



Silver Springs CRA

MASTER PLAN

MARKET ASSESSMENT & VALUATION FORECASTS



Silver Springs CRA **MASTER PLAN**

Introduction

Creating successful and dynamic places requires a solid understanding of real estate and economic conditions that could influence future growth opportunities. The market assessment documents existing conditions from a socioeconomic and real estate perspective, providing baseline market statistics to inform the development of the Silver Springs CRA Master Plan.

Future development demand in the Silver Springs CRA is estimated based on population and job growth projection and uses with the strongest opportunities were used to inform a series of catalyst sites to attract additional private investment. Future impacts to Marion County's tax increment financing stream related to Silver Springs CRA are forecasted based on the defined catalytic opportunities.





Overview and Process

Process
Study Area Geographies



Process Overview



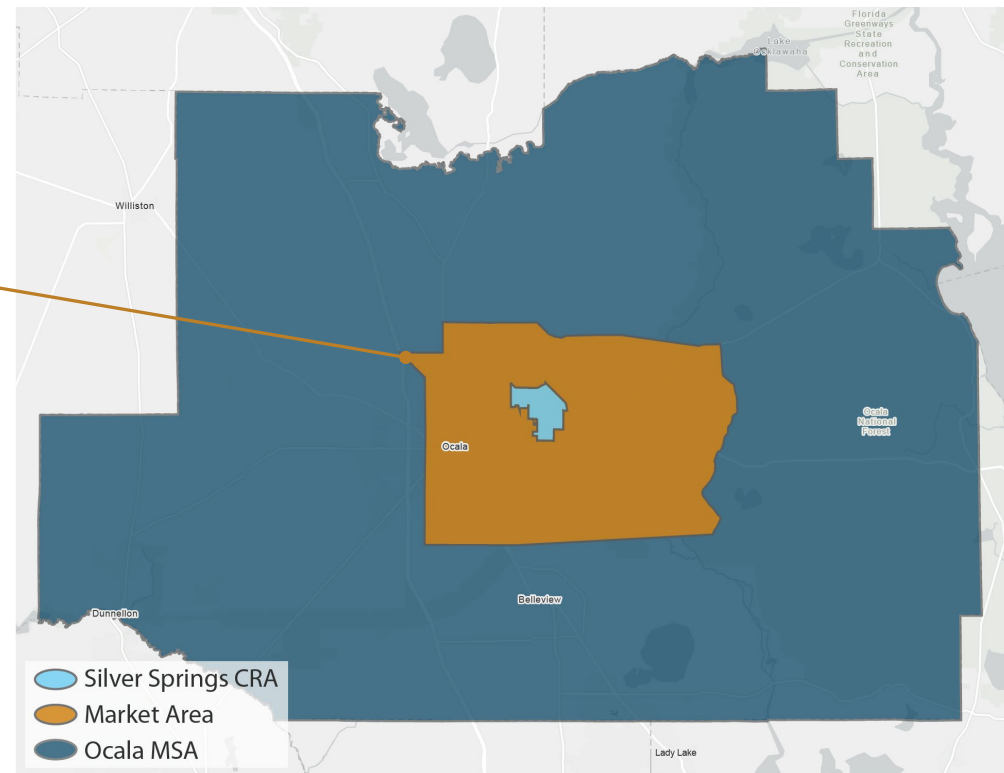


Study Geographies

Market Area

This market assessment reviews multiple geographies, allowing for a comprehensive understanding of trends, both locally and region-wide.

The Market Area includes the Silver Springs CRA and was defined by natural and man-made barriers, commuting patterns, and travel times. Those that live within the Market Area are likely to make trips to and through the CRA. The Market Area is roughly bounded by SW 27th Avenue to the west, Burbank Road to the north, County Road 314A to the east, and SE 95th Street to the south.

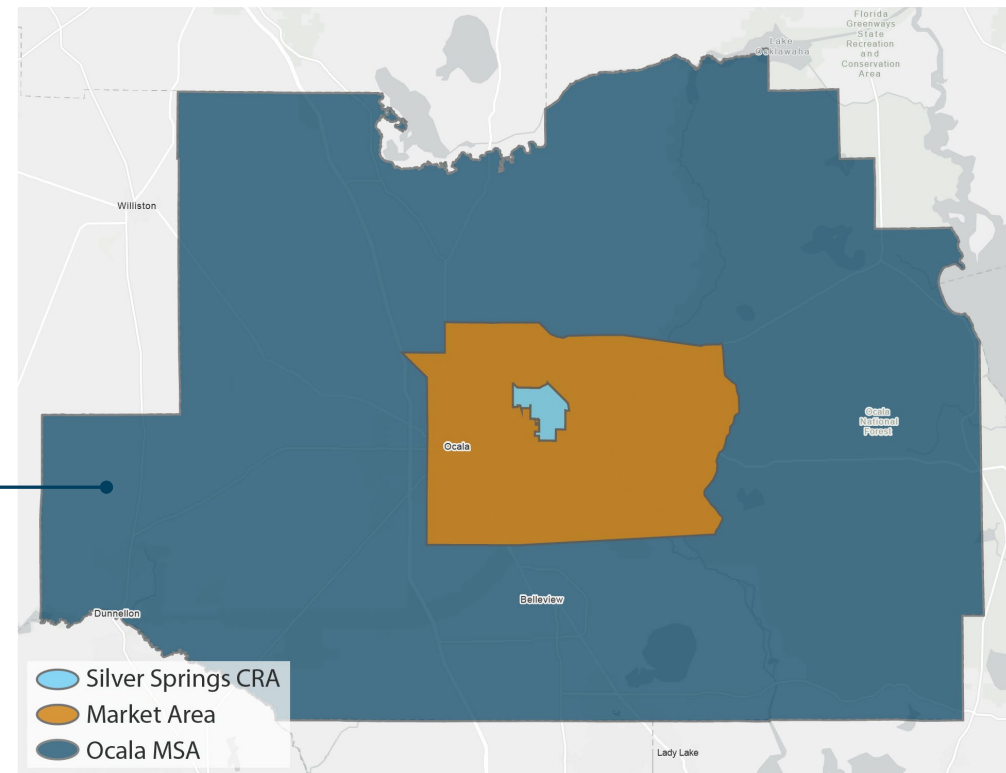




Study Geographies

A regional perspective was also reviewed by incorporating findings for the Ocala Metropolitan Statistical Area (MSA), which only includes Marion County. A MSA is a geographic entity based on a county or group of counties with at least one urbanized area (with a population of at least 50,000 people) and adjacent counties with economic ties to the central area.

Ocala
MSA





Socioeconomic Characteristics

Population and Households
Tapestry Segmentation
Employment
Commuting Patterns



Silver Springs CRA MASTER PLAN

Demographic Overview

Silver Springs CRA	 3,158 2022 Estimated Population	 48.8 Median Age	 24.6% Households with Children	 61.5 Diversity Index
	 1.8% Annual Growth Rate since 2010	 40.3% % Owner Households	 2.14 Avg. HH Size	 5.8% % HH with no access to vehicle
Market Area	 120,234 2022 Estimated Population	 43.2 Median Age	 32% Households with Children	 64.5 Diversity Index
	 1.1% Annual Growth Rate since 2010	 56.1% % Owner Households	 2.46 Avg. HH Size	 7.4% % HH with no access to vehicle



Demographic Overview

Market Area	 120,234 2022 Estimated Population	 43.2 Median Age	 32% Households with Children	 64.5 Diversity Index
	 1.1% Annual Growth Rate since 2010	 56.1% % Owner Households	 2.46 Avg. HH Size	 7.4% % HH with no access to vehicle
Ocala MSA	 385,554 2022 Estimated Population	 51.4 Median Age	 25% Households with Children	 61.0 Diversity Index
	 1.3% Annual Growth Rate since 2010	 64.4% % Owner Households	 2.34 Avg. HH Size	 4.8% % HH with no access to vehicle



Silver Springs CRA MASTER PLAN

Population Characteristics

Population and Age Comparison

Source: ESRI Business Analyst

Area	Total Population		Annual Growth Rate	2022 Median Age
	2010	2022		
Silver Springs CRA	2,554	3,158	1.8%	48.8
Market Area	105,177	120,234	1.1%	43.2
Ocala MSA	331,298	385,554	1.3%	51.4

The Silver Springs CRA has seen an annual growth rate of 1.8%, reaching a total population of more than 3,100 in 2022. From 2010 to 2022, the larger Market Area grew by more than 15,000 people, reaching a total population of more than 120,000. This represents 31.1% of the Ocala MSA population base.

The CRA has a median age of 48.8 with approximately 40% of the CRA residents are aged 55-85. The Market Area, alternatively, attracts comparatively more young families, with 32% of households having children and the largest age cohort is children under 14. When compared to the MSA, the Market Area has lower shares of older residents.

Comparison of Age Groupings, 2022

Source: ESRI Business Analyst



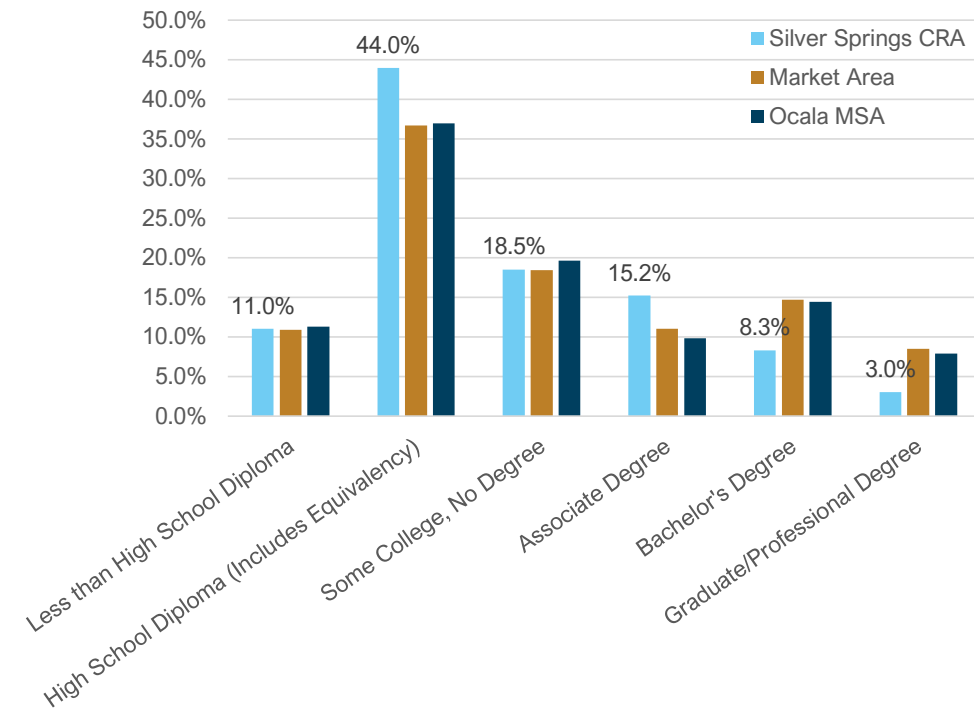


Silver Springs CRA MASTER PLAN

Population Characteristics

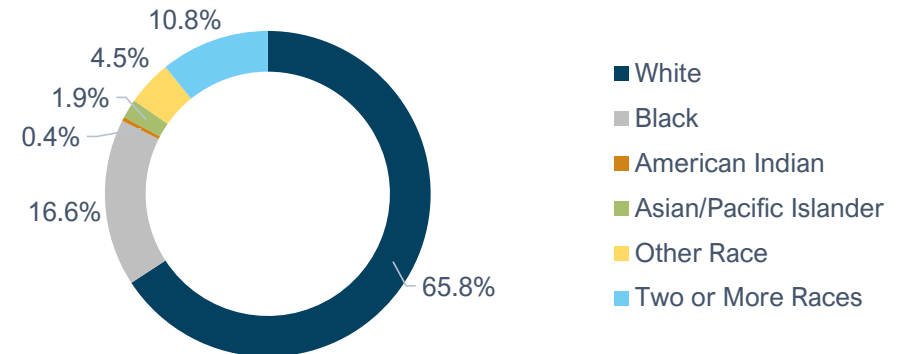
Comparison of Educational Attainment, 2022

Source: ESRI Business Analyst



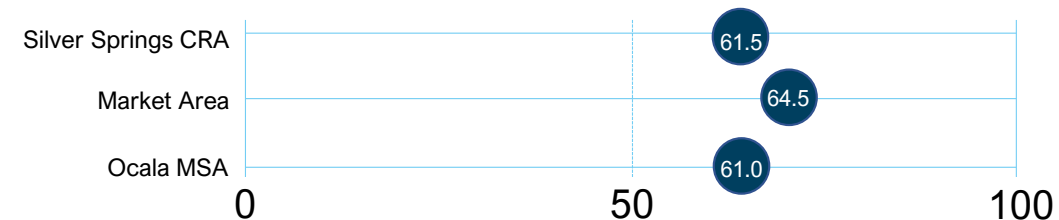
Market Area Racial Make Up, 2022

Source: ESRI Business Analyst



Comparison of Diversity Index, 2022

Source: ESRI Business Analyst



*Note: ESRI's diversity index measures the racial and ethnic diversity of an area on a scale ranging from: 0 (no diversity) to 100 (complete diversity). As more race groups are evenly represented in an area's population, the diversity index increases.



Silver Springs CRA MASTER PLAN

Household Characteristics

At nearly \$59,000, the Ocala MSA has a higher median household income when compared with the CRA and Market Area. However, the median income is more closely comparable to the Market Area with the CRA lagging behind. The largest concentration of households in both the Market Area and Ocala MSA earn \$50,000-\$74,999 annually.

It is important to note that median household incomes likely do not tell the entire story related to spending potential, as many households are living on retirement savings or have higher levels of net worth.

Median Household Income, 2022

Source: ESRI Business Analyst



Silver Springs
CRA



Market Area



Ocala MSA

Comparison of Household Income Groupings, 2022

Source: ESRI Business Analyst



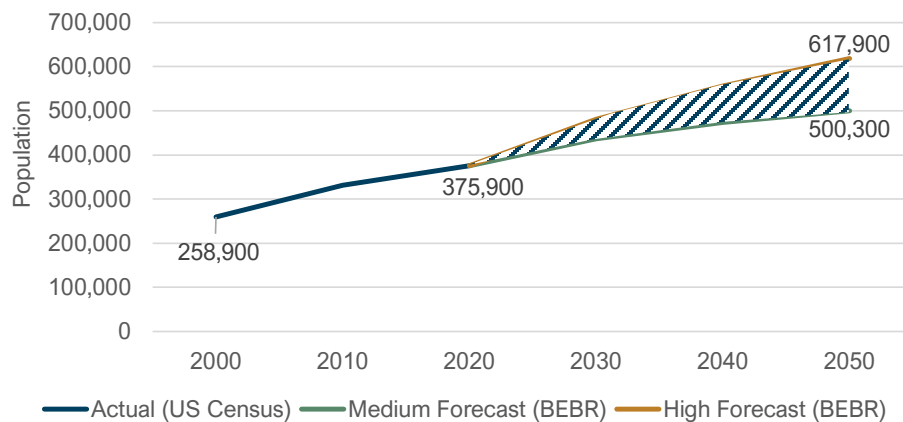


Population & Household Forecasts

Based on data provided by the University of Florida's Bureau of Economic and Business Research, the MSA is expected to reach a total population of between 500,300 and 617,900 people by 2050. Forecasts consider BEBR's moderate and high forecasts, given recent momentum surrounding the World Equestrian Center. This results in growth rates across the region between 33% and 64%, resulting in 124,400 to 242,000 new residents by the year 2050.

Population Forecast, Ocala MSA, 2000-2050

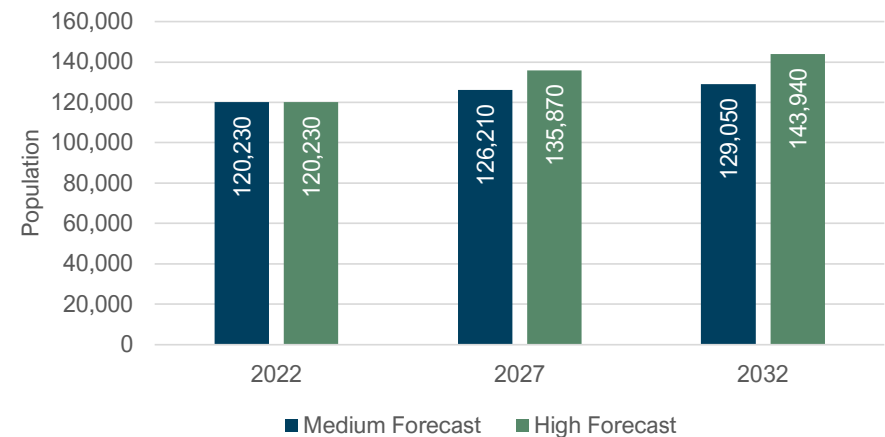
Source: BEBR, ESRI BAO



Forecasts for the Market Area are based on captures from the Ocala MSA projections. Currently, the Market Area comprises about 30% of the total MSA population. This percentage is expected to modestly decline as other areas of the MSA are developed. The Market Area is expected to have a total population of between 129,050 and 143,940 by 2032, resulting in the addition of an average of 900 to 2,300 people per year depending on the scenario.

Population Forecast, Market Area, 2022-2032

Source: BEBR, ESRI BAO





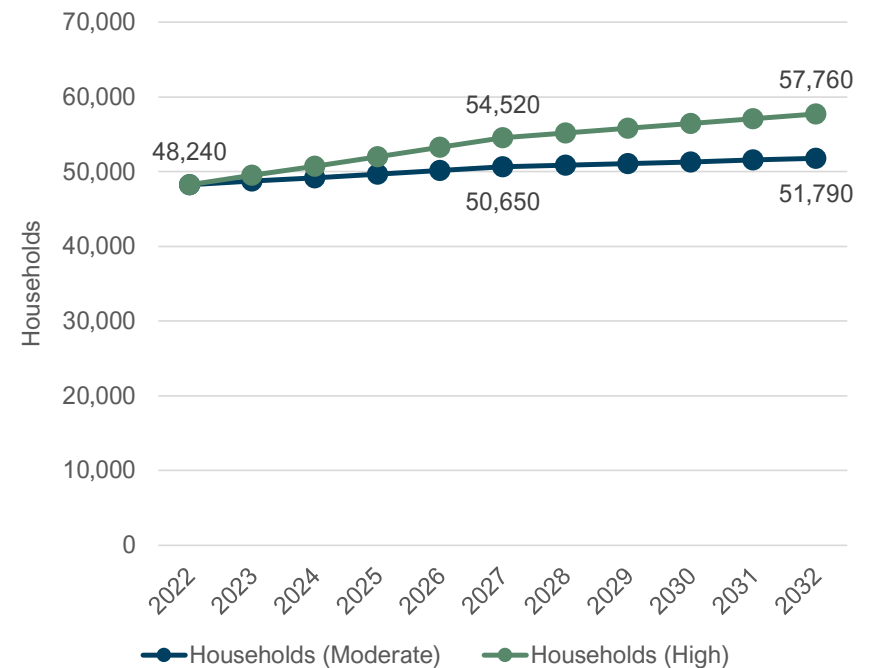
Population & Household Forecasts

Households in the Market Area are expected to increase to between 51,790 and 57,760 by 2032. This represents an increase of approximately 3,500 to 9,500 households during the ten-year forecast horizon.

This analysis assumes that the average household size will remain generally consistent at approximately 2.5 persons per household. Household sizes in the Market Area have been gradually increasing over the last decade; however, growth in older residents is expected, which is likely to result in a stable household size in the future.

Household Forecast, Market Area, 2022-2032

Source: BEBR, ESRI BAO





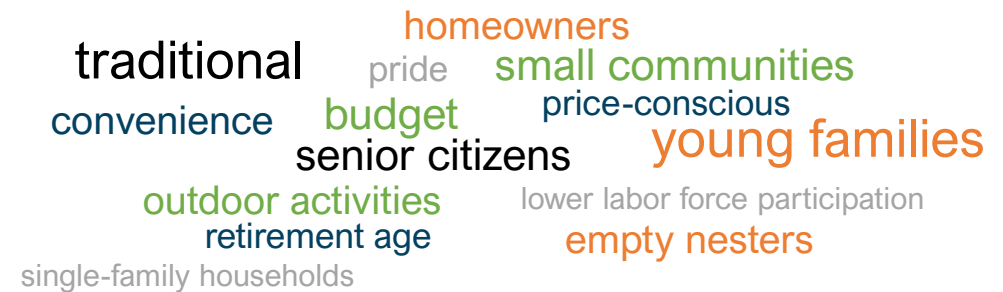
Tapestry Segmentation

Tapestry segmentation, provided by ESRI Business Analyst Online, classifies United States households into 67 unique segments, based on demographic and socioeconomic characteristics. It helps developers, retailers, and site selectors better understand the common behaviors within each segment, including what people spend their money on, the type of housing they live in, and consumer preferences. Information from Tapestries can be used in marketing strategies and more personalized experiences.

Tapestry segmentation descriptions are generalizations based on commonly-observed patterns nationwide and are not meant to represent individual households within a specified area. The Market Area has a diverse set of represented tapestry segments.

Tapestry	Share of Market Area Households
Middleburg	14.8%
Senior Escapes	11.8%
Midlife Constants	7.9%
Traditional Living	5.4%

Source: ESRI Business Analyst





Tapestry Segmentation

MIDDLEBURG



14.8%
of area
households



- Young families living in semirural subdivisions
- Neighborhoods changing rapidly with the addition of new single-family homes
- Traditional, family-oriented, and patriotic consumers
- Thrifty but willing to carry some debt

SENIOR ESCAPES



11.8%
of area
households



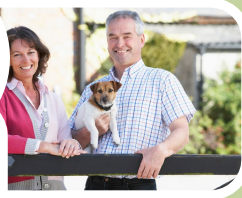
- Seniors concentrated in warmer states, labor force participation is low as many move into retirement
- Cost-conscious spenders
- Residents enjoy watching TV, going on cruises, playing trivia games, bicycling, boating, and fishing



Tapestry Segmentation

Midlife Constants

7.9%
of area
households



- Approaching retirement age
- Traditional, not trendy and opt for convenience and comfort as consumers
- Technology has its uses, but the bells and whistles are a bother

Rustbelt Traditions

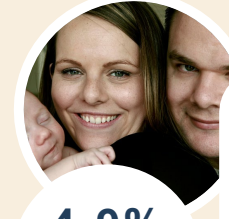
5.4%
of area
households



- Mix of married-couple families and singles
- Older housing stock of primarily single-family homes
- Primarily white-collar workforce
- Family-oriented, living in the same area for years

Traditional Living

4.9%
of area
households



- Families often are second generation living and working in the community
- Primarily workforce sectors are manufacturing, retail trade, and healthcare
- Balancing youthful interests while juggling new lifestyle changes



Tapestry Segmentation

A separate assessment of the common tapestries in the Silver Springs CRA was prepared. Nearly all the CRA's households are categorized into two tapestry segments: Social Security Set and Rustbelt Traditions. Combined, these two segments, represent approximately three-quarters of all households in the CRA. This can be typical for smaller geographies with limited households.

Tapestry	Share of Trade Area Households
Social Security Set	50.9%
Rustbelt Traditions	24.5%
Source: ESRI Business Analyst	
Total	75.4%

Social Security Set



50.9%
of area households



- Typically aged 65 and older
- Dependent on low, fixed income
- Low-rent buildings, including RV parks, mobile homes, and other senior living facilities
- Vehicle ownership is low
- Good access to public transit

Rustbelt Traditions



24.5%
of area households



- Mix of married-couple families and singles
- Living in older, single-family homes
- Primarily white-collar workforce, with concentrations in manufacturing, retail, and health
- Family-oriented and tend to stay in the same area for years



Economic Overview

Silver Springs CRA	 165 Businesses	 25.8% Largest Sector: Retail Trade	 47.0% White Collar Occupation	 \$40,938 Median HH Income
	 1,107 Full-Time Jobs	 8.3% % Adults with Bachelor's Degree +	 \$157,407 Median Home Value	 5.4% Unemployment Rate
Market Area	 6,202 Businesses	 19.6% Largest Sector: Healthcare	 59.3% White Collar Occupation	 \$53,198 Median HH Income
	 57,481 Full-Time Jobs	 23.2% % Adults with Bachelor's Degree +	 \$193,666 Median Home Value	 4.1% Unemployment Rate



Economic Overview

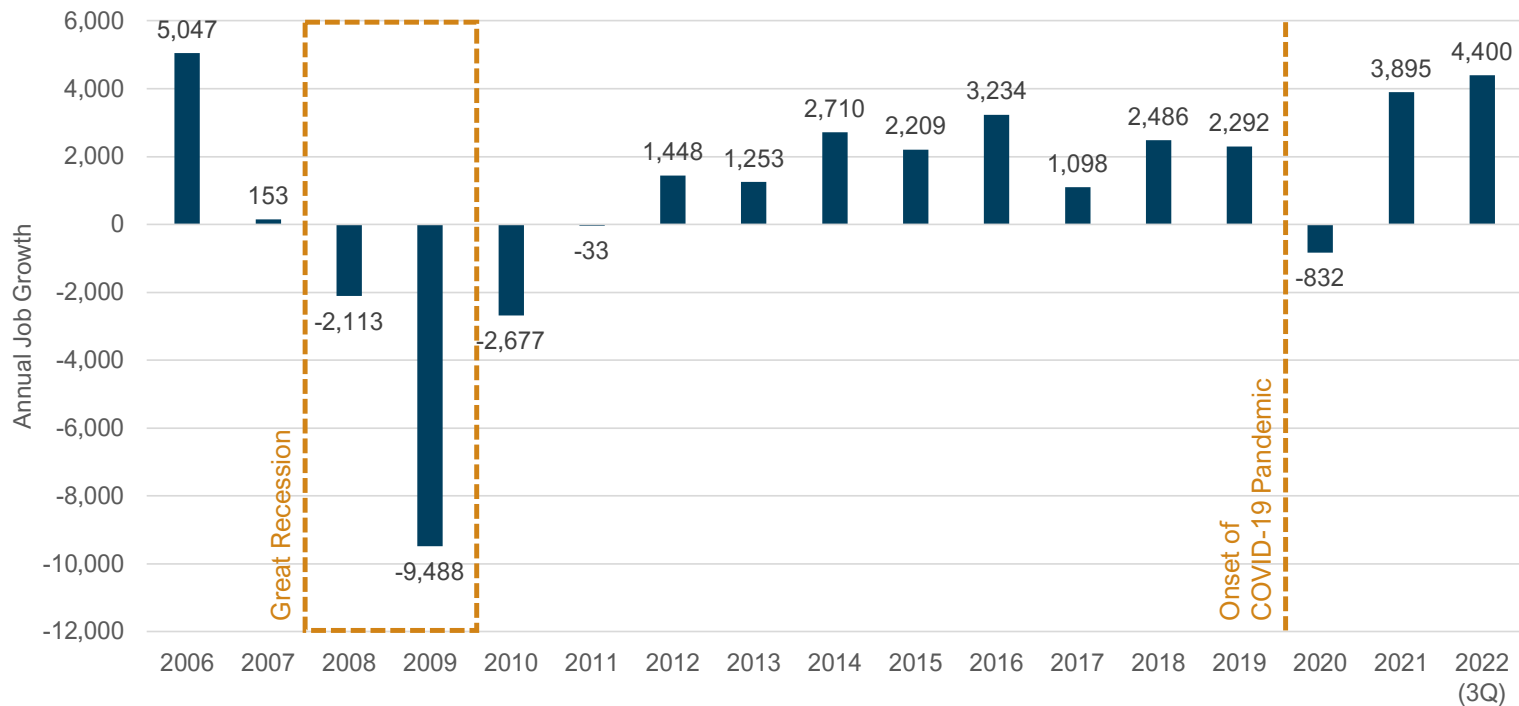
Market Area	 6,202 Businesses	 19.6% Largest Sector: Healthcare	 59.3% White Collar Occupation	 \$53,198 Median HH Income
	 57,481 Full-Time Jobs	 23.2% % Adults with Bachelor's Degree +	 \$193,666 Median Home Value	 4.1% Unemployment Rate
Ocala MSA	 12,899 Businesses	 17.2% Largest Sectors: Retail Trade	 57% White Collar Occupation	 \$53,871 Median HH Income
	 118,405 Full-Time Jobs	 22.3% % Adults with Bachelor's Degree +	 \$209,867 Median Home Value	 4.3% Unemployment Rate



Regional Employment Growth

Annualized Job Growth, 2006-2022

Source: Bureau of Labor Statistics



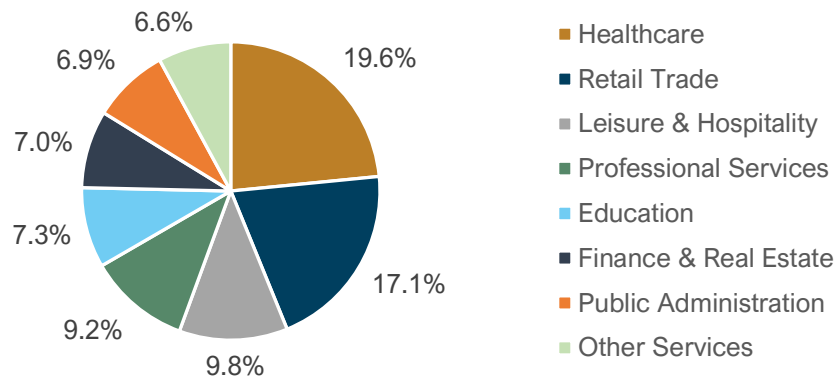
Job growth in the Ocala MSA has typically averaged 1,500 new jobs annually. Disruptions during the Great Recession were consistent with national trends; however, job losses during the pandemic were minimal. Between 2019 and 2020, the region experienced strong growth in Transportation & Warehousing, Manufacturing, and Construction which offset losses in Accommodation and Food Services and Retail Trade. The strong growth in the most recent years can also be attributed to momentum at the World Equestrian Center.



Employment Characteristics

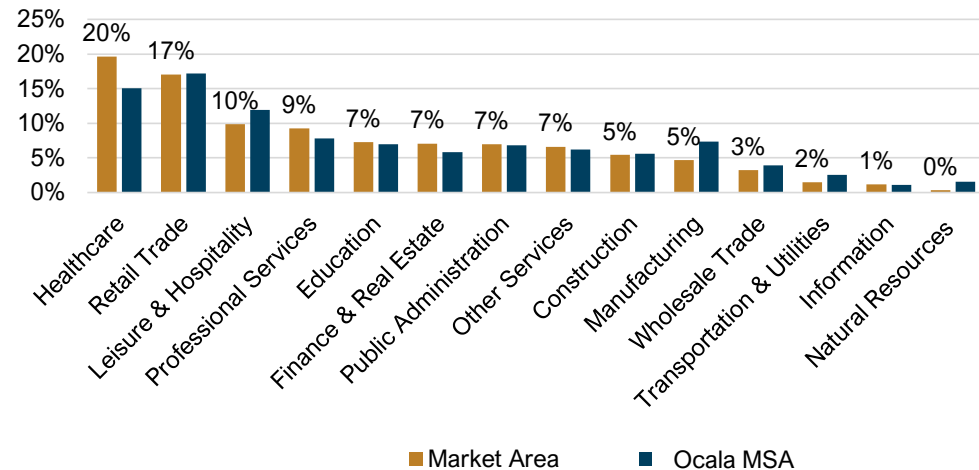
Market Area Industry Classification, 2023

Source: ESRI Business Analyst



Comparison of Jobs by Industry, 2023

Source: ESRI Business Analyst



There are only 1,107 full-time permanent jobs in the Silver Springs CRA, compared to more than 52,000 in the Market Area. The top industries in the Market Area are Healthcare, Retail Trade, and Leisure & Hospitality, accounting for 46.5% of the jobs. Retail Trade and Leisure & Hospitality are the primary job sectors in the CRA, partially supporting travel to Silver Springs.

Area	Estimated Jobs (2022)	Top Three Industries
Silver Springs CRA	1,107	Retail Trade, Construction, Leisure & Hospitality
Market Area	57,481	Healthcare, Retail Trade, Leisure & Hospitality
Ocala MSA	118,405	Retail Trade, Healthcare, Leisure & Hospitality

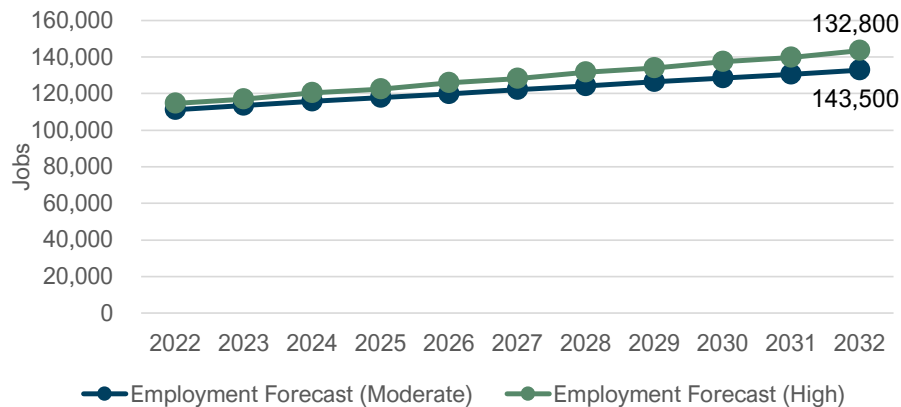


Employment Forecasts

Employment in the Ocala MSA is expected to increase by between 19.3% and 25.1% from 2022 to 2032, based on data provided by the Bureau of Labor Statistics and Woods & Poole. This represents the addition of 21,500 to 28,800 jobs over ten years. The Market Area, which hosts more than 57,000 jobs, is expected to increase by 10.9% to 19.8% over the next ten years, reaching between 64,700 and 68,900 total jobs by 2032. This analysis assumes a slight decline in Market Area capture due to shifting momentum towards I-75.

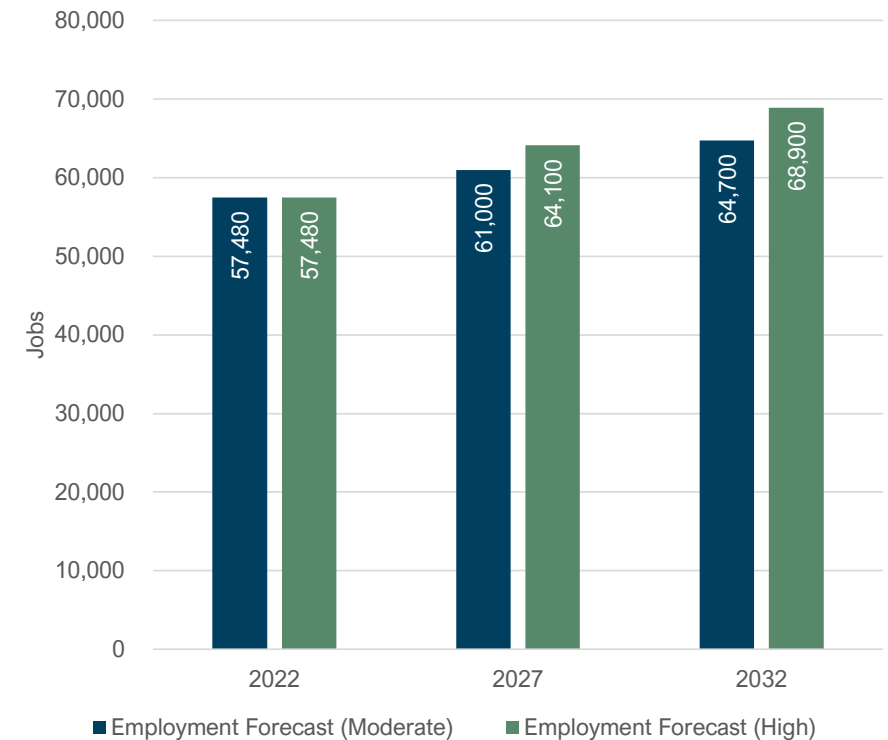
Employment Forecast, Ocala MSA, 2022-2032

Source: Bureau of Labor Statistics; Woods & Poole; ESRI BAO



Employment Forecast, Market Area, 2022-2032

Source: Bureau of Labor Statistics; Woods & Poole; ESRI BAO; Kimley-Horn





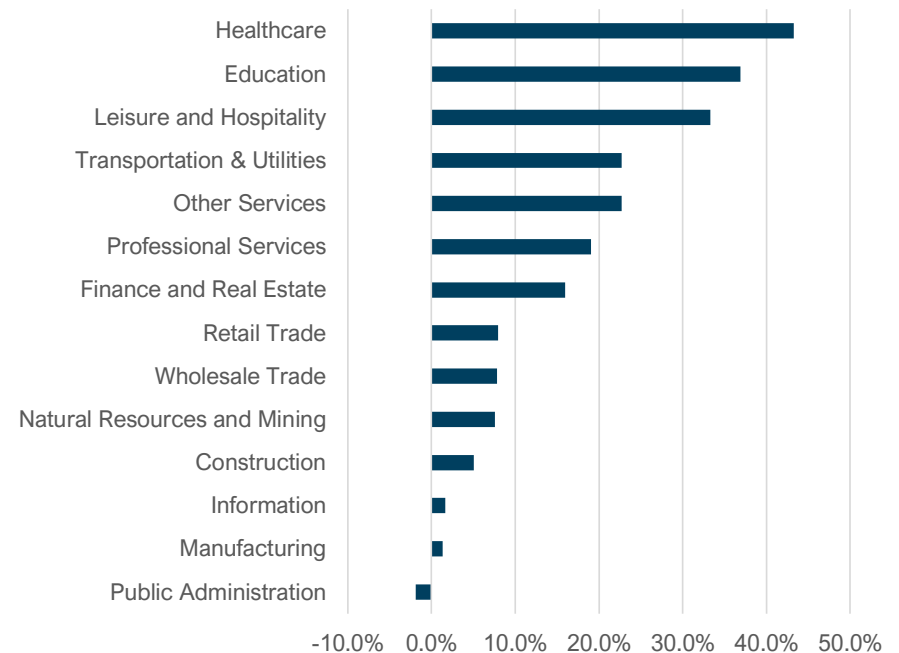
Employment Forecasts

For the Ocala MSA, the largest percentage increases in employment over the next ten years are expected for Healthcare, Education, Leisure & Hospitality, Transportation, Warehousing and Utilities.

Strong growth in the Leisure & Hospitality industry, which includes Arts, Entertainment, and Recreation and Accommodation and Food Services, will be driven by the development of the World Equestrian Center and the continued popularity of Silver Springs State Park. The only sector that is forecasted by Woods & Poole to experience a very modest decline is Public Administration.

Employment Forecast by Industry, Ocala MSA, 2022-2032

Source: Bureau of Labor Statistics; Woods & Poole; ESRI BAO; Kimley-Horn

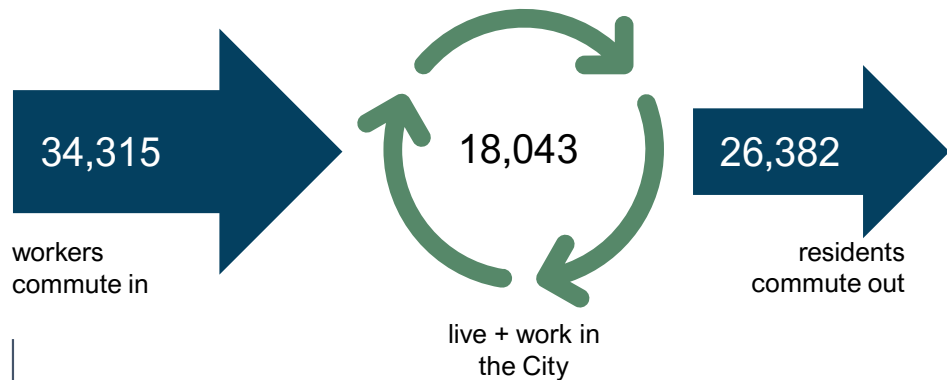




Commuting Patterns

Inflow / Outflow Job Counts, Market Area, 2019

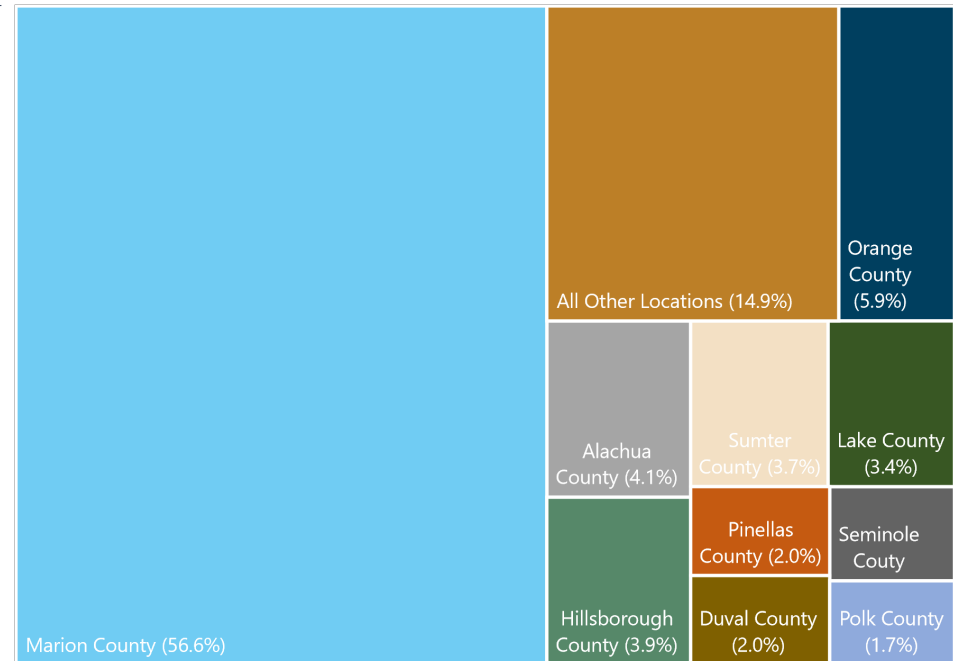
Source: LEHD On The Map



For people commuting into the Market Area for work, most (63.5%) are coming from Marion County. Other sources for in-commuting include Citrus County (4.1%), Lake County (2.7%), and Alachua County (2.2%). Approximately 45% of the people traveling into the Market Area for work are traveling less than 10 minutes.

Destination for Employed Market Area Residents Commuting to Work, 2019

Source: LEHD On The Map





Real Estate Characteristics

Residential
Retail
Hotel
Office



Housing Characteristics

Housing Summary Facts

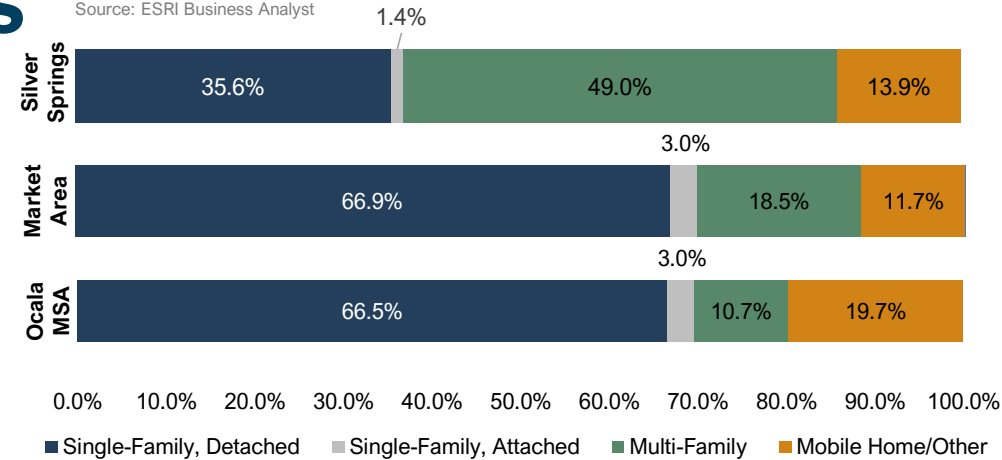
Source: ESRI Business Analyst

2022	CRA	Market Area	Ocala MSA
Median Year Built	1986	1984	1991
Median Home Value	\$157,407	\$193,666	\$209,867
Owner-Occupied	40.3%	56.1%	64.4%
Renter-Occupied	49.3%	34.2%	23.8%
Vacant	10.5%	9.7%	11.8%

The larger Ocala MSA has a comparatively newer, higher-value housing stock when compared to the Market Area, which includes a higher share of established, historic neighborhoods near the core of Ocala. The CRA has the highest renter-occupied housing unit share when compared to the Market Area and the Ocala MSA.

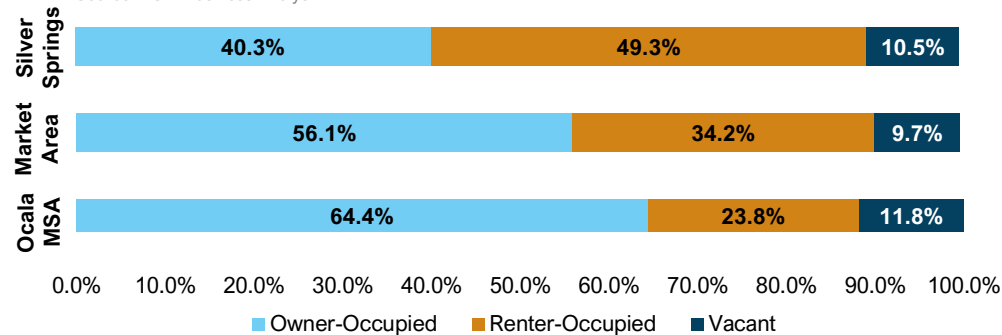
Housing Units By Type, 2023

Source: ESRI Business Analyst



Housing Units By Tenure, 2023

Source: ESRI Business Analyst





Building Permit Trends

Ocala MSA Permit Summary Facts

Source: US Census

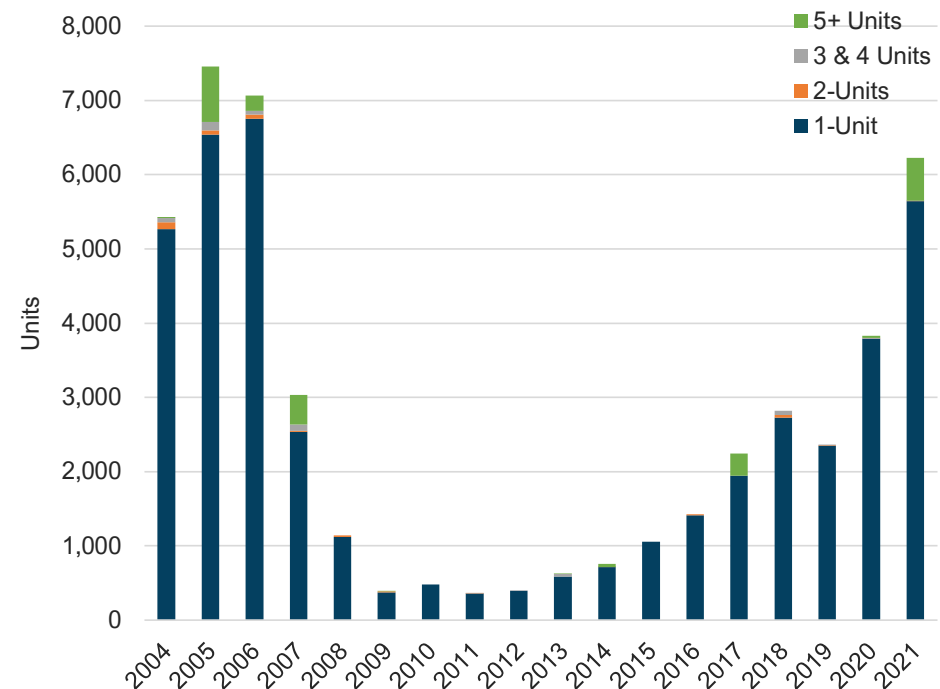
Residential Building Permits	Single-Family	Multi-Family
Pre-Recession Avg Annual Total	6,188	153
Post-Recession Avg Annual Total	1,787	32
Pre-Recession Share of Total	92%	8%
Post-Recession Share of Total	95%	5%

* The pre- and post-Recession share of total is measuring the percentage of single-family and multi-family permits as a share to total residential permits issued.

Residential building permitting activity dropped significantly after the 2007-2009 Great Recession. While single family home permits have been predominant in the MSA, annual totals have not fully returned to pre-recession levels; however, recent momentum has been trending in that direction. Single-family detached permits are the most common, with some larger multi-family communities permitted sporadically. Most multi-family permits have been for larger communities, with at least five units.

Residential Building Permit Trends, 2004-2021

Source: US Census

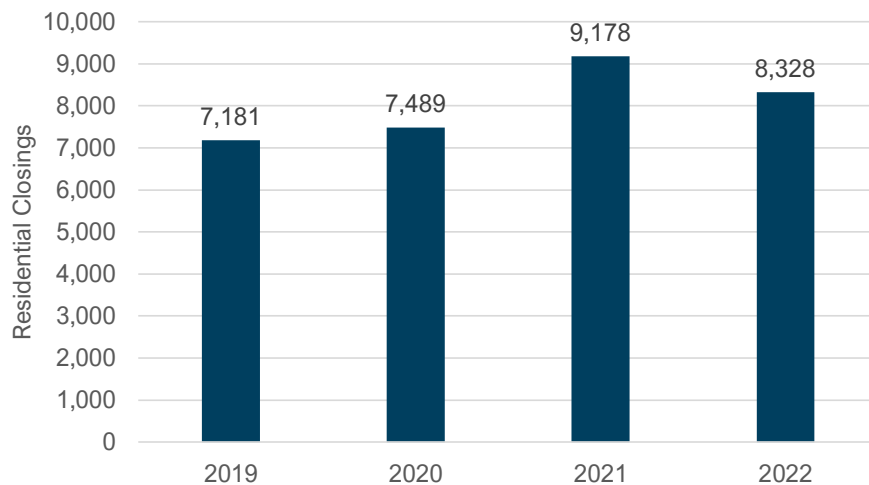




For-Sale Residential Trends

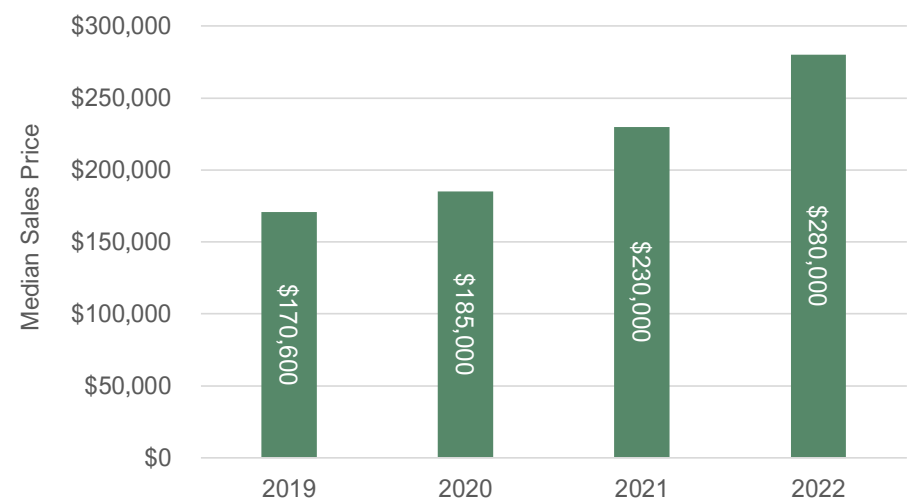
Annual Closings in Ocala MSA, 2019-2022

Source: Florida Realtor; Kimley-Horn



Closings Median Sales Price in Ocala MSA

Source: Florida Realtor; Kimley-Horn



Across all residential product types, there were more than 8,300 for-sale transactions in 2022, representing a 16.0% increase since 2019. However, total closings have declined slightly between 2021 and 2022, likely influenced by the availability of active listings and increasing mortgage rates. Average sale prices in the Ocala MSA have increased rapidly in the last five years as demand for for-sale housing units has grown in the MSA. In 2022, the average closing price of \$280k in the MSA was 64.1% higher than \$170.6k in 2019.

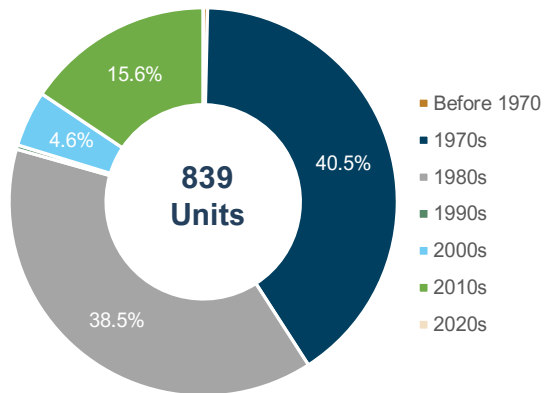


Silver Springs CRA MASTER PLAN

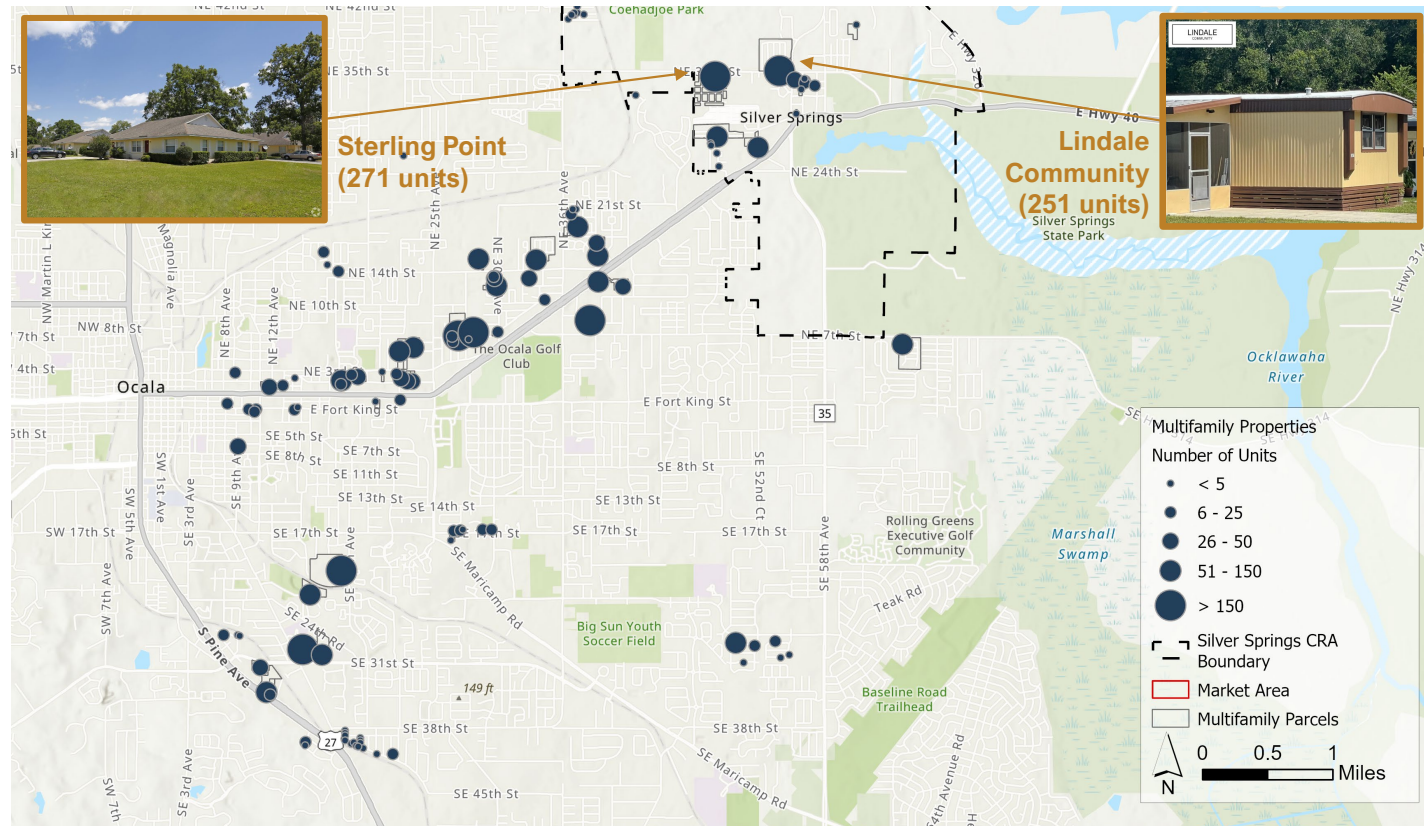
Rental Residential Inventory

Total Share of Apartment Units by Decade Built in the CRA

Source: CoStar; Kimley-Horn



There are approximately 839 apartments in the Silver Spring CRA, comprising 9.6% of the Market Area. More than 40% of the units were built in the 1970s, with another 38.5% completed in the 1980s. Only 154 units have been built in the last five years.

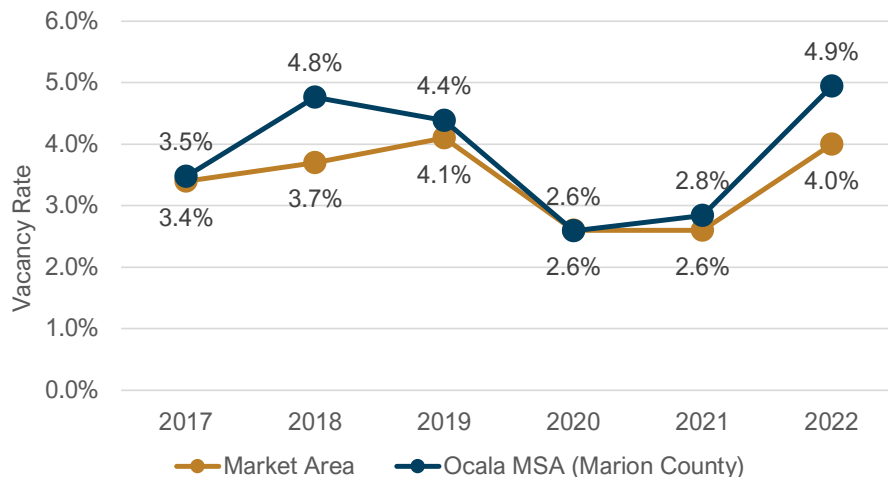




Rental Residential Performance

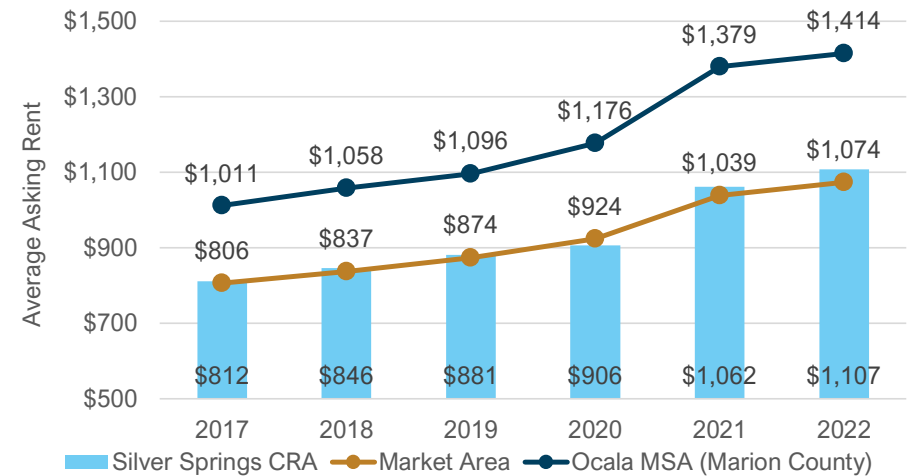
Comparison of Apartment Vacancy Rate Trends, 2018-2022

Source: CoStar; Kimley-Horn



Comparison of Apartment Lease Rate Trends, 2018-2022

Source: CoStar; Kimley-Horn



Residential building permitting activity dropped significantly after the 2007-2009 Great Recession. While single family home permits have been predominant in the MSA, annual totals have not fully returned to pre-recession levels; however, recent momentum has been trending in that direction. Single-family detached permits are the most common, with some larger multi-family communities permitted sporadically. Most multi-family permits have been for larger communities, with at least five units.

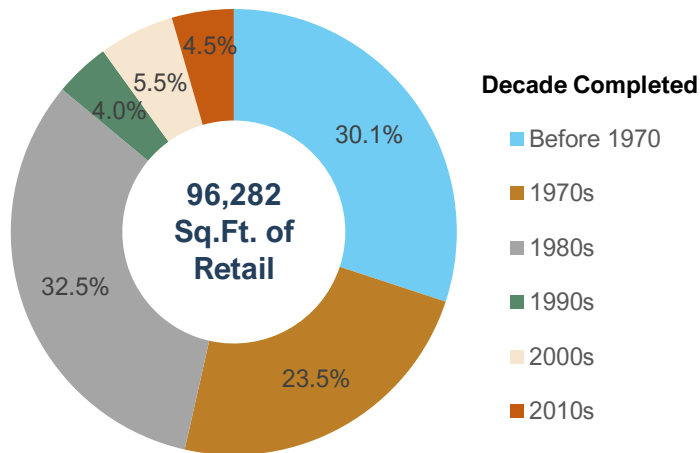


Silver Springs CRA MASTER PLAN

Retail Inventory

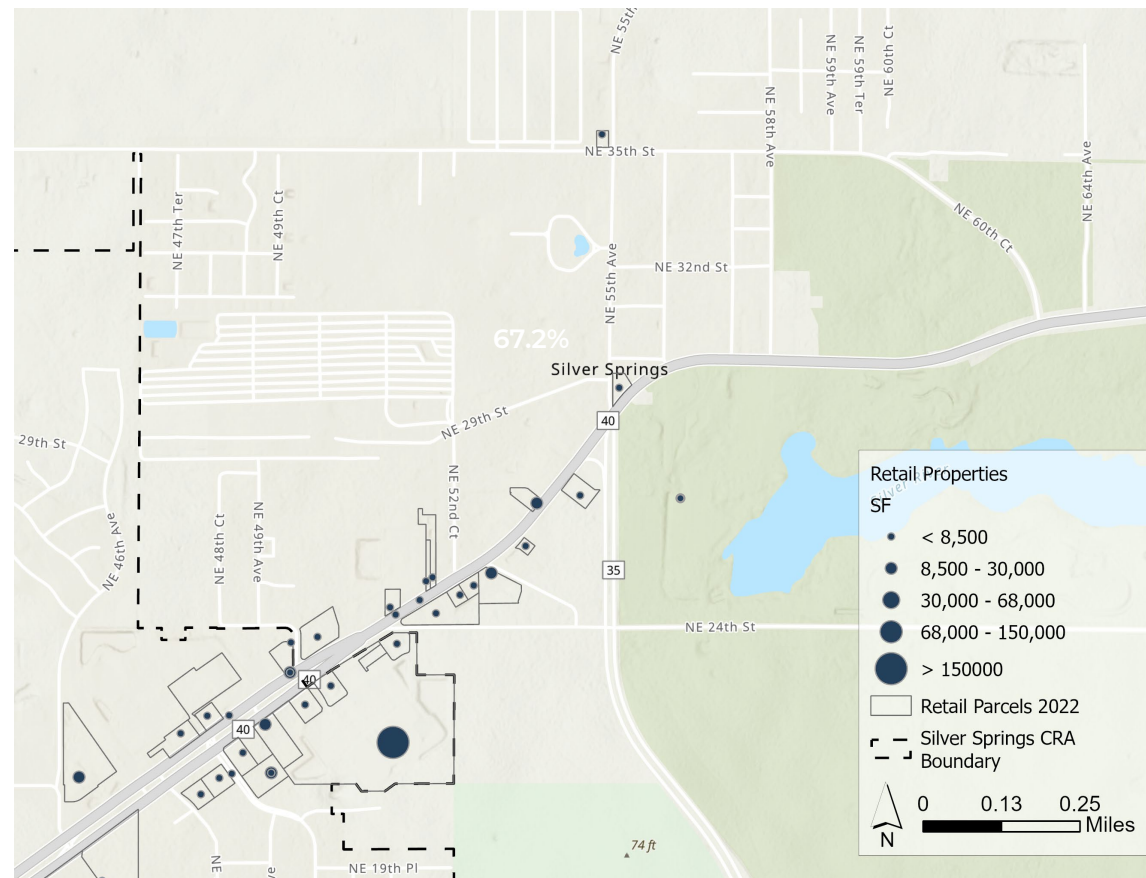
Total Share of Retail Inventory by Decade Built in the CRA

Source: CoStar; Kimley-Horn



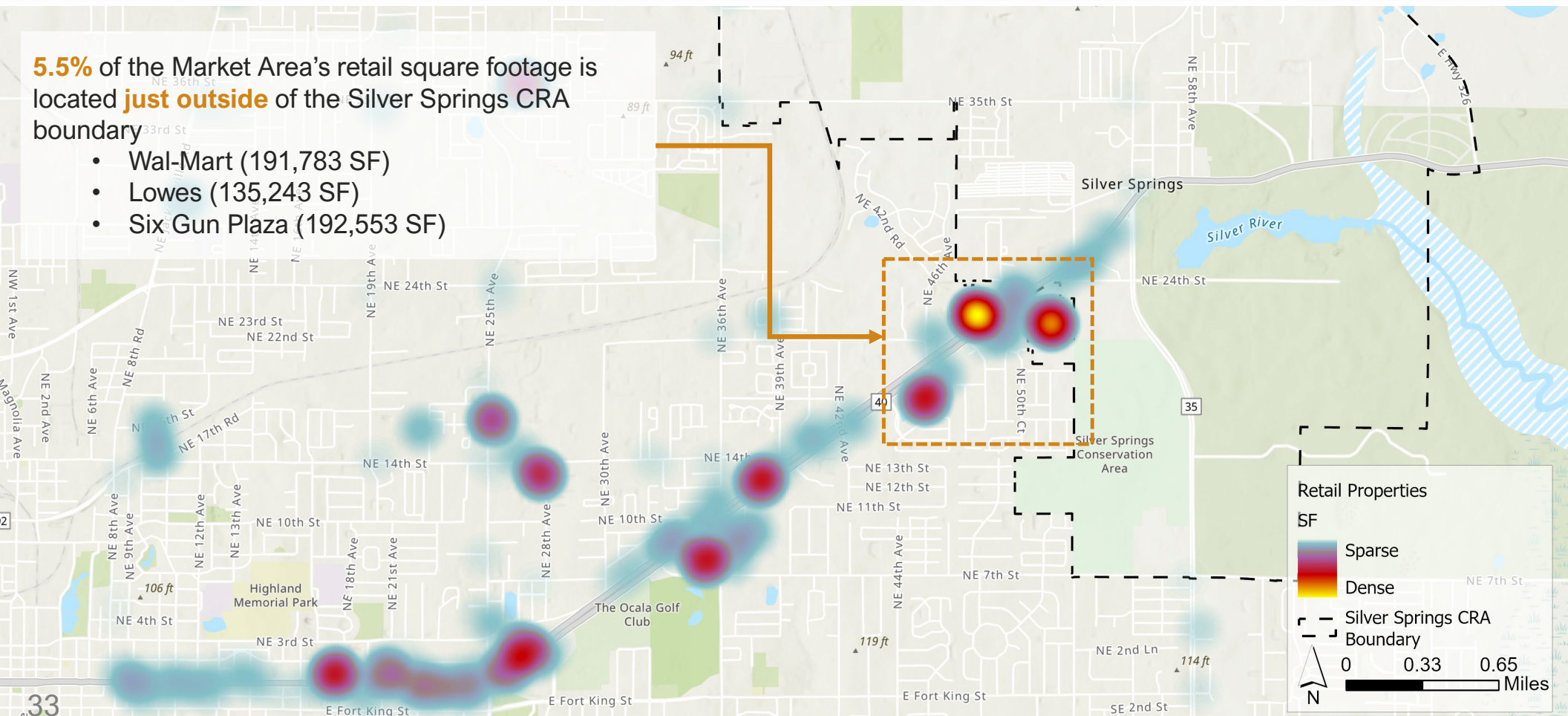
The CRA's retail inventory makes up approximately 1.0% of the total share in the Market Area. There are 23 retail properties located within the CRA, accounting for 96,282 square feet. The last retail property built in the CRA was Bob Evans in 2005.

Retail Properties within the CRA





- Wal-Mart (191,783 SF)
- Lowes (135,243 SF)
- Six Gun Plaza (192,553 SF)

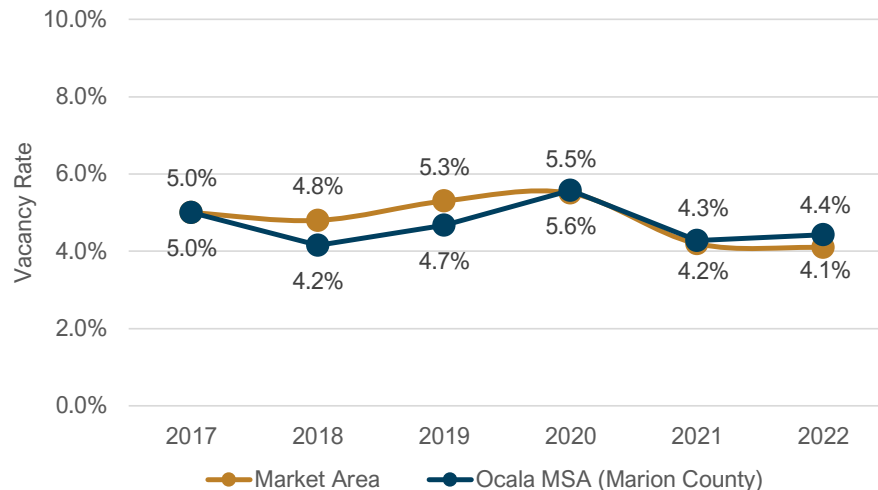




Retail Performance

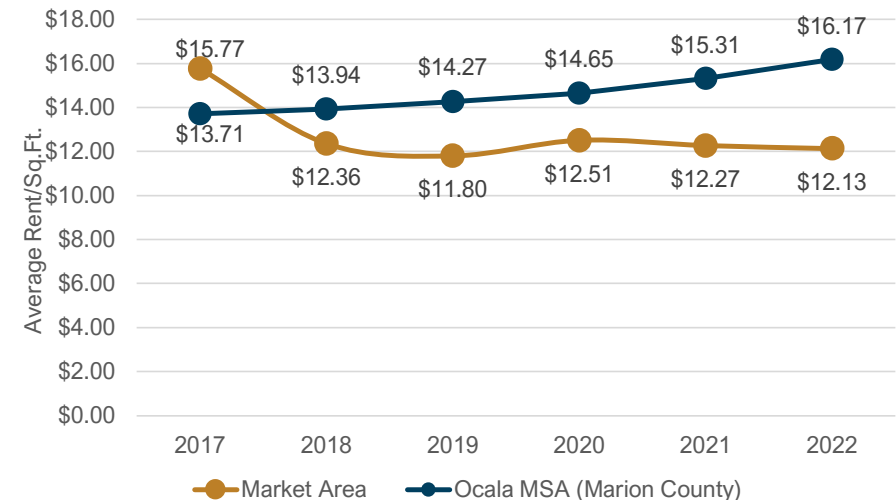
Comparison of Retail Vacancy Rate Trends, 2018-2022

Source: CoStar; Kimley-Horn



Comparison of Retail Lease Rate Trends, 2018-2022

Source: CoStar; Kimley-Horn



There is an estimated 9.4 million square feet of retail space in the Market Area, which added more than 138,000 square feet in the last five years. The newly added space represents nearly one-half of all new space added in the MSA during the same time frame. Both geographies have experienced a stable vacancy rate, ranging roughly from 4.0% to 5.0%. Vacancy peaked in 2020 during the onset of the COVID-19 pandemic, but has since declined as space has been re-occupied. Vacancy rates in the Ocala MSA have generally demonstrated a premium over the Market Area over the last five years; although data is very limited for the CRA, research indicates it is at least 50% less than the Market Area.



Retail Leakage Analysis

Retail leakage refers to the difference between the retail expenditures by residents living in a particular area and the retail sales produced by the stores located in the same area. If desired products are not available within that area, consumers will travel to other places or use different methods to obtain those products. Consequently, the dollars spent outside of the area are said to be “leaking.” If an area is a major retail center with a variety of stores it will be “attracting” rather than “leaking” retail sales.

The graphic to the right shows the most recent data on retail sales and consumer expenditures in the Market Area. The Market Area had a surplus of \$854 million over the previous year, meaning the area is an attractor for retail spending beyond just the residents that live there.

The numbers are not meant as accurate accounts of individual stores, but, taken as an aggregate, they provide reasonable estimates of expenditures and sales. Equally important, this type of data is reviewed by national chains when deciding whether to move into a new area. However, it should be noted that the increasing number of online sales, which are difficult to track, has impacted the reliability of this data.

Nearly all the industry groups in the Market Area are reported as having surpluses, attracting sales from beyond just the residents that live there. The industry groups with the largest surpluses include General Merchandise Stores, Miscellaneous Store Retailers, Food and Beverage Stores, Health & Personal Care, and Restaurants. This indicates that this area is a well-established retail node, offering a wide array of services to residents from Marion County and beyond.

Retail Leakage, Market Area, 2021

Source: ESRI BAO; Kimley-Horn





Silver Springs CRA MASTER PLAN

Hotel Inventory

There are 466 rooms (across nine buildings) within the CRA, accounting for 32.4% of the Market Area's total supply. Nearly 85% of the hotel inventory in the CRA was built before 1980 with nearly 300 rooms of the total completed before 1970. Holiday Inn Express & Suites was built in 2007, and no additional hotel inventory has been added since.

CRA Hotel Inventory by Decade Completed

Source: CoStar

Decade Completed	Inventory (Rooms)	Share of Total
Before 1970	296	63.5%
1970s	95	20.4%
1980s	0	0.0%
1990s	0	0.0%
2000s	75	16.1%
2010s	0	0.0%
2020s	0	0.0%
Total	466	100.0%

Built pre-1970

Built in the 1970s

Built in the 2000s

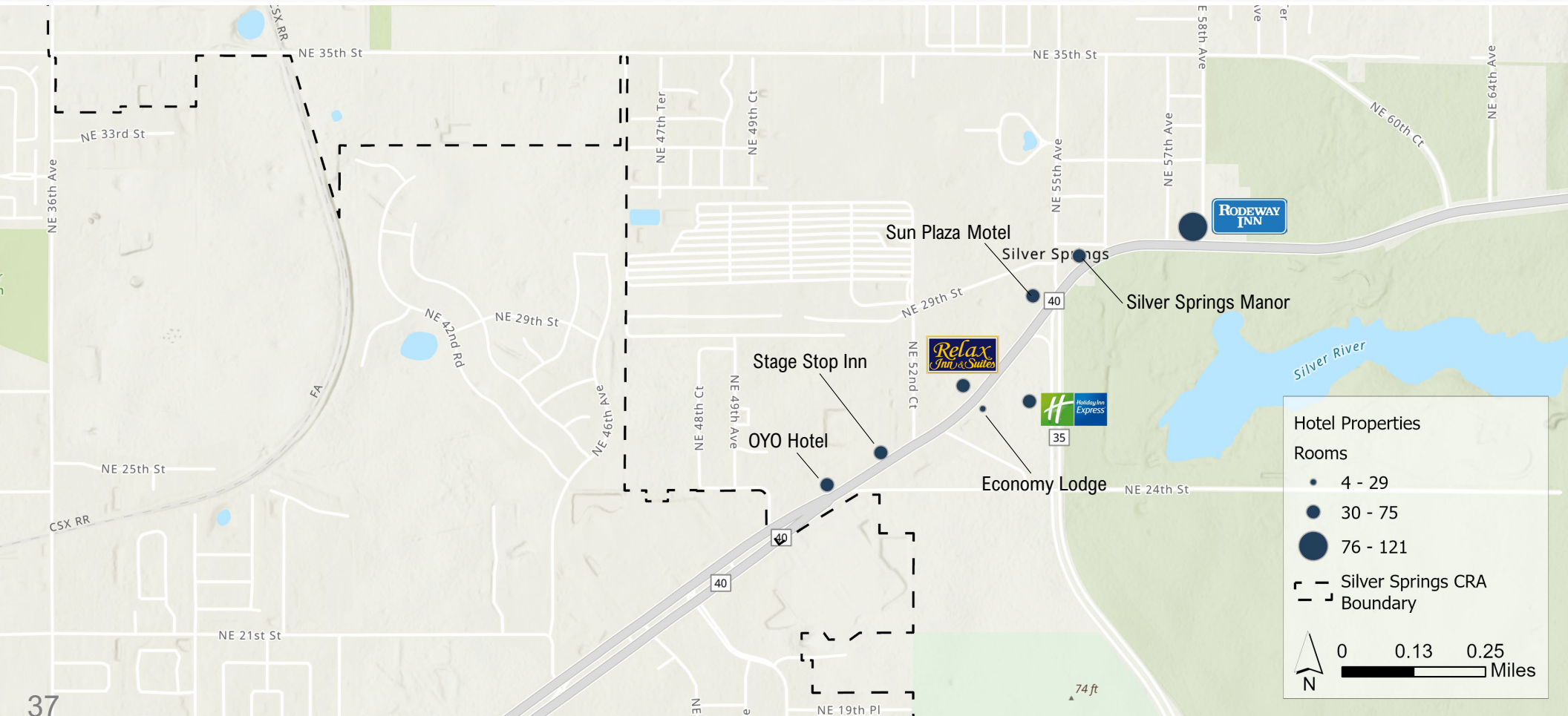


Other CRA Hotels Built Before 1970:

- Sun Plaza Motel
- Silver Springs Manor
- Economy Lodge
- Stage Stop Inn
- OYO Hotel



Silver Springs CRA MASTER PLAN

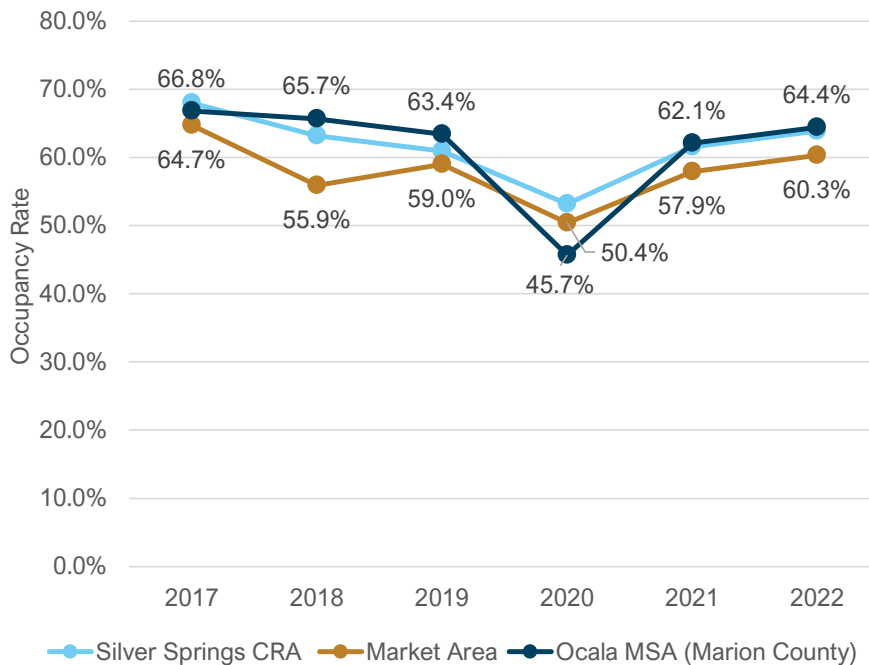




Hotel Performance

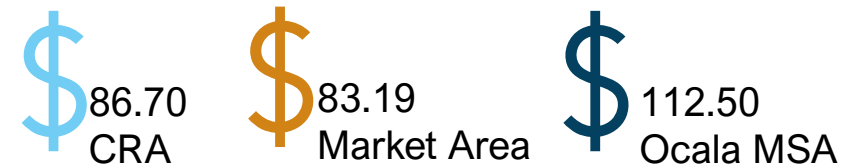
Comparison of Hotel Occupancy Rate Trends, 2018-2022

Source: CoStar; Kimley-Horn



Comparison of Hotel Average Daily Rates, 2022

Source: CoStar; Kimley-Horn



The CRA, Market Area, and MSA all experienced a decline in occupancy rates in 2020, driven by the impacts of the COVID-19 pandemic. Occupancy rates, however, have been on the rise in the last two years, stabilizing to measures that are comparable to pre-pandemic measures.

While the CRA and the Market Area have similar reported average daily rates, the larger Ocala MSA achieves a notable premium. The premium is likely driven by hotels located along I-75, catering to highway travelers. Like occupancy rates, all three geographies experienced a disruption in 2020 due to the pandemic but have fully recovered in the last two years.



Office Properties within the Market Area

Total Share of Office Inventory by Decade Built in the Market Area

**4.4 M
Sq.Ft. of
Office**

Decade	Percentage
Before 1970	10%
1970s	16%
1980s	30%
1990s	14%
2000s	28%
2010s	2%
2020s	0%

The office inventory in the Market Area makes up two-thirds of the total share in the MSA. There have been approximately 22,000 square feet of new office space completed in the Market Area since 2017. The CRA only has approximately 37,000 square feet of office space.

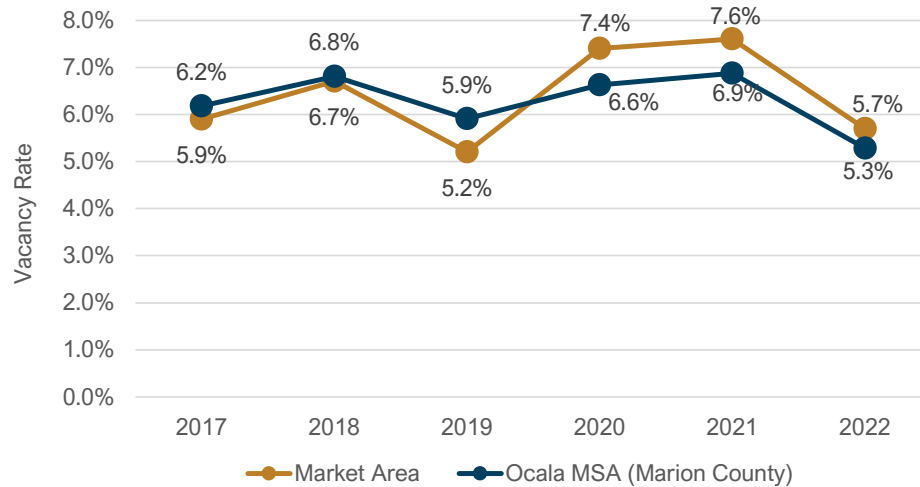




Office Performance

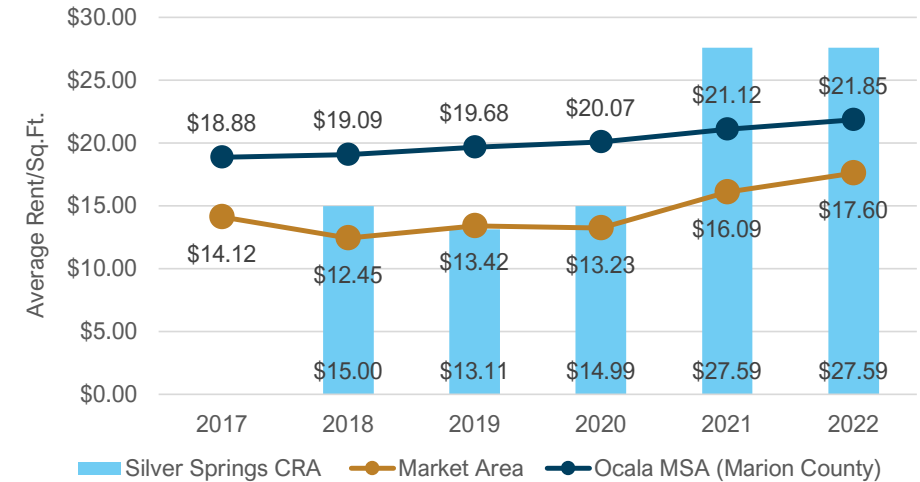
Comparison of Office Vacancy Rate Trends, 2018-2022

Source: CoStar; Kimley-Horn



Comparison of Office Lease Rate Trends, 2018-2022

Source: CoStar; Kimley-Horn



In 2020, both the Market Area and the MSA saw an increase in vacancy rates but as of 2022, both areas recovered to measures comparable to pre-pandemic averages. The COVID-19 pandemic experienced a spike in negative net absorption as many companies considered consolidation due to shifting working arrangements. Average office lease rates have typically been consistent between the CRA and the Market Area; the larger Ocala MSA has historically reported a premium. The increase in rents in the CRA in the last two years is based on estimated ranges and may not accurately represent what tenants are typically paying per square foot.



Development Opportunities

Demand Forecasts
Growth Opportunities



Market Area Residential Demand



Residential demand is based on projected Market Area population and household growth presented earlier in this analysis. Housing demand considers housing vacancy rates based roughly on 10.0% across all housing unit types. This vacancy rate is based on long-reported trends for the Market Area. Based on these assumptions, the Market Area could support between 3,890 and 10,440 housing units through 2032.

A variety of housing products will be in demand across the Market Area, representing a continuation of the current inventory and the known development pipeline. Future housing demand is expected to continue to be heavily driven by single-family detached units. Attached product, including townhouses, duplexes, and tri/quad-plexes, will also be popular, catering to younger Millennials and aging Baby Boomers, and larger multi-family projects (five or more units) could also represent a portion of the future demand.



Market Area Retail Demand

Retail demand forecasts are based on a variety of data points that estimate space needs based on future levels of consumer spending. Key data points consulted in this forecast for the Market Area include past and current performance of existing retail space, the impact that online shopping has had on the delivery of retail space, projected household and income growth, inflow demand from non-Market Area residents, and estimated leakage into other areas of the Ocala MSA based on travel patterns.

Retail demand forecasts generally rely on average household income, which is typically higher than the median household income statistics reported previously in this analysis. "Average income" is a term used by many to describe how much money the people in the middle of the income scale make per year. The average household income in the Market Area is currently estimated at \$76,900.

Based on defined retail categories that are most likely to be represented in modern retail developments, the expenditure potential of local households could increase from \$2.0 billion in 2022 to nearly \$2.4 billion in 2032. This analysis forecasts 10-year spending potential for the Market Area at over \$397 million.

Based on average sales per square foot figures, the increase in spending potential equates to net square footage demand of 820,000 million in the Market Area through 2032. Note that this household-generated demand could be spent anywhere, but a substantial portion would be spent within or close to the Market Area, particularly for food, convenience, and drug store purchases. The high-growth scenario results in demand for 1.35 million square feet of retail.

Retail Demand (Moderate), Market Area, 2023-2032

Source: ESRI BAO; BEBR; Kimley-Horn

Business Category	Net New Spending Potential	Sales per Sq.Ft.	Ten-Year Retail Demand (SF)
Apparel and Services	\$25,343,683	\$280	90,513
Computer/TV/Video	\$18,615,359	\$400	46,538
Pets	\$9,535,036	\$245	38,919
Toys/Games/Crafts/Hobbies	\$1,424,000	\$150	9,493
Sports/Exercise Equipment	\$2,311,985	\$150	15,413
Reading	\$2,825,397	\$150	18,836
Food at Home	\$70,463,302	\$400	176,158
Food Away	\$55,948,210	\$350	159,852
Furniture/Furnishings/House	\$26,721,550	\$180	148,453
Pharmacy/Personal Care	\$18,616,494	\$300	62,055
Home Improvement	\$13,821,376	\$260	53,159
Total	\$245,626,392	\$300	819,390



Market Area Hospitality Demand

For this analysis, Market Area demand for future hotel rooms is primarily based on growth in hospitality due to employment inflow, as well as the influence of other anchoring demand drivers, including major employers. The Market Area forecasts consider current performance of hotels in the surrounding area, including the strong recovery from the COVID-19 pandemic.

Employment forecasts were leveraged to determine the potential increase in 12 key sectors that most commonly generate business travel. Then, based on the current number of hotel rooms per employee in these sectors, the same rate was carried forward into the future. The rate was unchanged because typical occupancy and room rates indicate that the market is healthy, and the industry is reacting by delivering new product to meet growing demand. The rate also considers the Market Area's position in the region, current and future opportunities for unique travel and tourism, access to transportation corridors, and the distribution of existing hotels.

Based on a 7.0% estimate for the number of rooms per hotel-generating job added, there is demand for approximately 580 to 830 net new hotel rooms in the Market Area through 2032.

Hospitality Demand, Market Area, 2023-2032

Source: Woods & Poole; ESRI BAO; BEBR; Kimley-Horn

Measure	Net New Hotel Demand	
	Moderate	High
Net New Hotel-Stay Generating Jobs	12,444	17,622
<i>Hotel Rooms/Employee</i>	7%	7%
Net Demand (Rooms)	871	1,234
<i>Capture Rate</i>	67.1%	67.1%
Market Area Demand	584	828



Market Area Office Demand

Between 2022 and 2032, the Ocala MSA is projected to have an increase of between 4,567 and 6,113 office-occupying employees. Finance and Insurance, Professional and Technical Services, Management of Companies and Enterprises, and Real Estate and Rental and Leasing have the highest shares of office-occupying employment with shares at an estimated 60-75%.

Office-occupying jobs were estimated to project future demand for office space in the region. Long-established trends indicated that companies have been gradually seeking to utilize space more efficiently, demonstrating a declining amount of office space per employee. However, the global pandemic has many companies allowing for hybrid work arrangements and more room to social distance. Given the relative uncertainties regarding where and how companies will ask employees to work in the future, this analysis uses a standard 200 square feet per employee and holds it constant over the forecast horizon.

At an average space per employee of 200 square feet, this equates to a demand of more than 913,400 and 1.2 million square feet of new office space. Additionally, it is important to account for vacant space to support inter- and intra-market moves. This analysis assumes an average vacancy rate of 10% to determine total new office space demand and a percentage of new employment that may locate to existing office space (25.0%). Applying these adjustments, the Ocala MSA could support approximately 753,500 to approximately one million square feet of new office space through 2032.

The Market Area currently represents approximately 30% of the total office space in the Ocala MSA. Maintaining the current capture, the Market Area could support between 226,100 and 302,600 square feet of new space over the next ten years.

Office Demand, Market Area, 2023-2032

Source: Woods & Poole; ESRI BAO; BEBR; Kimley-Horn

Measure	Net New Demand (SF)	
	Moderate	High
Office-Occupying Jobs	4,567	6,113
<i>Square Feet/Employee</i>	200	200
Gross Demand (Sq.Ft.)	913,401	1,222,658
<i>Vacancy Rate</i>	10.0%	10.0%
Gross Office Space Demand	1,004,741	1,344,924
<i>Percent in Existing Space</i>	25.0%	25.0%
Net Office Space Demand (MSA)	753,556	1,008,693
<i>Market Area Capture</i>	30.0%	30.0%
Net Office Space Demand (Market Area)	226,067	302,608



Silver Springs CRA MASTER PLAN

Market Demand Summary (2022-2032)



HOUSING



RETAIL



HOTEL



OFFICE

Market Area
Demand
Forecast

3,890 – 10,440
Units

820,000 – 1.35 M
Square Feet

580 – 830
Rooms

226,100 – 302,600
Square Feet

CRA
Capture Rate

~10%

~5%

~25%

~5%

CRA
Demand
Forecast

400 – 1,050
Units

40,000 – 67,500
Square Feet

145 – 210
Rooms

10,000 – 15,000
Square Feet



CRA Market Opportunities



Housing

Products: Single-Family
Townhouse
Rental Multifamily
Senior Living

Demand Timeframe

Short-Term

Market Considerations

- Demand in market area exceeding supply resulting in low vacancy rates and rising price points
- Residents living in or near the CRA create demand for a variety of housing products
- CRA presents an opportunity to provide workforce housing through partnerships with private developers
- Townhouses would increase for-sale housing options for residents
- Housing for seniors also represents a viable development type, given the Market Area's higher share of senior residents



Retail

Products: Neighborhood-Serving
Tourism-Serving
Restaurants & Dining

Demand Timeframe

Mid-Term

Market Considerations

- Retail is in a state of flux as people redefine how and where they shop
- The corridor is well served by major retail offerings that are unlikely to duplicate stores within their service areas
- Convenience retail will be in demand, serving both nearby neighborhoods and short-term visitors to the area
- Retail could be a future component of mixed- or multi-use projects in the CRA



CRA Market Opportunities



Hotel

Products: Limited Service
Nature Lodges
Ecotourism

Demand Timeframe

Short-Term

Market Considerations

- Recent land transactions indicate short-term demand for additional hotels surrounding a unique regional recreation attraction
- Hospitality has recovered strongly following the COVID-19 pandemic
- Visitors to the Silver Springs State Park will drive demand for hotel use throughout the year
- Nearby retail will be an important amenity to future hotel developments



Office

Products: Service Office
Flexible Workspaces

Demand Timeframe

Long-Term

Market Considerations

- Office continues to be evolving as a result of changing work preferences from the pandemic; demand for new space has been low in most markets recent
- Office tenants are likely to be neighborhood serving (accountants, lawyers, etc.), seeking to be close to a customer base
- Possible to co-locate with retail developments versus being a stand-alone use
- Focus on small spaces that serve entrepreneurs



CRA Valuation Forecasts

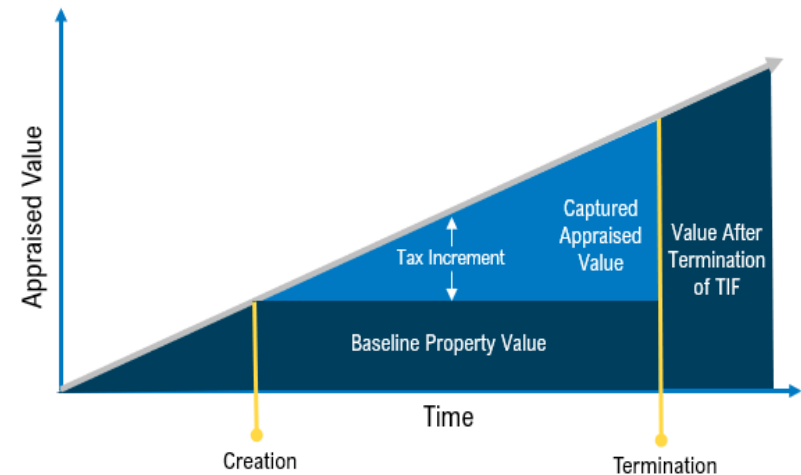
CRA Value and Revenue Trends
Catalyst Concept Programs
Valuation Forecasts



Silver Springs CRA TIF Overview

One of the primary funding mechanisms for redevelopment activities in the State of Florida is tax increment revenue. Tax increment financing (TIF) provides most of the funding for the Silver Springs CRA by directing future increases in Marion County property tax revenues generated within the defined CRA district into a special redevelopment fund. The increased revenue, known as the “increment”, can then be used to fund eligible redevelopment projects within the boundaries of the district. This makes increasing property values appealing for a CRA, as the increase in taxable property values increases the redevelopment fund, which allows for further redevelopment projects.

Generating revenue through TIF means that all monies used in redevelopment activities are locally generated and may be locally dispersed through the decisions made by the CRA itself. Redevelopment plans within a CRA must be consistent with local government comprehensive plans and the revenue generated must be used in the boundary of the CRA. Consistent with the statutes, funds are deposited to a trust fund by the taxing entities (the City and County), after monies are received from the tax collector’s office. The revenues can be used immediately as they are received to undertake programs, capital projects, or planning studies that serve the community redevelopment area. These funds may also be saved for a particular project or be bonded to maximize the funds available.



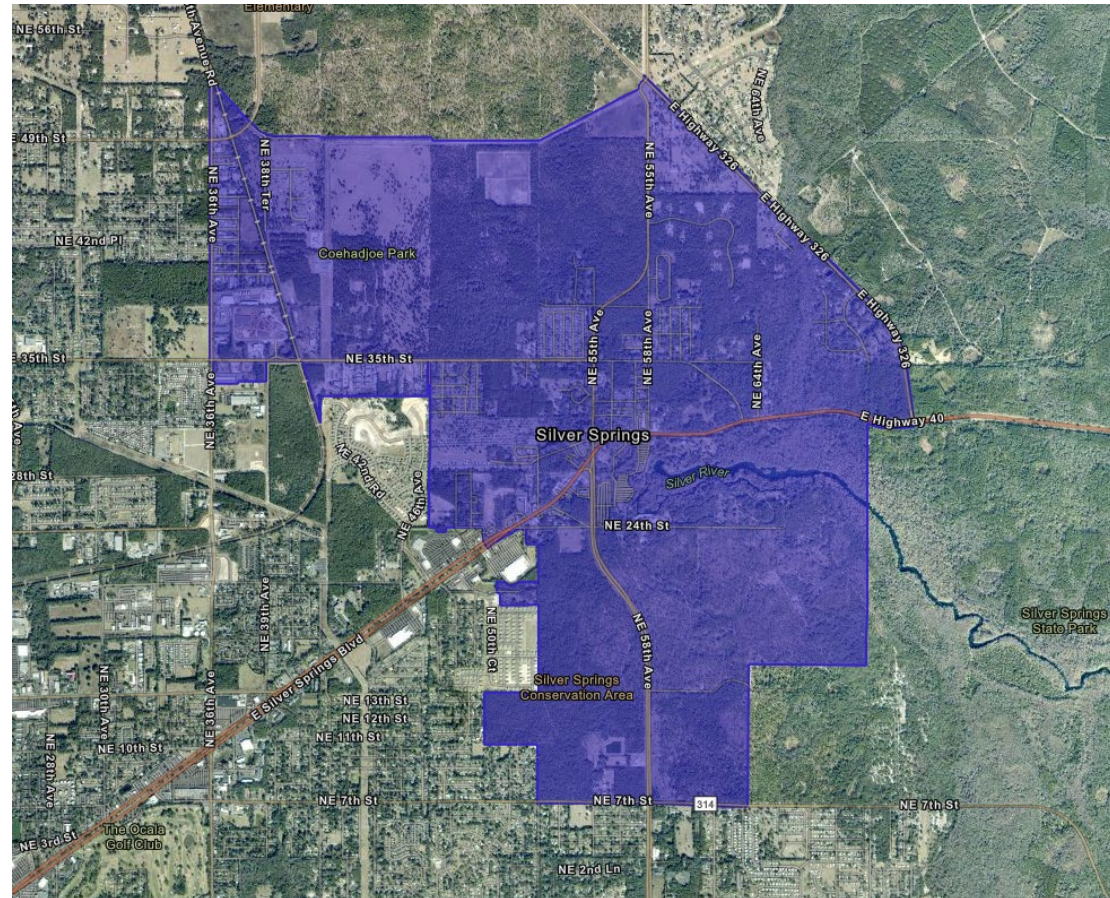


Silver Springs CRA MASTER PLAN

Silver Springs CRA

The Silver Springs CRA is located east of the City of Ocala and is bisected by Silver Springs Boulevard. The area is home to Silver Springs State Park, one of the largest artesian springs in the world and one of the state's oldest tourist attractions. Containing approximately 6.3 square miles, the Silver Springs CRA comprises only 0.4% of the total land area in Marion County.

The CRA's finding of necessity (FON) report was approved by the Commission in 2012 and the County quickly established the CRA trust fund the following year. January 1, 2013 was established as the "base year" for the trust fund. At its establishment, the CRA had a taxable value of \$74.0 million across 1,223 parcels. In the fiscal year 2022-2023, the CRA's had a taxable valuation of \$137.5 million.

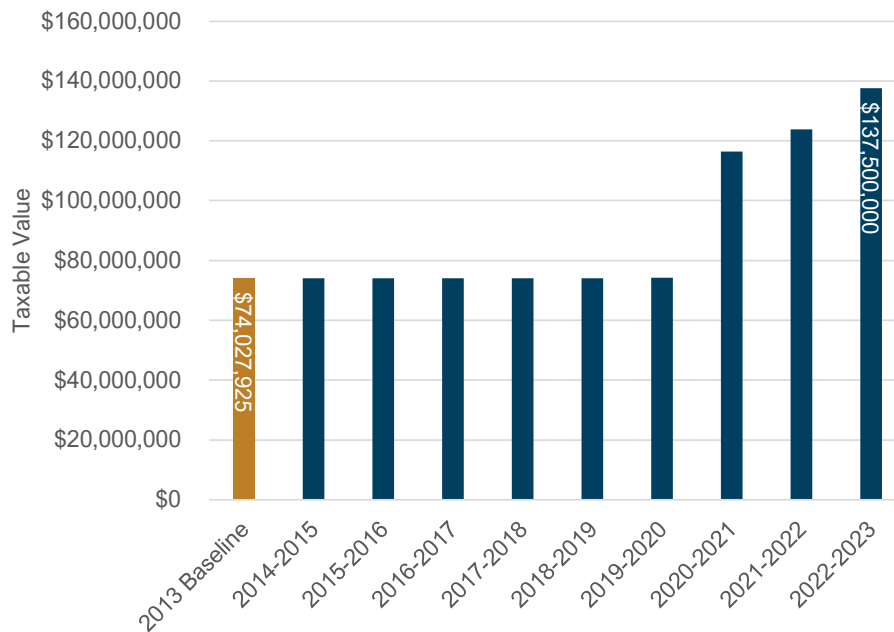




Silver Springs CRA Valuation Trends

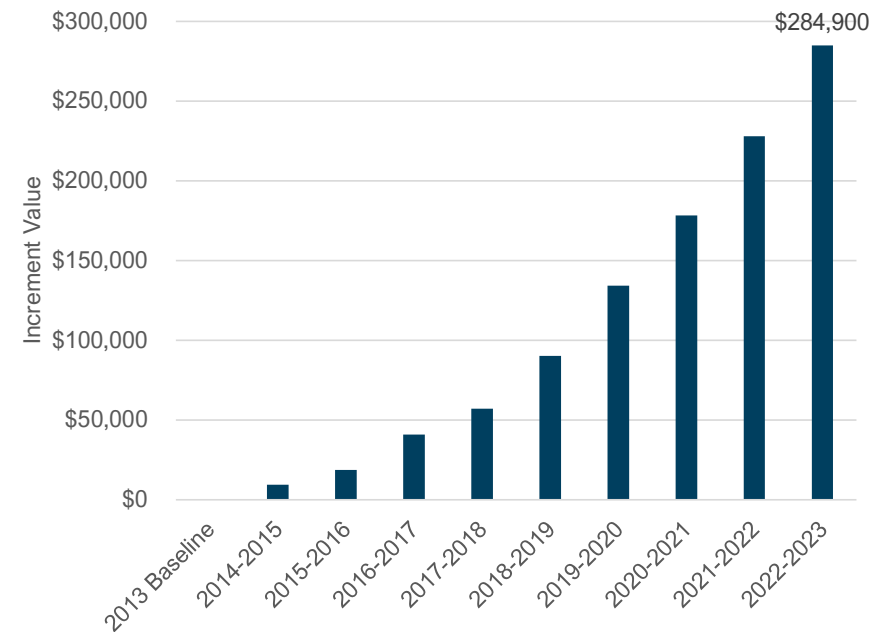
Taxable Value Trend, Silver Springs CRA, 2013-2023

Source: Marion County



Increment Value Trend, Silver Springs CRA, 2013-2023

Source: Marion County

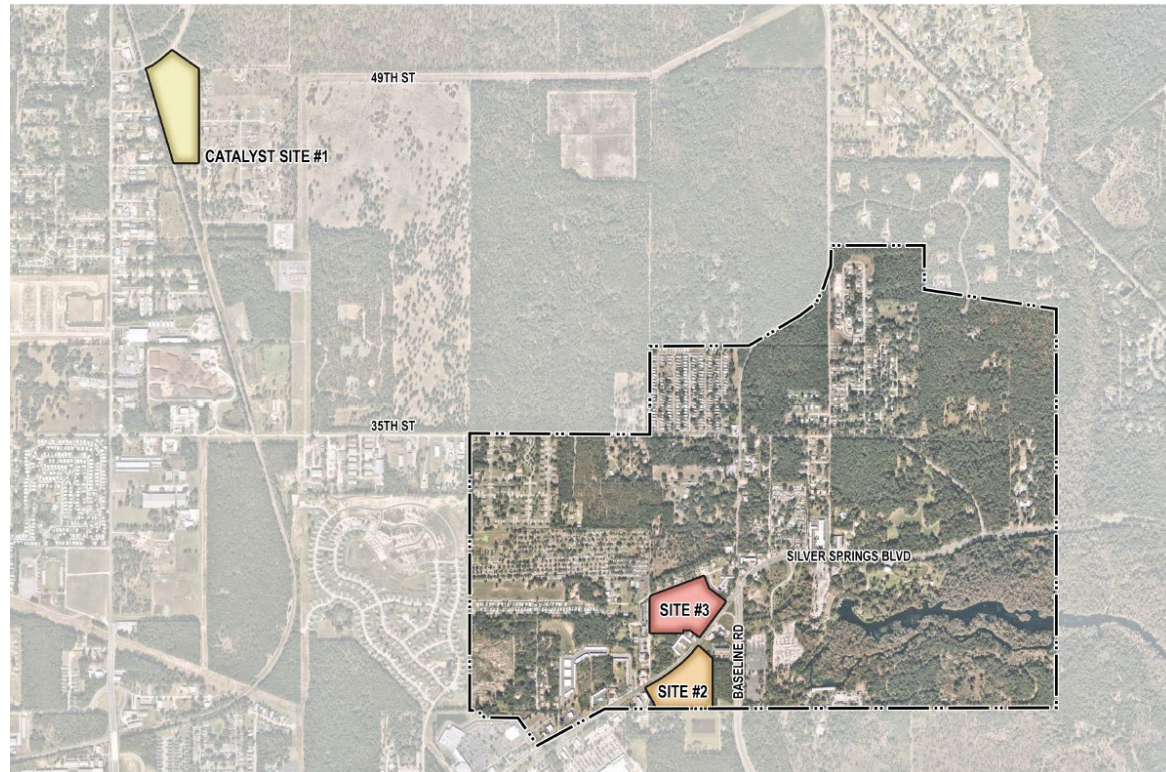




Silver Springs CRA Catalyst Concepts

Three catalyst concepts were developed as part of the CRA Master Plan to communicate the types, intensities, and design of potential future projects on key catalytic properties within the CRA. The three sites consider the market demand forecasts that are presented in this analysis to confirm feasibility within the next ten years.

The purpose of this TIF assessment is to review the potential impact on the CRA taxable valuation and increment value if these catalyst concepts are developed within the next ten years. The three projects, shown on the map to the right, are described in more detail, including a detailed development program on the following pages.





Catalyst Concept #1: Affordable Housing

A site envisioning **affordable and attainable housing** complete with on-site amenities including recreation spaces for its residents.

Site Statistics:

Total Site: 17.61 Acres

Open Space: 1.76 Acres

Retention Ponds: 3.52 Acres

Total Units: $\pm$ 240 Units

Density: $\pm$ 13.6 DU/A





CRA Valuation Impact with Concept #1

Valuation Assumptions

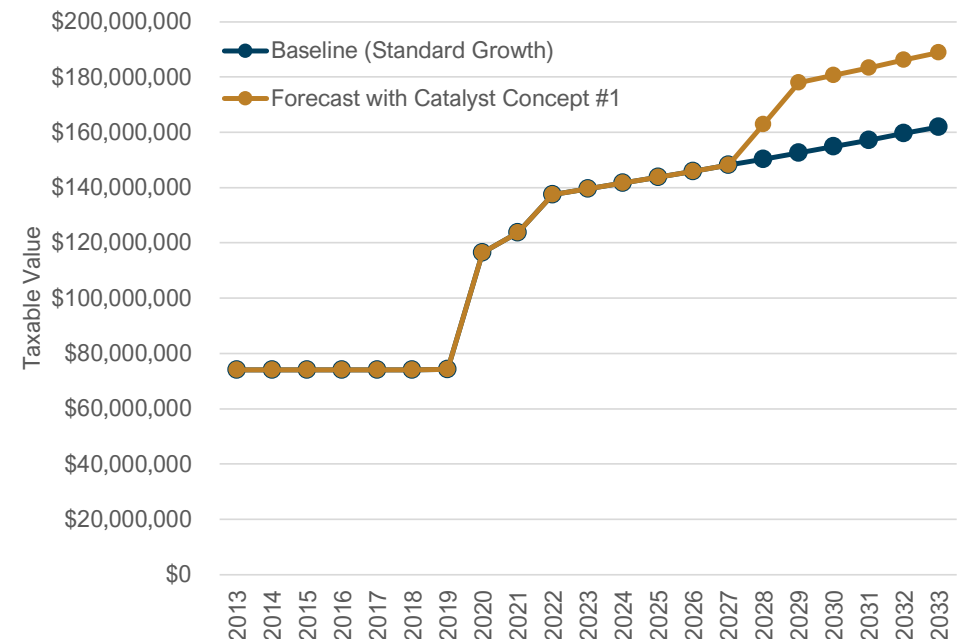
For Catalyst Concept #1, the value of eight exiting multifamily properties, representing a variety of product types was reviewed to estimate the potential value increase based on build-out of this project.

Value per Unit Average =	\$104,922
Development Timing =	120 units in 2027
	120 units in 2028
Total Value at Build-Out =	\$25,181,219

The Baseline Forecast assumes a 1.5% increase year-over-year in taxable value. Build-out of catalyst concept #1 would result in the addition of \$25.2 million in valuation to the CRA between 2027 and 2028. Development of Catalyst Concept #1 results in a 2033 total taxable valuation in the CRA of \$188.9 million, 16.6% higher than the baseline forecast.

Comparison of Valuation Forecasts, Silver Springs CRA, 2013-2033

Source: Marion County; Kimley-Horn





Catalyst Concept #2: Town Center

A **multi-use** site envisioning a potential mix of a hotel, retail, and restaurants designed around public park spaces. The site could also be designed to incorporate housing, as desired.

Site Statistics:

Total Site: 10.66 Acres

Retail and Restaurants : $\pm$ 82,000 SF

Proposed Hotel Site: $\pm$ 100 Rooms

Hotel: $\pm$ 100 Rooms

Open Space and Parks: 1.8 Acres





CRA Valuation Impact with Concept #2

Valuation Assumptions

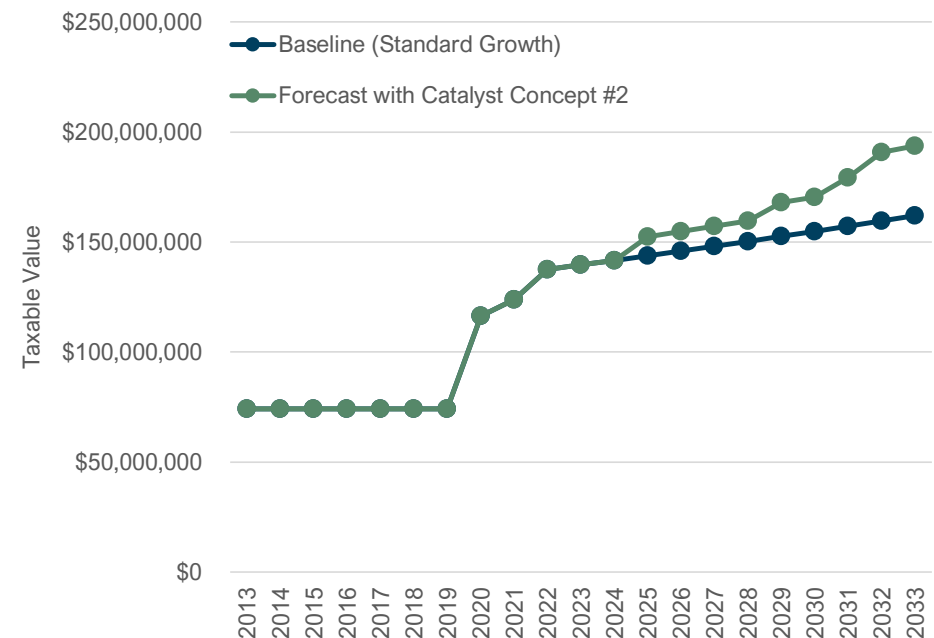
For Catalyst Concept #2, the value of a variety of lodging and retail properties (16 in total) were reviewed to estimate the potential value increase based on build-out of this project.

Value per Room Average =	\$87,304
Value per SF Retail Average =	\$151
Development Timing =	100 rooms in 2026 100 rooms in 2032 82,000 SF Retail 2029 + 2031
Total Value at Build-Out =	\$29,826,701

The Baseline Forecast assumes a 2.5% increase year-over-year in taxable value. Build-out of catalyst concept #2 would result in the addition of \$29.8 million in valuation to the CRA between 2026 and 2032. Development of Catalyst Concept #2 results in a 2033 total taxable valuation in the CRA of \$193.6 million, 19.5% higher than the baseline forecast.

Comparison of Valuation Forecasts, Silver Springs CRA, 2013-2033

Source: Marion County; Kimley-Horn





Catalyst Concept #3: BB&T Site

A **multi-use** site inclusive of retail, entertainment, short-term accommodations, and residential uses. The site is designed with passive recreation facilities and a dog park.

Site Statistics:

Total Site: 14.47 Acres

Residential: ± 44 Dwelling Units

Hotel: ± 80 Rooms

Entertainment: ± 30,000 SF

Retail: ± 35,000 SF





CRA Valuation Impact with Concept #3

Valuation Assumptions

For Catalyst Concept #3, the value of a variety of lodging, retail, and multifamily properties (24 in total) were reviewed to estimate the potential value increase based on build-out of this project.

Value per Dwelling Unit Average = \$104,922

Value per Lodge Average = \$109,130*

Development Timing = 44 dwelling units in 2028 + 2029

80 lodge rooms in 2031

35,000 SF Retail 2033

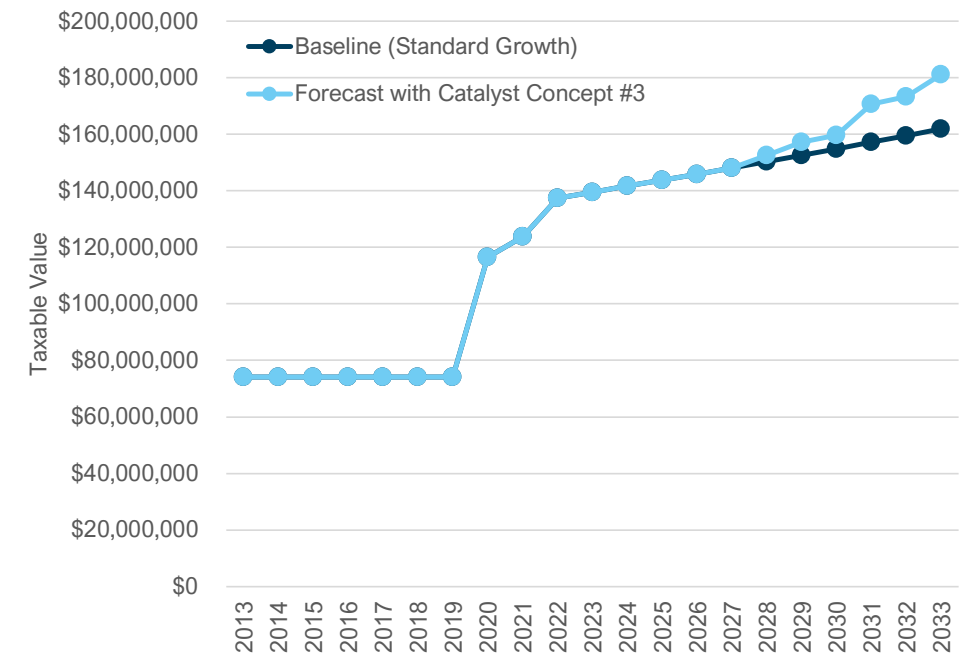
Total Value at Build-Out = \$18,625,087

*Lodge room average is higher than hotel due to an assumption of an increased level of amenities

The Baseline Forecast assumes a 2.5% increase year-over-year in taxable value. Build-out of catalyst concept #3 would result in the addition of \$18.6 million in valuation to the CRA between 2028 and 2033. Development of Catalyst Concept #3 results in a 2033 total taxable valuation in the CRA of \$181.2 million, 11.8% higher than the baseline forecast.

Comparison of Valuation Forecasts, Silver Springs CRA, 2013-2033

Source: Marion County; Kimley-Horn

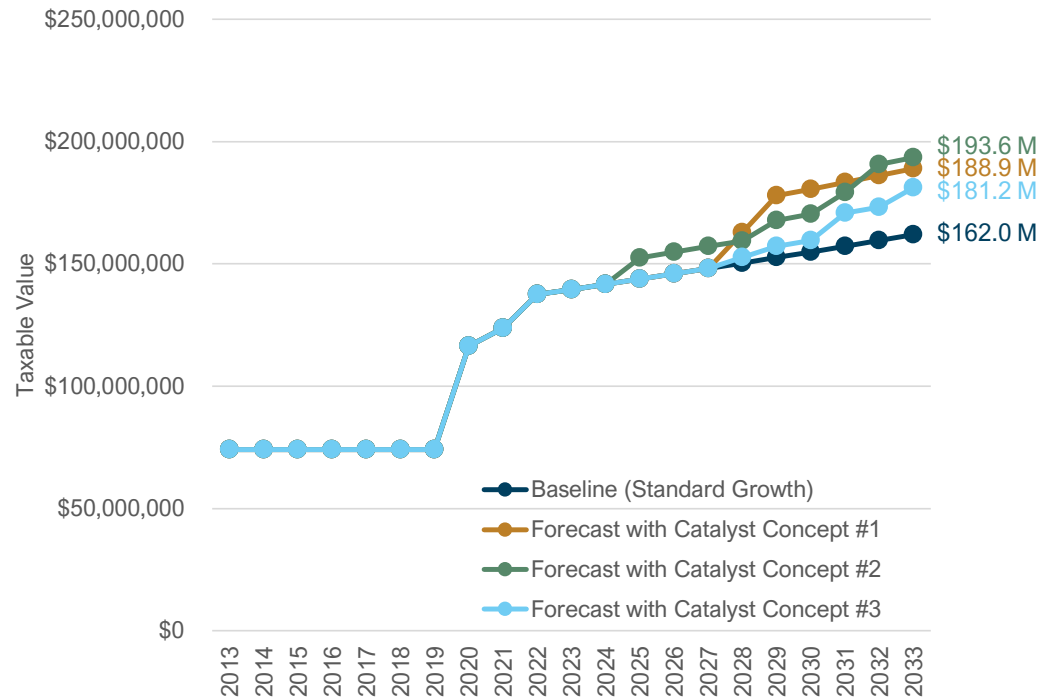




Comparison of CRA Valuation Impacts

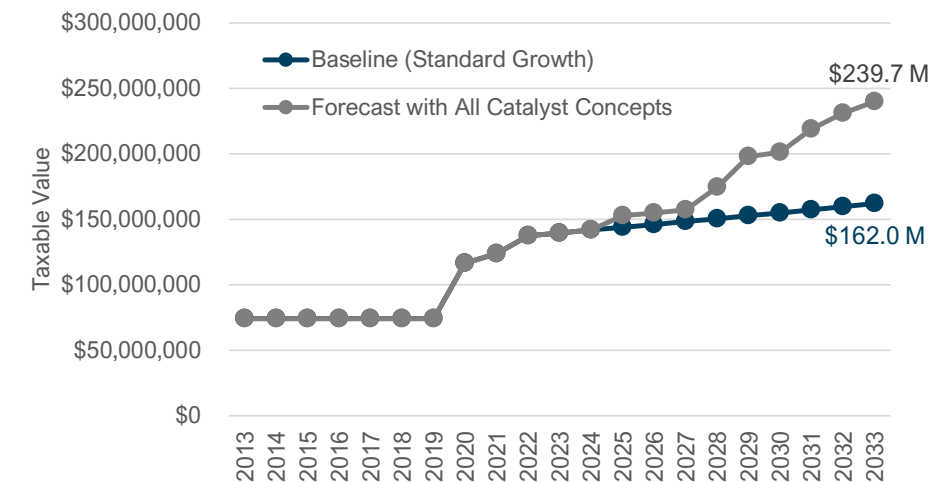
Comparison of Valuation Forecasts, CRA, 2013-2033

Source: Marion County; Kimley-Horn



Comparison of Valuation Forecasts, CRA, 2013-2033

Source: Marion County; Kimley-Horn



If all three catalyst concepts are completed based on the assumptions outlined in this analysis, the resulting 2033 total taxable valuation of the Silver Springs CRA could be \$239.7 million. This represents an increase of 74.3% over the FY 2022-2023 valuation and a 48.0% increase over the baseline forecast (which uses a 1.5% standard growth measure).



Silver Springs CRA

MASTER PLAN

MARKET ASSESSMENT & VALUATION FORECASTS