

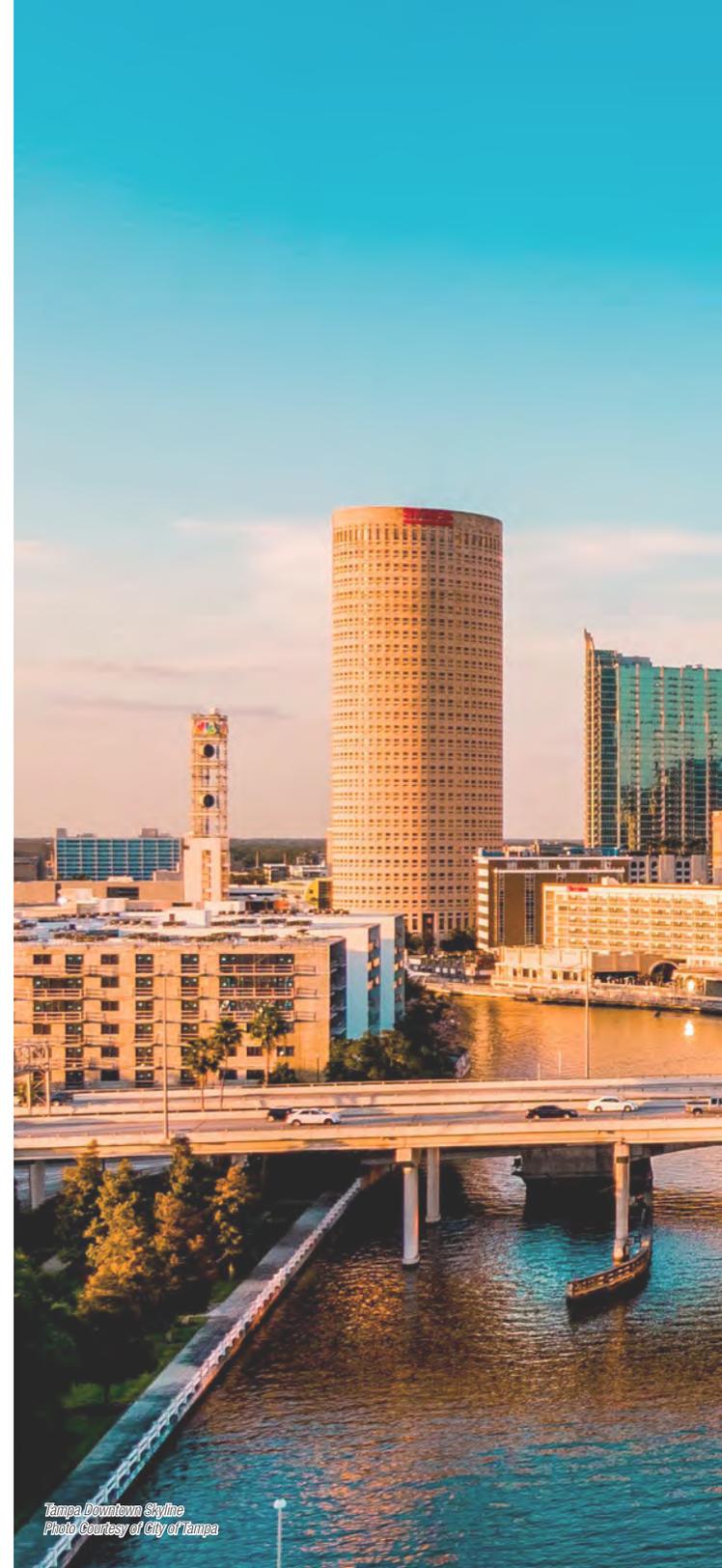
SECTION ONE MARKET REPORT

The City of Tampa has invested in creating this Market Report and Prospectus to highlight and promote the City's Opportunity Zones in five defined sub-districts within the Tampa area.

Included in this Market Report section is an overall snapshot of the City, as well as a quick introduction to the five sub-districts; an economic outlook for the U.S. and the State of Florida as of year-to-date 2021; and an overview of the business and employment trends within the City and its five unique sub-districts.

This section also provides a data-driven review of the historic and current market trends occurring within the City and its sub-districts' rental unit, retail, industrial, and office industry sectors; as well as provides concentrated mapping to depict where clusters of specific property uses reside within each unique area.

This section within the overall publication helps the City and interested third parties understand the complex market-driven statistics, performance indicators, and historical trends occurring within Tampa as a whole.





ABOUT THIS MARKET

TAMPA BAY REGION | OVERVIEW

The Tampa Bay Region ("Region") is located on the west coast of Florida, along the Gulf of Mexico. The region includes parts of Hillsborough County and Pinellas County, as well as the major cities of Tampa, St. Petersburg, Clearwater, and several smaller communities. The region is a densely populated metropolitan area; with 3.1 million people, it is the second-largest after Miami and the third-fastest growing in Florida. The population is expected to grow in the coming years as well, with recent projections indicating Hillsborough County population could grow up to 30% by 2040. With low unemployment rates, a stable per capita median income, world-class airport, and prominent business, education, technology, and health corridors, the region is an attractive metropolitan area for all generations.

As the economic hub of west central Florida, the City of Tampa's ("City" or "Tampa") economy is founded on a diverse base that includes tourism, health care, finance, insurance, technology, construction, and maritime industry based out of Port Tampa Bay, Florida's largest port. Its natural beauty, diversified economy, regional assets, and desirable location for residents and tourists alike make it an attractive location for business investment and job creation.

Tampa is experiencing unprecedented growth in both development and population. Outpacing the nation in

job growth, the City saw a 6% increase in job postings between 2015 and 2020. In addition, as the county seat and largest city in Hillsborough County, Tampa is the third-most populous city in Florida. Approximately one-third of Hillsborough County's population resides within or in proximity to Tampa.

Tampa is also home to many great neighborhoods and unique districts, ranging from active multi-family communities on the downtown waterfront to more relaxed single-family detached neighborhoods nestled under grand oaks. Current strategies of the City prioritize five distinct areas where many opportunities for dynamic growth and investment, such as Opportunity Zones and Community Redevelopment Areas ("CRAs"), intersect. These areas are described in detail along the following pages.

TAMPA SUB-DISTRICTS

URBAN CORE

Urban Core generally encompasses Downtown, Central Park, and Ybor—areas that continually build the reputation as a high-caliber urban center featuring quality residential, commercial, and recreational assets. Boasting great views of the Downtown skyline and convenient access to Tampa's urban job center, the Urban

Core is also emerging with new residences, business opportunities, and great recreational amenities. Recent historic building preservation and facade improvement initiatives are helping to ensure that the area's unique architectural character remains alive and well, and new business ventures are helping to grow the local economy. By blending the incredibly rich cultural history of the neighborhoods within the Urban Core with the best principles of sustainable urban design, rebirth of the distinctive character known to the area is active.

EAST TAMPA

East Tampa is a culturally rich and historically diverse area of Tampa, ideally situated between Downtown, the Port of Tampa, and the University of South Florida—offering convenient access to three interstates and Tampa International Airport. Property values within the East Tampa area have increased more than 60% over the past five years, and the community continues to attract private investment throughout its 7.5-square-mile area. The East Tampa CRA is currently in the process of updating its Strategic Action Plan, which will be complete by year-end 2021. A central component of this Strategic Action Plan includes the leveraging of commercial and industrial resources available along the major corridors of Hillsborough Avenue and Columbus Drive and their connectivity via 40th Street.

WEST TAMPA

West Tampa's combination of the old and the new, residential and commercial, and easy access to I-275 makes it a prime location for investment. A portion of West Tampa is designated as a National Historic District, with many contributing structures, including cigar factories, African-American churches, city parks, and ethnic clubs as well as a stock of historic homes dating from the late 1900s and early 20th century. The West River redevelopment project and new developments in North Hyde Park illustrate the potential of West Tampa to share in the future economic growth of the Tampa real estate market. West Tampa, by its location between Downtown and West Shore, is a growing competitive factor in the Tampa housing and commercial real estate markets.



DREW PARK/AIRPORT



Drew Park/Airport is located in western Tampa, generally situated between Tampa International Airport and Raymond James Stadium. The neighborhood can be traced back to 1928 when its namesake Drew Field Municipal Airport was officially opened. The neighborhood surrounding Drew Field, now Drew Park, served many military uses during World War II. Since then, it has been the site of residential, industrial, commercial, educational, and other institutional uses. It is also adjacent to the Tampa International Airport, the largest and most heavily used airport in the region.

With its close proximity to Tampa International Airport, Hillsborough Community College, professional sports and recreational facilities, and major employers, Drew Park/Airport is ideally positioned for private investment. As one of the few remaining areas in Tampa with affordable industrial land and space, the area continues to attract new residents and businesses.

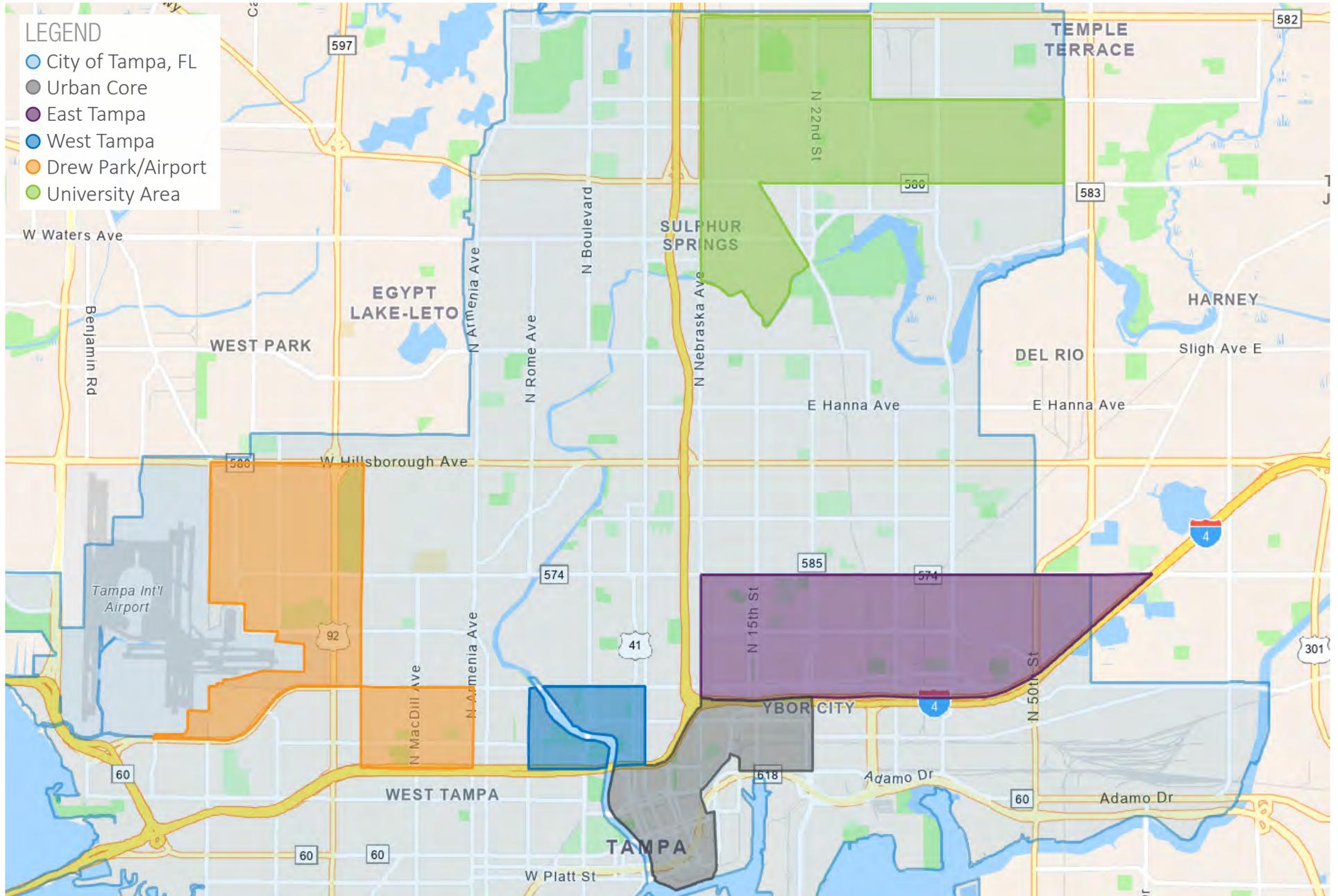
UNIVERSITY AREA



University Area is located on the south side of the University of South Florida Tampa campus in northern Tampa, encompassing Busch Gardens and Adventure Island amusement parks. Located within the larger Uptown District, the University Area contains a mix of retail outlets, residential neighborhoods, and restaurants, with a multitude of medical treatment and research facilities, including H. Lee. Moffitt Cancer Center, AdventHealth, James A. Haley Veterans' Hospital, and Johnnie B. Byrd, Sr. Alzheimer's Institute located nearby. Here, diverse industry clusters of technology, health care, education, and entertainment coexist. Busch Boulevard, a major east-west thoroughfare in Tampa, serves many neighborhoods as well as residents in the University Area. Leaders envision making Busch Boulevard an entertainment corridor and hope to see it transformed into fun and enriching businesses that serve both tourists and locals in the community.



TAMPA SUB-DISTRICTS



ECONOMIC OUTLOOK

U.S. ECONOMIC OUTLOOK | YEAR-TO-DATE 2021

The COVID-19 pandemic (“Great Lockdown”) made 2020 an historic year for the U.S. economy, marking the worst economic downturn in employment and production since the Great Depression. In February 2020, the U.S. economy ended its longest period of expansion since 1945, a consequence of the global response to the COVID-19 pandemic. March 2020 marked the beginning of nationwide stay-at-home orders, following the declaration of a National Emergency, with many states shutting down nonessential businesses to thwart the spread of COVID-19. This resulted in a violent economic downturn, ending 128 months of economic expansion—the longest in U.S. history.

The current business cycle, which began in December 2007, will continue until it has reached the bottom of the current contraction. While this has yet to officially be announced by the National Bureau of Economic Research (“NBER”), most indications show that the U.S. economy effectively began recovering only months after the economic peak. Because a recession is defined as a broad contraction of the U.S. economy, not confined to one sector, NBER emphasizes economy-wide indicators of economic activity when officially recognizing a complete business cycle. In the current situation, the breadth and depth of the Great Lockdown is obvious—the worst economic downturn in employment and production since the Great Depression.

The broadest measure of the U.S. economy, gross domestic product (GDP), grew by 1.6% in the first quarter of 2021, compared with 1.1% in the fourth quarter of last year. On an annualized basis, the first quarter growth rate was 6.4 percent. This growth is largely attributable to the combined impact of a mass vaccination roll-out and federal stimulus payments triggering a surge in consumer spending. The initial optimism and general thinking indicated that total economic output could return to pre-pandemic levels by summer 2021, as health conditions continue to improve, policy support remains in place, and employment strengthens.

Aided by federal stimulus payments, households held a collective \$4.1 trillion in savings in the first quarter of 2021, up from \$1.2 trillion before the Great Lockdown

began. This translated into purchases of cars, furniture, and household appliances as well as clothes and food. There was a similar jump in income last year after the first round of federal stimulus payments, as well as an increase in spending on goods. Consumer spending rose 2.6% in the first quarter of 2021, with a 5.4% increase in purchases of goods accounting for most of the growth. Spending on services, which had slumped throughout the Great Lockdown, rose by 1.1%.

While the economy may have turned a corner, the road ahead is long for the millions who remain unemployed. The recovery in U.S. jobs growth remains soft; despite recent gains of 266,000 jobs in April 2021, the labor market is 9.5 million jobs short of the pre-pandemic peak. The unemployment rate has been steadily improving following the 20.5 million jobs lost in April 2020 when the unemployment rate reached 14.7%. The unemployment rate in April 2021 was 6.1%, which is 0.1 percentage points higher than March 2021. More than 1 million new jobs

were created in each of the first three months of 2021, and on a non-seasonally adjusted basis, which has never happened until this particular recovery. As of April 2021, just over 2 million workers were on temporary layoff, less than half the number reported in September 2020.

The economy is still evolving at unprecedented rates and in atypical ways. Both the Consumer Price Index (“CPI”) and Producer Price Index (“PPI”) have seen increases, with April 2021 CPI rising 0.8% from March 2021 and 4.2% year-over-year, and April 2021 PPI up 0.6% from March 2021 and 6.2% year-over-year. Prices for construction materials in April 2021 jumped 19.7% year-over-year, the largest gain in the 35-year history of the price series. Prices for lumber, copper, and polyvinyl chloride are impacting the housing market. Housing starts fell 9.5% in April 2021 to 1.57 million from March 2021, with single-family housing starts down 13.4%. Inflation remains a concern, as well as whether the upswing in prices is transitory or will become an impediment to long-term economic expansion.

U.S. ECONOMY OUTLOOK | YEAR-OVER-YEAR CHANGE

U.S. Economic Outlook	History			Estimate	Forecast
	2017	2018	2019	2020	2021
Real Gross Domestic Product (millions)	18,108.1	18,638.2	21,433.2	20,934.9	21,354.0
Real Gross Domestic Product (% change)	2.4	2.9	4.0	(2.3)	2.0
Real Disposable Personal Income (millions)	14,002.8	14,556.2	14,882.9	15,744.8	14,496.0
Ratio; DPI to GDP (%)	77.3	78.1	69.4	75.2	67.9
Real Disposable Personal Income (% change)	2.9	4.0	2.2	5.8	(7.9)
Federal Deficit Share of GDP (%)	(3.4)	(3.8)	(4.6)	(15.0)	(8.0)
Consumer Price Index (% change)	2.1	2.4	1.8	1.3	0.3
Employment Cost Index	1.3	1.3	1.4	1.4	1.5
Avg. Monthly Employment Change (thousands)	179.0	223.0	167.6	(800.3)	150.0
Unemployment Rate (%)	4.4	3.9	3.7	8.1	6.0
Employment-to-Population (%)	60.1	60.4	60.8	56.8	57.2
Housing Starts (thousands, SA annual rate)	1,209.0	1,250.0	1,295.0	1,395.8	1,405.0
30-Year Fixed Mortgage Interest Rate (%)	4.0	4.5	3.9	3.1	2.8
Federal Funds Rate (%)	1.0	1.8	2.1	0.4	0.1
10-Year Treasury Note Yield (%)	2.3	2.9	2.1	0.5	1.1

Sources: Secondary Research; GAI Consultants

MOVING BEYOND 2021

Moving beyond 2021, the primary driver of the expansion will be consumer spending as the economy fully reopens. High and increasing vaccination rates and reduced new COVID-19 case numbers indicate that the reopening process may be complete for much of the country by the end of the summer. Following a robust recovery in 2021, economic growth could reach 3.7% (year-over-year) in 2022, and 2.9% (year-over-year) in 2023. However, the economy remains at least a couple of years away from fully recovering from the Great Lockdown.

A few factors representing a drag on U.S. economic growth include impacts of major disruption in global trade from the Great Lockdown, which are expected to continue; slow productivity growth; constraints on fiscal spending and stimulus; and rising income inequity, which continues to pose a significant challenge on consumers' perceptions of economic security. During 2020, the U.S. national debt held by the public rose to 100% of GDP for the first time since the end of the Second World War, and the Congressional Budget Office projects that U.S. debt-to-GDP will hold between 101% and 107% through 2031.

Despite the impact of the Great Lockdown on U.S. economic growth through at least 2021, the U.S. economy is fundamentally sound and is expected to continue to grow and build on the most recent, longest economic expansion. Addressing the COVID-19 pandemic with a more proactive approach, along with an expected wider distribution of a vaccine by summer, has provided a better recovery opportunity for certain sectors lagging in recovery, such as food service, travel, and tourism. In addition, continuing growth in technology is expected to provide a boost in productivity and allow the short-term accumulation of national debt burden to be addressed with sound financial and economic policies. The economic response to this recession has aided in the acceleration of several market trends that existed pre-pandemic, many of which are expected to contribute to stronger productivity gains (e.g., logistics and transportation, online retail, remote workforce).



ECONOMIC OUTLOOK

FLORIDA ECONOMIC OUTLOOK | YEAR-TO-DATE 2021

Consistent with the balance of the U.S., the Florida economy lost significant momentum in economic growth beginning in February 2020, falling into recession in March 2020. However, the Florida economy gained momentum at the end of 2020 with the addition of 16,800 jobs in December 2020. This countered the downward trend for the U.S. as a whole, which saw a net loss of 227,000 jobs for the same month.

The Florida economy saw a solid first half of 2021. Florida real GDP grew at a 7.0% annual rate in Q1 and likely gained momentum in Q2 as stimulus boosted household and business spending and domestic travel supported more activity in the Florida's tourism industry this summer.

Florida's unemployment rate fell to 5.0% in August 2021, below the 5.2% rate nationally and down 9.2 percentage points from its peak in May 2020. Florida lost over 1.2

million jobs between March and April 2020. Since then, the state has regained over half of the jobs lost (+974,300 jobs). Nine of ten major industries posted positive year-on-year job growth in August 2021; among the strongest gainers were leisure and hospitality (+14.6%), other services (+10.5%) and information (+8.1%).

The most recently available data on the state's tourism sector shows that an estimated 31.7 million tourists visited Florida between April 1 and June 30, 2021. This represents a 223.4% increase over the same period in 2020, and is only 2.2% below the second quarter of 2019. Florida saw 30.6 million domestic visitors, a 6% increase over 2019, but only 1.1 million overseas visitors (down 57.9% from 2019). The rebound in leisure tourism has been good news for state finances, as it resulted in a larger-than-expected increase in tax collection. Florida's

general-revenue collections exceeded expectations by 24% in July 2021. Collections of revenue such as sales taxes were \$619.8 million above what state economists projected in April 2021; this was in part due to sales taxes from tourism, which were 32.8% above forecast.

Real estate prices in Florida continue to climb, with median home prices rising at double digit rates for the fourth consecutive month in July 2021. The risk to the housing market is a rising inventory of delinquent mortgages, which could eventually turn into distressed sales as thousands of mortgages exit forbearance. Overall, the Florida economy is charting a path through the clouds. Economic growth is expected at 5.3% for 2021, downshifting marginally to 5.1% and 4.2% in 2022 and 2023, respectively.

*Downtown Tampa Development
Photo Courtesy of Visit Tampa Bay*



EMPLOYMENT TRENDS

EMPLOYMENT AND BUSINESS ACTIVITY | CITY OF TAMPA

" The City of Tampa strives to serve the business interests of both small and large businesses across a broad spectrum of industry sectors. A favorable tax structure, quality infrastructure, development incentives, and a strong labor force are just a few of the features that make Tampa a top choice for business innovation and development. "

Over the past couple of years, Tampa has welcomed a number of new and expanding businesses to their community, offering assistance programs such as financial support; small-, women-, and minority-owned business incentives; and partnerships with economic development organizations to attract a robust group of industries to the City. Tampa's major industries include:

Financial and Professional Services

Home to many of the nation's leading banking, finance, and insurance corporations, Tampa is known as one of Florida's preferred business destinations, with over 79,000 financial and professional services employees comprising 56% of the County workforce.

Information Technology

Tampa leads the state in high-wage STEM jobs and has also become a hub for IT companies of all shapes and sizes, a budding entrepreneurial scene, and a leader in specialized areas such as cybersecurity and data science. Information sector employees within the City comprise nearly half of the information employees within the County.

Life Sciences and Healthcare

Tampa has emerged as a driving force behind the state's fast-growing life sciences industry, with more than 3,000 life sciences and healthcare companies employing nearly 92,000 in the County and 42,000 in the City.

Retail and Accommodation Services

As one of Florida's tourist destinations, as well as maintaining a diverse shopping and eating scene, Tampa's fast-growing retail, accommodation, and food service industry employs over 146,000 within the County and 60,000 within the City.

Educational Services

Home to numerous primary and secondary schools, as well as major universities, such as University of South Florida and the University of Tampa, the City's educational services employ nearly 35,300, comprising 81% of the employees within the County.

In the City, professional employment includes the following industry sectors: information; finance and insurance; real estate and leasing; professional services; management of companies; administration, support, and waste management; and educational services. Tampa's largely white collar, or professional, work force comprised nearly

47% of total employment in 2019, which is consistent with the City's image as a major commercial center.

Overall, approximately 48% of total County jobs are located within the City. In addition, total employment in the County increased 0.5% and decreased in the City by 2.4%, over the prior year, from 2018 to 2019.

It is important to note, the most current employment by sector data provided by the U.S. Census Bureau for Economic Studies for the County and the City is year-end 2019, as represented in the table below.

JOBS BY INDUSTRY SECTOR | YEAR END 2019

Total All Jobs	Hillsborough County	City of Tampa	City % Capture of County
1. Agriculture and Mining	6,375	211	3%
2. Construction	43,356	13,264	31%
3. Manufacturing	28,701	8,572	30%
4. Wholesale Trade	36,941	11,037	30%
5. Retail Trade	77,392	26,772	35%
6. Transportation and Utilities	28,257	11,811	42%
7. Information	17,090	8,409	49%
8. Finance and Insurance	66,675	33,898	51%
9. Real Estate and Leasing	15,187	7,669	50%
10. Professional Services	75,667	45,613	60%
11. Management of Companies	13,700	8,683	63%
12. Administration and Support	62,648	25,215	40%
13. Educational Services	43,565	35,284	81%
14. Health Care and Social Assistance	92,190	41,091	45%
15. Arts & Recreation	17,655	11,316	64%
16. Accommodation and Food	68,787	33,680	49%
17. Other Services	19,332	9,571	50%
18. Public Administration	21,698	19,751	91%
Total	735,216	351,847	48%

Sources: U.S. Census Bureau, OnTheMap Application and LEHD Origin-Destination Employment Statistics 2019 Data; GAI Consultants.