COMMERCIAL NEEDS ANALYSIS FOR SUBJECT PROPERTY AT SW INTERSECTION OF GOLDEN GATE PARKWAY AND SANTA BARBARA BOULEVARD COLLIER COUNTY, FLORIDA

June 4, 2018

Prepared for

Barron Collier Corporation
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Prepared by

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Background

The Barron Collier Corporation ("Client") is submitting a Collier County Growth Management Plan ("GMP") amendment to change the zoning on 6.38 +/- acres located at the southwest corner of Golden Gate Parkway and Santa Barbara Boulevard in Collier County, Florida. The property is located within the Estates Designation, Mixed Use District, Residential Estates Sub-District and is currently zoned E, Estates. The Client is seeking to change the Future Land Use Element ("FLUM") to the Santa Barbara Boulevard & Golden Gate Parkway Commercial Sub-District. The Client is interested in developing the property as a C-3 Commercial site including 21,500 square feet of various uses as permitted in the C-3 designation ("Subject Property"). The Client has retained Real Estate Econometrics, Inc. ("Consultant") to prepare a Commercial Needs Analysis to determine the potential for developing the various C-3 uses on the Subject Site as required by the Collier County Future Land Use Element ("FLUE"). The FLUE requires a commercial needs analysis ("Study") with the submittal of a GMP amendment. The Consultant is well-versed in preparing real estate needs analysis and market studies especially in the Southwest Florida marketplace.

Since there are two distinct commercial uses proposed for the property, the Consultant has prepared a commercial needs analysis for the mixed-use office/retail component combined the drive through restaurant. In addition, the Consultant has prepared a gas station needs analysis as a second component to this overall needs analysis.

The commercial needs analysis is comprised of four parts; the site assessment, the demand component, the supply component and the demand/supply comparison analysis.

1.0 Site Assessment

1.1 Subject Property Attributes

The Subject Property is located on the south side of Golden Gate Parkway and the west side of Santa Barbara Boulevard approximately a half mile east of Interstate 75 in Section 29 – Township 49 – Range 26. An aerial locator photo in Figure 1.1.1 is followed by a summary of the Subject Property's legal, location, zoning, and land use attributes obtained from the Collier County Property Appraiser website.

Figure 1.1.1

Source: Collier County Property Appraiser

Collier County Property Appraiser
Property Detail

Parcel No	38170040001	Site Address	3001 SANTA BARBARA BLVD	Site City	NAPLES	Site Zone *Note	34116

Name / Address	GOODWILL INDUST OF SW FL INC
	ATTN: ACCOUNTING
	5100 TICE ST

City	FORT MYERS	State	FL	Zip	33905

Permits

Tax Yr	Issuer	Permit #	CO Date	Tmp CO	Final Bldg	Type
1983	COUNTY	83-121	12/14/83			
1983	COUNTY	83-1568	04/11/83			
1985	COUNTY	85-932				
1994	COUNTY	93-12642	07/25/94			
2007	COUNTY	0604-2728				ROOF

Land

#	Calc Code	Units
10	ACREAGE	6.38

Building/Extra Features

#	Year Built	Description	Area	Adj Area
10	1983	RESIDENTIAL	7444	7607
20	1983	ASPH P	34200	34200
30	1985	CHICKEE HUT	450	450
40	1994	MOBILE HOME	1440	1440
50	1994	W DECK	420	420

Source: Collier County Property Appraiser

1.2 Location Analysis

The Subject Property's strategic location allows reasonable access to the site and provides for an ideal location for commercial activities.

As noted above, the Subject Property is strategically located to accommodate the proposed C-3 commercial use. The commercial offerings will have high visibility to Santa Barbara Boulevard and Golden Gate Parkway. Figure 1.1.1 previously shows the location of the property.

2.0 Population Growth Around Subject Property

2.1 Overview of Collier County Population Growth.

Currently, there are an estimated 343,802 people living year-round in Collier County. Since the 2000 Census, the County's population has increased by nearly 35%, the equivalent of 85,876 new residents as shown in Figure 2.2.1 on the next page. Looking ahead, the County will continue to gain new residents at a rate greater than that of the state of Florida.

By the year 2045, the population of Collier County is projected to total 553,591 residents. This is a projected annual growth rate of just under 2% from 2015 to 2040 compared to Florida's annual growth rate of 1.08% during the same time period.

Figure 2.2.1

Countywide Total Population Growth	2000	2010	2014	2015	2020	2025	2030	2035	2040	2045
Permanent Population Estimates and Forecasts	257,926	322,653	340,293	343,802	379,200	413,000	439,159	474,399	512,468	553,591
5-year Percent Increase				6.55%	10.30%	8.91%	6.33%	8.02%	8.02%	8.02%
		2.03%	= Average Annual Growth Rate between 2015 and 2045							
		8.02%	= Average 5-Year Growth between 2010 and 2030 to forecast 2035-2045							

Source: Collier County Comprehensive Planning Section

Population growth in Collier County is primarily due to the in-migration of the ongoing arrival of baby boomer retirees. The number of baby boomers reaching retirement age peaks in 2020.

2.2 10-Minute Drive Time Demographic Detail

The Urban Land Institute ("ULI") defines commercial shopping centers in three categories. The categories are neighborhood, community and regional. Those categories are characterized by drive times and size in square feet as shown in Table 2.2.1 below.

Table 2.2.1

Neighborhood
Up to 10-Minute Drive Time = <100,000 Sqft
Community
20-30 Minute Drive Time = 100,000 to 300,000 Sqft
Regional
30-Minute and over Drive Time = >300,000 Sqft

Source: Urban Land Institute, Dollars and Cents of Shopping Centers, 2008

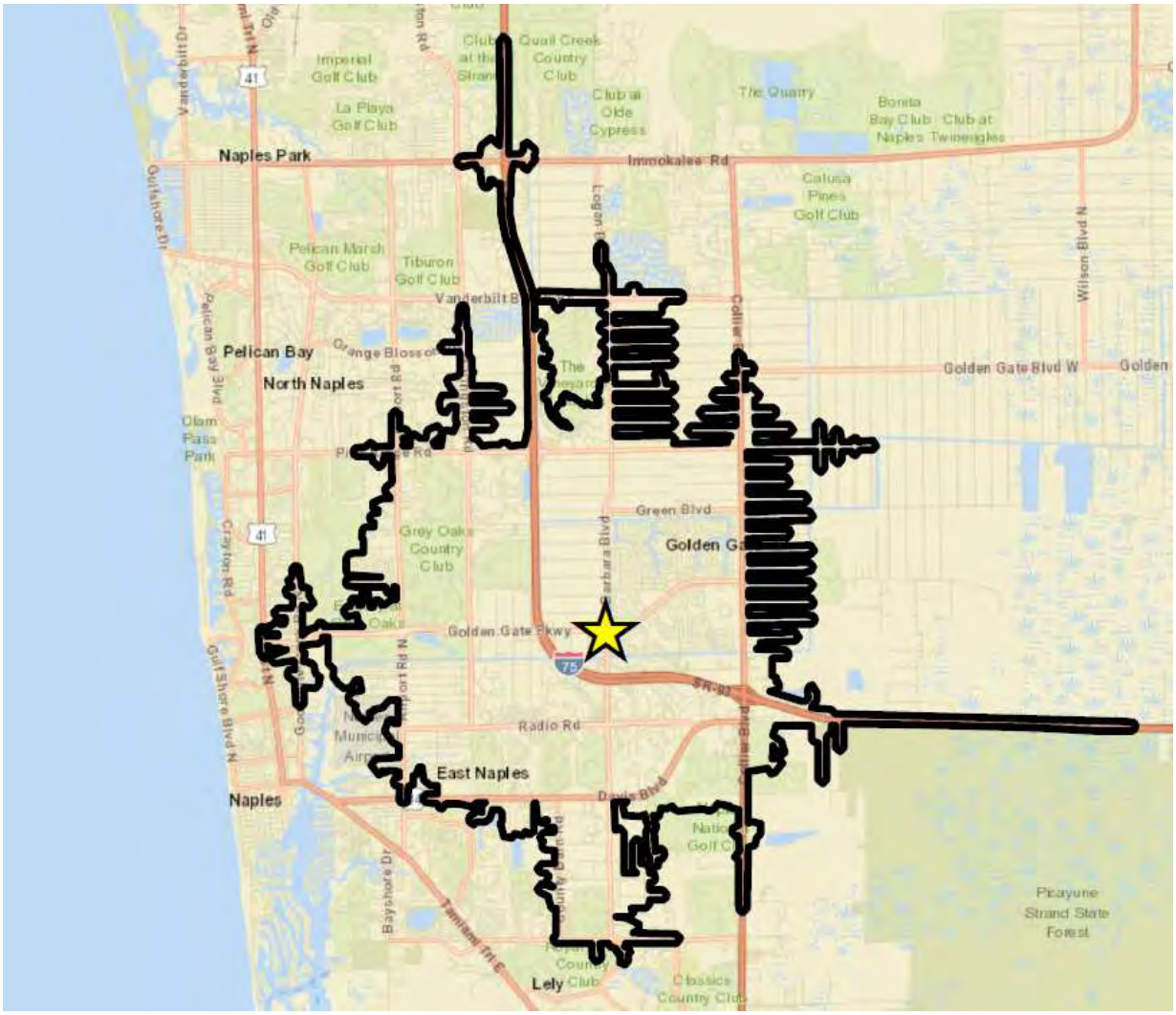
The Subject Property proposed development plan would categorize it as a Convenience Center, which is a subset of the Neighborhood Center. ULI defines Community Centers in their 2008 Dollars and Cents of Shopping Centers as follows:

"The Convenience shopping center provides for the sale of personal services and convenience goods similar to those of a neighborhood center. It contains a minimum of three stores with a total gross leasable area of 30,000 square feet or less. Instead of being anchored by a supermarket, a convenience center is usually anchored by some other type of convenience service such as a minimarket."

Drive time areas are calculated by Environmental Systems Research Institute ("ESRI"). The ESRI Business Analyst program calculates drive times by actual street networks and posted speed limits. In general, Neighborhood Centers have a drive time area of up to 10 minutes, Community Centers have a drive time area of 10 to 20 minutes depending on the size and Regional Centers have a drive time area of 30 minutes and over depending on the size. Since the Subject Property is proposed for 21,500 square feet of commercial space, it falls within the Neighborhood Center category and the supply/demand analysis will be performed on a 10-minute drive time market area.

Figure 2.2.1 below depicts the 10-minute drive time area from the Subject Property.

Figure 2.2.1 10-Minute Drive Time to Subject Property



Source: ESRI ArcGIS Business Analyst Mapping System

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The following table shows the U.S. Census demographic profile of the population that lives within the 10-minute drive time of the subject site.

Table 2.2.2

esri

Demographic and Income Profile

3001-3099 Santa Barbara Blvd
3001-3099 Santa Barbara Blvd, Naples, Florida, 34116
Drive Time: 10 minute radius

Prepared by Esri

Summary	Census 2010	2017	2022
Population	71,988	80,516	87,651
Households	28,715	32,086	34,966
Families	19,494	21,531	23,332
Average Household Size	2.49	2.50	2.49
Owner Occupied Housing Units	18,716	19,408	21,139
Renter Occupied Housing Units	9,999	12,678	13,827
Median Age	41.8	43.8	44.5

Trends: 2017 - 2022 Annual Rate	Area	State	National
Population	1.71%	1.36%	0.83%
Households	1.73%	1.30%	0.79%
Families	1.62%	1.25%	0.71%
Owner HHs	1.72%	1.19%	0.72%
Median Household Income	2.48%	2.13%	2.12%

	2017		2022	
Households by Income	Number	Percent	Number	Percent
<$15,000	2,798	8.7%	2,864	8.2%
$15,000 - $24,999	3,335	10.4%	3,217	9.2%
$25,000 - $34,999	3,739	11.7%	3,432	9.8%
$35,000 - $49,999	4,957	15.4%	4,612	13.2%
$50,000 - $74,999	6,221	19.4%	6,549	18.7%
$75,000 - $99,999	4,084	12.7%	5,334	15.3%
$100,000 - $149,999	3,606	11.2%	4,710	13.5%
$150,000 - $199,999	1,317	4.1%	1,725	4.9%
$200,000+	2,028	6.3%	2,523	7.2%
Median Household Income	$53,418		$60,393	
Average Household Income	$80,012		$91,413	
Per Capita Income	$32,090		$36,644	

	Census 2010		2017		2022	
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	4,730	6.6%	4,725	5.9%	5,046	5.8%
5 - 9	4,220	5.9%	4,732	5.9%	4,913	5.6%
10 - 14	4,004	5.6%	4,464	5.5%	5,023	5.7%
15 - 19	3,950	5.5%	4,033	5.0%	4,516	5.2%
20 - 24	4,118	5.7%	4,233	5.3%	4,390	5.0%
25 - 34	9,078	12.6%	10,086	12.5%	10,298	11.7%
35 - 44	8,786	12.2%	9,039	11.2%	10,138	11.6%
45 - 54	9,155	12.7%	9,404	11.7%	9,104	10.4%
55 - 64	8,253	11.5%	10,264	12.7%	11,305	12.9%
65 - 74	8,432	11.7%	10,400	12.9%	12,187	13.9%
75 - 84	5,617	7.8%	6,647	8.3%	7,895	9.0%
85+	1,646	2.3%	2,491	3.1%	2,836	3.2%

	Census 2010		2017		2022	
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	57,920	80.5%	63,465	78.8%	67,995	77.6%
Black Alone	6,561	9.1%	7,827	9.7%	9,081	10.4%
American Indian Alone	283	0.4%	313	0.4%	352	0.4%
Asian Alone	944	1.3%	1,375	1.7%	1,789	2.0%
Pacific Islander Alone	18	0.0%	26	0.0%	33	0.0%
Some Other Race Alone	4,500	6.3%	5,336	6.6%	5,949	6.8%
Two or More Races	1,761	2.4%	2,174	2.7%	2,452	2.8%
Hispanic Origin (Any Race)	23,289	32.4%	27,569	34.2%	31,592	36.0%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

May 25, 2018

Source: ESRI and U.S. Census Bureau

In order to determine commercial demand coming from the 10-minute drive time market area, it is important to determine the ratio between the overall County population and the population in the 10-minute drive time market area.

In 2010, the population in the 10-minute drive time market area was 71.988, which was 22.31% of the County population. That percent increased to 23.42% of the County population in 2015. That 1% increase is an indication of the growth potential in the 10-minute drive time. Therefore, the Consultant used a 0.75% increased growth factor for the future 15-minute drive time area population percentage of the overall County population as shown in Table 2.4.2 below.

Table 2.2.3 10-Minute Drive Time Population Forecast

Year	2010	2015	2020	2025	2030	2035	2040	2045
Collier County GMD Population Forecast	322,653	343,802	---	---	---	---	---	---
10-Minute Market Area Census Population	71,988	80,516	---	---	---	---	---	---
Share	0.2231	0.2342	0.2417	0.2492	0.2567	0.2642	0.2717	0.2792
Collier County GMD Population Forecast			379,200	413,000	439,159	474,399	512,468	553,591
10-Minute Market Area Census Population			91,650	102,917	112,729	125,333	139,234	154,559

Source: Collier County Comprehensive Planning Section

3.0 MARKET ANALYSIS

3.1 Market Area Demand

The most reliable indicator of commercial market demand in the County is to determine the amount of commercial square footage built in the County then divide that total amount by the County population to arrive at square feet per capita (person) in the existing market. Historical commercial development in relation to population growth encompasses all aspects of land development over time including geography, economic fluctuations and various commercial uses as they relate to market demographics.

Collier County in particular has shown a propensity for commercial development to follow residential development as the primary economic drivers are tourism, agriculture and real estate construction. The limited economic diversification fuels residential development, which then supports commercial development as peoples moving into the County require goods and services. Therefore, the commercial square feet per capita measure takes into account all of the factors previously mentioned.

The Consultant utilized the 2014 commercial inventory spreadsheets by planning area as provided by the Collier County Comprehensive Planning Section ("CCCPS") to determine the total amount of commercial square footage built in the County as of 2015. Acreage not built upon was not used in this calculation.

The Consultant then used the 2014 Collier County population from the CCCPS to calculate the commercial square footage per capita in the County. The Commercial square foot demand per capita in Collier County is 80.85 as shown in Table 3.1.1 on the next page.

Table 3.1.1

Collier County Planning Area	2014 Square Feet
Immokalee Area	2,355,554
Marco Island	158,081
Central Naples	2,732,949
Corkscrew	70,748
East Naples	4,244,976
Golden Gate	41,551
North Naples	9,726,289
Royal Fakapalm	522,764
Rural Estates	452,781
South Naples	2,277,828
Urban Estates	2,500,631
	25,084,152
2015 Population (October 1st Fiscal Year)	310,260
Demand in Square Feet:	80.85

Source: Collier County Comprehensive Planning Section

To further refine the demand numbers for the Subject Property's particular market area, the Consultant used the 2014 commercial inventory spreadsheet for the Golden Gate, Central Naples and North Naples Planning Areas that are covered by the Subject Property's 10-minute drive time area. The drive time area is located within approximately 80% of the Golden Gate and 10% each of the Central Naples and North Naples Planning Areas. The Consultant then took 80% of the existing retail/commercial mixed use (DOR Code 22) square footage and 10% each of the Central Naples and North Naples DOR Code 22 square footage, added them together and divided by the drive time population thus yielding a demand of 17.27 square feet of commercial space per capita as shown in Table 3.1.2 on the next page.

Table 3.1.2

Collier County Planning Area	2014 Sq. Ft.	Percent	Drive Time Sq. Ft.
Golden Gate	41,551	80.00%	33,241
North Naples	9,726,289	10.00%	972,629
Central Naples	2,732,949	10.00%	273,295
			1,279,164
2015 Drive Time Area Population:			80,516
Per Capita Commercial Square Feet Demand:			15.89

Source: Collier County Comprehensive Planning Section and U.S. Census Bureau

With the 10-minute drive time market area estimated population and County-wide commercial demand in square feet per capita determined, the Consultant determined the estimated commercial square footage demand for the 10-minute drive time market area through the year 2045 as shown in Table 3.1.3 below.

Table 3.1.3

	2020	**2025**	**2030**	**2035**	**2040**	**2045**
County Population	379.200	413.000	439.159	474,399	512,488	553,591
15-Minute Drive Time Population	91.650	102.971	112.729	125.333	139.234	154.559
Demand Square Feet Per Capita	15.89	15.89	15.89	15.89	15.89	15.89
Commercial Square Feet Demand	1.456.051	1,635.046	1.790.935	1.991.176	2.212.021	2,455.487

Source: Collier County Comprehensive Planning Section and the Consultant

3.2 Market Area Supply

The next step in the commercial needs analysis is to determine the amount of existing and potential competing commercial square footage in the 10-minumte drive time market area.

The Consultant performed a three-part process in the ARCgis desktop program to determine both the existing and potential competing commercial parcels that would be used in the analysis. The first step in the process is to join all of the Collier County Property Appraiser data with the ARCgis program. The second step is to join the 10-minute drive time market area overlay shape file with the Property Appraiser data.

The final step is to join the Excel commercial inventory data obtained from Collier County Comprehensive Planning Staff with the 10-minute drive time market area. This last step required joining the Golden Gate Planning Area, the Central Naples Planning Area and the North Naples Planning Area Inventory spreadsheets with the 10-minute drive time market area since the drive time area encompassed portions of the three planning areas.

All of the commercial parcels included within the 10-minute drive time market area are shown in Appendix Tables A and B at the end of this analysis.

The Consultant then used a floor area ratio ("FAR") that consists of using all of the commercial square footage built in the drive time market area and dividing that by the developed acreage to obtain an average square footage per acre FAR that is indicative of the true market area supply being developed to meet the commercial demand being generated from the drive time market area.

Table 3.2.1 below indicates the total amount of existing and potential commercial square feet in the 15-minute drive time market area.

Table 3.2.1

	Parcels	Acres	Square Feet	FAR
Developed Commercial	55	50.22	310.140	6,176
Undeveloped Commercial	126	273.31	1,687,963	6,176
Totals	181	325.53	1,426,467	

Source: Collier County Comprehensive Planning Section, Collier County Property Appraiser and ESRI ARCgis mapping system

3.3 Supply – Demand Analysis

The final step in the Commercial Needs Analysis is to put the supply and demand calculations together in order to determine the oversupply or undersupply of commercial space in the 10-minute drive time area both with the current existing and potential commercial square footage and with the proposed project acreage being included in the supply totals. Table 3.3.1 on the next page shows that calculation.

Table 3.3.1

Retail Demand (sq. ft.)	2020	2025	2030	2035	2040	2045
Demand Per GMD Commercial Inventory & Population	1,456,051	1,635,046	1,790,935	1,991,176	2,212,021	2,455,487
Retail Supply						
Developed	310,140	310,140	310,140	310,140	310,140	310,140
Vacant	1,687,963	1,687,963	1,687,963	1,687,963	1,687,963	1,687,963
	===	===	===	===	===	===
Total Supply	1,998,103	1,998,103	1,998,963	1,998,963	1,998,963	1,998,963
Allocation Ratio	1.37	1.22	1.12	1.00	0.90	0.81

Source: Collier County Comprehensive Planning Section, Collier County Property Appraiser, ESRI ARCgis mapping system and the Consultant

Adding the proposed 21,500 square feet of commercial space proposed for the Subject Property is shown in Table 3.3.2 below.

Table 3.3.2

Retail Demand (sq. ft.)	2020	2025	2030	2035	2040	2045
Demand Per GMD Commercial Inventory & Population	1,456,051	1,635,0446	1,790,935	1,991,176	2,212,021	2,455,487
Retail Supply						
Developed	331,640	331,640	331,640	331,640	331,640	331,640
Vacant	1,687,963	1,687,963	1,687,963	1,687,963	1,687,963	1,687,963
	===	===	===	===	===	===
Total Supply	2,019,603	2,019,603	2,019,603	2,019,603	2,019,603	2,019,603
Allocation Ratio	1.39	1.24	1.13	1.01	0.91	0.82

Source: Collier County Comprehensive Planning Section, Collier County Property Appraiser, ESRI ARCgis mapping system and the Consultant

The future demand generally looks out to the Comprehensive Plan's horizon year, which is currently either 2025 to 2040 depending on the jurisdiction's comprehensive plan and growth management plan horizon year requirements. In Collier County's case, the Comprehensive Plan's horizon year is 2025.

However, since the County is fast approaching the year 2020, the horizon year will quickly become 2030 to match the County's 10-year planning horizon.

It is at this point of the analysis that has caused an anomaly in determining a true economic supply and demand result. On the supply side, it is relatively easy to determine the amount of existing and approved supply from the property appraiser data. The difficulty lies in the vacant non-approved potential lands. Collier County Staff requires the Applicant to take all of those lands that have a commercial overlay on them and include them as supply by putting a floor area ratio figure to the acreage.

The issue becomes apparent when all of the lands that are not in the existing or approved category are included in the particular land use analysis. By putting all of the potential lands in the supply category, the assumption is that all of that land would be developed as that particular land use overlay and nothing else.

The flaw in that representation is all of those vacant approved parcels and parcels designated by the FLUM as having the potential to be developed as one use, which could be a non-competing or some other commercial use. The same parcels are also counted as competing supply when a commercial needs analysis is performed for another commercial use. Essentially, they are double counted in both analyses when they will actually be developed as the market demand dictates. A general economic principal states that all markets are efficient and that supply for the most part is generated as demand dictates. It is a rare situation where supply generates demand.

The allocation ratio measures the amount of additional acreage required in relation to the directly utilized acreage to assure proper market functioning in the sale, usage and allocation of land. The additional acreage is required in order to maintain market level pricing and to account for the likelihood that certain lands will not be placed on the market for sale during the forecast horizon or may be subject to future environmental or other constraints. Thus, the lands allocated in the FLUM should be considerably greater than those that will actually be used or developed.

Basic economic principals have shown that markets are efficient in terms of supply and demand and the ultimate lack of available commercial choices creates an impediment to the market functioning properly. One must also consider that not all of the office/commercial designation in the future land use map will be developed as such since the owners of those properties will only develop the land with uses that respond to market demand.

The increased acres will maintain flexibility within the comprehensive plan, keep prices reasonable by not constraining land supply, and compensate for lands which may be unavailable for sale or subject to environmental or other development constraints.

Growth management practices have suggested that the greater the time horizon of the comprehensive plan, the greater the allocation ratio needed to maintain flexibility of the comprehensive plan. Other factors that influence the residential acreage allocation ratio are the nature and speed of the developing area and the area's general exposure to growth trends in the market. The Consultant believes that to ensure proper flexibility in the comprehensive plan of a rapidly growing county like Collier, a commercial allocation ratio in the range of 1.25 to 1.5 is necessary to maintain planning flexibility and to account for the double counting of land uses.

History has shown that the former Florida Department of Community Affairs ("DCA") (Currently the Florida Department of Economic Opportunity) ("DEO") recommended an allocation ratio of 1.25 in the horizon year of a comprehensive plan yet it had seen and approved allocation ratios in the 1.8 to 2.4 range and in some cases even larger allocation ratios for longer forecast horizons. Otherwise, if allocation ratios are not used in the analysis, then an appropriate breakdown of the potential lands between the various land use types needs to be undertaken in order to more accurately analyze the need for a comprehensive land use change.

4.0 CONCLUSIONS

4.1 The Consultant used all of the data and analysis in the previous sections to determine the total supply and demand for commercial space in the Subject Property's market area from 2020 through 2045.

The results show that the addition of the Subject Property to the Collier County commercial inventory will not adversely affect the balance of commercial supply in the 10-minute drive time area. The Allocation Ratio is 1.24 in the Collier County Comprehensive Plan 2025 horizon year with the addition of the Subject Property and is right at the recommended 1.25 allocation ratio as suggested by the former Florida DCA now Florida DEO. If the horizon year is extended to 2030 which will happen in two years, the allocation ratio is 1.23 which is below the recommended and accepted 1.25 allocation ratio.

APPENDICIES

Appendix Table A – 10-Minute Drive Time Developed Competing Commercial Parcels

FID	ACRES	SITE ADDRESS	DOR LAND USE	SQ. FT.
1157	0.23	4748 GOLDEN GATE PKWY	Mixed Use - Store/Office (with SFR)	2,664
1433	0.48	12585 COLLIER BLVD	Mixed Use - Store/Office (with SFR)	7,260
16276	0.91	5465 AIRPORT RD N	Drive Thru Restaurant	3,803
17194	5.23	4800 AIRPORT RD N	Mixed Use - Store/Office (with SFR)	883
19879	1.07	3427 ENTERPRISE AVE	Mixed Use - Store/Office (with SFR)	6,000
19899	1.39	3506 PROSPECT AVE	Mixed Use - Store/Office (with SFR)	1,160
19976	0.56	3985 ENTERPRISE AVE	Mixed Use - Store/Office (with SFR)	6,400
19979	1.20	971 AIRPORT RD N	Mixed Use - Store/Office (with SFR)	10,631
20014	1.41	505 AIRPORT RD N	Mixed Use - Store/Office (with SFR)	6,104
20016	0.99	3485 MERCANTILE AVE	Mixed Use - Store/Office (with SFR)	5,151
20018	1.14	3884 PROSPECT AVE	Mixed Use - Store/Office (with SFR)	1,266
20036	1.07	3763 ENTERPRISE AVE	Mixed Use - Store/Office (with SFR)	12,000
20050	1.15	3994 MERCANTILE AVE	Mixed Use - Store/Office (with SFR)	686
20179	1.13	3706 PROGRESS AVE	Mixed Use - Store/Office (with SFR)	12,865
20187	1.04	3784 ARNOLD AVE	Mixed Use - Store/Office (with SFR)	14,400
20189	0.58	3813 ARNOLD AVE	Mixed Use - Store/Office (with SFR)	5,850
20241	1.24	3927 DOMESTIC AVE	Mixed Use - Store/Office (with SFR)	1,800
20242	0.57	4027 ARNOLD AVE	Mixed Use - Store/Office (with SFR)	10,228
20246	0.50	4327 MERCANTILE AVE	Mixed Use - Store/Office (with SFR)	6,000
20257	0.58	4327 ARNOLD AVE	Mixed Use - Store/Office (with SFR)	7,000
20270	1.18	1470 DON ST	Mixed Use - Store/Office (with SFR)	9,250
20286	0.82	1011 AIRPORT RD N	Drive Thru Restaurant	3,144
20338	1.13	3839 DOMESTIC AVE	Mixed Use - Store/Office (with SFR)	3,953
20343	1.13	4227 EXCHANGE AVE	Mixed Use - Store/Office (with SFR)	6,000
20386	1.57	3737 DOMESTIC AVE	Mixed Use - Store/Office (with SFR)	7,350
20393	2.35	3940 PROSPECT AVE	Mixed Use - Store/Office (with SFR)	28,466
54642	1.05	2682 HORSESHOE CT	Mixed Use - Store/Office (with SFR)	4,225
73550	1.05	8875 DAVIS BLVD	Drive Thru Restaurant	4,310
73551	0.90	8835 DAVIS BLVD	Drive Thru Restaurant	2,441
81069	1.01	7385 RADIO RD	Mixed Use - Store/Office (with SFR)	11,032
81071	2.58	7387 DEVONSHIRE BLVD	Mixed Use - Store/Office (with SFR)	19,612
85109	1.06	2427 TARPON BAY BLVD	Drive Thru Restaurant	2,810
92042	0.49	1450 AIRPORT RD N	Mixed Use - Store/Office (with SFR)	5,000
92881	0.69	171 COMMERCIAL BLVD	Mixed Use - Store/Office (with SFR)	8,625
92919	1.11	4707 ENTERPRISE AVE	Mixed Use - Store/Office (with SFR)	10,200
111423	1.13	12055 COLLIER BLVD	Drive Thru Restaurant	4,643
111520	0.27	3930 GREEN BLVD	Mixed Use - Store/Office (with SFR)	1,000
111594	0.12	4021 23RD AVE SW	Mixed Use - Store/Office (with SFR)	3,432
111698	1.00	Behind BP	Service Station	3,530
112354	0.34	5043 CORONADO PKWY	Mixed Use - Store/Office (with SFR)	4,470
112950	0.57	1938 SANTA BARBARA BLVD	Mixed Use - Store/Office (with SFR)	3,026

112956	0.21	1828 SANTA BARBARA BLVD	Mixed Use - Store/Office (with SFR)	2,450
112965	0.29	1724 SANTA BARBARA BLVD	Mixed Use - Store/Office (with SFR)	2,400
112966	0.29	1710 SANTA BARBARA BLVD	Mixed Use - Store/Office (with SFR)	2,400
113548	0.14	2200 SANTA BARBARA BLVD	Mixed Use - Store/Office (with SFR)	1,487
113551	0.14	2180 SANTA BARBARA BLVD	Mixed Use - Store/Office (with SFR)	2,000
113552	0.43	2170 SANTA BARBARA BLVD	Mixed Use - Store/Office (with SFR)	5,960
113752	0.49	2310 HUNTER BLVD	Mixed Use - Store/Office (with SFR)	1,534
113924	0.38	5269 GOLDEN GATE PKWY	Mixed Use - Store/Office (with SFR)	3,429
114099	0.69	2772 SANTA BARBARA BLVD	Mixed Use - Store/Office (with SFR)	3,600
114781	0.14	5192 GOLDEN GATE PKWY	Mixed Use - Store/Office (with SFR)	2,250
114835	0.14	4930 GOLDEN GATE PKWY	Mixed Use - Store/Office (with SFR)	2,000
114836	0.57	4920 GOLDEN GATE PKWY	Mixed Use - Store/Office (with SFR)	5,540
223940	1.22	5065 GOLDEN GATE PKWY	Drive Thru Restaurant	3,257
223941	1.04	5055 GOLDEN GATE PKWY	Drive Thru Restaurant	3,163
	50.22			310,140
			Avg. Bldg. Square Feet per Acre:	6,176

Source: Collier County Comprehensive Planning Section Commercial Inventory, Collier County Property Appraiser and ArcGIS

Appendix Table B – 10-Minute Drive Time Undeveloped Competing Parcels

FID	ACRES_GIS	S_ADDRESS	DOR LAND USE
4742	3.15	3868 CITY GATE BLVD N	Vacant Commercial
4745	3.60	3860 BRENNAN DR	Vacant Commercial
4746	3.66	3854 BRENNAN DR	Vacant Commercial
4761	1.31	3106 HORSESHOE DR	Vacant Commercial
17442	12.55		Vacant Commercial
19849	0.27		Vacant Commercial
20414	0.30		Vacant Commercial
21506	2.03		Vacant Commercial
21514	1.45	11899 COLLIER BLVD	Vacant Commercial
23452	25.09	10545 COLLIER BLVD	Vacant Commercial
23453	3.27		Vacant Commercial
23457	3.76		Vacant Commercial
23460	25.57	10535 COLLIER BLVD	Vacant Commercial
24588	1.12	4776 RADIO RD	Vacant Commercial
27487	10.42		Vacant Commercial
27489	3.51		Vacant Commercial
27490	0.12		Vacant Commercial
27533	4.59		Vacant Commercial
27606	15.12	4670 SANTA BARBARA BLVD	Vacant Commercial
28886	2.96	6350 DAVIS BLVD	Vacant Commercial
28948	12.15		Vacant Commercial
53579	0.89		Vacant Commercial
53582	0.95		Vacant Commercial
53585	1.63		Vacant Commercial
53632	1.08		Vacant Commercial
53653	1.10	724 GOODLETTE-FRANK RD N	Vacant Commercial
53655	4.45	870 GOODLETTE-FRANK RD N	Vacant Commercial
53656	0.13	9 GOODLETTE-FRANK RD N	Vacant Commercial
53660	2.01	840 GOODLETTE-FRANK RD N	Vacant Commercial
54604	1.34	2629 HORSESHOE DR S	Vacant Commercial
56242	0.21	18 MANDARIN RD	Vacant Commercial
60596	0.60	GOLDEN GATE PKWY	Vacant Commercial
73553	0.62	8845 DAVIS BLVD	Vacant Commercial
73642	1.55	116 JOYROSE PL	Vacant Commercial
73648	30.07	195 BEDZEL CIR	Vacant Commercial
86668	1.06	13005 COLLIER BLVD	Vacant Commercial
86669	1.33	12985 COLLIER BLVD	Vacant Commercial
86671	1.04	12995 COLLIER BLVD	Vacant Commercial
90895	4.70	3814 CITY GATE BLVD S	Vacant Commercial
90900	2.32	3818 CITY GATE BLVD S	Vacant Commercial
90947	3.51	3822 CITY GATE BLVD S	Vacant Commercial

90990	2.68	3841 CITY GATE BLVD N	Vacant Commercial
90991	1.42	3837 CITY GATE BLVD N	Vacant Commercial
90993	1.74	3815 WHITE LAKE BLVD	Vacant Commercial
90994	1.67	3811 WHITE LAKE BLVD	Vacant Commercial
90997	4.33	3807 WHITE LAKE BLVD	Vacant Commercial
91000	1.02	3836 WHITE LAKE BLVD	Vacant Commercial
91002	1.16	3826 WHITE LAKE BLVD	Vacant Commercial
91004	4.06	3808 WHITE LAKE BLVD	Vacant Commercial
91006	4.55	3798 WHITE LAKE BLVD	Vacant Commercial
91010	1.97	3863 CITY GATE BLVD N	Vacant Commercial
91011	2.33	3869 CITY GATE BLVD N	Vacant Commercial
91013	2.17	3874 CITY GATE BLVD N	Vacant Commercial
91014	5.05	3856 CITY GATE BLVD N	Vacant Commercial
91016	3.02	3855 BRENNAN DR	Vacant Commercial
91017	2.97	3853 BRENNAN DR	Vacant Commercial
91018	2.96	3847 BRENNAN DR	Vacant Commercial
91020	2.95	3843 BRENNAN DR	Vacant Commercial
91021	2.91	3839 BRENNAN DR	Vacant Commercial
91706	1.65	3823 WHITE LAKE BLVD	Vacant Commercial
91707	1.88	3819 WHITE LAKE BLVD	Vacant Commercial
91712	4.95	3851 CITY GATE BLVD N	Vacant Commercial
91713	1.98	3857 CITY GATE BLVD N	Vacant Commercial
92044	0.23		Vacant Commercial
97465	0.06		Vacant Commercial
97512	0.09		Vacant Commercial
97529	0.05		Vacant Commercial
97530	0.11		Vacant Commercial
97533	0.09		Vacant Commercial
97534	0.38		Vacant Commercial
109054	2.13		Vacant Commercial
109055	1.79		Vacant Commercial
109073	0.37		Vacant Commercial
109074	0.28		Vacant Commercial
110025	1.29	4100 GOLDEN GATE PKWY	Vacant Commercial
110104	0.30		Vacant Commercial
110114	0.38		Vacant Commercial
110119	0.30		Vacant Commercial
111342	0.26	1998 40TH TER SW	Vacant Commercial
111343	0.23	1982 40TH TER SW	Vacant Commercial
111344	0.23	1972 40TH TER SW	Vacant Commercial
111345	0.23	1962 40TH TER SW	Vacant Commercial
111346	0.23	1952 40TH TER SW	Vacant Commercial
111347	0.23	1942 40TH TER SW	Vacant Commercial

111348	0.23	1932 40TH TER SW	Vacant Commercial
111417	0.46	12215 COLLIER BLVD	Vacant Commercial
111421	0.17		Vacant Commercial
111422	0.19		Vacant Commercial
111426	0.18		Vacant Commercial
111430	0.38		Vacant Commercial
111517	0.23	12525 COLLIER BLVD	Vacant Commercial
111518	0.23	12535 COLLIER BLVD	Vacant Commercial
111592	0.06		Vacant Commercial
111593	0.06		Vacant Commercial
111596	0.06	11853 COLLIER BLVD	Vacant Commercial
111689	0.23	4740 GOLDEN GATE PKWY	Vacant Commercial
112857	0.14	1740 SANTA BARBARA BLVD	Vacant Commercial
112951	0.14	1900 SANTA BARBARA BLVD	Vacant Commercial
112952	0.14	1858 SANTA BARBARA BLVD	Vacant Commercial
112953	0.14	1848 SANTA BARBARA BLVD	Vacant Commercial
112954	0.14	1842 SANTA BARBARA BLVD	Vacant Commercial
112961	0.07	1756 SANTA BARBARA BLVD	Vacant Commercial
112962	0.14	1756 SANTA BARBARA BLVD	Vacant Commercial
112963	0.14	1756 SANTA BARBARA BLVD	Vacant Commercial
112964	0.14	1740 SANTA BARBARA BLVD	Vacant Commercial
113543	0.14	5587 22ND PL SW	Vacant Commercial
113544	0.14	2240 SANTA BARBARA BLVD	Vacant Commercial
113545	0.14	2230 SANTA BARBARA BLVD	Vacant Commercial
113553	0.14	2140 SANTA BARBARA BLVD	Vacant Commercial
113554	0.14	2130 SANTA BARBARA BLVD	Vacant Commercial
113555	0.14	2120 SANTA BARBARA BLVD	Vacant Commercial
113556	0.14	2110 SANTA BARBARA BLVD	Vacant Commercial
113557	0.14	2100 SANTA BARBARA BLVD	Vacant Commercial
113559	0.14	2088 SANTA BARBARA BLVD	Vacant Commercial
113560	0.14	2080 SANTA BARBARA BLVD	Vacant Commercial
113561	0.14	2072 SANTA BARBARA BLVD	Vacant Commercial
113562	0.14	2064 SANTA BARBARA BLVD	Vacant Commercial
113567	0.14	2024 SANTA BARBARA BLVD	Vacant Commercial
113569	0.17	2000 SANTA BARBARA BLVD	Vacant Commercial
113931	0.38	5349 GOLDEN GATE PKWY	Vacant Commercial

114097	0.31		Vacant Commercial
114486	0.36	5472 GOLDEN GATE PKWY	Vacant Commercial
114487	0.38	5436 GOLDEN GATE PKWY	Vacant Commercial
114489	0.38	5350 GOLDEN GATE PKWY	Vacant Commercial
114491	0.48	5300 GOLDEN GATE PKWY	Vacant Commercial
	273.31		

Source: Collier County Comprehensive Planning Section Commercial Inventory, Collier County Property Appraiser and ArcGIS

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GAS STATION NEEDS ANALYSIS

Executive Summary

The Barron Collier Corporation ("Developer") is seeking approval for a proposed gas station/convenience store ("Project") at 3001 Santa Barbara Boulevard, Naples, Florida. The proposed Project is located on the southwest corner of Golden Gate Parkway and Santa Barbara Boulevard.

The Project will make a significant contribution to the Collier County economy while at the same time support the growth in its market area without adversely affecting the efficient gasoline market economy in that market.

- Gasoline market demand is anticipated to grow 8.14% in the Project's market area over the next five years.

- The proposed convenience store/fuel station will increase the same gasoline market supply by 18.46%

The proposed Project will keep the gasoline markets efficient by providing the needed supply to accommodate the growing demand in the drive time market area.

This section of the study is comprised of defining the market area demographics, the gas station demand/supply comparison market analysis and conclusions.

1.0 Market Area Demographics

1.1 Market Area Definition

Since the convenience store/fuel station market is being analyzed, it is appropriate to define the market area for such use by using a drive time calculation. Drive times are calculated by Environmental Systems Research Institute ("ESRI"). The ESRI Business Analyst Program is geographic information system-based ("GIS") and calculates drive times by actual street networks and posted speed limits.

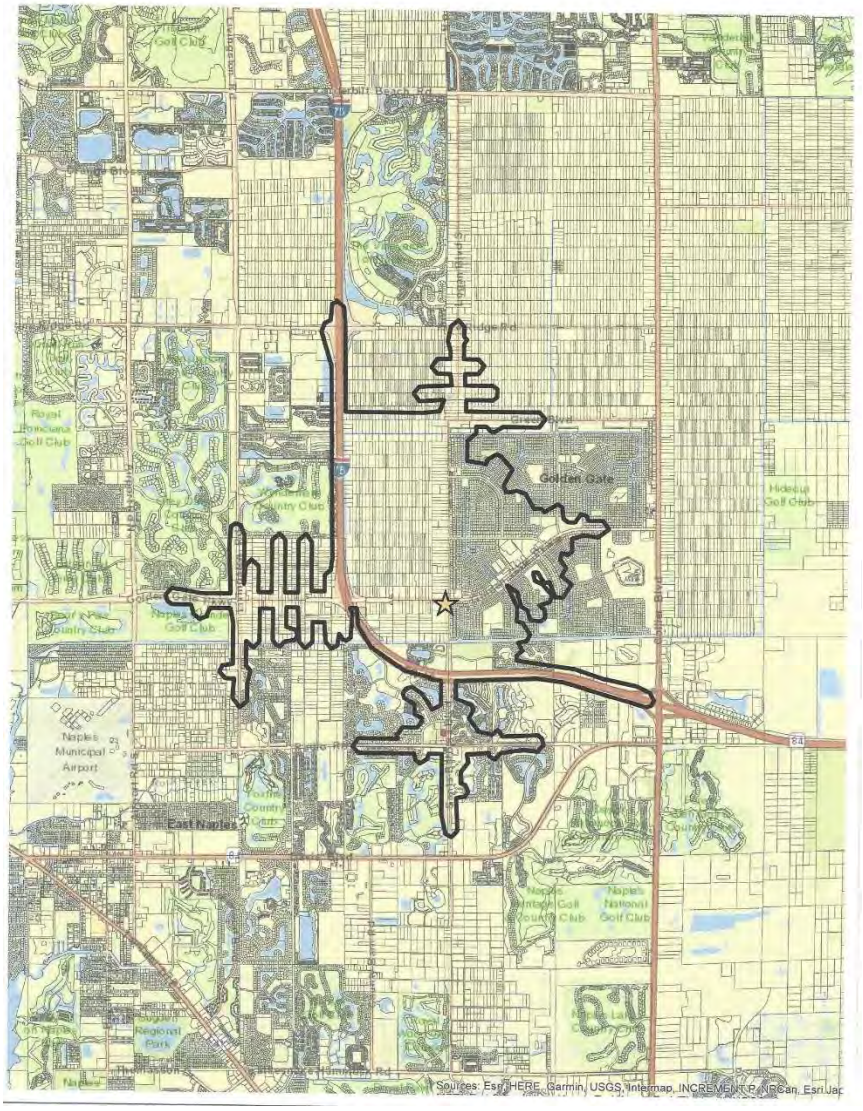
A March 1, 2017 study by the National Association of Convenience Stores ("NACS") on how consumers behave at the pump (See Appendix A) shows that consumers are attracted to convenience store/fuel station facilities based on a number of factors including:

- Price
- Location Convenience
- Brand
- Ease of ingress/egress

As most consumers of a convenience store/fuel station facility are drawn to that facility based primarily on the four factors noted above, it would stand to reason that an immediate market area would include driving within 5-minutes to such a facility to obtain fuel. Most consumers would be fueling as a secondary action while driving for other reasons such as going to the grocery store or traveling to and from work. The above factors indicate that a convenience store/fuel facility market analysis would encompass a 5-minute drive time market area ("Market Area").

Figure 1.1.1 depicts the Market Area for the Project.

Figure 1.1.1



Source: ESRI ArcGIS Business Analyst Mapping System

The Market Area configuration will change over time as growth occurs in the area and new roads with new residences are developed. That is important to note when the Market Area demographic detail is reviewed over the next five years in the next section.

1.2 Market Area Demographic Detail

In order to determine the convenience store/fuel station facility demand, a demographic profile of the Market Area is required. Table 1.2.1 shows the demographic profile of the population that lives within the Market Area of the subject site.

Table 1.2.1

esri

Demographic and Income Profile

3001-3099 Santa Barbara Blvd
3001-3099 Santa Barbara Blvd, Naples, Florida, 34116
Drive Time: 5 minute radius

Prepared by Esri
Latitude: 26.17402
Longitude: -81.71942

Summary	Census 2010	2017
Population	13,557	14,783
Households	4,442	4,804
Families	3,376	3,617
Average Household Size	3.05	3.07
Owner Occupied Housing Units	2,317	2,275
Renter Occupied Housing Units	2,125	2,529
Median Age	32.6	33.8
Trends: 2017 - 2022 Annual Rate	**Area**	**State**
Population	1.57%	1.36%
Households	1.58%	1.30%
Families	1.47%	1.25%
Owner HHs	1.74%	1.19%
Median Household Income	2.15%	2.13%

	2017	
Households by Income	Number	Percent
<$15,000	495	10.3%
$15,000 - $24,999	653	13.6%
$25,000 - $34,999	560	11.7%
$35,000 - $49,999	752	15.7%
$50,000 - $74,999	913	19.0%
$75,000 - $99,999	587	12.2%
$100,000 - $149,999	471	9.8%
$150,000 - $199,999	133	2.8%
$200,000+	241	5.0%
Median Household Income	$48,471	
Average Household Income	$70,188	
Per Capita Income	$23,115	

	Census 2010		2017	
Population by Age	Number	Percent	Number	Percent
0 - 4	1,168	8.6%	1,146	7.8%
5 - 9	1,004	7.4%	1,140	7.7%
10 - 14	987	7.3%	1,044	7.1%
15 - 19	1,006	7.4%	951	6.4%
20 - 24	1,001	7.4%	1,018	6.9%
25 - 34	2,095	15.5%	2,364	16.0%
35 - 44	1,983	14.6%	1,948	13.2%
45 - 54	1,893	14.0%	1,927	13.0%
55 - 64	1,144	8.4%	1,605	10.9%
65 - 74	745	5.5%	984	6.7%
75 - 84	435	3.2%	508	3.4%
85+	97	0.7%	147	1.0%

	Census 2010		2017	
Race and Ethnicity	Number	Percent	Number	Percent
White Alone	9,778	72.1%	10,403	70.4%
Black Alone	1,884	13.9%	2,171	14.7%
American Indian Alone	66	0.5%	70	0.5%
Asian Alone	127	0.9%	177	1.2%
Pacific Islander Alone	1	0.0%	2	0.0%
Some Other Race Alone	1,257	9.3%	1,440	9.7%
Two or More Races	446	3.3%	521	3.5%
Hispanic Origin (Any Race)	6,523	48.1%	7,434	50.3%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.

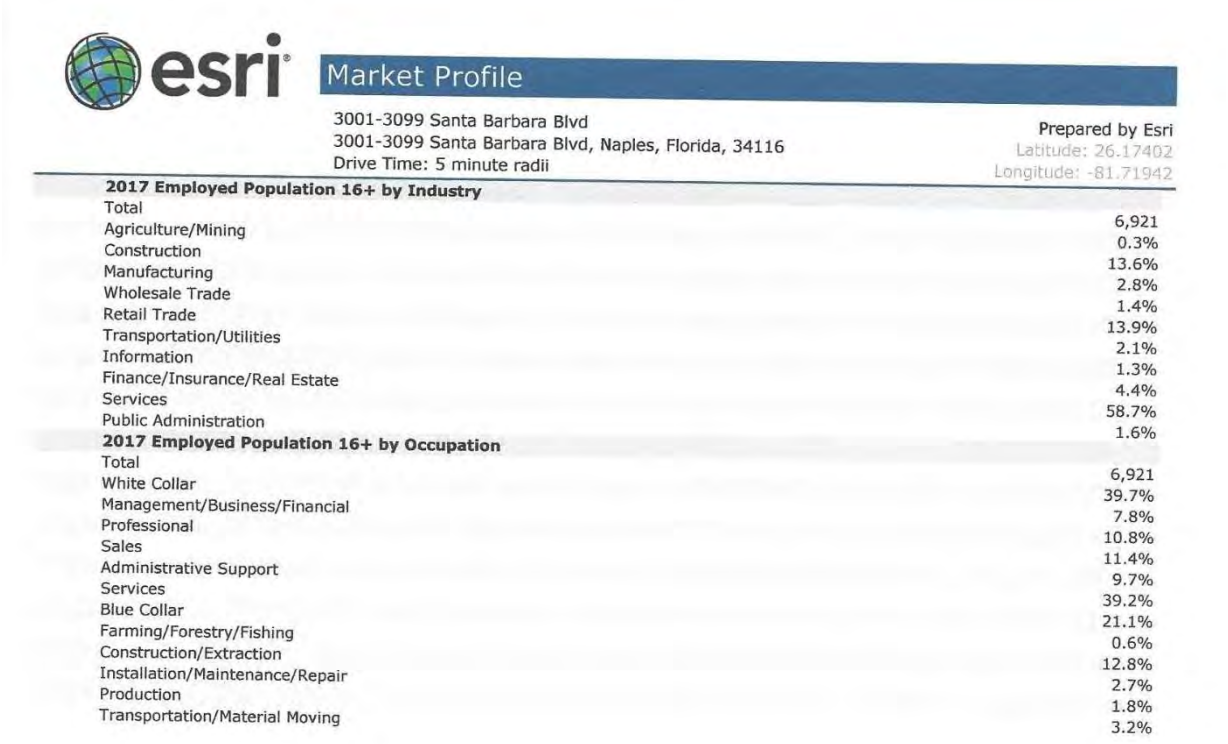
June 04, 2018

Source: ESRI and U.S. Census Bureau

In 2017, the population for the Market Area is 14,783 and the number of households is 4,804. The majority of household incomes range from $25,000 to $75,000 and the median household income of the Market Area is $48,471. The average household income for this market area is $70,188.

Table 1.2.2 shows the workforce makeup of the Market Area. The workforce makes up 47% of the total market area population and will be significant contributors to the product sales of the convenience store/fuel station. And the majority of the workforce is in the services industry and is white collar in occupation.

Table 1.2.2



esri

Market Profile

3001-3099 Santa Barbara Blvd
3001-3099 Santa Barbara Blvd, Naples, Florida, 34116
Drive Time: 5 minute radii

Prepared by Esri
Latitude: 26.17402
Longitude: -81.71942

2017 Employed Population 16+ by Industry	
Total	6,921
Agriculture/Mining	0.3%
Construction	13.6%
Manufacturing	2.8%
Wholesale Trade	1.4%
Retail Trade	13.9%
Transportation/Utilities	2.1%
Information	1.3%
Finance/Insurance/Real Estate	4.4%
Services	58.7%
Public Administration	1.6%
2017 Employed Population 16+ by Occupation	
Total	6,921
White Collar	39.7%
Management/Business/Financial	7.8%
Professional	10.8%
Sales	11.4%
Administrative Support	9.7%
Services	39.2%
Blue Collar	21.1%
Farming/Forestry/Fishing	0.6%
Construction/Extraction	12.8%
Installation/Maintenance/Repair	2.7%
Production	1.8%
Transportation/Material Moving	3.2%

Source: ESRI and U.S. Census Bureau

2.0 MARKET ANALYSIS

2.1 Market Area Demand

The Consultant next determined the market area demand for gasoline in 2017 and then over a 5-year period to 2022 in order to calculate the future demand for gasoline coming from the Market Area. Table 2.1.1 shows that the market area's 2017 population is 14,783 and the household count is 4,804 as taken from Table 1.2.1 above, which equates to the 3.08 persons per household.

Table 2.1.1

Population	14,783
Persons Per Household	3.077
Households	4,804

Source: ESRI and U.S. Census Bureau

In order to determine the 2022 population for the same Market Area, the Consultant then utilized the population projections for the 5-Minute Drive Time area from ESRI. Table 2.1.2 shows that the 5-Minute Drive Time area is projected to increase by 24.96% between 2017 and 2022.

Table 2.1.2

Year	South Naples Population
2017	14,783
2022	15,982
Growth Rate:	8.11%

Source: Collier County Comprehensive Planning Section 2015 AUIR. (See Appendix B)

The growth rate for the 5-Minute Drive Time area is expected to increase over the next 5 years as development reaches maturity along the coastal urban area and moves east along the Golden Gate Parkway corridor.

The Consultant then used the 8.11% growth rate to calculate the future households for the Market Area as shown in Table 2.1.3.

Table 2.1.3

	2017	2022
Population	14,783	15,982
Households	4,804	5,195

Source: ESRI and U.S. Census Bureau

The next step in calculating the demand for gasoline from the Market Area is to determine the number of gallons consumed annually in the Market Area. The Consultant utilized the U.S. Census population data for the Market Area and combined it with the U.S. Census automotive data and the Market Area average price to calculate the Market Area's annual consumption of gasoline. Table 2.1.4 shows the calculation. The Consultant made the same calculation for both 2017 and 2022.

Table 2.1.4

	2017	2022
Population	14,783	15,982
Households	4,804	5,195
Average Amount spent per Household	$2,538.51	$2,538.51
Total Amount Spent in market area	$12,195,002.04	$13,187,559.45
Average gasoline price per gallon:	$2.75	$2.75
Gallons Consumed Annually in Market Area:	4,434,546	4,795,476
Demand Increase from 2016 to 2021:		8.14%

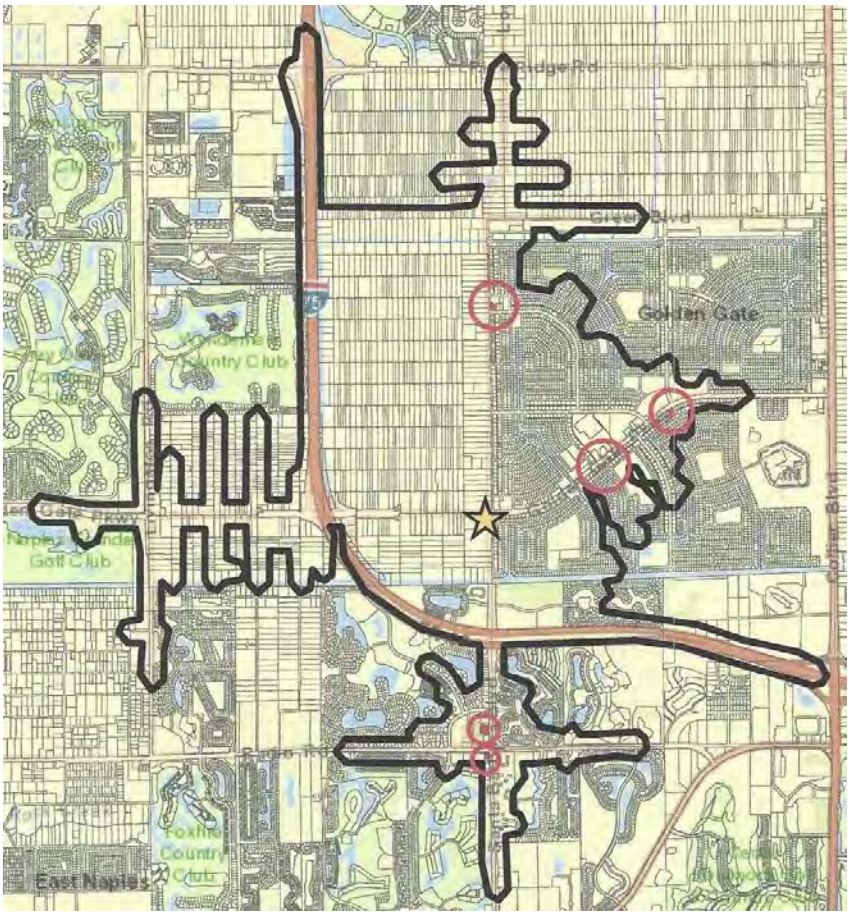
Source: ESRI, Automotive Aftermarket Expenditures, Consultant Field Study (Appendix D)

The annual gasoline gallons consumed in the Market Area will increase 8.14% from 2017 to 2022 based on the forecasted population growth increase as shown in Table 2.1.2.

2.2 Market Area Supply

The Consultant then used the same Market Area drive time to determine the number of competitive gas stations located within the boundaries of the Market Area. Figure 2.2.1 shows the competitive gas stations in red as they geographically relate to the Project location (Gold Star).

Figure 2.2.1



There are five (5) gas stations within the Market Area boundary and all are convenience store/fuel stations. The list of the competitive stations, their makeup and photos are located in Appendix B.

The Consultant then utilized NACS data to examine the supply side of the competition in the Market Area. The NACS 2015 Fuel Report (Appendix C) points out that big box mass merchandise stores sell 278,000 gallons of gasoline per month and that amount is more than half of the amount sold by convenience store/fuel station locations. Based on that statistic, the Consultant used 270,000 gallons as a base amount and used 50% of that amount as the average amount of gallons sold per month at a convenience store/fuel station location. There was no state, regional or local data available. From that point, the Consultant calculated the 9-station Market Area gallons sold during the weekday for a week in order to add in the Project's contribution to the Market Area supply based on the Project's traffic study. Table 2.2.1 on the next page shows that calculation.

Table 2.2.1

Station Gallons per Month:	135,000
Station Gallons per week:	33,750
Station Gallons for 5 weekdays:	24,107
Stations:	5
Market Area Gallons per 5-day week:	120,536

The Project's contribution was added to the Market Area total so that the number of cars per 5-day week could be determined. Table 2.2.2 shows that calculation.

Table 2.2.2

Market Area Gallons per 5-day week:	120,536
Project Contribution per 5-day week:	24,107
Market Area Gallons per 5-day week with Project:	144,643

The next calculation is to convert the gallons per 5-day week to cars purchasing those gallons in order to compare to the cars per 5-day week as calculated by the Project traffic study that will purchase fuel at the Project. Table 2.2.3 shows that calculation.

Table 2.2.3

Market Area Gallons per 5-day week with Project:	144,643
Gallons per car per week:	14.02*
Cars per 5-day week in Market Area:	10,317

*Source: NACS National Association of Convenience Stores - 2015 Retail Fuels Report (Appendix E, Page 6). 729 gallons per year divided by 52 weeks.

The number of cars per 5-day week for the Project is the next calculation needed to compare the Project's contribution to the supply. Using the Project's traffic study (Appendix D) and a study performed by C-Store Shopper Insights (Appendix E), the Consultant determined that 3,767 cars will be purchasing gasoline at the Project's fuel stations over a 5-weekday period. Table 2.2.4 shows that calculation.

Table 2.2.4

Cars buying Gasoline at the Project during 5-Weekday period

	Per hour	Total Cars in
Weekday Per hour am (4 hours)	76	304
Weekday Per hour pm (4 hours)	62	248
Total Cars in per weekday:		552
C-Store data: 69% cars in for gas:	69.00%	381
Project cars buying gas over 5-weekdays:		1,904

Source: Sub District Traffic Study (Appendix F), page 7. C-Store Shopper Insights, Page 1 (Appendix E)

The Project's percentage of contribution to the Market Area supply is the last calculation. Table 2.2.5 shows that the Project will contribute 3,767 fuel purchasers to the Market Area, equating to a Market Area supply increase of 21.91%

Table 2.2.5

Market Area cars per 5-weekdays including Project (from Table 2.2.3):	10,317
Project cars per 5-weekdays (from Table 2.2.4):	1,904
Project percent increase of Market Area Supply:	**18.46%**

2.3 Supply – Demand Analysis

The final step in the Market Study supply-demand analysis is to put the supply and demand calculations together in order to determine the oversupply or undersupply of gasoline in the Market Area with the addition of the Project. Table 2.3.1 shows that over the next five years there will be a 23.47% deficit supply of gasoline to serve the Market Area over the next five (five (5) years.

A general economic principal states that all markets are efficient and that supply is for the most part generated as demand dictates. It is a rare economic situation where supply generates demand. Basic economic principals have shown that markets are efficient in terms of supply and demand and the ultimate lack of available fuel station choices creates an impediment to the market functioning properly.

The general economic principal stated above would indicate that fuel station supply will be added to the Market Area in order to equalize the demand side of the Market Area's supply/demand equation. The Project will increase the Market Area's supply side by 21.91% thus stabilizing the Market Area's supply/demand equation for the next five (5) years. There will still be a 1.56% supply deficit in the next five (5) years even with the Project addition to the supply.

Table 2.3.1

Market Area Growth (Table 2.1.4)	8.14%
Project percent of market (Table2.2.5)	18.46%
Market Area 5-year supply - surplus/(deficit)	(10.32%)

The addition of the Project will not only satisfy the increased demand over the next five (5) years, it will also keep gasoline prices reasonable by absorbing a majority of the five (5) year projected demand increase and not constraining the gasoline supply and the Project will compensate for properties along the Market Area corridor that may not be developed as convenience store/fuel stations due to being unavailable for sale or subject to other development constraints. And the Project will be new to the market in terms of construction and exterior ambiance thus providing an upgrade to the Golden Gate gasoline facilities and potentially force competitors to upgrade their exterior and interior appearances.

APPENDIX A

1600 Duke Street
Alexandria, Va 22314

THE ASSOCIATION FOR CONVENIENCE & FUEL RETAILING

HOW CONSUMERS BEHAVE AT THE PUMP

Nearly 40 million Americans fill up their vehicles every day. How they drive, consider gas prices and determine whether they go inside the store has a profound impact on convenience stores.

By NACS **Published:** 3/1/2017 **10**

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Nearly 40 million Americans fill up their vehicles every day. How they drive, consider gas prices and determine whether to shop inside a convenience store for food, snacks and beverages has a profound impact on the retail channel that sells 80% of the fuel purchased in the United States. Let's look at some of the broad characteristics of how consumers buy gas and examine how convenience retailers can keep them coming back.

In particular, we examine:

- Consumer behavior at the pump
- What retailers can do to change consumer behavior
- Overall driving habits

NACS has surveyed consumers about their perceptions related to gas prices since 2007 and has conducted monthly consumer sentiment surveys since 2013. NACS commissioned Penn, Schoen and Berland Associates LLC to conduct 1,114 online interviews with adult Americans on January 3-6, 2017. The margin of error for the entire sample is +/- 2.95% at the 95% confidence interval and higher for subgroups. Below are the questions and overall responses.

Consumer Behavior at the Pump

Understanding how consumers feel about gasoline prices can help convenience retailers execute their marketing strategies. It's also important to determine how consumers buy gas, which reveals some interesting variations.

Filling Up the Tank

Consumers are more likely to buy gas during the evening rush than the morning daypart (36% vs. 22%), likely because of morning time pressures. But these time pressures vary by demographic. Those most likely to purchase fuel in the morning are consumers age 34-49 who generally face time pressures related to organizing family activities, etc. There may be an opportunity to focus marketing on this segment to encourage more breakfast items. Meanwhile, those age 50 and older are most likely to purchase gas mid-day, outside of rush hours. A promotional campaign around slowing down and enjoying a snack or meal inside the store might appeal to this demographic.

Q: What time of the day do you often purchase gas?

(%) Gas Consumers 2017		Age		
		18-34	35-49	50+
Morning, or roughly 6 am to 10 am	22	19	28	21
Mid-day, or roughly 10 am to 3 pm	32	27	25	41

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Afternoon, or roughly 3 pm to 7 pm	36	41	37	32
Night, or roughly 7 pm to midnight	9	13	10	6
Overnight, or roughly midnight to 6 am	1	0	1	0

Most fueling sites offer three octane grades: regular (usually 87 octane), mid-grade (usually 89 octane), and premium (usually 92 or 93 octane). Regular octane is the dominant fuel, while those who buy higher-octane fuels are likely doing so because their vehicle requires it. There are some variations by age; younger consumers are the least interested in mid-grade as a fueling option.

Q: What octane grade do you typically purchase for the vehicle you most commonly drive?

(%) Gas Consumers 2017		Gender		Age		
		M	F	18-34	35-49	50+
Regular	82	80	84	82	78	86
Mid-grade	8	10	7	5	11	5
Premium	8	10	7	11	10	5
Other	1	0	1	0	1	1
Don't know	0	0	1	1	0	0

Fully three quarters of consumers pay by plastic (73%). The percentage of consumers who pay by plastic has increased by 9 percentage points between 2009 and 2017. In reviewing subcategories, debit cards are most used by females (41%) and those age 18–34 (45%). Credit cards are most popular with those age 50 and older (47%).

Q: Which payment method do you typically use to purchase gas?

(%) Gas Consumers 2017		Track					
		2016	2015	2014	2013	2012	2009
Cash	26	28	23	27	27	33	35
Credit	36	34	40	37	35	41	37
Debit	37	38	38	36	37	24	27
Total debit and credit	73	72	78	73	72	65	64

Shopping on Price

The rise of mobile commerce, apps and price-checking websites make it easier for consumers to shop for deals and “steals” on everything from appliances to new shoes, a mentality that also carries over to gasoline. Simply put, no matter what the price per gallon is, consumers want to find the best price they can. Approximately two in three consumers have consistently shopped on price, whether gas was as low as $1.62 per gallon at the start of 2009, or as high as $3.28 per gallon at the start of 2013. However, a focus on price is diminishing and has fallen 10 percentage points in just two years. Location has grown more important to consumers, as well as the in-store food offer. The price per gallon is least important to those who over the past 30 days who bought a sandwich at a place where they also purchased gas (56%).

Q: When buying gas, which of the following factors is important to you?

(%) Gas Consumers 2017		Track					
		2016	2015	2014	2013	2012	2009
Price	61	64	71	66	71	63	70
Location of store/station	25	20	18	20	18	20	19
Brand	8	9	8	8	8	8	9
Ease of entrance or exit	4	6	3	4	2	6	-
Other	1	1	1	1	1	2	1

So how do price-sensitive consumers shop by price? The traditional gas price sign remains the most common method, particularly among drivers during the morning rush (65%). Loyalty cards are a second choice and are used by one in seven (16%) price-sensitive consumers.

APPENDIX B

5-Minute Drive Time Gas Stations

FID	Shape *	S_SECTION	S_TOWNSHIP	S_RANGE	SUBDIV_ID	LOCATION_IDENTIFIER	PUMPS
81077	Polygon	32	49	26	184600	Mobil 7-11 Santa Barbara N or Radio	6

FID	Shape *	S_SECTION	S_TOWNSHIP	S_RANGE	SUBDIV_ID	LOCATION_IDENTIFIER	PUMPS
96747	Polygon	5	50	26	245500	Shell at Radio and Santa Barbara	6

FID	Shape *	S_SECTION	S_TOWNSHIP	S_RANGE	SUBDIV_ID	LOCATION_IDENTIFIER	PUMPS
111698	Polygon	27	49	26	322600	BP in GG City on GGP	8

FID	Shape *	S_SECTION	S_TOWNSHIP	S_RANGE	SUBDIV_ID	LOCATION_IDENTIFIER	PUMPS
112984	Polygon	21	49	26	323800	Shell Circle K on Santa B N GGP	4

FID	Shape *	S_SECTION	S_TOWNSHIP	S_RANGE	SUBDIV_ID	LOCATION_IDENTIFIER	PUMPS
114786	Polygon	28	49	26	324700	Speedway in GGC on GGP	4

APPENDIX C

NACS®

2015 Retail Fuels Report

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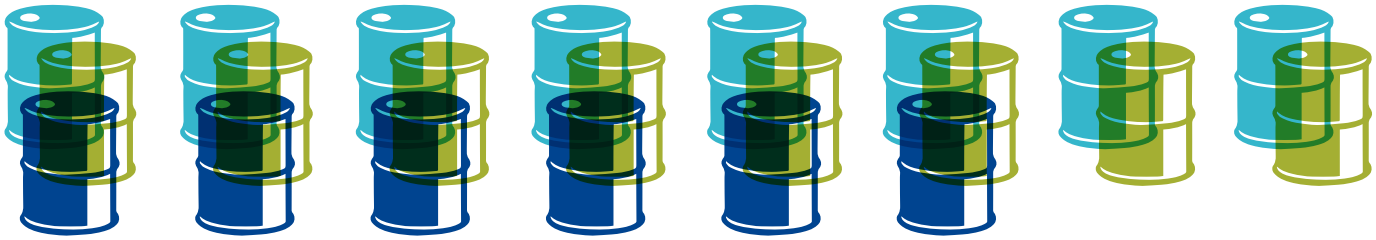
AN DRIVES AND USES FUELS

Over the course of a year, the average American uses:



22.27 barrels of oil

(Source: CIA World Factbook)

The average household buys:

729 gallons of gas each year

(Source: U.S. Energy Information Administration)

(Source: 2015 NACS Consumer Fuels Survey)

35% of gas customers also go inside the store

(Source: 2015 NACS Consumer Fuels Survey)

Major Oil Keeps Its Brand Presence

While the major oil companies are withdrawing from retail operations, their brands remain. In fact, roughly half of retail outlets sell fuel under the brand of one of the 15 largest refiner-suppliers. Virtually all of these branded locations are operated by independent entrepreneurs who have signed a supply contract with a particular refiner/distributor to sell a specific brand of fuel, but these retailers do not share in the profit/loss of their suppliers.

The remaining 50% sold "unbranded" fuel. These stations often are owned by companies that have established their own fuel brand (i.e., QuikTrip, Wawa, 7-Eleven) and purchase fuels either on the open market or via unbranded contracts with a refiner/distributor.

Other Retail Channels Sell Fuels

Convenience stores sell more than 80% of the fuels purchased in the United States, and their dominance continues to grow. Over the past decade, the number of convenience stores selling fuels has grown by 15% (from 110,895 to 127,588 stores). Meanwhile, the overall number of fueling locations has dropped.

There were 152,995 total retail fueling sites in the United States in 2013, the last year measured by the now-defunct *National Petroleum News*' MarketFacts. This was a steep and steady decline since 1994, when the station count topped 202,800 sites.

Another channel also has seen growth over the past decade: big-box grocery stores and mass merchandising stores, otherwise known as "hypermarkets." As of May 2014, the 5,236 hypermarket retail fueling sites sold an estimated 13.8% of the motor fuels (gasoline) purchased in the United States, according to Energy Analysts International. These sites sell approximately 278,000 gallons per month, more than twice the volume of a traditional fuels retailer.

The top five hypermarkets selling fuel, by store count:

- Kroger (1,220)
- Walmart (999 stations, mainly Murphy USA with small mix of others; up to 200 new Murphy USA sites are due by end of 2015 per agreement)
- Sam's Club (505)
- Costco (381)
- Safeway (346)

(Source: Energy Analysts International)

The remainder of fuels sales in the United States comes from traditional service stations without convenience operations and very low-volume fueling sites, such as at marinas.

APPENDIX D

TABLE 1

TRIP GENERATION COMPUTATIONS

Santa Barbara Boulevard & Golden Gate Parkway Commerical Sub-District

Land Use Code	Trip Period	Trip Generation Equation (Based upon Square Feet)	Total Trips	Trips Enter/Exit
LUC 960	Daily Traffic (ADT) =	T=837.58(X) =	**7,538 ADT**	
	AM Peak Hour (vph) =	T=137.38(X) - 264.53 =	**972 vph**	486 / 486 vph
		50% Enter/ 50% Exit =		
	PM Peak Hour (vph) =	T=69.28(X) =	**624 vph**	312 / 312 vph
		50% Enter/ 50% Exit =		
Pass-by Trips per ITE= 66%			**66% Pass-by Rate**	
	New Daily Traffic (ADT) =	(ADT) x (% of New Trips)	**2,563 ADT**	
	New AM Peak Hour (vph) =	(AM) x (% of New Trips)	**330 vph**	165 / 165 vph
		50% Enter/ 50% Exit =		
	New PM Peak Hour (vph) =	(PM) x (% of New Trips)	**212 vph**	106 / 106 vph
		50% Enter/ 50% Exit =		

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Land Use Code	*Trip Period*	*Trip Generation Equation (Based upon Fuel Positions)*	*Total Trips*	*Trips Enter/Exit*
LUC 960	*Daily Traffic (ADT) =*	*T=230.52(X) =*	*3,688 ADT*	
	AM Peak Hour (vph) =	*T=28.08(X) =*	*449 vph*	*225 / 225 vph*
		50% Enter/ 50% Exit =		
	PM Peak Hour (vph) =	*T=22.96(X) =*	*367 vph*	*184 / 184 vph*
		50% Enter/ 50% Exit =		
Pass-by Trips per ITE= 66%			*66% Pass-by Rate*	
	New Daily Traffic (ADT) =	*(ADT) x (% of New Trips)*	*1,254 ADT*	
	New AM Peak Hour (vph) =	*(AM) x (% of New Trips)*	*153 vph*	*76 / 76 vph*
		50% Enter/ 50% Exit =		
	New PM Peak Hour (vph) =	*(PM) x (% of New Trips)*	*125 vph*	*62 / 62 vph*
		50% Enter/ 50% Exit =		

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TOTALS	New Daily Traffic (ADT) =	**7,786 ADT**	
	New AM Peak Hour (vph) =	**1,585 vph**	919 / 667 vph
	New PM Peak Hour (vph) =	**583 vph**	276 / 307 vph

APPENDIX E

Print › CSP Magazine

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Fueling Sales Inside and Out

An exclusive peek at latest VideoMining heat-map study reveals challenge of pump-to-store conversion, opportunity of layout.

By Samantha Oller, Senior Editor/Fuels, CSP

More than 25 years ago, pay at the pump debuted in the United States, introducing great convenience to motorists and a big conundrum to retailers. If you enable customers to pay for fuel at the pump, how do you persuade them to come inside the store to buy higher-margin items?

If recent research from VideoMiningCorp. is any indication, it's a challenge that fuel retailers have still not mastered.

"Sixty-nine percent of gas customers are just paying for gas and leaving, regardless of whether they are paying at the pump or prepaying [inside the store]," says Priya Baboo, executive vice president of shopper insights & strategy for Video-Mining Corp., State College, Pa., which produces the annual C-Store Shopper Insights (CSI) Program, a research effort that documents the c-store shopping trip. This fourth iteration of the study, conducted in late summer 2012 and shared exclusively with *CSP*, included 10 chains representing 144 stores in 20 markets.

Consider that for every 100 gasoline customers, 64 pay at the pump, and of the 64 pay only for gas and leave, according to Video Mining. Let's put aside this latter group—"It is much harder to convince someone who is just thinking of pumping gas to walk into the store, because they may be in a hurry," Baboo says—and focus solely on the opportunity presented by the others.

The 36 fuel customers who walk into the store to pay are truly "low-hanging fruit, "she insists, "because in the store you have a better opportunity of converting them. But unfortunately, we're not leveraging that opportunity." How poor is that leverage? Less than a third of these customers will ultimately make an in-store purchase.

Video Mining evaluates this type of c-store shopper behavior through a combination of technologies. Ceiling-mounted cameras track customers' movements through the c-store, while proprietary video-analysis software processes millions of hours of shopping trips. This data is cross-referenced with point-of-sale data to correlate store traffic with purchasing behavior and generate insights on everything from the basics (average time spent in store, average in-store basket) to the rates at which customers shopped particular categories and made a purchase.

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