

MARKET ANALYSIS FOR PROPOSED DEVELOPMENT AT 2060  
West Road, Ocoee, FL 34761

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## 1. Executive Summary

This feasibility study analyzes ideas for developing a 3.7 acre vacant plot at 2060 West Road, Ocoee, FL 34761. The developer, Valiani Development, has requested us to prepare an analysis that lists potential highest and best uses for the land.

According to Zillow, the land parcel is zoned for commercial use (see Figure 1 below), more specifically under the PUD COMM designation.



**Figure 1: Land Parcel at 2060 West Road, Ocoee, FL 34761**

Based on a detailed analysis of the sub market characteristics, we have highlighted five possible highest and best uses, with descriptions of the potential features that could be included in each type of development.

Additionally, we have analyzed three additional uses that are commonly considered but may not be suitable for this particular location due to the surrounding area characteristics.

## 2. Project Description and Background

Valiani Development (the “Company” or “Developer”) plans to develop (“Project” or “Development”) a 3.7 acre vacant plot of land at 2060 West Road, Ocoee, FL 34761 (the “Property”).

The specific use of the Property has not yet been determined by the Developer. They have a strong interest in building something that supports the Ocoee community and focuses on fulfilling needs that are currently underserved in the market.

Some of the specific uses for the Property that we were asked to evaluate included a BP gas station and/or a hotel and/or retail and/or other commercial developments.

## Zoning

Zillow lists the 3.7 acre parcel of the Project as commercial development land for sale. Zoning has been changed from Residential to PUD COMM, and the highest and best use is thought to be retail development based on the surrounding businesses.

Planned Unit Developments, or PUDs, are communities of single family homes, townhomes, or condominiums, with common property owned and maintained by a homeowners association (HOA) for the sole use of homeowners. PUDs are akin to apartment complexes, but instead of renting, residents own their homes and the lots on which they sit.

PUDs can include both residential and commercial units and amenities open only to homeowners within them may include tennis courts, pools, playgrounds, or even a gated entrance to the neighborhood. Even the streets in the PUD neighborhood may be owned and maintained by the PUD, instead of tax dollars from the local community.

Based on our highest and best use analyses in later sections, the ability to change the zoning back to multifamily residential and/or mixed use should also be examined.

According to the latest available Land Development Code listed by the City of Ocoee, it appears that the Developers should be able to build structures that are at least three stories tall, with some other concessions that could be asked for on a case by case basis. The final guidance on height restrictions must be worked out at the time of permitting.

## High Level Questions for the Developers

Prior to proceeding with the Project launch, the Company has asked for answers to some critical questions. This market study is designed to address the majority of those queries at a level that allows the Parties to make an informed decision.

The questions raised by The Property include:

- A. What is the Best Use for the land?
- B. What will have the highest impact for use as investors?
- C. What use will have the highest impact on the community?
- D. What in-demand service is under supplied in the area?

In addition to the above, the Company has also requested we evaluate the feasibility of the following uses:

- a. A BP Gas Station
- b. A hotel
- c. Retail or other commercial activities

## Some Additional Questions

Some additional questions must be answered to analyze the feasibility of the Project overall:

- a. Is there enough demand in the local (Ocoee) market for the chosen businesses to be profitable and provide long term business for the investors?
- b. Can the Project attract customers/visitors from out of town? If so, from where?
- c. For each type of use (e.g. retail and/or residential and/or commercial), what specific features will help draw people to the Project site?

The above points relate to foot, bike and vehicular traffic being attracted to the businesses that will be established on the Property.

### 3. Approach

To answer key questions regarding the highest and best use of the Property, as well as the feasibility of each Development that is contemplated, we critically examined the characteristics of the Ocoee submarket, using detailed economic and demographic data and traffic patterns among other things.

Successfully selling, leasing, renting and/or operating the real estate being developed is directly dependent on the strength of the demand for each type included of Development.

In order to analyze the demand drivers, we have researched both primary data and internet references, including but not limited to data from the following sources:

- Latest available US Census tract data
- Bureau of Labor Statistics
- The Council for Community and Economic Research
- Non-profit sources on specialized items such as education and safety
- Real estate trends and current values from various national and local sources (e.g. Realtor.com, Movoto, Zillow, LoopNet)
- Traffic Counts provided by the Orange County Public Works
- Local area news

In addition to data analysis, which is used to evaluate the probable success of each of the highest and best uses contemplated within the Development, we also analyze the competition.

Our final recommendations on highest and best use of the Property encapsulate an understanding of all of the above factors.

### 4. Ocoee Submarket Description

In this section, we describe Ocoee's market characteristics, along with some of its surrounding areas. The main purpose is to examine the viability of the Project given the demand for the various uses being considered.

A significant portion of the data below is based on the **2020 US Census**, along with some recent updates where available. If additional sources are used, the data is clearly attributed.

### a. Size and Population

Ocoee has a population of 47,433 residents spread over a 16.67-square-mile area, out of which 15.61 square miles is land. The population density is 3029.79 per square mile, which is significantly denser than the average rate in the US (93.8 per sq. mile) and Florida (401.4 per sq. mile).

The population in Ocoee grew 38.96% from April 2010 through April 2020. This rate is significantly higher than the overall U.S. rate of 7.35% and even the Florida rate of 14.56%. Median Income, Cost of Living and Housing Market Characteristics

The numbers below show the median income, cost of living and annual spending on housing for owned and rented properties in Ocoee.

**OCOEE MEDIAN HOUSEHOLD INCOME: \$79,273**

### **Ocoee Cost of Living Index = 107.2**

- 7.2% Higher than the U.S. National Average
- 3.8% Higher Than Orlando, FL
- 57.3% Lower Than New York City, New York

**Table 1: Ocoee Housing Costs**

<b>Median Home Value</b>	<b>Annual Spend for Homeowners</b>	<b>Annual Spend for Renters (Rent &amp; Utilities)</b>
\$266,100	\$20,148	\$16,980

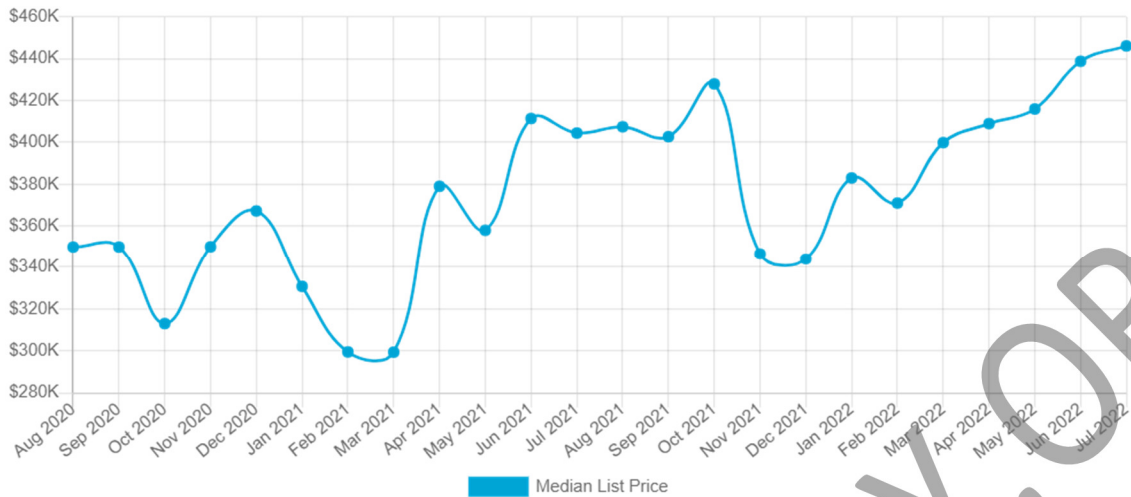
In early 2021, Ocoee showed a home P/E (home price to income) ratio of 3.36, based on a median home value of \$266,100 and a median household income of \$79,273. The U.S. average is 4.0. Therefore, it was affordable to buy homes in the metro area at that time.

Ocoee shows an income to rent ratio of 4.67, based on a median household income of \$79,273 and an annual spend of \$20,400. Therefore, it is affordable to rent properties in Ocoee.

In Ocoee, 71.8 percent of residents own their homes.

### **Updated Trends – Single Family Homes**

According to latest figures from Movoto (see Figure 2 below), the market for single family homes in Ocoee has undergone a significant uptick from its 2-year low price point, which was reached in Feb-Mar 2021. Currently, the median home value is \$438,814 as of June 2022.

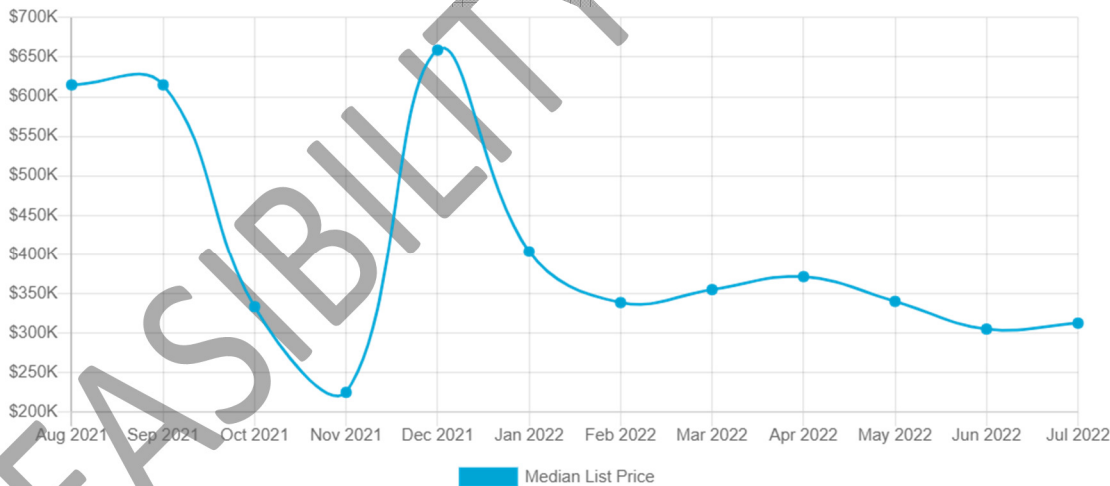


**Figure 2: Median Values of Single Family Homes in Ocoee**

Based on the updated numbers, the current home P/E ratio would be adjusted to 5.54, which indicates that it is currently expensive to buy single family homes in Ocoee.

**Updated Trends – Condominiums/Townhomes**

According to Movoto, the condominium prices in Ocoee have actually had a significant decline over the past year (see Figure 3 below). The median price per unit has fallen by over 50% from its one year high in Dec 2021. Currently, condo units have a median price of \$305,000.



**Figure 3: Median Values of Condominiums/Townhomes in Ocoee**

As a general rule, condominium prices are expected to be 12 to 15 percent lower than single family homes<sup>1</sup>. However, condominiums are currently 30.49% cheaper than single family homes in the Ocoee market. This points to a relative shortage of single family homes (a seller’s market) along with a relative glut of condominiums (a buyer’s market) in the submarket.

<sup>1</sup> Source: Realtor.com

## b. Employment Prospects

The unemployment rate in the greater metro (Orlando Kissimmee Sanford) area is 2.7% (May 2022), which was just below the Florida rate (3.0%) and well below the US rate. The poverty rate in Ocoee, at 10.9%, is below both the national average of 11.4% and the Florida average of 12.4%.

It appears that Ocoee residents spend a substantial time on commute. Average commute times are 32.9 minutes, well above the Florida average of 27.9 minutes and the national average of 26.9 minutes. This probably reflects the draw of Orlando, which is around 25-27 minutes driving from the Property, as a source of jobs.

While the median household income in Ocoee (\$79,273) is higher than both the Florida (\$57,703) and the national average (\$64,994), the per capita income per household, at \$29,661, is in fact lower than both Florida (\$32,848) and the US (\$35,384) levels. This is driven by the fact that Ocoee has a high number of members per household (3.27), which beats both the Florida (2.62) and the national (2.6) average.

## c. Unique Population and Area Attributes

The demographic characteristics of the Ocoee area are an important component to determining highest and best uses for the Development.

First, Ocoee is close to Orlando (and it is almost certainly a big draw employment wise) and it is part of the Orlando-Kissimmee-Sanford metropolitan area. The Property sits in an area where there is not a lot going on – it is to the west of US 429, which connects on to US 408 south of the city. US 408 then carries on towards Orlando to the East.

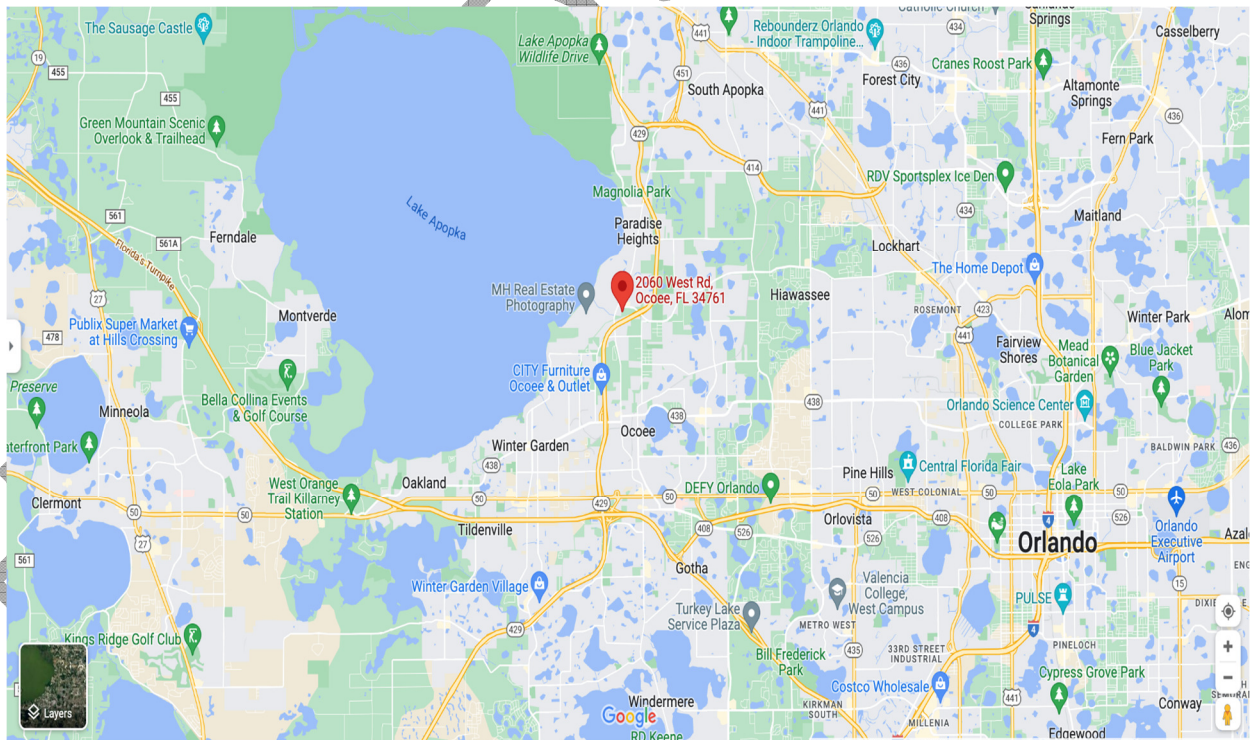


Figure 4: Property Location in the Ocoee Area



Most of the attractions and/or amenities in the area are bunched around the 429-408 intersection, that is to say around 10-12 minutes to the south of the Property. This includes restaurants, the few hotels in the area, gas stations and the like.

There is a retail/grocery center across the street at the Fountains West complex, anchored by Publix Super Market. However, most of the other amenities, with the exception of Dunkin' Donuts and a couple of fast food restaurants, are due South and/or South East.

The main high school in the area – Ocoee high school with 2,500+ students – is located close to the Property.

### Population Characteristics

The population in the area is young compared to both Florida and national averages, as Table 2 below illustrates.

**Table 2: Ocoee Age Cohorts Compared to FL and US**

Age Cohort	Ocoee	Florida	US
Below 5	7.6%	5.1%	5.7%
5-18	18.4%	14.6%	16.5%
18-24	8.22%	8.39%	9.44%
25-34	7.6%	13.0%	13.87%
35-44	15.82%	12.08%	12.62%
Above 65	9.5%	21.1%	16.8%

Ocoee has more people in the below 5, 5-18 and 35-44 age cohorts than the state or nation. Cumulatively, the age groups 24 and below make up over a third of the local population, which is much higher than the overall Florida rates. Also, unlike most places in Florida, the number of retirees is very low. Therefore, it can be inferred that activities aimed at attracting young people and families are likely to be successful as potential uses for the Property.

The population mix is 41.1% white alone, 27.8% Latino or Hispanic, 21.7% African American and 7% Asians. Each of the non-white cohorts show percentages higher than the FL and US averages. Additionally, 22.6% of the population is foreign born.

The above mix of populations, and the lack of significant amenities close to the Property, couple with the Publix Super Market complex across the street, has a bearing on some of our recommendations.

#### d. Education

Over the 2016–2020 period, the high school graduation rate in Ocoee was 83.9%, which is below both the U.S. national average and the Florida average of 88.5%. The population of adults above 25 years of age with a college degree was 32.9%, at par with the national average of approximately 32.9% and above the Florida rate of 30.5%.

There are 16 public schools and 13 private schools in Ocoee. Among high schools, there 3 public and 4 private schools.

There are only two colleges (with limited curricula) within Ocoee city limits, though there are more universities in the Orlando metropolitan area.

Overall, the education system in and around Ocoee is worse than average, with the main high school rated as below average.

#### e. Healthcare and Safety

Most of the medical facilities close to Ocoee are located to the south and southeast of the Property, along Routes 50 and 408 traveling east towards Orlando. There is one significant medical facility – AdventHealth Apopka – located almost due north at the intersection of Routes 429 and 414. There are a fair number of pharmacies in the area, despite the population being relatively young, which points to the possibility of patients coming for treatment from Ocoee proper and the surrounding areas.

Ocoee is not rated as very safe, though the violent crime rate (2.79 violent crimes per 1,000 residents) is below the Florida wide median rate of 3.87 and the U.S. national median rate of 4.00. It has 23.91 property crimes per 1,000 residents, above both the median rate in Florida (17.85) and the U.S. national median of 19.00.<sup>2</sup>

### 5. Potential Highest and Best Uses for the Property

This section details the sub-market characteristics that guide us in determining potential highest and best uses for the Property. In addition, we describe how each of the uses can be further explored in order to maximize the success of each of the endeavors. The discussion below frequently refers back to the data outlined in Section 4 above. Where new information is introduced, it is described in greater detail for the ease of the reader.

It is to be noted that in certain cases, there may be the need for specific actions to be taken, including but not limited to the following:

- Working with the city to rezone the property for specific uses, if necessary
- Working with certain operators/branded providers to franchise some commercial ventures
- Deciding whether the Company stays engaged as a manager for at least part of the ongoing Development when certain retail or entertainment facilities are being operated

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<sup>2</sup> Source: NeighborhoodScout.com

The five uses that we describe in greater detail include the following:

- Multi-family (that is, apartment complex)
- Mixed Use – apartments with retail on the premises
- Entertainment Complex
- Specialty Marketplace
- Climate Controlled Self Storage Facility

In the following section (Section 6), we will discuss certain uses that we investigated and the reasons behind why we rejected them.

#### a. Potential Highest and Best Use 1: Apartment Complex

Approximately 28% of the Ocoee population does not own their own home, so there is a significant number of people who are looking for apartment rentals. Yet there are only two apartment complexes in Ocoee:

- Crown Point Apts. was built-in 1985. It has only 34 units, does not feature any contemporary amenities, and is not well managed based on reviews submitted.
- The Arbours at Crown Point was built in 2017. This complex does feature a host of the most wanted amenities. At this writing, there are only two units available for rent out of a total of 240 units at The Arbours. Rents start at \$1,550 for a 1 bedroom, and \$2,150 for a 3 bedroom, which are quite substantial as a base.

The 2060 West Rd. property lends itself well for a two or three-story apartment complex (depending on zoning) development. Its proximity to shopping, schools and Hwy 429 are distinct benefits for renters.

#### Specific Recommendations

With average apartment rentals in the larger general area ranging between \$1500-\$2000, depending on the proforma, these apartments could be attractively rented at or even below market. Another potential revenue stream could be achieved by setting aside a few units as Airbnb rentals for people who want to visit Orlando but do not want to pay for expensive hotel rooms.

Amenities could include, but not be limited to, the following:

- A Clubhouse
- 24-Hour Gym
- Business Center
- Aerobics Room
- Gaming Room
- Salt System Pool

#### b. Potential Highest and Best Use 2: Mixed Use

For this use, we recommend a mix of apartments with retail and other amenities on the ground level. While condominiums and townhomes could also be utilized for the residential part of the

Development, please refer to Section 6.c below for reasons why apartments may prove more profitable at this location.

As mentioned in Section 4.c above, there is not much going on around the Property. Apart from the Publix Super Market across the street, most of the amenities are located to the east and south. Some of the retail and food options missing in the area include:

- Specialty retail catering to various ethnicities
- Medical support and fitness facilities
- Multi-cuisine restaurants – there is a dearth of higher quality restaurants in the area.

### Specific Recommendations

Designing the project to create a “visual oasis” in a desert of architectural plainness, which currently exists in the area, will greatly enhance the appeal of the property, ensuring the probability of quick apartment lease-up and increasing the chances for retail success. We are proposing a Town Center concept, like the one shown on the next page.

Features could include:

- An attractive and inviting living and shopping environment
- Outdoor dining spaces for restaurants
- Uncluttered store windows
- Walkability



## Retail Tenant Mix

The mix of ethnicities and age demographics and the lack of neighborhood shopping options provide significant opportunities to create retail offerings that cater to these various consumer groups. Consider the present economic conditions in the retail segment such as:

- Online shopping growth
- Reduced rents
- Small retailer failures
- Start-up expenses
- Labor shortages

Given the above and other factors, the retail uses should be structured in a way such as to provide the developers with the flexibility that lessens the risk of tenant delinquency and failure and maximizes profit potential.

With a few exceptions, providing goods and services that are convenient, not duplicated in the area and not found online is the key factor in driving consumers to retail locations.

## Potential Retail Formats

- Immediate Care Facility
  - Crosses all demographics
  - Lack of Immediate Care Facilities in the area
  - Strong balance sheet
- Eye Care Facility
  - Optometrist for eye exams
  - Solid selection of frames
  - Moderate to upper price points
- Ethnic grocery that also serves prepared foods – this could be attractive given that over 20% of the local population are foreign born and there is a significant white only population as well
  - Asian
  - Hispanic (perhaps Cuban)
  - Italian
  - Southern
- Food
  - Full-service restaurant with
    - Outdoor seating
    - Alcoholic beverages
  - Takeout -Delivery Only restaurant
    - Ghost Kitchen
      - Shared kitchen for multiple food operators
      - Saves equipment and labor costs
      - Small footprint
  - Lunch/ Breakfast Only restaurant
  - Vegan (Slutty Vegan)
- Trend toward local vs national tenants (if possible)

- Embeds the retail center in the community

### **Potential Lease Structures**

- Percentage rent
  - Attractive to most small tenants
  - Landlord shares in the upside
- Short-term leases
  - No more than 1 year with the possible exception of an Immediate Care Facility
  - Remove failing businesses easily
- Large Tenant Improvement Allowances
  - Depending on the concept and operator
  - Limit square footage to 300-400 ft., with the possible exception of an Immediate Care Facility
  - Helps replace failing tenants more rapidly

#### **c. Potential Highest and Best Use 3: Entertainment Complex**

Compared to the rest of Florida and the USA in general, Ocoee has a significantly younger population. As Section 4.c outlined, Ocoee has more people in the below 5, 5-18 and 35-44 age cohorts than either Florida or the US. Cumulatively, the age groups 24 and below make up over a third of the local population, which is much higher than the overall Florida rates.

Incidentally, the direct implication of the statistics above is that there are potentially 16,000+ “consumers” of entertainment catering to the tastes of young people in just the immediate Ocoee area. There are likely two or three times as many target customers for entertainment when combining the population from nearby communities such as Winter Gardens, Apopka, Mount Dora, Pine Lake and others.

Most notably, there are three high schools in the area with a total of almost 9,000 students in attendance. There is little or no sources of wholesome entertainment options for these young families, youth, parents and for singles. This situation provides an outstanding opportunity to create a one-of-kind in-door and outdoor entertainment complex that caters to these demographics. The unique activity offerings will make the complex become a go-to destination for people from surrounding areas as well.

### **Specific Recommendations**

To optimize revenues, the complex would consist of both indoor and outdoor entertainment activities. Each of these areas are discussed in further detail below.

## Indoor Activities

While there could be many variations of the ideas suggested above, the specific recommendations below have proved to be successful in all situations where there are 10,000+ potential “customers” that may be attracted to the location.

- **A Gaming Arcade**



Attractions may include:

- Video games
- Pinball machines
- Air Hockey
- Billiards

Food and beverage service may include:

- A wide selection of craft beers, fun signature cocktails and non-alcoholic beverages.
- Pizza, tacos, burgers
- Pies, Ice Cream, Candy

- **Karaoke Bar**



Food and beverage service may include:

- A wide selection of craft beers, fun signature cocktails and non-alcoholic beverages.
- Pizza, tacos, burgers
- Pies, Ice Cream, Candy

- **A Kids' Ninja Style Obstacle Course**



Features could include:

- Rock Climbing Walls
- Obstacle courses and climbing ropes
- Merchandise sales

- **Martial Arts Studio**



Revenue streams could include instruction fees, competitive events and uniform sale

## **Outdoor Activities**

The indoor activities can be complemented by a slew of outdoor attractions that have similarly proved attractive to youngsters, families and young adults in cities across the US.



- **Skate Park**



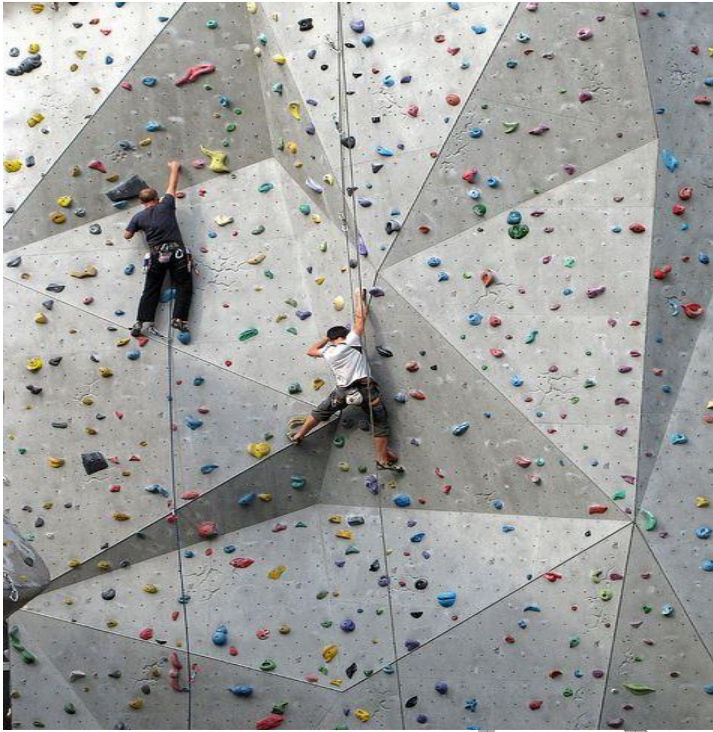
Skate Parks are popular multi-generational activity venues. The ideal location, which this property has, is one that is close enough to neighborhoods for skaters to have easy access but still has space for the more complicated ramps and pipes. They are the perfect accompaniment to the Arcade section. With the proper lighting, these parks can operate day and night and create multiple revenue streams that include:

- Daily admissions
- Subscription memberships
- Private and group instruction fees
- Equipment, accessories and clothing sales
- Food & Beverage
- Event entry fees

A pricing strategy that encourages return visits and provides plenty of cushion to make a profit is essential. Here are some examples:

- a) Discount the park during school hours to draw in older skateboarders, such as those attending college.
- b) Offer memberships where skaters can purchase a monthly pass or pay for eight visits and receive 10.
- c) Price by the hour or by the day, whichever gives the better profit margin.

- **Rock Climbing Wall**



- **Zip Line Playground**



d. Potential Highest and Best Use 4: Specialty Marketplace

Publix Super Market, which anchors the Fountain West strip center right across the street from the property, dominates the grocery business in Ocoee. There are a number of fast-food and QRS

restaurants nearby. Other types of retail are almost nonexistent. This food and retail void provides a significant opportunity to establish a vibrant, thriving marketplace for local farmers, artisan producers, and independently owned and operated food businesses and the customers they serve.

The marketplace will promote the area's ethnic diversity and serve as an incubator for artisan producers. The layout of open-fronted shops features specialty food and boutique merchandise purveyors. Everything from farm-fresh produce and fruit to gourmet hamburgers, malts, craft beers, and jams will be available as well as sit-down restaurants, oyster bars, candles, wine and more. In fact, there are over 160 kinds of cottage food products available in Florida, including breads, rolls, biscuits, cakes, pastries and cookies, candies and confections, honey, jams, jellies and preserves, fruit pies and the list goes on.



#### e. Potential Highest and Best Use 5: Climate Controlled Self Storage Facility

There are 3 self-storage facilities near Ocoee: Value It Storage, Storage Sense and SmartStop. All of them have standard self-storage options. We are aware of a breed of self-storage facility

called CreativeSpaces. They develop small, flexible, work and storage spaces that bring together creative work, design, and studio space for small entrepreneurial businesses – providing larger storage options for small businesses that need more space than is found in traditional self-storage properties.

They fill the gap for storage and workspace needed by entrepreneurial and small business ventures. For personal storage users, CreativeSpaces provides space to store household goods as well as a place to work on and show off their prized collections of cars, motorcycles, and RV's in a customizable “man-cave” style setting. They also offer traditional self-storage units for customers needing climate-controlled storage. Individual units are for lease from Month-to-Month to 12 months.



## 6. Potential Uses that May Not Optimize the Use of the Property

In this section, we discuss three potential uses that may not optimize the use for the Property, along with the reasons for doing so, subject to further discussion. The uses were:

- (BP or Other) Gas Station
- Hotels
- Condominiums/Townhomes

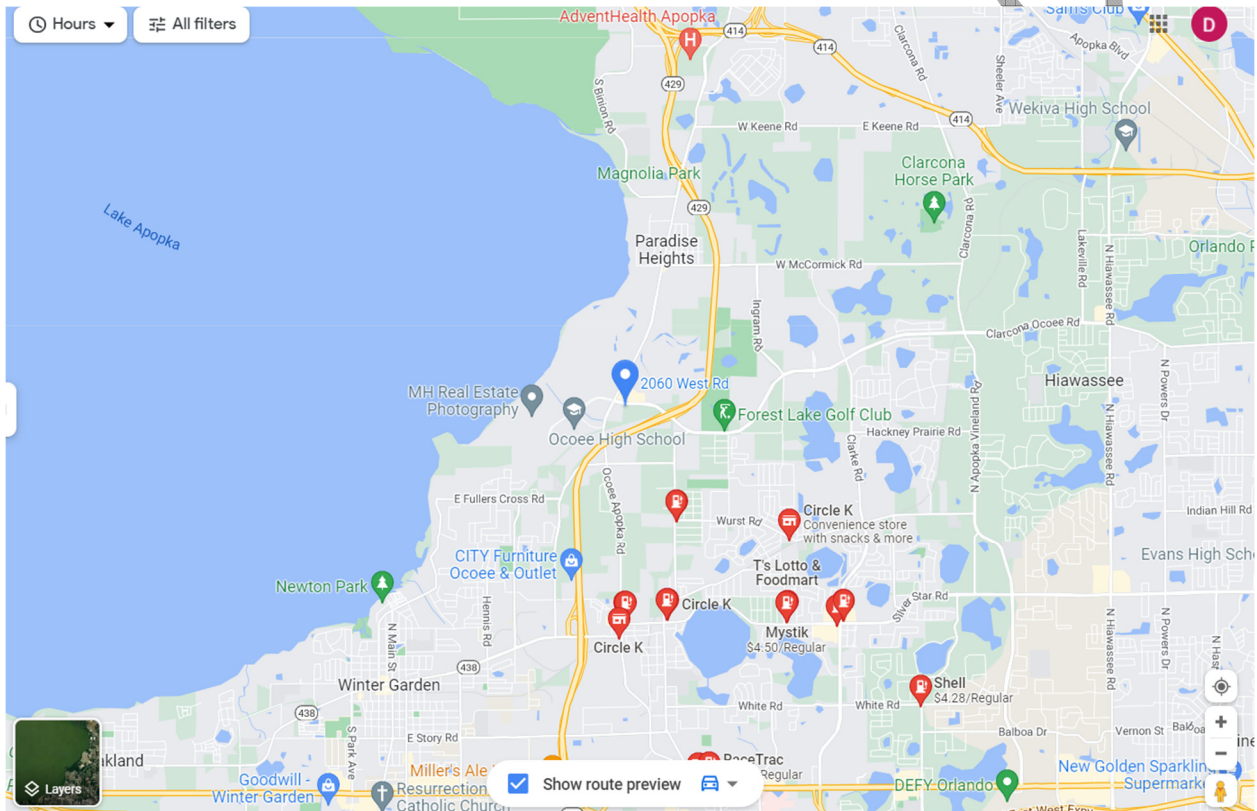
The first two options were ones that the Developers expressed interest in pursuing, while the third option comes into play given the current PUD COMM zoning on the Property.

### a. Potential Use #1: Gas Station

After studying the characteristics of the traffic flow pattern in and around the Property, and additionally reviewing where other gas stations are located in the area, it does not appear that setting up a BP Gas Station would constitute a potential highest and best use at this location.

### Competition

As Figure 5 below shows, the gas stations around the Property are all located between 5-10 minutes driving away, and mostly clustered to the south and south east along Routes 50 and 408. There is one gas station to the north, next to the intersection of Routes 414 and 429.



**Figure 5: Map of Gas Stations around the Property**

While it may seem that the Property sits in a natural bubble where a gas station could be successful, there are good reasons to doubt that hypothesis. They include, but are not limited to the following:

- The Property is not “on” a major freeway or route, which would make it harder to attract travelers moving along such thoroughfares
- There are plenty of options within a 5-10 minute driving distance, all concentrated along major thoroughfares including Routes 408 and 50 moving east towards Orlando

- The traffic patterns in the area do not support enough vehicular traffic that would make this a desirable spot for people to stop.

The traffic patterns need further elaboration. According to the Orange County Public Works, annual traffic patterns have recovered from the COVID restricted years. However, Table 3 below illustrates the differentiated traffic flows (2021 figures) around the Property itself, as compared to the areas around Routes 50 and 408 to the South and the intersection of Routes 414 and 429 to the north.

**Table 3: Traffic Flows in the Vicinity of the Property\***

Traffic Count Stations	Location Description	2021 Traffic Flow	Peak Hour Daily Vol
8182 - Fullers Cross Rd	200 Ft. W. of East Crown Pt. Rd	3,686	319
2024 - West Rd / Ocoee Crown Pointe Py	0.2 mi. E. Ocoee-Apopka Rd	15,604	834
71 - Ocoee-Apopka Rd	0.8 mi. S. Binion Rd	12,867	730
8162 - Ingram Rd	2,000 Ft. S. of McCormick Rd	2,442	316
66 - Lakewood Av	425 Ft. N. of Fuller's Cross Road	6,024	448

\*: Average Annual Daily Traffic, Most Recent

The above figures do not compare favorably to the traffic count on or at the junctions of major routes/thoroughfares that are no more than 8-10 minutes away by car, as Table 4 below demonstrates.

**Table 4: Traffic Flows around Major Thoroughfares in Ocoee\***

Traffic Count Stations	Location Description	2021 Traffic Flow	Peak Hour Daily Vol
82 - Orange Blossom Tl	0.78 Mi. S. Plymouth Sorrento Rd	28,488	1,688
7057 - Colonial Dr (W)	335 Ft. W. of Carter Rd	50,598	2,220
7058 - Colonial Dr (W)	599 Ft. E. of Marshall Farms Rd	49,885	2,023
518 - Colonial Dr (W)	0.37 Miles W. of Beulah Rd	52,149	2,126

\*: Average Annual Daily Traffic, Most Recent

What the above tables show is that there is substantially more traffic as one moves away from the immediate area of the Property. Many studies on gas station and convenience store locations

tend to indicate the need for traffic to be between 15,000 and 25,000 cars passing by daily, with around 2,000 cars passing by at peak hours.

From this standpoint, we can suggest the following:

- This location is at the lower end of average daily traffic flow, and typically below the peak hour traffic flow required
- One advantage that the location possesses is the lack of gas stations in the immediate vicinity, though there are plenty of options within 5-10 minutes of driving.
- A nationally established trend is for gas stations to cluster – the fact that the Property sits in a “hole” is not necessarily a good thing.
- If there is a plan to build a gas station, a BP brand would likely help.
- If the Development does include a gas station, the following features should be strongly considered:
  - A car wash
  - A convenience store that includes food options such as a Subway
  - A modest sit-down diner

#### b. Potential Use #2: Hotels

The same logic that holds while deciding on a gas station also holds when considering a hotel.

#### Competition

When reviewing a map of the area (see Figure 6 below), there are **no** hotels close to the property. All major hotels are either to the south or the southeast. Additionally, all properties are 2- or 3-stars, which denotes that this location is not a destination for hotel goers.

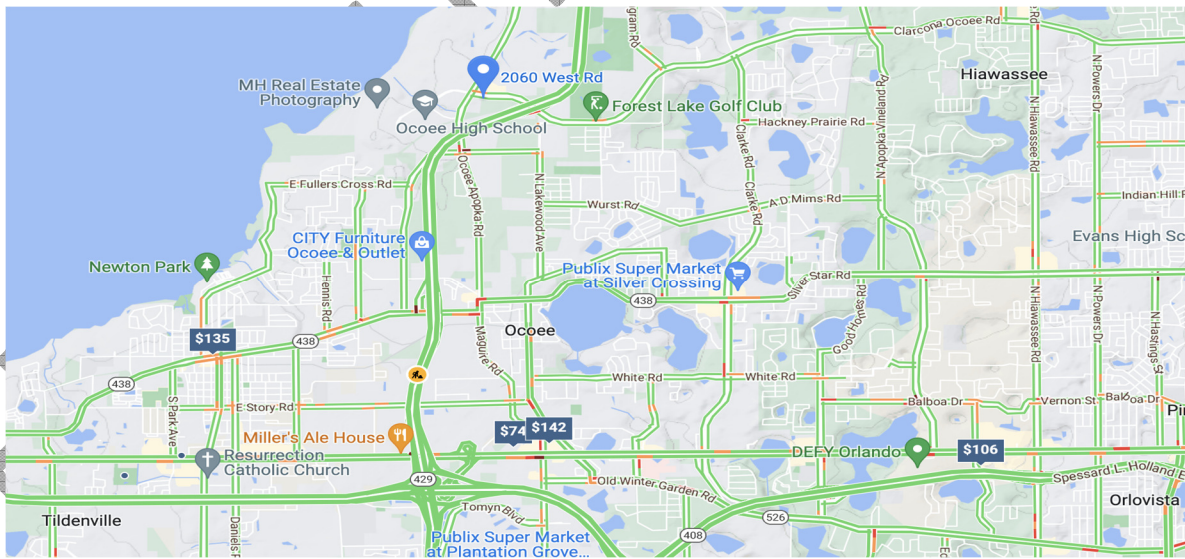


Figure 6: Map of Hotels in the Ocoee Area

Similar to gas stations, hotels also tend to cluster together around areas of high traffic. In the case of this Property, a hotel may not be the highest and best use.

In the event that building a hotel is contemplated, the following should be considered:

- An extended stay hotel could be attractive if there is substantial healthcare or other traffic in the area.
- A restaurant and/or a convenience store may work with the hotel, provided it offers different fare than what is available in the local area.

### c. Potential Use #3: Condominiums/Townhouses

The reason we considered condominiums or townhomes was due to the PUD COMM zoning, in case the Developer wished to include a residential element.

Based on the discussion in Section 4.a above, it does not appear that building condominiums or townhomes should be included among the highest and best uses for the Property.

If, for some reason, the Developer wishes to proceed with such a development, we recommend that they consider a Mixed Use development plan as articulated in Section 6.b above.

## 7. Conclusions and Recommendations

Based on our analysis, we find that there are at least five distinct possibilities that we would consider to be among the highest and best use for optimizing the value of the Property and the return to the investors. Each of the uses articulated in Section 5 above also fulfill a critical need in the Ocoee area in terms of serving an unmet or underserved need.

We have also discussed three specific uses, including a BP gas station and a hotel, which could be considered but would face challenges based on the submarket characteristics in the Ocoee and surrounding areas. If the Developer wants to move forward with any of those, further investigation and refinement of the approach might be necessary.