Final Technical Memorandum

TO: **City of Wilton Manors**

FROM: **WTL+a Real Estate & Economic Advisors**

RE: **Wilton Manors Municipal Complex Redevelopment Financial Feasibility—2022 Update**

DATE: **Revised November 28, 2022**

Introduction

WTL+a, a real estate and economic development consulting firm of Washington, DC and Cape Cod, MA, with significant experience throughout Florida, was retained by the City of Wilton Manors in February 2022 to update its 2019 financial feasibility analysis of a potential redevelopment concept for portions of the Municipal Complex site surrounding Wilton Manors City Hall.

In previous studies, WTL+ assisted the Treasure Coast Regional Planning Council (TCRPC) in 2018 to analyze transit-oriented development (TOD) potentials surrounding a proposed Tri-Rail Coastal Link station in Wilton Manors. In 2019, City staff requested an evaluation of the financial viability of four possible redevelopment scenarios (prepared by TCRPC) of public- and privately-owned parcels surrounding City Hall. Findings and recommendations from this analysis were presented at a public workshop in September 2019. Since 2019, City staff have focused their efforts on a specific development scenario (Scenario #1 in the previous study) for only **that portion of the site owned by the City** and requested that WTL+a update its previous financial feasibility analysis.

According to the City's consultant, RMCG, a land use plan amendment will be required as part of the planning and entitlements process. This is anticipated to require up to 12 months to complete. Land use revisions are likely to impact the feasibility of the project and include such factors as definition of the developable "envelope;" building height; building density; parking requirements; and the definition of a hotel unit.

As illustrated in Figure 1, the RMCG and City team conservatively estimate that **the developable envelope of the City Hall site comprises 7.303 acres** (318,124 sq. ft. of land). A determination needs to be made whether allowable densities are based on this acreage, or on this acreage *plus* the 1.36 acres upon which City Hall sits.

Figure 1: Developable Envelope

Executive Summary

From a real estate perspective, **the marketability of the parcels adjacent to and surrounding City Hall has *improved* since the 2019 study, in part as a result of enhanced interest by the development community in Wilton Manors** (and nearby areas) as a location for mixed-use development potentials. As illustrated in the Appendix, both residential and commercial rents have increased, and net absorption (occupancy of previously vacant space) has strengthened—with citywide multi-family rents exhibiting a significant increase of 20.8% between 2020 and 2021. (For example, achieved rents at The Metropolitan [delivered in 2016] have jumped from $2.20 per sq. ft. in 2019 to $2.94 per sq. ft. in 2022). Higher achieved rents could be expected to strengthen the investment performance of multi-family *if* hard and soft development costs can be controlled.

Moreover, recent developer proposals for mixed-use redevelopment on several parcels in Wilton Manors as well as newly delivered mixed-use projects in Fort Lauderdale's Flagler Village area to the south suggest development pressure is increasing for the limited number of parcels available to accommodate redevelopment in Wilton Manors itself.

Table 1: Summary of Strengths & Weaknesses by Development Scenario

	Scenario			
Key Metric	**#1-A With Hotel & Current Pkg Code**	**#1-B With Hotel & Revised Pkg Code**	**#2-A No Hotel & Current Pkg Code**	**#2-B No Hotel & Revised Pkg Code**
Market Potentials	MF residential & hotel are strong; retail will benefit from Wilton Drive frontage/visibility; office has very limited market potentials (consider MF residential instead of office)		Market likely to support additional residential if no hotel; retail will benefit from Wilton Drive frontage/visibility; office has very limited market potentials (consider MF residential instead of office)	
Developer Returns	Developers unlikely to accept a 12% target return given significant cost burdens of structured parking & current MF & commercial rents in Wilton Manors. Developers seeking minimum returns of 20% or greater as a result of challenges in current investment environment (interest rate increases, construction costs, material/labor shortages, etc.)			
Parking Requirements	Structured parking is a significant burden as a result of high construction costs, current City parking requirements & limited/uncertain revenue potentials. This severely impacts overall feasibility & reduces residual value potentials. City should evaluate opportunities to reduce parking requirements/modify regulations to maximize shared parking & reduce costs			

Source: WTL+a, November 2022.

The City Hall site commands excellent visibility for visitors and participants attending public events held along Wilton Drive (such as Stonewall Pride in June and Wicked Manors in October). The presence of City Hall serves to reinforce the site's role as a destination for all residents and, therefore, new development on the site could serve to strengthen the City's nightlife district, retail corridor and other destinational uses along Wilton Drive. Eliminating the amphitheater that was proposed adjacent to Building #1 in the 2019 concept will allow that building's street-level commercial uses to have direct frontage on Wilton Drive. This could be expected to enhance the marketability of such commercial uses, which could potentially translate into increased commercial rents and pace of leasing/absorption.

The site's most compelling advantages, however, are public ownership and the ability to generate potentially significant tax revenues for the City of Wilton Manors if the site is developed in a way that developer investment returns are met, and community/public benefits are provided. These advantages also include the potential to offset challenges of financial viability (among specific uses such as structured parking) by offering the land at a 'write-down' or discount to a developer in exchange for specific public benefits, such as improved recreational facilities, open space and/or additional public parking.

Private development on the City Hall site can provide multiple benefits, including:

- Net new tax revenues, including property/ad valorem, transient occupancy (bed) and/or retail sales (see RMCG ad valorem estimates in Table 12 below);
- Net new, dedicated revenues from long-term ground lease payments or as a result of a direct land sale; and
- New residents and daytime employment to support local businesses along Wilton Drive.

The findings of the financial feasibility analysis suggest that **specific uses in each scenario have the potential to generate moderate-to strong-residual values** based on market inputs utilized in the models. This includes both for-sale and multi-family residential, a new hotel and surface parking. Notably, the hotel's capacity to generate positive residual value is particularly sensitive to metrics such as average daily rates. By comparison, office and retail uses generate more limited—but still positive—residual values. Given ongoing market sensitivity in these sectors in Wilton Manors (particularly related to limited net absorption), conversion to residential, especially the proposed

5,000 sq. ft. of office space, should be considered. As noted, eliminating the amphitheater could be expected to strengthen the performance of street-level retail with the provision of direct frontage onto Wilton Drive.

Similar to the 2019 study, **structured parking remains a *significant* challenge as a result of a combination of high development costs and limited/uncertain revenue potentials**. For example, structured parking would need to achieve minimum revenues of $250 per space per month among private uses (housing, hotel, commercial) to generate positive residual value. As developers are unlikely to accept investment returns of 12% as the threshold evaluated in this analysis, structured parking will disproportionately burden feasibility and reduce residual values, particularly if minimum parking revenues for private uses cannot be achieved.

In conclusion, based on this analysis, **WTL+a recommends that the City of Wilton Manors continue to evaluate private development of portions of the Municipal Complex site**, which has the potential to generate positive residual value to the developer as well as net new revenues for the City. **One method to strengthen developer/investment interest and potential returns in light of these challenges is for developers to hold the asset beyond the customary 10-year time period used in the financial model.**

In addition, continuing dialogue with developers, particularly those with expertise in mixed-use projects, is critical. Soliciting their creativity in resolving the site's parking challenges and strengthen investment feasibility is also important through verifiable cost estimates and site plan options, as are the following steps necessary to maximize developer response when a developer solicitation is released. These include:

- Evaluating opportunities to **reduce or minimize parking requirements and modify parking regulations to maximize shared parking and reduce parking costs**;
- Clarifying allowable densities, building heights and use mix, including consideration of increasing/maximizing densities to maximize residual value potentials; and
- Defining City expectations for what it seeks as part of the development of the site—such as recreational and/or public realm improvements, revenue goals, development structure, etc.

12% Target Developer Return

In March and April WTL+a participated in a series of interviews with selected developers active in the South Florida real estate market. Participants were identified and selected by the City. Interviews were conducted to ascertain opinions and observations related to local residential and commercial real estate market conditions; challenges associated with pandemic-related supply chain issues; materials and construction cost increases; labor shortages; achieved rents; hard and soft development costs; challenges of the costs of structured parking; effects of inflation and financing availability; and other factors that are affecting developers' ability to undertake and deliver mixed-use real estate development.

Follow-up discussions with these same developers took place in August in an effort to understand whether developers will accept a threshold/minimum rate-of-return of 12% if selected to undertake mixed-use redevelopment of portions of the City Hall site. Feedback specific to this question is summarized below:

- **"Returns need to be north of 20%** in order to attract equity & pass sniff test for debt"
- "I have a number of different ideas & tools on how to improve feasibility which have been implemented in other cities where we've completed PPP projects"
- **"I don't think developers would take the risk for a 12%-13% IRR**. Especially right now given the volatility in rates & construction costs"
- "It's a tough time to get anything done on the development front. Hopefully, land prices start to adjust soon"
- **"No, developers would not accept a 12% to 13% return** for the amount of risk associated with a development deal"
- "It's difficult to say what could help make this work without understanding specifically what you are underwriting"
- **"Those returns are too low**, especially with uncertainty around construction costs"

- “Difficult to get real numbers nowadays—everything has a ‘just in case’ buffer, which is dragging pro formas”

Development Scenarios

In the 2022 update, an analysis of the financial feasibility of four variations of Scenario #1 were completed using market-based inputs and pro forma metrics. Similar to the 2019 study, **each iteration targeted a 12% minimum annual return to developers to estimate the amount of residual value generated at buildout.** Importantly, all four scenarios include the same number of public parking spaces as the 2019 analysis, and **the number of public parking spaces remains constant across all four scenarios as a result of the City’s desire to maintain public parking capacity**. The development program for each of these four variations is illustrated in Table 2, and includes:

- **Scenario #1A**—Mixed-use development comprising 388 multi-family residential units; eight townhouses; 5,000 sq. ft. of commercial office; 15,000 sq. ft. of retail; and a 100-room hotel. **Parking requirements for all uses are based on the City’s existing parking code**, which would provide 752 private and 208 public stalls for a total of 960 parking spaces;
- **Scenario #1B**—Mixed-use development comprising 388 multi-family residential units; eight townhouses; 5,000 sq. ft. of commercial office; 15,000 sq. ft. of retail; and a 100-room hotel. **Parking requirements for all uses are based on a revised parking code that reduces parking ratios by 30%**, which would provide 526 private and 208 public stalls for a total of 734 parking spaces;
- **Scenario #2A**—Mixed-use development comprising 438 multi-family residential units; eight townhouses; 5,000 sq. ft. of commercial office; and 15,000 sq. ft. of retail space. **The 100-room hotel is eliminated** and replaced with 50 additional residential units. **Parking requirements for all uses are based on the City’s existing parking code**, which would provide 727 private and 208 public stalls for a total of 935 parking spaces; and

Table 2: Proposed Development Program—Wilton Manors City Hall Site

Key Metric	Scenario #1-A With Hotel & Current Pkg Code	Scenario #1-B With Hotel & Revised Pkg Code	Scenario #2-A No Hotel & Current Pkg Code	Scenario #2-B No Hotel & Revised Pkg Code
Development Program				
Hotel (Rooms)	100	100	0	0
MF Housing (Units)	388	388	438	438
Office (SF)	5,000	5,000	5,000	5,000
Retail (SF)	15,000	15,000	15,000	15,000
Private Parking				
Structured (Spaces)	752	526	727	509
Surface (Spaces)	-	-	-	-
Subtotal:	**752**	**526**	**727**	**509**
Public Parking				
Structured (Spaces)	100	100	100	100
Surface (Spaces)	108	108	108	108
Subtotal:	**208**	**208**	**208**	**208**
Total Parking (Spaces):	**960**	**734**	**935**	**717**

- **Scenario #2B**—Mixed-use development comprising 438 multi-family residential units; eight townhouses; 5,000 sq. ft. of commercial office; and 15,000 sq. ft. of retail space. **The 100-room hotel is eliminated** and replaced with 50 additional residential units. **Parking requirements for all uses are based on a revised parking code that reduces parking ratios by 30%**, which would provide 509 private and 208 public stalls for a total of 717 parking spaces.

WTL+a notes that market-based inputs utilized in the financial analysis (e.g., achieved commercial and multi-family rents, annual net absorption, hotel room rates and occupancies, operating expenses, townhouse sales prices and other performance metrics) are illustrated in the Appendix (Table 13 through Table 18).

Financial Feasibility Results

Based on the development program for the variations of Scenario #1, specific land uses produce variable residual values. Notably, **structured parking is a significant expense that drags/reduces overall investment performance.** Key findings are summarized in Table 3 and detailed below for each scenario:

Scenario #1A

- Estimated all-in development costs in current/2022 dollars in Scenario #1A are $176.7 million (including infrastructure) for approximately 767,000 sq. ft. of gross building area (equating to $230 per sq. ft.). This includes $24.5 million for structured parking (equating to $28,760 per space) in *uninflated*/current 2022 dollars; the City's share for the 108 public parking spaces located in structured parking is estimated at $3.25 million, or 13.3% of total structured parking costs;
- **At a 12% return, Scenario #1A produces significant positive residual value in the range of $14.3 million.** However, at threshold/minimum returns of 18%, residual value is *negative* **($30.3 million)**;

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Table 3: Summary of Residual Values

Key Metric		Scenario						
		#1-A With Hotel & Current Pkg Code		#1-B With Hotel & Revised Pkg Code		#2-A No Hotel & Current Pkg Code		#2-B No Hotel & Revised Pkg Code
Development Costs (2022 $)								
Private Uses	$	142,907,302	$	142,907,302	$	145,599,762	$	145,599,762
Structured Parking		**24,496,154**		**18,010,186**		**23,788,594**		**17,514,894**
Surface Parking		918,000		918,000		918,000		918,000
Utility/Infrastructure		8,416,073		8,091,774		8,515,318		8,201,633
Total:	**$**	**176,737,529**	**$**	**169,927,263**	**$**	**178,821,675**	**$**	**172,234,289**
Gross Building Area		**766,963**		**688,038**		**757,845**	**$**	**681,503**
Cost Per SF	*$*	*230*	*$*	*247*	*$*	*236*	*$*	*253*
Public Share of Structured Parking								
% Share		13.3%		19.0%		13.8%		19.6%
Estimated Contribution	$	3,258,912	$	3,422,905	$	3,271,859	$	3,441,401
Residual Value								
@ 12% Developer Return	**$**	**14,300,000**	**$**	**15,400,000**	**$**	**7,800,000**	**$**	**9,600,000**
@ 18% Developer Return	**$**	**(30,300,000)**	**$**	**(28,200,000)**	**$**	**(35,200,000)**	**$**	**(32,500,000)**

Source: City of Wilton Manors; Marshall & Swift; WTL+a, August 2022.

Table 4: Residual Values at Various Rates-of-Return—Scenario #1A

Developer Return	Residual Value (NPV) In $ Millions	
10%	$	**38,700.0**
11%	$	**25,800.0**
12.0%	$	**14,300.0**
13%	$	**4,300.0**
18%	$	**(30,300.0)**

Unleveraged IRR:	*(2)*	**12.0%**
Return on Investment:	*(3)*	**154.5%**

- The 100-room hotel produces positive residual value starting at a base average daily rate of $130 per room per night. Feasibility is strengthened by higher ADRs (the model uses $150 per room per night), and further enhanced by strong average annual occupancies (increasing from 60% to 75% in years 1—4 with stabilized occupancies of 80.1% starting in year 5) based on the performance of comparable properties;

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Table 5: Consolidated Summary of Financial Feasibility—Scenario #1A

		TOTAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net Operating Income ($000s)														
MF Rental Housing		**$ 90,684.9**	$ -	$ -	$ 2,305.8	$ 6,143.2	$ 9,247.9	$ 9,525.4	$ 9,811.1	$ 10,105.5	$ 10,408.6	$ 10,720.9	$ 11,042.5	$ 11,373.8
Office		**$ 1,532.0**	-	-	69.7	144.0	148.0	153.0	156.9	162.3	166.7	171.9	177.2	182.4
Retail		**$ 4,580.2**	-	-	208.7	431.5	444.0	456.2	469.7	484.5	497.6	513.3	528.9	545.6
Townhouses		**$ 8,543.2**	-	4,208.5	4,334.7	-	-	-	-	-	-	-	-	-
Hotel		**$ 19,544.1**	-	-	1,353.2	1,509.9	1,674.8	1,848.3	2,034.2	2,095.2	2,158.1	2,222.8	2,289.5	2,358.2
Structured Parking		**$ 21,400.7**	-	-	1,178.6	1,990.5	2,050.3	2,111.8	2,175.1	2,240.4	2,307.6	2,376.8	2,448.1	2,521.6
Surface Parking		**$ 7,280.4**	-	568.4	585.5	603.1	621.1	639.8	659.0	678.7	699.1	720.1	741.7	763.9
TOTAL - NOI:		**$ 153,565.5**	**$ -**	**$ 4,776.9**	**$ 10,036.2**	**$ 10,822.3**	**$ 14,186.2**	**$ 14,734.5**	**$ 15,306.1**	**$ 15,766.6**	**$ 16,237.6**	**$ 16,725.9**	**$ 17,227.9**	**$ 17,745.5**
Development Costs ($000s)														
MF Rental Housing		**$ 136,067.3**	$ -	$ 67,028.2	$ 69,039.1	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office		**$ 1,429.1**	-	705.8	723.4	-	-	-	-	-	-	-	-	-
Retail		**$ 5,055.3**	-	2,501.4	2,553.9	-	-	-	-	-	-	-	-	-
Townhouses		**$ 3,969.5**	-	1,955.4	2,014.1	-	-	-	-	-	-	-	-	-
Hotel		**$ 14,641.2**	-	7,212.4	7,428.8	-	-	-	-	-	-	-	-	-
Structured Parking		**$ 29,900.0**	-	14,729.1	15,170.9	-	-	-	-	-	-	-	-	-
Surface Parking		**$ 988.5**	-	487.0	501.6	-	-	-	-	-	-	-	-	-
TOTAL - Development Costs:		**$ 192,050.9**	**$ -**	**$ 94,619.2**	**$ 97,431.7**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Asset Sale Proceeds														
Total Asset Value	*(1)*	**$ 380,234.2**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 380,234.2
Total Cost of Sale		(22,814.1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (22,814.1)
NET CASH FLOW:		**$ 318,934.8**	**$ -**	**$ (89,842.3)**	**$ (87,395.5)**	**$ 10,822.3**	**$ 14,186.2**	**$ 14,734.5**	**$ 15,306.1**	**$ 15,766.6**	**$ 16,237.6**	**$ 16,725.9**	**$ 17,227.9**	**$ 375,165.7**
Net Present Value @	**12.0%**	**$ 14,344.7**												

Residual Value for Various Developer Rates of Return

Developer Return	Residual Value (NPV) In $ Millions
10%	**$ 38,700.0**
11%	**$ 25,800.0**
12.0%	**$ 14,300.0**
13%	**$ 4,300.0**
18%	**$ (30,300.0)**

Unleveraged IRR:	*(2)*	**12.0%**
Return on Investment:	*(3)*	**154.5%**

(1) The analysis assumes reversion (i.e., sale) of selected assets in year 10 of the cash flow, including: multi-family housing, office, retail, hotel and structured parking. This is a customary assumption in real estate pro formas.
(2) Internal Rate of Return (IRR) is the percentage return-on-investment, accounting for the time value of money. Unleveraged IRR does not account for any debt financing.
(3) Return on Investment is Net Cash Flow (Profit) / Initial Investment (i.e., Development + Land Acquisition Costs).

Source: City of Wilton Manors; Marshall & Swift; WTL+a, revised August 2022.

- The 5,000 sq. ft. of proposed office space generates low but positive residual value based on achieved market rents ranging from $25 to $33 per sq. ft. (the model uses $27 per sq. ft. based on comparable properties) even with an assumed tenant improvement (TI) allowance of $25 per sq. ft.;
- The 15,000 sq. ft. of proposed retail spaces generates positive residual value based on achieved market rents ranging from $28 to $36 per sq. ft. (the model uses $29.46 per sq. ft. based on comparable properties). Leases are assumed to be triple net (i.e., each tenant pays for its pro rata share of operating expenses);
- Given the significant increase in both multi-family rents and residential sales prices over the past three years, both for-sale and multi-family housing generate strong residual values. This is based on assumed sales prices for the project's eight townhouses of $1.0 million (based on comparables) and achieved multi-family rents of $3.10 per sq. ft. (e.g., average asking rents at The Metropolitan are $2.94 per sq. ft. for five-year old units, and asking rents at newly-built multi-family in nearby Flagler Village are $3.18 per sq. ft.);
- Surface parking generates strong residual values, in part because development costs are nominal, at achieved hourly rates of $2.00 per hour (the City's current rate is $1.50 per hour); and
- **The significant costs associated with structured parking ($28,760 per space, or $24.5 million in current/2022 dollars) produces *negative* residual values** unless:
  - Hourly rates increase—from $1.50 per hour per space to $2.50 per hour per space, *and*
  - Monthly (reserved) rents of at least $250 per month per space are achieved for the project's private uses (hotel, multi-family housing and commercial uses)

Scenario #1B

- Reducing the City's parking requirements will reduce overall costs; estimated all-in development costs in current/2022 dollars in Scenario #1B are $169.9 million (including infrastructure) for approximately 688,000 sq. ft. of gross building area (equating to $247 per sq. ft.). This includes $18.0 million for structured parking (equating to $28,760 per space) in *uninflated*/current 2022 dollars; the City's share for the 108 public parking spaces located in structured parking is estimated at $3.24 million, or 19.0% of total structured parking costs;

- **At a 12% return, Scenario #1B produces the strongest positive residual value of all four scenarios in the range of $15.4 million.** However, at threshold/minimum returns of 18%, residual value is *negative* **($28.2 million)**;

Table 6: Residual Value at Various Rates-of-Return—Scenario #1B

Developer Return	Residual Value (NPV) In $ Millions	
10%	$	39,200.0
11%	$	26,500.0
12.0%	$	15,400.0
13%	$	5,600.0
18%	$	(28,200.0)
Unleveraged IRR:	*(2)*	**12.0%**
Return on Investment:	*(3)*	**155.9%**

- All other metrics, performance measures and assumptions for Scenario #1B's other uses, including hotel, office/retail, townhouses and multi-family uses are similar to Scenario #1A as detailed above.

Table 7: Consolidated Summary of Financial Feasibility—Scenario #1B

	TOTAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net Operating Income ($000s)													
MF Rental Housing	**$ 90,684.9**	$ -	$ -	$ 2,305.8	$ 6,143.2	$ 9,247.9	$ 9,525.4	$ 9,811.1	$ 10,105.5	$ 10,408.6	$ 10,720.9	$ 11,042.5	$ 11,373.8
Office	**$ 1,532.0**	-	-	69.7	144.0	148.0	153.0	156.9	162.3	166.7	171.9	177.2	182.4
Retail	**$ 4,580.2**	-	-	208.7	431.5	444.0	456.2	469.7	484.5	497.6	513.3	528.9	545.6
Townhouses	**$ 8,543.2**	-	4,208.5	4,334.7	-	-	-	-	-	-	-	-	-
Hotel	**$ 19,544.1**	-	-	1,353.2	1,509.9	1,674.8	1,848.3	2,034.2	2,095.2	2,158.1	2,222.8	2,289.5	2,358.2
Structured Parking	**$ 16,440.6**	-	-	952.4	1,524.6	1,570.3	1,617.4	1,665.9	1,715.9	1,767.4	1,820.4	1,875.0	1,931.3
Surface Parking	**$ 7,280.4**	-	568.4	585.5	603.1	621.1	639.8	659.0	678.7	699.1	720.1	741.7	763.9
TOTAL - NOI:	**$ 148,605.3**	**$ -**	**$ 4,776.9**	**$ 9,810.0**	**$ 10,356.3**	**$ 13,706.2**	**$ 14,240.1**	**$ 14,796.9**	**$ 15,242.1**	**$ 15,697.4**	**$ 16,169.5**	**$ 16,654.8**	**$ 17,155.2**
Development Costs ($000s)													
MF Rental Housing	**$ 136,389.6**	$ -	$ 67,187.0	$ 69,202.6	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office	**$ 1,433.4**	-	707.8	725.5	-	-	-	-	-	-	-	-	-
Retail	**$ 5,068.0**	-	2,507.6	2,560.4	-	-	-	-	-	-	-	-	-
Townhouses	**$ 3,985.7**	-	1,963.4	2,022.3	-	-	-	-	-	-	-	-	-
Hotel	**$ 14,683.1**	-	7,233.1	7,450.1	-	-	-	-	-	-	-	-	-
Structured Parking	**$ 22,169.0**	-	10,920.7	11,248.3	-	-	-	-	-	-	-	-	-
Surface Parking	**$ 988.5**	-	487.0	501.6	-	-	-	-	-	-	-	-	-
TOTAL - Development Costs:	**$ 184,717.5**	**$ -**	**$ 91,006.7**	**$ 93,710.8**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Asset Sale Proceeds													
Total Asset Value *(1)*	**$ 370,396.1**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 370,396.1
Total Cost of Sale	(22,223.8)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (22,223.8)
NET CASH FLOW:	**$ 312,060.2**	**$ -**	**$ (86,229.8)**	**$ (83,900.8)**	**$ 10,356.3**	**$ 13,706.2**	**$ 14,240.1**	**$ 14,796.9**	**$ 15,242.1**	**$ 15,697.4**	**$ 16,169.5**	**$ 16,654.8**	**$ 365,327.5**
Net Present Value @ 12.0%	**$ 15,387.0**												

Residual Value for Various Developer Rates of Return

Developer Return	Residual Value (NPV) In $ Millions
10%	**$ 39,200.0**
11%	**$ 26,500.0**
12.0%	**$ 15,400.0**
14%	**$ 1,100.0**
18%	**$ (28,200.0)**

Unleveraged IRR: *(2)* **12.0%**

Return on Investment: *(3)* **155.9%**

(1) The analysis assumes reversion (i.e., sale) of selected assets in year 10 of the cash flow, including: multi-family housing, office, retail, hotel and structured parking. This is a customary assumption in real estate pro formas.
(2) Internal Rate of Return (IRR) is the percentage return-on-investment, accounting for the time value of money. Unleveraged IRR does not account for any debt financing.
(3) Return on Investment is Net Cash Flow (Profit) / Initial Investment (i.e., Development + Land Acquisition Costs).

Source: City of Wilton Manors; Marshall & Swift; WTL+a, revised August 2022.

Scenario #2A

- Scenario #2A eliminates the 100-room hotel and adds 50 additional housing units, for a total of 438 multi-family units. Estimated all-in development costs in current/2022 dollars in Scenario #2A are $178.8 million (including infrastructure) for approximately 757,800 sq. ft. of gross building area (equating to $236 per sq. ft.). This includes $23.7 million for structured parking (equating to $28,760 per space) in *uninflated*/current 2022 dollars; the City's share for the 108 public parking spaces located in structured parking is estimated at $3.27 million, or 13.8% of total structured parking costs;
- **At a 12% return, Scenario #2A produces lower, but still positive residual value in the range of $7.8 million.** The lower residual value is attributable to the extra costs associated with providing parking for the additional 50 multi-family units as the scenario assumes the City's existing parking codes are applied. At threshold/minimum returns of 18%, residual value is significantly *negative* **($35.2 million)**;

Table 8: Residual Value at Various Rates-of-Return—Scenario #2A

Developer Return		Residual Value (NPV) In $ Millions
10%	$	**31,400.0**
11%	$	**18,800.0**
12.0%	**$**	**7,800.0**
13%	**$**	**(1,900.0)**
18%	**$**	**(35,200.0)**
Unleveraged IRR:	*(2)*	**12.0%**
Return on Investment:	*(3)*	**150.7%**

WTL+a

Table 9: Consolidated Summary of Financial Feasibility—Scenario #2A

		TOTAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net Operating Income ($000s)														
MF Rental Housing		**$ 102,073.9**	$ -	$ -	$ 2,305.8	$ 6,934.9	$ 10,439.7	$ 10,752.9	$ 11,075.5	$ 11,407.7	$ 11,750.0	$ 12,102.5	$ 12,465.5	$ 12,839.5
Office		**$ 1,532.0**	-	-	69.7	144.0	148.0	153.0	156.9	162.3	166.7	171.9	177.2	182.4
Retail		**$ 4,580.2**	-	-	208.7	431.5	444.0	456.2	469.7	484.5	497.6	513.3	528.9	545.6
Townhouses		**$ 8,543.2**	-	4,208.5	4,334.7	-	-	-	-	-	-	-	-	-
Hotel		**$ -**	-	-	-	-	-	-	-	-	-	-	-	-
Structured Parking		**$ 20,859.6**	-	-	1,153.9	1,939.7	1,997.9	2,057.8	2,119.6	2,183.2	2,248.7	2,316.1	2,385.6	2,457.2
Surface Parking		**$ 7,280.4**	-	568.4	585.5	603.1	621.1	639.8	659.0	678.7	699.1	720.1	741.7	763.9
TOTAL - NOI:		**$ 144,869.3**	**$ -**	**$ 4,776.9**	**$ 8,658.3**	**$ 10,053.2**	**$ 13,650.7**	**$ 14,059.7**	**$ 14,480.7**	**$ 14,916.4**	**$ 15,362.0**	**$ 15,823.9**	**$ 16,298.9**	**$ 16,788.6**
Development Costs ($000s)														
MF Rental Housing		**$ 153,494.0**	$ -	$ 75,612.8	$ 77,881.2	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office		**$ 1,427.9**	-	705.1	722.7	-	-	-	-	-	-	-	-	-
Retail		**$ 5,051.5**	-	2,499.5	2,552.0	-	-	-	-	-	-	-	-	-
Townhouses		**$ 3,964.6**	-	1,953.0	2,011.6	-	-	-	-	-	-	-	-	-
Hotel		**$ -**	-	-	-	-	-	-	-	-	-	-	-	-
Structured Parking		**$ 28,963.7**	-	14,267.8	14,695.9	-	-	-	-	-	-	-	-	-
Surface Parking		**$ 1,393.3**	-	686.4	706.9	-	-	-	-	-	-	-	-	-
TOTAL - Development Costs:		**$ 194,295.1**	**$ -**	**$ 95,724.7**	**$ 98,570.4**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Asset Sale Proceeds														
Total Asset Value	*(1)*	**$ 376,500.7**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 376,500.7
Total Cost of Sale		(22,590.0)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (22,590.0)
NET CASH FLOW:		**$ 304,484.9**	**$ -**	**$ (90,947.8)**	**$ (89,912.1)**	**$ 10,053.2**	**$ 13,650.7**	**$ 14,059.7**	**$ 14,480.7**	**$ 14,916.4**	**$ 15,362.0**	**$ 15,823.9**	**$ 16,298.9**	**$ 370,699.3**
Net Present Value @	**12.0%**	**$ 7,801.4**												

Residual Value for Various Developer Rates of Return

Developer Return	**Residual Value (NPV) In $ Millions**
10%	**$ 31,400.0**
11%	**$ 18,800.0**
12.0%	**$ 7,800.0**
13%	**$ (1,900.0)**
18%	**$ (35,200.0)**

Unleveraged IRR:	*(2)*	**12.0%**
Return on Investment:	*(3)*	**150.7%**

(1) The analysis assumes reversion (i.e., sale) of selected assets in year 10 of the cash flow, including: multi-family housing, office, retail, hotel and structured parking. This is a customary assumption in real estate pro formas.
(2) Internal Rate of Return (IRR) is the percentage return-on-investment, accounting for the time value of money. Unleveraged IRR does not account for any debt financing.
(3) Return on Investment is Net Cash Flow (Profit) / Initial Investment (i.e., Development + Land Acquisition Costs).

Source: City of Wilton Manors; Marshall & Swift; WTL+a, revised August 2022.

- All other metrics, performance measures and assumptions for Scenario #2A's other uses, including office/retail, townhouses and multi-family uses are similar as the other two scenarios detailed above. Notably, replacing the 100-room hotel with 50 additional multi-family units produces positive residual value at a base rent of $3.05 per sq. ft. (the model uses $3.10 per sq. ft.).

Scenario #2B

- Scenario #2B eliminates the 100-room hotel, adds 50 additional housing units for a total of 438 multi-family units and reduces the City's parking code by approximately 30%. Estimated all-in development costs in current/2022 dollars in Scenario #2B are $172.2 million (including infrastructure) for approximately 681,500 sq. ft. of gross building area (equating to $253 per sq. ft.). Costs include $17.5 million for structured parking (equating to $28,760 per space) in *uninflated*/current 2022 dollars; the City's share for the 108 public parking spaces located in structured parking is estimated at $3.44 million, or 19.6% of total structured parking costs;

- **At a 12% return, Scenario #2B produces lower, but still positive residual value in the range of $9.6 million.** The lower residual value is attributable to the extra costs associated with providing parking for the additional 50 multi-family units even after applying a reduction in the City's parking code. At threshold/minimum returns of 18%, residual value is significantly *negative* **($32.5 million)**;

Table 10: Residual Value at Various Rates-of-Return—Scenario #2B

Developer Return		Residual Value (NPV) In $ Millions
10%	$	32,600.0
11%	$	20,300.0
12.0%	$	9,600.0
13%	$	100.0
18%	$	(32,500.0)

Unleveraged IRR:	*(2)*	**12.0%**
Return on Investment:	*(3)*	**151.9%**

Table 11: Consolidated Summary of Financial Feasibility—Scenario #2B

		TOTAL	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Net Operating Income ($000s)														
MF Rental Housing		**$ 103,134.6**	$ -	$ -	$ 3,366.5	$ 6,934.9	$ 10,439.7	$ 10,752.9	$ 11,075.5	$ 11,407.7	$ 11,750.0	$ 12,102.5	$ 12,465.5	$ 12,839.5
Office		**$ 1,532.0**	-	-	69.7	144.0	148.0	153.0	156.9	162.3	166.7	171.9	177.2	182.4
Retail		**$ 4,580.2**	-	-	208.7	431.5	444.0	456.2	469.7	484.5	497.6	513.3	528.9	545.6
Townhouses		**$ 8,543.2**	-	4,208.5	4,334.7	-	-	-	-	-	-	-	-	-
Hotel		**$ -**	-	-	-	-	-	-	-	-	-	-	-	-
Structured Parking		**$ 16,061.8**	-	-	935.1	1,489.0	1,533.7	1,579.7	1,627.1	1,675.9	1,726.1	1,777.9	1,831.3	1,886.2
Surface Parking		**$ 7,280.4**	-	568.4	585.5	603.1	621.1	639.8	659.0	678.7	699.1	720.1	741.7	763.9
TOTAL - NOI:		**$ 141,132.2**	**$ -**	**$ 4,776.9**	**$ 9,500.2**	**$ 9,602.4**	**$ 13,186.5**	**$ 13,581.5**	**$ 13,988.2**	**$ 14,409.1**	**$ 14,839.5**	**$ 15,285.7**	**$ 15,744.5**	**$ 16,217.6**
Development Costs ($000s)														
MF Rental Housing		**$ 154,092.2**	$ -	$ 75,907.5	$ 78,184.7	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office		**$ 1,434.8**	-	708.6	726.3	-	-	-	-	-	-	-	-	-
Retail		**$ 5,072.5**	-	2,509.8	2,562.6	-	-	-	-	-	-	-	-	-
Townhouses		**$ 3,991.4**	-	1,966.2	2,025.2	-	-	-	-	-	-	-	-	-
Hotel		**$ -**	-	-	-	-	-	-	-	-	-	-	-	-
Structured Parking		**$ 21,622.3**	-	10,651.4	10,970.9	-	-	-	-	-	-	-	-	-
Surface Parking		**$ 988.5**	-	487.0	501.6	-	-	-	-	-	-	-	-	-
TOTAL - Development Costs:		**$ 187,201.7**	**$ -**	**$ 92,230.4**	**$ 94,971.3**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Asset Sale Proceeds														
Total Asset Value	*(1)*	**$ 366,984.5**	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 366,984.5
Total Cost of Sale		(22,019.1)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (22,019.1)
NET CASH FLOW:		**$ 298,895.9**	**$ -**	**$ (87,453.5)**	**$ (85,471.1)**	**$ 9,602.4**	**$ 13,186.5**	**$ 13,581.5**	**$ 13,988.2**	**$ 14,409.1**	**$ 14,839.5**	**$ 15,285.7**	**$ 15,744.5**	**$ 361,183.1**
Net Present Value @	**12.0%**	**$ 9,564.5**												

Residual Value for Various Developer Rates of Return

Developer Return		**Residual Value (NPV) In $ Millions**
10%	**$**	**32,600.0**
11%	**$**	**20,300.0**
12.0%	**$**	**9,600.0**
13%	**$**	**100.0**
18%	**$**	**(32,500.0)**

Unleveraged IRR:	*(2)*	**12.0%**
Return on Investment:	*(3)*	**151.9%**

(1) The analysis assumes reversion (i.e., sale) of selected assets in year 10 of the cash flow, including: multi-family housing, office, retail, hotel and structured parking. This is a customary assumption in real estate pro formas.
(2) Internal Rate of Return (IRR) is the percentage return-on-investment, accounting for the time value of money. Unleveraged IRR does not account for any debt financing.
(3) Return on Investment is Net Cash Flow (Profit) / Initial Investment (i.e., Development + Land Acquisition Costs).

Source: City of Wilton Manors; Marshall & Swift; WTL+a, revised August 2022.

- All other metrics, performance measures and assumptions for Scenario #2B's other uses, including office/retail, townhouses and multi-family uses are similar as the other three scenarios detailed above. Notably, replacing the 100-room hotel with 50 additional multi-family units produces positive residual value at a base rent of $3.05 per sq. ft. (the model uses $3.10 per sq. ft.).

Hotel Market Performance

Given the significant impacts on the hotel and hospitality industries generated by the 2020—2021 global pandemic, WTL+a evaluated market conditions and performance in the hotel market surrounding Wilton Manors. This analysis is intended to guide public decisions regarding a hotel as part of the proposed development program on the City Hall site. Key performance metrics are illustrated in Table 17 and Table 18 in the Appendix and summarized below:

- In concert with City staff and RMCG, 12 nearby properties containing 1,610 rooms were selected for analysis. These properties, located near the airport or the beach as well as on commercial corridors, reflect a diverse mix of industry classifications (such as "select-" and "full-service"). According to STR Global, an international hotel database, the 1,610 rooms account for 4% of the 39,300+ hotel rooms in Broward County;

- **Prior to the pandemic market performance was strong, with average annual occupancies among these 12 properties ranged from 81% to 89.5%** between 2014 and 2019. (By comparison, the capital markets/Wall Street typically seek *sustained* annual occupancies between 65% and 72% when considering financing new hotel construction). WTL notes that hotel performance among these 12 properties is also directly impacted by locational characteristics—such as proximity to Fort Lauderdale Beach and adjacency to Fort Lauderdale—Hollywood International Airport. These are considered "demand generators" that affect overall market performance;

- Market performance was severely impacted during the pandemic in 2020—**occupancies declined by 34% to 56.6% by year-end 2020**. WTL notes that this is still higher than the performance recorded in other hotels with less favorable locational characteristics. Other performance metrics—such as average daily rate (ADR) and revenue per available room (REVPAR)—also declined. In fact, ADRs decreased by 15% and REVPAR dropped by 44%; and

- Notably, 2021 was a year of recovery; in South Florida, the area's hotel market has recovered significantly faster than in other locations around the U.S. In fact, **annual occupancies jumped by 37% to 77.9% at year-end 2021**. ADRs increased by almost 7% and REVPAR increased by almost 47% from 2020. Improvements continued into the first quarter of 2022—with occupancies reaching 88% (reflective of the peak winter months).

In conclusion, despite the short-term challenges caused by the pandemic, **overall performance metrics of these selected properties remains extraordinarily strong**. Occupancies remain well-above the thresholds required by the capital markets when considering financing new hotel construction. As a result, developers and hotel operators evaluating these measures are responding with proposals for new hotel development in nearby locations, including Wilton Manors.

Fiscal Impacts

Estimates of the potential ad valorem/property tax revenues accruing to the City of Wilton Manors from redevelopment of the Municipal Complex were prepared by RMCG. Key assumptions include:

- An approximate buildout value of $176.6 million (in current/2022 $);
- Utilization of the City's current millage rate of $5.9000 per $1,000 of assessed value;
- A 95% collection rate; and
- An annual inflation factor of 4% per year.

As illustrated in Table 12, RMCG estimates that **redevelopment could potentially generate almost $29.5 million in annual ad valorem/property tax revenues to the City's General Fund over a 20-year period.**

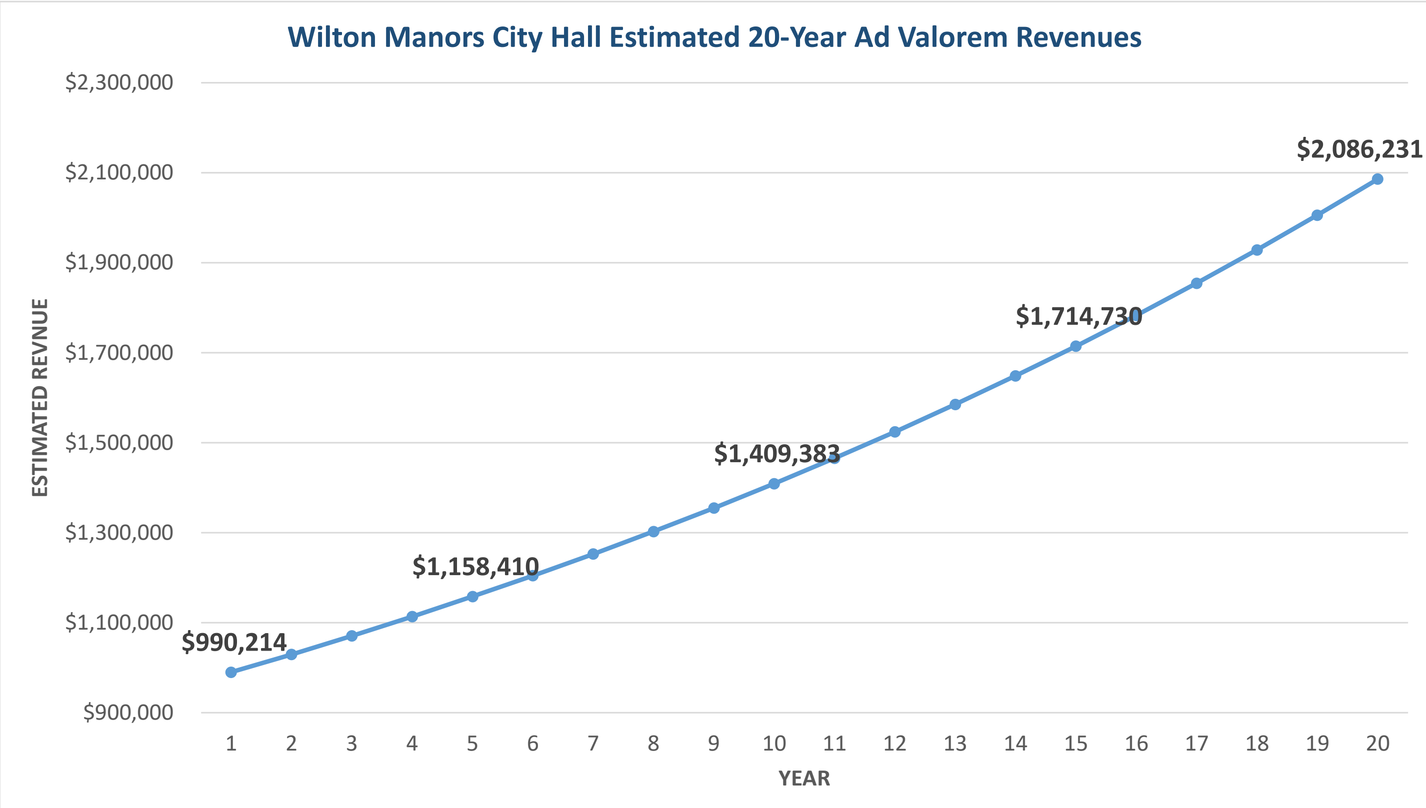
Table 12: Estimated Annual Ad Valorem/Property Tax Revenues at Buildout

Year	Fiscal Year	Estimated Annual Increase in Assessed Value @ 4% Per Year	Estimated Annual Ad Valorem Revenues
	2026	-	-
1	2027	$ 176,666,129	$ 990,214
2	2028	183,732,774	1,029,822
3	2029	191,082,085	1,071,015
4	2030	198,725,369	1,113,856
5	2031	206,674,383	1,158,410
6	2032	214,941,359	1,204,746
7	2033	223,539,013	1,252,936
8	2034	232,480,573	1,303,054
9	2035	241,779,796	1,355,176
10	2036	251,450,988	1,409,383
11	2037	261,509,028	1,465,758
12	2038	271,969,389	1,524,388
13	2039	282,848,164	1,585,364
14	2040	294,162,091	1,648,779
15	2041	305,928,575	1,714,730
16	2042	318,165,718	1,783,319
17	2043	330,892,346	1,854,652
18	2044	344,128,040	1,928,838
19	2045	357,893,162	2,005,991
20	2046	372,208,888	2,086,231
TOTAL:		**$ 5,260,777,871**	**$ 29,486,660**

Assumptions:	
Project Value	**$ 176,666,129**
City Millage Rate	**$ 5.9000**
Collection Rate	**95%**

Source: City of Wilton Manors; RMCG; October 2022.

Figure 2: Estimated 20-Year Ad Valorem Revenues



City Objectives/Issues

The financial feasibility analysis considered the following objectives/issues as defined by the City of Wilton Manors:

- Impacts of the Coronavirus pandemic on the City's retail and hospitality markets;
- Significant volatility and increases in construction and materials costs;
- Availability of construction financing and factors affecting redevelopment potentials, such as increasing interest rates;
- Advantages/disadvantages of potential property disposition strategies (e.g., fee simple sale, long-term ground lease, joint development or public-private partnership with a selected developer, etc.);

- Hard and soft construction costs in light of significant increases and fluctuations in materials costs since the pandemic began in March 2020 to understand impacts on overall project viability;
- Specific strengths and weaknesses/challenges of the development program and measuring overall investment viability of specific land uses, including market-rate housing, workplace/office, supporting retail and hotel/lodging, to understand whether the project could attract private investment;
- Whether sufficient market support remains for a select-service hotel (as identified in the HVS hotel study completed in January 2019);
- Impacts of specific disposition strategies, including fee simple sale of sub-parcels versus long-term ground leases, to inform City decisions regarding potential disposition strategies. As the City prefers a ground lease structure, ramifications on specific uses (such as residential condominiums) need to be clear;
- Potential impacts on private parking associated with specific land uses while ensuring no loss of public parking spaces given the significant costs of structured parking; and
- “Residual value” generated by specific uses that could be used to fund land acquisition or long-term ground lease payments; offset public realm/infrastructure improvements; and/or serve as dedicated revenues to the City of Wilton Manors after the developer’s investment return thresholds are met.

Methodology & Key Assumptions

The financial feasibility models utilized the following key assumptions:

- A 10-year cash flow/pro forma, which reflects a customary holding period in the real estate industry, with reversion (i.e., sale) of the asset in its entirety at the end of the holding period—another industry standard;
- Commercial office, retail and multi-family rents, timing/phasing, absorption, etc. are based on local market and/or industry inputs;

- Hard and soft development costs are based on local or regional market comparable projects as provided during stakeholder interviews and/or South Florida industry standards;
- Site development and infrastructure costs are unknown at this time. Since such costs will not be known until detailed engineering and cost estimates are prepared by the City or selected developer(s) and actual bids are received, the models assume these costs equate to 5% of hard and soft construction costs;
- **Minimum investment returns of 12%** to the selected developer(s) across all uses. We note that developer returns typically vary by use and location and may vary to as much as 18% or 20%. Minimum investment returns sought by the selected developer(s) could potentially impact the amount of "residual value" generated by the project;
- The use of *updated* market inputs (see Appendix Table 17) as identified in the previous hotel market study report prepared by HVS Consulting & Valuation on behalf of the City of Wilton Manors (January 2019):
    - 100 rooms with delivery in 2024
    - Average daily rate (ADR) of $150 per room per night
    - Annual occupancies ranging from 60% to 75% during the hotel's first four years of operation
    - Stabilized annual occupancies of 80.1% per year thereafter;
- The use of market inputs as identified in the parking study prepared by Lanier Parking Solutions on behalf of the City of Wilton Manors (January 2017), including average occupancies and parking fees;
- Equal distributions of infrastructure costs according to the proportion of gross building area across all uses. The allocation of actual infrastructure costs will not be known until more detailed cost estimates are prepared (i.e., townhouses will not have the same infrastructure/utility costs as a mid-rise hotel or multi-family building); and
- As noted above, a primary objective of the analysis is to determine "residual value," that is, what a developer could potentially pay for land, infrastructure costs and/or

public realm improvements. Therefore, land costs are based on current (2022) market/just values as provided by the Broward County Property Appraiser. The four iterations of Scenario #1 assume development only on the developable envelope of city-owned land, or 7.303 acres. The 2022 just/market value of city-owned parcels is $4.87 million, reflecting an increase of 13.7% over the 2019 value of $4.28 million.

Appendix

Table 13: Selected Commercial & Multi-family Comparables

Comparable Properties	Performance Metrics			
Multi-family				
Wilton Manors	**Units**	**Unit Size (SF)**	**Asking Rent**	**Rent/SF**
Metropolitan Wilton	**179**	**1,012**	**$ 2,980**	**$ 2.94**
Fort Lauderdale				
Quantum at Flagler Village	337	991	$ 3,492	$ 3.52
EON Squared	475	898	$ 2,965	$ 3.30
Motif at Flagler Village	385	944	$ 2,600	$ 2.75
The Edge at Flagler Village	331	909		
The Whitney	386	972	$ 3,168	$ 3.26
The Manor at Flagler Village	382	964	$ 2,741	$ 2.84
Emera Port Royale	555	907	$ 2,975	$ 3.28
Total/Weighted Average:	**2,851**	**937**	**$ 2,979**	**$ 3.18**
Average Units/Project	*407*			
Pompano Beach				
Envoy Pompano Beach	214	1,014	$ 2,790	$ 2.75
Morea	327	920	$ 2,271	$ 2.47
Heritage at Pompano Station	116			
Saba Pompano Beach	144	952	$ 2,277	$ 2.39
Avana Bayview	225	1,095	$ 2,813	$ 2.57
Total/Weighted Average:	**1,026**	**990**	**$ 2,528**	**$ 2.55**
Average Units/Project	*205*			
Office (2- & 3-Star Properties)				
	Bldg. Size (SF)		**Asking Rent**	**Operating Exp.**
Overall Submarket			**$ 27.06**	
2040 N. Dixie Highway	23,850		$ 23.81	
1501 Building/1501 NE 26th St.	21,239		$ 25.00	
1881 NE 26th St./Wilton Plaza	15,612	(Street-level)	$ 28.00	
2201 Wilton Drive	7,793		$ 39.60	
1732 NE 26th Street	7,658		$ 26.41	
727 NE 3rd Avenue	7,326		$ 32.00	$ 6.00
2500-2550 NE 15th Avenue	5,982		$ 26.56	NNN
Total/Weighted Average:	**89,460**		**$ 27.28**	
Average Building Size	*12,780*			
Retail				
	Bldg. Size (SF)		**Asking Rent**	**Operating Exp.**
Overall Submarket			**$ 28.97**	
2270 Wilton Drive/Shoppes of WM	45,450		$ 30.00	NNN
2205 Wilton Drive/Plaza Dee	20,401		$ 32.85	
2150 Wilton Drive/Gables	18,000	(Street-level)	$ 35.00	NNN
1201 NE 26th St./Wilton Station	17,707		$ 16.63	
2301 Wilton Drive/Isl City Lofts	17,668	(Street-level)	$ 32.48	Full-service
2360 Wilton Drive/Belle Isle	14,268		$ 26.64	
2374 Wilton Drive	2,269		$ 38.83	NNN
Total/Weighted Average:	**135,763**		**$ 29.46**	
Average Building Size	*19,395*			
Townhouses (Built Since 2020 or New Construction)				
	Unit Size (SF)		**Asking Price**	**Price/SF**
907 NE 16th Avenue (FLL)	2,482		$ 1,590,000	$ 641
2213 NE 5th Avenue	2,325		$ 1,050,000	$ 452
1801 NE 13th Street (FLL)	2,036		$ 830,000	$ 408
Gardenia Park (FLL)	1,795		$ 533,990	$ 297
Gardenia Park (FLL)	1,754		$ 548,990	$ 313
405 NE 35th Court (OP)	1,225		$ 500,000	$ 408
Total/Weighted Average:	**11,617**		**$ 5,052,980**	**$ 434.96**
Average Unit Size & Price	*1,936*		*$ 842,163*	

Source: CoStar, Inc.; WTL+a, revised August 2022.

WTL+a

Table 14: Office Market Performance—City of Wilton Manors, 2007—2021

			National Recession & Recovery											Pandemic		Change: 2007-2021		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	Ann'l Avg.	% CAGR
Inventory	198,550	198,550	198,550	198,550	198,550	198,550	198,550	198,550	198,550	198,550	198,550	198,550	198,550	198,550	198,550	-		
As % of Broward County																		
No. of Buildings/Centers	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	-		
Vacant Stock	2,700	5,510	24,110	25,900	25,687	4,500	-	15,500	1,300	800	4,799	3,050	11,660	4,002	1,967	**(733)**		**-2.2%**
Vacancy Rate	*1.4%*	*2.8%*	*12.1%*	*13.0%*	*12.9%*	*2.3%*	*0.0%*	*7.8%*	*0.7%*	*0.4%*	*2.4%*	*1.5%*	*5.9%*	*2.0%*	*1.0%*			
Available Stock	2,700	6,710	25,310	31,100	26,887	6,249	1,749	21,218	6,218	8,200	3,635	3,050	14,780	7,022	7,287			**7.3%**
Vacancy Rate	*1.4%*	*3.4%*	*12.7%*	*15.7%*	*13.5%*	*3.1%*	*0.9%*	*10.7%*	*3.1%*	*4.1%*	*1.8%*	*1.5%*	*7.4%*	*3.5%*	*3.7%*			
Net Absorption:	**4,400**	**(2,810)**	**(18,600)**	**(1,790)**	**213**	**21,187**	**4,500**	**(15,500)**	**14,200**	**500**	**(3,999)**	**1,749**	**(8,610)**	**7,658**	**2,035**	**5,133**	**342**	
Past 5 Years																**(1,167)**	**(233)**	
Construction Deliveries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Gross Rent/SF	$ 18.41	$ 18.41	$ 40.57	$ 15.54	$ 15.04	$ 21.81	$ 22.61	$ 17.95	$ 21.34	$ 20.80	$ 26.40	$ 22.75	$ 30.52	$ 33.91	$ 34.21			**4.5%**
Average Annual % Change	-	*0.0%*	*120.4%*	*-61.7%*	*-3.2%*	*45.0%*	*3.7%*	*-20.6%*	*18.9%*	*-2.5%*	*26.9%*	*-13.8%*	*34.2%*	*11.1%*	*0.9%*			
Base Rent/SF (NNN)	$ 16.28	$ 12.42	$ 32.00	$ 13.35	$ 13.34	$ 22.82	$ 22.07	$ 17.72	$ 20.27	$ 21.04	$ 25.14	$ 22.75	$ 24.47	$ 24.08	$ 25.57			**3.3%**

Source: CoStar, Inc.; WTL+a, March 2022.

WTL+a

Table 15: Retail Market Performance—City of Wilton Manors, 2007—2021

			National Recession & Recovery											Pandemic		Change: 2007-2021		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	Ann'l Avg.	% CAGR
Inventory	702,474	784,941	789,488	786,688	792,202	792,202	792,202	788,600	788,600	781,175	781,175	781,175	781,175	781,175	786,175	**83,701**		
As % of Broward County																		
No. of Buildings/Centers	95	96	97	96	97	97	97	95	95	94	94	94	94	94	95	**-**		
Vacant Stock	21,702	54,207	76,243	76,015	61,140	62,046	59,179	52,101	60,941	89,356	67,886	70,735	72,272	76,320	26,638	**4,936**		**1.5%**
Vacancy Rate	*3.1%*	*6.9%*	*9.7%*	*9.7%*	*7.7%*	*7.8%*	*7.5%*	*6.6%*	*7.7%*	*11.4%*	*8.7%*	*9.1%*	*9.3%*	*9.8%*	*3.4%*			
Available Stock	23,325	56,408	84,919	102,493	87,063	69,527	60,879	65,532	73,471	96,245	78,187	73,918	84,026	69,148	31,876			**2.3%**
Vacancy Rate	*3.3%*	*7.2%*	*10.8%*	*13.0%*	*11.0%*	*8.8%*	*7.7%*	*8.3%*	*9.3%*	*12.3%*	*10.0%*	*9.5%*	*10.8%*	*8.9%*	*4.1%*			
Net Absorption:	**61,134**	**49,962**	**(17,489)**	**(2,572)**	**20,389**	**(906)**	**2,867**	**3,476**	**(8,840)**	**(35,840)**	**21,470**	**(2,849)**	**(1,537)**	**(4,048)**	**54,682**	**139,899**	**9,327**	
Past 5 Years																**67,718**	**13,544**	
Construction Deliveries	62,191	83,382	4,547	-	5,514	-	-	-	-	-	-	-	-	-	5,000	160,634		
Gross Rent/SF	$ 21.01	$ 19.13	$ 17.39	$ 18.88	$ 18.36	$ 22.57	$ 21.27	$ 24.91	$ 22.80	$ 23.30	$ 25.24	$ 27.97	$ 29.36	$ 24.09	$ 30.85			**2.8%**
Average Annual % Change	-	*-8.9%*	*-9.1%*	*8.6%*	*-2.8%*	*22.9%*	*-5.8%*	*17.1%*	*-8.5%*	*2.2%*	*8.3%*	*10.8%*	*5.0%*	*-17.9%*	*28.1%*			
Base Rent/SF (NNN)	$ 20.81	$ 19.75	$ 17.61	$ 19.14	$ 18.09	$ 22.17	$ 19.48	$ 24.21	$ 22.33	$ 23.53	$ 28.82	$ 28.84	$ 29.95	$ 23.87	$ 33.37			**3.4%**

Source: CoStar, Inc.; WTL+a, March 2022.

WTL+a

Table 16: Multi-family Market Performance—City of Wilton Manors, 2007—2021

			National Recession & Recovery											Pandemic		Change: 2007-2021		
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total	Ann'l Avg.	% CAGR
Inventory (Units)	769	769	917	920	920	920	920	920	920	920	915	915	915	915	963	**194**		
No. of Buildings	62	62	64	65	65	65	65	65	65	65	64	64	64	64	65	**3**		
Vacant Stock (Units)	144	148	225	166	149	142	133	130	130	133	97	54	76	55	28	**(116)**		
Vacancy Rate	*18.7%*	*19.2%*	*24.5%*	*18.0%*	*16.2%*	*15.4%*	*14.5%*	*14.1%*	*14.1%*	*14.5%*	*10.6%*	*5.9%*	*8.3%*	*6.0%*	*2.9%*			**-12.5%**
Total Net Absorption (Units)	**(14)**	**(5)**	**71**	**63**	**18**	**7**	**9**	**3**	**-**	**(3)**	**32**	**44**	**(22)**	**21**	**76**	**300**	**20**	
Past 5 Years																**151**	**30**	
Construction Deliveries	-	-	148	3	-	-	-	-	-	-	-	-	-	-	48	**199**		
Average Unit Size (SF)	845	845	896	896	896	896	896	896	896	896	896	896	896	896	896			
Average Monthly Rent	$ 1,193	$ 1,158	$ 1,106	$ 1,142	$ 1,161	$ 1,187	$ 1,212	$ 1,238	$ 1,297	$ 1,371	$ 1,441	$ 1,484	$ 1,489	$ 1,532	$ 1,834			**3.1%**
Per SF Rent	$ 1.38	$ 1.34	$ 1.28	$ 1.33	$ 1.35	$ 1.38	$ 1.41	$ 1.44	$ 1.51	$ 1.60	$ 1.68	$ 1.73	$ 1.73	$ 1.78	$ 2.15			**3.2%**
Average Annual % Change		*-2.9%*	*-4.5%*	*3.9%*	*1.5%*	*2.2%*	*2.2%*	*2.1%*	*4.9%*	*6.0%*	*5.0%*	*3.0%*	*0.0%*	*2.9%*	*20.8%*			

Source: CoStar, Inc.; WTL+a, March 2022.

Table 17: Hotel Market Performance by Year—City of Wilton Manors, 2014—2021

	2014	2015	2016	2017	2018	2019	Pandemic 2020	2021	Thru Apr 2022	CHANGE: 2014-2021 Average	CAGR
Performance Characteristics											(1)
Number of Rooms (Average Over Year)	726	727	727	825	1,097	1,244	1,311	1,507	1,610		
Available Room Nights (Supply)	265,021	265,355	265,355	301,105	400,441	454,060	478,670	550,228	193,200	**372,529**	**11.00%**
Occupied Room Nights (Demand)	237,150	237,891	235,882	262,370	324,771	390,732	271,135	428,361	169,933	**298,537**	**8.81%**
Annual Occupancy (%)	**89.5%**	**89.7%**	**88.9%**	**87.1%**	**81.1%**	**86.1%**	**56.6%**	**77.9%**	**88.0%**	**80.1%**	**-1.97%**
Average Daily Rate	$ 125.22	$ 137.79	$ 144.65	$ 145.37	$ 143.49	$ 137.36	$ 116.68	$ 124.48	$ 177.78	**$ 133.97**	**-0.08%**
(2) Revenue Per Available Room	$ 112.05	$ 123.53	$ 128.58	$ 126.67	$ 116.37	$ 118.21	$ 66.09	$ 96.91	$ 156.37	**$ 107.36**	**-2.05%**
Year-to-Year % Growth											
Annual Occupancy	-	0.2%	(0.8%)	(2.0%)	(6.9%)	6.1%	(34.2%)	37.4%	13.0%		
Average Daily Rate	-	10.0%	5.0%	0.5%	(1.3%)	(4.3%)	(15.1%)	6.7%	42.8%		
Revenue/Available Room	-	10.2%	4.1%	(1.5%)	(8.1%)	1.6%	(44.1%)	46.6%	61.4%		

Selected Property	Rooms	% Dist.	Year Open
Hilton Garden Inn FLL Airport Cruise Port	156	10%	Feb 2004
Courtyard FLL Airport & Cruise Port	174	11%	Mar 2004
Residence Inn Fort Lauderdale Intracoastal Il Lugano	105	7%	Jan 2008
Hyatt Place FLL Airport & Cruise Port	149	9%	Jan 2010
Hyatt House FLL Airport South	143	9%	Mar 2010
Home2 Suites by Hilton FLL Airport Cruise Port	130	8%	Apr 2017
Hotel Dello FLL Airport, Tapestry Collection by Hilton	143	9%	Feb 2018
Comfort Suites FLL Airport & Cruise Port	102	6%	Mar 2018
Wyndham Garden FLL Airport & Cruise Port	142	9%	Nov 2018
Tru by Hilton FLL Airport	115	7%	Jun 2020
Cambria Hotels Fort Lauderdale Beach	97	6%	Jan 2021
AC Hotels by Marriott FLL Airport	154	10%	Sep 2021
Total (12 Properties):	**1,610**	**100%**	

(1) CAGR=Compound Annual Growth Rate.

(2) Revenue per available room is total annual room revenue divided by available rooms (the best measure of year-to-year growth as it considers simultaneous changes in both room rate and annual occupancies).

Source: STR Global; WTL+a, May 2022.

WTL+a

Table 18: Hotel Market Performance by Month—City of Wilton Manors, 2014—2021

	2014	2015	2016	2017	2018	2019	Pandemic 2020	2021	Thru Apr 2022	2014-2021 Annual Average	Annual % Change
Occupancies By Month											
January	91.7%	92.2%	91.1%	88.7%	89.6%	84.9%	91.1%	63.6%	79.5%	**83.8%**	-
February	94.4%	97.3%	95.3%	94.0%	83.4%	89.1%	95.7%	76.6%	92.5%	**89.9%**	7%
March	93.8%	91.7%	93.8%	95.1%	80.0%	91.7%	58.7%	87.5%	91.6%	**86.0%**	-4%
April	92.0%	90.0%	94.3%	85.4%	81.6%	86.9%	19.3%	88.1%	88.7%	**79.1%**	-8%
May	89.1%	84.2%	86.3%	79.5%	80.3%	81.2%	23.5%	88.6%		**74.8%**	-5%
June	87.3%	87.9%	86.7%	84.9%	82.8%	83.8%	35.9%	85.1%		**77.0%**	3%
July	91.7%	90.4%	90.5%	88.3%	82.4%	88.0%	52.2%	86.2%		**81.8%**	6%
August	92.0%	89.9%	88.9%	91.0%	83.1%	84.9%	56.3%	74.2%		**80.1%**	-2%
September	83.1%	84.6%	84.6%	70.3%	74.2%	72.9%	59.5%	62.2%		**71.5%**	-11%
October	85.8%	88.1%	81.7%	91.8%	80.0%	86.7%	63.3%	69.6%		**78.8%**	10%
November	85.4%	89.9%	84.7%	89.4%	78.8%	91.1%	59.2%	73.5%		**79.5%**	1%
December	87.7%	90.1%	89.2%	89.7%	79.7%	91.5%	67.4%	81.3%		**83.1%**	5%
Key Findings:											
Average Occupancy	**89.5%**	**89.7%**	**88.9%**	**87.1%**	**81.1%**	**86.1%**	**56.6%**	**77.9%**	**88.0%**	**80.1%**	
New Rooms Added	-	-	-	98	272	147	67	196	103	**883**	

Indicates months where occupancies exceed 85%. Red indicates months with occupancies of less than 65%.
Indicates impacts of the Covid pandemic from March 2020 through early 2021.

Source: STR Global; WTL+a, May 2022.