Economic Viability of TDR program

The objective of this analysis is to create a process by which we can estimate the contributory value of a TDR based on the residential market value. This will in turn begin a conversation regarding an equitable formula for creating TDR's that enhance the development potential in the Rural Fringe.

Located below are the required tasks needed to achieve this objective.

1. Identify several **Development Scenarios** based on a hypothetical site using the current RFMUD density parameters.
2. Collect market data on currently developing **New Communities located within the RFMUD** and profile each as to its finished product pricing, market acceptance and contributory value of the land to the overall price.
3. Collect market data on **Golden Gate Estates Vacant Lot Cost** to understand the market value as it relates to lot size and location within the general area of the RFMUD.
4. Collect market data on recent **Development Land Sales** located on the RFMUD area to understand the bulk sale value for improved sites and unimproved land platted for sites.
5. Collect information for on-site infrastructure cost to better understand the ratio of raw land cost to finished lot cost.
6. Provide conclusions and recommendations as to the contributory value range of a development right as it relates to density.

Development Scenarios

In order to evaluate the development potential within the Rural Fringe, we will analyze four hypothetical community plans that represent each type of potential development scenario that can be created on Receiving Lands in Collier County. All four scenarios are situated on a 300 acre site.

1. **Scenario A -** *Current Criteria* – Development of 1 DU per 5 Acres for with no requirement of TDR. This results in a total density of 60 units.
2. **Scenario B -** *Standard Receiving Area Criteria* – Development of 1 DU per acre with maximum current allowable density. This results in a total density of 300 units.
3. **Scenario C -** *Standard Receiving Area Criteria with additional TDR's* – Development of 3 DU per acre with maximum current allowable density. This results in a total density of 900 units.
4. **Scenario D -** *Mixed Use Village Criteria* – Development of 3 DU per acre with maximum current allowable density and no more than 10% of the site reserved for commercial and employment. This results in a total density of 900 units.

Scenario A reflects the current zoning criteria which allows the development of one unit per 5 acres anywhere within the rural fringe area. Scenario B reflects the standard receiving area criteria which is reflective of one unit per acre. Scenario C reflects the standard receiving area criteria with additional bonus TDR's, which allows for 300 base units and an additional 600 TDR units for a total density of 900 units on the 300 acre site or a gross density of three units per acre. Scenario D allows the same as scenario C however sets aside 10% or 30 acres of land for the development of nonresidential uses.

In order to provide a comparison of cost be density, we need to quantify the net density for each of the most market acceptable product in the area of the county. Located below is an estimate of net density for seven of the most popular product designs being developed today.

For each proposed land use, the chart below shows the following;

- **Lot Front Foot (FF)**
- **Lot Depth**
- **Lot Total SQFT**, (Front Foot x Depth = Total SQFT)
- **Site Improvement Factor"**
- **Effective Lot Size** (Lot Size including pro rata share of on-site land)
- **Units/Per Building**
- **Net DU per Acre** (Units/Per Building divided by Effective Lot Size)
- **Rounded DU/Acre**

The site improvement factor of 50% accounts for land utilized for roadways, easements, on site water retention and land for the amenity center. The effective size therefore is the factor utilized to determine the net density per acre for each land use.

Located below is a summary of the Land Use Density Assumptions that will be used in our analysis based on current development patterns.

Land Use Density Assumptions

Land Use	Lot FF	Lot Depth	Lot Total SQFT	Site Impr Factor	Eff Lot Size	Units/Per Building	Net DU Acre	Rounded DU/Acre
Single Family (SF 250)	250	580	145,000	50%	217,500	1	0.20	0.2
Single Family (SF 120)	120	240	28,800	50%	43,200	1	1.01	1.0
Single Family (SF80)	80	150	12,000	50%	18,000	1	2.42	2.4
Detached Villa (DV65)	65	120	7,800	50%	11,700	1	3.72	3.7
Detached Villa (DV 50)	50	120	6,000	50%	9,000	1	4.84	4.8
Coach Home (CH)	150	200	30,000	50%	45,000	8	7.74	7.7
Garden (GN)	120	250	30,000	50%	45,000	12	11.62	11.6

In order to see the relationship of density between the uses, we created a conversion table that shows how many additional units can be achieved by changing a specific land use. Conversely, we can see the loss of density by changing to a larger lot product. The conversion table also reflects the relationship between the current 1 unit per 5 acre rural fringe criteria (SF 250) and the higher density single family and multifamily designs that are currently being developed within the urban area of Collier County.

		To						
	Land Use	SF 250	SF 120	SF 80	DV 65	DV 50	GN	CH
From	Single Family (SF 250)	**1.0**	5.0	12.0	18.5	24.0	58.0	38.5
	Single Family (SF 120)	0.2	**1.0**	2.4	3.7	4.8	11.6	7.7
	Single Family (SF80)	0.1	0.4	**1.0**	1.5	2.0	4.8	3.2
	Detached Villa (DV65)	0.1	0.3	0.6	**1.0**	1.3	3.1	2.1
	Detached Villa (DV 50)	0.0	0.2	0.5	0.8	**1.0**	2.4	1.6
	Coach Home (CH)	0.0	0.1	0.3	0.5	0.6	**1.0**	0.7
	Garden (GN)	0.0	0.1	0.2	0.3	0.4	1.5	**1.0**

The conversion table utilizes the land use net density assumptions from above and shows the increase of decrease in density for each land use. For example if we wanted to change the land use from SF 120 to SF 80's, we see that for every one SF 120 lot we can get 2.4 SF 80 lots. The coach home design is a standard eight unit building which includes a one or two car garage. The garden condominium is the highest density product within this conversion table and includes 12 units per building or a density per acre of approximately 12 units.

Now that we have determined the net density assumptions for land uses that typically being developed in the area, the next step is to prepare a product mix for each of the four hypothetical development scenarios. Based on the net density for each development scenario included on the 300 acres, we prepared a representative product mix. Scenario D has a lower percentage of SF 80 product and a higher percentage of DV 65 and DV 50 product to leave 10% of the site or 30 acres for non-residential uses. Located below is the product mix we will utilize for our analysis of each of the development scenarios.

Development Scenario	Units per Use	Pct of Total/ Scenario	Total Acres
Scenario A			
Single Family (SF 250)	60	100%	300
Scenario B			
Single Family (SF 120)	300	100%	298
Scenario C			
Single Family (SF 120)	0	0%	0
Single Family (SF80)	425	47%	176
Detached Villa (DV65)	325	36%	87
Detached Villa (DV 50)	150	17%	31
Total	**900**	**100%**	**294**
Scenario D			
Single Family (SF 120)	0	0%	0
Single Family (SF80)	250	28%	103
Detached Villa (DV65)	450	50%	121
Detached Villa (DV 50)	200	22%	41
Village Use			30
Total	**900**	**100%**	**295**

New Communities near the RFMUD

The only two newly developing communities located in proximity to the RFMUD are Ave Maria and Orange Blossom Ranch, located north of Oil Well Road. The product offerings and pricing within each neighborhood of these communities are the best reflections of market acceptance for this type of land use. They also provide the best indication of contributory land value as their land use net density was the basis for our scenarios.

In order to estimate the contributory value of the land to the overall sales price, we must deconstruct the components to indicate the residual land contribution to the overall sales price. The hard and soft cost estimates for homes were estimated based on the information from builders in the area of like kind properties.

Lennar Homes is currently selling homes in Orange Blossom Ranch and has seven models ranging in living area size from 1677 ft.^{2} to 3357 ft.^{2}. The current offering prices range from $218,000-$328,000 reflecting a price per square foot range from $131 per square foot to $98 per square foot for the larger homes.

In order to estimate the contributory value of the land to the overall sales price, we reviewed several other communities that have similar density and similar product types to that of Orange Blossom Ranch. Based on the analysis of these other communities, the percentage of land that contributes the overall sales price ranges from 25% for the larger homes to 34% for the smaller homes based on the overall sales price. On average, for communities of this nature the contributory land percentage ranges between 28 and 30%.

Considering the lots are of the same size and functional utility, their contributory value to the overall property should be the same regardless of what floor plan is put in any lot. Therefore in order to best estimate the contributory value of the land to the overall improvements, we have estimated that a 50 foot lot within Orange Blossom Ranch would have a contributory price per front foot of approximately $1,500. This $1,500 figure is derived from two finished lot sales from within Black Bear Ridge, a community located east of Collier Boulevard and north of Vanderbilt Beach Road in Collier County. Based on this $1,500 per front foot value estimate, the contributory value of a finished lot ready for a permit to be pulled within Orange Blossom Ranch would have an effective value of $75,000. If we subtract the $75,000 estimated finished lot cost from the overall sales price, we're left with the estimated cost of construction for each of the seven floor plans. Utilizing the estimated $75,000 as the representative finished lot cost, the percentage of the lot value to the overall finished home value ranges from a low of 23% to a high of 34%, which is consistent with other projects analyzed for this type of analysis.

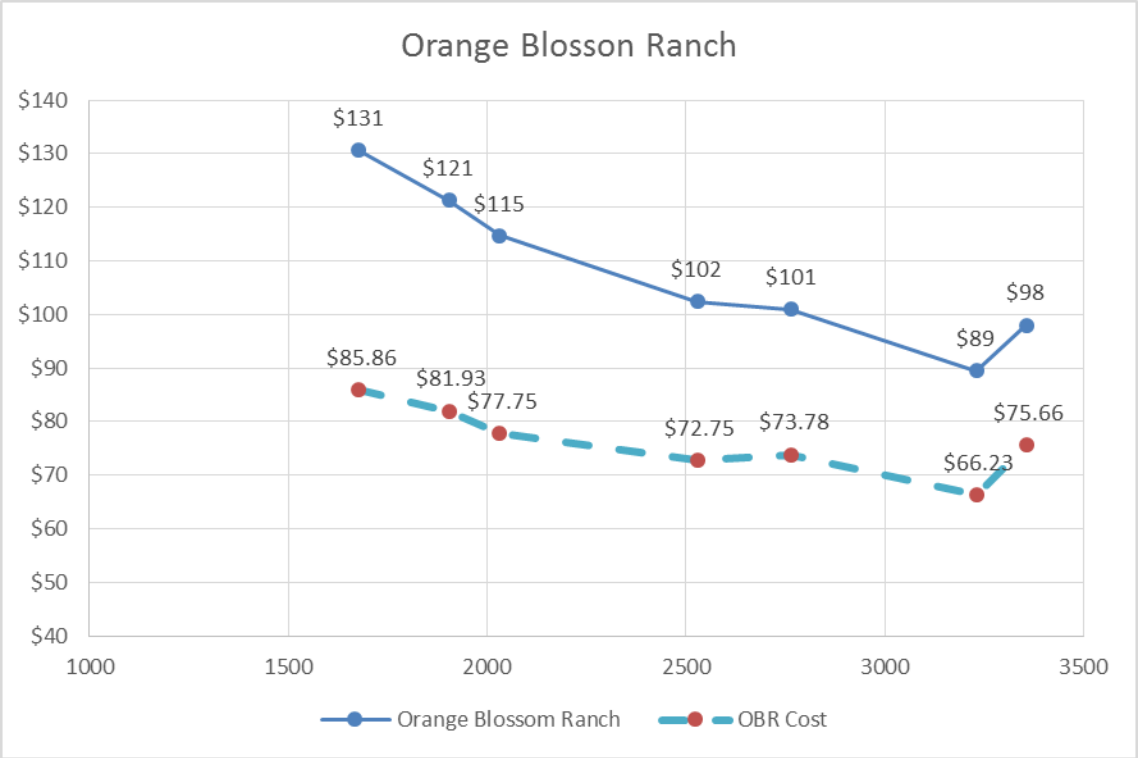
The same analysis was done for the four neighborhoods within the Ave Maria Community, which is located approximately 3 miles east of Orange Blossom Ranch on Oil Well Road. The four neighborhoods

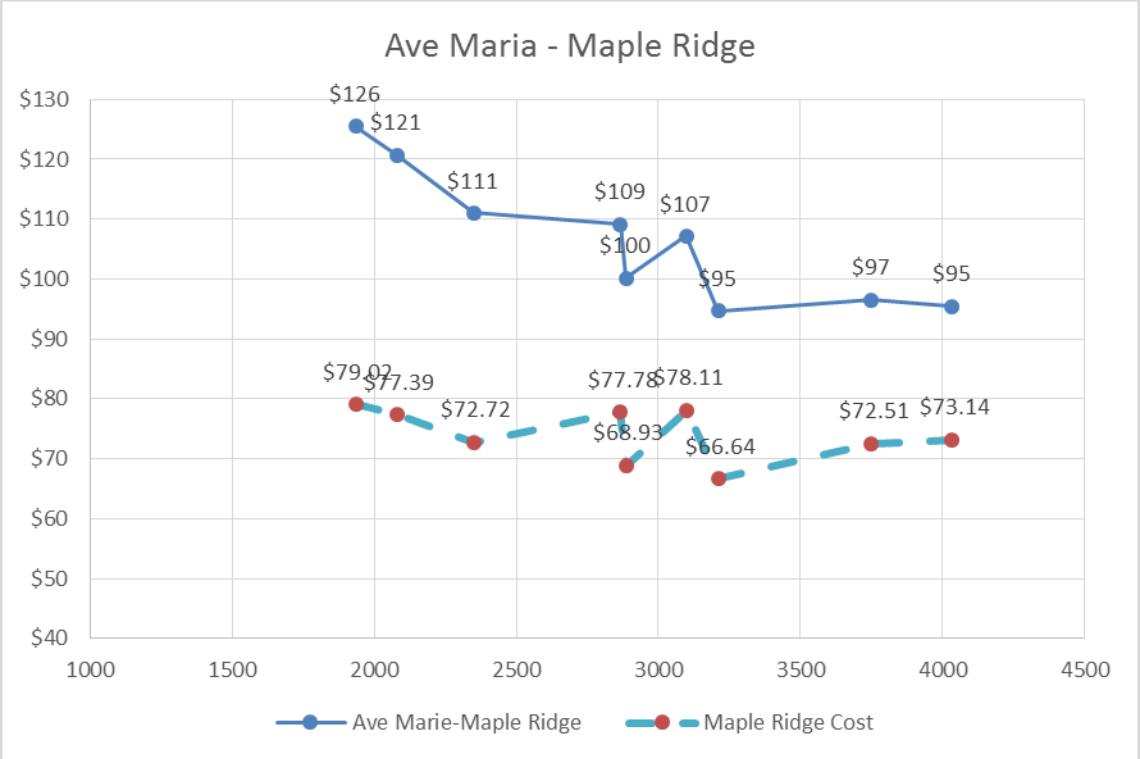
in the Ave Maria community include Maple Ridge developed by CC Devco, Del Webb Naples, developed by Del Webb, Emerson Park, developed by Pulte Homes, and Hampton Village, developed by Pulte Homes and Lennar homes.

Located below is a chart showing each floor plan for each neighborhood followed by a graph for each neighborhood showing the relationship between the sales price per square foot and the estimated construction cost per square foot.

Community/ Model Name	LA sqft	Avg Prc/sqft	Total Price	Lot Frontage	Estimated FF Value	Land Contribution	Constr Cost	Constr Cost sqft	Pct Land to Sale Price
Orange Blossom Ranch	**2499**	**$ 108**	**$ 270,393**	**50**	**1500**	**$ 75,000**	**$195,393**	**$ 78.18**	**27.7%**
Capri	1677	$131	$ 218,990	50	1500	$ 75,000	$143,990	$ 85.86	34.2%
Alexandria	1904	$121	$ 230,990	50	1500	$ 75,000	$155,990	$ 81.93	32.5%
Trevi	2032	$115	$ 232,990	50	1500	$ 75,000	$157,990	$ 77.75	32.2%
Amalfi	2529	$102	$ 258,990	50	1500	$ 75,000	$183,990	$ 72.75	29.0%
Navona	2765	$101	$ 278,990	50	1500	$ 75,000	$203,990	$ 73.78	26.9%
Monte Carlo	3231	$89	$ 288,990	50	1500	$ 75,000	$213,990	$ 66.23	26.0%
Independence	3357	$98	$ 328,990	50	1500	$ 75,000	$253,990	$ 75.66	22.8%
Ave Marie-Maple Ridge	**2912**	**$ 107**	**$ 310,696**	**60**	**1500**	**$ 90,000**	**$220,696**	**$ 75.79**	**29.0%**
Almonor	1935	$126	$ 242,900	**60**	1500	$ 90,000	$152,900	$ 79.02	37.1%
Encino	2079	$121	$ 250,900	**60**	1500	$ 90,000	$160,900	$ 77.39	35.9%
Bristol	2350	$111	$ 260,900	**60**	1500	$ 90,000	$170,900	$ 72.72	34.5%
Brions	2867	$109	$ 312,990	**60**	1500	$ 90,000	$222,990	$ 77.78	28.8%
Caples	2886	$100	$ 288,930	**60**	1500	$ 90,000	$198,930	$ 68.93	31.1%
Chesbro	3097	$107	$ 331,900	**60**	1500	$ 90,000	$241,900	$ 78.11	27.1%
Danby	3210	$95	$ 303,900	**60**	1500	$ 90,000	$213,900	$ 66.64	29.6%
Elsinore	3750	$97	$ 361,900	**60**	1500	$ 90,000	$271,900	$ 72.51	24.9%
Duvall	4032	$95	$ 384,900	**60**	1500	$ 90,000	$294,900	$ 73.14	23.4%
Ave Marie-Dell Webb	**1856**	**$ 126**	**$ 233,229**	**57**	**1600**	**$ 91,200**	**$142,029**	**$ 76.52**	**39.1%**
Hill Crest	1133	$147	$ 166,990	**50**	1600	$ 80,000	$ 86,990	$ 76.78	47.9%
Noir Coast	1289	$132	$ 169,900	**50**	1600	$ 80,000	$ 89,900	$ 69.74	47.1%
Taft Street	1433	$122	$ 174,990	**50**	1600	$ 80,000	$ 94,990	$ 66.29	45.7%
Abbyville	1659	$137	$ 227,990	**58**	1600	$ 92,800	$135,190	$ 81.49	40.7%
Castle Rock	1762	$135	$ 237,990	**58**	1600	$ 92,800	$145,190	$ 82.40	39.0%
Martin Ray	1968	$124	$ 244,990	**58**	1600	$ 92,800	$152,190	$ 77.33	37.9%
Infinity	2384	$113	$ 269,900	**58**	1600	$ 92,800	$177,100	$ 74.29	34.4%
Pinnacle	2488	$111	$ 275,900	**65**	1600	$ 104,000	$171,900	$ 69.09	37.7%
Tanglerly Oak	2589	$108	$ 280,900	**65**	1600	$ 104,000	$176,900	$ 68.33	37.0%
Ave Marie-Hampton Village	**2584**	**$ 107**	**$ 275,383**	**70**	**1300**	**$ 91,000**	**$184,383**	**$ 71.36**	**33.0%**
Sandpiper	1869	$118	$ 219,900	**70**	1300	$ 91,000	$128,900	$ 68.97	41.4%
Biscayne	2416	$110	$ 265,900	**70**	1300	$ 91,000	$174,900	$ 72.39	34.2%
Baypoint	2608	$109	$ 284,900	**70**	1300	$ 91,000	$193,900	$ 74.35	31.9%
Delany	2679	$106	$ 284,900	**70**	1300	$ 91,000	$193,900	$ 72.38	31.9%
Weatherford	3347	$90	$ 299,900	**70**	1300	$ 91,000	$208,900	$ 62.41	30.3%

We can see in the chart above that the majority of the neighborhoods have an average percent of lot value to finished home value ranging between 28% and 33%, with the exception of the Dell Webb neighborhood which has an average of 39%. This higher percentage of finished lot value in this neighborhood is due to the contributory influence of the golf course view and the extensive amenities. The construction cost is similar for all neighborhoods, therefore the higher value in Dell Webb includes the golf course view and amenities.


Orange Blosson Ranch
$140
$130
$120
$110
$100
$90
$80
$70
$60
$50
$40
1000
1500
2000
2500
3000
3500
$131
$121
$115
$102
$101
$98
$89
$85.86
$81.93
$77.75
$72.75
$73.78
$75.66
$66.23
Orange Blossom Ranch
OBR Cost


Ave Maria - Maple Ridge
$130
$120
$110
$100
$90
$80
$70
$60
$50
$40
1000
1500
2000
2500
3000
3500
4000
4500
$126
$121
$111
$109
$107
$100
$95
$97
$95
$79.02
$77.39
$72.72
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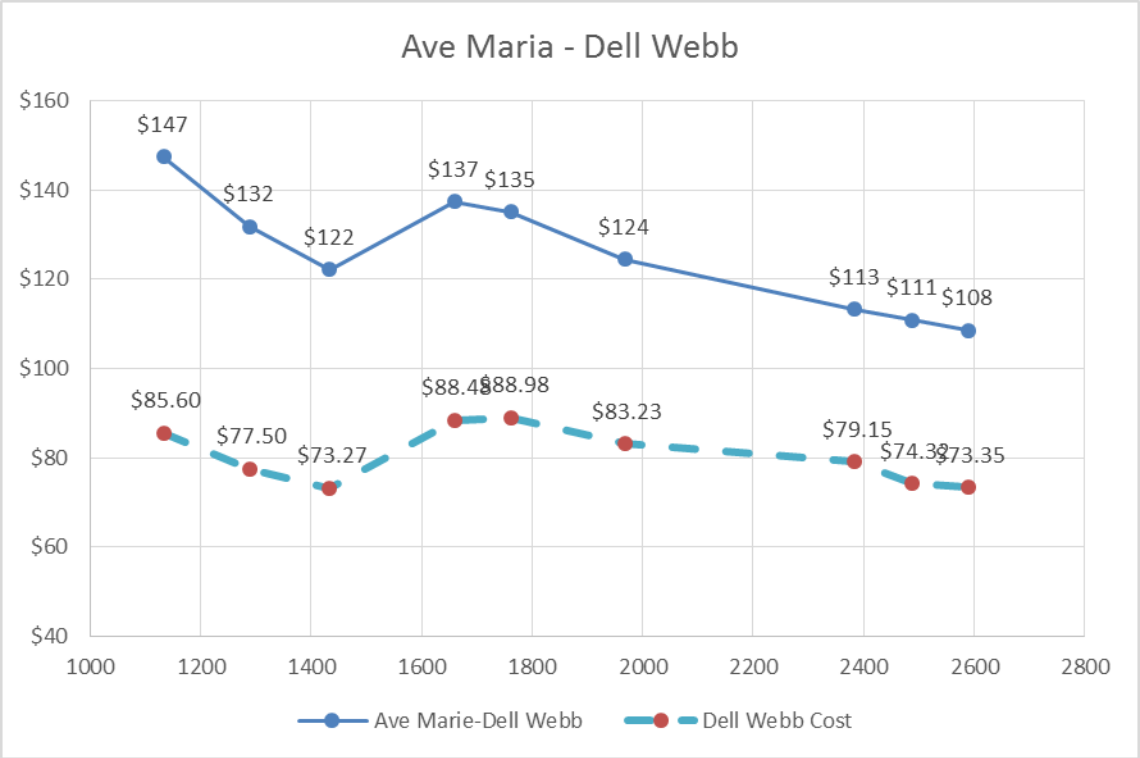
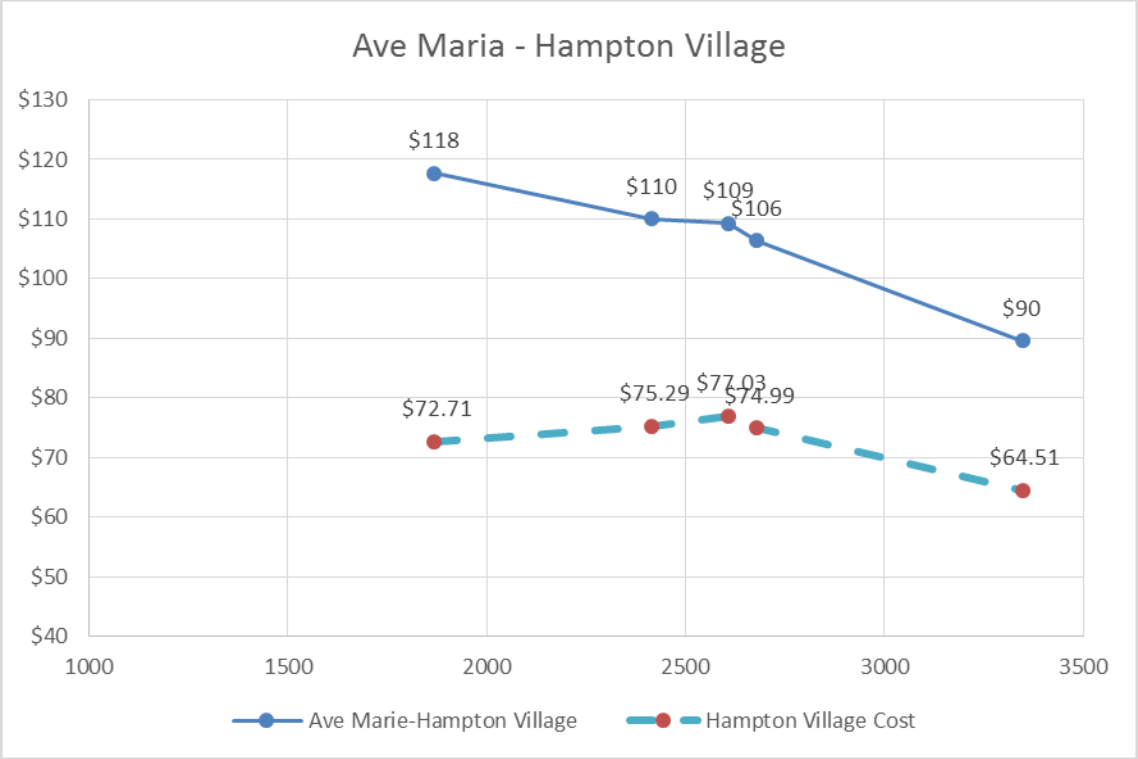
$68.93
$66.64
$72.51
$73.14
Ave Marie-Maple Ridge
Maple Ridge Cost



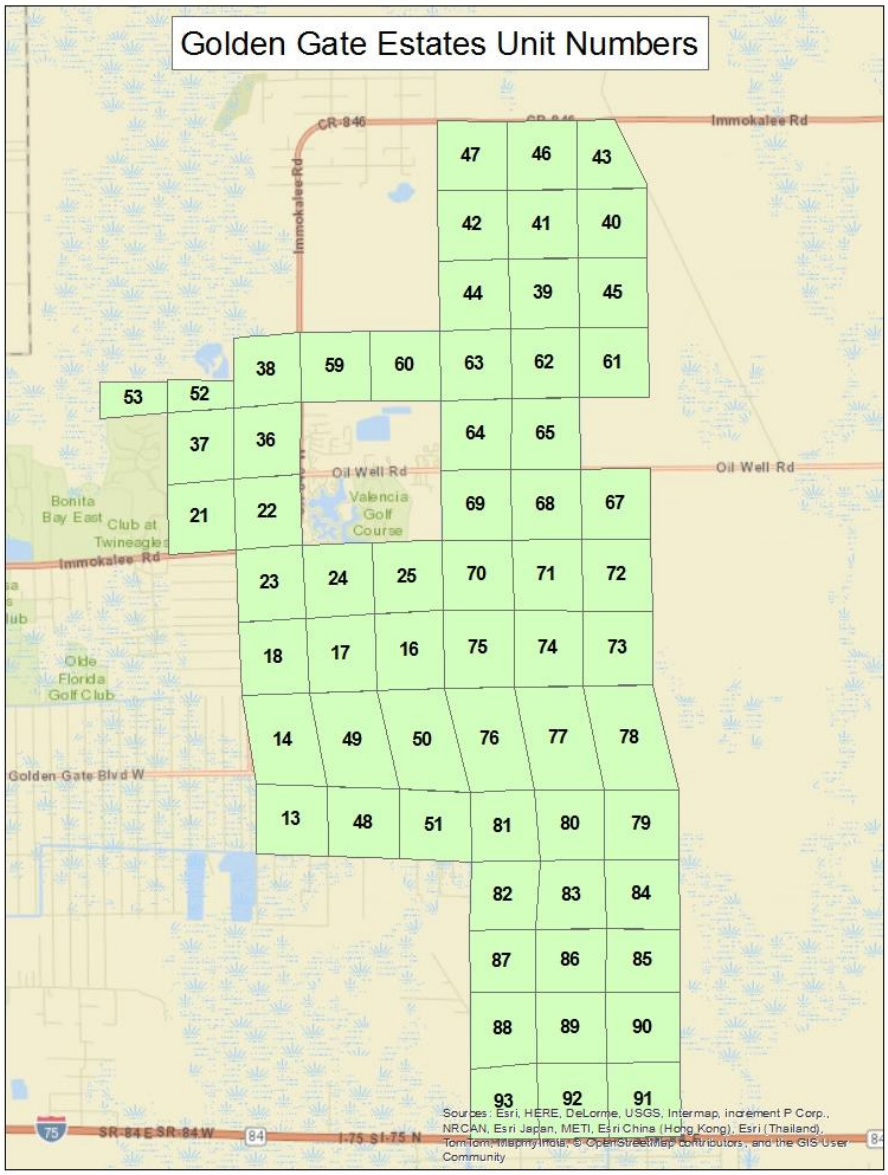


The analysis of these communities provides general support toward to the objective of this report. The Dell Webb neighborhood has a slightly higher contributory value of land due to the fact that all the units

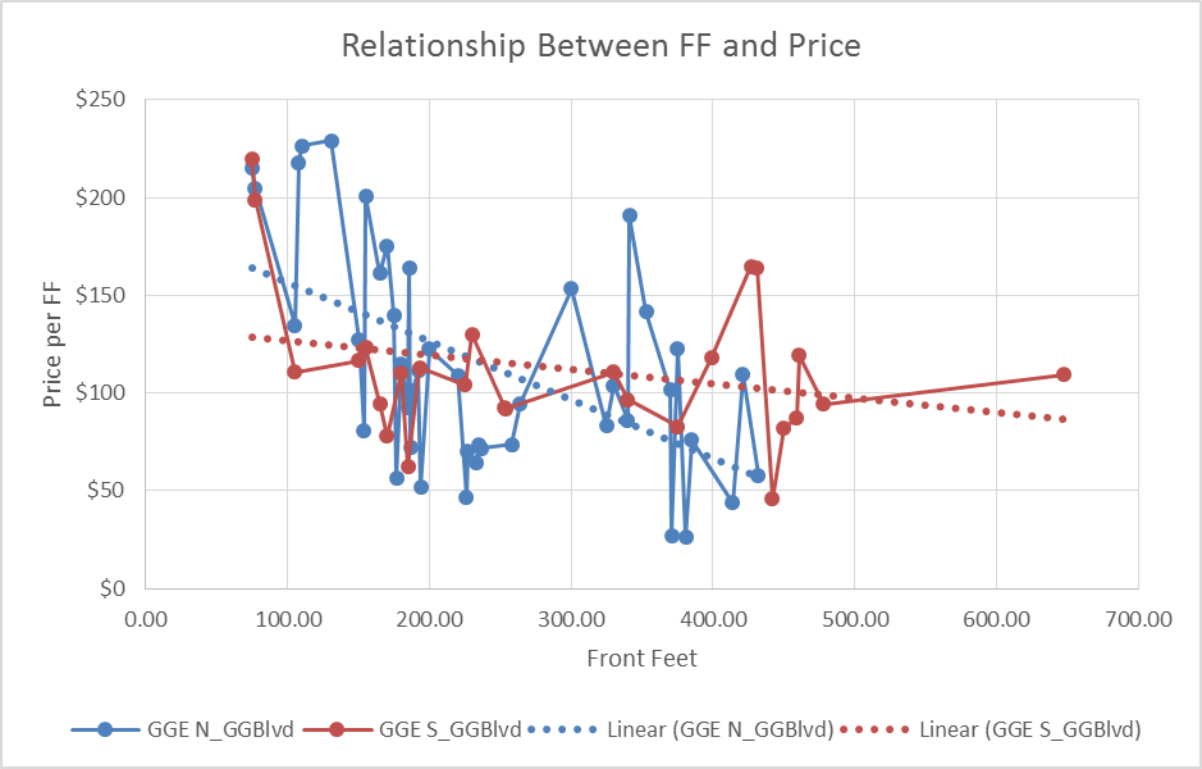
have views of a golf course and there is a central amenity for these owners. The estimated price per front foot of land for Maple Ridge is consistent with Orange Blossom Ranch and slightly lower than Dell Webb. Hampton Village is being developed by Lennar and is located near Maple Ridge.

Golden Gate Estates Vacant Lot Cost

In order to estimate a potential market value for a TDR in the rural fringe area, I researched land sales that transpired in 2013 and through July 2014 within an area of Golden Gate Estates located east of Wilson Boulevard, between Immokalee Road and I-75. The sales were further segregated by their location north and south of Golden Gate Blvd. Located below is a map showing the location of each unit that was included in the study area.



Located below are graphs showing the relationship between the lot frontage and the price per front foot of land within Golden Gate Estates north and south of Golden Gate Blvd. It should be noted that the smaller the front footage of lot, the higher the price per front foot.



Considering these lots have no water and sewer infrastructure, open swales for drainage and only a paved roadway, it is my opinion that the value of a site is generally reflective of a single development right for a parcel of land located within Golden Gate Estates.

Located below is a summary of the lot sales used in this analysis. Sales of lots north of Golden Gate Parkway generally have less frontage, 149 FF vs the larger sites south, 226 FF, however the market is willing to pay more per FF north of Golden Gate Blvd vs. South. Located below is a summary of the sales analyzed for this report.

Row Labels	Sales Count	Avg FF	Avg $/FF	Avg Lot Value
GGE N_GGBlvd	96	149	$ 168	$ 24,953
GGE S_GGBlvd	24	226	$ 106	$ 23,900
Grand Total	**120**	**187**	**$ 137**	**$ 25,635**

Development Land Sales

Orange Blossom Ranch

The most recent development sale that occurred within the general area of the RFMUD was that of Orange Blossom Ranch located on Oil Well Road approximately ½ mile east of Immokalee Road. Ronto Group purchased this property in June 2014 for a total purchase price of $15,260,000. The sale included

120 acres of fully entitled and zoned residential land along with 78 fully developed 50 front foot lots and 68 partially developed lots. Based on a conversation with the buyer, the finish lots sold for $900 per front foot, and undeveloped land sold for $62,000 per acre and had a net density of 3 units per acre reflecting a raw land cost per unit of approximately $20,500.

This sale is reflective of the current market for land and finished lots of similar size to those in the development scenarios reflected above. It also helps support the finished lot pricing estimated in the New Communities in the RFMUD section of this report.

Twin Eagles South

Another sale that is representative vacant land pricing is a parcel known as Twin Eagles South. This site closed in December of 2013 for $35,000,000 and included 350 acres approved for 850 residential units. GL Homes purchased the site and has preliminary plans to develop a single family community similar to Riverstone, their currently marketing community. The sale reflects a price per acre of $100,000 and a price per unit of $41,176.

The price per acre and per unit are higher at Twin Eagles South when compared to Orange Blossom Ranch sale due to its superior location closer to support facilities and existing newly developing communities. The pricing is also higher due to the lower net density per acre, 2.5 unit's vs the Orange Blossom Ranch's net density of 3 units per acre. If we use the Orange Blossom Ranch sale as the basis for adjustment for location and density, we would need to adjust the sales price of Twin Eagles South down by 50% to account for the superior location and lower density. This adjustment would result in an effective price of $20,588 per unit.

Infrastructure Cost

Infrastructure cost for this analysis includes only on-site infrastructure and assumes that off-site infrastructure such as water, sewer and roads are currently available to the site. The off-site infrastructure cost are in addition to the on-site cost discussed below and can only be estimated based on the sites location and the location of off-site infrastructure.

On-site infrastructure cost estimates were verified by developers who are currently building communities that offer a product mix consistent with our development scenarios. Below is a summary of the development scenarios and product mix.

Development Scenario	Units per Use	Pct of Total/ Scenario	Total Acres
Scenario A			
Single Family (SF 250)	60	100%	300
Scenario B			
Single Family (SF 120)	300	100%	298
Scenario C			
Single Family (SF 120)	0	0%	0
Single Family (SF80)	425	47%	176
Detached Villa (DV65)	325	36%	87
Detached Villa (DV 50)	150	17%	31
Total	**900**	**100%**	**294**
Scenario D			
Single Family (SF 120)	0	0%	0
Single Family (SF80)	250	28%	103
Detached Villa (DV65)	450	50%	121
Detached Villa (DV 50)	200	22%	41
Village Use			30
Total	**900**	**100%**	**295**

The development scenarios assume a 300 acre site with typical percentages of land for water retention, roads and open space. For scenarios C and D include an amenity center of approximately 10,000 to 12,000 square feet.

Based on the data provided by development clients, we have converted the total on site development cost for each sample project into an estimated average cost per average front foot. Located below are our conclusions.

Description	Cost Per Unit Project A	Pct of Total	Cost Per Unit Project B	Pct of Total	Cost Per Unit Project C	Pct of Total	Cost Per Unit Project D	Pct of Total
Development General	10,000	18.2%	$ 10,000	17.9%	$ 10,000	27.8%	$ 10,000	27.8%
Utility Fees	1,000	1.8%	$ 1,000	1.8%	$ 1,000	2.8%	$ 1,000	2.8%
Earthwork	10,000	18.2%	$ 12,000	21.4%	$ 5,000	13.9%	$ 8,000	22.2%
Water, Sewer, Paving and Drainage	16,000	29.1%	$ 15,000	26.8%	$ 10,000	27.8%	$ 12,000	33.3%
Landscpe/Buffers/Wetlands	10,000	18.2%	$ 10,000	17.9%	$ 5,000	13.9%	$ 7,500	20.8%
Entry/Clubhouse/Recreation/Lakes	8,000	14.5%	$ 8,000	14.3%	$ 5,000	13.9%	$ 5,000	13.9%
Total Cost per Unit	**55,000**		**$ 56,000**		**$ 36,000**		**$ 43,500**	
Weighted Lot Frontage	**57**		**54**		**35**		**42**	
Avg Dev Cost pe FF	$ 964.91		$ 1,037.04		$ 1,028.57		$ 1,035.71	
Rounded Cost per FF	$ 1,000.00		$ 1,000.00		$ 1,000.00		$ 1,000.00	

Project A and B represents a 100% single family product with lots ranging between 50 and 65 FF
Project C represents an equal percentage of Single Family Product with lots from 50 to 80 FF and Multifamily Product ranging from 4 to 16 units per acre
Project D represents a 70% Single Family product with lots ranging from 50 to 80 FF and 30% Multifamily Product ranging from 4 to 8 units per acre

The weighted average lot frontage is representative of the mix of units within the community and assumes the average linear feet of frontage per unit for multifamily product based on density. Based on our review, the estimated cost to install on-site infrastructure for representative developments is $1,000 per front foot.

Located below we have applied the on-site infrastructure cost estimate to each product for each of the four hypothetical development scenarios in order to estimate the total on site development cost.

Scenario A	Units	Front Feet Per Unit	Linear Feet	Cost per FF	Total Cost	Cost per Unit	Total Acres	Pct Product
Single Family (SF 250)	60	250	15000	$ 1,000	$ 15,000,000	$250,000	300	
Scenario B								
Single Family (SF 120)	300	120	36000	$ 1,000	$ 36,000,000	$120,000	298	
Scenario C								
Single Family (SF 120)	0	120	0	$ 1,100	$ -		0	0.0%
Single Family (SF80)	425	80	34000	$ 1,000	$ 34,000,000	$ 80,000	176	59.8%
Detached Villa (DV65)	325	65	21125	$ 1,000	$ 21,125,000	$ 65,000	87	29.7%
Detached Villa (DV 50)	150	50	7500	$ 1,000	$ 7,500,000	$ 50,000	31	10.5%
Total	**900**				**$ 62,625,000**	**$ 69,583**	**294**	**100.0%**
Scenario D								
Single Family (SF 120)	0	120	0	$ 1,000	$ -	$ -	0	0.0%
Single Family (SF80)	250	80	20000	$ 1,000	$ 20,000,000	$ 80,000	103	38.9%
Detached Villa (DV65)	450	65	29250	$ 1,000	$ 29,250,000	$ 65,000	121	45.5%
Detached Villa (DV 50)	200	50	10000	$ 1,000	$ 10,000,000	$ 50,000	41	15.6%
Total	**900**				**$ 59,250,000**	**$ 65,833**	**265**	**100.0%**

Conclusions and Recommendations

The culmination of the data collected and analyzed above provide us with the basis to better understand the economic viability of development within the RFMUD and how the TDR's impact that viability. Using this data we can estimate the residual raw land cost for each of the neighborhoods profiled in the New Communities section of this report. The raw land cost represents of the per lot cost of purchasing land for future development.

Located below, we have summarized the residential raw land estimate for each of the neighborhoods in the New Communities section of this report.

Line	Attribute	Orange Blossom Ranch	Ave Marie-Maple Ridge	Ave Marie-Dell Webb	Ave Marie-Hampton Village	Calculation
1	Average LA sqft	2,499	2,912	1,856	2,584	
2	Avg Prc/sqft	$ 108	$ 107	$ 126	$ 107	
3	Avg Offering Price	$270,393	$310,696	$ 233,229	$ 275,383	Line 1 times Line 2
4	Lot Frontage	50	60	57	70	
5	Finished Lot Price/FF	$ 1,500	$ 1,500	$ 1,600	$ 1,300	
6	Finished Lot Contribution	$ 75,000	$ 90,000	$ 91,200	$ 91,000	Line 4 times Line 5
7	Est Total Con Cost	$195,393	$220,696	$ 142,029	$ 184,383	Line 3 minus Line 6
8	Constr Cost sqft	$ 78.18	$ 75.79	$ 76.52	$ 71.36	Line 7 divided by Line 1
9	Pct Land to Sale Price	28%	29%	39%	33%	Line 6 divided by Line 3
10	On-Site Cost Per Lot per FF	$ 1,000	$ 1,000	$ 1,000	$ 1,000	
11	*Estimated Raw Land/ FF*	*$ 500*	*$ 500*	*$ 600*	*$ 300*	Line 5 minus Line 10
12	**Estimated Raw Land Cost**	**$ 25,000**	**$ 30,000**	**$ 34,200**	**$ 21,000**	Line 11 Times Line 4

It should be noted that none of the communities profiled above required the acquisition of TDR's. The pricing and related sales pace for these communities are reflective of the locational market acceptance for similarly planned communities within the urban area. The current cost to purchase TRD's will increase the pricing beyond market acceptance, therefore making the development not feasible.

From this summary we can see the raw land cost ranges from $21,000 to $34,000 for lots ranging from 50 to 70 front feet. Hampton Village had the lowest estimated raw land cost, however has the most front feet of the lots analyzed. Dell Webb had the highest raw land cost for lots that ranged from 50 to 65 front feet. The raw land cost for Dell Webb included the premiums for the golf course view and the extensive amenities that are offered. Hampton Village has the lowest per lot raw land cost when compared to the other neighborhoods in Ave Maria due to its distance from the central business district of Ave Maria. Maple Ridge is within walking distant to the central business district and has a higher raw land cost due to this desirable location.

The raw land cost estimate is the basis on which the finished product price is tested in the market. If the raw land cost is too high considering the location, lot size, amenities and access, the economic viability of the development will be affected as the market will not be willing to pay the finished product price.

Research of vacant lots sales in Golden Gate Estates was prepared to better understand the pricing of platted lots in the RFMUD and how they compare to higher density new developments. Finished lots in Golden Gate Estates are typically sold based on their acreage and not their front footage. Lots in Golden Gate Estates are typically 660 feet deep with frontage ranging from 75 to 330 feet. Located below is a chart showing the typical lot frontage, depth and acreage for finished lots in GGE along with a net density calculation using 3 DU/acres.

Frontage	Depth	SQFT	Acres	Net Density Comparison
75	660	49,500	1.14	3.41
150	660	99,000	2.27	6.82
180	660	118,800	2.73	8.18
330	660	217,800	5.00	15.00

The average lot sale in 2014 for the GGE units north of Golden Gate Blvd was a site with 149 FF at an average cost per FF of $168 or an average price of $25,000. Lots south Golden Gate Blvd had an average frontage of 226 FF at an average cost of $106 per FF or an average price of $24,000. These lot prices represent raw land as there is no infrastructure in the area and owners are responsible for the cost of water and sewer. The net density comparison shows the relationship between the density approved for development within the RFMUD and finished lots in Golden Gate Estates.

The most recent development sale that occurred within the general area of the RFMUD was that of Orange Blossom Ranch located on Oil Well Road approximately ½ mile east of Immokalee Road. Ronto Group purchased this property in June 2014 for a total purchase price of $15,260,000. The sale included 120 acres of fully entitled and zoned residential land along with 78 fully developed 50 front foot lots and

68 partially developed lots. Based on a conversation with the buyer, the finish lots sold for $900 per front foot, and undeveloped land sold for $62,000 per acre and had a net density of 3 units per acre reflecting a raw land cost per unit of approximately $20,500, a slight discount from the residual land contribution concluded above.

In conclusion, the current fixed price of a TDR does not provide the buyer with a market based motivation to increase density on a site because the cost is too high. This disincentive impacts the seller as there is no viable market for the TDR's that they own. In order for the TDR program to work efficiently in the free market, changes are necessary to incentivize both the buyer and the seller. The changes should focus on increasing the overall number and availability of TDR's and eliminating the development cost differential for RFMUD Receiving lands development.