EVALUATION OF PROPOSED TAX INCREMENT DISTRICT INCENTIVE REQUEST FOR DEVELOPMENT AND OCCUPANCY OF OFFICE BUILDING

A Report to

CITY OF BROOKFIELD

From

GRUEN GRUEN + ASSOCIATES
Urban Economists, Market Strategists & Land Use/Public Policy Analysts

December 2015

C1433

EVALUATION OF PROPOSED TAX INCREMENT DISTRICT INCENTIVE REQUEST FOR DEVELOPMENT AND OCCUPANCY OF OFFICE BUILDING

A Report to

CITY OF BROOKFIELD

From

GRUEN GRUEN + ASSOCIATES
Urban Economists, Market Strategists & Land Use/Public Policy Analysts

December 2015

APPLYING KNOWLEDGE
CREATING RESULTS
ADDING VALUE

C1433

TABLE OF CONTENTS

LIST OF TABLES

LIST OF MAPS

GRUEN GRUEN + ASSOCIATES
MEMORANDUM

Date: December 9, 2015
To: Daniel F. Ertl, A.I.C.P., Director of Community Development
From: Gruen Gruen + Associates
Subject: C1433 Evaluation of Proposed Tax Increment District Incentive Request for Development and Occupancy of Office Building

BACKGROUND

In 2010 Gruen Gruen + Associates completed a market analysis of the 124th Street Corridor. The primary findings included:

- Limited new development and redevelopment had occurred since 1999;
- The inventory of building stock was old and much of it consisted of small buildings;
- The Impacts of the Great Recession, supply competition, and demand decline had caused an increase in vacancy rates and decrease in rental rates for office, retail, and industrial space; and
- The Corridor was not a preferred location for office space users seeking a "polished" environment and higher-quality building space.

The 2010 report included the following conclusions:

- The relative position of the Corridor relative to the broader market area has declined;
- The presence of older properties with low rents and high vacancy rates and limited development, redevelopment, and remodeling activity suggested the potential for a path of downward decline to take hold in the Corridor; and
- A variety of factors and conditions constrain the ability of newer development projects to compete for businesses willing to pay prices sufficient to amortize and provide an adequate return on investments in new construction and redevelopment. Increased competition from nearby locations and decline in the quality of properties in the study area relative to other areas within the community and within the broader

market areas could create a reinforcing feedback mechanism that may lead to further decline in the future.

The report pointed out that: "Revitalization begins when creative new projects and uses serve to create desirable locations able to charge more than currently-prevailing rates and spill-over their value-enhancing benefits to adjoining properties. Cumulatively, the success of pioneering projects… that attract businesses willing to pay prices supporting the costs of maintenance, remodeling, renovation or new construction, can encourage subsequent property owners and developers to emulate that success by making property investments that attract higher-order or margin businesses also willing to pay for contemporary space responsive to their preferences."

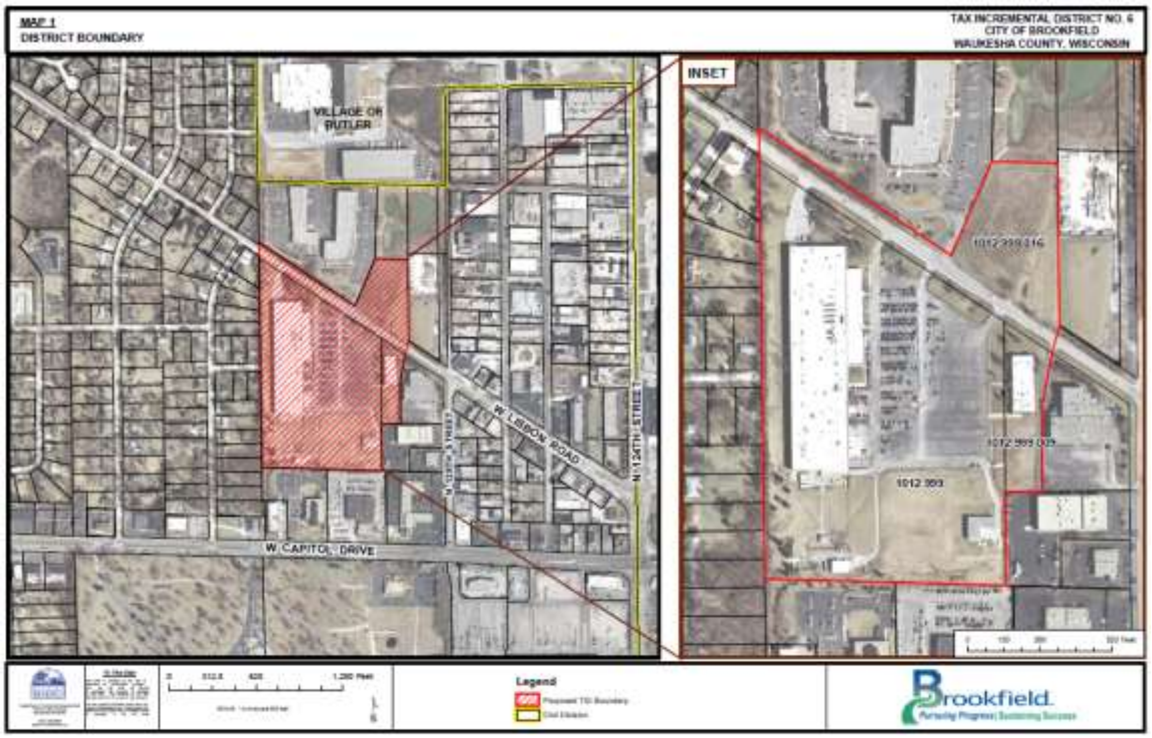
The report also noted the potential for Milwaukee Electric Tool to serve as a catalytic anchor and included the recommendation of "meeting with the property owners of these parcels and buildings to identify whether a common vision and priority set of goals and objectives can be formulated with the view toward developing a specific plan or set of acceptable project parameters for redevelopment and infill development. An understanding of development economics will need to be gained so that actions that the City may be willing to take in conjunction with the property owners' participation in redevelopment can be evaluated and selected along with an identification of the procedures to take to implement the specific plan."

PURPOSE

Consistent with the findings, conclusions, and recommendations of the 2010 study and subsequent implementation efforts, including infrastructure improvements, by the City of Brookfield to revitalize the Corridor, Milwaukee Electric Tool and an adjoining property owner have proposed the development of an approximately 200,000-square-foot, four-story office building on nearly 30 acres of land at West Lisbon Road north of West Capitol Drive and west of 128th Street (much of the land is already owned by Milwaukee Electric Tool). Milwaukee Electric Tool will be acquiring 3.45 acres of land for the proposed development from the adjoining property owner. Milwaukee Electric Tool would occupy the building space. The building will be connected to an existing building formerly utilized as a manufacturing plant but currently reused as an office building. In addition to the retention of 700 existing positions, including 147 current openings, the development would accommodate the initial addition of 300 new jobs with average annual salaries of $75,000. Milwaukee Electric Tool anticipates that another 200 jobs could be added to the location within five years of the completion of the building.

In order to facilitate the feasible development of the office building along with parking estimated to cost a total of approximately $35 million, the City has been asked to provide financial assistance of a $6 million Tax Incremental District ("TID") incentive. Map 1 shows the boundaries of the TID of which the location of the proposed development is a part.

MAP 1: Tax Incremental District No. 6 Boundary



This report presents an evaluation of the requested TID assistance. The proposed development and occupancy of the development is likely to stimulate reinvestment and upgrading by other property owners and the process of neighborhood revitalization. The next sections present the following:

- The estimated economic impacts the proposed development and occupancy of the building space will generate relative to the amount of TID assistance requested;

- A comparison of the estimated value of property taxes generated by the development and occupancy of the proposed office building relative to the amount of TID assistance requested; and

- The results of financial analyses to identify whether the TID assistance requested is needed to bridge a feasibility gap.

CONCLUSIONS

The following summarizes the principal findings and conclusions. The results suggest the City of Brookfield would be justified in providing the requested TID assistance.

The grant of the TID assistance would provide for a very high payback in terms of high-paying local jobs relative to the amount of the assistance requested, in addition to the development and occupancy of the building generating significant multiplier or ripple effects throughout the economy. As described below, the economic impact analysis is conservative because it is based on a small building (150,000 square feet of space rather than the 200,000 square feet planned) and a smaller number of added jobs (300 rather than the anticipated 500 added jobs).

Over a 15 year period, the development and occupancy of the office space complex by Milwaukee Electric Tool is estimated to generate property tax increment revenue of $10.1 million or, on average, about $671,000 per year in new taxes in addition to current taxes paid to overlapping taxing authorities. Incremental taxes in the absence of the proposed project will be negligible. Assuming a discount rate comparable to a conservative estimate of the long-term borrowing costs of the City of Brookfield of 3.75 percent, the net present value of the estimated annual property tax increment over 15 years of approximately $7,592,000 would exceed the amount of the upfront grant of the requested TID assistance by $1,592,000. Over a 20-year term, the present value of the stream of annual property taxes of approximately $9,324,000 would exceed the amount of the requested TID assistance by $3,324,000.

Without the grant of the requested incentive, the proposed project would not meet the threshold of real estate investment feasibility. The grant of a $6,000,000 TID incentive would bridge a feasibility gap. The grant of the requested TID incentive would not provide an extraordinary windfall to an investor-developer.

Because the proposed development is not speculative and conditioned on obtaining tenants but will be built to house an owner-occupant and significant existing property owner and employer in Brookfield, the provision of the grant poses less risk to the City of Brookfield and overlapping taxing authorities. In addition, it is our understanding that Milwaukee Electric Tool may provide a guaranty of the projected tax increment, thereby furthering mitigating risk to the City.

ECONOMIC IMPACTS – COMPARISON OF ADDED JOBS AND INCOME TO AMOUNT OF TID ASSISTANCE REQUESTED

Expenditures made by Milwaukee Electric Tool on operations and payroll increase the purchase of goods and services locally, within Waukesha County, the Milwaukee metropolitan area, and the State of Wisconsin. As the dollars spent circulate within the local, regional, and state economies, they produce multiplier or ripple effects creating additional jobs, income, and economic activity. The economic activity directly and indirectly related to Milwaukee Electric Tool also generates local and State taxes.

Below we estimate three kinds of economic impacts associated with the initial 300 added jobs to be housed in the new building: (1) employment; (2) labor income (the sum of wages and salaries); and (3) output (the volume of production of all goods and services). These three types of economic impacts are defined or estimated in terms of:

- Direct - The number of jobs, income, and output supported by the Milwaukee Electric Tool expenditures made at the new development; and

- Indirect - The changes in the number of jobs, income, and output produced, based on inter-industry transactions or interdependencies among industries. In addition to these indirect or spillover effects, indirect impacts also include what is sometimes referred to as induced impacts, or the increase in local jobs, incomes, and expenditures that result from the addition of jobs and income changes in the directly and indirectly affected industry sectors. Induced impacts are the result of Milwaukee Electric Tool expenditures on wages and sales for employees, construction outlays, and other non-payroll expenditures that generate new household income and associated proportionate re-spending and employment.

As summarized in the Table 1, the construction process is estimated to generate 286 jobs and about $13.2 million of associated labor income.[1]

[1] Note the economic impacts of construction activity are estimated based upon a direct hard cost of approximately $22.5 million associated with a 150,000-square-foot office building. The direct hard cost associated with a larger 200,000-square-foot building is estimated at about $32.5 million. Therefore, the construction process impact estimates are conservative.

TABLE 1 One-Time Annual Economic Impact of Construction Activity on State of Wisconsin Economy			
	Employment # Jobs	Income $	Output $
Direct	148.8	7,384,332	22,500,000
Indirect	58.5	2,805,028	9,056,940
Induced	78.6	3,008,302	10,091,966
Total	**285.9**	**13,197,662**	**41,648,906**
Multiplier	*1.92*	*1.79*	*1.85*
Sources: MIG, Inc.; Gruen Gruen + Associates.			

The construction of the development is estimated to result in 149 direct on-site jobs with associated direct annual income of approximately $7.4 million. Total indirect and induced employment impact is estimated at approximately 137 jobs with an annual labor income impact of approximately $5.8 million. The employment and income multipliers associated with the construction are estimated at 1.92 and 1.79 respectively. Total annual output (the volume of economic activity) from construction is estimated at $41.6 million.

The occupancy of the development is estimated to not only preserve the existing jobs but initially add 300 direct jobs at an average annual salary of $75,000. To be conservative, we do not quantitatively estimate the economic impacts associated with a potential 200 additional jobs anticipated to be located in the building within five years following its completion

Table 2 summarizes the annual on-going economic impact on the State of Wisconsin from the expanded operations.

TABLE 2 On-Going Annual Economic Impact of Expanded Operations on State of Wisconsin Economy			
	Employment # Jobs	Income $	Output $
Direct	300.0	22,500,000	113,099,916
Indirect	198.0	11,736,906	40,568,867
Induced	229.2	8,513,790	28,566,513
Total	**727.2**	**42,750,696**	**182,235,296**
Multiplier	*2.42*	*1.90*	*1.61*
Sources: MIG, Inc.; Gruen Gruen + Associates.			

The multiplier effects or indirect and induced jobs generated by the direct jobs is estimated to total 427 jobs and $20 million of associated annual labor income. The economic output or volume of economic activity associated with the occupancy of the development is estimated to total $182 million.

The requested TID assistance of $6 million equates to $20,000 per added job (only counting the direct 300 initially added jobs and associated salary). The annual salaries estimated for the 300 direct jobs because of the development and occupancy of the office building total $22,500,000, a 3.75 to one times annual return on the TID incentive request. That is, the grant of the TID assistance would provide for a very high payback in terms of high-paying local jobs relative to the amount of the assistance requested. For example, according to the Bureau of Labor Statistics, for all occupations in the Milwaukee-Waukesha-West Allis, WI metropolitan statistical area, in May 2014, the average wage totaled $47,120.[2] The $75,000 average wage level for the 300 added jobs is 59 percent higher than the average wage in the region.

FISCAL IMPACTS – COMPARISON OF POTENTIAL TAX REVENUE TO AMOUNT OF TID ASSISTANCE REQUESTED

In addition to evaluating the economic impacts and relative economic benefits to the amount of TID assistance requested, GG+A evaluated the fiscal impacts in terms of estimated property tax revenue generated by the development and occupancy of the proposed office space complex to the amount of TID assistance generated. Note the occupancy of the building will also produce hotel occupancy taxes due to the increased room night demand generated by out-of-town visitors to the building.

Table 3 presents an estimate of the annual property tax increment revenue that would accrue to the TID over 15 years.

[2] See http://www.bls.gov/oes/current/oes_33340.htm.

TABLE 3 Estimated Property Tax Increment Revenue	
	Property Tax Increment $
Year 1	670,968
year 2	670,968
Year 3	670,968
Year 4	670,968
Year 5	670,968
Year 6	670,968
Year 7	670,968
Year 8	670,968
Year 9	670,968
Year 10	670,968
Year 11	670,968
Year 12	670,968
Year 13	670,968
Year 14	670,968
Year 15	670,968
Total Years 1-15	**10,064,520**
Net Present Value over 15 Years[1]	**7,592,202**
Net Present Value over 20 Years[1]	**9,323,908**

[1] Based upon annual discount rate of 3.75 percent. Approximately 75 percent of revenue is assumed to be available after City financing of bonds, capitalized interest, and other debt issuance costs which would approximate $7,548,000 on a non-discounted basis and on a present value basis $5.7 million for a 15-year term.

Sources: City of Brookfield; Gruen Gruen + Associates.

According to estimates of the projected new value of the development drawn from current development cost estimates data provided by the developer over a 15 year period, the development and occupancy of the office space complex by Milwaukee Electric Tool is estimated to generate property tax increment revenue of $10.1 million or, on average, about $671,000 per year. Incremental taxes in the absence of the proposed project will be negligible.

According to the City of Brookfield's Director of Finance Director, the City's bond issues earlier this year funding other development projects had a net interest cost of approximately 2.9 percent for debt issues that mature in 2029 (14 year final maturity). Assuming a discount rate comparable to a conservative estimate of the long-term borrowing costs of the City of Brookfield of 3.75 percent, the net present value of the estimated annual property tax increment over 15 years of approximately $7,592,000 would exceed the amount of the upfront grant of the requested TID assistance by $1,592,000. Over a 20-year term, the present value of the stream of annual property taxes of approximately $9,324,000 would exceed the amount of the requested TID assistance by $3,324,000.

FEASIBILITY ASSESSMENT – WOULD THE GRANT OF THE REQUESTED TID INCENTIVE PROVIDE A WINDFALL (EXTRAORDINARY RETURN)?

In order to evaluate whether the grant of the requested TID incentive would provide a windfall or extraordinary return to the investor-developer (in this case, we understand also the owner-occupant), we conducted the financial analysis summarized below to identify the return the investor/owner-occupant would potentially receive under the following assumptions:

- An upfront TID incentive of $6,000,000, based on approved reimbursements of eligible costs (per City staff);
- An equity investment of 30 percent of project costs;
- Construction and permanent mortgage financing each at an interest rate of 5.0 percent plus a one point loan fee with an amortization schedule of 25 years;
- Total development costs of approximately $35 million ($175 per square foot) for a 200,000-square-foot office building plus associated parking (based on information including a cost estimate by a reputable and large general contractor active in the local marketplace provided by the developer);
- An assumed annual net rental rate of $11.00 to 12.00 per square foot;
- Annual rent escalation of two percent;
- Construction period of one year (based on information provided by the developer);
- A sale of the property in year 10;
- A capitalization rate or buyer's required yield on income of 8.0 percent; and
- Sales expense of 3.0 percent.

For simplicity, we have not factored into the costs the value of land already owned by Milwaukee Electric Tool. (If the land is not viewed as a sunk cost and therefore irrelevant to future decisions, the project costs would increase, and holding all other factors the same, the returns would decline). Appendix A provides context and the rationale for the key financial, market, and investment assumptions.

RESULTS OF REAL ESTATE ECONOMIC ANALYSIS

Table 4 presents the results of the discounted cash flow analysis and resulting estimate of internal rate of return (IRR) the cost, market, financing, and investment-related assumptions described above with- and without- the requested TID assistance.

TABLE 4

Estimated Return on Equity Investment With- and Without- TID Incentive Request[1]

	With TID Incentive	Without TID incentive
Internal Rate of Return (IRR)	**14.3% - 17.7%**	**6.5% - 10.2%**
Project Cost:		
Construction Costs (Hard and Soft)	$29,000,000 [2]	$35,000,000
Financing Costs and Loan Points	$602,000	$726,000
Total Project Cost	$29,602,000	$35,726,000
Equity Investment (30%)	$8,881,000	$10,718,000
Permanent Loan (70%)	$20,721,000	$25,008,000
Annual Debt Service	$1,470,000	$1,774,000

[1]Figures are rounded.
[2] Net of $6.0 million TIF funding.

Source: Gruen Gruen + Associates

For simplicity, we have reduced the upfront development costs by $6,000,000 for the with-TID assistance scenario. Accordingly, including financing costs, the with-TID scenario entails a total project cost of $29,602,000. The without-TID scenario has higher financing costs plus the $6,000,000 added construction costs for a total project cost of $35,726,000. Based on the assumptions outlined above, with the TID incentive the discounted cash flow of the development, operation, and hypothetical sale of the project would generate an IRR of 14.3 percent to 17.7 percent, assuming a net annual rental rate range of $11 to $12 per square foot. Without the TID incentive, the development, operation, and hypothetical sale of the project would generate an IRR of 6.5 percent to 10.2 percent, assuming a net annual rent range of $11.00 to $12.00 per square foot[3].

Without the incentive, the proposed project would not meet the threshold of investment feasibility.[4] With the full $6,000,000 incentive, the project becomes financially feasible. The

[3] If net rent were to be $10 per square foot, the IRR would be 2.2 percent without the TID incentive and 10.5 percent with the TID incentive.
[4] It would not be unusual for an investor-developer to "discount" the potential supportable value and return to provide for unforeseen changes in capital market conditions, costs of development, or

grant of the TID incentive would not provide an extraordinary windfall to an investor-developer.

other market factors. Given the location is not a preferred office location in the metro area, the metro area is not a major office investment market, and potential concerns about an "exit strategy", plus the discount for risk and uncertainty, a typical investor-developer would probably have a minimum investment return feasibility threshold of 15 percent.

APPENDIX A

CONTEXT FOR PRINCIPAL ASSUMPTIONS

FINANCIAL ASSUMPTIONS

The financial assumptions of an equity investment of 30 percent of project costs and a construction loan rate of 5.0 percent (approximately 300 basis points above the 10-Year Treasury Note at 2.03 percent when the financial analysis was completed) plus a loan fee of one percent and permanent mortgage financing at an interest rate of 5.0 percent with an amortization schedule of 25 years are based on our review of secondary data sources including Realty Rates 3rd Quarter 2015 Investor Survey (http://www.realtyrates.com/commercial-mortgage-rates.html) and the Real Estate Capital Institute (http://reci.com/research/scoreboard/) and discussions with mortgage banking and investment sales sources, including the broker which financed the Irgens Development Partners construction of the 81,503-square-foot corporate headquarters of Actuant Corporation at the Westbrook Corporate Center in Menomonee Falls.

If the building were financed today with a permanent mortgage, with a solid sponsor and credit tenant, an annual interest rate of 4.50 percent to 4.75 percent could be obtainable. We have used a higher interest rate to reflect the potential for rates to move up as the Federal Reserve is expected to begin to adopt a gradual tightening monetary policy.

Construction financing terms for a solid sponsor and credit tenant investing equity of 30 percent of project costs tends to range from 200 to 300 basis points (two to three percentage points) above the 10-Year Treasury Note rate, which is currently a little above two percent. We have used an assumption at the high end of the current range of five percent to reflect the likelihood that interest rates will rise.

RENTAL RATE ASSUMPTIONS

The site is not a well-established, preferred location for office space users. Table A-1 below shows asking rental rates for a sample of office buildings in Brookfield or nearby well-established office locations.

TABLE A-1 Asking Lease Rates for Existing Office Properties in Brookfield and Nearby Communities			
Address	Building Age # Years	Building Size # Square Feet	Lease Rate $ Per Square Foot
Crossroads Corporate Center XII 20225 Water Tower Blvd. Brookfield		71,199	14.75 net
Brookfield Lakes Corporate Center VIII 300 N. Corporate Dr. Brookfield	1989 Remodeled 2004	77,644	14.50 net[1]
200 S. Executive Dr. Brookfield		131,760	18.00 gross
13400 Bishops Lane Brookfield	1972	120,000	16.95-18.95 gross
Pinnacle I 13890 W. Bishop Dr. Brookfield	1999	65,600	14.50 net[2]
Fox River Business Center 19275-19395 W. Capitol Dr. Brookfield	1996	119,000	14.00-17.00 gross
Park Place 11800 W. Park Place Milwaukee	2001	54,808	20.00 gross
W233 N2080 Ridgeview Pkwy Pewaukee		78,065	23.75 gross
Riverwood Corporate Center I N19 W24400 Riverwood Dr. Pewaukee	2001	89,457	15.00 net[3]
[1] CAM and taxes in 2014 estimated at $8.75 per square foot. [2] Operating expenses of $9.94 per square foot according to broker flyer. [3] CAM and taxes in 2015 estimated at $9.16 per square foot.			
Sources: Loopnet; Property Websites; Gruen Gruen + Associates.			

The buildings are older, smaller, and multi-tenanted and the rents vary from a high of $15.00 per square foot net (under a net lease, the operating expenses, insurance expense, and property tax costs are passed onto the tenant or tenants) to a low of $14.00 per square foot gross (under a gross lease, the landlord is responsible for operating expenses, insurance expense, and property tax costs).

According to the offering material for the sale of the headquarters built for and occupied by Actuant Corporation, the base net rent per square foot for the 81,503-square-foot building is $14.00 per square foot with two percent annual increases. A broker marketing property in the Westbrook Corporate Center in which the Actuant Corporation headquarters is located indicated that the rent for the property is above market, likely reflecting the higher development costs of a build-to-suit corporate headquarters facility. The proposed development is nearly twice as large, in a less desirable location. Therefore, if this was not an owner-occupant tenure arrangement, rents would be lower than the rent for the Actuant Corporation headquarters.

Examples of reported office lease transactions for space in Park Place, in the northwest Milwaukee submarket include 80,000 square feet of office space leased by Aurora Advanced Healthcare, Inc. at the three-story Park Place XI at an annual net rental rate of $9.25 per square foot; and 124,500 square feet of space leased by Molina Healthcare of Wisconsin, Inc. of a three-story office building formerly serving as the location for a Wells Fargo Home Lending Servicing Center at 11200 West Parkland Avenue in Milwaukee for an annual net rental rate of $11.50 per square foot with three percent rental escalations.

Based on the review of the secondary data described above and input from a broker whose firm markets space at the Westbrook Corporate Center and other projects in Brookfield and an active and highly experienced broker representing Milwaukee Electric Tool, we use a rent assumption of $11.00 per square foot to $12.00 per square foot net with two percent annual escalation over the assumed holding period of 10 years. This rent assumption reflects the space will be built to meet the needs of Milwaukee Electric Tool, as opposed to the company occupying space in an existing vacant building.

INVESTMENT PARAMETERS – CAPITALIZATION RATE

According to a Colliers' first quarter 2015 real estate investment sales report[5], Irgens Development Partners sold the Actuant Corporation headquarters property referred to above to an investor for $15.37 million or $192 per square foot in 2013. This equates to a capitalization rate or buyers' yield on the purchase price of 7.39 percent. The property was resold earlier in 2015 at a capitalization rate reported at 6.80 percent. The review of sales

[5] See http://www.colliers.com/-/media/files/united%20states/markets/wisconsin/market%20reports/2015-q1-investment-market-colliers.pdf

highlighted in Collier's second quarter report (http://www.colliers.com/en-us/wisconsin/insights) suggests most capitalization rates for all asset classes range from 7.0 percent to 8.5 percent. According to a July 2015 report by Marcus and Millichap "Initial yields for Class A properties will typically begin in the mid-7 percent range but may dip below that for a single-tenant asset with a credit tenant signed to a long-term lease (see https://www.marcusmillichap.com/research/researchreports/reports/2015/07/06/milwaukee-office-research-report).

The property is not in a core office submarket, the Milwaukee metro is not a primary office market, and the occupant is not publically traded on a U.S. securities market. In addition, the building has not been built and capital market conditions could be different by the time construction is complete and the building occupied. A buyer who accepts a sub seven percent capitalization rate may obtain a bond like return during the term of the lease, but will not likely be able to realize appreciation from a long term hold of the asset. Accordingly, if interest rates stay low, it is conceivable that a yield hungry investor could accept a sub seven percent initial yield. If interest rates go up or the property is not sold soon after construction but is held for a 10 year period, based on input from active brokers and the developer, we think eight percent is a reasonable capitalization rate assumption. Without the benefit of a long-term lease with Milwaukee Electric Tool, the capitalization rate would be higher than 8 percent.

Internal Rate of Return Target

Interviews with real estate brokers and financing sources indicate that IRR targets range from 14 percent to 20 percent, depending upon the assessment of investment risk and horizon. Assuming Milwaukee Electric Tool is a good credit risk, the limited leasing risk suggests a typical minimum feasibility threshold will be a 15 percent IRR. The return threshold, however, will be higher than would apply to a preferred office space location in Brookfield with less of an "exit" strategy risk. Accordingly, a target IRR at the high end of the range would not be unusual or surprising.

Gruen Gruen + Associates (GG+A) is a firm of economists, sociologists, statisticians and market, financial and fiscal analysts. Developers, public agencies, attorneys and others involved in real estate asset management utilize GG+A research and consulting to make and implement investment, marketing, product, pricing and legal support decisions. The firm's staff has extensive experience and special training in the use of demographic analysis, survey research, econometrics, psychometrics and financial analysis to describe and forecast markets for a wide variety of real estate projects and economic activities.

Since its founding in 1970, GG+A has pioneered the integration of behavioral research and econometric analysis to provide a sound foundation for successful land use policy and economic development actions. GG+A has also pioneered the use of economic, social and fiscal impact analysis. GG+A impact studies accurately and comprehensively portray the effects of public and private real estate developments, land use plans, regulations, annexations and assessments on the affected treasuries, taxpayers, consumers, other residents and property owners.

San Francisco:
(415) 432-4342

Denver:
(720) 583-2056

Deerfield:
(847) 317-0634

www.ggassoc.com

APPLYING KNOWLEDGE, CREATING RESULTS, ADDING VALUE