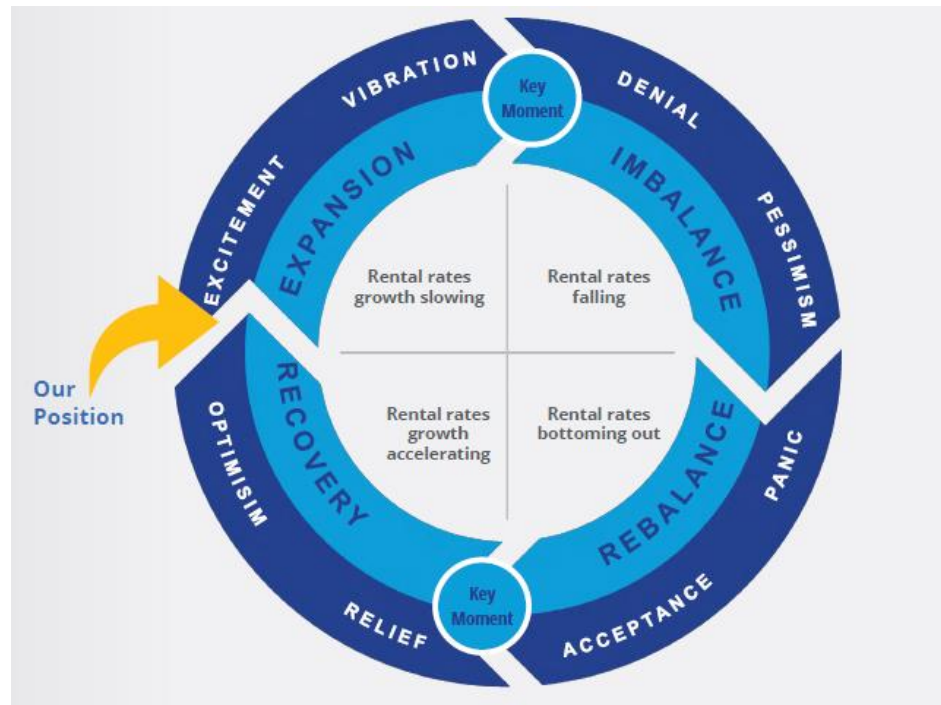
Fort Lauderdale Market Cycle

- Demand for new residential product has been outpacing supply and speeding up the recovery, particularly at the Beach.
- The strong economic recovery and mass in-migration is driving demand.
- Strong demand provided sellers with the pricing power to push prices to new record highs. Growth is expected to moderate as new supply presents increased competition; however, demand is expected to remain solid as in-migration projections remain steady.
- Additionally, the return of travel and international tourism is expected to further propel the economic recovery as hiring in leisure and hospitality will also accelerate the hiring for office support jobs.
- The Greater Fort Lauderdale unemployment rate dropped to 4.5 percent in 2021, from a pandemic high of 8.9 percent in 2020.
- Meanwhile, personal income grew by 5.7 percent in 2021 and median household income reached a high of \$63,100.
- The surge in population growth is fueled by mass in-migration – more than 10,000 net relocations to Greater Fort Lauderdale estimated in 2021, bringing the total population to 1,978,300.
- Forecasts suggest that net migration will accelerate over the next five years, and the estimated population in 2025 is 2,058,900, a 4.1 percent increase.

Greater Fort Lauderdale Economic Indicators

| 2016 | 2017 | 2018 | 2019 | 2020 | Indicators | 2021 | 2022 | 2023 | 2024 | 2025 |
|----------|----------|----------|----------|----------|----------------------------------|----------|----------|----------|----------|----------|
| 89.3 | 92.3 | 95.8 | 99.2 | 94.9 | Gross metro product (C12\$ bil) | 100.8 | 106.8 | 111.1 | 115.2 | 119.1 |
| 2.9 | 3.4 | 3.8 | 3.6 | -4.3 | % change | 6.1 | 6 | 4.1 | 3.7 | 3.3 |
| 820.3 | 836.8 | 853.2 | 865.8 | 809.1 | Total employment (thrs) | 826.3 | 872.2 | 896 | 908.1 | 915.1 |
| 2.8 | 2 | 2 | 1.5 | -6.5 | % change | 2.1 | 5.6 | 2.7 | 1.4 | 0.8 |
| 4.6 | 4 | 3.4 | 3.2 | 8.9 | Unemployment rate (%) | 4.5 | 3 | 2.9 | 3.2 | 3.4 |
| 2.8 | 5 | 4.9 | 3.9 | 5.3 | Personal income growth (%) | 5.7 | 0.8 | 5.6 | 5.3 | 4.9 |
| 55.1 | 56.2 | 60 | 61.5 | 62.1 | Median household income (\$ ths) | 63.1 | 63 | 64.9 | 67 | 69.1 |
| 1,912.60 | 1,934.50 | 1,946.10 | 1,952.80 | 1,966.10 | Population (thrs) | 1,978.30 | 1,998.00 | 2,020.20 | 2,040.10 | 2,058.90 |
| 1.5 | 1.1 | 0.6 | 0.3 | 0.7 | % change | 0.6 | 1 | 1.1 | 1 | 0.9 |
| 20 | 14.9 | 5.2 | 0.9 | 9.4 | Net migration (thrs) | 10.1 | 15.2 | 18 | 16.1 | 15.3 |

Source: Moody's Analytics, Fort Lauderdale-Pompano Beach-Deerfield Beach MSA, August 2021



Tailwinds

- An acceleration in northeastern states and California migration trends to Fort Lauderdale is propelling demand and caused a pent-up demand for residential condo supply.
- The Fort Lauderdale condo market is bolstered by a large young professional population and a large baby boomer population. This balance is increasingly complemented by a growth of young families.
- In 2021, approximately 60% of the condos sold in Fort Lauderdale Beach (zip code 33316) were paid in cash, showing liquidity and wealth of the buyers purchasing in this area.
- Fort Lauderdale's prime location at the heart of the South Florida metro area will fuel long term growth.

Headwinds

- Population growth and soaring demand for condos has pushed values to record high's, pricing out some buyers.
- Rising supply volumes across South Florida will ultimately soften future increases in sales prices, however, new product and highly amenitized offerings will capture the highest prices.
- Rising mortgage interest rates.
- A de-urbanization and suburban "flight" trend taking shape in other cities.

B. Condo Market Summary | Performance Trends & Outlook

The demand for Broward County, and more specifically Fort Lauderdale's, condo market experienced unprecedented growth in the past two years. Driven by a pent-up demand, low mortgage rates, low housing market inventory, and the mass relocations of people and businesses to the area. Florida's no income tax, relaxed regulations and pro-business climate attracted thousands to flee high tax, high density areas in the Northeastern states and California. These factors fueling the condo market are not expected to end any time soon, as projections for in-migration continue to surge.

Condo/Townhome Market Statistics (2021)

| | Broward County | | City of FTL | | ZipCode 33316 | |
|-----------------------------------|----------------|--------------|---------------|--------------|------------------|--------------|
| | 2021 | Y/Y % Change | 2021 | Y/Y % Change | 2021 | Y/Y % Change |
| Closed Sales | 21,858 | 41.6% | 3,288 | 65.0% | 387 | 62.6% |
| Closed Sales Paid in Cash | 11,298 | 57.9% | 1,807 | 86.1% | 233 | 83.5% |
| Median Sale Price | \$217,500 | 15.1% | \$383,750 | 14.6% | \$465,000 | 15.5% |
| Average Sale Price | \$296,632 | 19.8% | \$563,645 | 15.5% | \$615,579 | 16.7% |
| Dollar Volume | \$6.5 Billion | 69.5% | \$1.9 Billion | 90.5% | \$238.2 Million | 89.8% |
| % of Original List Price Received | 96.60% | 2.1% | 96.00% | 2.6% | 95.40% | 2.7% |
| Median Time to Contract | 30 Days | -42.3% | 47 Days | -42.7% | 53 Days | -44.2% |
| New Listings | 24,287 | 2.4% | 3,169 | -3.3% | 360 | -5.5% |
| New Pending Sales | 25,696 | 35.3% | 3,651 | 55.9% | 427 | 57.0% |
| Pending Inventory | 2,952 | 5.1% | 413 | 11.6% | 36 | 12.5% |
| Active Inventory | 3,010 | -57.9% | 441 | -68.8% | 39 | -76.4% |
| Months Supply of Inventory | 1.7 | -69.9% | 1.6 | -81.2% | 1.2 | -85.5% |

Source: Florida Realtors

Condo market fundamentals in Broward County, the City of Fort Lauderdale and Fort Lauderdale Beach zip code 33316 where the subject property is located, strengthen the closer to the subject site you evaluate. The median sales price for condos in zip code 33316 is \$465,000, a 15.5% increase year-over-year, and more than double the county median. The average sales price for condos in zip code 33316 is \$615,579, a 16.7% increase year-over-year, and almost three times the county average. Moreover, 60% of sales are paid in cash and there is only 1.2 months of inventory in zip code 33316, making it a sellers' market driven by a high demand of buyers for the foreseeable future. The number of closed sales is up by 62.6% year-over-year and the total dollar volume of sales is up by 89.8% for a total of \$238.2 million in 2021. Meanwhile, the active inventory (supply for sale) is down 76% year-over-year. Buyers are competing to purchase the available supply causing condo pricing to significantly increase.

Compared to the condo market in Miami Beach (zip codes 33140 and 33139) and West Palm Beach (zip code 33401), the market demand indicators show Fort Lauderdale Beach to be leading with a median time to contract of 53 days and only 1.2 months' supply of inventory. In 2021, Miami Beach has a median time to contract of 99 days in zip code 33140 and 102 days in zip code 33139, as well as 6.1- and 5.8-months' supply of inventory, respectively. West Palm Beach is more comparable in terms of demand with 39 days median time to contract and 1 month supply of inventory.

Comparable Market Condo/Townhome Market Statistics (2021)

| | Miami Beach | | | | West Palm Beach | |
|-----------------------------------|-----------------|--------------|---------------|--------------|-----------------|--------------|
| | ZipCode 33140 | | ZipCode 33139 | | ZipCode 33401 | |
| | 2021 | Y/Y % Change | 2021 | Y/Y % Change | 2021 | Y/Y % Change |
| Closed Sales | 801 | 150.3% | 1,607 | 111.7% | 911 | 80.0% |
| Closed Sales Paid in Cash | 495 | 169.0% | 864 | 105.7% | 584 | 86.6% |
| Median Sale Price | \$510,000 | 16.2% | \$460,000 | 50.8% | \$293,750 | 26.2% |
| Average Sale Price | \$924,168 | 19.1% | \$1,166,857 | 80.2% | \$573,027 | 5.9% |
| Dollar Volume | \$740.3 Million | 198.1% | \$1.9 Billion | 281.6% | \$522.0 Million | 90.6% |
| % of Original List Price Received | 93.80% | 4.6% | 94.20% | 4.2% | 96.0% | 2.9% |
| Median Time to Contract | 99 Days | -36.1% | 102 Days | -28.7% | 39 Days | -52.4% |
| New Listings | 1,074 | 21.2% | 2,157 | 15.5% | 889 | -3.8% |
| New Pending Sales | 932 | 128.4% | 1,841 | 112.3% | 997 | 70.7% |
| Pending Inventory | 109 | 25.3% | 219 | 53.1% | 76 | -28.0% |
| Active Inventory | 405 | -43.3% | 778 | -43.0% | 75 | -78.4% |
| Months Supply of Inventory | 6.1 | -77.2% | 5.8 | -73.1% | 1 | -87.8% |

Source: Florida Realtors

Recent Comparable Sales

Prime waterfront condo sales in Miami Beach and West Palm Beach have surpassed the \$2,000 price point per square foot. Examples are provided below based on a study of sales over a 12-month period in 2021.

| Building | Location | Average List Price | Average Sales Price | Average SqFt Liv Area | Average Price Per SF |
|------------------------------------------------|-----------------|--------------------|---------------------|-----------------------|----------------------|
| The Setai Resort & Residences | Miami Beach | \$4,225,250 | \$3,865,625 | 1,523 | \$2,437 |
| W South Beach | Miami Beach | \$2,866,750 | \$2,701,813 | 1,117 | \$2,069 |
| The Edition Residences | Miami Beach | \$4,005,000 | \$3,852,500 | 1,768 | \$2,325 |
| Surf Club Condo Four Seasons | Miami Beach | \$6,182,692 | \$5,789,077 | 2,073 | \$2,738 |
| Ritz Carlton Residences (Not Ocean-front) | Miami Beach | \$4,339,942 | \$4,174,458 | 3,150 | \$1,262 |
| Residences by Armani Casa (Not Ocean-front) | Miami Beach | \$2,950,363 | \$2,764,726 | 2,147 | \$1,289 |
| The Bristol | West Palm Beach | \$10,184,582 | \$9,524,039 | 4,438 | \$2,097 |

Source: Miami MLS

Condo Development Pipeline

Currently, there are three luxury condo development under construction on Fort Lauderdale beach adding approximately 309 units to the inventory over the next three years. The largest project is the Selena Oceanfront Residences at 3000 Alhambra Street with 196 units. The luxury development is comprised of two beachfront towers, 300 feet tall, with views of the Atlantic Ocean, Intracoastal and city skyline. Delivering this year in 2022 is the Four Seasons Private Residences, another oceanfront condo building with 22 stories, luxury amenities, 148 hotel guest rooms and 95 private residences.

Fort Lauderdale Beach Condos | Under Construction

| Development Name | Address | Units | Delivery Date | Luxury |
|---------------------------------|--------------------------------------|-------|---------------|--------|
| The Terraces | 527 Orton Avenue | 18 | 2023 | Yes |
| Selene Oceanfront Residences | 3000 Alhambra Street | 196 | 2024 | Yes |
| Four Seasons Private Residences | 525 North Fort Lauderdale Beach Blvd | 95 | 2022 | Yes |

Source: City of Fort Lauderdale Central Beach RAC Development Map, January 2022

C. SWOT (Strengths, Weakness, Opportunities, Threats) Analysis of Proposed Bahia Mar Development

Project Summary

- The Bahia Mar proposed development will feature 256 Luxury Branded Hotel Rooms, 350 Luxury Branded Residential Units, 60 Luxury Branded Furnished Hotel Units, a Marina Village Development with 250 Boat Slips, Charters, Waterfront Restaurant and other amenities and over 87,000 square feet of commercial retail space.

Strengths

- Developer, Tate Capital, has over 50 years of experience and extensive resources and infrastructure to source, analyze, value, purchase, service, and manage properties/assets.
- Supports the growth of targeted industries such as the large and growing marine industry.
- Strengthens the Tourism and Hospitality industry by providing accommodation and space for major events making Bahia Mar a key asset in attracting tourists and visitors.
- Provides housing for new residents migrating to Fort Lauderdale from high-tax and high regulation states in the Northeast and California.
- Public benefits:
 - Once completed, the Bahia Mar Development will support an estimated 1,707 jobs, generate \$61 million in Household Income and \$109 million in GDP, and contribute \$193 million in Total Economic Impact each year to the City of Ft. Lauderdale (according to Washington Economics Group, Economic Impact Analysis dated December 2021).
 - The project improves underutilized real estate. In total, the project is expected to generate at least \$708 billion in ad valorem revenue for the City of Ft. Lauderdale, including \$25.5 million during the first 10 years. Without the proposed lease, ad valorem revenues during the first 10 years are projected to total only \$4.7 million. The proposed lease terms provide significant benefit in the early years to the City of Ft. Lauderdale, providing much needed revenue for City projects and initiatives.

- The total projected revenue that the proposed lease provides to the City of Ft. Lauderdale is over \$144 million over the first 10 years, and almost \$1.3 billion throughout the 50- year term of the ground lease.
- The completion of the project will result in additional visitor spending, generating new bed tax and sales taxes for Broward County and the State of Florida, as well as additional revenue for other taxing authorities such as the Hospital and School Districts, the South Florida Water Management District and the Florida Inland Navigation District.

Weakness

- Stakeholder opposition to private condos on public land.

Opportunities

- Cater to the needs of the new residents to Fort Lauderdale.
- High demand for condos as wealthy executives relocating to South Florida seek luxury living.
- A flight to quality as existing and new residents seek luxury, highly amenitized residences.
- Fort Lauderdale is a strong condo and hospitality submarket.
- Fort Lauderdale has one of the fastest recovering tourism markets.
- Demand is expected to continue outpacing condo supply as a mass migration to South Florida continues.

Threats

- New condo developments are underway, but unlikely to tip the demand supply ratio.
- Fort Lauderdale has one of the largest supplies of condo inventory among the Broward coastal condo markets, however, the proposed condo development is among the more limited, exclusive class.
- Increasing constructions costs and supply chain delays.
- Rising interest rates for condo buyers.
- Sea level rise.



colliers.com

About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 67 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners and investors. For more than 25 years, our experienced leadership with significant insider ownership has delivered compound annual investment returns of almost 20% for shareholders. With annualized revenues of \$3.0 billion (\$3.3 billion including affiliates) and \$40 billion of assets under management, we maximize the potential of property and accelerate the success of our clients and our people. Learn more at corporate.colliers.com, Twitter @Colliers or LinkedIn.

Accelerating success.