Orange County Convention Center

CBRE Highest and Best Use Land Study

October 30, 2012

CBRE Highest and Best Use Land Study

- CBRE Study commissioned to evaluate a proposal from Rosen Hotels and Resorts to place a pedestrian bridge between Rosen Plaza Hotel and the OCCC West Concourse

TOPICS

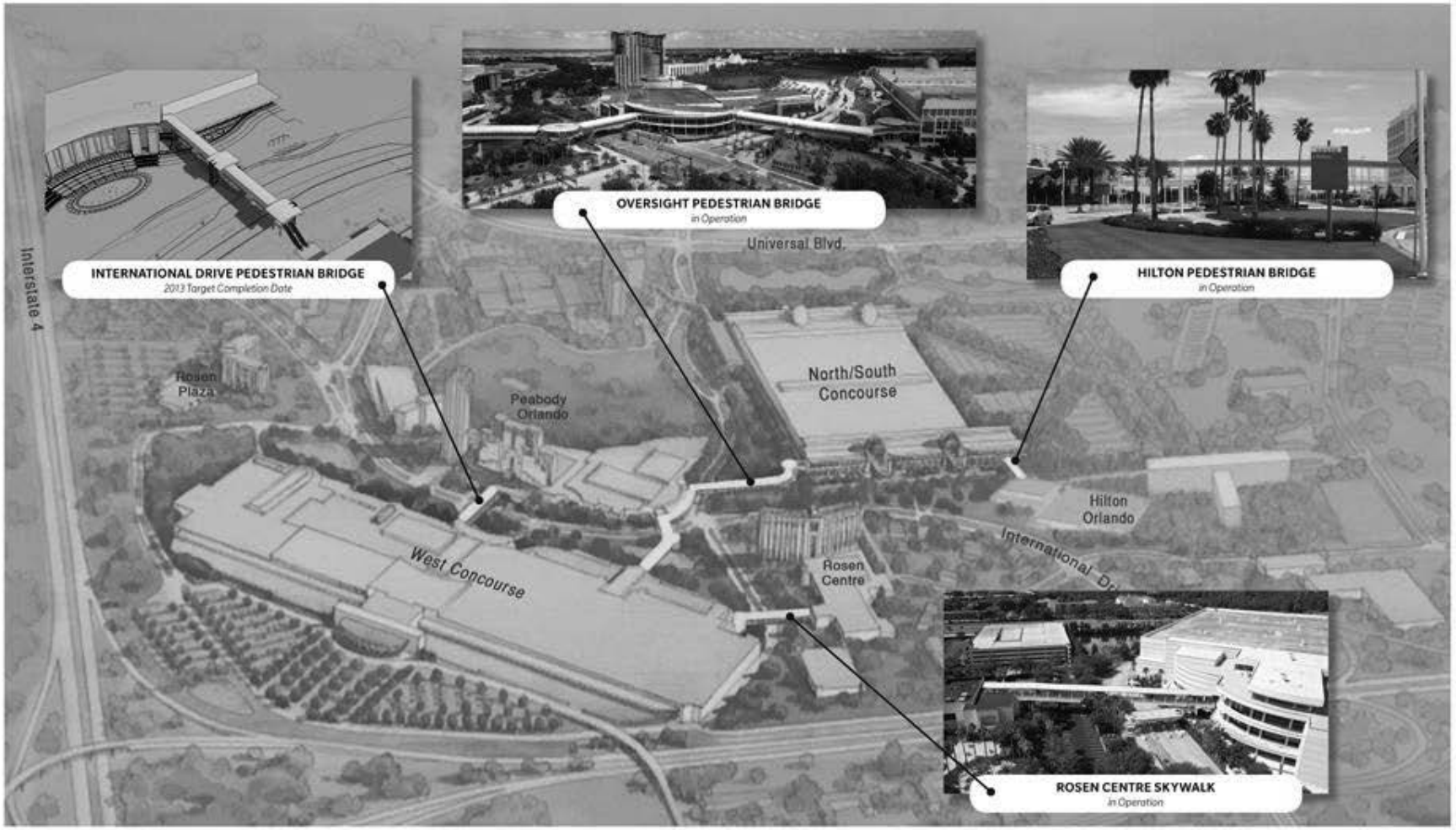
- Background on Bridge Projects
- Current Rosen Proposal
- CBRE Project
- Wrap Up

TOPICS

- Background on Bridge Projects
- Current Rosen Proposal
- CBRE Project
- Wrap Up

Orlando
Orange County
Convention Center

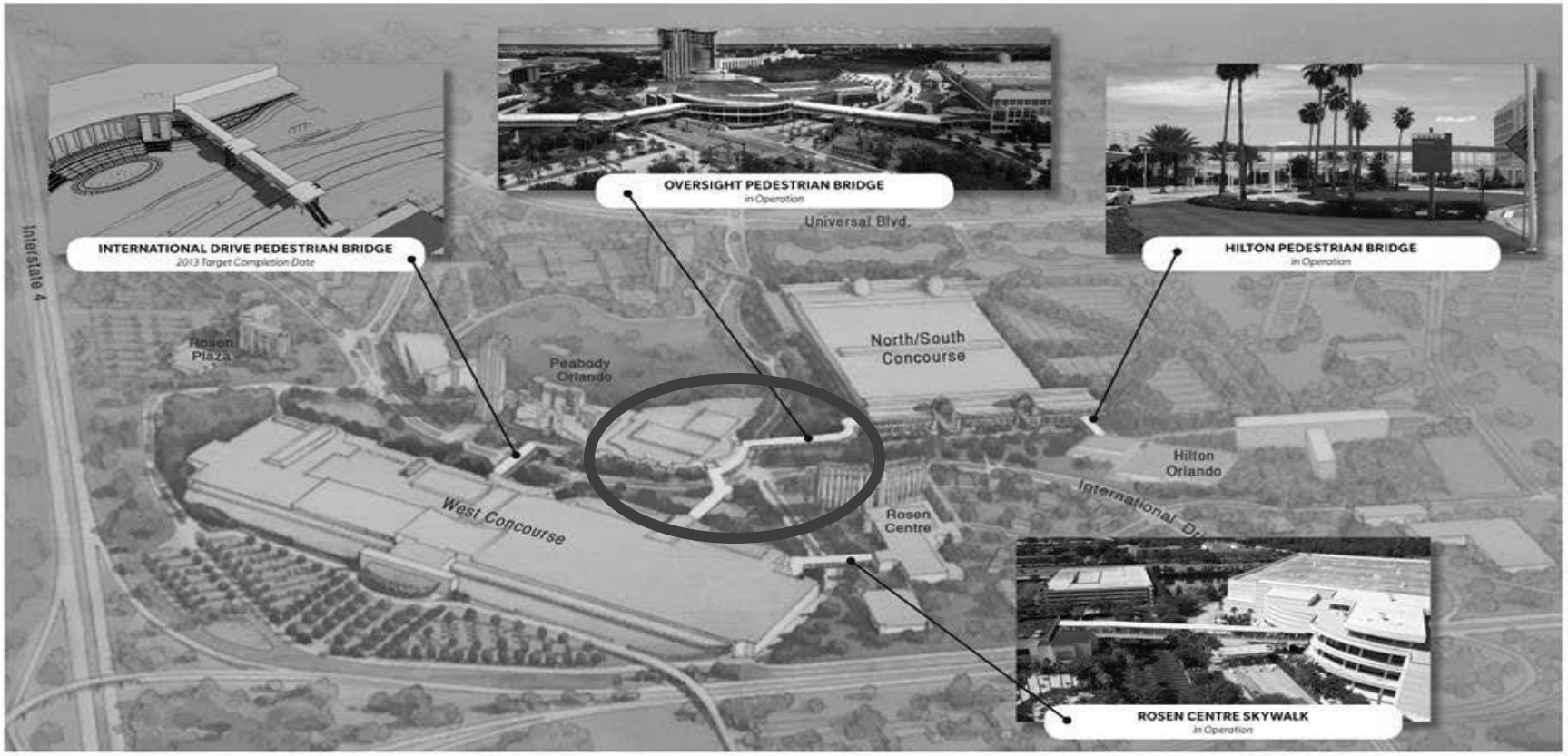
CONVENTION CENTER DISTRICT CONNECTIVITY



Oversight Bridge

Orlando
Orange County
Convention Center

CONVENTION CENTER DISTRICT CONNECTIVITY

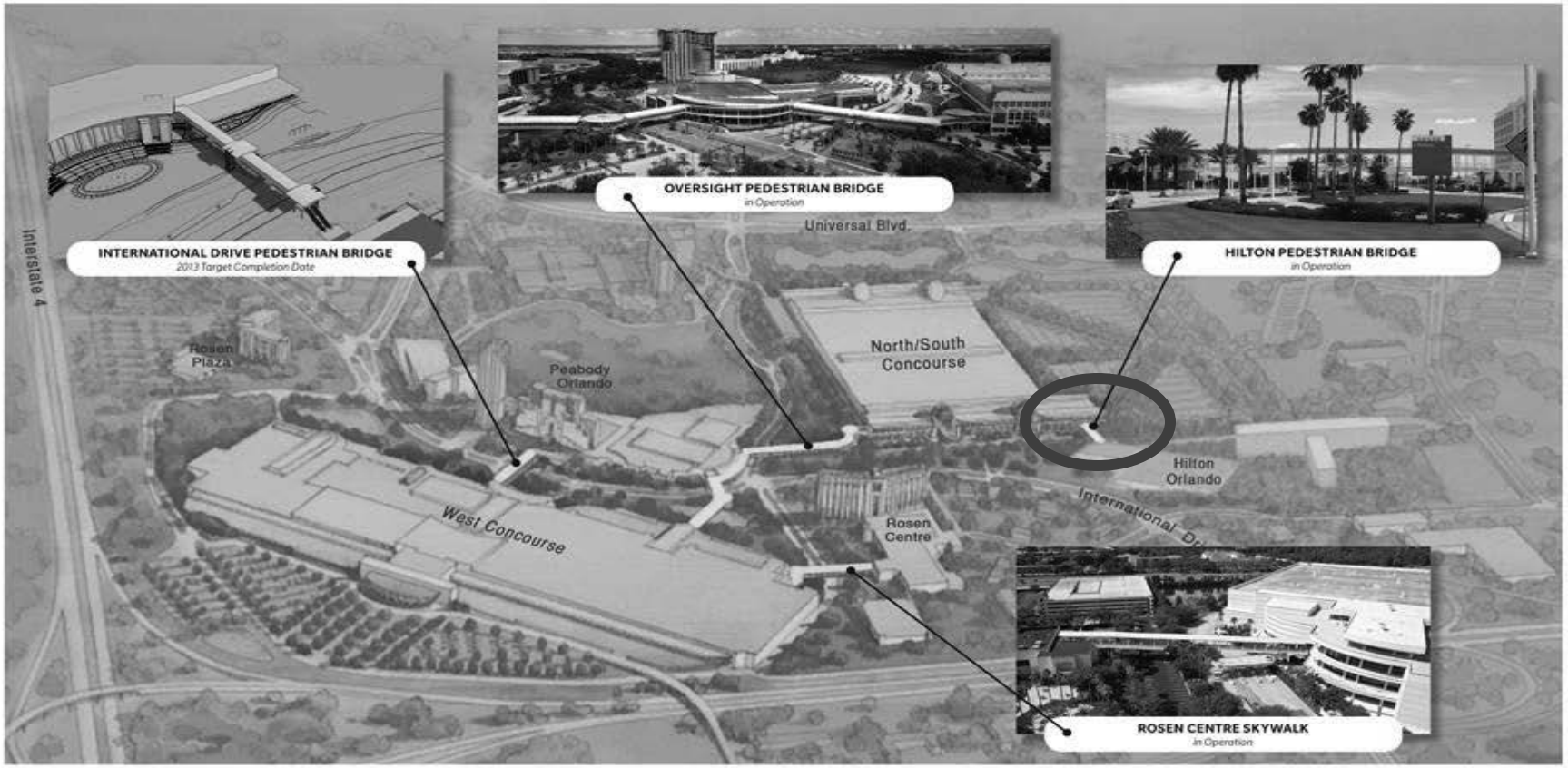


Oversight Bridge

Hilton Orlando Bridge

Orlando Orange County Convention Center

CONVENTION CENTER DISTRICT CONNECTIVITY



Hilton Orlando Bridge

APPROVED
BY ORANGE COUNTY BOARD
OF COUNTY COMMISSIONERS
OCT 20 1998 RB/BS

CONTRACT FOR SALE AND PURCHASE

for

ORANGE COUNTY CONVENTION CENTER EXPANSION

by and among

UNIVERSAL CITY PROPERTY MANAGEMENT COMPANY III,
a Delaware corporation

and

ORANGE COUNTY,
a political subdivision of the State of Florida

Effective as of October 21, 1998

8

conjunction with Buyer's development of the Property and Seller's design and construction of its master drainage system, the parties will fully cooperate in the redesign, reconfiguration, and relocation of the Canals and Pond and the point of discharge on to Seller's Retained Property to maximize both parties' development of their respective properties. Buyer shall not discharge any water or divert any water to drain upon Seller's Retained Property except in accordance herewith. Buyer shall not create any artificial head pressure or disturb the point of discharge into Seller's master drainage system. In constructing its master drainage system, Seller may incorporate the drainage water from the Property on that portion of the Land lying north of Universal Boulevard Extension into Seller's master drainage system. Buyer agrees to enter into master restrictions and/or owners associations to be formed for the purpose of documenting the drainage rights herein and requiring Buyer and other owners of the Seller's Retained Property to pay a proportionate share of the maintenance of the master drainage system. Buyer shall have the right to review and approve, in its reasonable discretion, the documents relating to the creation and governance of the owners' association. The parties will convey to each other such drainage easements or modifications thereof as are reasonably necessary to effectuate the purposes of this Paragraph 17 without further consideration required by either party, except Seller shall bear the cost of recording. The terms and conditions of this Paragraph 17 shall survive any closing or closings under this Contract.

18. **Seller's Reservation for Pedestrian Access Facilities; Convention Plaza Distict (CPD) Overlay Zone**. The parties acknowledge and agree that they will be mutually benefitted by the development of hotel, timeshare, or other forms of overnight accommodation ("Hotels") built in close proximity to the convention center(s) to be developed on the Property and that the construction of above ground pedestrian walkways or common walls with direct pedestrian access between the Hotels and convention center to be developed on the Property ("Pedestrian Access Facilities") will reduce automobile traffic, increase safety, enhance the use of the Convention Center, and the desirability of the Hotels. Seller hereby reserves and Buyer hereby grants to Seller an easement for support of and the right (but not the obligation) to construct, maintain, repair, and operate such Pedestrian Access Facilities (inclusive of reasonable ancillary signage, lighting, electrical, and utilities) upon the Property to accommodate direct connections with up to six (6) Hotels. The foregoing easement shall automatically terminate on December 31, 2029 with respect to any connections to such Hotels that are either (i) not utilized for, and improved with, Pedestrian Access Facilities, or (ii) the location for any such connections are not designated by Seller; provided, that the foregoing easement shall remain in full force and effect to connections utilized for Pedestrian Access Facilities, or the location for which has been designed by Seller, prior to December 31, 2029. Specifically, Seller's rights hereunder shall include the right to have the Hotel to be constructed upon the South Hotel Site, as designated on **Exhibit "B-1"** ("South Hotel"), to have a large common Pedestrian Access Facility with the Phase V Convention Center Facilities which is direct and continuous at or above grade passages or rights-of-way or third party rights or title; it being the intention of the parties that the Property and South Hotel share a significant common boundary to accommodate the free flow of Convention Center attendees and patrons to and from the South Hotel and of guests and patrons of the South Hotel directly

8

18. **Seller's Reservation for Pedestrian Access Facilities; Convention Plaza Distict (CPD) Overlay Zone**. The parties acknowledge and agree that they will be mutually benefitted by the development of hotel, timeshare, or other forms of overnight accommodation ("Hotels") built in close proximity to the convention center(s) to be developed on the Property and that the construction of above ground pedestrian walkways or common walls with direct pedestrian access between the Hotels and convention center to be developed on the Property ("Pedestrian Access Facilities") will reduce automobile traffic, increase safety, enhance the use of the Convention Center, and the desirability of the Hotels. Seller hereby reserves and Buyer hereby grants to Seller an easement for support of and the right (but not the obligation) to construct, maintain, repair, and operate such Pedestrian Access Facilities (inclusive of reasonable ancillary signage, lighting, electrical, and utilities) upon the Property to accommodate direct connections with up to six (6) Hotels.

into the Phase V Convention Center Expansion; provided, however, that the parties or Seller's successor owners, as appropriate, shall have the right to interrupt the direct access rights on a temporary and short-term basis as may be reasonably necessary from time to time for security purposes or public safety. (By way of example and not as a limitation, such may include a continuous lobby area in a manner as would occur if the Phase V Convention Center Expansion and Hotel on the South Hotel Site had a common wall with large common openings.) The Buyer will use its good faith efforts to cause the Phase V Convention Center Expansion facilities to be built in close proximity (fifty feet or less) to the northern boundary of the South Hotel Site to permit the construction of the Pedestrian Access Facility herein contemplated. The parties will regularly meet to discuss the design and location of the convention center facilities, Hotels and Pedestrian Access Facilities to coordinate the location and design to minimize the cost of construction for both parties and the interruption to guests of both the Hotels and the convention center. The parties shall cooperate in good faith at all times during planning, design, construction, and thereafter, to comply with the intent of this Paragraph 18. The Buyer shall make reasonable accommodations in its plans, designs, and construction to permit the orderly construction of Pedestrian Access Facilities without unreasonable obstruction or excessive costs. Seller agrees that all cost of construction and maintenance of Pedestrian Access Facilities shall be borne by Seller; however, Seller may assign all rights, duties, and obligations associated with any one or more Pedestrian Access Facility(ies) to one or more of Seller's successor owner of any of Seller's Retained Property upon which a Hotel will be constructed with the designed Pedestrian Access Facility. The parties will require that their respective consultants share all pertinent information in a timely manner to allow each party to evaluate, plan, design, and construct the Pedestrian Access Facilities in a reasonable, orderly, and timely manner. The terms and conditions of this Paragraph 18 shall survive any closing or closings under this Contract, and the parties agree to execute any documents or easements at closing to evidence the rights and obligations herein provided without further consideration required by either party, except Seller shall bear the cost of recording.

In order to accommodate the Hotels and certain retail development on Seller's Retained Property which are in close proximity to the Property, the Buyer has agreed to consider and process an amendment to be made to the Convention Plaza District ("CPD") as provided in Section 38-860 through 38-867, inclusive, of the Orange County Code and the Orange County's comprehensive plan (if necessary) to include any parcels of Seller's Retained Property designated for hotel or commercial retail development uses lying within 1,000 feet of the perimeter boundary of the Land to be included within the CPD. For purposes hereof, any such parcel shall be deemed to entirely lie within 1,000 feet of the boundary of the Land if fifty percent (50%) or more of the area of such parcel lies within said 1,000 foot area adjacent to the boundary of the Land. Nothing herein shall operate to amend, or bind, or obligate Orange County to amend, the CPD or the Orange County comprehensive plan.

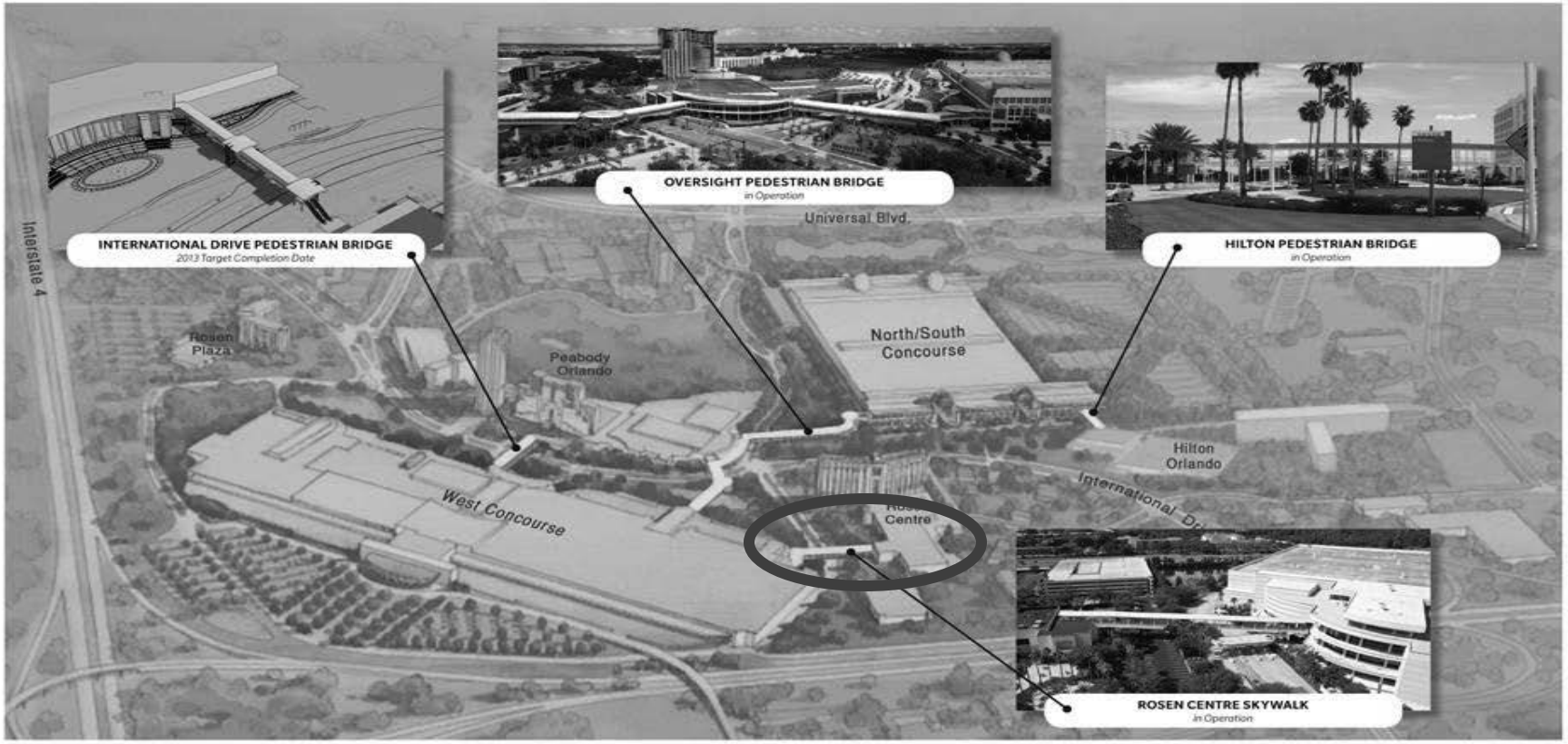
19. **Seller Post Closing Fill Obligations**. Seller shall be obligated to remove and relocate the drainage canal known as the "NewOver Canal" ("Canal") off of the Property. To

The Buyer will use its good faith efforts to cause the Phase V Convention Center Expansion facilities to be built in close proximity (fifty feet or less) to the northern boundary of the South Hotel Site to permit the construction of the Pedestrian Access Facility herein contemplated.

Rosen Centre Skywalk

Orlando
Orange County
Convention Center

CONVENTION CENTER DISTRICT CONNECTIVITY

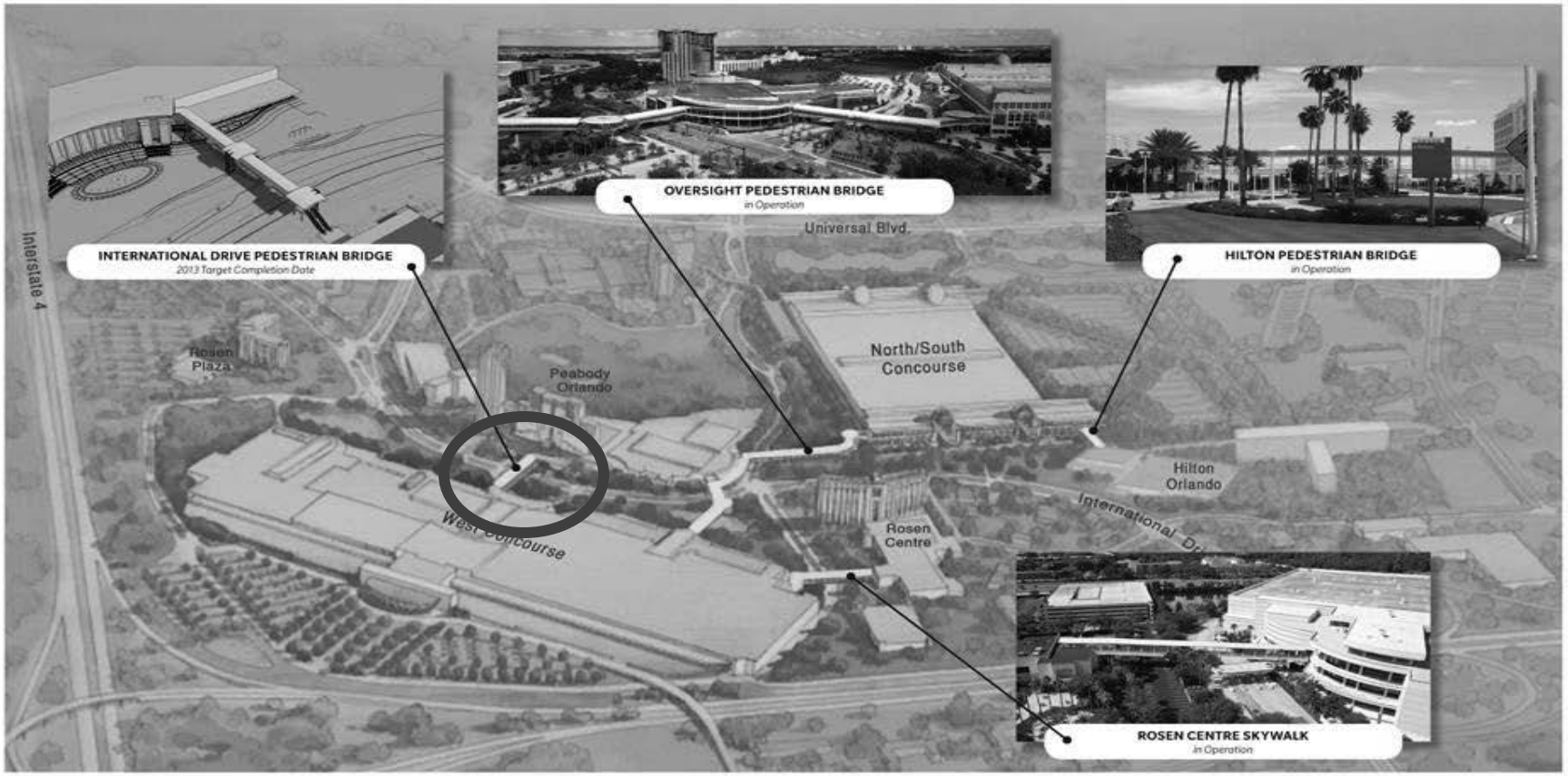


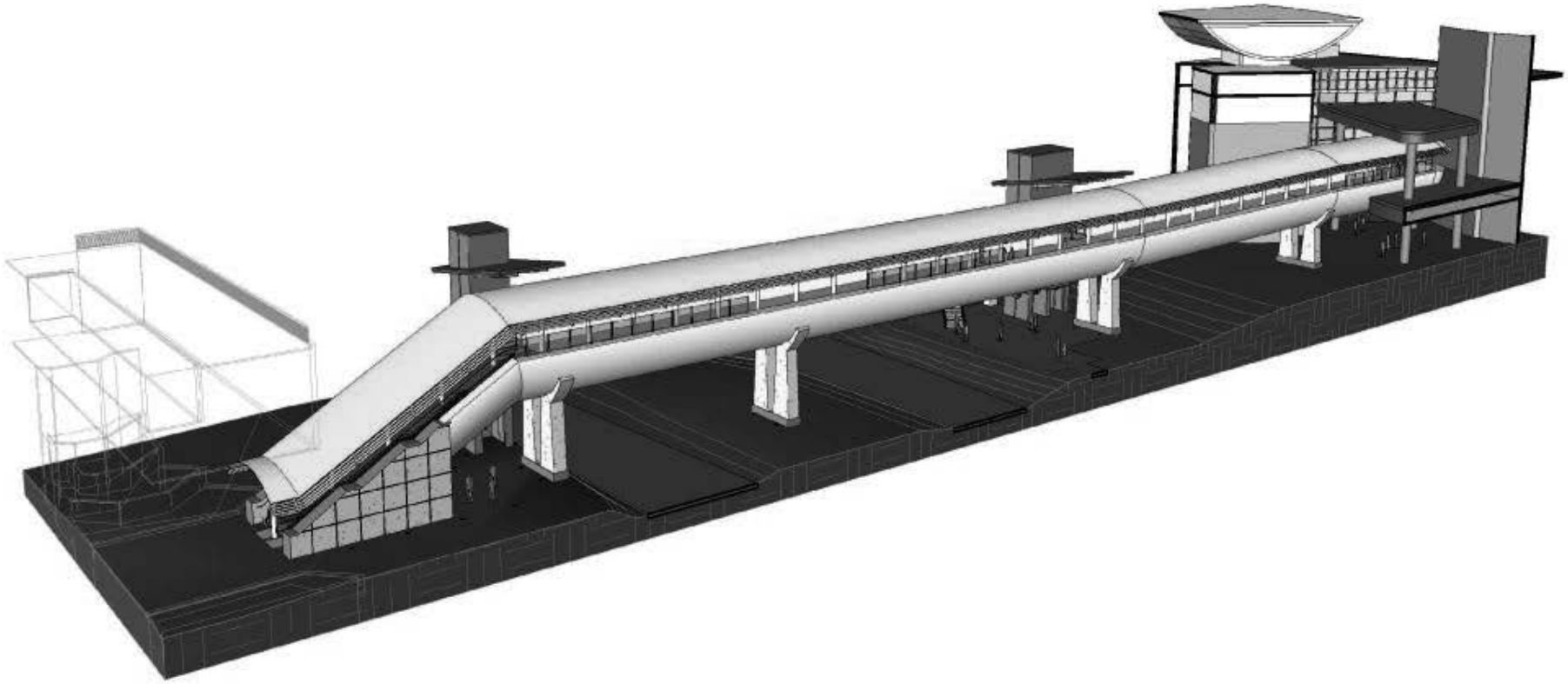
Rosen Centre Skywalk

International Drive Bridge

Orlando
Orange County
Convention Center

CONVENTION CENTER DISTRICT CONNECTIVITY

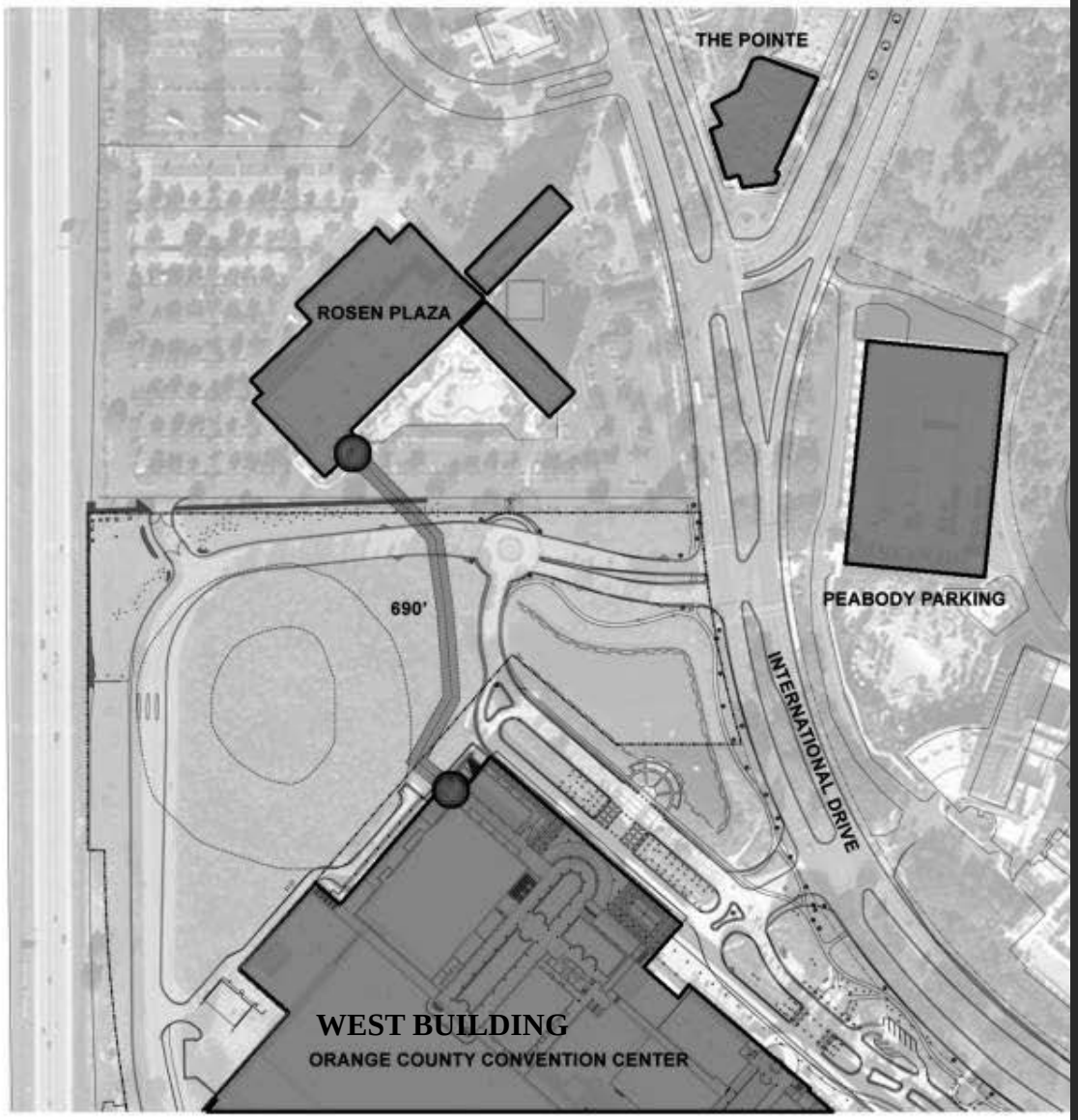




TOPICS

- Background on Bridge Projects
- Current Rosen Proposal
- CBRE Project
- Wrap Up

Rosen Plaza Bridge Proposal


THE POINTE
ROSEN PLAZA
690'
PEABODY PARKING
INTERNATIONAL DRIVE
WEST BUILDING
ORANGE COUNTY CONVENTION CENTER

TOPICS

- Background on Bridge Projects
- Current Rosen Proposal
- CBRE Project
- Wrap Up

Orange County and
The Orange County Convention Center

Vacant Land
Highest and Best Use Consultation

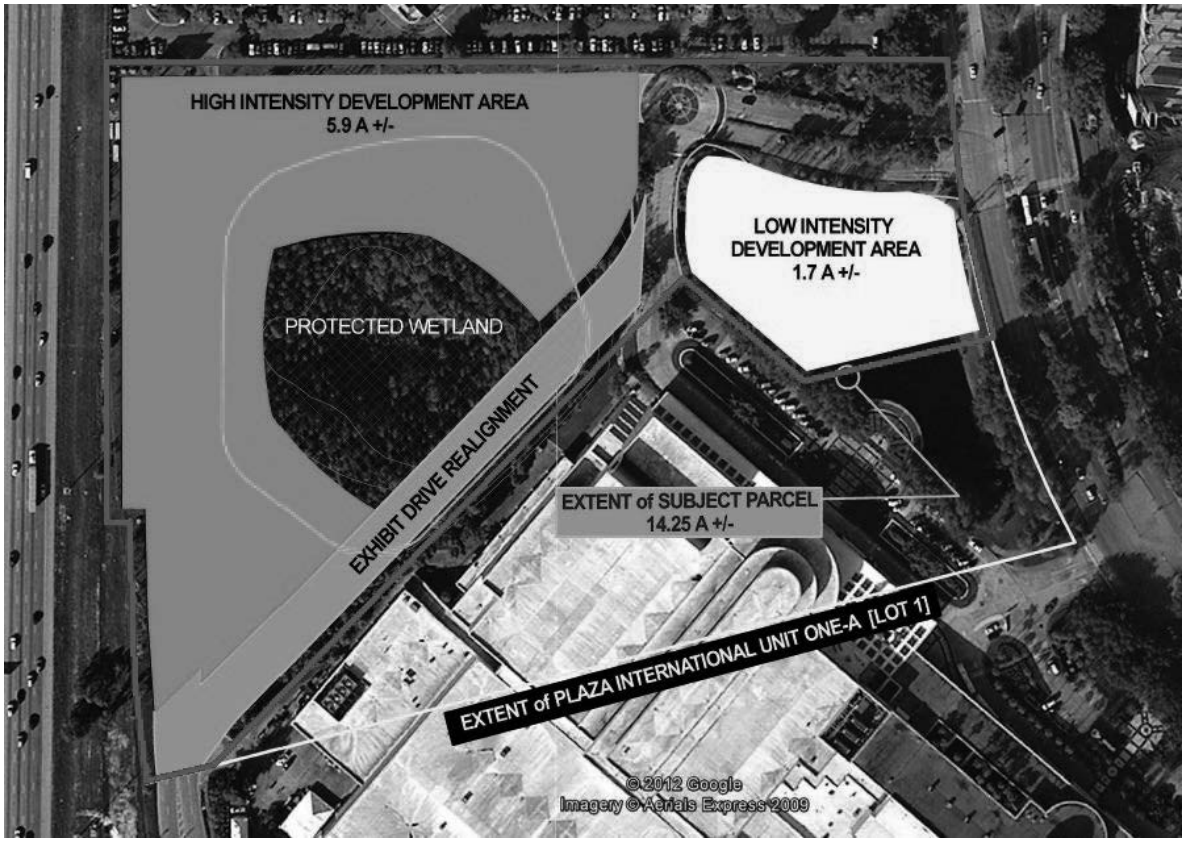
ORANGE COUNTY GOVERNMENT FLORIDA

CBRE

The Property

- 14.25 Gross Acres
- 400 +/- Linear Feet along West side of International Drive
- 950 +/- Linear Feet along Interstate 4
- Contiguous to the OCCC West Concourse Building
- C-2 Commercial Zoning. Institutional Future Land Use

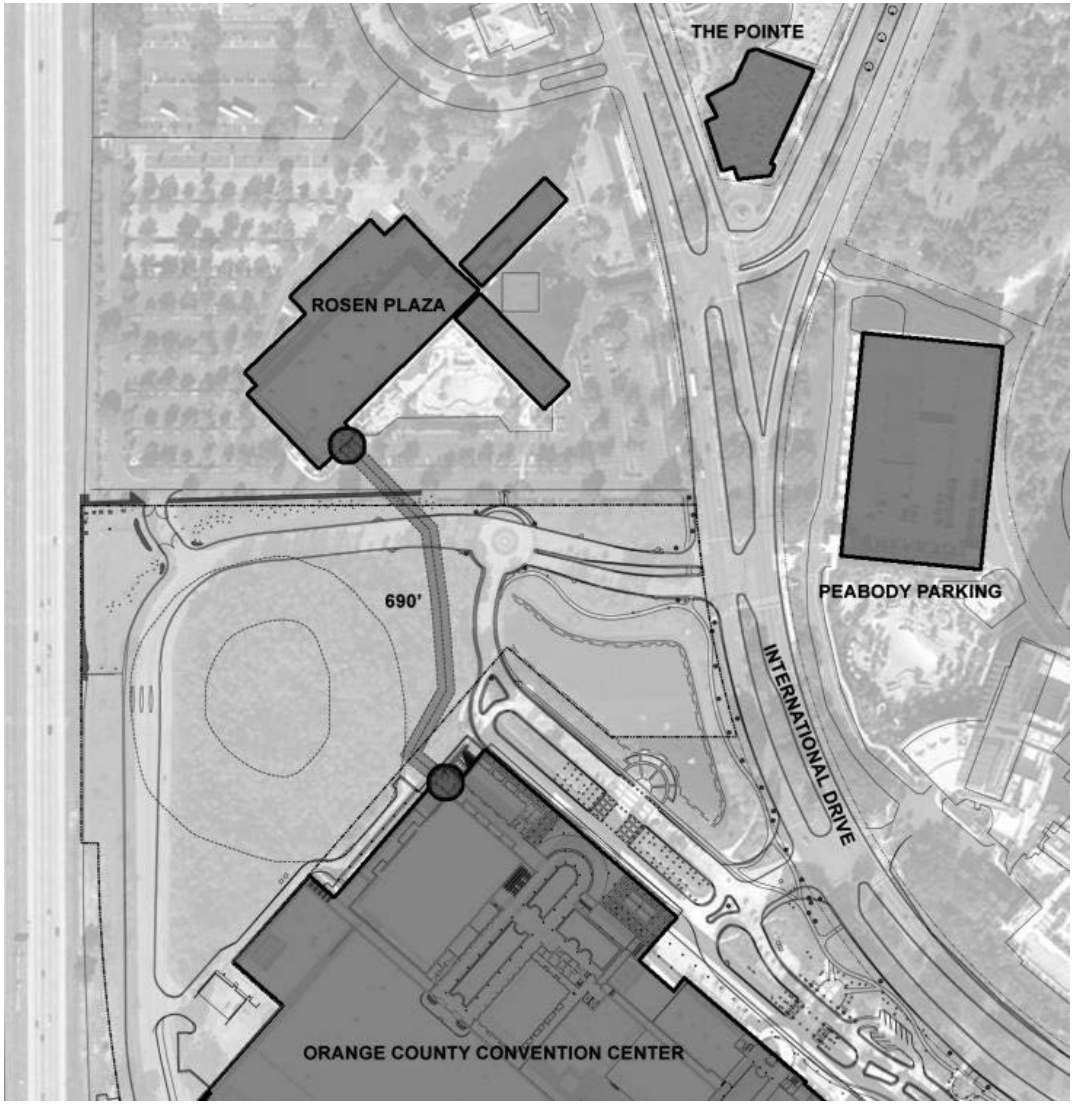
Trammell Crow Company – Development Assessment



- High Intensity – 5.9 Acres (Mid and high rise hotel or office, intense convention center expansion, etc.)
- Low Intensity – 1.7 Acres (Single story retail, restaurant, etc.)
- Best candidate uses include hotel, restaurant/retail, public/open space, convention center expansion and public transportation

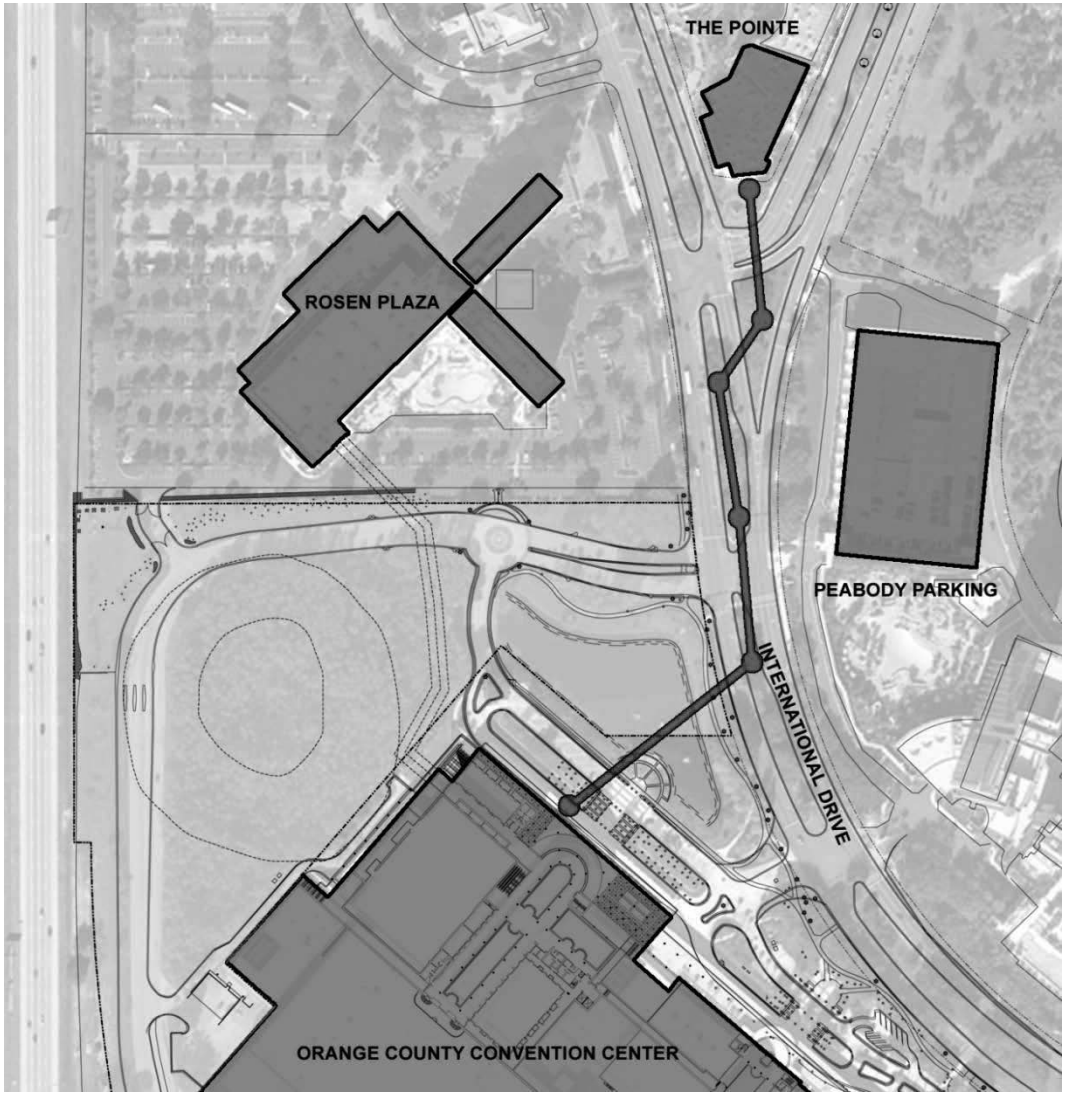
- No critical flaws to development
- Development challenge presented by wetland area
- Realignment of Exhibit Drive + Fill = 7.6 acres of developable land area

Trammell Crow Company – Pedestrian Bridge Assessment



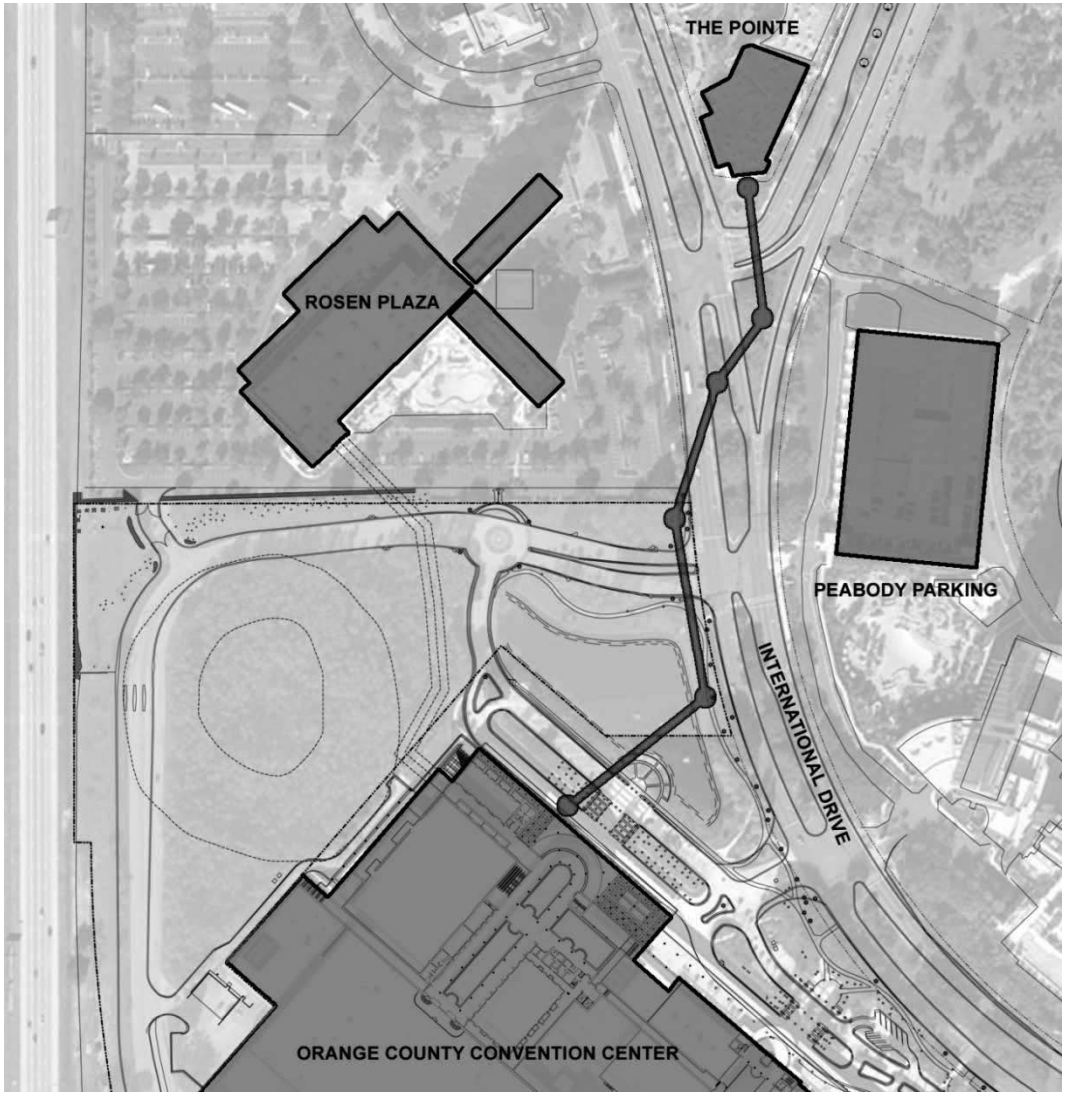
- Proposed bridge is first to cross developable and valuable county owned land
- As Proposed, maximum cost = $3,500,000 to be shared equally between Rosen and County.
- Maximum Rosen portion = $1,750,000
- Bridge materially impacts development potential of the subject site
- Several alternative bridge locations have been identified that address long-term goals of the County and the OCCC.

Trammell Crow Company – Pedestrian Bridge Assessment



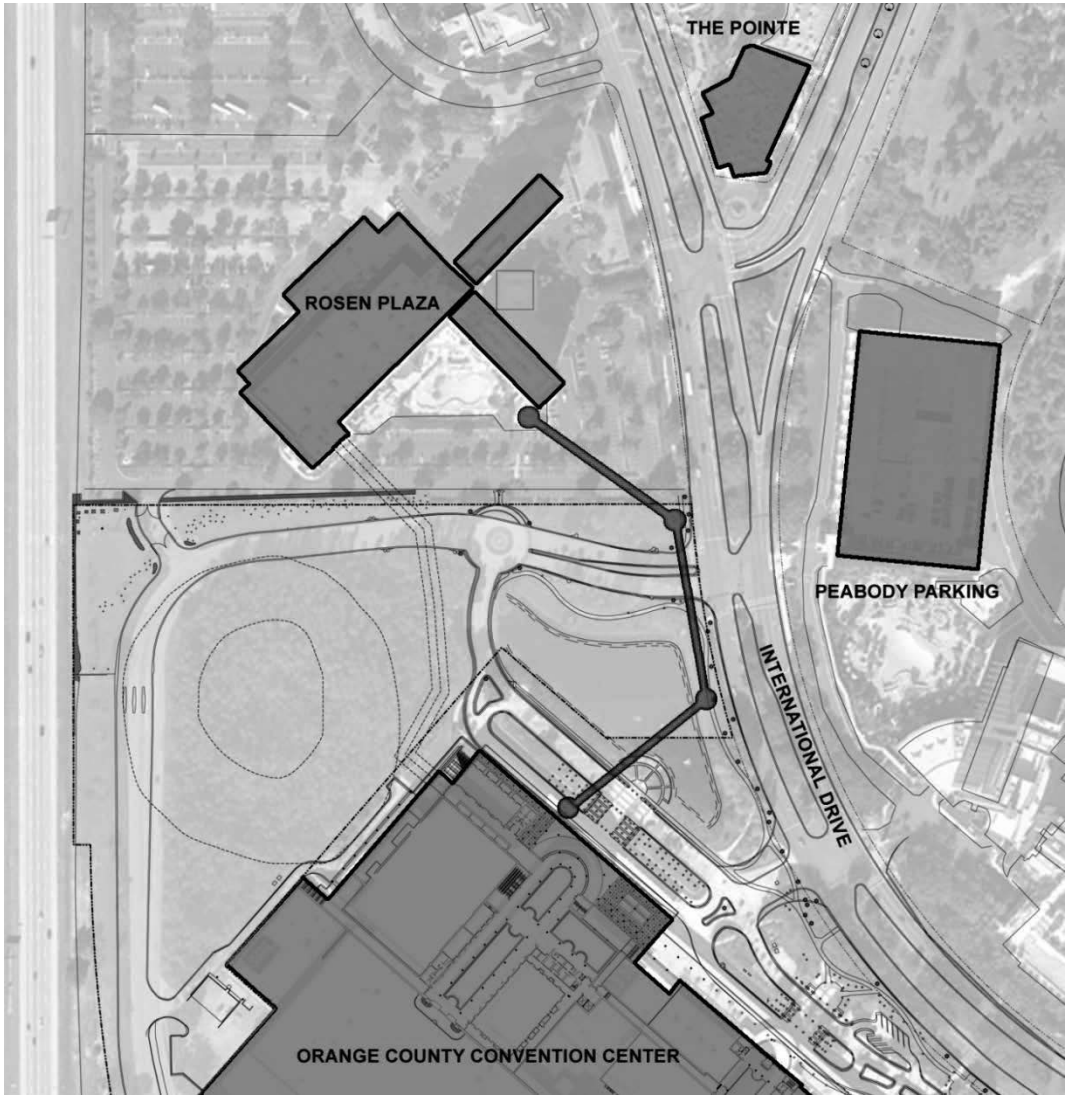
- A phased, spine bridge system is recommended
- Allows for future expansion and alternative routes
- Connection from other venues would not require an easement across the subject property to be given by the County
- Minimal bridge impact to the subject property

Trammell Crow Company – Pedestrian Bridge Assessment



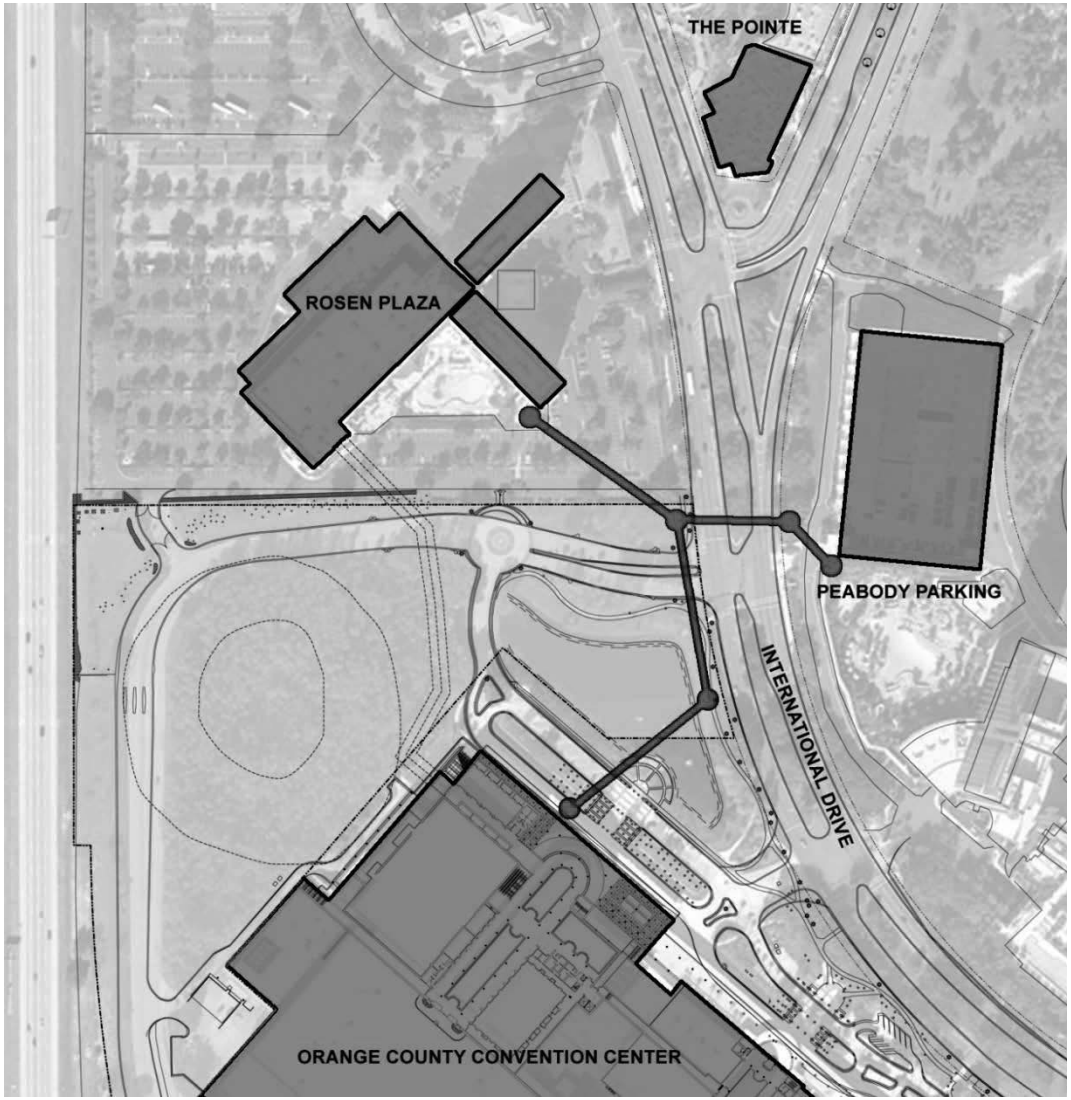
- Additional example of alternative route
- Less impact on International Drive and potentially less expensive for initial construction

Trammell Crow Company – Pedestrian Bridge Assessment



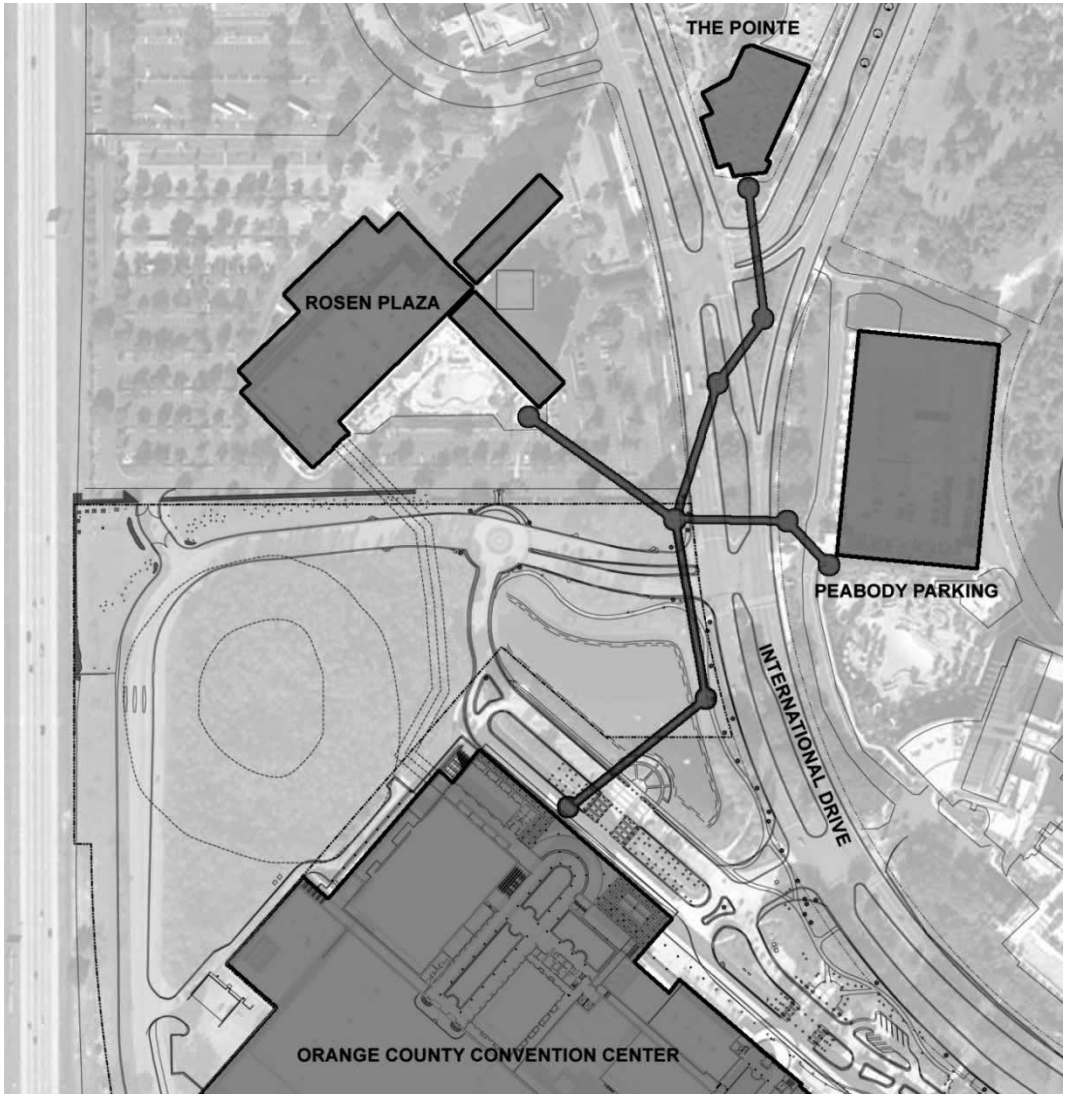
- Example connection to the Rosen Plaza
- Rosen cost range = $1,465,000 - $2,197,500, similar to $1.75M Rosen portion of total maximum bridge cost
- County cost range = $3,225,000 - $4,837,500
- Total cost range = $4,690,000 - $7,035,000
- Costs vary depending on bridge length, location, capacity, finishes and overall design and engineering

Trammell Crow Company – Pedestrian Bridge Assessment



- Example of connection to other venues – Peabody Parking Garage

Trammell Crow Company – Pedestrian Bridge Assessment



- Example of possible future bridge expansion to The Pointe

Trammell Crow Company – Pedestrian Bridge Assessment

- **Bridge locations should be based on a master plan consistent with OCCC and Orange County goals regarding pedestrian safety, user experience, cost and overall benefit to the largest number of Convention Center users.**

tvsdesign – OCCC Client Needs Assessment

American Pharmacists Association

National Training and Simulation

CTIA ,The Wireless Association

National Association of Homebuilders

National School Boards Association

National Sheriff's Association

International Association of Amusement Parks & Attractions

American Sport Fishing Association

International Sign Association

Water Environment Federation

tvsdesign – OCCC Client Needs Assessment

True Value

McDonalds Corporation

Healthcare Financial Management Association

National Association of Realtors

North American Association of Food Equipment Manufacturers

Healthcare Information and Management Systems Society

American Pet Products Association

Reed Expo

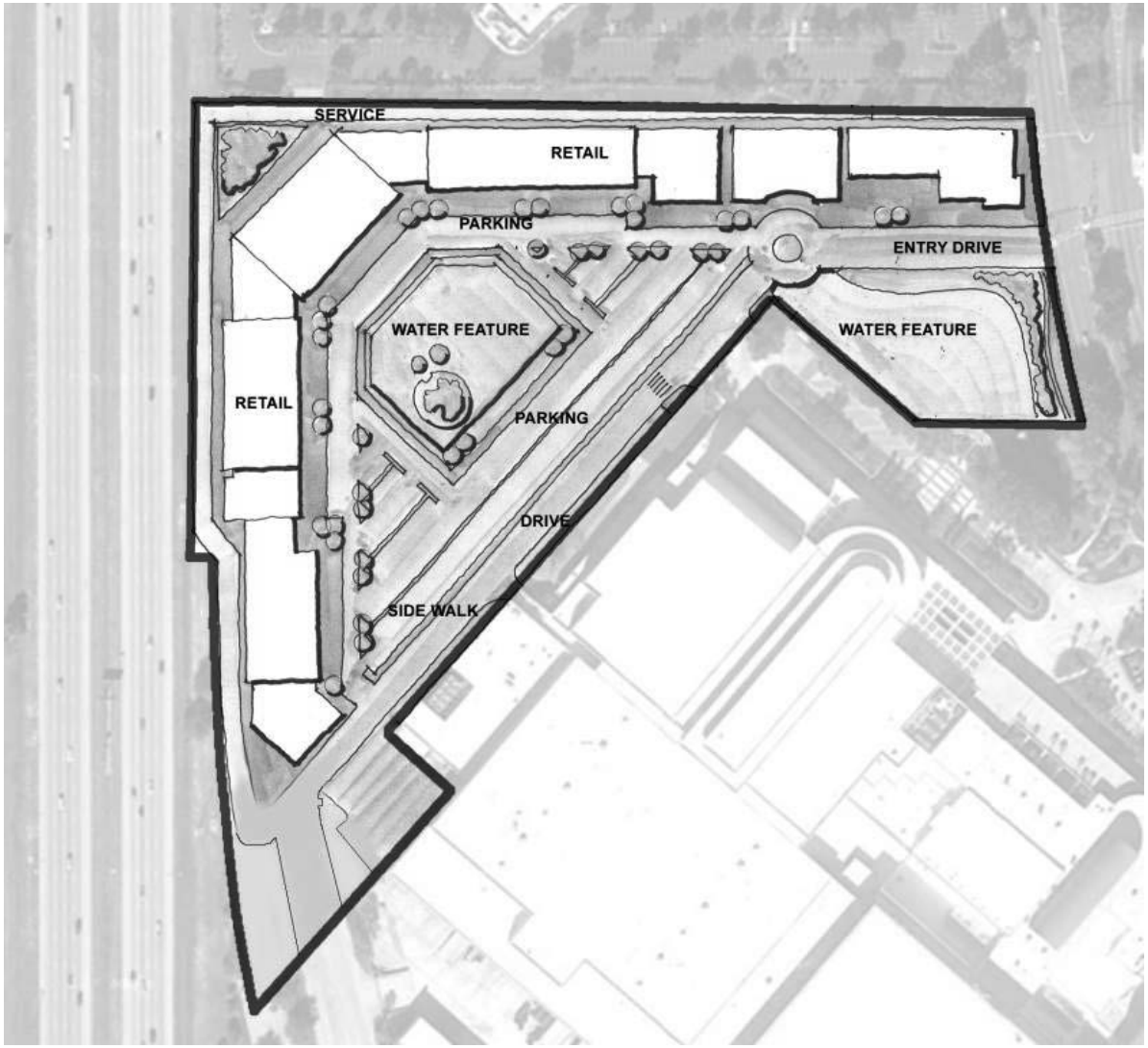
Society of the Plastics Industry

tvsdesign – OCCC Client Needs Assessment

tvsdesign – OCCC Client Needs Assessment

tvsdesign – OCCC Client Needs Assessment

tvsdesign – OCCC Client Needs Assessment

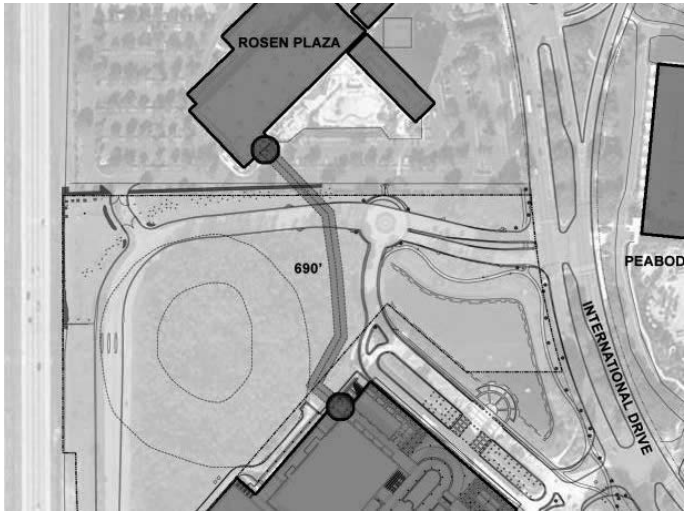


tvsdesign – OCCC Client Needs Assessment

tvsdesign – OCCC Client Needs Assessment

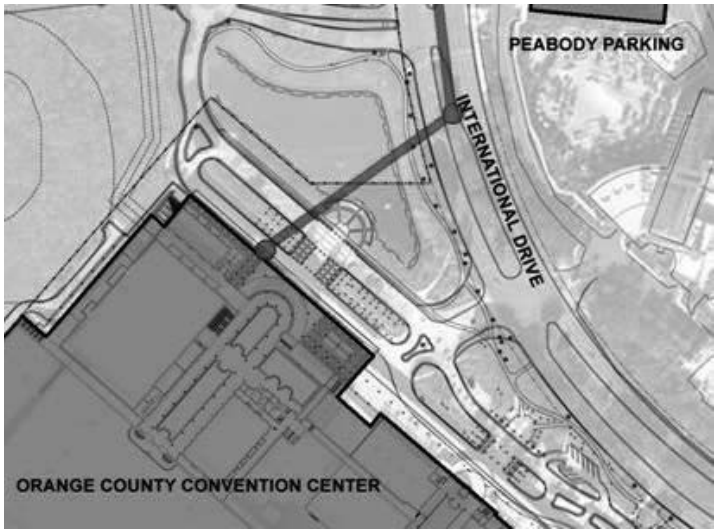
- Top priority for 14 of 19 client groups was for a nationally branded hotel
- Strong client desire for additional walking distance restaurants (verses traditional retail) as well as geographic connectivity to off-site restaurants
- Integration of the site into the overall OCCC master plan extremely important to clients
- Clients viewed additional pedestrian bridges highly favorably - (convenience, safety, comfort, campus connectivity)
- Integration of all bridges into an overall master plan very important to clients

tvsdesign – OCCC Client Needs Assessment



- Clients strongly viewed the proposed connection to the West Building as limiting and benefiting few users
- Proposed connection feeds pedestrians into the “wrong spot” i.e. meeting room areas instead of lobby areas
- Clients strongly desired that the county not build the bridge in the proposed location

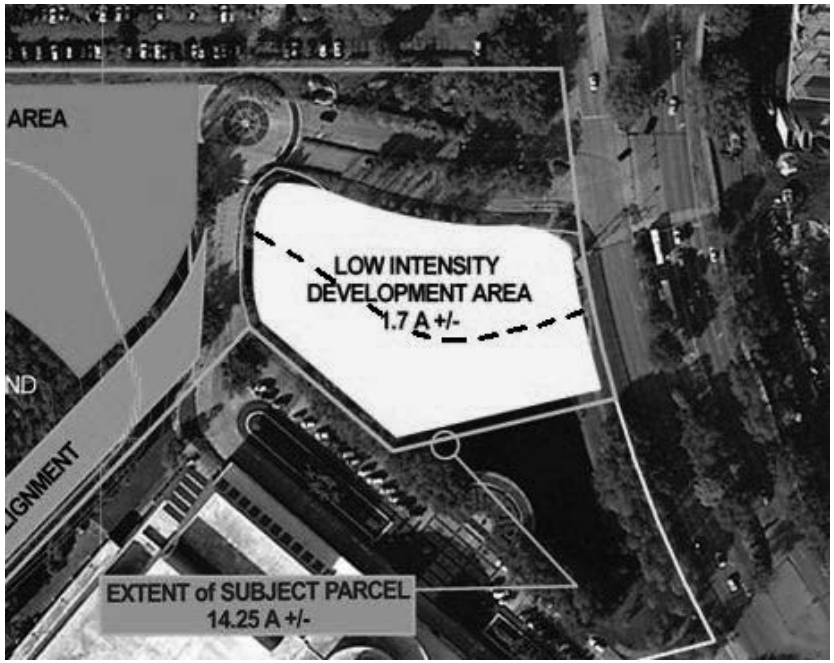
tvsdesign – OCCC Client Needs Assessment



- Clients indicated the West E Lobby has a central and familiar location, and would benefit the most users
- Clients strongly preferred a connection to the West E Lobby rather than the current location as proposed

Retail Market Study

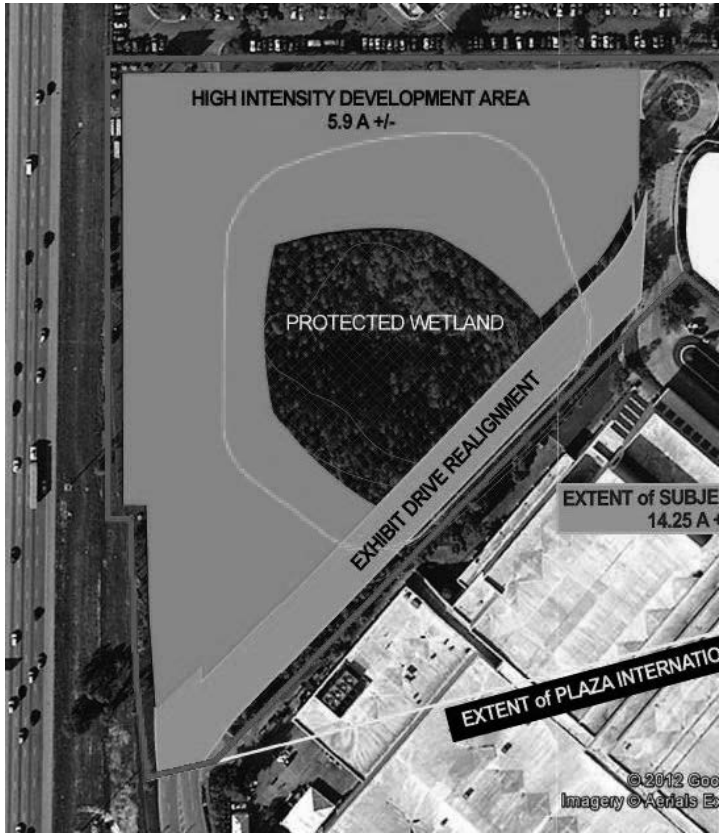
- Very few large acreage tracts along International Drive, and none with the subject characteristics
- Subject International Drive frontage would be in immediate demand
- Highest demand is for one-story, concept or theme restaurants vs. traditional retail
- Most productive use of I-Drive frontage would be two pad sites, at slightly less than one acre each
- Typical restaurant size would be 6,000 to 9,000 square feet each
- Ground leases are preferred by the market rather than an outright sale



- Finished pad sites should lease for $350,000 to $450,000 each per year

Hotel Market Study

- 5.9-acre portion of the subject site would be viewed favorably for a high-end hotel
- National and local hotel markets continue to improve
- ADR's and Occupancy levels increasing
- Financing becoming more available, but construction would likely be 3 to 5 years out
- Subject hotel would most likely be nationally branded (Marriott, InterContinental, Starwood, etc.)
- Likely size of approximately 400 rooms



Value Estimate – As Is

MARKET VALUE CONCLUSION - AS OF JULY 9, 2012		
Land Area	**Interest Appraised**	**Value Conclusion**
14.25 Gross Acres	Fee Simple Estate	$10,200,000

CONCLUDED VALUE BREAKDOWN		
Land Area		Value
Gross Acreage	14.25	
Wetland and Pond	(6.65)	
Net Usable Hotel	5.9	$6,400,000
Net Usable Retail	1.7	$3,800,000
Net Usable Acreage	7.6	$10,200,000

Potential Loss in Value to the Property

- Reduced visibility to the west portion of the site from International Drive
- A significant diminishment of the “grand entrance” affect from International Drive, as required by top tier hotel developers

Potential Loss in Value to the Property

- Severely reduced functional utility - bridge will create a new visual, functional and physical site "boundary"
- Additional site development costs for wetland fill to create more usable land area

Potential Loss in Value to the Property

- Proposed bridge location could imply “branding” of the Rosen Plaza – a negative for top tier hotel developers
- The site is currently appropriate for a nationally branded, 4-Diamond hotel. As proposed the bridge would reduce viability of the site to a 3-Diamond hotel
- Pool of potential buyers will be reduced – 4-Diamond hotel developers could eliminate the site from consideration altogether

Loss in Value Calculation

LOSS IN VALUE				
Component	Value Estimate	Diminution Range	Diminution Estimate	Total Loss in Value
Hotel Component	$6,400,000	20% - 40%	30%	**$1,920,000**
Retail Component	$3,800,000	None	N/A	$0

Value Conclusion Summary

MARKET VALUE CONCLUSION - AS OF JULY 9, 2012	
Appraisal Premise	**Value Conclusion**
Total Property Value - As Is	**$10,200,000**
Temporary Construction Easement	($26,000)
Permanent Easement	($350,000)
Loss in Value	($1,920,000)
Subtotal:	($2,296,000)
Loss in Property Value after Bridge Construction	**($2,300,000)**
Property Value After Bridge Construction	**$7,900,000**

Final Conclusions and Recommendations

- Pedestrian bridges add value to the Convention Center campus and client experience
- The current Bridge as proposed will severely impact the value of the subject site, and is not desired by OCCC clients
- There are alternative bridge locations that could better serve the Rosen Plaza and the greater OCCC client/user population, in addition to providing for future expansion and connection to other venues
- Any bridge construction should be consistent with a master plan for the OCCC and Orange County
- **The Bridge as proposed in the current location should not be approved by Orange County**

TOPICS

- Background on Bridge Projects
- Current Rosen Proposal
- CBRE Project
- Wrap Up