



REAL PROPERTY **RESEARCH** GROUP

ATLANTA ■ WASHINGTON/BALTIMORE

Fiscal Impact Analysis

Town of Cheverly Hospital Redevelopment

Cheverly, Maryland

Prepared for:

Town of Cheverly

January 2024



TABLE OF CONTENTS

I. OVERVIEW	3
A. Assignment	3
B. Subject Description and Assumptions	4
C. Report Limitations	6
II. FISCAL IMPACTS	7
A. Methodology	7
B. Fiscal Impact Analysis	9
Fiscal Contributions	10
APPENDIX 2 ANALYST RESUMES	15
APPENDIX 3 WORKS CITED AND NOTES.....	18



TABLES, FIGURES AND MAPS

Table 1 Preliminary Project Details, Cheverly Hospital Redevelopment	3
Table 2 Estimated Budget (Construction and Ongoing), Cheverly Hospital Redevelopment	5
Table 3 Budgeted Revenues, Town of Cheverly.....	7
Table 4 Budgeted Expenditures, Town of Cheverly	8
Table 5 Units of Government Demand	9
Table 6 Budgeted Revenue per Unit of Government Demand.....	9
Table 7 Budgeted Expenditures per Unit of Government Demand.....	9
Table 8 Calculation of Property Tax, Cheverly Hospital Redevelopment Components	10
Table 9 Fiscal Contributions to the Town of Cheverly, Construction Period	11
Table 10 Fiscal Contributions to the Town of Cheverly, Operation Period.....	12

I. OVERVIEW

A. Assignment

The Town of Cheverly is contemplating a redevelopment of the former University of Maryland Prince George's County Hospital campus. Real Property Research Group, Inc. (RPRG) has been engaged to complete a fiscal impact analysis of the proposed mixed-use redevelopment for the Town of Cheverly, Maryland. The former University of Maryland Prince George's County Hospital campus currently occupies 26 acres on the site located at 3001 Hospital Drive in Cheverly, Maryland 20785. The hospital relocated to a new facility in Largo in the Spring of 2021.

A concept plan has been prepared for the redevelopment of the site that presents a mixed-use development that will include residential and commercial uses comprised of general occupancy multifamily rental apartments, senior rental apartments, senior condominiums, for-sale townhomes, a hotel, a food hall, 25,000 square feet of retail space, and a medical office building (Table 1).

Table 1 Preliminary Project Details, Cheverly Hospital Redevelopment

Planned Use	Description	Units/SF
Multifamily	General Occupancy Apartments (multiple communities/phases)	900 units
Senior Multifamily	Active-Adult Apartments (55+ or 62+)	150 units
Senior Condo	Active-Adult Condos (55+ or 62+)	48 units
Townhomes	For-Sale Townhomes	150 units
Hotel	71-Unit Select Service Hotel	71 keys
Food Hall	Food Hall with Multiple Establishments	15,000 sq.ft.
Retail	Groundfloor/strip/ freestanding retail space	25,000 sq.ft.
Medical Office	Medical Office Building	70,000 sq.ft.

Source: Town of Cheverly

A preliminary site plan indicates the layout of the proposed components of the development including community open space (Figure 1).

This analysis will assume the development of these planned uses and derive assumptions regarding potential additions of households and jobs and apply these assumptions to estimate the potential impact on the revenue and expenses for the Town of Cheverly. As this analysis is conducted independent of an economic impact analysis, only the direct impacts will be estimated. Additional indirect or induced economic impacts will likely be produced from the redevelopment.

Figure 1 Preliminary Site Plan, Cheverly Hospital Redevelopment


Source: Town of Cheverly

B. Subject Description and Assumptions

The subject development is located along Hospital Drive in northern Cheverly. Based on the proposed development components/uses, RPRG estimated the number of new households and employees supported by the redevelopment upon completion. We note that although the timing of completion of the various redevelopment components is likely multiple years out, our analysis is based on the Town's current budget data as of January 2024. RPRG estimated the number of temporary full-time equivalent (FTE) jobs created during the construction period as well as the number of permanent full-time equivalent (FTE) jobs supported by the development annually during the operation period. We note that these estimates do not include indirect or induced jobs generated by the economic impact of these businesses.

For the proposed residential components, RPRG assumes an average household size of 2.7 persons based on Esri¹ estimates, and Esri data indicates households residing in the subject site's block group have a median household income of \$106,694 (although a portion of the proposed residential units will likely be affordable). According to Bright MLS data, the average sales price from January 2023 to January 2024 for a home in the subject's zip code was \$378,958. Esri estimates the Town of Cheverly contains 164 retail establishments as of 2023.

Preliminary plans for the redevelopment include 900 general occupancy residential rental units, 150 senior rental units, 48 senior condos, 150 townhomes, a 71-room select service hotel, a 15,000-square-foot food hall with multiple establishments, 25,000 square feet of retail space, and a 70,000-square-foot medical office building. Specific details on the residential units or users for the commercial space are not known at this time.



RPRG assumes real estate property valuations based on estimated construction costs provided to RPRG, 1,248 total new residential units/households, an average household size of 2.7 persons, and a median annual household income of the new residents for the residential development components of \$106,694 (acknowledging a portion of the units will likely be affordable as well as a portion occupied by households earning above the median income). For the purposes of this analysis, certain assumptions and estimates are needed regarding planned uses including type, size, budget, and operational activity of the various planned components of the subject development. Some of these estimates were provided by the development team, and RPRG supplemented some information with research on industry averages.

The combined proposed development components are estimated to add 529.5 new full-time jobs (FTE)ⁱⁱ upon the first year of operations (assuming completion and operation of all proposed components), though this estimate does not include indirect or induced jobs generated by the economic impact of these businesses. The combined subject development is estimated to generate up to 4,380 temporary jobs or 3,066 FTE jobs during the construction period of all phases/components of the mixed-use development based on national average benchmark ratios provided by IMPLANⁱⁱⁱ.

The total aggregate development/construction cost for all components of the Cheverly Hospital Redevelopment is projected at \$547.5 million (Table 2) which includes the development/construction of all components with construction commencements ranging from 2024 to 2026 and completions from 2027 to 2029.

Operation period activity includes employment and projected gross sales for non-residential components and aggregate household incomes for residential components.^{iv} Further explanation of operation-period analysis methodology is provided in later sections of this report.

Table 2 Estimated Budget (Construction and Ongoing), Cheverly Hospital Redevelopment

Planned Use	Description	Units/SF	Estimated Construction Budget*	Est. Construction Year	Est. Employees (FTE)	Est. Operations Year 1
Multifamily	General Occupancy Apartments (multiple communities/phases)	900 units	\$340,000,000	2026-2028	18.0	2027-2029
Senior Multifamily	Active-Adult Apartments (55+ or 62+)	150 units	\$75,000,000	2026-2028	3.0	2027-2029
Senior Condo	Active-Adult Condos (55+ or 62+)	48 units	\$10,000,000	2026-2028	0.0	2027-2029
Townhomes	For-Sale Townhomes	150 units	\$65,000,000	2026-2028	0.0	2027-2029
Hotel	71-Unit Select Service Hotel	71 keys	\$20,000,000	2026-2028	12.0	2027-2029
Food Hall	Food Hall with Multiple Establishments	15,000 sq.ft.	\$6,000,000	2026-2028	65.6	2027-2029
Retail	Groundfloor/strip/ freestanding retail space	25,000 sq.ft.	\$6,500,000	2026-2028	62.5	2027-2029
Medical Office	Medical Office Building	70,000 sq.ft.	\$25,000,000	2026-2028	368.4	2027-2029
Total			\$547,500,000		529.5	

Source: Town of Cheverly

(*)Demolition/Infrastructure Costs Allocated Among Components



C. Report Limitations

The conclusions reached in a community impact analysis are inherently subjective and there can be no assurance that the estimates made or assumptions employed in preparing this report will in fact be realized or that other methods or assumptions might not be appropriate. The analyst relied on statements of the Client, related stakeholders, and other third parties with respect to the subject properties. RPRG made no attempt to verify the truthfulness or accuracy of such statements. The conclusions expressed in this report are as of the date of this report, and an analysis conducted as of another date may require different conclusions. The actual results achieved will depend on a variety of factors including the performance of management, the impact of changes in general and local economic conditions, and the absence of material changes in the regulatory or competitive environment. Reference is made to the statement of Underlying Assumptions and Limiting Conditions attached as Appendix I and incorporated in this report.

II. FISCAL IMPACTS

A. Methodology

The direct economic impacts, or contributions, of the mixed-use development and operations of the proposed redevelopment will contribute to the finances of the relevant taxing jurisdiction, the Town of Cheverly. The economic impact assumptions outlined previously, namely the addition of 3,066 FTE construction jobs, 1,248 new households, and 529.5 FTE permanent jobs, will be applied to the estimate of fiscal impact. We note that these estimates are understated as they do not include potential indirect or induced economic impacts. The fiscal impact analysis involves estimating the extent to which the subject project will affect local government revenues and expenditures. The analysis includes estimating payments made between the project and the local government, such as property taxes or operational subsidies. However, as data regarding potential users/businesses occupying the proposed commercial components is unavailable, the analysis does not specifically estimate any operational tax revenue, such as income or sales taxes, which can be applied to the economic impact assumptions; rather these contributions are inherent in the pro rata revenue and expense calculations per employee. The final piece of the fiscal impact analysis estimates the impact of the project on miscellaneous revenue and expenditures of local government, such as parking violations and excise taxes, which cannot be directly attributed to the project, but are assumed to be affected by the economic activity supported by the project via additional residents and employees.



RPRG reviewed the most recent FY 2024 budget for the Town of Cheverly to identify the sources of revenue and uses of expenditures. Much of the Town’s budget is funded through a combination of property taxes, charges for services, income taxes, service and permit fees, as well as intergovernmental grant funding. Local taxes are typically the largest source of revenue for the Town, accounting for up to 84 percent of the Town’s revenue most years. In the most recent 2024 budget, taxes account for 40 percent of the Town’s budget, and Miscellaneous Revenue comprises 47 percent. This is due to a new one-time allocation of bond proceeds and expenditures for a new Public Works building. The revenue sources for the Town of Cheverly as outlined in the FY 2024 budget is illustrated in Table 3.

Table 3 Budgeted Revenues, Town of Cheverly

BUDGETED REVENUE	Total Budget	Attributable to:		Not Attributable
		Residents & Business	Residents Only	
Town of Cheverly Adopted Budget FY2024- General Fund				
Taxes	\$6,656,392	\$3,927,271	\$2,729,121	\$0
Licenses & Permits	\$183,500	\$55,050	\$128,450	\$0
Intergovernmental	\$970,023	\$970,023	\$0	\$0
Service Charges	\$2,150	\$538	\$1,613	\$0
Fines & Forfeitures	\$665,500	\$665,500	\$0	\$0
Interest & Dividends	\$180,000	\$0	\$0	\$180,000
Miscellaneous Revenue	\$7,801,700	\$7,801,700	\$0	\$0
Total Town of Cheverly General Fund Revenue	\$16,459,265	\$13,420,082	\$2,859,183	\$180,000

Source: Town of Cheverly Adopted Budget FY2024- General Fund



A fundamental assumption of this analysis is that demand for government services (and government revenue sources) have constant returns to scale. This means that if the quantities of units of government demand (such as the number of residents or the number of businesses) changes, government revenue and expenditures will change on a pro-rata basis. To estimate this, government revenues and expenditures are attributed to residents or to residents and businesses. The Town’s budget does not itemize revenues in a manner allowing for allocation to residents or businesses. However, when possible, resident-based expenditures are estimated and attributed to residents only. Expenditures such as general government and public safety, were attributed to both residents and businesses as each group consumes these services, while also applying national average benchmark ratios provided by IMPLAN[®].

Of the Town of Cheverly’s \$16,459,265 of 2024 budgeted general fund revenue, \$2,859,183, or 17.4 percent, is attributed exclusively to resident consumers of services, and \$13,420,082, or 81.5 percent of general fund revenue is attributed to the base of both resident and non-resident/business consumers of service (Table 3). Only \$180,000 (1.1 percent) was designated as non-attributable, reflecting interest and dividends. A similar analysis was completed for budgeted expenditures with 47 percent of budgeted expenditures attributed to both residents and businesses and 53 percent attributed to only residents (Table 4).

We note that the FY 2024 Budget for the Town of Cheverly indicates total revenue of \$16,459,265 and total expenditures of \$17,178,030, yielding a net deficit of \$718,765.

Table 4 Budgeted Expenditures, Town of Cheverly

BUDGETED EXPENDITURES	Total Budget	Attributable to:	
		Residents & Business	Residents Only
Town of Cheverly Adopted Budget FY2024- General Fund			
General Government	\$2,455,816	\$1,350,699	\$1,105,117
Public Works & Services	\$12,205,396	\$6,102,698	\$6,102,698
Public Safety	\$2,516,818	\$629,205	\$1,887,614
Assigned Funds	\$0	\$0	\$0
Restricted Funds (HUR Rollover)	\$0	\$0	\$0
Total Town Expenditures	\$17,178,030	\$8,082,601	\$9,095,429

Source: Town of Cheverly Adopted Budget FY2024

RPRG used population estimates and data on industry employment from Esri to compute the base number of demand units for both residents and residents/businesses for the Town of Cheverly. As a proxy for businesses and business activity, RPRG utilized total At-Place Employment in the Town of Cheverly.

The Town of Cheverly’s estimated 2023 population is 6,296. Esri data estimates total employment in Cheverly as of 2023 was 2,213 (Table 5). To avoid double counting, the number of town residents that also work in the town of Cheverly was subtracted to compute a total resident and job base of 8,465 in the town of Cheverly. Revenue per unit of government demand is computed in Table 6 and expenditures per unit are computed in Table 7. The revenue per unit was computed for each incremental job and resident. As specific property tax assessment data can be estimated based on estimated construction costs per proposed development component, incremental revenue per job was computed excluding property taxes.



Table 5 Units of Government Demand

	Town of Cheverly
2024 Estimated Population	6,296
2024 Estimated Employment	2,213
Estimated % of Resident Workers	2.0%
Less Estimated Resident Workers	-44
2024 Resident and Job Base	8,465
2024 Resident Base	6,296

Sources: US Census Bureau; Esri; US BLS; RPRG, Inc

Table 6 Budgeted Revenue per Unit of Government Demand

Revenue per Unit	Total	Residents & Business	Residents Only	Not Attributable
Town of Cheverly Unit Base		8,465	6,296	
Total Town of Cheverly General Fund Revenue Excluding Property Taxes	\$11,873,479	\$ 9,681,056	\$ 2,062,574	\$ 180,000
Per Job (Not including Property taxes)	\$ 1,144	\$ 1,144		
Per Resident (Not Including Property taxes)	\$ 1,471	\$ 1,144	\$ 328	

Sources: RPRG; Town of Cheverly

Table 7 Budgeted Expenditures per Unit of Government Demand

Expenditures per Unit	Total	Residents & Business	Residents Only
Town of Cheverly Unit Base		8,465	6,296
Total Town Expenditures	\$17,178,030	\$8,082,601	\$9,095,429
Per Job	\$ 955	\$ 955	
Per Resident	\$ 2,399	\$ 955	\$ 1,445

Sources: RPRG; Town of Cheverly

B. Fiscal Impact Analysis

When an economic impact analysis is performed, the fiscal impacts of a new development such as the Cheverly Hospital Redevelopment on the Town of Cheverly are measured as both direct and indirect. Direct fiscal impacts include payments made between the occupants of the properties and/or users and the local government jurisdictions. Direct fiscal impacts consist of the revenue and expenditures per job/resident applied to total direct resident and/or employment contributions. Indirect fiscal impacts include the revenue and expenditures per job applied to the total indirect and induced employment contributions. In the absence of an economic impact analysis, we will only measure the direct fiscal impacts for the Cheverly Hospital Development. However, indirect and induced contributions could be significant.

Fiscal impacts are estimated first for the construction period, based on the estimated number of jobs added as a result of the subject development. While construction-period impacts are estimated based on the number of jobs expected to be added by the subject development, impacts will in fact be higher as this estimate excludes additional revenue to the Town resulting from any fees contributed by the subject development during the development/construction process. An estimate of 3,066 jobs related to the subject development is used for this calculation.



Fiscal impacts are also estimated for the ongoing operation of the proposed development components as well as occupancy of planned residences, referencing current demographics, tax rates, and Town budget as of January 2024. For the purpose of this analysis, we assume standard retail sales and restaurant operations for the proposed retail and food hall components, standard limited service hotel operations, and standard medical office operations for the proposed medical office component as defined by IMPLAN industry sector definitions.

DIRECT PROPERTY TAX

The proposed development components are estimated to include 1,050 multifamily rental units, 198 townhome/condo dwelling units, a 71-unit hotel, 40,000 square feet of retail/restaurant uses, and 70,000 square feet of medical office space. To estimate assessed values for calculating property taxes, RPRG used the estimated construction costs provided by the Town. The total assessed values include \$75 million for the single-family (townhome/condo) residential component, \$415 million for the multifamily residential component, \$20 million for the hotel component, \$12.5 million for the food hall/retail component, and \$25 million for the medical office component. Applying the current single-family residential and commercial property tax rates of 0.5299 per \$100 of assessed value and multifamily property tax rate of 0.71 per \$100 of assessed value results in a total tax levy for all proposed components of \$3,648,618 (Table 8). We note that both business personal property tax, as well as additional potential taxes and fees, may also be levied and will contribute to the Town’s revenues. However, data regarding commercial tenants and projected business or sales information was unavailable. These estimated impacts will be reflected in the attribution of budgeted revenue line items for residents and businesses.

Table 8 Calculation of Property Tax, Cheverly Hospital Redevelopment Components

Estimated Assessment per Construction Cost	Single-family	Multifamily	Hotel	Retail	Medical Office	Total
Estimated Assessment	\$75,000,000	\$415,000,000	\$20,000,000	\$12,500,000	\$25,000,000	\$547,500,000
Tax Rate per \$100 of Assessed Value	0.5299	0.7100	0.5299	0.5299	0.5299	
Real Property Tax Revenue	\$397,425	\$2,946,500	\$105,980	\$66,238	\$132,475	\$3,648,618

Source: Town of Cheverly; RPRG, Inc.

Fiscal Contributions

As referenced previously, while the Cheverly Hospital Redevelopment will have direct, indirect, and induced economic impacts which will all have potential fiscal impacts to the Town, we only address direct impacts of the new households and jobs generated by the development in this study.

Construction-Period Impacts

Construction-period direct revenue contributions during the subject’s development include the pro rata increase in revenue for each onsite job. The total direct revenue generated by the project’s development is estimated at \$3,506,456 (Table 9).

Construction-period direct expenditures expected to result from the development include the pro rata increase in local government expenditures attributable to each direct job at the project. The project is expected to generate \$2,927,499 in direct expenditures.

Netting out expenditures and revenues indicates that the project is expected to generate a net fiscal surplus to the Town totaling \$578,956 during the construction period. Again, we note that the net fiscal surplus during the construction period will likely be higher as this estimate does not include estimated fees assessed during the development process.

Table 9 Fiscal Contributions to the Town of Cheverly, Construction Period

Source	per Unit Amount	Basis	Annual Contribution
REVENUE			
Direct Revenue Contributions			
Revenue contribution per direct job <i>*Not including property tax</i>	\$ 1,144	x Direct jobs	3,066
			\$3,506,456
EXPENDITURES			
Direct Expenditures Contributions			
Expenditure per direct job	\$ 955	x Direct jobs	3,066
			\$2,927,499
Total Expenditure contribution			\$2,927,499
Total Surplus / (Deficit) to Local Government			\$578,956

Ongoing Annual Impacts

Ongoing annual direct revenue contributions following the development of the various proposed components include the pro rata increase in revenue for each onsite job and resident as well as collected property taxes. To estimate the count of residents that will reside among the proposed residential components, RPRG applies an average household size of 2.7 persons per household to the proposed 1,248 dwelling units, resulting in a total of 3,309 new residents to the town of Cheverly. Combined, the total direct revenue generated by the proposed components' operations is \$9,122,648 (Table 10).

Ongoing annual direct expenditures expected to result from the occupancy and operation of the proposed components include the pro rata increase in local government expenditures attributable to each direct job and resident among the subject properties. The combined properties are expected to generate \$8,445,473 in direct expenditures. We note that this estimate is conservative in that it does not factor possible economies of scale as many expenditure items such as fixed contracts and equipment will not necessarily increase on a 1:1 ratio with every increase in residents or employment.

Netting out expenditures and revenues indicates that the operation of the proposed development components is expected to generate a net fiscal surplus to the Town totaling \$677,175 with the assumption that all properties are developed and operate as currently proposed with continuance of similar revenue and expense ratios reflected in the current Town's budget.

Table 10 Fiscal Contributions to the Town of Cheverly, Operation Period

Source	per Unit Amount	Basis		Annual Contribution
REVENUE				
Direct Revenue Contributions				
Property Tax	see calc	to Cheverly	--	\$3,648,618
Revenue contribution per direct job	\$ 1,144	x Direct jobs	530	\$605,620
Revenue contribution per resident	\$ 1,471	x New Residents	3,309	\$4,868,410
Total Direct Revenue contribution				\$9,122,648
EXPENDITURES				
Direct Expenditures Contributions				
Expenditure per direct job	\$ 955	x Direct jobs	530	\$505,625
Expenditures per resident	\$ 2,399	x New Residents	3,309	\$7,939,847
Total Expenditures				\$8,445,473
Total Surplus / (Deficit) to Local Government				\$677,175

The conclusion is that the proposed mixed-use redevelopment will have a positive fiscal impact on the Town of Cheverly. This fiscal impact analysis is narrowly defined and considers only the costs and revenues associated with the new residents, employment, and operations of the proposed development components. Again, we note that these estimates of both revenue and surplus may be understated due to several factors.

- This analysis applies incremental contributions from the proposed redevelopment to the current FY 2024 budget for the Town of Cheverly. This budget represents a net deficit of \$718,765. Therefore, additional contributions to the budgeted revenues and expenditures are inherently weighted toward expenses, skewing the estimated net surplus downward.
- This analysis does not factor possible economies of scale.
- Specific planned/expected business operation information was not provided for the proposed commercial components; depending on the eventual uses of these components, the specific impacts relevant to those unique operations may not fully be represented in the fiscal impact methodology.
- A broader fiscal impact analysis (beyond the scope of this study) could also consider the potential for specific fees, business property and sales tax, and related expenses for the specific individual uses and operations on each component, as well as indirect and induced economic impact generated by the subject development. Depending on the eventual proposed uses and operations, these contributions could be significant.



APPENDIX 1 UNDERLYING ASSUMPTIONS AND LIMITING CONDITIONS

In conducting the analysis, we will make the following assumptions, except as otherwise noted in our report:

1. There are no zoning, building, safety, environmental or other federal, state or local laws, regulations or codes which would prohibit or impair the operation and continued use of the subject properties in the manner contemplated in our report, and the subject properties will be maintained and operated in compliance with all applicable laws, regulations and codes.
2. No material changes will occur in (a) any federal, state or local law, regulation or code (including, without limitation, the Internal Revenue Code) affecting the subject properties, or (b) any federal, state or local grant, financing or other program which is to be utilized in connection with the subject properties.
3. The local, national and international economies will not deteriorate, and there will be no significant changes in interest rates or in rates of inflation or deflation.
4. The subject properties will be served by adequate transportation, utilities and governmental facilities.
5. The subject properties will not be subjected to any war, energy crisis, embargo, strike, earthquake, flood, fire or other casualty or act of God.
6. The subject properties will continue current use outlined in our report.
7. The subject properties will be maintained and operated in a highly professional manner.
8. There are neither existing judgments nor any pending or threatened litigation, which could hinder the use, marketing or operation of the subject properties.



The analysis will be subject to the following limiting conditions, except as otherwise noted in our report:

1. The analysis contained in this report necessarily incorporates numerous estimates and assumptions with respect to property performance, general and local business and economic conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates and the variations may be material.
2. Our estimates are based on the assumption that the product details set forth in our report will be followed without material deviation.
3. All estimates of future dollar amounts are based on the current value of the dollar, without any allowance for inflation or deflation.
4. We have no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal matters, environmental matters, architectural matters, geologic considerations, such as soils and seismic stability, and civil, mechanical, electrical, structural and other engineering matters.
5. Information, estimates and opinions contained in or referred to in our report, which we have obtained from sources outside of this office, are assumed to be reliable and have not been independently verified.
6. The conclusions and recommendations in our report are subject to these Underlying Assumptions and Limiting Conditions and to any additional assumptions or conditions set forth in the body of our report.



APPENDIX 2 ANALYST RESUMES

TAD SCEPANIAK Managing Principal

Tad Scepianiak assumed the role of Real Property Research Group's Managing Principal in November 2017 following more than 15 years with the firm. Tad has extensive experience conducting market feasibility studies on a wide range of residential and mixed-use developments for developers, lenders, and government entities. Tad directs the firm's research and production of feasibility studies including large-scale housing assessments to detailed reports for a specific project on a specific site. He has extensive experience analyzing affordable rental communities developed under the Low Income Housing Tax Credit (LIHTC) program and market-rate apartments developed under the HUD 221(d)(4) program and conventional financing. Tad is the key contact for research contracts many state housing finance agencies, including several that commission market studies for LIHTC applications.

Tad served as Chair of the National Council of Housing Market Analysts (NCHMA) and previously served as Co-Chair of its Standards Committee. He has taken a lead role in the development of the organization's Standard Definitions and Recommended Market Study Content, and he has authored and co-authored white papers on market areas, derivation of market rents, and selection of comparable properties. Tad is also a founding member of the Atlanta chapter of the Lambda Alpha Land Economics Society.

Areas of Concentration:

- Low Income Tax Credit Rental Housing: Mr. Scepianiak has worked extensively with the Low Income Tax Credit program throughout the United States, with special emphasis on the Southeast and Mid-Atlantic regions.
- Senior Housing: Mr. Scepianiak has conducted feasibility analysis for a variety of senior oriented rental housing. The majority of this work has been under the Low Income Tax Credit program; however his experience includes assisted living facilities and market rate senior rental communities.
- Market Rate Rental Housing: Mr. Scepianiak has conducted various projects for developers of market rate rental housing. The studies produced for these developers are generally used to determine the rental housing needs of a specific submarket and to obtain financing.
- Public Housing Authority Consultation: Tad has worked with Housing Authorities throughout the United States to document trends rental and for sale housing market trends to better understand redevelopment opportunities. He has completed studies examining development opportunities for housing authorities through the Choice Neighborhood Initiative or other programs in Florida, Georgia, North Carolina, South Carolina, Texas, and Tennessee.

Education:

Bachelor of Science – Marketing; Berry College – Rome, Georgia



ROBERT M. LEFENFELD

Founding Principal

Mr. Lefenfeld, Founding Principal of the firm, with over 30 years of experience in the field of residential market research. Before founding Real Property Research Group in 2001, Bob served as an officer of research subsidiaries of Reznick Fedder & Silverman and Legg Mason. Between 1998 and 2001, Bob was Managing Director of RF&S Realty Advisors, conducting residential market studies throughout the United States. From 1987 to 1995, Bob served as Senior Vice President of Legg Mason Realty Group, managing the firm's consulting practice and serving as publisher of a Mid-Atlantic residential data service, Housing Market Profiles. Prior to joining Legg Mason, Bob spent ten years with the Baltimore Metropolitan Council as a housing economist. Bob also served as Research Director for Regency Homes between 1995 and 1998, analyzing markets throughout the Eastern United States and evaluating the company's active building operation.

Bob provides input and guidance for the completion of the firm's research and analysis products. He combines extensive experience in the real estate industry with capabilities in database development and information management. Over the years, he has developed a series of information products and proprietary databases serving real estate professionals.

Bob has lectured and written extensively about residential real estate market analysis. Bob has created and teaches the market study module for the MBA HUD Underwriting course and has served as an adjunct professor for the Graduate Programs in Real Estate Development, School of Architecture, Planning and Preservation, University of Maryland College Park. He is the past National Chair of the National Council of Housing Market Analysts (NCHMA) and currently chairs its FHA Committee.

Areas of Concentration:

- **Strategic Assessments:** Mr. Lefenfeld has conducted numerous corridor analyses throughout the United States to assist building and real estate companies in evaluating development opportunities. Such analyses document demographic, economic, competitive, and proposed development activity by submarket and discuss opportunities for development.
- **Feasibility Analysis:** Mr. Lefenfeld has conducted feasibility studies for various types of residential developments for builders and developers. Subjects for these analyses have included for-sale single-family and townhouse developments, age-restricted rental and for-sale developments, large multi-product PUDs, urban renovations and continuing care facilities for the elderly.
- **Information Products:** Bob has developed a series of proprietary databases to assist clients in monitoring growth trends. Subjects of these databases have included for sale housing, pipeline information, and rental communities.

Education:

Master of Urban and Regional Planning; The George Washington University.
Bachelor of Arts - Political Science; Northeastern University.



ETHAN REED Sr. Analyst

Ethan Reed joined RPRG in 2016 where he focuses on rental market studies and community and economic analyses for development projects. Throughout his extensive career, Ethan has served in various analysis and advisory capacities in the residential and commercial real estate industry. Ethan's experience includes advising lenders, developers, homebuilders, investors, nonprofit organizations and government agencies through market and property analysis, economic analysis, site selection and marketing strategy.

Prior to joining RPRG, Ethan served as Senior Research Manager with CoStar Group, leading market research & analysis efforts as well as developing new research and analysis products & services for the commercial real estate industry. Ethan's additional experience includes directing regional research and marketing efforts for CBRE as well as providing valuation, analysis and advisory services for commercial and residential clients throughout Texas. Appraisal and consulting assignments have included, but are not limited to apartment complexes, for sale subdivisions, agricultural land, shopping centers, office and industrial buildings. Valuations have been prepared on proposed, renovated, and existing structures.

Areas of Concentration:

- **New Market Tax Credits:** Ethan conducts community development and economic impact analyses to illustrate the impacts of development projects that utilize federally-regulated New Market Tax Credits. Components of these reports include employment projections, local and regional economic impacts, and fiscal impacts on local governments
- **Low Income Housing Tax Credits:** Ethan prepares rental market studies for submission to lenders and state agencies for nine percent and four percent Low Income Housing Tax Credit allocations.
- **FHA Section 221(d)(4):** Ethan prepares comprehensive feasibility studies for submission to HUD regional offices as part of a lender's application for Section 221(d)(4) mortgage insurance. These reports strictly adhere to HUD's Multi-family Accelerated Processing (MAP) guidelines for market studies
- **Market and Product Advisory Analysis:** Ethan provides detailed analysis of existing markets, product and pricing recommendations, and targeted marketing suggestions for developers and land owners in the preliminary stages of development.
- **Commercial Feasibility:** Ethan conducts comprehensive feasibility analyses of proposed commercial uses in the context of the existing marketplace.

Education:

Masters of Business Administration; Liberty University

Bachelor of Science – Business Administration; University of Texas at Dallas



APPENDIX 3 WORKS CITED AND NOTES

ⁱ Esri is a national vendor of demographic data

ⁱⁱ Estimated jobs generated by proposed commercial components derived from national standard industry ratios provided by CoreNet Global, ICSC, and CCIM

ⁱⁱⁱ IMPLAN is an economic analysis platform that combines a set of extensive databases, economic factors, multipliers, and demographic statistics with a refined modeling system.

^{iv} Projected annual gross sales, sales per square foot, and ratios to FTE estimated based on data on average sales for typical/similar businesses provide by trade associations and service providers including STR Host Data, CSP Daily, Dockwa, ICSC, EHL Hospitality Insights, and Toast.

^v IMPLAN is an economic analysis platform that combines a set of extensive databases, economic factors, multipliers, and demographic statistics with a refined modeling system.