

EXHIBIT D
NEEDS ANALYSIS

NEEDS ANALYSIS FOR GOLDEN OCALA

The Marion County Comprehensive Plan requires that a needs analysis be submitted in support of any future land use map amendment including revisions to the County's Urban Growth Boundary (UGB) and Farmland Preservation Boundary. Golden Ocala is requesting amendments to all three – the County's Future Land Use Map (FLUM), UGB and Farmland Preservation Boundary.

While the plan requires a needs analysis, it provides no criteria or methodology therefor. With this lack of guidance, the applicant will rely upon generally accepted planning methodologies, and analyses previously accepted by Marion County, including the following:

- analyzing any existing studies and reports;
- analyzing the general impacts of the changes on the County's FLUM and growth boundaries;
- determining the increment of development actually created by the proposed amendment;
- general development trends around Golden Ocala and the anticipated impact of the World Equestrian Center (WEC); and
- consideration of the projected employment to be generated by the proposed amendment.

Background

In 2007, Marion County branded itself as the "Horse Capital of the World." This brand is used today in marketing materials and websites explaining how Marion County is unique in its history of breeding champion horses and the multiple horse farms within and around Marion County. Marion County is also home to the HITS Ocala Winter Circuit, the Ocala Breeder Sales Thoroughbred Auction and the Florida Horse Park, resulting in significant economic investment in the County. A 2014 economic impact analysis for Marion County determined that the total impact of the HITS event was \$94 million dollars and the total horse industry contribution to the County was \$2.62 billion. A recommendation from that study was "to educate key local and state officials and stakeholders to encourage efforts which will continue to add to the economic development and job creation opportunities."

In 2017 Marion County approved several major amendments to its comprehensive plan and corresponding planned unit development zoning for Golden Ocala approving the development of the World Equestrian Center and surrounding properties. The approval includes a 10,000 seat equestrian facility supported by 525,000 square feet of commercial, 385 hotel rooms and 2,399 dwelling units which includes 300 large lot equestrian units on the edge of the Project. Prior to the 2017 amendment, Golden Ocala had already received multiple development approvals from Marion County for residential and commercial entitlements and had constructed a wastewater treatment facility to provide sewer service to this portion of the County. Golden Ocala and the surrounding area is served with urban services such as central water and sewer, schools and fire

stations. Golden Ocala and the World Equestrian Center are ideally located with direct connections to I-75 from US 27 on the northern boundary of the Project and State Road 40 on the southern boundary.

The WEC will hold major regional and national equestrian and non-equestrian events, some of which will last weeks or months and generate large numbers of participants with the large monetary prizes. The equestrian events include hunter/humper, dressage and breed competitions and include between 200 to 1,500 horses at a time. The non-equestrian events will include dog shows and similar activities. It is estimated that initially these events will total about 40 weeks. Approximately 70 percent of these participants are expected to come from outside of Florida, many will be international. Many of the Florida participants will come from Tampa, South Florida and North Florida.

New Entitlements Requested in Plan Amendment

Golden Ocala is an approved mixed-use project. The proposed amendment modifies the project entitlements as shown below:

Table 1: Comparison of Current and Proposed Maximum Entitlements for Golden Ocala

LAND USE	CURRENT APPROVAL	PROPOSED CHANGE	DIFFERENCE
RESIDENTIAL	2,399 units	2,397 units	- 2 UNITS
COMMERCIAL	525,000 sf	4,000,000 SF	+ 3,475,000 SF
EVENT SEATING	10,000 SEATS	13,500 SEATS	+ 3,500 SEATS
HOTEL UNITS	385 ROOMS	1,350 ROOMS	+ 965 ROOMS
RV UNITS	200 UNITS	280 UNITS	+ 80 UNITS

In addition to modifying the development entitlements, the proposed amendment adds approximately 1,205 acres to the Golden Ocala project boundary. These new parcels are approved for the following:

Table 2: CURRENT APPROVALS FOR LANDS CONTAINED IN PROPOSED AMENDMENT

FUTURE LAND USE	ACREAGE	DENSITY/INTENSITY	CURRENT APPROVAL
RURAL*	596.71	1 UNIT/10 ACRES	59 UNITS
LOW RESIDENTIAL	180.31	1 UNIT/ACRE	180 UNITS
MEDIUM RESIDENTIAL	361.17	4 UNITS/ACRE	1,444 UNITS
URBAN RESIDENTIAL	12.30	16 UNITS/ACRE	196 UNITS
COMMERCIAL	34.0	1.0 FAR	1,481,040 SF
PUBLIC	20.02	1.0 FAR	872,071 SF

*- Only 118 acres requires UGB expansion

As shown above, there are 1,879 dwellings units and 2,353,111 square feet of non-residential are already approved by Marion County for the expansion parcels. When compared to Table 1 above, the difference between the Proposed FLUM amendment and the Current FLUM entitlements shrinks significantly. For this analysis the commercial and public uses are combined and named “Non-Residential” development and the RV spaces are combined with “Residential” development as shown in Table 3 below:

Table 3: Difference in Development Potential between Current and Proposed Development

Land Use	Current Approvals on County’s FLUM	Proposed Amendment Cap for Golden Ocala	Difference
Residential	4,478 units	2,677 units	-1,801 units
Non-Residential	2,878,111 sf	4,000,000 sf	+ 1,121,889 SF
Hotels	385 rooms	1,350 rooms	+ 965 rooms
Event Seating	10,000 seats	13,500 seats	+ 3,500 seats

As shown above, after accounting for current entitlements, the actual impact from the proposed amendment on the County’s FLUM is the following:

1. Reduction of 1,801 dwelling units
2. Increase of 1,121,889 square feet of non-residential development
3. Increase of 965 hotel rooms
4. Increase of 3,500 seats to WEC

The total development amounts shown in Table 3 above is the amount of need that must be demonstrated by this analysis. This calculation is consistent with the professionally acceptable methodology that is commonly used by planning professionals in determining the impacts from a comprehensive plan amendment. This calculation requires determining the current entitlements and compare those to the proposed entitlements. The difference is the increment of need created by the plan amendment.

Two numbers that stand out are: (1) the reduction in residential units from the FLUM (-1,801 units); and (2) the increase in non-residential development (+1.1 million square feet). From an impact standpoint the significant decrease in residential units provides a partial off-set to the impacts created by the increase in non-residential square footage and hotels. For example, from a transportation impact perspective, a reduction in 2,000 dwelling units is equivalent to an increase in 500,000 square feet of commercial/shopping center use. It would also be expected that having less residential units results in less impacts to water, sewer, schools as shown in the supporting public facilities analysis.

From a larger planning perspective for this portion of the County, the increase in non-residential probably provides more benefits than increasing residential units. The current FLUM identifies, on the expansion lands, higher residential densities (up to 16 units per

acre), approximately 180 acres of commercial lands along US 27 and CR 225A and a significant amount of residential in Golden Ocala and surrounding properties. However, the existing development and anticipated development pattern in the near future does not reflect this outcome. The proposed amendment and resulting Golden Ocala master plan establishes a vision and real opportunity for this area to have a range of higher density residential and three commercial centers serving the World Equestrian Center along with supporting hotel uses. This increase of non-residential development in this portion of the County can help serve employment, shopping, entertainment and other daily needs of the residents of Golden Ocala and the surrounding neighborhoods without considering the created tourist demand generated by the WEC.

Need for Plan Amendment

This plan amendment along with the increase in non-residential development, hotel and event seating is needed for the following reasons:

1. Golden Ocala and the World Equestrian Center is a game changer for this portion of Marion County. This development is anticipated to create a regional demand due to the equestrian events and other activities that will be hosted at the 13,500 seat facility. Economic studies for Marion County, the City of Wellington and Palm Beach County have all concluded that similar activities in Ocala and in Palm Beach County have resulted in significant dollars that have been added to those economies. Benefits from those events include:
 - Bringing visitors, vendors and participants to the area, who in turn pay for hotel rooms, restaurants, seasonal rental of units, and other spin-off effects to the area;
 - Travel to other attractions in the area and becoming aware of the community's other benefits;
 - Purchase of properties and investment in the community after attending events each year;
 - New business for local horse industry, suppliers etc.
 - Further exposure for the local horse industry and the larger community to a wider audience;

The conclusion from these studies is that the World Equestrian Center will significantly advance the horse industry in Marion County and while the World Equestrian Center is being constructed by a private developer, the benefits will be shared by the entire County (and, probably, adjacent counties that have horse farms and residential housing that would be positively impacted by the World Equestrian Center).

In researching the need for this amendment, we consulted:

1. The 2014 Marion County Equine Industry Economic Impact Investigation Final Report from the Sport Management Research Institute (the "2014

Marion Study”). This Study examined the impact of a number of equine operations in Marion County, including HITS. It is significant that the HITS facility is much smaller than the WEC and has historically operated during only 12 weeks a year; therefore, the portion of the Study that analyzed HITS likely underestimates the impact that the WEC will have.

2. The following reports concerning facilities in Palm Beach County (“Palm Beach Studies”). Somewhat similar to the 2014 Marion Study, the Palm Beach Studies examine the impact of equestrian facilities that are smaller, and have fewer events, than will the WEC:
 - a. The 2014 Winter Equestrian Festival Economic Impact Final Report from the Sport Management Research Institute (the “2014 Palm Beach Study”) analyzing the impact of the 2014 Winter Equestrian Festival (“WEF”) at Wellington’s equestrian facilities.
 - b. The 2011 Jim Brandon Equestrian Center Economic Impact Report (the “2011 Palm Beach Study”) analyzing the impact of the 2011 season at the Jim Brandon Equestrian Center in Palm Beach County.
 - c. The 1997 Economic Impact of the Equine Industry on the Village of Wellington (the “1997 Palm Beach Study”) analyzing the impact of Wellington upon Palm Beach County.

Based on the results of these studies, anticipated benefits are likely to include the following:

- Significant increase in hotel bookings and other rentals. The 2014 Palm Beach Study estimated a total of 137,493 room nights due to the WEF event. The 2014 Marion Study estimated a total of 84,165 room nights due to the HITS events. One of the recommendations in the 2014 Palm Beach Study was the need for more hotel rooms because dollars were leaking out of the immediate area as visitors were staying in other communities because of the lack of sufficient hotel rooms. The 2014 Marion Study stated approximately 10% of visitors to HITS stayed in Gainesville and Leesburg; the Study doesn’t state why but it may have been due to lack of adequate hotel rooms for those events in the area. (This assumption is supported by a separate study prepared for Marion County concerning the need for a convention center in Marion County, which study pointed out the deficit in hotel rooms based on anticipated growth, including the WEC.)
- Increase in direct and total expenditures in the County. The 2014 Palm Beach Study projected the direct expenditures were \$64,485,745 and total impact to South Florida was \$102,859,686. The 2014 Marion Study estimated direct expenditures of \$63,371,128 and total impact to Ocala-Marion and surrounding counties of \$94,035,933.
- Repeat visitors to events. The 2014 Palm Beach Study revealed that 75.1% of the event attendees planned to return to Palm Beach within the coming year. The 2014 Marion Study had 85.1% of visitors planning to return within the year.
- New investment from visitors. The 2014 Palm Beach Study revealed that 43.1% of visitors to the facility had purchased or own real estate in Palm Beach

County. In the 2014 Marion Study, 19.9% of visitors had purchased real estate in Marion County.

It is significant that certain economic benefits are in common when you analyze the Palm Beach and Marion Studies. Those benefits include increases in hotel room night bookings and other rentals, and increases in direct and total expenditures benefiting local horse related retail and services and general restaurants, retail etc. Both studies also found that new visitors to these areas intended to return within the year and made investments in the area including real estate purchases.

2. The economic benefits provided by Golden Ocala and the WEC should outweigh the potential impacts. The supporting land use analysis for this amendment determined that out of the total amendment boundary of 2,306 acres, 74% of the amendment area (1,706 acres) was already approved for urban development. This includes almost 200 acres of lands designated commercial and over 4,200 dwelling units on the FLUM today for these properties. Thus, the County has already long determined that this area is urban. What this amendment does is create a better mix of development by trading dwelling units for commercial development and hotels and directing that development to the planned commercial cores at US 27, adjacent the WEC and at State Road 40. The Golden Ocala Master Plan then extends the existing dwelling units into the expansion lands and retires the existing 1,879 units that have already been approved for those lands. This allows Golden Ocala to have a lower density on its edge to provide equestrian recreation, rural and Equestrian Estate lots.

As shown in Table 3, the amendment results in an increase in non-residential and hotels and a decrease in residential. As mentioned previously, the impacts of the residential units create a partial off-set to the increase in traffic impacts from the new non-residential development and hotels. In addition, the WEC, new commercial and hotels should be integrated in the design, which will help minimize the Project's impacts to the surrounding area. For example, a visitor to the WEC would be expected to more often use the adjacent hotels and restaurants minimizing traffic impacts for the larger area. It has also been previously mentioned that non-residential development typically results in less impacts to water, sewer, schools etc. when compared to residential.

The requested increase in non-residential development and hotels is also consistent with the lessons learned from the economic studies. Those studies identified that visitors, exhibitors and participants need hotel rooms and other services during these events. Not having those uses close by means visitors will go to other areas and possibly other communities and those dollars are leaked out of the community. This is one of the lessons in the 2014 Palm Beach Study. Having those needed uses closer to the event helps minimize the traffic impacts to the larger area. The economic studies also mentioned that a portion of the visitors typically desire to purchase property after multiple visits; the residential

components of the Golden Ocala Project (including rural lots, Equestrian Estate Lots, single-family units and multi-family units) can be a source for those purchases which will also keep visitors and attendees closer to the venue.

3. The proposed amendment is needed because the current Golden Ocala entitlements significantly undercount the needed commercial development. When the 2017 amendment was proposed, the developer anticipated that, at some point in the future, additional commercial development would likely be needed to support the WEC. This is also consistent with the amount of commercial lands already approved for Golden Ocala. (Golden Ocala currently is approved for 148 acres of Commercial.) Using a standard land use analysis as is used in this comprehensive plan amendment, that amount of commercial acreage – using the approved 1.0 Floor Area Ratio (FAR) in the County’s plan – would yield a maximum of 6,446,880 square feet. Golden Ocala in the 2017 amendment limited the commercial square footage to 525,000 square feet or the equivalent of a 0.10 FAR.

It is also significant that 34 acres of the expansion lands are already approved for commercial development. Once again, using the 1.0 FAR yields a maximum of 1,481,040 square feet. Thus, if you consider the maximum currently permitted by the County’s plan the total 182 acres of commercial already approved would yield 7,927,920 square feet. If you add in the commercial development already approved on the 20.02 acre Public designated parcel, the total maximum permitted would be 8.8 million square feet of non-residential.

The proposed amendment requests a maximum of 4,000,000 square feet of commercial. Without considering any of the new commercial acreage proposed in this amendment, this amount of development for 200 acres of non-residential land would have approximately a 0.5 FAR or half of what is permitted under the County’s plan. Thus, the request for commercial development is in keeping with the County’s development standards for that amount of commercial land and is thus needed.

4. The proposed amendment results in a jobs housing balance between employees within and adjacent to Golden Ocala and future employment opportunities adjacent Golden Ocala. As stated in the Urban Sprawl analysis portion of these supporting materials, using those assumptions, the proposed plan amendment would generate a job for every resident of Golden Ocala in the workforce, i.e., a one to one jobs/housing ratio. Using the requested 4,000,000 square feet of commercial, the assumption of 1 job per 400 square feet of commercial would generate 10,000 new jobs in Marion County. This is without considering the employment from the WEC or hotels. Although this is a very basic economic analysis, it illustrates the potential employment opportunities created by the plan amendment.

Conclusion

The foregoing clearly demonstrate that additional commercial development and hotels are needed to serve the anticipated demands for goods and services created by Golden Ocala and the WEC. The additional development is justified due to the following four reasons mentioned in this analysis:

1. Economic studies conducted in both Marion and Palm Beach counties (including Wellington) demonstrate that equestrian events result in significant investment into the communities where the events are held and the larger surrounding area. Benefits include increases in hotel bookings, rentals of properties, and sales for local businesses. The Wellington and Marion studies also found that a community loses economic benefits if it has a lack of hotel rooms. The studies also show these events bring repeat customers to the area including new investment through real estate purchases. The WEC is a privately developed project that will result in significant economic development benefits to Marion County and surrounding counties.
2. The economic benefits should outweigh any impacts created. As shown in the supporting land use analysis, 74% of the amendment area is already approved for urban development. The amendment simply creates a better mix of development trading residential units for commercial and hotels which the economic studies show are needed uses. The anticipated traffic impacts are partially off-set by the reduction in residential. Water, sewer and school impacts are typically less with non-residential development when compared to residential. Finally, the amendment results in the retirement of 1,879 units currently approved on the FLUM allowing for less density on the Project's edge.
3. The current Golden Ocala entitlements significantly undercount commercial development. Golden Ocala is currently approved for 525,000 square feet of commercial on 148 acres which results in a 0.1 FAR. The total commercial acreage currently approved (including expansion acres) is 182 acres which yields 7.9 million square feet using the County's approved 1.0 FAR. The current request for 4.0 million square feet of commercial results in a 0.5 FAR which is well within the County's requirements, and thus is needed.
4. The amendment results in an improved jobs housing balance for the area and could add 10,000 new jobs based on the assumptions in the analysis.

For these reasons, the need for the additional development is justified.