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December 17, 2020

VIA E-MAIL (AMARSHALL@POWAYUSD.COM)
Board of Education
Poway Unified School District
15250 Avenue of Science
San Diego, CA 92128

Re: Protect our Community Now Public Comment Letter Regarding the Black Mountain Ranch Southern (Santaluz) Site - 27.22 Acres

Dear Superintendent Phelps and Members of the Poway Unified School District Board of Education:

As you may be aware, this firm represents the nonprofit Protect Our Community Now ("POCN") which represents the concerns of thousands of Black Mountain Ranch residents over the Poway Unified School District's ("PUSD") disposition of the Black Mountain Ranch Southern (Santzluz) Site (the "Site"). POCN continues to have significant concerns regarding PUSD's intention to enter into a Ground Lease and Option Agreement with Costco Wholesale ("Costco"). This letter is in addition to the comments and objections POCN has previously asserted, most notably that PUSD failed to comply with the requirements of the Education Code and the 2019 SBE waiver with regard to disposition of surplus school property. In that regard, PUSD has utterly ignored the impact of its actions on the community in an almost contemptuous manner.

As will be discussed herein, in its selection of Costco as the recipient of the Site vis-à-vis a 60 year ground lease with an option to purchase, PUSD (1) failed to maximize the return on the disposition of the Site in a manner that best serves its schools and community given that the Costco lease undervalues the property by 50-60% compared to the bid from Brookfield and locks PUSD into an up to 60 year lease that yields a 1.17% compound average growth rate which is significantly under market; (2) violated the California Environmental Quality Act (CEQA); and (3) failed to assure a building use at the Site that is compatible with the community's needs and desires given the requirements set forth in the City's Community Plan and the widespread and overwhelming community opposition to the Costco proposal.

I. The Costco Lease is Not a Good Deal for PUSD

PUSD failed to provide any meaningful economic evaluation of the proposals/bids presented in response to its RFP for the Site. Instead, PUSD compared apples to oranges and erroneously concluded that the Costco proposal was the most economically favorable to PUSD—but it is not. POCS engaged London Moeder Advisers ("LMA"), a well-established expert team of real estate advisors to evaluate the bids submitted to PUSD by Costco, Brookfield and Cambridge School. Using the information contained in the PUSD board presentation and applying basic, widely-accepted principles used in economic analysis of real estate development, LMA determined that the net present value (NPV) of the Costco lease is less than or roughly comparable to the Brookfield and Cambridge proposal/bids. So therefore, PUSD is proceeding with the Costco lease even though it clearly is not most economically beneficial, despite PUSD's erroneous contentions otherwise.

In evaluating the Costco proposal, LMA derived the value of the long-term ground lease dividing the annual net income by a capitalization ("cap") rate, which in this case it determined would likely be 8% to 9%. In its analysis, LMA noted that the rent schedule increases total rent by 15% every 10 years; however, when the overall growth rate of income was calculated, the 60 year compounded growth rate was only 1.17%, which is significantly under market. Dividing the annual net income by the Cap rate, the annual income of the Costco lease is $2,114,690. When the annual income was divided by the above Cap rate, the value of the Costco lease is $23.5M and $26.4M, respectively. (These numbers assume the lease has already been signed and the project approved, the latter which, given the zoning requirements and other entitlement requirements, is projected to take at least three years, if at all).

LMA also utilized an alternative calculation, applying a discount rate to the entire stream of lease payments and reversionary value at the end of the lease. The discount rate was the same as the Cap rate. For the reversion value, LMA assumed a value of $25M in today's dollars. Assuming a land appreciation rate of 2% annually, LMA discounted back to present value by 10%. The Lease Fee Value was $20.3M to $23.8M (or an average of $22M).

The result is that when compared with the Brookfield proposed purchase price of $47M, the Costco lease constitutes a difference in valuation of 35%-42%, making it not even a close comparison with Brookfield.

As a consequence of the foregoing financial analysis, PUSD's selection of Costco is a stunning bid selection that will patently not maximize the return on the disposition of the Site.

II. PUSD Violated CEQA

In addition to its derogation of its requirements to maximize the return on the sale or lease of the Site, PUSD also violated CEQA when it decided to enter into an Option Agreement and Ground Lease with Costco. As PUSD knows, it solicited development proposals for the open-space Site, which has been planned for more than a decade as a middle school location. The development proposal submitted by Costco proposes to develop the 27.22-acre vacant site and proposes to construct approximately 200,000 square feet of new buildings and incidental improvements, which will include a 153,000 SF Costco warehouse building (with 800 parking stalls); a 32-pump gasoline sales facility; a 12,000 SF food hall; 14,000 SF of retail uses; and 18,000 SF of sit-down restaurant uses. Despite the obvious potentially significant and significant impacts to the environment that are likely to result from such a large development, PUSD did not perform any environmental review of its decision to enter into the Ground Lease and Option Agreement as required by the California Environmental Quality Act ("CEQA").

PUSD's discretionary decision to enter into an Option Agreement and Ground Lease with Costco constitutes a project under CEQA for which the lead agency (here PUSD) must conduct meaningful environmental review before taking action. "CEQA applies to activities proposed to be carried out by a public agency that both (1) are discretionary and (2) satisfy the requirements for a project as defined by Public Resources Code section 21065." (*Union of Medical Marijuana Patients, Inc. v. City of San Diego* (2019) 7 Cal.5th 1171, 1191; see also Pub. Resources Code, § 21080, subd. (a).) CEQA defines a "project" as follows:

> "Project" means any activity which may cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and which is any of the following:
>
> (a) An activity directly undertaken by any public agency.
>
> (b) An activity undertaken by a person which is supported, in whole or in part, through contracts, grants, subsidies, loans, or other forms of assistance from one or more public agencies.
>
> (c) ***An activity that involves the issuance to a person of a lease***, permit, license, certificate, or other entitlement for use by one or more public agencies.

(Pub. Resources Code, § 21065 [emphasis added].)

As explicitly set forth in the Public Resources Code, PUSD's decision to enter into the Option Agreement and Ground Lease with Costco constitutes a "project." Without an explicit exemption, PUSD is required to conduct environmental review and evaluate the potential and actual impacts posed by the lessee's construction and use of project, prior to PUSD's action to approve Option Agreement and Ground Lease. (See, e.g., *Save the Plastic Bag Coalition v. County of Marin* (2013) 218 Cal.App.4th 209, 219; *San Lorenzo Valley Community Advocates for Responsible Education v. San Lorenzo Valley Unified School Dist.* (2006) 139 Cal.App.4th 1356, 1385 ["environmental issues must be considered and resolved *before* a project is approved . . . In such cases, courts condemn attempts at after-the-fact realizations"].)

Here, PUSD's action to enter into the Option Agreement and Ground Lease with Costco is not exempt from environmental review. Even assuming, *arguendo*, that its decision qualifies for a categorical exemption[1], a categorical exemption is inapplicable if a project will have a significant

[1] Notably, CEQA exemptions "are not to be expanded or broadened beyond the reasonable scope of their statutory language," affording "the fullest protection of the environment within the reasonable scope of the statutory language." (*Dehne v. County of Santa Clara* (1981) 115 Cal.App.3d 827, 842; *Save Our Schools v. Barstow Unified School Dist. Bd. of Education* (2015) 240 Cal.App.4th 128, 140 [categorical exemptions must be strictly construed].) Narrow interpretation of categorical exemptions "ensure[s] that in all but the clearest

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impact on the environment. (Cal. Code Regs., tit. 14, § 15300.2, subd. (c); *Berkeley Hillside Preservation v. City of Berkeley* (2015) 60 Cal.4th 1086, 1105-1106.)

According to CEQA Guidelines Appendix G, a project will have a significant impact on the environment if the project "conflict[s] with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect." (Cal. Code Regs., tit. 14, Appx. G, § XI, subd. (b).) Minimally, the proposed project directly conflicts with the Black Mountain Ranch Subarea Plan and the City of San Diego General Plan, thereby constituting a significant impact to the environment. PUSD must therefore perform a full environmental impact analysis with respect to its decision to enter into the Option Agreement and Ground Lease with Costco. (See *Pocket Protectors v. City of Sacramento* (2004) 124 Cal.App.4th 903, 930.)

PUSD's decision to enter into an Option Agreement and Ground Lease with Costco constitutes a project under CEQA. Therefore, the District must conduct and carry out adequate environmental review in an open and public manner prior to entering into the lease. No such review has been done to date. Failure to do so plainly violates the letter and intent of CEQA.

III. The Community Does Not Support Costco

As PUSD knows, Black Mountain Ranch (BMR) is a relatively small community comprised by Santaluz and Del Sur which was designated mostly for parks and open space (67%) opposed to 29% for residential development, 2% for schools and only 2% for commercial and employment uses. The City of San Diego's Community Plan (Subarea Plan) makes clear that if the BMR PUSD Middle School Site is not ultimately developed for a middle school, its alternative use must be limited to a use akin to low density residential. A Costco use as outlined in its proposal cannot meet this requirement. While PUSD (not Costco) is required to assure that the building use at the Site is compatible with the needs and desires of the community (Ed. Code § 17387), it has apparently refused to consider the City's own Community Plan which was adopted to establish the land use patterns and practices for the BMR community and specifically the Site. The law does not permit PUSD to pass along its governmental duties in that regard to Costco.

The community's needs and desires are expressed not only in the Community Plan, but also through the concerns voiced by POCN and others who have overwhelming expressed their outrage at the disposition of the Site to Costco for a use totally incompatible with BMR's rural character and regionally significant open space.

While PUSD elected to notify the community of its selection of Costco after-the-fact following its August 13, 2020 closed session meeting as reflected in PUSD's minutes[2], as soon as the

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cases of categorical exemptions, a project will be subject to some level of environmental review." (*Save Our Carmel River v. Peninsula Water Management Dist*. (2006) 141 Cal.App.4th 677, 697.)

[2] "In connection with the District's previously issued Request for Proposal for the Property, the Board took action, by unanimous vote to approve an updated Letter of Intent from Costco Wholesale for the proposed Ground Lease of the Property, and has directed the negotiation of an appropriate Option Agreement and Ground Lease for such transaction. At a future date Board Meeting open session, the Board will be presented a summary of each received final Request for Proposal response, and action may be taken to formally

Community was made aware of PUSD's decision, over 3,000 residents signed a petition stating their opposition to the disposition of the Site to Costco, the Carmel Valley Community Planning Board wrote to PUSD urging it to engage its community and meaningfully consider its input (See Ex. A) and in the one after-the-fact "Town Hall Meeting" arranged by PUSD staff (it was not a Board meeting) on the Costco subject, the community turned out overwhelming in opposition to the Costco proposal. Further, the prominent homeowner's associations of Santaluz and Torrey Glenn, comprising nearly 1,000 homes in the area, expressed their strong opposition with respect to the selection of Costco, including its inevitable impacts to traffic – already a problem along the crossroads adjacent the Site which has yielded many accidents and deaths, the environmental impacts to wildlife, endangered species, lighting and air quality and overall impacts to the area's neighborhoods (See Ex. B), all of which PUSD has apparently dismissed.

POCN once again reminds PUSD of its obligations as provided for in its State Board of Education waiver and the Education Code as follows:

- maximize the return on the sale or lease of the property "in a manner that best serves

  its schools and the community through the RFP process"; (SBE Waiver Pl. NOL

Ex. 11);

• "work closely with legal counsel to assure that the process is fair and open" (SBE Waiver Pl. NOL Ex. 11, p. 4);

• assure a building use that is compatible with the community's needs and desires

(Ed. Code § 17387); and

• make each response to the RFP public and to examine each response in a public

session (Ed. Code § 17472 (as amended by the SBE waiver).

Instead of comporting with the above, PUSD has ignored the community and its desires. As PUSD's Counsel stated recently, "It's not about the Community. The Community does not get to make those decisions" (referring to maximizing the return on the sale or lease of the property).

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approve the proposal which is most beneficial to the District." Notably, the Board minutes ignore another requirement of the SBE Wavier—that benefit to the community must also be considered.

By this letter, POCN urges PUSD to do what is right, abide its foregoing obligations and reverse its selection of Costco which was made without community input and in derogation of CEQA and its requirements to (1) maximize the return on the disposition of the Site in a manner that best serves its schools and (2) assure a building use that is compatible with the community's needs and desires and community.

Very truly yours,

Rebecca L. Reed

Evaluation of Proposed Costco Lease

for

Protect Our Community Now

Rebuttal Report of

Gary H. London, *Senior Principal*

Nathan Moeder, *Principal*

October 26 , 2020

londonmoeder.com

london moeder
advisors

October 26, 2020

To: Protect Our Community Now

RE: Proposed Costco Ground Lease for NWC of Camino del Sur & Carmel Valley Ranch Road

London Moeder Advisors ("LMA") has completed an analysis of the proposed Costco ground lease for the property located at the northwest corner of Camino del Sur and Carmel Valley Ranch Road in San Diego, CA. The property is owned by the Poway Unified School District ("PUSD") and comprises approximately 27.22 acres of land.

LMA is not taking any position on the ultimate use of this property. The purpose of this analysis is to provide financial context to the proposed Costco lease so it or any other offer is understood on a comparable financial basis.

The following summarizes our financial conclusions:

- PUSD agreed to the Costco lease which undervalues the property by 50 to 60% compared to alternative bid from Brookfield ($47 million closing 24 to 36 months).
- The Costco lease also locks PUSD into an up-to 60-year lease that yields 1.17% compound average growth rate, which is significantly under market.
- The net present value of the Costco lease is estimated to be $22 million which is $25 million lower than the Brookfield bid and comparable to the Cambridge school bid.
- Both the Costco and Brookfield bids require a complete set of approvals including rezoning and voter approval, which represents additional risks to those bids.

We recommend the following approaches:

- Because there was an incomplete analysis of the RFP responses, and information regarding the approval process for the property was incorrect, we recommend reopening the process for new proposals from developers to determine the true market value.
- If no new offers present themselves (or even if they do), the school district should conduct a thorough analysis of all offers that appropriately considers all relevant factors, including the time value of money and other risks.
- It would also be appropriate for PUSD to counter the Cambridge proposal closer to the potential value of the Costco lease (approximately $25 million). In doing so, PUSD could achieve the value of the Costco lease today, rather than having to wait for approvals and be subject to delayed lease payments.

Proposed Costco Ground Lease

When considering proposals for either leasing or selling a property, it is imperative that offers are evaluated with special attention to the underlying value of the property. While offers for purchase clearly state a value for the property, ground leases are not as straight forward. Therefore, ground leases must use the *net present value* calculation to determine the price of the property in today's dollars to compare with offers for purchase. This is known as the Leased Fee Interest valuation, which discounts to present value of both the annual rent payments and the reversionary value of the land.

Discussion of Ground Lease Cap Rates

The value of a long-term ground lease is determined by dividing the annual net income by a capitalization rate ("cap rate"). Ground lease cap rates generally range from 7% to 11%, which ultimately represents the annual percentage return on land value.

It is important to note that the cap rate and value is an inverse relationship. Meaning, the higher the value, the lower the return (or profit). Conversely, the higher the cap rate, the lower the value of the investment.

Properties that are well located with market driven rents (such as participation or revenue sharing rents) can achieve a lower cap rate. This results in a higher value for the property because investors are willing to pay more for the property and accept a lower return initially because they understand that revenue will increase in the future according to the market. An example of this would be hotels in Downtown San Diego where the ground rent is based on a percentage of hotel revenue, or sales. Investors know that they will receive a market rent each year.

The appropriate cap rate, or return on land value, under the terms of the Costco ground lease would likely range from 8% to 9%. However, a case can be argued for a higher cap rate because the lease locks PUSD into a perpetually under market lease rate for up to 60 years.

The proposed ground lease payments by Costco is outlined as follows:

Initial Term:		
Years 1-10	$2,114,690	annually
Years 11-20	$2,431,894	annually
Years 21-30	$2,796,678	annually
Years 31-40	$3,216,179	annually
Renewals:		
Years 41-50	$3,698,605	annually
Years 51-60	$4,253,396	annually

While this schedule increases the total rent by 15% every 10 years, this is not a good deal. Basic financial concepts consider the overall growth rate of the income. When that is calculated, the 60-year compounded average growth rate is only 1.17%. Stated differently, if you start with the lease payment of $2,114,690 (Year 1) and grow it by 1.17% compounded annually, at total lease payment of $4,253,396 is achieved in Year 60.

Instead of agreeing to flat percentage increases every ten years, prudent owners of real estate assets put mechanisms in the lease to allow for market adjustments. For example, the lease may stipulate that every ten years the land is re-appraised to establish an updated fair market value for the land.

Because there are no protective measures to ensure that the landowner receives market-based rent over 60 years, the cap rate for this property is higher - likely in the 8% to 9% range. This has the impact of lowering the value because the income stream is fixed at 1.17% compounded annually, without the ability to adjust to market over the 60-year period.

<u>Value of Leased Fee and Net Present Value</u>

One approach to value is to divide the annual net income by a cap rate. The annual income of the Costco lease is $2,114,690. Dividing by a cap rate range of 8% to 9% results in a value of $23.5 million and $26.4 million, respectively. This essentially represents the "potential" value of the Leased Fee interest assuming that a lease is signed today and the project is already approved. In reality, PUSD will have to work with Costco's timeline to seek project approvals.

An alternative calculation for establishing value is to apply a discount rate to the entire stream of lease payments and the reversionary value at the end of the lease. For the rent payments, the discount rate is the same as the cap rate (8% to 9%) because both represent the annual return on land value. The discount rate accounts for all real estate risks associated with the lease for 60 years, such as creditworthiness of the tenant, default risk, and inflation risk.

For the reversion value at the end of the lease, we have assumed a value of $25 million in today's dollars. Assuming a land appreciation rate of 2% annually, we discounted back to present value by 10%. The slightly higher discount rate reflects the uncertainty regarding market conditions, the political environment and the condition of the site in 60 years, all of which will affect the future land value.

We have prepared a table in the Appendix that demonstrates the net present value of the lease payments and reversion at the end of the lease. Based on this analysis, the Lease Fee value is estimated to be $20.3 million to $23.8 million (average of $22 million).

It is important to note that there is an added layer of risk to the Costco proposal because the site requires approvals to change the use of the property. It could take up three years or longer to achieve approvals, which would then be subject to potential litigation that could further delay the project. In addition, the lease is unsigned and the LOI is not a binding agreement. Therefore, a higher discount rate could be used which would have the effect of lowering the net present value of the Lease Fee value.

Incomplete Analysis of the Proposals

Based on our analysis, the value of the Leased Fee ranges from $20.3 million to $23.8 million, or an average of $22 million. Compared to the Brookfield proposed purchase price of $47 million, this represents a valuation difference of nearly 35% to 42%.[1] In other words, these two proposals are not close. As a result, more analysis and due diligence of the proposals is not only necessary but required.

By way of example, even if Brookfield hypothetically overestimated its offer by 25%, the school district would come out ahead at $35.25 million - $13 million more than the value of the Costco lease.

In addition, the "restriction" on the use of funds is a non-issue as it relates to the economic value of the proposals. It is our understanding that the lease payments can be used by PUSD; whereas the sale would have to have to be allocated toward capital improvement projects. Either way, it is revenue for PUSD to either pay for ongoing operations, or to pay for future projects that require funding.

The biggest factor is whether PUSD wants to lock itself into a 60-year lease that is significantly under market based on a compound average growth rate of 1.17%.

Should you have any questions regarding this analysis, please contact us.

Sincerely,

Gary H. London

Nathan Moeder

[1] For consistency, we assumed a $47 million sale price discounted for 36 months by a discount rate of 10%.

APPENDIX

NPV/Cap Rate/CAGR Calculations

Period	Annual Rent		NPV @ Growth Rate of 8.0%	NPV @ Growth Rate of 9.0%	Reversion	NPV of Reversion at 10.0%
1						
2						
3						
4	$2,114,690		$1,554,360	$1,498,100		
5	$2,114,690		$1,439,222	$1,374,403		
6	$2,114,690		$1,332,613	$1,260,921		
7	$2,114,690		$1,233,901	$1,156,808		
8	$2,114,690		$1,142,501	$1,061,292		
9	$2,114,690		$1,057,871	$973,662		
10	$2,114,690		$979,511	$893,268		
11	$2,114,690		$906,954	$819,512		
12	$2,114,690		$839,772	$751,846		
13	$2,114,690		$777,567	$689,767		
14	$2,431,894	15%	$827,965	$727,736		
15	$2,431,894		$766,634	$667,647		
16	$2,431,894		$709,847	$612,521		
17	$2,431,894		$657,265	$561,945		
18	$2,431,894		$608,579	$515,546		
19	$2,431,894		$563,499	$472,978		
20	$2,431,894		$521,758	$433,925		
21	$2,431,894		$483,110	$398,096		
22	$2,431,894		$447,324	$365,226		
23	$2,431,894		$414,189	$335,070		
24	$2,796,678	15%	$441,034	$353,514		
25	$2,796,678		$408,365	$324,325		
26	$2,796,678		$378,116	$297,546		
27	$2,796,678		$350,107	$272,978		
28	$2,796,678		$324,173	$250,438		
29	$2,796,678		$300,161	$229,760		
30	$2,796,678		$277,926	$210,789		
31	$2,796,678		$257,339	$193,384		
32	$2,796,678		$238,277	$177,417		
33	$2,796,678		$220,627	$162,768		
34	$3,216,179	15%	$234,927	$171,727		
35	$3,216,179		$217,525	$157,548		
36	$3,216,179		$201,412	$144,539		
37	$3,216,179		$186,492	$132,605		
38	$3,216,179		$172,678	$121,656		
39	$3,216,179		$159,887	$111,611		
40	$3,216,179		$148,044	$102,395		

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Period	Annual Rent		NPV @ Growth Rate of 8.0%	NPV @ Growth Rate of 9.0%	Reversion	NPV of Reversion at 10.0%
41	$3,216,179		$137,078	$93,941		
42	$3,216,179		$126,924	$86,184		
43	$3,216,179		$117,522	$79,068		
44	$3,698,605	15%	$125,139	$83,420		
45	$3,698,605		$115,869	$76,532		
46	$3,698,605		$107,287	$70,213		
47	$3,698,605		$99,339	$64,416		
48	$3,698,605		$91,981	$59,097		
49	$3,698,605		$85,168	$54,218		
50	$3,698,605		$78,859	$49,741		
51	$3,698,605		$73,017	$45,634		
52	$3,698,605		$67,609	$41,866		
53	$3,698,605		$62,601	$38,409		
54	$4,253,396	15%	$66,658	$40,523		
55	$4,253,396		$61,720	$37,177		
56	$4,253,396		$57,149	$34,108		
57	$4,253,396		$52,915	$31,291		
58	$4,253,396		$48,996	$28,708		
59	$4,253,396		$45,366	$26,337		
60	$4,253,396		$42,006	$24,163		
61	$4,253,396		$38,894	$22,168		
62	$4,253,396		$36,013	$20,337		
63	$3,216,179		$25,214	$14,108	$87,046,403	$214,789
Total			$23,544,860	$20,106,927		$214,789
	Add: Reversion NPV		$214,789	$214,789		
	Leased Fee Valuation		$23,759,649	$20,321,715		

Cap Rate Value

Initial Annual Rent	$2,114,690	$2,114,690
Cap Rate on Ground Lease	8.00%	9.00%
Valuation	$26,433,625	$23,496,556

Compound Average Growth Rate (CAGR)

Year 1 Annual Rent	$2,114,690
Year 60 Annual Rent	$4,253,396
Compounded Growth Rate	1.17%

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CORPORATE PROFILE
London Moeder Advisors

REPRESENTATIVE SERVICES

Market and Feasibility Studies	Development Services	Litigation Consulting
Financial Structuring	Fiscal Impact	Workout Projects
Asset Disposition	Strategic Planning	MAI Valuation
Government Processing	Capital Access	Economic Analysis

London Moeder Advisors (formerly The London Group) was formed in 1991 to provide real estate advisory services to a broad range of clientele. **The firm principals, Gary London and Nathan Moeder, combine for over 60 years of experience. We have analyzed, packaged and achieved capital for a wide variety of real estate projects. Clients who are actively pursuing, developing and investing in projects have regularly sought our advice and financial analysis capabilities. Our experience ranges from large scale, master planned communities to urban redevelopment projects, spanning all land uses and development issues of all sizes and types. These engagements have been undertaken principally throughout North America and Mexico.**

A snapshot of a few of the services we render for both the residential and commercial sectors:

- **Market Analysis** for mixed use, urban and suburban properties. Studies concentrate on market depth for specific products, detailed recommendations for product type, absorption and future competition. It also includes economic overviews and forecasts of the relevant communities.

- **Financial Feasibility Studies** for new projects of multiple types, including condominium, apartment, office, and master-planned communities. Studies incorporate debt and equity needs, sensitivity analyses, rates of return and land valuations.

- **Litigation support/expert witness services** for real estate and financial related issues, including economic damages/losses, valuations, historic market conditions and due diligence. We have extensive deposition, trial, mediation and arbitration experience.

- **Investment studies for firms acquiring or disposing of real estate.** Studies include valuation, repositioning projects and portfolios, economic/real estate forecasts and valuation of partnerships. Often, the commercial studies include the valuation of businesses.

- **Estate Planning services** including valuation of portfolios, development of strategies for disposition or repositioning portfolios, succession planning and advisory services for high net worth individuals. We have also been involved in numerous marriage dissolution assignments where real estate is involved.

- **Fiscal Impact, Job Generation and Economic Multiplier Effect Reports**, traditionally prepared for larger commercial projects and in support of Environmental Impact Reports. We have been retained by both developers and municipalities for these reports. The studies typically relate to the tax revenues and employment impacts of new projects.

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