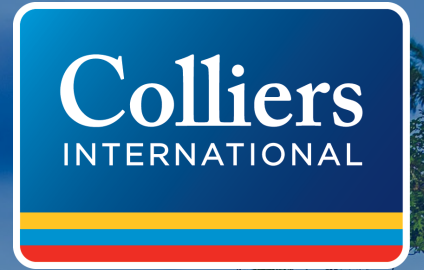


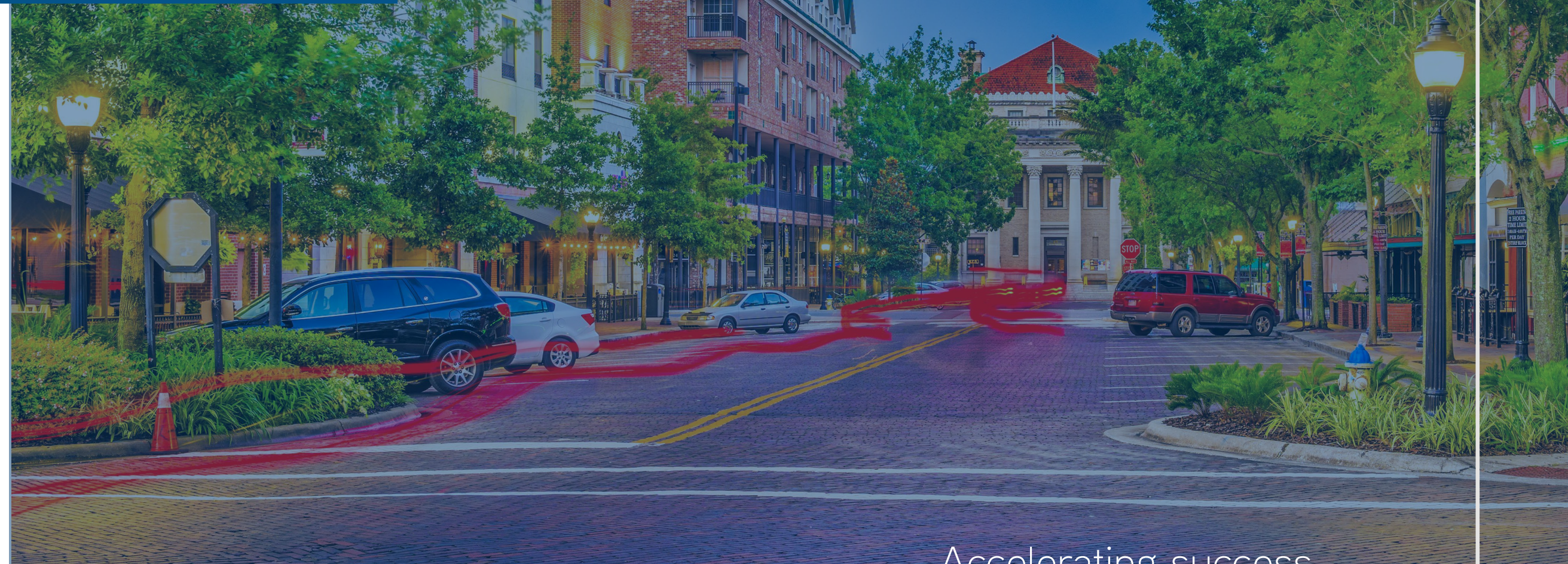
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COLLIERS INTERNATIONAL INTRODUCTION & MARKET OVERVIEW

Thursday, October 22, 2020



PREPARED FOR



Accelerating success.

AGENDA

01

WHO IS COLLIERS
INTERNATIONAL?

02

OUR EXPERT TEAM

03

COLLIERS OVERVIEW OF STRATEGIC PLAN
AND LEASE ADMINISTRATION

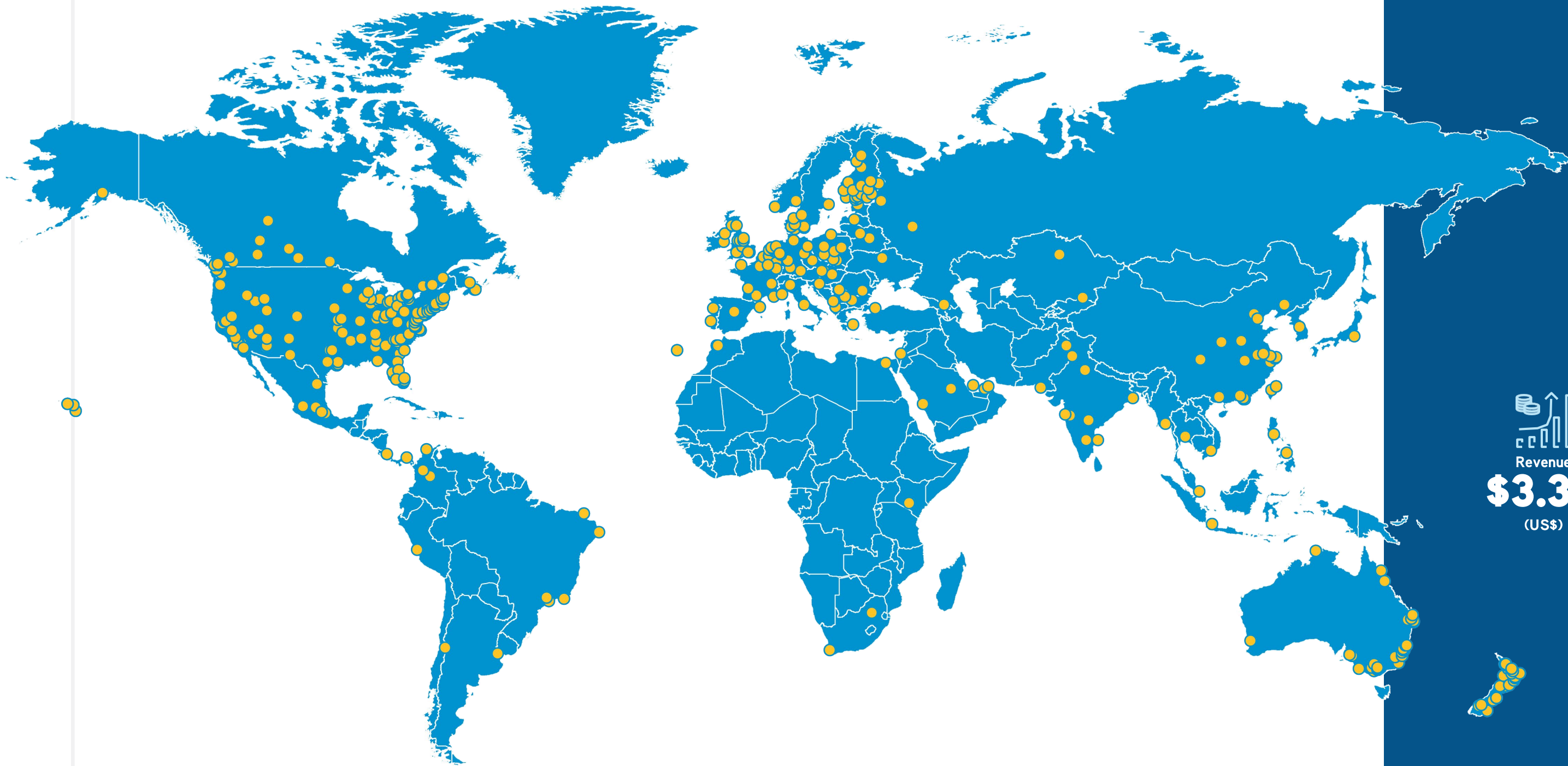
04

MARKET OVERVIEW

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ABOUT COLLIERS

INTEGRATED SERVICES PLATFORM



GLOBAL PLATFORM

Revenue
\$3.3B
(US\$)

Established in
68
countries

Transaction value
\$127B
(US\$)

Managing
2B
(square feet)

Lease/sale transactions
69,000

Assets Under Management
\$26B+

Comprised of
17,000+
professionals

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COLLIERS FLORIDA

Our core project team has roots in the local community, with deep relationships and deal-making expertise in the same region which we call home. Backed by the large-scale resources, integrated platform, relevant multi-market experience and footprint of a global leader, our local project team has a firm understanding of evolving trends in Florida real estate and the relationships essential to provide optimal results for the City.

PERSONALIZED, LOCAL EXPERTISE



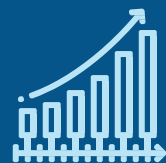
Florida offices

12



Square feet under management

31M+



Annual transaction volume

\$3.3B



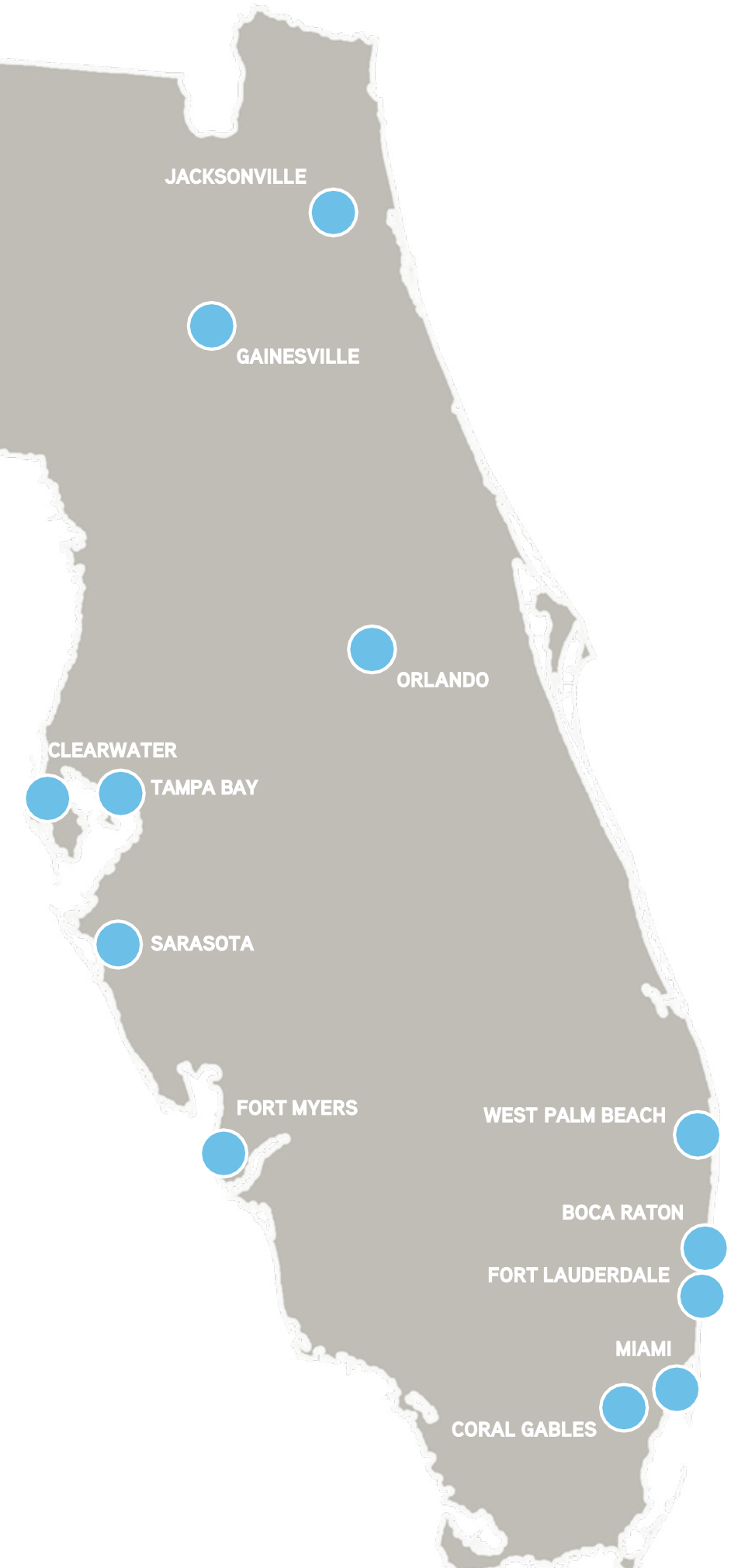
Transactions

1,771



Professionals & staff

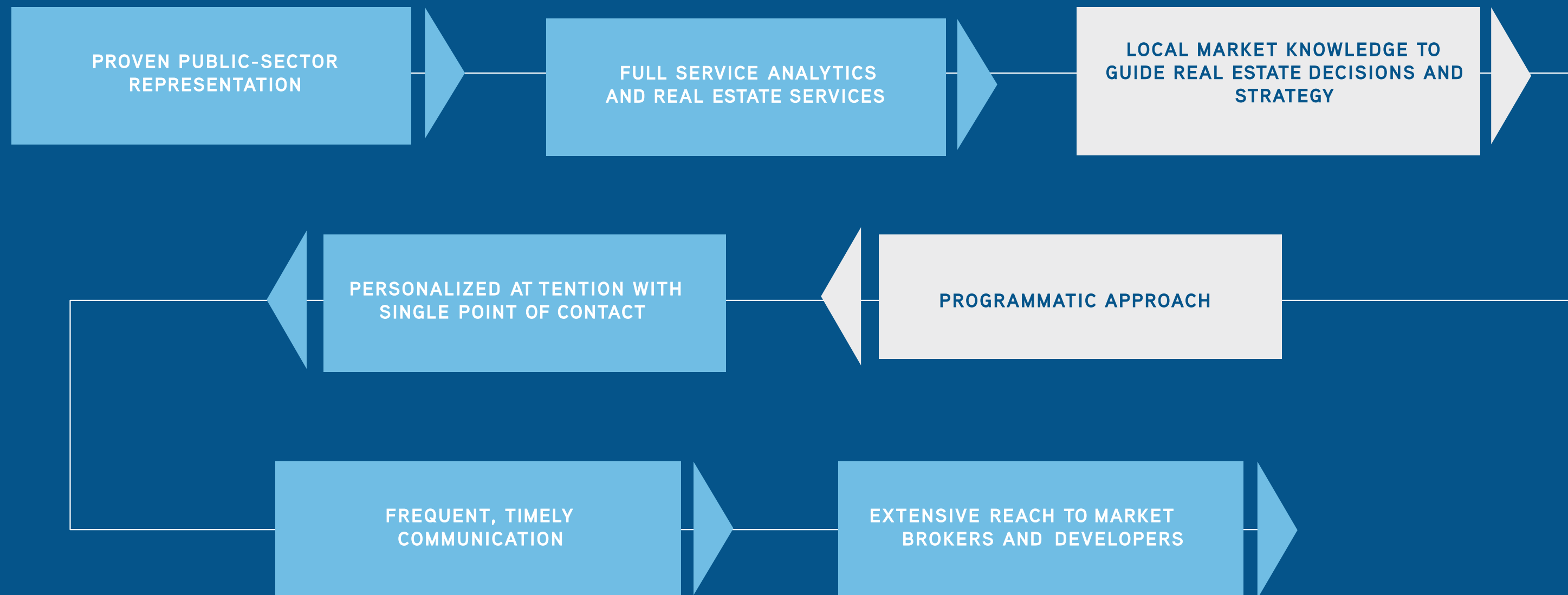
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WHAT SETS COLLIERS APART

*Personalized, Local Expertise with the Backing
of a Global Service Powerhouse*



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EXPERT TEAM

*Personalized, Local Expertise
with the Backing of a Global
Service Powerhouse.*

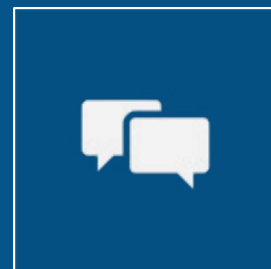


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EMPHASIS ON COMMUNITY AND COMMUNICATION



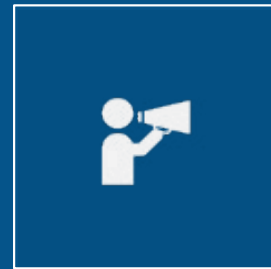
Kick-Off Meeting



Free Flow Communication



Aligning City Goals



Frequent Feedback



Single Point of Contact

Through extensive experience working with the public sector, Colliers understand the complexity of the government-led real estate sector and places a high emphasis on **communication** with its City partnerships.

We value the City's opinions, suggestions, requests and most important, align our approach to **City goals and objectives**.

Colliers kick-starts all assignments with an **in-person kick-off meeting** with City-selected staff and stakeholders, and thereafter appoints a **single point of contact** to ensure timely, frequent and throughout communication throughout the project.

SPECIALIZED EXPERIENCE IN THE PUBLIC SECTOR

Colliers understands that government and public-sector procedures for leasing and managing real property can be subject to layers of regulations, policy, legislation and special orders. Colliers International understands the complexity of the public real estate sector. Colliers has proven expertise in charting a clear path of successful execution for clients and will leverage our shared services and diverse global platform to deliver value for the City as well.

To yield the highest value and best deal execution Colliers offers the City, a team of professionals specializing in government-owned properties. The team accelerates clients' success by providing a deep understanding of factors associated with government-owned real estate, utilizing local market knowledge and leveraging Colliers' national presence.



SPECIALIZED EXPERIENCE VALUATION & ADVISORY SERVICES

With its unique and expanding platform, Colliers provides a full range of expertise across all commercial property types and has experience working on appraisals tailored to the unique features of government-leased properties.

All of our appraisals are evaluated and approved by an experienced review team to ensure our clients receive clear, concise, and timely appraisals. Because we recognize that superior technology is not enough, our managers and professionals stand committed to our clients' success and will go the extra mile to provide exceptional customer service.

VALUATION & ADVISORY

33+

valuations members &
professionals

12

members with MAI
designation

+2,100

completed assignments
in 2019

MAXIMIZE REVENUE
POTENTIAL

EVALUATION OF CITY-OWNED
SURPLUS AND UNDER-
UTILIZED SITES

PRESENT OPPORTUNITIES
FOR UTILIZATION OR
DISPOSAL

Accelerating success.

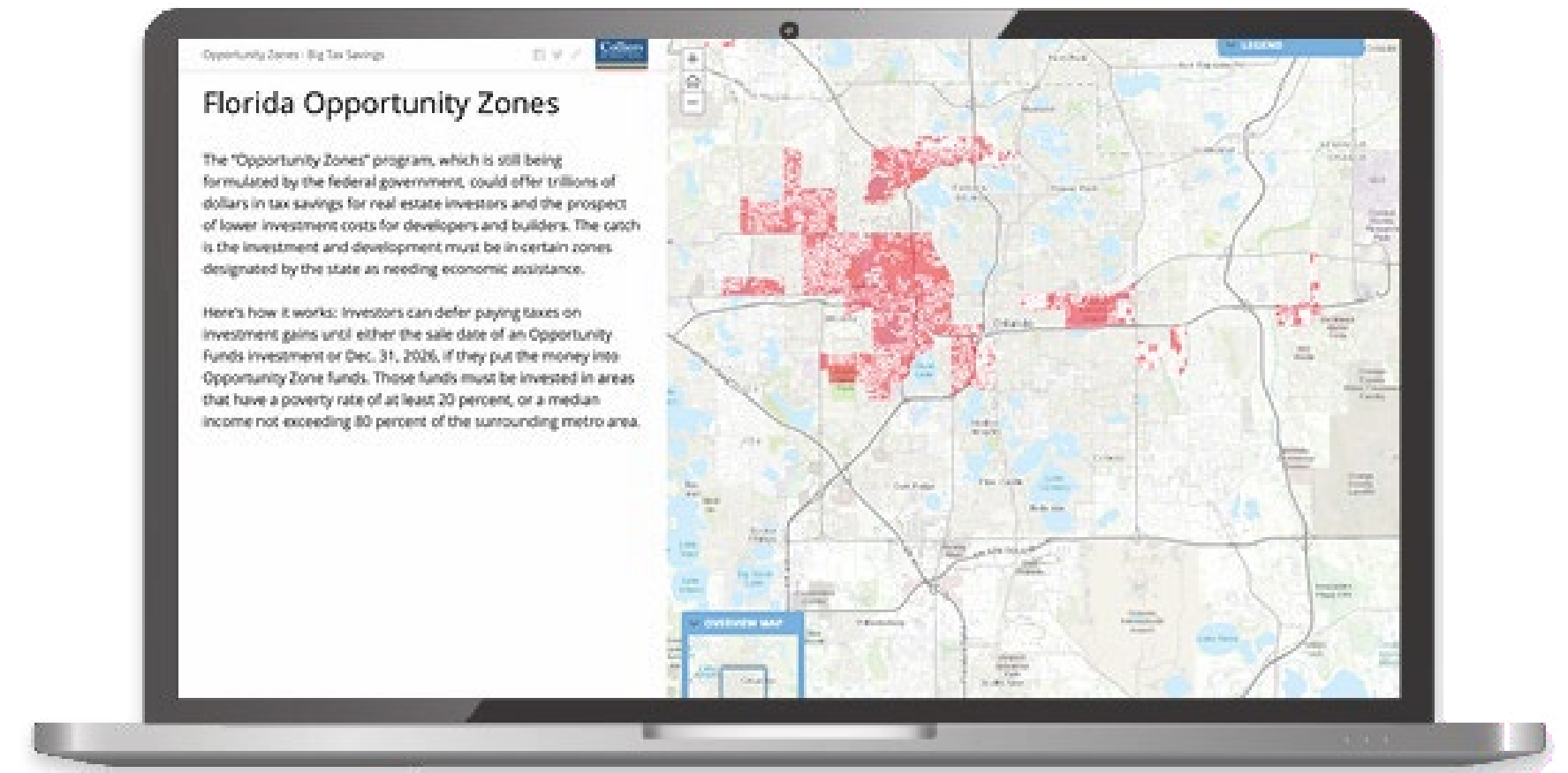
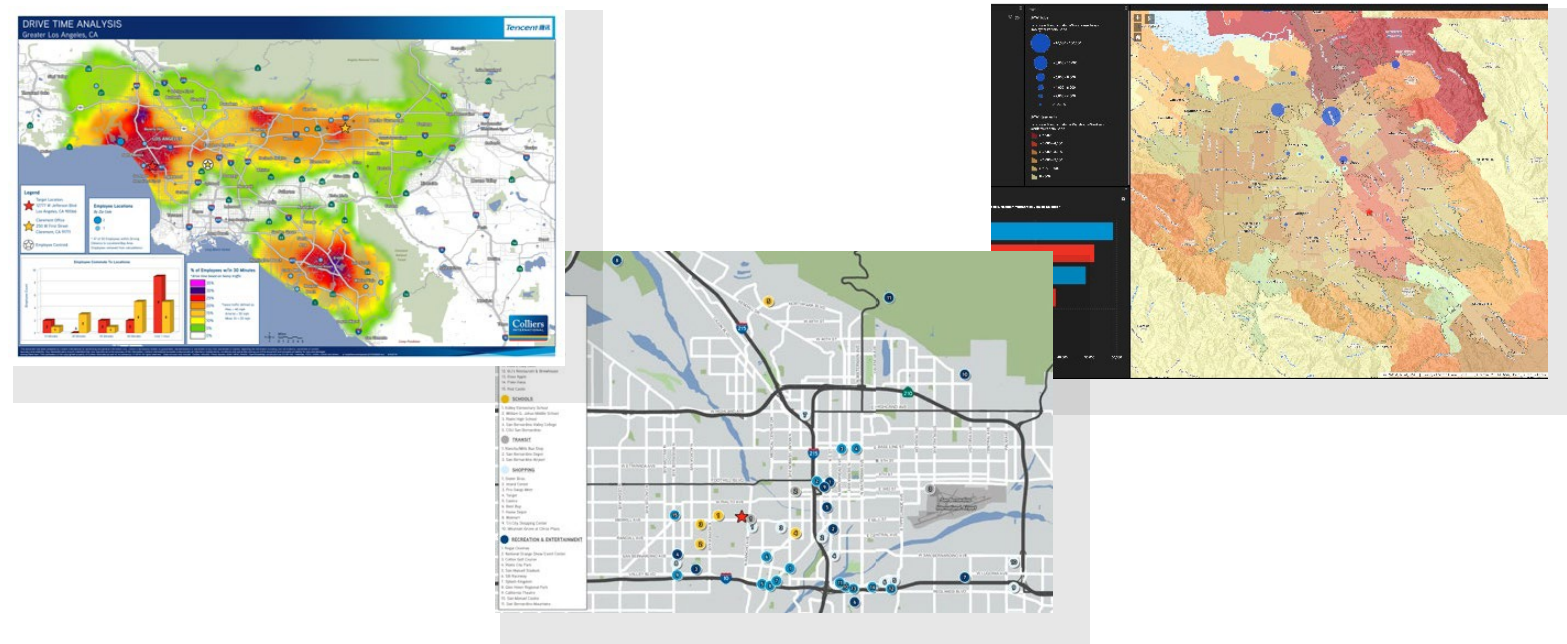
RESEARCH AND CONSULTING

The research team provides timely, reliable data critical to making effective and well-informed real estate portfolio decisions. We consider our primary market research a competitive advantage, providing clients with data, analysis and consultation on industry trends, comparable lease and sales transactions, and economic data critical to making effective real estate decisions. Colliers Research also maintains an extensive tenant database identifying industry, location, square footage occupied, and lease expiration dates. Stacking plans and building skylines are regularly produced to illustrate the location and lease expiration of tenants in select buildings. Additional analytic tools track tenant demand and lease activity on a real-time basis.



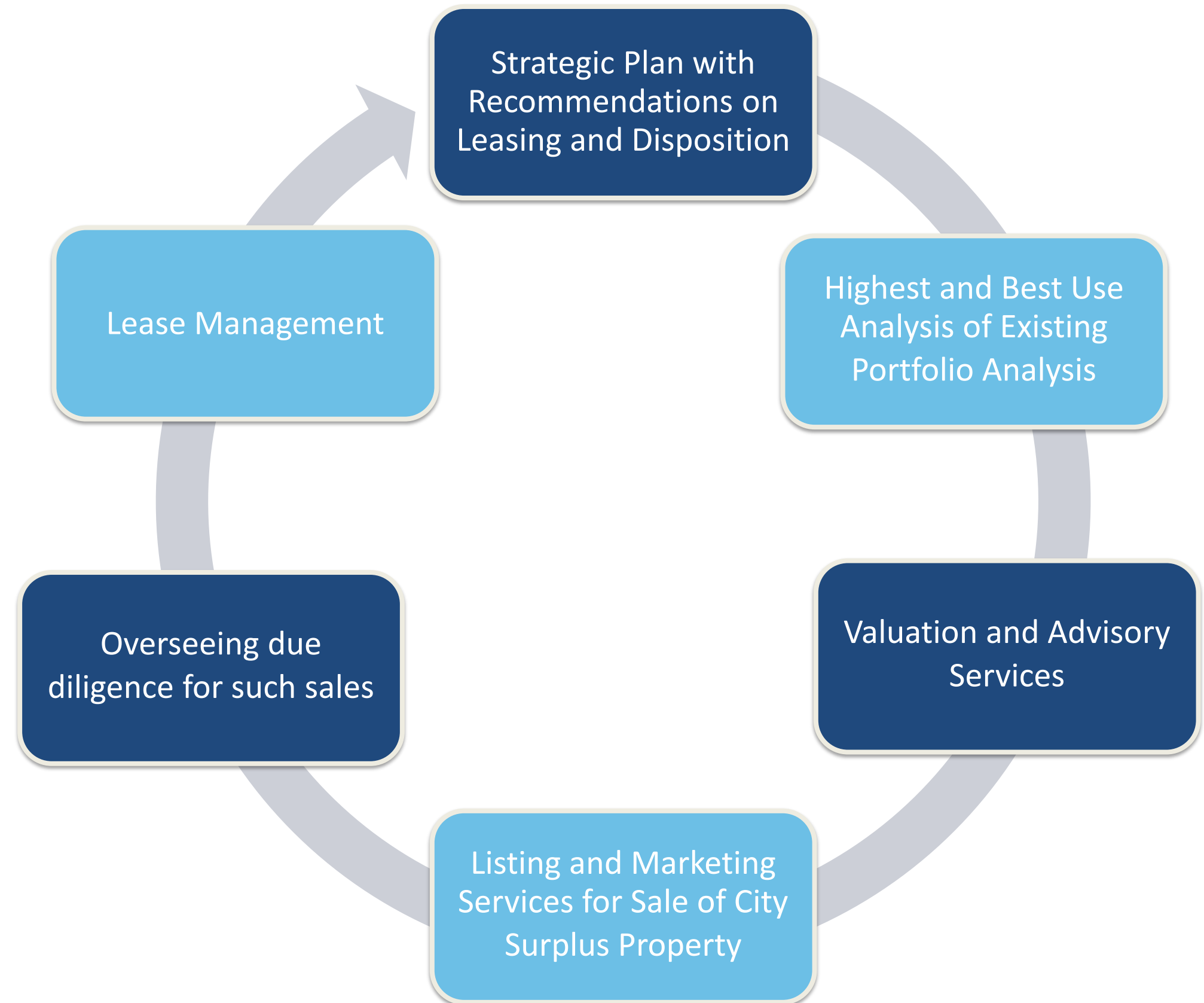
GIS SERVICES

Colliers has full-service geographic consulting and mapping, offering tailored analysis for clients as they develop their portfolio strategies. We provide cartographic, demographic, and analytic products and services. Our deliverables vary from simple aesthetic maps to complex geographic analysis and site selection packages. Our demographic analysis provides answers to complex questions and adds tangible value to real estate transactions. Our goal is to provide the highest level of innovative GIS products and solutions with a strong focus on customer service and consultation.

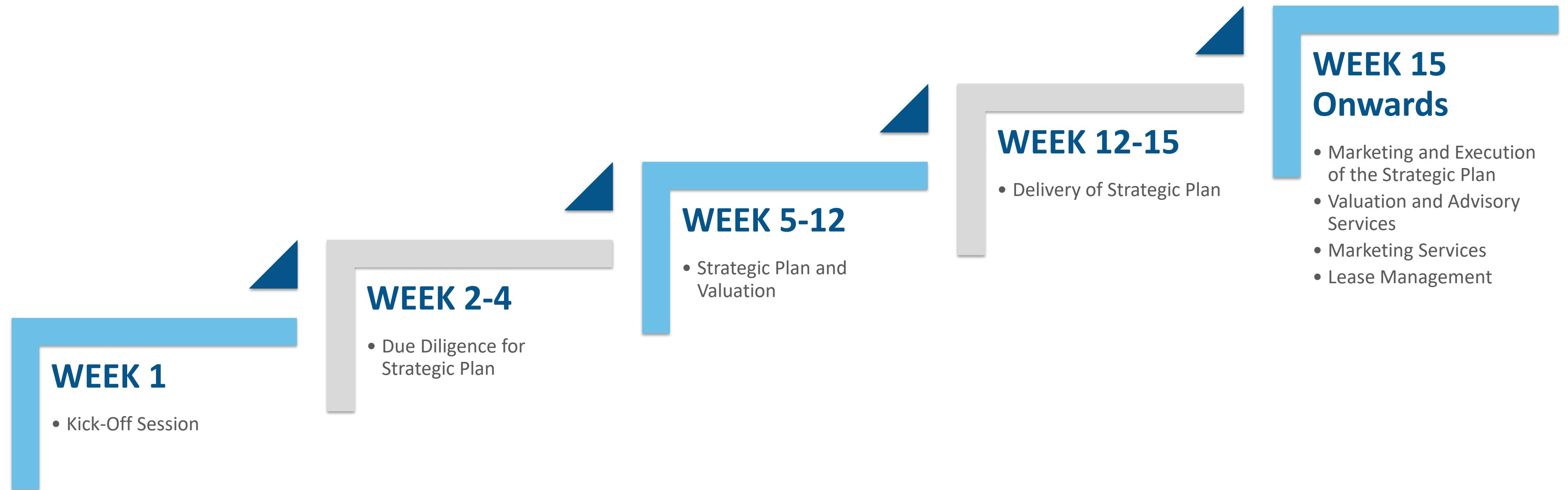


APPROACH TO SCOPE OF WORK

To meet the City's project objectives, Colliers proposes to develop and execute a Strategic Plan that maximizes revenue generation to the City while striving to reduce operating costs through the following brokerage services:



APPROACH AGILITY & IMPLEMENTATION TIMELINE



APPROACH | SCOPE OF WORK LEASE ADMINISTRATION

We track your entire real estate portfolio...

- > Owned Locations
- > Leased Locations
- > Your Subleases
- > Your Subtenants/Tenants

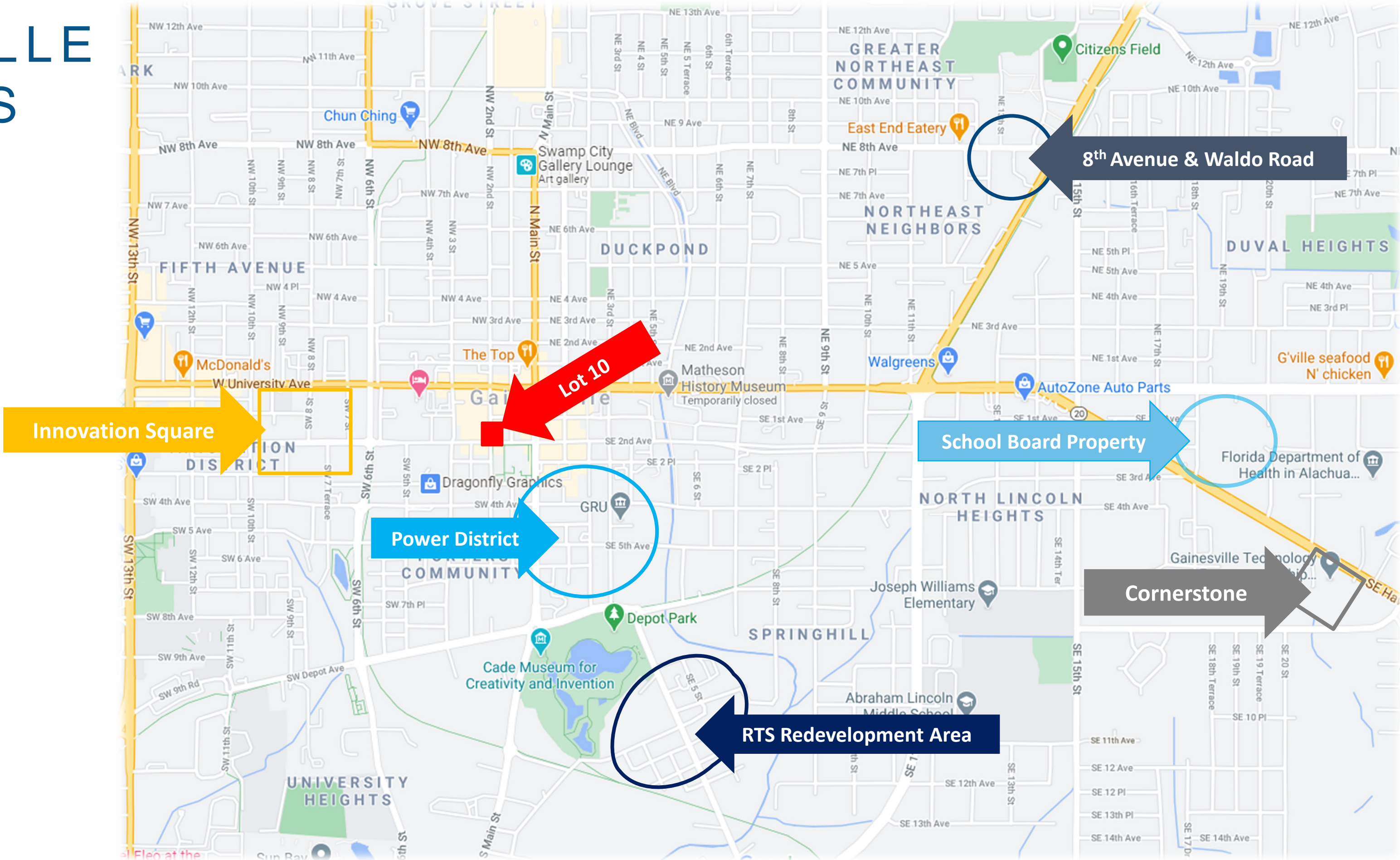
...to deliver the most potential benefits for the City

- > Never miss a critical lease date
- > We drive huge savings (*One of the most important reasons clients choose Colliers*)
 - > Save weeks on budgeting real estate expenses
 - > Save time each month with automation of rent payments from database to your accounts payable system



GAINESVILLE DISTRICTS

A discussion on our strategic approach district by district.



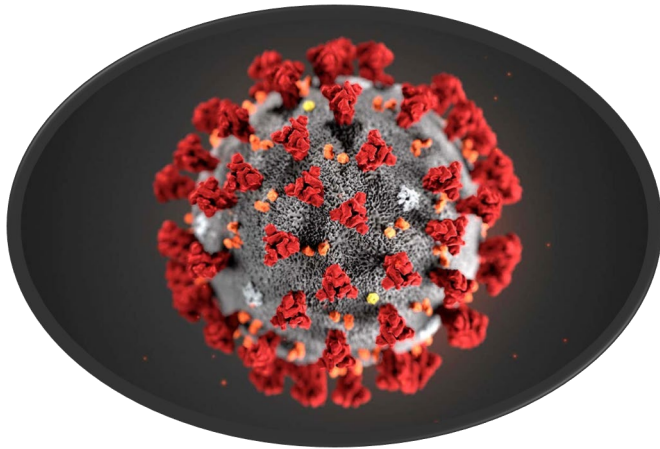
MARKET OVERVIEW



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A SERIES OF OVERLAPPING CRISES AND DISRUPTORS

Covid-19
A Medical Pandemic



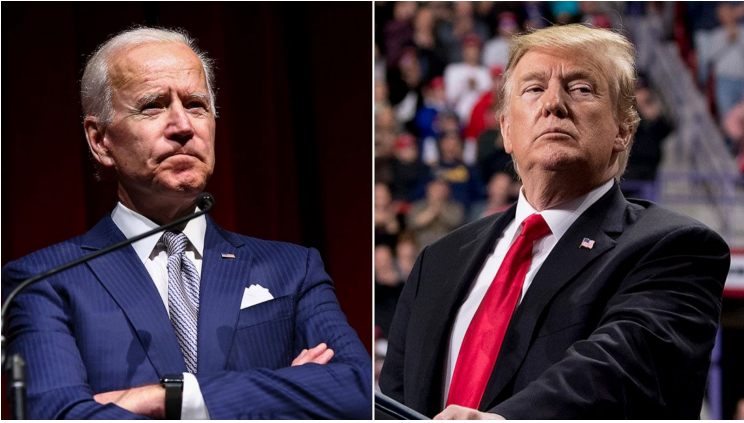
Financial
Economic and Fiscal Fallout



Civil Unrest
Protests for Racial/Economic Justice



Presidential Election
Trump/Biden



Supply Chain
Supply and Demand Out of Balance



7 YEARS OF TRANSFORMATION IN 7 MONTHS

Major disruptions in 2020 have significantly accelerated existing trends



DEMAND FOR DISTRIBUTION FACILITIES

An increase in online shopping driving demand for e-commerce distribution facilities.

Did you know?

Amazon leased more in Q2 2020 than the entire year of 2019!



HUB AND SPOKE OFFICE MODEL

Companies are re-evaluating their space and logistical needs as more workers work remote - accelerating the hub-and-spoke model.

Did you know?

40% of Americans are working remotely now (Up from 5%).



ADAPTIVE RETAIL

Ghost kitchens, in-store self-service solutions, omnichannel retail, curbside pick-up/instant gratification, in-store inventory visibility available to see online.

Did you know?

BOPIS sales grew more than 500% during the pandemic and accounted for more than 40% of online orders.

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WHERE ARE WE HEADING POST COVID-19?



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MULTIFAMILY TRENDS GAINESVILLE MARKET COMPARISON

OVERALL MULTIFAMILY MARKET INDICATORS	GAINESVILLE	STATE OF FLORIDA
Inventory (Units)	21,377	1,588,922
Vacancy Rate	5%	6.7%
Per Square Foot	\$1.18	\$1.37

Source: Costar, Colliers International, Q3 2020

STUDENT HOUSING MARKET INDICATORS	GAINESVILLE	STATE OF FLORIDA
Inventory (Beds)	30,600	158,621
Vacancy Rate	16.5%	13.3%
Per Square Foot	\$1.70	\$1.95

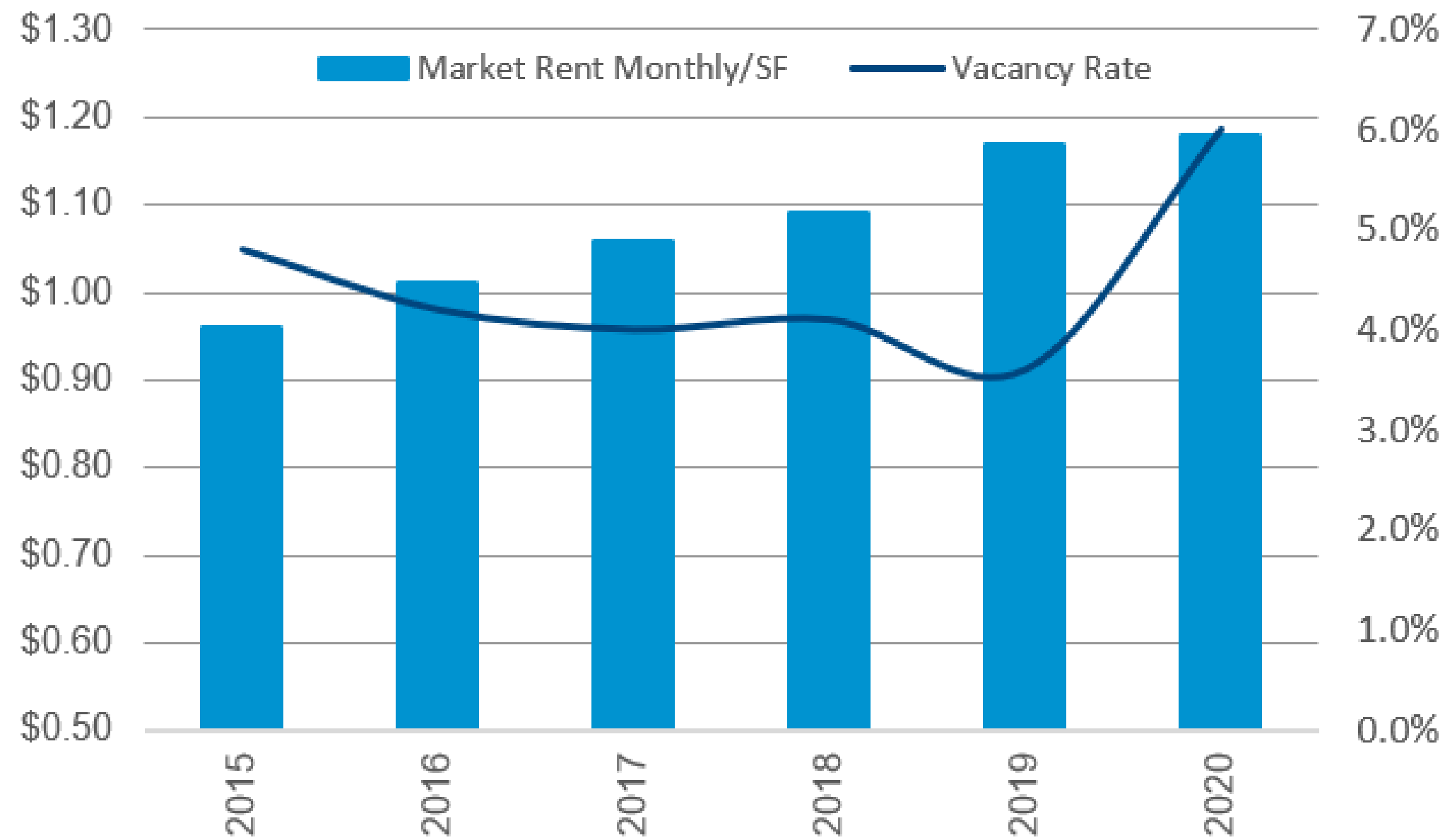
Source: Costar, Colliers International, Q3 2020

MARKET HIGHLIGHTS & OUTLOOK

- Market rate housing development is healthy and active in Gainesville. Gainesville saw over 1,400 new units delivered, break ground, and trade in Q3
- COVID-19 has impacted the B and C class product of the housing market negatively and our experts are seeing landlords offer concessions to attract new renters and fill vacancy.
- In the capital markets sector, we saw a large decrease in total sales volume this quarter. This is due, in part, from tightening financing requirements at traditional banks; leaving agency debt to be one of the only options for operators in the market to utilize who meet the requirements. Due to this stricter lending environment, our experts are seeing more cash offers for multifamily properties in the market.

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MULTIFAMILY TRENDS GAINESVILLE



YEAR	EFFECTIVE RENT PER SF	VACANCY RATE
2015	\$0.96	4.8%
2016	\$1.01	4.2%
2017	\$1.06	4.0%
2018	\$1.09	4.1%
2019	\$1.17	3.6%
2020 Q3	\$1.18	5%

Source: Costar, Colliers International, Q2 2020

Rental rates have increased
18.64%
since 2015

Rents are likely to decrease and vacancy rates are likely to increase as units complete in the market amidst the
COVID-19
recovery period.

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MULTIFAMILY TRENDS

WHAT TO EXPECT IN 2020 & BEYOND



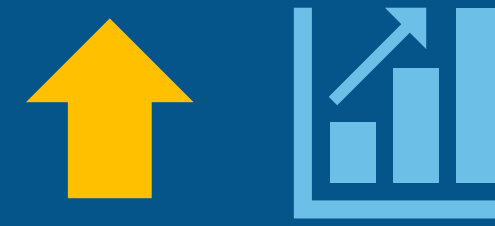
Co-Living

Just like coworking, the “shared living” concept has taken off in parts of Florida, especially denser urban areas.



Affordability

2019 brought to light the severity of the affordable housing crisis, but 2021 looks to be the year that starts to address the issue with a number of affordable developments underway.



Investor Demand

Demand is high as investors seek opportunity in safe markets, unlike the NE states, however opportunities today are limited as much product has recently traded.



Suburban Shift

Shaking up the multifamily market, millennials are seeking more affordable rents in suburban areas, particularly post-Covid with increased remote work.



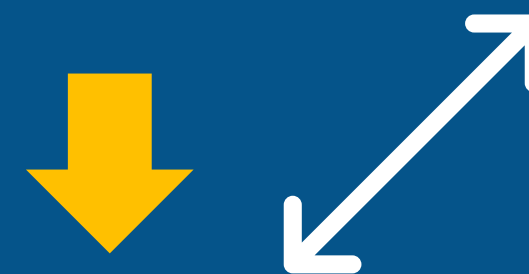
Population Growth

NE Migration has accelerated during COVID (summer slowdown) and will continue through balance of year into 2021.



Mixed-Use

New developments with a mixed-use concept are most popular both in the CBD and suburbs and will thrive in 2020.



Occupancy Rates

Occupancy rates will start to decline as year progresses through Mid Year 2021 stabilizing towards the end of next year. Class B/C product will suffer disproportionately.



Construction

A modest pull back in construction starts in 2021 will help stabilize pricing.

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OFFICE TRENDS

GAINESVILLE MARKET COMPARISON

MARKET INDICATORS (Class A/B/C)	GAINESVILLE	STATE OF FLORIDA
Inventory	6.6 Million SF	739 Million SF
Under Construction	Limited	12.5 Million SF
Net Absorption (Q3 2020)	(38K) SF	(2 Million) SF
Vacancy Rate	5.7% Increased 58 BPS YOY	8.0% Increased 90 BPS YOY
Inventory Change YOY (SF)	191,000	5,631,013
NNN Rates		
Overall Asking Rates	\$17.04	\$24.84
Class A Asking Rates	\$23.00	\$33.00

Source: CoStar, Colliers International, Q3 2020

MARKET HIGHLIGHTS & OUTLOOK

- Leasing activity in Q3 was heavily weighted towards tenants occupying roughly 2,500 square feet and below. This trend has encouraged landlords to design smaller configurations for tenants in their properties. Due to market uncertainty, our experts are seeing tenants negotiate two to three-year leases rather than a more typical five-year contract
- On the capital markets front, transactions have slowed down in Q3. However, interest rates are the lowest banks have offered in years. Cost analysis studies show that tenants are favoring purchasing property they currently occupy rather than lease space to take advantage of the low interest rate environment. The demand for office space to purchase is there, but there is little inventory currently for sale in the market.

OFFICE TRENDS

THE WFH EXPERIENCE & FUTURE



Finding from Colliers “Working From Home Experience” global survey engaging more than 5,000 respondents in 25 countries across 18 sectors.

PRODUCTIVITY

76%

reported same levels or improved productivity due to working from home

MANAGEMENT

87%

stated their managers could effectively manage them virtually

CONNECTION TO COLLEAGUES

74%

felt connected to their team even though not physically together

WORK-LIFE BALANCE

67%

experienced an improvement in work-life balance since working from home

DESIRE TO WORK FROM HOME

83%

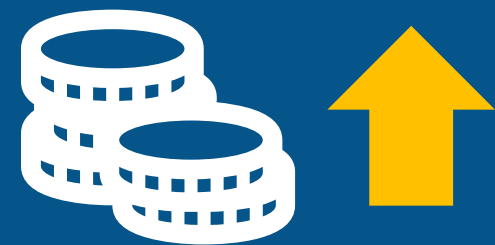
wanted to work from home at least one day a week permanently.

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OFFICE TRENDS WHAT'S NEXT...?



Occupancy/Rates?
15-20%



Capital Avoidance



Consolidation



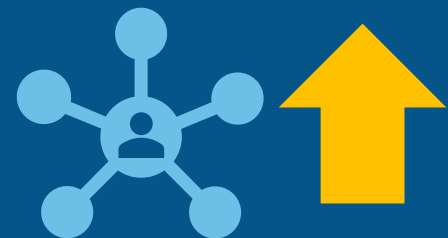
Work from Home/
Anywhere



Flight to Quality



Operating Costs



Geographical Disbursement
- Hub/Spoke



Space re-design/
De-densification?



Reduce fixed cap-ex/leases
and have an intermediate
larger demand for pre-built
space?



The "new" PPE...

- People
- Place
- Engagement

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RETAIL TRENDS

GAINESVILLE MARKET COMPARISON

MARKET DATA	GAINESVILLE	STATE OF FLORIDA
Inventory	10.5 Million SF	1.2 Billion SF
Under Construction	15,970K SF	7.7 SF
Net Absorption (Q3 2020)	(12,751K) SF	953,847 SF
Vacancy Rate	2.6% Stabilized 0 BPS YOY	4.7% Increased 50 BPS YOY
Asking Rents	\$18.32 NNN	\$19.92

Source: Costar, Colliers International, Q3 2020

MARKET HIGHLIGHTS & OUTLOOK

- Given the upheaval in the marketplace, retailers are now looking at options to downsize their footprint or relocate for lower rent. The wait-and-see period has passed, and this has become a reality for many retailers. Concession requests remain commonplace and landlords seem to be willing to work with operators who truly need assistance.
- On the capital markets front, the most sought-after property types for acquisitions include net leased investment sales and grocery anchored properties with high credit and/or limited side shop space.

RETAIL TRENDS

WHAT TO EXPECT POST COVID-19?

Every retailer needs to adapt to survive.

E-Commerce

Customers will now expect:

- › An online presence for every retailer
- › The same shopping experience online and offline
- › Flexibility from retailers with a wide range of shopping and delivery options

Omnichannel

- › Omnichannel is now the only option
- › Products need to be available where your customers are
- › Online and offline can't be disconnected: local delivery, curbside pickups, in-store pickups

Micro-fulfillment Centers

- › Re-imagine retail locations to support ecommerce and omnichannel
- › Store are now fulfillment hubs and pickup locations
- › Treat front-of-house as a showroom

The “Dark” Store

Brick and Mortar Delivery-Only Store Concept



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INDUSTRIAL TRENDS

GAINESVILLE MARKET COMPARISON

MARKET DATA	GAINESVILLE	STATE OF FLORIDA
Inventory	4.1M SF	1.2 Billion SF
Under Construction	17.5K SF	21.08M SF
Net Absorption (Q3 2020)	(15,320K) SF	12.4M SF
Vacancy Rate	1.7% decreased 160 BPS YOY	5.5% Increased 120 BPS YOY
Rental Rates (NNN)		
Asking Rents (Warehouse/Distribution)	\$7.20	\$7.32
Asking Rents (Flex)	\$10.44	\$12.72

Source: Costar, Colliers International, Q3 2020

MARKET HIGHLIGHTS & OUTLOOK

- The Industrial sector has shown its resiliency this quarter with a healthy flow of interest in leasing and acquisitions.
- High demand for Industrial space suggests that new industrial development may be on the horizon. Due to the low availability, space for users has remained competitive and this has enabled landlords to push asking rental rates for industrial and flex space even higher this quarter.
- There was little to no movement occurring in Gainesville for industrial investment sales this past quarter. Sales volume in Gainesville for Q320 was the lowest quarterly volume in the past year but our experts do not believe this is reflective of any loss of interest in industrial assets.

INDUSTRIAL TRENDS

WHAT'S NEXT...?

E-Commerce



The impact of Covid-19 has only accelerated the shift to e-commerce purchases, thus bolstering the need for distribution facilities.

Amazon



Amazon has made its mark across the State with major distribution centers.

Population Growth



Robust population growth has fueled demand for industrial product, as new housing demands continue at a rapid pace.

Construction



Construction has been elevated across the State, we foresee new development coming to Gainesville as vacancy rates run low.

Last-Mile Logistics



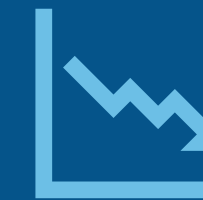
Florida is in the forefront of shifting retail landscapes and service deliveries, fueling demand for product near population centers.

Strong Demand



A positive outlook continues with ecommerce and population growth driving demand.

Vacancy Rates



The market is competitive with low vacancy rates which in turn has driven up rents.

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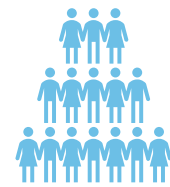
HOTEL TRENDS

GAINESVILLE MARKET COMPARISON

Tourism is a pillar of economic growth in Gainesville.



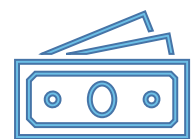
More than 5,000 hotel rooms at 50 hotels in Gainesville



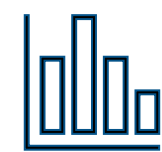
2.1 million overnight visitors to Alachua County annually



1.26 million rooms sold annually, average length of stay is 2-3 nights



Visitor spending supports 11,538 jobs, providing \$269.7 million in wages and \$942.8 million in total business spending (\$177.7 million spent on lodging)



August Hotel Market Statistics:

- Occupancy: 53.7%
- Average daily rate: \$81.59
- Revenue Per available room: \$43.79

Competitive Vacation Rental Market

- ADR \$138
- Occupancy Rate: 55%
- Growth in Inventory: 20% in 2 years
 - 2018: 627
 - 2020: 751
- Overall Rating: 4.79

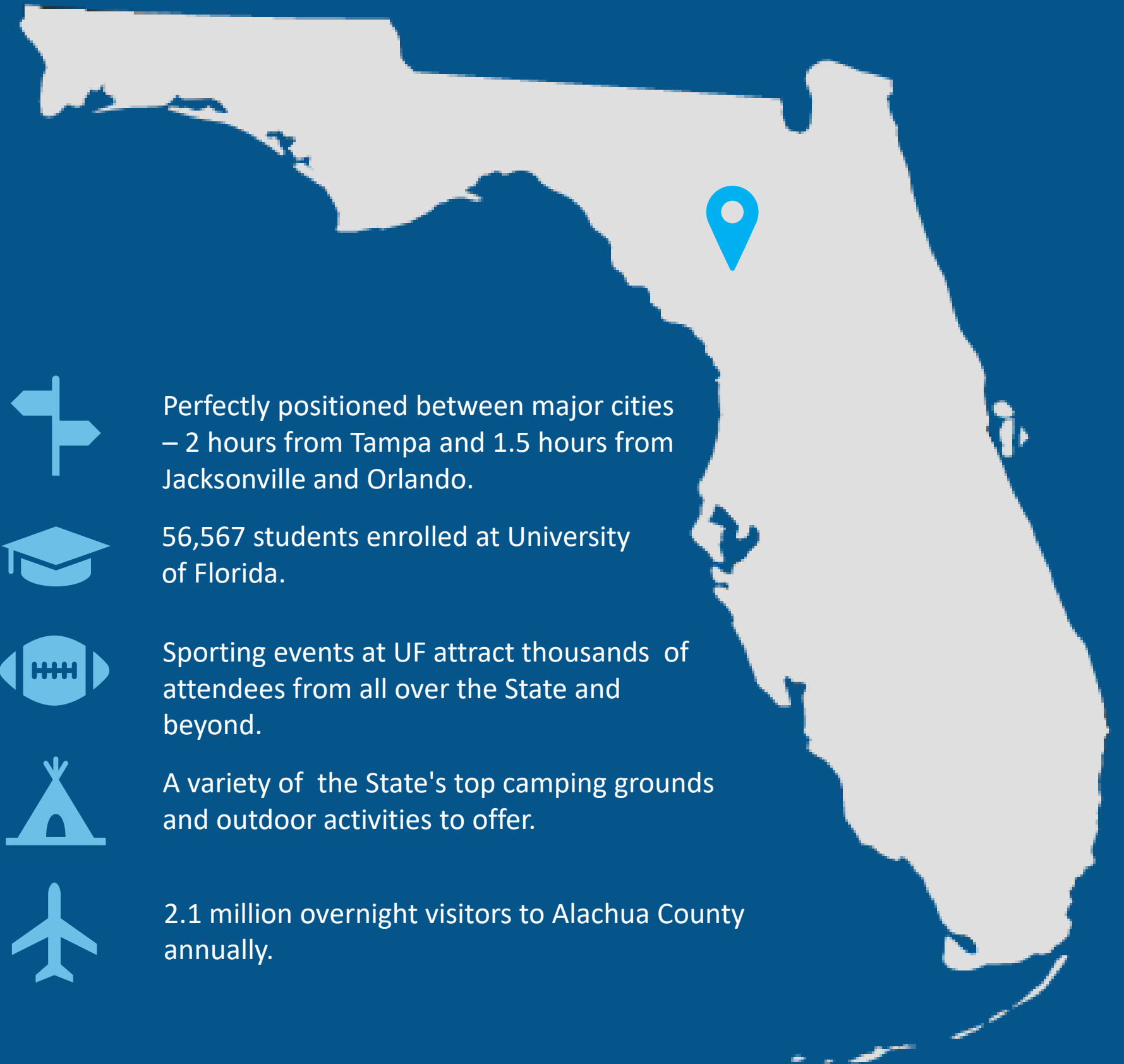


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HOTELS TRENDS GAINESVILLE MARKET COMPARISON

MARKET HIGHLIGHTS & OUTLOOK

- A dramatic drop in tourism travel has caused difficulty in valuing hotels resulting in a **slowdown in hotel sales**.
- Approximately 143 hotels traded hands in Florida through the third quarter, down 40.2% from 243 sales for the same time last year.
- While mostly stagnant right now, most of the sales activity that closed in 2020 has involved "functionally obsolescent" properties such as older motels with plans to **convert use into multifamily properties**.
- The Challenges: **Financing**, and **closing the gap** between buyer requests for discounts, and seller pricing expectations.
- We can expect some sales to occur over the next two year, but then a sharp rise in transactions as the **financing market regains confidence**.



Perfectly positioned between major cities – 2 hours from Tampa and 1.5 hours from Jacksonville and Orlando.

56,567 students enrolled at University of Florida.

Sporting events at UF attract thousands of attendees from all over the State and beyond.

A variety of the State's top camping grounds and outdoor activities to offer.

2.1 million overnight visitors to Alachua County annually.

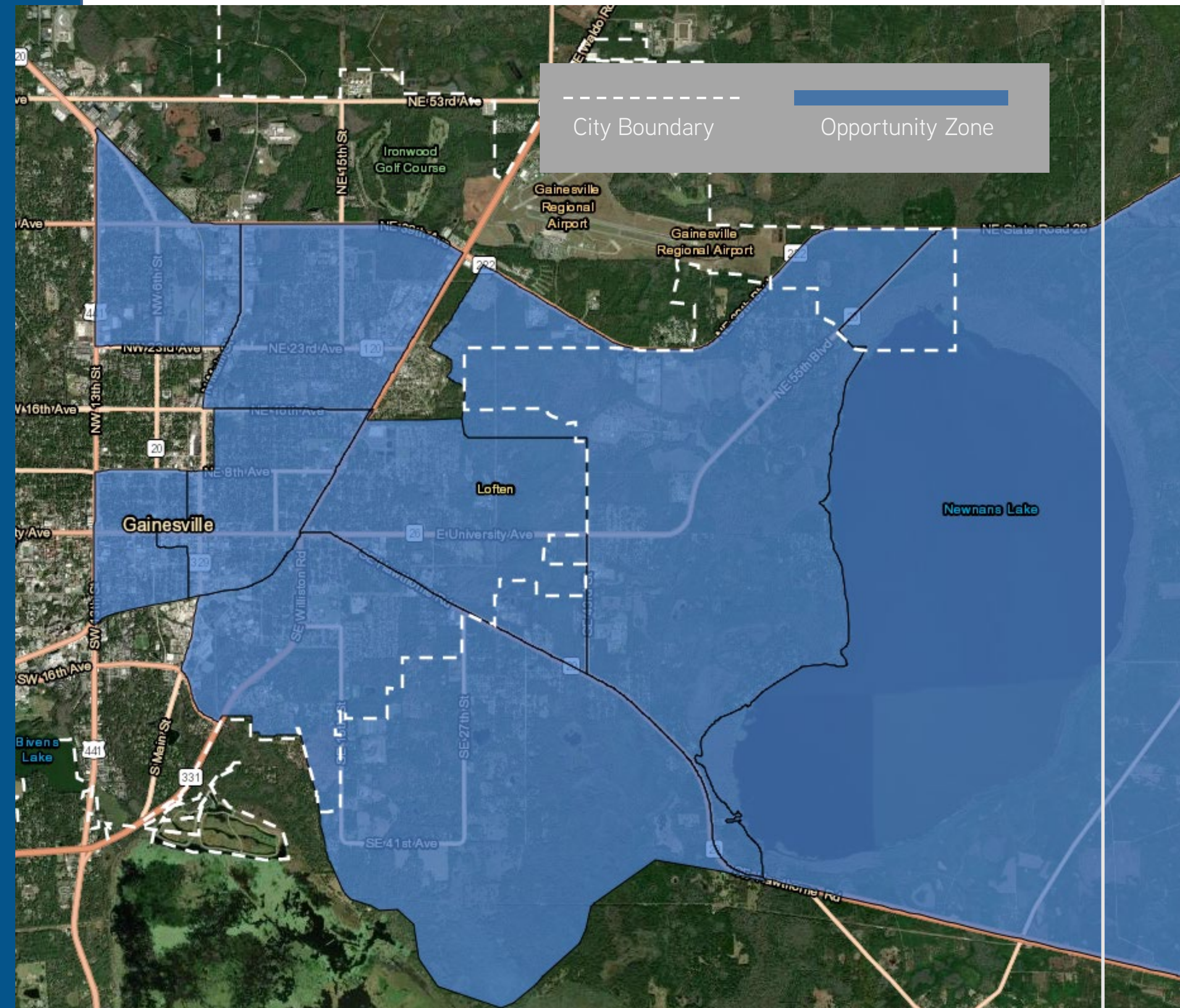
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OPPORTUNITY ZONES

The Opportunity Zones program was established by Congress in the Tax Cut and Jobs Act as an innovative approach to spurring **long-term private sector investments in low-income urban and rural communities** nationwide. The program is based on the bipartisan Investing in Opportunity Act.

Still, U.S. investors currently hold \$2.3 trillion in unrealized capital gains, representing a significant untapped resource for economic development. Opportunity Funds will allow these investors throughout the country to deploy their resources as Opportunity Zone investments.

All the underlying incentives relate to the tax treatment of capital gains, and all are tied to the longevity of an investor's stake in a qualified Opportunity Fund, **providing the most upside to those who hold their investment for 10 years or more.**



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OPPORTUNITY ZONES

What does this look like to an investor?

2020

Sell appreciated asset, and within 180 days roll the capital gain over into Opportunity Fund NO TAX DUE NOW

2025

Year 5, get a 10% discount on original capital gain tax obligation

2026

December 31, 2026 original deferred gain is recognized

2027

April 15, 2027 declare and pay taxes on the original deferred gain (minus 10%) PAY TAX NOW

Changes to Opportunity Zones in 2020

- The tax reduction investors receive after a seven-year hold period on properties purchased after January 1, 2020 dropped from 15% to 10%
- Will investors see the benefits with the reduced amount of tax deferment going forward?

GAINESVILLE PROPERTY SALES WITHIN OPPORTUNITY ZONE SINCE 2017

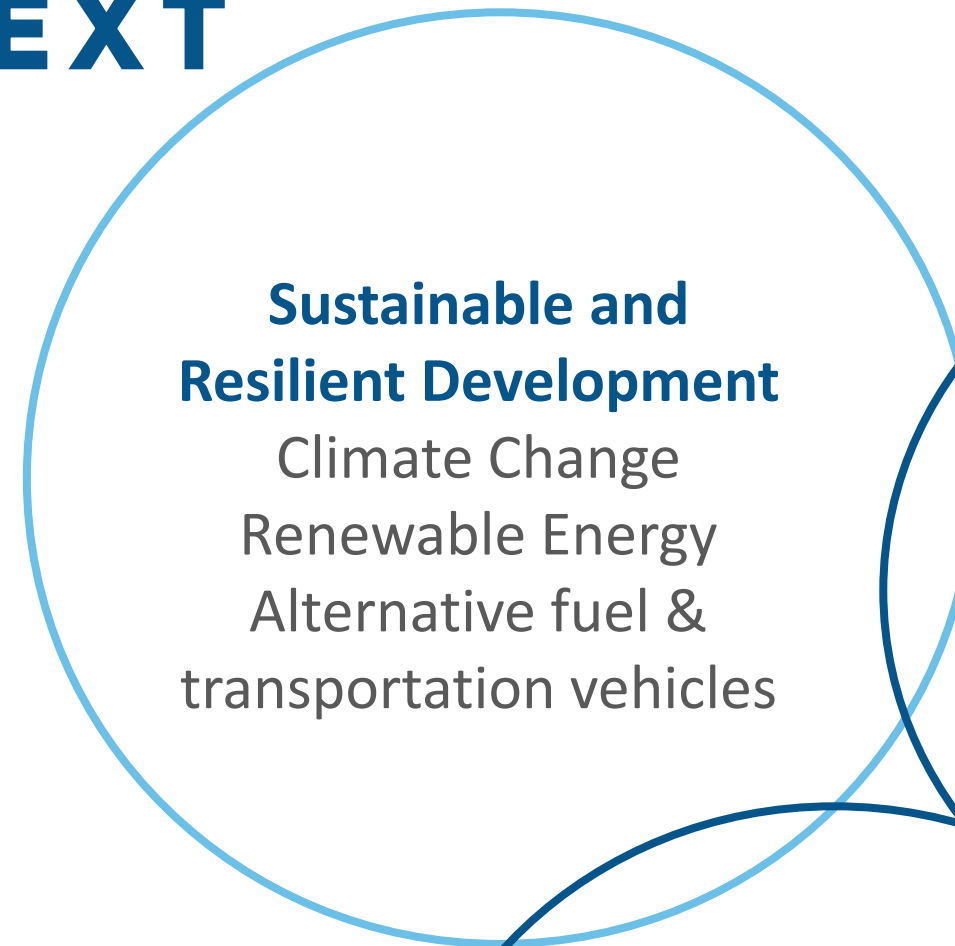
Property Type	Number of Sales	Total Sales Volume
Hospitality	1	\$820,000
Industrial	29	\$8,074,510
Land	23	\$14,312,825
Multi-Family	31	\$199,533,100
Office	40	\$15,514,259
Retail	73	\$120,036,500
Specialty	3	\$5,100,000
Student Housing	6	\$74,575,000
Total	206	\$437,966,194

Source: Costar, Colliers International, as of Q3 2020

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WHAT'S NEXT

An opportunity to reopen & rebuild & reimagine



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Thank you.

QUESTIONS?