



RACEWAY RESIDENTIAL



A Highest and Best Use Analysis
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I. PROJECT PROPOSAL

The Crofton Go-Kart Raceway located in Gambrills, MD is one of the last remaining parcels of land along the Route 3 corridor with significant road frontage that has not been rezoned to a higher density use. The current ownership purchased the six-acre tract of land in 1985 to develop its current use as a go-kart track. The track has been in continuous operation for almost 25 years, and the ownership would like to investigate the site's potential as a redevelopment. It is a site looking for a use. The goal is to determine a use that will maximize the value of the land while also fulfilling community and county needs.

This analysis is a feasibility study that investigates the highest and best use for the Go-Kart Raceway site through the lens of a residential developer with expertise in both for-sale housing and multifamily rental apartments. It will look at the potential to develop the site with single family detached houses, townhouses, or multifamily rental units. James Graaskamp (Univ. Wisconsin) believed "a real estate project is feasible when the real estate analyst determines there is a reasonable likelihood of satisfying explicit objectives when a selected course of action is tested for fit to a context of specific and limited resources" (Research Issues in Real Estate, 2000). The following analysis will identify the potential physical, political, financial, and market constraints that shape the site's highest and best use determination. The ultimate use will maximize the productivity of the site within its competitive landscape, which will in turn provide the current ownership with the highest land value for the subject property.

II. SITE AND CURRENT USE

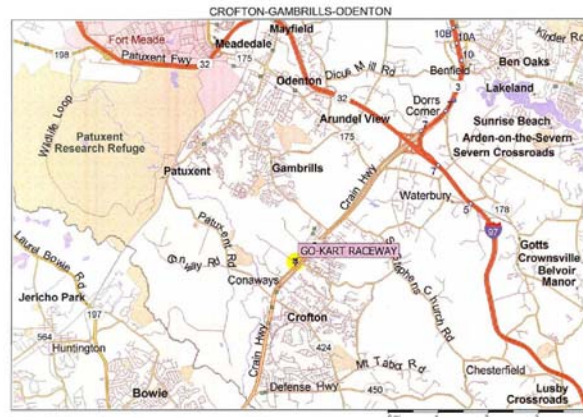
Site Description

The subject property is located at 1050 Route 3 South in Gambrills, MD, which is located in the western part of Anne Arundel County (ACC). The town of Gambrills is a part of the greater Odenton area, and is adjacent to the towns of Crofton and Bowie. The property is located just inside the dividing line for what is considered the Odenton Small Area Plan (SAP). Properties located to the west of Route 3 are in the Odenton SAP, and to the east are in the Crofton SAP. Route 3 also serves as the boundary between District 4 and District 7 in AAC. The property lies within District 4 (Council member James Benoit), while the council member for District 7 is Ed Reilly. Gambrills is conveniently located between Baltimore (25 miles) and Washington, DC (35 miles) with easy access to both cities. The Route 3 corridor is a 10-mile, six lane, and north-south thoroughfare in AAC that serves as a connector to Interstate 97 to the north and Route 50 to the south.

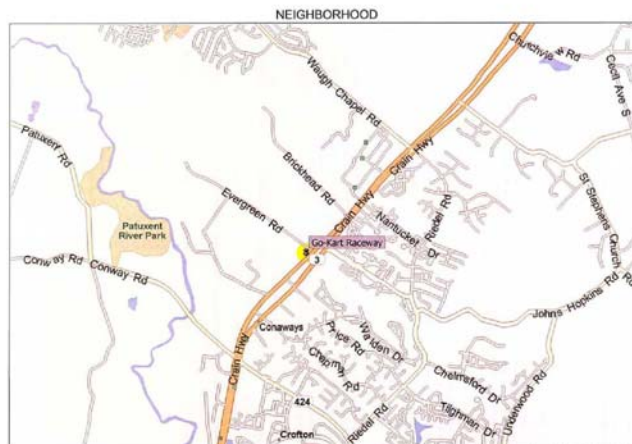
Map 1: Regional View



Map 2: Crofton-Gambrills-Odenton

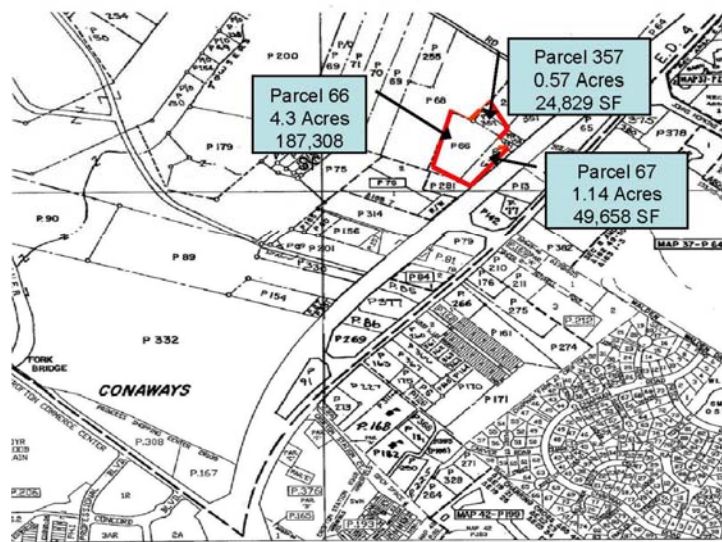


Map 3: Neighborhood



The subject property is comprised of three contiguous parcels of land that total roughly six acres or 262,000 SF (Parcels 66, 67, and 357). The current owner, AG/KL Inc., purchased two of the vacant parcels (5.5 acres) in 1985 to construct a go-kart track, which has been in continuous use to this day (See Site Photos Tab). The remaining land-locked one-half acre was purchased when it became available for sale in 1990. The original site for the go-kart track was primarily wooded with the exception of a few small houses erected by squatters. A brief title review revealed that the site was once part of a larger 83-acre tract of land purchased by William G. Williams back in 1927. Over the years this large tract was divided amongst Mr. Williams' heirs, who ultimately sold it to AG/KL, Inc. some sixty years later.

Map 4: Land Parcels



Surrounding Uses (See Map 5)

North: The adjacent land to the north of the site is densely wooded and zoned as open space due to the creek bed and wetlands. The open space appears to encroach on parts of Parcel 357 on the north side of the subject property. Continuing north across Evergreen Road is the Reliable Contracting sand and gravel site, which will be home to the proposed 100-acre mixed-use development called Waugh Chapel Village Phase II. The original Waugh Chapel Village development is just north of the Phase II section, and also includes a mix of uses including office, retail, and residential.

South: The parcels abutting the subject property to the south are also located within the R1 zoning district and have a scattering of older single-family detached houses. These parcels total roughly 5.5 acres and have been mostly cleared. There is a significant slope on the southernmost parcel that slopes towards the subject property.

East: The land between the site and Route 3 South is a narrow strip with a utility easement across which high-tension power lines run in a north-south direction. Across Route 3 South, the median strip is comprised of a mix of C3 and C4 commercial uses. Directly across from the subject property is a Pizza Hut. North of the Pizza Hut is a 7/11 convenience store, and to the south is an auto repair shop followed by a Wendy's. Continuing further east across the Route 3 northbound side you will find more commercially zoned land with uses such as Dunkin Donuts and a neighborhood bank.

West: The land adjacent to the west of the site is densely wooded residential property. No structures are on this 10-acre parcel of land, which is owned by BBSS (also known as Reliable Contracting).

For detailed descriptions of the surrounding parcels including ownership and zoning districts, please refer to the Appendix.

Map 5: Surrounding Uses



III. DEMOGRAPHICS AND SOCIO-ECONOMIC INDICATORS

Baltimore MSA

The subject property is located in the Gambrills area of southern Anne Arundel County, within the Baltimore-Washington CMSA. The Baltimore-Washington CMSA is the fourth largest regional area in the country, ranking behind only New York, Los Angeles, and Chicago. According to the 2007 American Community Survey, the total population of the CMSA was approximately 8.1 million people. Although residents of the Gambrills area commute to work in both Washington and Baltimore, the site is technically within the Baltimore MSA (*Joseph J. Blake and Associates, Inc.*).

	2007 Population Estimate	Annual Growth From 2000
Baltimore, MD MSA	2,699,671	0.95%
Washington, DC MSA	5,451,302	2.27%

As of year-end 2008, the Baltimore MSA began showing signs that the national economic crisis was taking its toll on the metro. In the fourth quarter, the labor force contracted by 1.9% year-over-year, while unemployment jumped up to 5.4% from 3.5% a year earlier (*Bureau of Labor Statistics*). The job losses were led by the Construction, Financial, and Retail sectors with a combined loss of 22,800 jobs. The only bright spots in the labor force over this time period were the Government, Education, and Health Services sectors, which added 6,700 jobs in total. The Baltimore metro has an above average concentration in these fields led by the University of Maryland Medical Center, Johns Hopkins Hospital and Health System, and the Baltimore City and County Governments. Moody's Economy.com predicts the Baltimore MSA will shed 7,500 jobs in 2009, a loss of 0.6%. This source also predicts that between 2010 and 2012 the metro will benefit from the strongest job growth since the 1990s (*REIS*).

The Baltimore MSA tallied roughly 2.5 million people in the 2000 Census with a workforce of 1.2 million. By the 2010 census, these demographics are projected to grow to 2.75 million and 1.45 million respectively.

The MSA is comprised of the following counties:

Jurisdiction	1990 Population	2000 Population	2007 Population	2012 Population
Anne Arundel County	427,239	489,656	526,533	550,405
Baltimore County	692,134	754,292	797,364	825,836
Baltimore City	736,014	651,154	627,932	612,354
Carroll County	123,372	150,897	173,937	190,301
Harford County	182,132	218,950	248,322	271,377
Howard County	187,328	247,842	277,901	295,753
Totals	2,348,219	2,512,431	2,651,989	2,746,026

Anne Arundel County

Anne Arundel County is the fifth largest county by population in the state of Maryland. The County is bordered by the Chesapeake Bay to the east and is equidistant from Baltimore to the north and Washington, DC to the west. Anne Arundel County is home to 23 towns including the capitol city of Annapolis. Anne Arundel County has benefited from its natural setting on the Chesapeake Bay, historical appeal, and its proximity to both the Baltimore and Washington, DC areas. Although the surrounding MSA's have provided insulation from many of the ailments found in other counties around the country, recent data suggests new trends and changing dynamics of Anne Arundel County that are consistent nationally.

The population in Anne Arundel County has grown over the last two decades, and is expected to continue this positive growth, albeit at a slower rate. According to the 2000 Census the population has increased 15% since 1990 and is anticipated to grow 8% by 2010 (see chart).

Total Population				
	1990	2000	2005	2010 (Est.)
Total Population	427,239	489,656	494,676	528,950
% Increase		15%		8%

Source: Dept. of Business and Economic Development, US Census

Even though the total population has been increasing at a healthy pace, new trends have emerged over the last two decades. The most notable trend is the increasing age of the population. In 1990 the dominant age group was the 25 to 34 cohort, but as you can see from the chart this group has migrated upwards in both the 2000 census and 2005 American Community Survey. The phenomenon is also captured in the increasing median age from 36 to 37.4 from 2000 and 2005 respectively.

Population by Age				
	1990	2000	2005	2010 (Est.)
Under 5 years	7.4%	6.8%	7.0%	6.6%
5 to 9 years	7.0%	7.1%	6.7%	6.7%
10 to 14 years	6.3%	7.3%	7.5%	8.0%
15 to 19 years	6.9%	6.5%	6.8%	6.6%
20 to 24 years	7.9%	5.7%	5.5%	4.4%
25 to 34 years	18.7%	14.8%	12.3%	10.3%
35 to 44 years	16.8%	18.0%	16.8%	17.4%
45 to 54 years	11.9%	14.6%	15.3%	16.6%
55 to 59 years	4.3%	5.5%	6.5%	7.1%
60 to 64 years	3.9%	3.8%	5.0%	5.0%
65 to 74 years	5.7%	5.7%	5.9%	5.9%
75 to 84 years	2.5%	3.4%	3.7%	4.1%
85 years and over	0.6%	0.9%	1.0%	1.1%
Median age (years)		36.0	37.4	38.8

Source: US Census

As the Baby Boomer population continues to get older this trend will continue for this decade as well as future ones. Today, approximately half of the population is in the 25 to 54 age group, but this stratum will continue to lose people to the 55 and up contingency. As of 2000 19% of the population was 55 years of age or older, and is anticipated to grow to roughly 23% of the population by 2010.

Another interesting trend in the demographics of the population is the increasing level of education in the County. From 1990 to 2005 the population with at least a bachelor's degree has increased by almost 10%. The statistic bodes well for companies looking to move into an area and needing an educated workforce.

Education				
	1990	2000	2005	2010 (Est.)
High School Graduate	30.3%	27.9%	26.8%	25.6%
Bachelor's Degree of higher	24.6%	30.6%	34.3%	37.3%

Source: US Census

Besides the population and demographic changes, housing statistics for Anne Arundel County (see chart), such as increased housing stock and housing values, have mirrored similar national trends.

Housing				
	1990	2000	2005	2010 (Est.)
Housing Units	149,114	186,937	190,868	209,780
Persons per household	2.76	2.65	2.59	2.54
Owner Occupied	72.9%	75.5%	76.0%	77.4%
Renter Occupied	27.1%	24.5%	24.0%	22.6%

Source: US Census

The housing boom of recent years has led to a substantial increase in the housing stock as well as housing values. Over a 15 year period starting in 1990 the housing stock in Anne Arundel County has added 28% more inventory, while prices have increased over 2.5 times. The biggest jump in housing values can be attributed in the time period from 2000 to 2005 when loans were cheap and everyone qualified for one. This is glaringly apparent when comparing the percentage of housing over \$300,000 in value from 1990 to 2005 time period, which is 7.6% to 55.8% respectively.

Housing Values				
	1990	2000	2005	2010 (Est.)
Less than \$50,000	1.4%	0.5%	1.4%	1.0%
\$50,000 to \$99,999	26.5%	8.6%	2.1%	0.8%
\$100,000 to \$149,999	36.8%	35.4%	4.9%	4.3%
\$150,000 to \$199,999	15.7%	23.8%	9.5%	7.5%
\$200,000 to \$299,999	12.1%	18.7%	26.2%	27.5%
\$300,000 to \$499,999	7.6%	9.4%	30.9%	31.8%
\$500,000 to \$999,999		3.1%	21.1%	23.0%
\$1,000,000 or more		0.4%	3.8%	4.1%
Median (dollars)	\$127,900	\$159,300	\$329,500	\$345,200

Source: US Census

It is interesting to note that while the housing inventory and owner occupied percentages increased over this time period, the person per household actually decreased. A number of conclusions can be drawn from this including more people leaving their parent's homes to buy their own house or families deciding to have fewer children.

Anne Arundel County has been an affluent county over the last few decades continually ranking in the top 100 wealthiest counties nationally (82 out of 100 as of 2007). Within the state of Maryland, Anne Arundel County is the fourth wealthiest behind Howard, Montgomery, and Calvert counties. In Anne Arundel the average household income has increased an astounding 42% from 1990 to 2005, or \$52,311 to \$74,098 respectively. This increase can be attributed to the 88% increase in the average wage per job from \$24,656 to \$46,454 over this same time period (www.bea.gov).

Household Income				
	1990	2000	2005	2010 (Est.)
Less than \$10,000	6.1%	4.0%	3.4%	2.3%
\$10,000 to \$14,999	4.1%	2.7%	2.4%	1.7%
\$15,000 to \$24,999	11.6%	7.2%	7.2%	5.0%
\$25,000 to \$34,999	13.4%	9.1%	6.8%	4.7%
\$35,000 to \$49,999	21.5%	15.0%	13.5%	10.3%
\$50,000 to \$74,999	24.6%	24.0%	18.7%	18.4%
\$75,000 to \$99,999	11.1%	16.3%	15.9%	18.5%
\$100,000 to \$149,999	5.5%	14.5%	19.0%	23.5%
\$150,000 to \$199,999	2.1%	4.1%	7.0%	8.0%
\$200,000 or more		3.2%	6.1%	7.6%
Average household income (dollars)	\$52,311	\$74,098	\$102,518	\$113,412

Source: US Census and DemographicsNow.com

In comparing the last two decades in Anne Arundel County, it is evident there has been a change in the composition of the population from the lower middle class to the upper middle class and higher. From 1990 to 2005 there was a paradigm shift from the \$50,000 to \$74,999 cohort to the \$75,000 and above. In 1990 only 18.7% of the population made greater than \$75,000, compared to 48% in 2005. This increased household income was one of the contributing factors that drove the housing values in addition to the sub prime and lax underwriting criteria of the times. Although the credit crisis has taken a toll on the area, the high levels of household income bode well for retailers and other commercial uses in the County.

As mentioned previously, Anne Arundel County's proximity to both Baltimore and Washington, DC has enabled it to maintain a strong employment base and keep unemployment at levels below the national average. The total labor force has increased roughly 11% from 1990 to 2005, and is anticipated to continue this growth through the 2010 Census (see chart).

Employment				
	1990	2000	2005	2010 (Est.)
Labor Force	245,789	269,772	272,962	284,954
Unemployment	3.2%	3.0%	3.5%	

Source: Bureau of Labor Statistics, US Census

Although the labor force and unemployment rate have remained consistent over this time period, the characteristics of the job force have evolved (see chart below). In 1990 the top four employer groups were retail trade, public administration, educational, health, and social services, and manufacturing. The picture has changed in 2005 to education, health, and social services as the top group followed by professional, scientific, management, and administrative as the second largest. The remaining groups are public administration (due to the presence of the state government) and retail trade. The emergence of the professional group can be attributed to the increased levels of education noted previously.

Employment Groups				
	1990	2000	2005	2010 (Est.)
Agriculture, forestry, fishing and hunting, and mining	1.2%	0.2%	0.3%	-0.3%
Construction	9.1%	8.1%	9.0%	8.4%
Manufacturing	10.5%	7.3%	5.6%	4.0%
Wholesale trade	5.2%	3.8%	3.1%	2.4%
Retail trade	16.8%	11.7%	11.6%	9.0%
Transportation and warehousing, and utilities	5.1%	5.7%	5.3%	5.7%
Information	2.5%	3.6%	2.3%	2.9%
Finance, insurance, real estate, and rental and leasing	6.5%	6.4%	7.2%	7.2%
Professional, scientific, management, and administrative	5.3%	12.1%	13.8%	17.2%
Educational, health and social services	13.2%	17.1%	16.7%	18.6%
Arts, entertainment, recreation, accommodation and food services	3.4%	6.6%	7.4%	9.0%
Other services (except public administration)	7.4%	5.6%	4.8%	3.9%
Public administration	13.8%	11.9%	12.9%	12.0%

Source: US Census

The top ten employers in AAC are as follows:

Top Ten Employers		
Employer	# of Employees	Product or Service
Ft. Meade	36,209	Dept. of Defense, NSA, DISA
AAC Public Schools	14,041	Public Education K-12
BWI Airport	10,659	Regional Airport
State of MD	8,879	State Government Services
Northrop Grumman	8,000	Electronic Systems Sector
AAC Government	4,266	Local Government Services
Southwest Airlines	3,200	Airline, East Coast Flight Center
AA Health System	2,800	Hospital
Baltimore Washington Medical Center	2,544	Hospital
US Naval Academy	2,052	Federal Naval Education Facility

Source: Anne Arundel County Economic Development Corporation

While the employment groups have shifted over the referenced time period, the commuting patterns have not changed as significantly. As you can see from the chart below, as of the 2000 Census 56% of the population that lived in Anne Arundel County also worked in the County. This figure has decreased slightly since the 1990 Census as more residents commute to the Washington DC area for higher paying jobs. Roughly 1/3 of the residents make the trek to the Baltimore or Washington areas for employment.

County-to-County Commuting			
	1990	2000	2010 (Est.)
Anne Arundel County	60.6%	56.3%	52.0%
Baltimore Area	14.1%	14.1%	14.1%
Washington, DC Area	19.3%	21.5%	23.7%
Other	6.0%	8.1%	10.2%

Source: 1990 & 2000 Decennial Census

Fort Meade - Base Realignment and Closure Act

The Base Realignment and Closure Act, or BRAC for short, is a process whereby military bases are evaluated and either closed or certain functions are realigned for greater efficiency. The impetus behind BRAC 2005 is two-fold. The main driver behind the plan is to restructure and transform the US Military

framework from a Cold War era posture to one that is suited to meet the needs and threats of the 21st Century, which was spurred on by the actions of 9/11. The second driver behind BRAC is cost savings. The previous rounds have netted roughly \$7 billion annually in savings that can be used to fund future resource needs. The 2005 BRAC was the fifth round since the process became official legislation with the BRAC Act of 1988. The 2005 BRAC called for 837 total actions that included closing 22 major bases and realigning 33 others. The Department of Defense is required to complete the recommendations by September 15, 2011.

Fort Meade is located approximately 7-8 miles northwest of the subject site in Odenton, MD. As a result of the 2005 Base Realignment and Closure Act (BRAC), Ft. Meade was determined to be a net receiver of military personnel. The 2005 BRAC is anticipated to bring over 5,400 military personnel to Ft. Meade, in addition to over 7,000 civilian contract support positions. These positions will be a realignment of the Defense Information Systems Agency (DISA), Adjudication and Office of Hearings and Appeals, and the Department of Defense media activities. These three agencies combined will require almost 1.5 million square feet in additional space at an estimated cost of \$350 million. By the time BRAC has reached full impact in 2012, over 11,000 on-base and 15,000 off-base jobs will be created, totaling more than 26,000 area jobs. BRAC and the consequential activities are forecasted to impact the Ft. Meade area and greater AAC economy by over \$5 billion annually. See Map 6 for an overview of BRAC related activities.

Crofton/Gambrills/Odenton

The subject's neighborhood demographics essentially parallel the trends seen in the greater Anne Arundel County submarket. According to DeomgraphicsNow.com, a 5-mile radius around the subject property includes a population of 74,000, which is projected to grow to 78,000 by 2013. The average age of this demographic is 37 years old with an average household income of \$118,000. Household income is projected to increase to \$139,000 by 2013, which indicates a prosperous population in the immediate vicinity of the subject property. The affluence of the area is further advocated by an educational attainment of bachelor's degree or higher for 45% of this group, and an employment in white collar occupations for 76% of the population.

Transportation Linkages

In terms of transportation, the subject's neighborhood area offers good access throughout surrounding parts of suburban Maryland including convenient access to both Baltimore and Washington DC. Primary connectors include Route 3, Route 450, and Route 50. Approximately three miles north of the site, Route 3 intersects with Interstate 97, which provides a direct connection between Baltimore and Annapolis.

Similarly, Route 3 intersects with Route 50 roughly three miles to the south of the site, which provides connection to Washington, DC, Interstate 495 (Capitol Beltway), and Interstate 95.

The public transportation in the area is limited; however, there is access to the MARC train system. The MARC system is a commuter train that runs to both Baltimore and Washington, DC (See Map 7 – MARC Train Service). There is a MARC station approximately 9 miles from the site in Odenton, which connects to the DC metro system at both the New Carrollton and Union Station stops (See Map 8 – WMATA Metro Map). The Odenton station is the busiest stop on the Penn Line and is currently in the process of being redeveloped as part of the Odenton Towne Centre master plan.

IV. DEVELOPMENT POTENTIAL

Zoning and Land Use Planning AAC

Anne Arundel County, MD (AAC) is a charter county that is granted planning and zoning powers by the Annotated Code of Maryland. The Code requires that the Office of Planning and Zoning prepare and periodically update a comprehensive plan to establish policies and recommendations to guide land use decisions over the next 10 to 20 year planning horizon. AAC has had a General Development Plan (GDP) since 1968 with updates in 1978, 1986, and 1997. AAC began working on the 2008 GDP in July 2007, and is currently working on the second round of revisions, which are slated for approval by Fall 2009. The goal of the 2008 GDP update is to continue to provide a solid growth management plan by guiding the majority of the new growth within the County's existing Priority Funding Areas, while also furthering the land use policies of the 1997 Plan.

The 1997 GDP contained many recommendations on how the County might better manage growth, and conserve the environment, while also guiding where various developments should be located. Some of the major accomplishments of the 1997 GDP include:

- Completion and adoption of 16 Small Area Plans (SAP) – The County was divided up into 16 communities and recommendations were made on how individual properties should be used and zoned (See Map 9 – AAC Saps). These SAPs were also used as a vehicle for refining the County's Land Use Plan, and consolidated to form the County's 2004 (and current) Land Use Plan. Each SAP was followed with comprehensive zoning legislation to rezone properties according to the adopted Land Use Plan.
- Designation of Priority Funding Areas (See Map 10 – Priority Funding Areas) – the 1997 “Smart Growth” Areas Act required the State to target funding for growth-related projects (highways, water/sewer construction, etc.) to Priority Funding Areas in each local jurisdiction. This furthers the goal of directing new growth to the most suitable areas.
- Designation of Mixed-Use Areas – Four new Mixed Use zoning categories were added to the Zoning Ordinance in 2001, which encourage a mix of retail, office, and residential uses in close proximity.

As noted previously, the proposed site is located on the boundary between Crofton and Odenton.

Therefore, to better understand the intended land uses along the Route 3 corridor, it is important to

analyze both the Crofton and Odenton Small Area Plans from the 2004 Land Use Plan. Neither plan directly addresses the envisioned land-use for the subject property.

The site is located in the southernmost part of the Odenton Small Area Plan along Route 3 South (west side of Rt. 3). The Odenton SAP is considered one of the prime areas for economic growth within AAC. It offers a diverse mix of housing densities, from apartments in Piney Orchard and Seven Oaks, to large lot single-family homes in Gambrills. The southern part of Route 3 is primarily commercial development. Roughly 64% of the land in the Odenton SAP is residentially zoned, while only 5% is zoned for commercial or industrial uses. The remaining 31% is zoned as open space or rural/agricultural (See Map 11 – Odenton SAP Zoning Map).

The 2004 Odenton SAP proposed zoning changes that applied to parcels of land in the immediate vicinity of the site. The land just to the north of the site, where the current Reliable Contracting sand and gravel mining operation is located, has been changed to a commercial-based Mixed-Use zone (MXD-C) from Residential Low Density (RLD). The Reliable site is home to the new 100-acre mixed-use Waugh Chapel Village Phase II, which is currently under construction and being developed by Greenberg Gibbons (See Pipeline Tab for detail). This mixed-use development received community support on the condition that the focus on the draw for the retail be the local customer base, rather than a state-wide or regional customer base. Just north of this new development is the Waugh Chapel Village Phase I, which is a mix of uses approved in a R1 zone during a special legislative session by the County Council. In addition to the west side of Route 3 just to the north of the site, the median of Route 3 immediately across from the site was also changed in accordance with the Odenton SAP's direction. The median parcels are a hodge podge of uses that were all operating under low-density zoning (RLD & R1). Given the incongruity of the zoning and the uses in place, the SAP changed all median parcels to Commercial zones (C1 to C4). Lastly, just to the south of the site, two parcels totaling roughly five acres were changed from a residential RLD to a C4 commercial zone, under the reasoning that the properties face commercial uses in the median, and abut commercial uses to its south.

While the site is not located in the Crofton SAP, it's proximity to its boundary warrants an understanding of the land use patterns and plans for the Crofton area as well. The Crofton SAP includes both sides of Route 3 (south of the site) up until the intersection with Route 424, at which point it only includes the North bound (east side) lane of Route 3 (See Map 12 – Crofton SAP Map). The 2004 SAP for Crofton highlights multiple areas of concern near the site that indicate future land use patterns. They are as follows:

- Route 3 North from Crofton Station (Rt. 424 & Rt. 3) to Johns Hopkins Road (opposite side of Route 3 from site) – this area is a mixture of residential and institutional uses with highway commercial in the median. The plan recommends upgrading this section to a mixed-use zone with special design guidelines to encourage land assembly and consolidation of access for new development.
- Industrial Park and Commercial mixed-use area – the west side of Route 3 (2 miles south of site) is envisioned to be redeveloped as a mixture of commercial and industrial uses accomplished through flexible overlay zones. This current area is a piecemeal of commercial and industrial uses with no continuity or design guidelines.
- Transportation – Route 3 is proposed to be upgraded to a boulevard concept with commercial mixed-uses along the corridor. Additionally, the 2004 SAP calls for non-vehicular access ways to interconnect commercial areas on the east and west sides of Route 3. This includes a bridge that allows pedestrians and bicycle traffic to move between the two areas.

The General Development Plan is a time consuming process with many parties involved. The process is spearheaded by the Planning and Zoning Office (P&Z) with input from numerous public forums as well as sanctioned background reports. A draft of the GDP is presented to the Planning Advisory Board, a five member board appointed by the County Executive, for another round of hearings. The Planning Advisory Board makes recommendations to the P&Z Office before it is put into final form for presentation to the County Council. The seven-member County Council then votes to approve the GDP (4 votes needed). Once the GDP is approved, letters are sent out to all real property owners in the County alerting them that the Comprehensive Zoning process will soon be initiated. The 2008 GDP is anticipated to be adopted by County Council by October 2009, which is immediately followed by the Comprehensive Zoning process.

Comprehensive Zoning

The General Development Plan does not attempt to define an allowable land use on every specific land parcel in the County. The GDP is used to guide development patterns and is implemented through mechanisms like Comprehensive Zoning. Comprehensive Zoning is a process that occurs after a new GDP or after a revision to an existing Land Use Plan has been approved, and involves parcel specific rezoning requests initiated by a member of the County Council. Comprehensive Zoning changes will be consistent with the written policies of the GDP and will also meet at least one of the following criteria:

- The change in zoning will allow a land use that will serve an identified community need;

- The change in zoning will allow a land use that will serve an identified Countywide need;
- The change in zoning will allow a land use that is more consistent with the character of the area, given past or recent changes in character, or
- The change in zoning will correct a mistake made on the County’s official zoning maps.

Similar to the GDP process, the Comprehensive Zoning process is promulgated by the P&Z Office. At this point, individual property owners can make zoning requests to both their district council person and members of the P&Z staff for why his or her specific property warrants a zoning change. After public hearings and presentation to the Planning Advisory Board for recommendations, the district council person must then introduce a bill to the County Council for the requested zoning change. The bill must be voted on within a 95 day window or else the bill expires. Once approved, the County Zoning Map is updated to reflect the change in zoning for that property.

Additional Rezoning Options

If a property owner misses the opportunity to get a property rezoned through the Comprehensive Zoning process or has a request for rezoning voted down by the County Council, there are two additional ways to get a rezoning approved. The first option is a piecemeal rezoning in which the “change or mistake rule” is applied. An applicant seeking to change the zoning classification of a property must demonstrate either a change in the character of the neighborhood since the last comprehensive zoning, or a mistake in that comprehensive zoning. Proving change in the character of the neighborhood is difficult the closer in time to comprehensive zoning, and planning mistakes become more difficult as time passes and public records become unavailable. The second option for a zoning change is to directly petition the council member of the district the property lies in. The council member, if persuaded, can introduce another bill for the adoption of a new zoning classification for the property in question. Similar to the change or mistake rule, this process is more difficult the closer in time the request is to the comprehensive zoning. Both of these options are ultimately accomplished by a legislative action to amend the zoning map (*Maryland Land Use Guide, 1992*).

Subdivision

Subdivision can mean either the assemblage of land or the division of land into legal buildable lots. In Maryland, a preliminary plan of subdivision is required prior to the submission, approval, and recordation of a final “record plat” (final plat is recorded in the land records of the county). Preliminary plans of subdivision involve the professional preparation of engineering plans and the submission of detailed site,

access, and location information. This is also the stage at which a determination is made concerning the adequacy of public facilities (described in detail below) to serve the proposed development. At the time of approval of the preliminary subdivision plan, the county may impose conditions limiting the location or density of the development, require dedications or open space, or the construction of public infrastructure. Until the subdivision plan is approved and the plats are recorded, no property may be sold within the subdivision and no building permit to construct may be issued (*Maryland Land Use Guide*, 2006).

Subdivision approval is an ex parte process with generally the following steps:

- Process preliminary plan – pre file meeting with the P&Z staff and citizens in the community. Preparation of plans and reports include topography report, stormwater management plan, Forest Conservation Plan (Natural Resources Inventory and Forest Stand Delineation), Environmental reports, and Transportation studies.
- Development Review Committee – various agencies will give input into the subdivision plan, such as Department of Public Works, Transportation, Utilities, Community Planning, Department of the Environment, and Permitting Services.
- The final step is a hearing in front of the Planning Advisory Board with recommendations from P&Z staff, citizen testimony, and questions from the PAB. At the end of the hearing, the PAB votes on approval of the application for subdivision.

Adequate Public Facilities (APFs)

As part of the subdivision approval process, a developer must conduct an APF study of the affects the proposed development will have on the surrounding infrastructure. Anne Arundel County is one of the 12 municipalities or counties in the state of Maryland that has implemented an adequate public facilities ordinance. The ordinance is designed to assure that public schools, roads, sewers, water for fire fighting, police and rescue response times and/or other infrastructure or services are adequate to support proposed new development. The AAC APF ordinance was passed in 1978 for schools, roads, water, sewer, and water for fire fighting. In a study done by the University of Maryland's National Center for Smart Growth Research and Education in 2006, AAC was found to be a strict school APF county, and also have long waiting periods. A long waiting period refers to counties that must wait five (5) or more years after APF-induced sub division denial (*Adequate Public Facility Ordinances in Maryland*, 2006). Once a developer receives APF approval, the infrastructure needs generated by the new development are paid through impact fees and/or construction of the public improvements by the developer.

Current Zoning and Land Use

The subject property is currently zoned R1 (See Map 13 & 14 – Current Zoning), which is a residential district that allows for a maximum net density of one dwelling unit per 40,000 SF, or roughly six dwelling units in total for the subject site (depending on the use). When the go-cart track was constructed 25 years ago, the use was allowed as a special exception under the R1 Zoning Ordinance for a Commercial Recreational Facility. On May 16, 1985 after a site plan review, the Zoning and Hearing Officer of Anne Arundel County granted the special exception with the condition that the applicant (AG/KL, Inc.) develop the site using the Zoning Office’s recommendations (increased setbacks, landscaping, hours of operation, etc.).

Since the initial special exception was granted in 1985, the R1 zone has undergone a number of significant changes. The Commercial Recreational Facility use is still allowed as a special exception in this zone; however, it no longer permits activities that include motorcycles, dirt bikes, or go-carts. This use is intended for: miniature golf; driving ranges; tennis, racquet, and handball barns or courts; artificial ski slopes; indoor soccer; bowling alleys; BMX bike, skateboard or roller blade parks; and skating rinks. Because the go-kart track use was permitted from the time it was developed until the zoning code changed, it is now operating as a legally non-conforming use, which the owner may have to register with the Office of Planning and Zoning should the Zoning Officer request it. One important thing to note, is that the current use of gas-powered go-carts is not permitted (special exception, conditional, or otherwise) under any of the commercial or residential districts in the Anne Arundel County Zoning Ordinance. The only exception is if it is part of an Amusement Park, which requires a minimum site area of 50 acres in the C4 zone. The use of electric go-carts in a Commercial Recreational Facility is permitted in the C2, C3, and C4 zones.

Residential Districts

There are eight (8) residential districts in Anne Arundel County that each allow for a host of uses out of the 72 potential uses in all. The districts are: RA (Rural Agricultural), RLD (Residential Low Density), R1, R2, R5, R10, R15, and R22. The R1-R22 districts allow for a max density in units per acre (i.e. R22 allows for 22 units per acre). Some of the more common residential uses are listed below in Table 1. Generally speaking, the denser the zoning the more productive the site will be. Using this rationale the analysis will focus on the current R1 zoning, and the denser R15 and R22 zones. Although the R1, R15, and R22 zones allow for a variety of uses, for the purposes of this study it is assumed that the potential developer is experienced in single family detached, townhouses, and multifamily uses. These three uses

will be analyzed to determine the highest and best use for subject property (See the Zoning Tab for a list of each district's uses).

Table 1 - Residential District Uses								
Uses	RA	RLD	R1	R2	R5	R10	R15	R22
Assisted Living Facilities			SE	SE	SE	SE	SE	SE
Dwelling Units, Adult Independent	P	P	P	P	P	P	P	P
Dwelling Units, Multifamily						P	P	P
Dwellings, single-family detached	P	P	P	P	P	P	P	
Dwellings, townhouses					C	C	C	
Housing for the elderly of moderate means				SE	SE	SE	SE	SE
Nursing Homes	SE	SE	SE	SE	SE	SE	SE	SE
Commercial Recreational Facilities		SE	SE					

Source: Anne Arundel County Zoning Code, 2005

The R1 zone allows for 58 potential uses that range from airports and golf courses to roadside stands and volunteer fire stations. The zoning restrictions are summarized below:

Table 2: R1 Bulk Regulations	
<u>Minimum Lot Size:</u>	40,000 SF
<u>Max Coverage by Structures:</u>	25% of gross area
<u>Minimum width at front building restriction line:</u>	125 feet
<u>Minimum Setbacks:</u>	
Front Lot Line	40 feet
Rear Lot Line	35 feet
Side Lot Line	15 feet
Combined Side Lot Lines	40 feet
Corner Side Lot Line	40 feet
<u>Max Height:</u>	45 feet
<u>Max Net Density:</u>	One dwelling unit per 40,000 SF
<u>Parking:</u>	2 spaces/du

Source: Anne Arundel County Zoning Code, 2005

The R15 district allows for the second most density per acre of the residential districts. This zone allows for a potential of 44 uses, and the zoning restriction are summarized below:

Table 3: R15 Bulk Regulations	
<u>Max Coverage by Structures:</u>	45% of gross area
<u>Minimum Setbacks:</u>	
Front Lot Line	20 feet
Rear Lot Line	30 feet
Side Lot Line	15 feet
Corner Side Lot Line	20 feet
<u>Max Height:</u>	55 feet if all setbacks are increased by one foot for each foot of height in excess of 40 feet
<u>Max Length of a Single Elevation:</u>	250 feet
<u>Max Net Density:</u>	15 dwelling units per acre
<u>Parking:</u>	Townhouses = 2.5 space/du Detached = 2 space/du

Source: Anne Arundel County Zoning Code, 2005

The R22 residential district allows for the most density per acre at 22 units. There are 39 potential uses in this district, and Table 4 below summarizes the bulk regulations for this zone:

Table 4: R22 Bulk Regulations	
<u>Max Coverage by Structures:</u>	45% of gross area
<u>Minimum width at building restriction line for multiple dwelling structures:</u>	125 feet
<u>Minimum Setbacks:</u>	
Front Lot Line	20 feet
Rear Lot Line	30 feet
Side Lot Line	25 feet
Corner Side Lot Line	30 feet
<u>Minimum distance between multifamily structures located on the same lot:</u>	
Facades with windows	30 feet, increased by 25% of the amount by which the height exceeds 45 feet
Facades without windows	25 feet, increased by 25% of the amount by which the height exceeds 45 feet
<u>Max Height:</u>	None if all setbacks are increased by one foot for each two feet of height in excess of 45 feet
<u>Max Length of a Single Elevation:</u>	250 feet
<u>Max Net Density:</u>	22 dwelling units per acre
<u>Parking:</u>	Eff. & 1BD = 1 space/du 2BD = 2 spaces/du 3BD or more = 3 spaces/du

Source: Anne Arundel County Zoning Code, 2005

V. HIGHEST AND BEST USE ANALYSIS

The Appraisal Institute defines highest and best use as “the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately (market) supported, financially feasible, and that results in the highest value” (The Appraisal of Real Estate, 12th Edition). The highest and best use analysis takes into consideration what is physically possible, legally permissible, financially feasible, and will maximize profitability of a particular site.

Physically Possible

The size, shape, location, utility availability, and terrain impose physical restraints upon the types of potential uses for the subject property.

The subject property benefits from its relatively flat topography, but its proximity to the creek in the Open Space Zone just to the north of the site could raise potential environmental concerns and also hamper development potential. The creek is considered a non-tidal wetland, although it is not located in a 100-year floodplain. The presence of the wetlands requires a 25 foot buffer from any development. An environmental consultant will have to evaluate the extent of the wetland area and work with the MD Department of the Environment to catalog the natural resources on the site. For purposes of this analysis, it is assumed the wetlands that encroach on the north parcel (Parcel 357) will count towards the 15% forest conservation requirement.

The subject property has approximately 440 feet of frontage along Route 3, which is considered a principal arterial roadway. While the visibility is a positive attribute of the site, the proximity to the highly traversed road could present noise issues. According to a recent report from CBRE, Route 3 South has an average daily traffic volume of 63,375 vehicles. Additionally, the subject property is within a few miles from the Capitol Raceway racetrack. This track is a drag strip that has been in operation for 40 years, and could present a noise issue for the select days of the week races are run. Any potential noise issues from Route 3 or the racetrack will have to be mitigated through construction techniques and landscaping barriers.

The Reliable Contracting sand and gravel operation to the north of the site (future home to Phase II of Waugh Chapel Village) along with Constellation Energy, recently settled a \$54 million fly ash lawsuit. Area residents sued Reliable and Constellation in 2007 alleging that the fly ash buried on the Reliable site had leaked into the groundwater and contaminated water supplies. Fly ash is a by-product of burning coal that Constellation had been dumping into the Reliable gravel pits to use as filler since 1995. An environmental consultant will have to evaluate the potential risk this may pose to the subject property.

The subject site's current use relies on a well and septic system for water and sewer. Any of the proposed residential uses would require significantly more water and sewer capacity than the current system can support. Additionally, a septic field requires a reserved area on the site that cannot be built upon, which would limit your amount of developable land. A change to a residential use would require the owner to extend public water and sewer to the site. The subject property is located in the Kings Heights/Odenton public water zone, which is in a planned service area according to the Department of Public Works (See Map 15 – Planned Water Service). There is a water main on the north bound side of Route 3; however, it falls within the Crofton zone and cannot be tapped into. The closest accessible water pipe is located roughly half a mile north of the site at the Waugh Chapel Village Phase I. In order for the owner to minimize the cost of extending the water pipe to the subject property, he should wait until the developer of Waugh Chapel Phase II has extended the water system further down Route 3 South. The WC Phase II is currently under development review for the Commercial phase of the development. They have submitted a master plan and a grading/site work plan. The site and utility work is anticipated to start summer 2009 with an estimated 12-month completion date for this stage, which entails completion of the water pipe extension to WC Phase II by summer 2010.

The subject site is also located in a planned area for sewer (See Map 16 – Planned Sewer Service). There is an existing sewer line 200 yards north of the site that runs along Evergreen Road to support the single-family housing in the nearby neighborhood. A civil engineer will have to determine and evaluate the cost of bringing water and sewer service to the site. The estimated cost to hire a civil engineer to prepare a feasibility study of the site is \$10,000. Please refer to Map 17 for a picture of the existing water and sewer pipes.



Aside from the potential environmental, noise, and water/sewer concerns, the property must also be analyzed to determine the maximum number of residential units the site is physically capable of supporting given the development restrictions of each zone. The site is approximately 262,000 gross square feet, of which 30% must remain as open space per the AAC Code, leaving roughly 183,000 of developable land (Please note, for the purposes of this analysis it is assumed that the recreational area requirement of 1,000 SF per unit for single family and townhouse units, and 20% of gross area for multifamily units, are both satisfied by the 30% open space constraint). Using some simplifying assumptions for the typical size of a townhouse, small lot single family home, and a footprint of a multifamily garden-style building, the maximum potential units can be derived as shown on Table 5. The R15 residential zone allows for a maximum of 90 single-family detached homes, however, using an average lot size of 3,750 SF the site will only potentially support up to 48 lots. On the other hand, the smaller lot townhouses can potentially support more than the R15 zone allows for at 129 units. Similar to the townhouses, the site potentially supports more multifamily units than the zoning allows for. In the R22 zone, a six-acre site only allows for a max of 132 units, but the site could support up to 168 total units based on a building footprint of 8,500 SF.

Table 5: Zoning Calculation				
	Parcel 66	Parcel 67	Parcel 357	TOTAL
Acreage	4.30	1.14	0.57	6.01
Gross Tract Area (SF)	187,308	49,658	24,829	261,796
Open Space Requirement (30%)	<u>(56,192)</u>	<u>(14,898)</u>	<u>(7,449)</u>	<u>(78,539)</u>
Net Usable Area (SF)	131,116	34,761	17,380	183,257
Single Family Detached Lot (30' x 125')	3,750	3,750	3,750	
Max Potential Detached Lots (Units)	35	9	4	48
Townhouse Lot (20' x 70')	1,400	1,400	1,400	
Max Potential Townhouse Lots (Units) *	93	24	12	129
Multifamily Footprint (8 units @ 1,053 SF)	8,500	8,500	8,500	
Max Potential Buildings	15	4	2	
Max Potential Multifamily Units **	120	32	16	168

* R15 zone max units for 6 acres capped at 90 total units

* R22 zone max units for 6 acres capped at 132 total units

Legally Permissible

The subject site is currently zoned R1, which allows for one dwelling unit per acre for a maximum of six units for the site. The R1 zone does not allow for townhomes or multifamily dwelling units. The existing improvements represent a legal non-conforming use of the site. In order for the owner to achieve maximum productivity of the site, the property must be up zoned. In the residential zones the maximum number of units will be achieved through either the R15 zone to maximize the total townhomes and single-family detached units on the site, or to the R22 zone for the maximum allowable multifamily units (See Table 6).

As mentioned in the Zoning Analysis section of the study, Anne Arundel County is currently going through a revision to the General Development Plan that should be finalized by the end of the summer. Immediately preceding the ratification of the GDP, the County will begin the Comprehensive Zoning process during which time individual property owners can apply for a rezoning. Typically the zoning cases are heard by region of the county divided up into north, south, east, and west quadrants. This year it is anticipated that the Odenton Towne Centre cases will be heard first, in order to expedite land decisions by Fort Meade in preparation for BRAC. If this is the case, then the subject property's application will most likely be heard as part of the greater Odenton area during the earlier stages of the Comprehensive Zoning process. Otherwise, County Council has up to 95 days to vote on a zoning case, which puts the timing of the rezoning decision into the winter of 2009 or early 2010. The estimated cost for a land-use attorney for this process is approximately \$10,000. The subject property's owner will have to take advantage of this timing to up zone the site to achieve maximum productivity for a legally permissible use.

It should be noted that securing an up zoning of the subject property, while likely to happen due to the higher density surrounding uses, will potentially require "approval" from several parties. The details and arguments for the rezoning are ultimately the responsibility of the applicant, but it is imperative that the district council member and the Planning and Zoning staff have endorsed the request before the case is heard by the County Council. The service of a land-use attorney with a proven track record in Anne Arundel County will prove to be beneficial, as he or she will know the proper avenues to take when dealing with these groups. Additionally, since the property straddles the Gambrills/Crofton district boundaries, potential opposition may come from both jurisdictions. In 1985, when the original special exception case was heard, representatives from both the Gambrills Improvement Association and the Crofton Civic Association gave testimony. It is important to meet with groups that may present opposition to the case and work through their concerns before the hearing. The final group to recognize is

the subject site’s adjacent property owners. Politically, it is difficult for the County Council to approve the rezoning request of an applicant if the applicant’s neighbors are against it. In order to avoid this potential opposition, the owner will have to discuss the rezoning with the adjacent land owners as well.

Table 6: Max Allowable Density for Site			
	R1	R15	R22
Dwelling units, Multifamily (units)	Not Allowed	90	132
Dwellings, single-family detached (units)	6	90	Not Allowed
Dwellings, townhouses (units) - Conditional Use	Not Allowed	90	Not Allowed

Source: Anne Arundel County Zoning Code, 2005

Financially Feasible

Any use of the subject site which provides a financial return to the land in excess of the cost of the land and the amortized cost of capital, limits those uses which are financially feasible.

For the single family detached use, it is assumed that the site physically supports 48 small lot singles with an average sales price of \$540,750. The analysis further assumes that the acquisition, development, and construction loans are attainable at 65% loan-to-cost at a 6.5% note rate. At a pace of two sales per month, this project would take 24 months to sell out, and the entire project duration would be approximately 27 months start to finish.

The townhouse financing is assumed to mirror the single family detached scenario utilizing a 65% loan-to-cost loan at a 6.5% note rate. The site physically supports 90 townhouse units and features two different styles. The smaller style townhouse is 16 feet wide offered at a base of \$325,000, and the larger unit is 22 feet wide offered at a base of \$375,000. Since the townhouses are offered at a lower starting price, it is assumed they will sell three units per month, which would entail a sell out in 30 months. The entire duration of the project would last roughly 33 months. The for-sale scenarios were both underwritten assuming today’s investment parameters, which entail a 10% return on revenue and a +22% IRR. Please refer to the Proforma tab of the study for further details.

When the housing market was peaking from 2002-2005 home builders bought as much land and built as many houses as fast as a lender would allow them to borrow the funds. After the bubble burst on the industry in 2006 many home builders were holding large tracts of raw land in their inventory. The lack of demand for new housing, shortage of available credit in the capital markets, and the carrying costs associated with owning undeveloped land forced many housing companies out of business. As a result, today’s housing industry is markedly different with fewer active participants in the market.

The DR Horton and Ryan Homes' of the world are no longer buying large tracts of land or bulk lots. They are only buying finished lots and paying as the units settle, as opposed to paying up front or on a scheduled "take down". Since this study is analyzing the potential development of 48 small lot singles or 90 townhouses on the site, the likelihood of a national or regional home builder taking on the risk of developing so many lots is not to be expected. Thus, a land owner is required to take on the risk of developing finished lots and hoping to sell to one of the few home builders still active. The issue with the subject property is that the owner has no experience developing finished lots and therefore will not be able to secure a land development loan from a lender. The inability of the subject property's owner to obtain a loan in the current credit markets to develop the site and create value, coupled with the incapacity of home builders to purchase the subject site as raw land, makes the for-sale scenarios financially infeasible.

On the other hand, there are currently a few lending sources that will finance the construction of a multifamily apartment complex. HUD's FHA program is still active and offering structures that are conducive to developing apartments. It is difficult in today's environment to meet the conservative underwriting requirements of both debt and equity providers, however, deals are still feasible and getting done, albeit at a slower pace.

The multifamily analysis assumes a max density of 132 units for the subject site. As mentioned previously, the best financing option for this analysis is utilizing the FHA 221 (D) 4 program. The 221(D) 4 program is essentially a construction-perm loan that allows for up to a 90% loan-to-cost construction loan that becomes the permanent financing once the project is complete. At that point it is a 40-yr amortizing loan. As of April 27, 2009 FHA was quoting a 6.0% interest rate plus a mortgage insurance premium of 45 bps. The multifamily use analysis assumes an average rent of \$1,811 per unit or \$1.68 per square foot, and an average unit size is 1,080 SF. The proforma was underwritten to a 7% return on cost and a +20% levered IRR.

Maximally Productive

Thus far, it has been determined that the site physically supports 48 single family detached units, 90 townhouse units, and 132 multifamily units. Assuming the current R1 zone will be up zoned through the rezoning process to either the R15 or R22 districts, the proposed uses are also assumed to be legally permissible. If all three proposed uses were deemed to be financially feasible, the use that provided the highest land value to the owner would ultimately be the highest and best use for the subject property. Please refer to the Proforma Tab for a detailed analysis of each proposed use.

Table 8 below summarizes the results of the proformas run for each scenario. The highest land value for these uses is derived from the development of 90 townhouses at a value of roughly \$3.125 million. For the purposes of this analysis, it is assumed that the land value attributed to the site is for unimproved land, except for the assumption that proper zoning is in place and public utilities are available.

Table 8: Land Value Calculation			
	Single Family Detached	Townhouses	Multifamily
Max Units	48	90	132
Average Sales Price/Rent per Unit	\$540,750	\$367,500	\$1,811
Average SF	2,400	1,950	1,080
Average Sales Price/Rent per SF	\$225	\$188	\$1.68
FAR Achieved	0.44	0.67	0.65
Developer Return on Cost/Revenue	10%	10%	7%
Levered IRR	36%	30%	20%
Developer Profit	\$2,594,767	\$3,306,030	\$12,678,741
Hold Period (yrs)	2.25	2.75	10
LAND VALUE	\$2,513,000	\$3,125,000	\$2,739,000
per unit	\$52,354	\$34,722	\$20,750
per acre	\$418,136	\$519,967	\$455,740

VI. MARKET ANALYSIS

Since multifamily units have been determined to be the only financially feasible use for the site, we must also justify the need for rental units within the market landscape.

According to Delta Associates Fourth Quarter Apartment Report, the demand for rental housing has moderated as job growth in the Baltimore MSA has cooled and supply has increased. The stabilized Class A vacancy has increased to 4.7% from 3.4% a year ago, which is still well below the national average of 6.1%. Average effective rents in the MSA are \$1,362, up 1.3% from last year, primarily driven by the 3.6% increase in rents in the northern Baltimore suburbs. The supply pipeline metro-wide has recently trended downward with some 3,338 units planned to deliver in the next 36 months. Although the pipeline has moderated, Delta projects that supply will slightly exceed the number of units that will be absorbed over this 36 month time period. According to REIS, 11 sales for \$273 million were recorded in 2008 for the Baltimore MSA. The mean sales price was \$100,984 per unit, and the average cap rate fell to 6.9% from 7.8% in 2007.

The Crofton/Gambrills/Odenton sub market has a limited number of multifamily properties, especially in the immediate vicinity of the subject property. The Class A properties that would compete with the site total approximately 2,409 units, and currently average 7.0% vacancy (See market survey in Rent Comp tab). The average rent is approximately \$1,427. The most recent sale in the sub market is Keswick Park Apartments, which is located approximately 1.5 miles from the subject property. Keswick Park was built in 1991 and features 406 units. The asset was sold in June 2008 for \$68.1 million (\$168,000 per unit) on a reported 5.4% cap rate. For detailed information on rent and sales competitors, please refer to the Rent and Sales Comp Tabs.

Taking a statistical approach to the supply and demand analysis, Table 9 below calculates that from 2008 to 2013 there will be an estimated net demand for an additional 557 multifamily units. This calculation is based on household formation in AAC, and the projected number of multifamily units currently either under construction or in the planning stages. Since the proposed project for the site is only for 132 multifamily units, the market should absorb this increase in supply with relative ease.

Table 9: Residential Demand for 1050 Route 3 South, Gambrills, MD 21054

	2000	2008	2013	Source
Baltimore MSA Household Growth	974,067	1,015,723	1,049,552	1
Anne Arundel County Household Growth	178,670	190,567	196,259	1
Projected Household Formation by 2013			5,692	
multiplied by % of Multifamily Permits			<u>43.2%</u>	2
Total New Multifamily Units			2,459	
multiplied by (Frictional Vacancy + Replacement)			10%	3
Total Gross Multifamily Demand			2,705	
less Supply (under Construction & Planned):				
Annapolis Towne Centre			208	4
Waugh Chapel Village Phase II			320	4
Bembe Beach Road			56	4
Obery Court			64	4
Odenton Towne Centre and Surrounding Area			<u>1,500</u>	5
Total Supply Pipeline			2,148	
Sub Market Demand/(Excess Supply)			557	

Sources:

1. US Census Bureau: County Quick Facts; DemographicsNow.com
2. SOCDS Building Permits Database
3. Assuming 5% for each factor
4. REIS Apartment Asset Advisor, Q4 2008
5. Independent Research - CBRE

VII. RISK ANALYSIS

Market Risk – The demand for multifamily apartments as an asset class drives the availability of investment capital for development, as well as reversion values.

Financing Risk – As of the writing of this study, there remains a lack of available construction financing from the credit markets.

Construction Hard Cost Risk – The pricing of materials continues to fluctuate as supply and demand for materials changes with market cycles.

Public Water and Sewer Risk – As mentioned in the Physically Possible section, the availability to extend the existing water and sewer pipes to the site remains a risk. The cost to extend the pipes from the current locations would most likely be cost prohibitive. The site is currently on well and septic, which would not support a high density residential use.

Site Rezoning Risk – The analysis has assumed that achieving a zoning change during the upcoming Comprehensive Zoning process is easily achieved. There remains a risk that the County Council, the Planning Advisory Board, or the Planning and Zoning staff disagree with the owner's reasoning for the zoning change. The current political environment could also have an impact on the decision.

Environmental Risk – The Reliable site to the north recently settled a lawsuit that claimed fly-ash on the site had contaminated ground water in the area. There is a risk that the subject property will have to go through a ground water remediation process.

Route 3 Noise Risk – The noise emanating from the traffic on Route 3 plus the noise from the Capitol Raceway racetrack, may exceed the 66 dBA decibel threshold for residential development. If a noise study concludes noise levels above this limit, then the developer must implement noise mitigation measures to bring the decibel level below the threshold. Noise mitigation measures include increased setbacks and additional open space or landscaping requirements.

Route 3 "Boulevard" Concept Risk – The volume of traffic on Route 3 has increased significantly over the past decade. The State Highway Administration is currently reviewing a Boulevard concept, which would entail an auxiliary lane on the left side from Rt. 424 to Rt. 32. The risk is that the final design for Route 3 hinders the ingress and egress of the subject property. The SHA is projecting the completion of the planning stage by 2010 with project engineering to follow.

District Boundary Risk – The subject property lies on the border of District 4 (Benoit) and District 7 (Reilly). There is a risk that the political climate for development varies between the districts, and the proximity to both boundaries will bring increased scrutiny from both council members.

Subdivision Approval Risk – If a subdivision approval is not granted due to failing the adequate public facilities test, the developer is required to wait six years before resubmitting the subdivision plans.

Impact Fee Risk – In 2008 Anne Arundel County Executive John Leopold helped pass legislation revising the current impact fee schedule. The revisions put the residential impact fees on a sliding scale by square footage, and also set the fees for the next three years. The 2009 base fees will double by 2010, and will go up by a factor of 5 by 2011. For a 1000 SF unit: 2009 - \$1,532; 2010 - \$3,065; 2011 - \$7,663.

VIII. CONCLUSIONS/RECOMMENDATIONS

The subject property's location in Anne Arundel County, Maryland and proximity to both Baltimore and Washington, DC make the site an attractive investment opportunity for residential developers. The property is one of the last remaining parcels of land with significant frontage along the Route 3 corridor that has yet to be developed as a higher use. In the highest and best use section of the study, it was determined that the townhouse scenario would produce the highest land value for the site; However, since developing for-sale product is not currently financially feasible, multifamily apartments are deemed to be the highest and best use.

As mentioned previously, the current R1 zoning will have to be changed to R22 in order to accommodate the use of multifamily units on the site. Given the current timing of the 2008 GDP, the owner should engage a land-use attorney this summer to assist with the application for rezoning during the Comprehensive Zoning process, which is anticipated to occur in the fall of 2009. Additionally, a civil engineer should also be engaged at this time to perform a feasibility study on the types of uses the site will allow for, including the ability and cost to extend public water and sewer to the property. The combined cost of the attorney and civil engineer are approximately \$20,000. It is important to note that the site's current use as a go-kart track is the highest and best use for the R1 zoning. The site's ability to produce cash flow will prove to be beneficial as the apartment development scenario is vetted. A change in zoning will not affect the current use.

The site's neighborhood has changed to retail and commercial oriented uses over the past decade to absorb the consumer demand from the affluent community. The focus on investment in retail and commercial uses coupled with a healthy increase in population has led to a shortage of multifamily rental units in the subject's area. The site's owner should take advantage of the in-balance between supply and demand of rental units and begin discussions with potential apartment developers.

Additionally, the site's proximity to the planned Waugh Chapel Phase II will prove to be a boon to the site's development potential. The Waugh Chapel development is primarily retail oriented with a grocery store anchor, which will serve the apartment renters well. The Phase II will also bring the public water and sewer lines closer to the subject property, making the extension to the site less costly.

The owner should also investigate the potential to assemble more land from the adjacent lots. The parcels of land to the south of the property total roughly six acres, which would effectively double the current site acreage, and thus, the max number of rental units. At a total of 12 acres, the combined site could potentially allow for 264 apartment units. Since there are certain "fixed" costs associated with developing

a garden-style apartment complex, an increase in units creates economies of scale as well as additional revenue. The reduced development costs and increased revenue would in turn produce a higher land value. In order to facilitate a combined redevelopment, the zoning of the south parcels would also need to be changed from R1 to R22.

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TAB 1:
PROFORMAS

SINGLE FAMILY DETACHED

RACEWAY SINGLE FAMILY DETACHED

48 UNITS

PROFIT SUMMARY	PERCENT OF REVENUE	TOTAL	TOTAL PER UNIT
TOTAL SALES PRICE - BASE UNIT	95.24%	24,720,000	515,000
TOTAL OPTION REVENUE	4.76%	1,236,000	25,750
TOTAL SALES PRICE - GARAGES/STORAGE UNITS	0.00%	0	0
		-----	-----
TOTAL SALES PROCEEDS	100.00%	25,956,000	540,750
		-----	-----
DEVELOPMENT COSTS	6.86%	1,780,585	37,096
SALES COSTS	8.85%	2,296,492	47,844
FINANCING COSTS	4.50%	1,167,190	24,316
FINISHED PAD COSTS	18.67%	4,845,015	100,938
STRUCTURES COSTS	39.84%	10,339,708	215,411
OPTION COSTS	3.53%	915,556	19,074
DEVELOPMENT FEE	2.00%	519,120	10,815
PROFIT RESERVE	4.21%	1,092,627	22,763
SETTLEMENT COSTS	1.56%	404,940	8,436
		-----	-----
TOTAL PROJECT COSTS	90.00%	23,361,233	486,692
		-----	-----
TOTAL PROJECT PROFIT	10.00%	2,594,767	54,058
		=====	=====
RETURN ON REVENUE		10.00%	RETURN ON REVENUE INCLUDING FEES
		=====	
DEVELOPER IRR		36.04%	
		=====	

COST ASSUMPTIONS:

DEVELOPMENT COSTS

Architecture and Engineering			
Structural Engineering		90,000	
Structural Inspections		10,000	
MEP Engineering		125,000	
Utility Design		10,000	
Architectural		415,000	
Architectural - 3rd Party Review (includes Fair Housing Compliance)		25,000	
Fire Protection		10,000	
Reproduction Costs		15,000	
Civil Engineering		125,000	
Soil Testing		15,000	
Environmental		5,000	
Wetlands Testing		5,000	
Landscape/ Land Design		20,000	
Traffic		10,000	
MEP Inspections		15,000	
Energy Star Testing & Certification		3,500	
Architectural Inspections		10,000	
Sound Engineering		10,000	
Architectural Redesign/Upgrade		0	
Interior Design/FFE - Furniture, Fixtures, Equipment		0	
Land Use Legal		20,000	
Legal - Other		25,000	
Accounting		11,475	
Real Estate Tax		75,000	
Business License Tax		300	
	MD		
General Liability Insurance		428,274	
Builder Risk Insurance		40,320	
Bonds	1% of Site Work	15,000	
Title and Recording	2.00% percentage of land cost	50,260	
Systems Charge		9,456	
Development Salaries	\$ 6,000	162,000	
Owner Contingency	0%	0	
Misc. Development Costs		25,000	

TOTAL DEVELOPMENT COSTS		1,780,585	37,096
		-----	-----

SALES COSTS

Sales Center			
Set Up		10,000	
Sales Center Expenses		115,000	
Model			
Set Up		325,000	
Model Expenses		60,000	
Brochures		375,000	
Advertising		450,000	
Sales Salaries		7,500	
Photography / Artwork		25,000	
Corporate Marketing			
Seller's Costs			
Broker Co-op Fee	3.0%	389,340	
Points & Closing Costs		389,340	
Association Fees & Expenses		36,000	
R.W.C. Warranties		51,912	
Seller's Contributions		19,200	
Design Center Expenses		43,200	

TOTAL SALES COSTS		2,296,492	47,844
		-----	-----

FINANCING COSTS

Interest			330,914	
Origination Fee			84,940	
Extension Fees	due at month...	24	204	
Extension Fees	due at month...		0	
Extension Fees	due at month...		0	
Extension Fees	due at month...		0	
Extension Fees	due at month...		0	
Extension Fees	due at month...		0	
Extension Fees	due at month...		0	
Extension Fees	due at month...		0	
Extension Fees	due at month...		0	
Letter of Credit Fees			X	
Bank Inspection Fees	per month...	\$ 300	5,700	
Appraisal			6,000	
Loan Legal			20,000	
Development Loan Interest			75,000	
2nd Trust Loan Interest			0	
Developer Equity Return			0	
3rd Party Equity Return			643,933	
Bank Service Charges/Interest Income			500	

TOTAL FINANCING COSTS			1,167,190	24,316
			-----	-----

Notes

Notes

FINISHED PAD COSTS		Escalator %	Amount		
LAND		1	2,513,000	2,513,000	52,354
LAND	due at month...				
LAND	due at month...				
LAND	due at month...				
LAND	due at month...				
LAND	due at month...				
LAND	due at month...				
LAND	due at month...				
LAND	due at month...				
LAND	due at month...				
LAND KICKER	due at month...				
DEFERRED PAYMENT		0.00%		0	0
LAND BROKER				0	0
PERMITS AND FEES					17,334
Tap Fees			561,600		
SDC Charges					
Impact Fees			170,415		
Misc. Permits & Fees			50,000		
Rec Facilities Fees					
Advertising Fees			50,000		
Site Permit Service Fee			0		
SITE IMPROVEMENTS - per construction feasibility			1,500,000		31,250
TOTAL FINISHED PAD COSTS			4,845,015		100,938
STRUCTURES COSTS					
STRUCTURES - per construction feasibility			8,064,000		168,000
STRUCTURED PARKING - per construction feasibility			0		0
EXTERNAL GARAGES - per construction feasibility			0		0
CLUBHOUSE - per construction feasibility			0		0
GENERAL REQUIREMENTS - per construction feasibility		\$ 68,000	1,700,000		35,417
PERMITS AND FEES					1,179
Building Permits			56,588		
Permit Service Fee					
Permits and Fees - GARAGES					
Permits and Fees - CLUBHOUSE					
BUILDER'S OVERHEAD			519,120		10,815
TOTAL STRUCTURES COSTS			10,339,708		215,411
OPTION COSTS			915,556		19,074
DEVELOPMENT FEE			519,120		10,815
PROFIT RESERVE					
Original Feasibility 5% of Total Costs			1,092,627		22,763
SETTLEMENT COSTS					
Sales Fees - 1.5%			389,340		
Development Overhead Fees - \$600/unit			0		
Settlement Department Fees - \$325/unit			15,600		
Warranty Fund - \$250/unit			0		
Customer Service Fund - 1.15% less warranty fee			0		
TOTAL SETTLEMENT COSTS			404,940		8,436
TOTAL PROJECT COSTS			23,361,233		486,692

\$11,700 per unit
From AAC Building Permit Fee Schedule

\$70 PSF

0.7% of value above \$25,000

TOWNHOUSES

RACEWAY TOWNHOMES

90 UNITS

PROFIT SUMMARY	PERCENT OF REVENUE	TOTAL	TOTAL PER UNIT
TOTAL SALES PRICE - BASE UNIT	95.24%	31,500,000	350,000
TOTAL OPTION REVENUE	4.76%	1,575,000	17,500
TOTAL SALES PRICE - GARAGES/STORAGE UNITS	0.00%	0	0
<hr/>			
TOTAL SALES PROCEEDS	100.00%	33,075,000	367,500
<hr/>			
DEVELOPMENT COSTS	6.02%	1,990,503	22,117
SALES COSTS	7.89%	2,610,400	29,004
FINANCING COSTS	5.01%	1,657,813	18,420
FINISHED PAD COSTS	17.98%	5,948,415	66,094
STRUCTURES COSTS	43.78%	14,479,135	160,879
OPTION COSTS	3.53%	1,166,667	12,963
PROFIT RESERVE	4.20%	1,390,663	15,452
SETTLEMENT COSTS	1.59%	525,375	5,838
<hr/>			
TOTAL PROJECT COSTS	90.00%	29,768,970	330,766
<hr/>			
TOTAL PROJECT PROFIT	10.00%	3,306,030	36,734
<hr/>			

RETURN ON REVENUE 10.00% RETURN ON REVENUE INCLUDING FEES

DEVELOPER IRR 30.43%

COST ASSUMPTIONS:

DEVELOPMENT COSTS

Architecture and Engineering

Structural Engineering		90,000
Structural Inspections		10,000
MEP Engineering		125,000
Utility Design		10,000
Architectural		415,000
Architectural - 3rd Party Review (includes Fair Housing Compliance)		25,000
Fire Protection		10,000
Reproduction Costs		15,000
Civil Engineering		125,000
Soil Testing		15,000
Environmental		5,000
Wetlands Testing		5,000
Landscape/ Land Design		20,000
Traffic		10,000
MEP Inspections		15,000
Energy Star Testing & Certification		3,500
Architectural Inspections		10,000
Sound Engineering		10,000
Architectural Redesign/Upgrade		0
Interior Design/FFE - Furniture, Fixtures, Equipment		0
Land Use Legal		20,000
Legal - Other		25,000
Accounting		14,025
Real Estate Tax		75,000
Business License Tax	MD	300
General Liability Insurance		545,738
Builder Risk Insurance		73,710
Bonds	1% of Site Work	15,000
Title and Recording	2.00% percentage of land cost	62,500
Systems Charge		17,730
Development Salaries	\$ 6,000	198,000
Owner Contingency	0%	0
Misc. Development Costs		25,000

TOTAL DEVELOPMENT COSTS 1,990,503 22,117

SALES COSTS

Sales Center

Set Up		10,000
Sales Center Expenses		115,000
Model		
Set Up		325,000
Model Expenses		60,000
Brochures		375,000
Advertising		450,000
Sales Salaries		7,500
Photography / Artwork		25,000
Corporate Marketing		
Seller's Costs		
Broker Co-op Fee	3.0%	496,125
Points & Closing Costs		496,125
Association Fees & Expenses		67,500
R.W.C. Warranties		66,150
Seller's Contributions		36,000
Design Center Expenses		81,000

TOTAL SALES COSTS 2,610,400 29,004

FINANCING COSTS

Interest		454,667
Origination Fee		109,568
Extension Fees due at month...	25	812
Extension Fees due at month...	37	(0)
Extension Fees due at month...		0
Extension Fees due at month...		0
Extension Fees due at month...		0
Extension Fees due at month...		0
Extension Fees due at month...		0
Extension Fees due at month...		0
Extension Fees due at month...		0
Letter of Credit Fees		X
Bank Inspection Fees per month...	\$ 300	7,800
Appraisal		6,000
Loan Legal		20,000
Development Loan Interest		75,000
2nd Trust Loan Interest		0
Developer Equity Return		0
3rd Party Equity Return		983,467
Bank Service Charges/Interest Income		500

TOTAL FINANCING COSTS 1,657,813 18,420

Notes

Notes

FINISHED PAD COSTS

	Escalator %	Amount		
LAND	1	3,125,000	3,125,000	34,722
LAND due at month...				
LAND due at month...				
LAND due at month...				
LAND due at month...				
LAND due at month...				
LAND due at month...				
LAND due at month...				
LAND KICKER due at month...				

DEFERRED PAYMENT	0.00%		0	0
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LAND BROKER			0	0
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PERMITS AND FEES

Tap Fees		1,053,000		14,705
SDC Charges				
Impact Fees		170,415		
Misc. Permits & Fees		50,000		
Rec Facilities Fees				
Advertising Fees		50,000		
Site Permit Service Fee		0		

\$11,700 per unit
From AAC Building Permit Fee Schedule

SITE IMPROVEMENTS - per construction feasibility		1,500,000		16,667
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TOTAL FINISHED PAD COSTS			5,948,415	66,094
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STRUCTURES COSTS

STRUCTURES - per construction feasibility		12,285,000		136,500
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\$70 PSF

STRUCTURED PARKING - per construction feasibility		0		0
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EXTERNAL GARAGES - per construction feasibility		0		0
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CLUBHOUSE - per construction feasibility		0		0
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GENERAL REQUIREMENTS - per construction feasibility	\$ 68,000		2,108,000	23,422
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PERMITS AND FEES

Building Permits		86,135		957
Permit Service Fee				
Permits and Fees - GARAGES				
Permits and Fees - CLUBHOUSE				

0.7% of value above \$25,000

BUILDER'S OVERHEAD			0	0
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TOTAL STRUCTURES COSTS			14,479,135	160,879
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OPTION COSTS			1,166,667	12,963
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DEVELOPMENT FEE			0	0
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PROFIT RESERVE

Original Feasibility 5% of Total Costs			1,390,663	15,452
--	--	--	-----------	--------

SETTLEMENT COSTS

Sales Fees - 1.5%		496,125		
Development Overhead Fees - \$600/unit		0		
Settlement Department Fees - \$325/unit		29,250		
Warranty Fund - \$250/unit		0		
Customer Service Fund - 1.15% less warranty fee		0		

TOTAL SETTLEMENT COSTS			525,375	5,838
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TOTAL PROJECT COSTS			29,768,970	330,766
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APARTMENTS

RACEWAY APARTMENTS
 Anne Arundel County, MD
 ASSUMPTIONS

PREPARED BY: Callahan
 DATE: 30-Apr-09

Project Number
 Number of Dwelling Units 132
 Gross Square Feet 171,060 1,296 gsf on average 1,080 nrsf on average

ESCALATION RATES (Enter as Decimal):

Current to Stabilized - Rents 0.00%
 Current to Stabilized - Expenses 0.00%
 After Stabilization - Rents 3.00%
 After Stabilization - Expenses 3.00%
 Preferred Equity Rate 10.00%
 Preferred Equity Accrual Date 3
 Investor Investment Percent 100.00%
 Developer Investment Percent 0.00%
 Investor Cash Flow Percent 50.00%
 Developer Cash Flow Percent 50.00%
 Construction Start 01-Jan-10
 Const Loan Interest Cutoff 01-Jan-12
 Current Year - Rents 01-Apr-09
 Current Year - Expenses 01-Apr-09
 Stabilized Year - Rents 01-Jan-13
 Stabilized Year - Expenses 01-Jan-13
 Const Loan Interest Rate 6.0000%
 Perm Loan Interest Rate 6.0000%
 Construction Loan Fees 0.00%
 Permanent Loan Fees 2.00%
 Equity Fees 0.00%
 Management Fee Rate 3.50%
 Vacancy at Stabilization 5.00%
 Replacement Reserve/Unit 556
 Average O/S Bal-Const Loan 55.00%
 Average O/S Bal-Equity 100.00%
 Interest Only(yrs) 0
 Length of Perm Financing(yrs) 40

DATES (Use the @Date formula)
 All start dates assume first day of month
 All completion dates assume the last day of the month
 (1=Const Closing,2=Const Compl,3=Stabilization)

01-Jan-10 = Construction Start
 9 = Months to Const. Start
 24 = No. of Months in Construction Period
 37 = Mos. to Stabilized Year - Rents
 37 = Mos. to Stabilized Year - Expenses
 1.0000 = Escalation Rate to Stabilized Year - Rents
 1.0000 = Escalation Rate to Stabilized Year - Expenses

Lease Start: 8/4/2011
 Units per M: 15
 Months to St: 8.80
 Stabilization: 4/24/2012

Construction Contingency and Fees Percentages:

Contingency 5.00%
 Builder O/H 2.00%
 Builder Fee 4.00%
 Developer Fee 3.00%

SCROLL DOWN AND INPUT INTO HIGHLIGHTED AREAS

|::

RACEWAY APARTMENTS
 Anne Arundel County, MD
 CURRENT EXPENSES

	PER UNIT ENTRY	CURRENT EXPENSE	PER SQ FT	PER UNIT

OPERATING EXPENSES:				
Rental Expense	300	39,600	0.28	300
Salary Expense	1,350	178,200	1.25	1,350
Administrative Expenses	300	39,600	0.28	300
Maintenance Expense	650	85,800	0.60	650
Mgmt Fee - 3.50%	748	98,717	0.69	748

Total Controllable		441,917	3.10	3,348

Utilities	450	59,400	0.42	450
Taxes	2,000	264,000	1.85	2,000
Insurance	225	29,700	0.21	225
Other	50	6,600	0.05	50

Total Operating Exp.		801,617	5.62	6,073

OTHER TRANSACTIONS:				
Replacement Reserve/Unit		73,392	0.51	556
Other		0	0.00	0

Total Other Transaction		73,392	0.51	556

TOTAL EXPENSES		875,009	6.14	6,629
=====				
TOTAL CONTROLLABLE EXPENSES		441,917	3.10	3,348
=====				
TOTAL NON-CONTROLLABLE EXPENSES		433,092	3.04	3,281
=====				

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RACEWAY APARTMENTS
 Anne Arundel County, MD
 NOI SUMMARY

	CURRENT	STABILIZED
	Apr-09	Jan-13
OPERATING REVENUE:		
Gross Rental Revenue	2,868,900	2,868,900
Less Vacancy	5.00% 143,445	143,445
Net Rental Revenue	2,725,455	2,725,455
Other Revenue	95,040	95,040
Total Operating Revenue	2,820,495	2,820,495
OPERATING EXPENSES:		
Rental Expense	39,600	39,600
Salary Expense	178,200	178,200
Administrative Expenses	39,600	39,600
Maintenance Expense	85,800	85,800
Management Fee	98,717	98,717
Total Controllable	441,917	441,917
Utilities	59,400	59,400
Taxes	264,000	264,000
Insurance	29,700	29,700
Other	6,600	6,600
Total Operating Expense	801,617	801,617
OTHER TRANSACTIONS:		
Replacement Reserve	73,392	73,392
Other	0	0
Total Other Transaction	73,392	73,392
TOTAL EXPENSES	875,009	875,009
NET OPERATING INCOME	1,945,486	1,945,486
RETURN ON COST	7.0%	7.0%
	CURRENT	STABILIZED

|::

RACEWAY APARTMENTS
Anne Arundel County, MD
SOURCES AND USES

	PROJECT BUDGET	PER UNIT	PER SQ FT	% REPC COST	
SOURCES:					
Construction Loan	24,450,000	185,227	142.93	87.89%	0
First Mortgage	24,450,000	185,227	142.93	87.89%	111.69%
Capital Contributions	3,368,913	25,522	19.69	12.11%	24,477,370 Replacement Cost (90%)
Developer Contributions	0	0	0.00	0.00%	24,851,815 Debt Service Ratio (1.11%)
Other	0	0	0.00	0.00%	7.053% Constant
Other	0	0	0.00	0.00%	Land 2,739,000 100.00%
Other	0	0	0.00	0.00%	Dev Fee 0 0.00%
Construction Loan Repayment	(24,450,000)	(185,227)	-142.93	-87.89%	Total 2,739,000
TOTAL SOURCES	27,818,913	210,749	162.63	100.00%	
USES:					
CONSTRUCTION CONTRACT:					
01 General Requirements	0	0	0.00	0.00%	
02 Site Improvements	1,200,000	9,091	7.02	4.31%	
03 Structures	12,540,000	95,000	73.31	45.08%	
04 Clubhouse	0	0	0.00	0.00%	
05 Accessory Structures	0	0	0.00	0.00%	
06 Garage	0	0	0.00	0.00%	
07 Other Costs	0	0	0.00	0.00%	
Subtotal	13,740,000	104,091	80.32	49.39%	
22 Bonds	100,000	758	0.58	0.36%	
24 Permits Tap & Other Fees	0	0	0.00	0.00%	
25 Change Orders	0	0	0.00	0.00%	
26 Cost Escalation	0	0	0.00	0.00%	
27 Contingency	5.00% 687,000	5,205	4.02	2.47%	
Subtotal	14,527,000	110,053	84.92	52.22%	
28 Off-Site Contribution	0	0	0.00	0.00%	
29 Builder's O/H	2.00% 291,000	2,205	1.70	1.05%	
29 Builder's Fee	4.00% 593,000	4,492	3.47	2.13%	
Construction Contract	15,411,000	116,750	90.09	55.40%	
OWNERS CONSTRUCTION COSTS					
30 Permits Tap & Other Fees	1,848,000	14,000	10.80	6.64%	
30 Off-Site Contribution	0	0	0.00	0.00%	
30 Upgraded Unit Finishes	0	0	0.00	0.00%	
30 Clubhouse Furnishings	350,000	2,652	2.05	1.26%	
30 Contingency	850,000	6,439	4.97	3.06%	
30 Owners Construction Costs	3,048,000	23,091	17.82	10.96%	
DESIGN & ENGINEERING:					
51 Design	850,000	6,439	4.97	3.06%	
51 Engineering	250,000	1,894	1.46	0.90%	
51 Reproduction	50,000	379	0.29	0.18%	
51 Fair Housing/Peer Review	10,000	76	0.06	0.04%	
51 Inspection	50,000	379	0.29	0.18%	
51 Contingency	100,000	758	0.58	0.36%	
51 Design & Engineering	1,310,000	9,924	7.66	4.71%	

|::

		PROJECT BUDGET	PER UNIT	PER SQ FT	% REPC COST	
FINANCING FEES & INTEREST						
52 Const Period Interest		1,636,113	12,395	9.56	5.88%	
52 Const Period Equity Return		0	0	0.00	0.00%	
52 Development Loan Int Expense		100,000	758	0.58	0.36%	
52 Const Loan Fees	0.00%	0	0	0.00	0.00%	
52 Perm Loan Fees	2.00%	489,000	3,705	2.86	1.76%	
52 Equity Fees	0.00%	0	0	0.00	0.00%	
52 Letter of Credit Fees		50,000	379	0.29	0.18%	
52 Lender Inspect/Engineering		35,000	265	0.20	0.13%	
52 Interest Income		0	0	0.00	0.00%	
52 Contingency		0	0	0.00	0.00%	
52 Other		0	0	0.00	0.00%	
Financing Fees & Interest		2,310,113	17,501	13.50	8.30%	
DEVELOPERS COSTS:						
53 Real Estate Taxes		200,000	1,515	1.17	0.72%	
53 Insurance		250,000	1,894	1.46	0.90%	
53 Title and Recording		375,000	2,841	2.19	1.35%	
53 Legal-Const Loan Closing		75,000	568	0.44	0.27%	
53 Legal-Perm Loan Closing		75,000	568	0.44	0.27%	
53 Zoning / Land Use		100,000	758	0.58	0.36%	
53 Development Travel		5,000	38	0.03	0.02%	
53 Miscellaneous Costs		10,000	76	0.06	0.04%	
53 Cost Certification		35,000	265	0.20	0.13%	
53 Tax Returns-Accounting		15,000	114	0.09	0.05%	
53 Appraisal		16,000	121	0.09	0.06%	
53 Marketing Costs		132,000	1,000	0.77	0.47%	
53 Contingency		250,000	1,894	1.46	0.90%	
53 Prepaid R/E Taxes		500,000	3,788	2.92	1.80%	
53 Lease-up Fee		52,800	400	0.31	0.19%	
Developers Costs		2,090,800	15,839	12.22	7.52%	
OPERATING RESERVE:						
55 Operating Deficit Reserve		100,000	758	0.58	0.36%	
LAND:						
57 Land		2,739,000	20,750	16.01	9.85%	20,750
DEVELOPERS FEE:						
58 Developer's Fee	3.00%	810,000	6,136	4.74	2.91%	
TOTAL REPLACEMENT COST						
		27,818,913	210,749	162.63	100.00%	
EXCESS (SHORTFALL)						
		0	0	0.00	0.00%	

|::

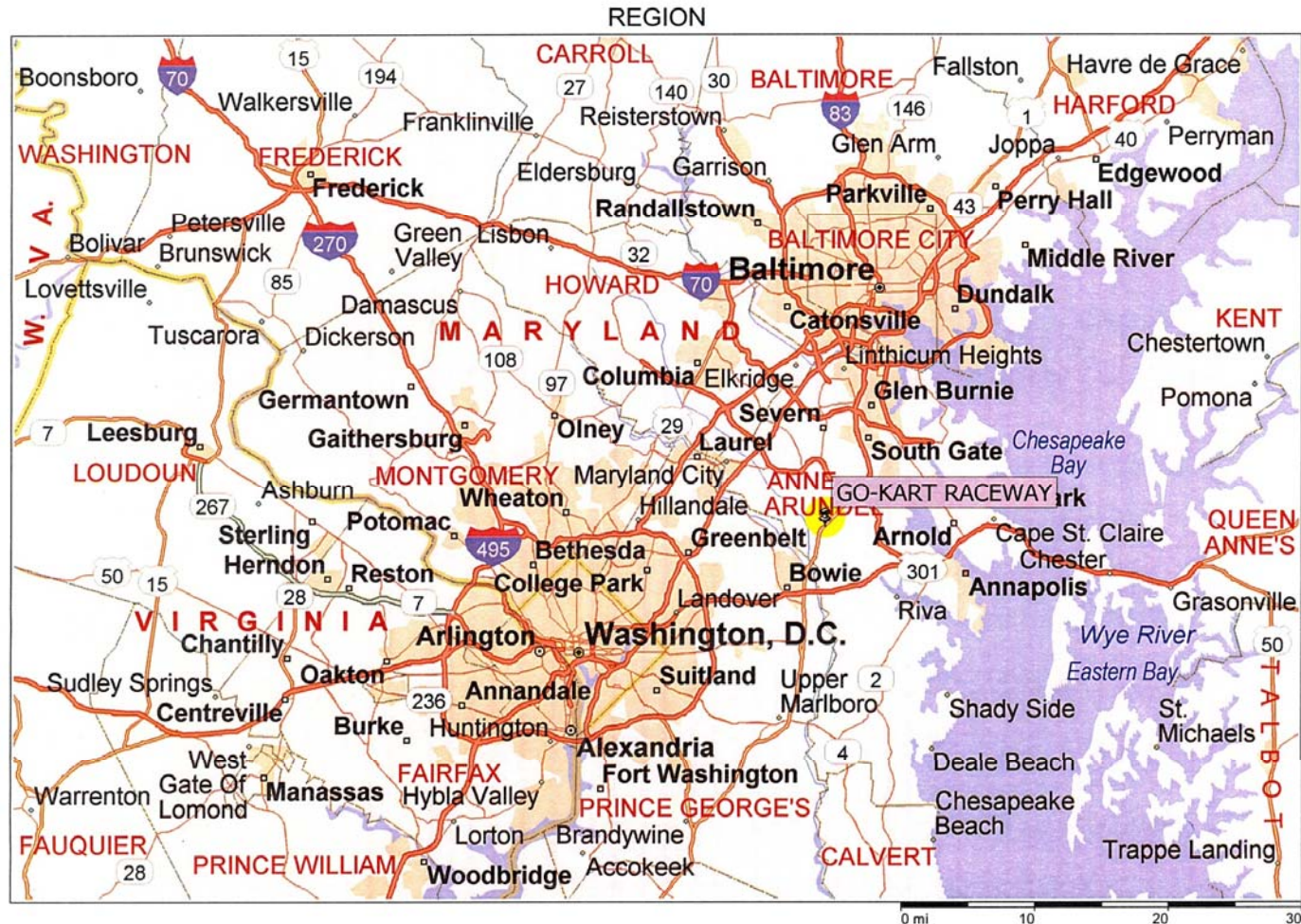
RACEWAY APARTMENTS
Anne Arundel County, MD
10 YEAR PROFORMA

		STABILIZED Jan-13	Jan-14	Jan-15	Jan-16	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22	
Gross Rental Revenues		2,868,900	2,954,967	3,043,616	3,134,924	3,228,972	3,325,841	3,425,616	3,528,384	3,634,236	3,743,263	
Less Vac. @	5.00%	143,445	147,748	152,181	156,746	161,449	166,292	171,281	176,419	181,712	187,163	
Net Rental Revenue		2,725,455	2,807,219	2,891,435	2,978,178	3,067,523	3,159,549	3,254,335	3,351,965	3,452,524	3,556,100	
Other Income		95,040	97,891	100,828	103,853	106,969	110,178	113,483	116,887	120,394	124,006	
Operating Income		2,820,495	2,905,110	2,992,263	3,082,031	3,174,492	3,269,727	3,367,818	3,468,852	3,572,918	3,680,106	
Operating Expenses		801,617	825,666	850,436	875,949	902,227	929,294	957,173	985,888	1,015,465	1,045,929	
Other Transactions (Repl Res)		73,392	73,392	73,392	73,392	73,392	73,392	73,392	73,392	73,392	73,392	
Total Expenses		875,009	899,058	923,828	949,341	975,619	1,002,686	1,030,565	1,059,280	1,088,857	1,119,321	
NOI (Before Debt Service)		1,945,486	2,006,052	2,068,435	2,132,690	2,198,873	2,267,041	2,337,253	2,409,572	2,484,061	2,560,785	
Fixed Debt Service		1,741,881	1,741,881	1,741,881	1,741,881	1,741,881	1,741,881	1,741,881	1,741,881	1,741,881	1,741,881	
Other Debt Service		0	0	0	0	0	0	0	0	0	0	
Reserves		0	0	0	0	0	0	0	0	0	0	
CASH FLOW AFTER DEBT SERVICE		203,605	264,171	326,554	390,809	456,992	525,160	595,372	667,691	742,180	818,904	
Debt Service Coverage		1.12	1.15	1.19	1.22	1.26	1.30	1.34	1.38	1.43	1.47	
Return on Equity		6.04%	7.84%	9.69%	11.60%	13.56%	15.59%	17.67%	19.82%	22.03%	24.31%	
Sale YR 10 Exit Cap	7.5%											
Disposition Value											35,197,467	
Sales Cost	3.0%										(1,055,924)	
Net Residual											34,141,543	
Debt Repayment											(23,085,331)	
Net Residual after Debt Repay											11,056,212	
UNLEVERED IRR	9.35%	(27,818,913)	1,945,486	2,006,052	2,068,435	2,132,690	2,198,873	2,267,041	2,337,253	2,409,572	2,484,061	36,702,328
LEVERED IRR	20.48%	(3,368,913)	203,605	264,171	326,554	390,809	456,992	525,160	595,372	667,691	742,180	11,875,116

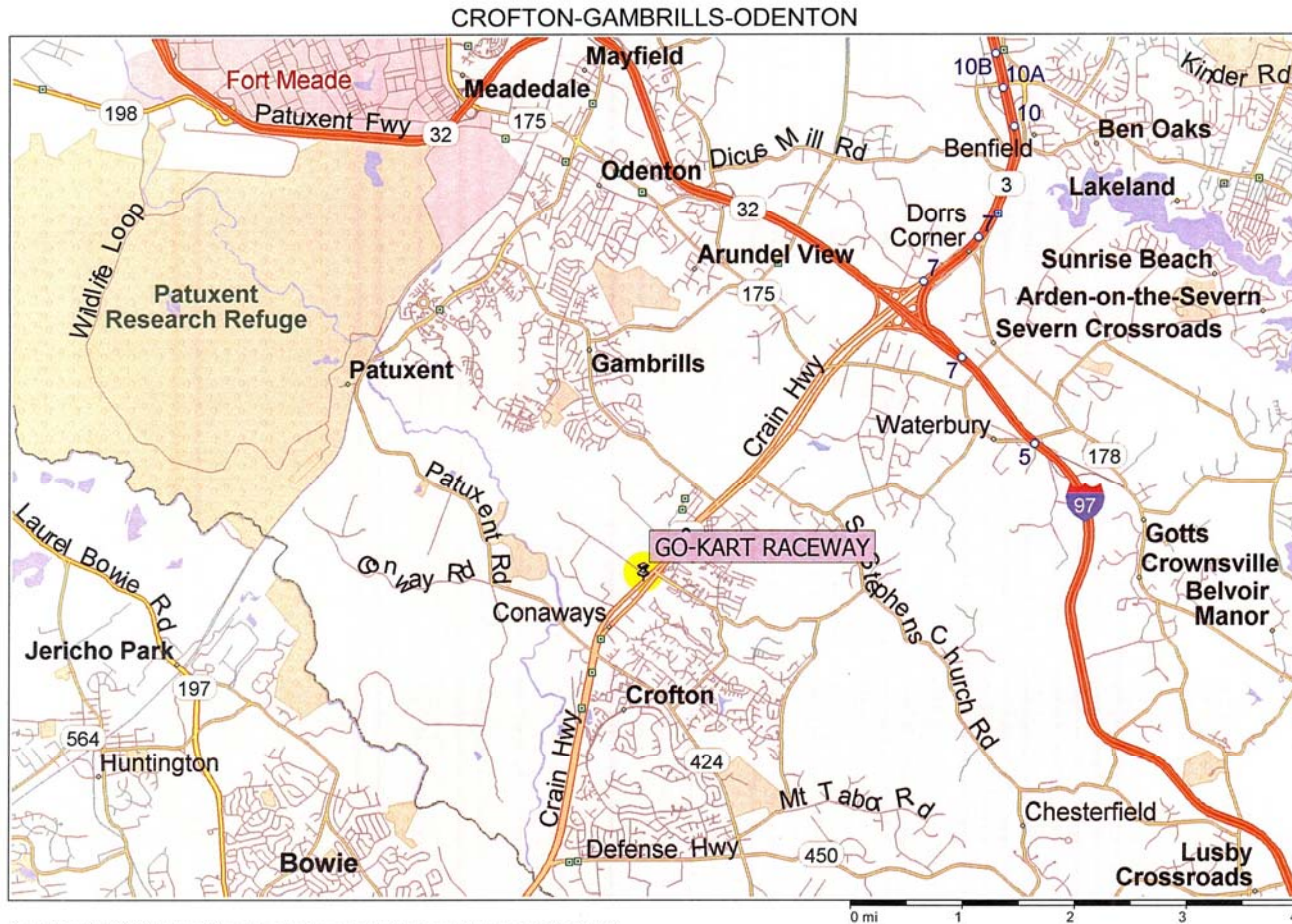
TAB 2:

MAPS

Map 1: Regional View

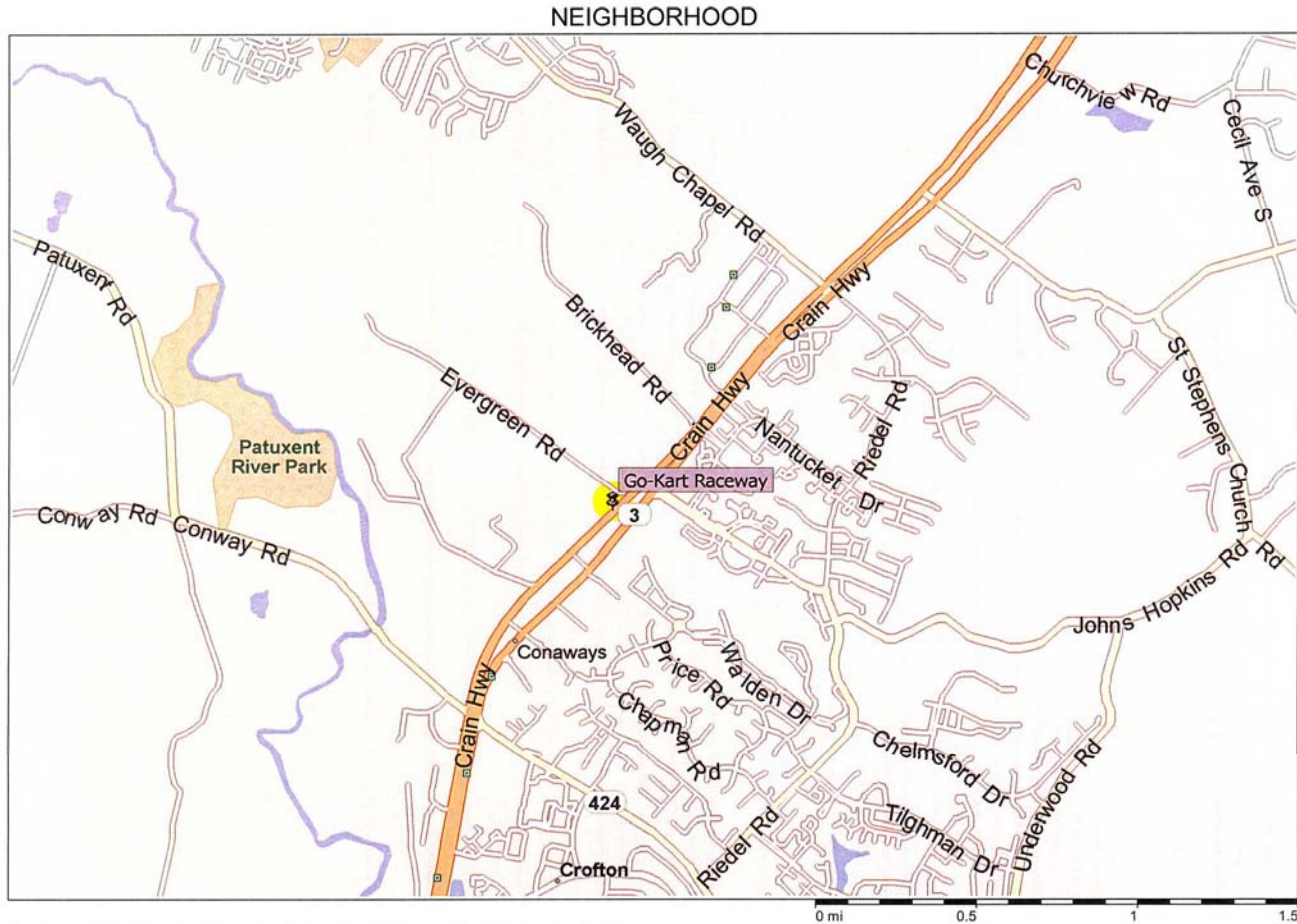


Map 2: Crofton-Gambrills-Odenton



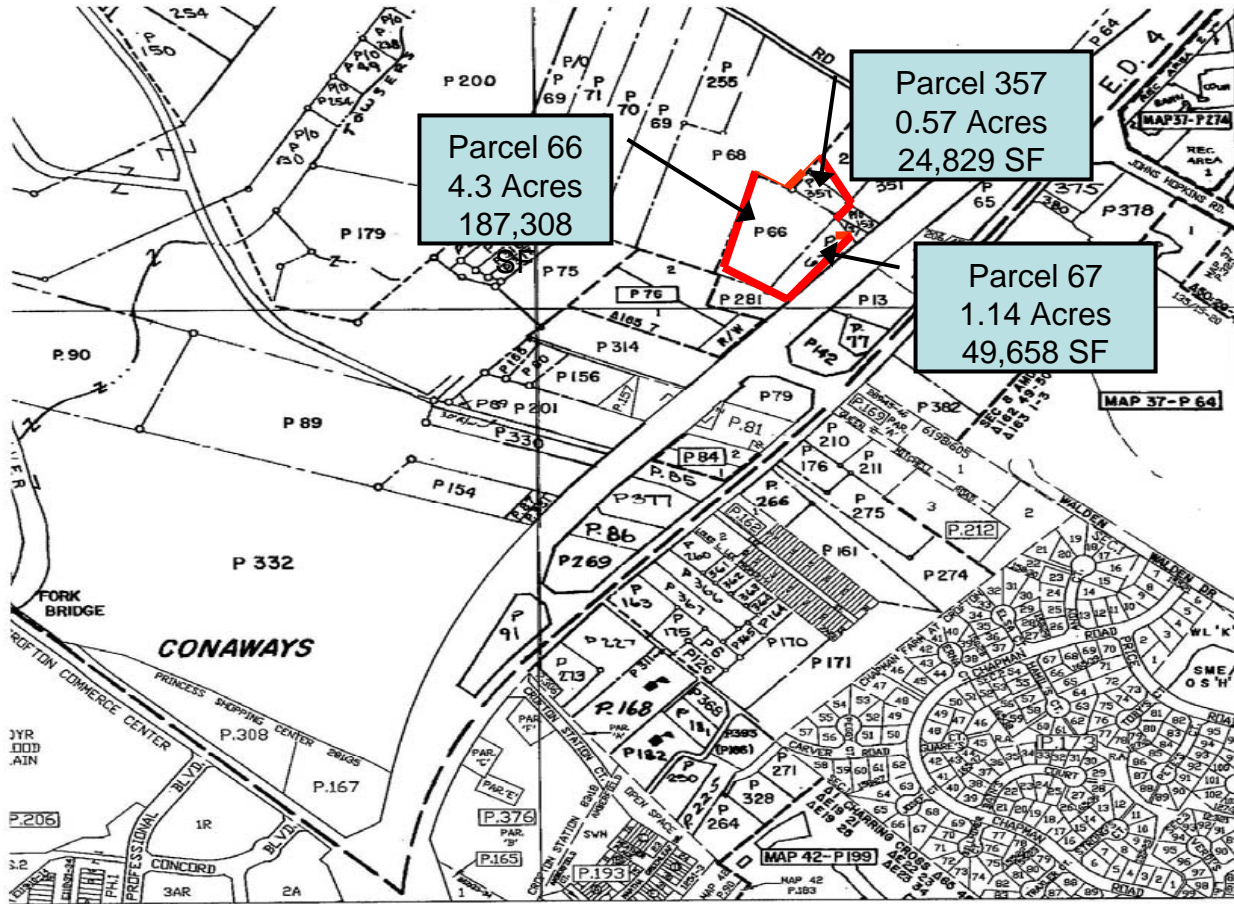
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Map 3: Neighborhood



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Map 4: Land Parcels



Parcel 66
4.3 Acres
187,308

Parcel 357
0.57 Acres
24,829 SF

Parcel 67
1.14 Acres
49,658 SF

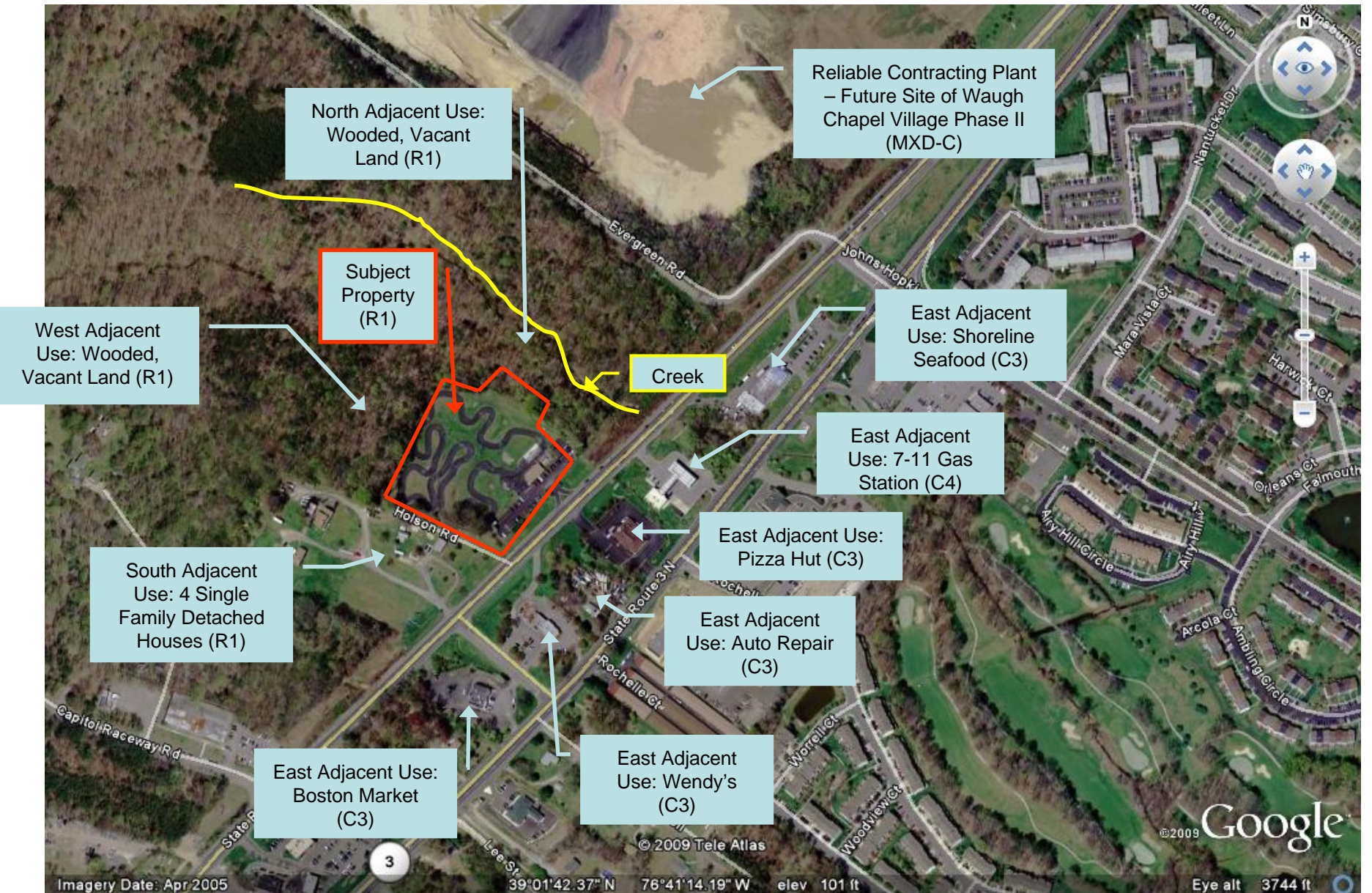
435

TAX MAP
36

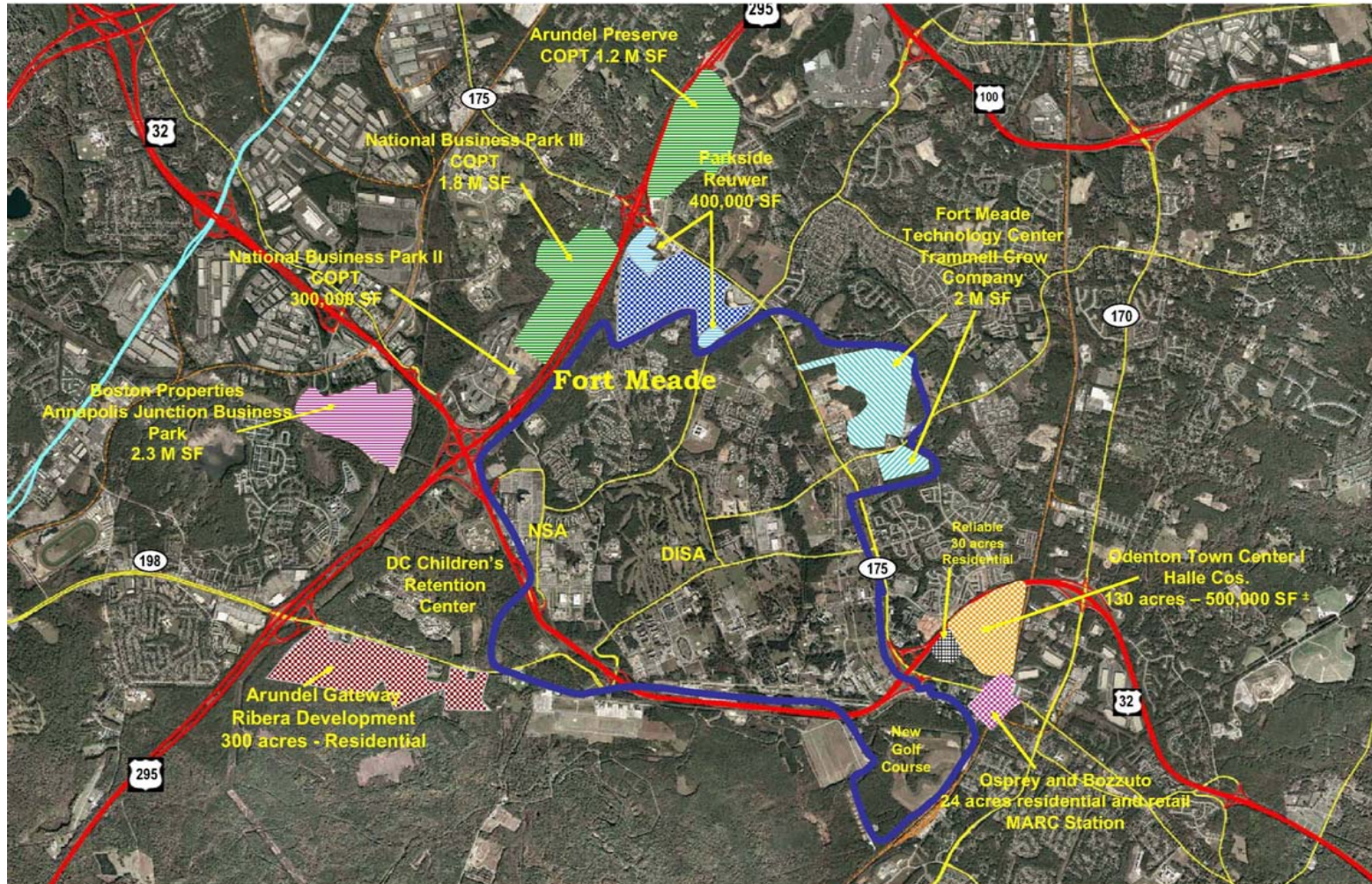
432



Map 5: Surrounding Uses



Map 6: BRAC



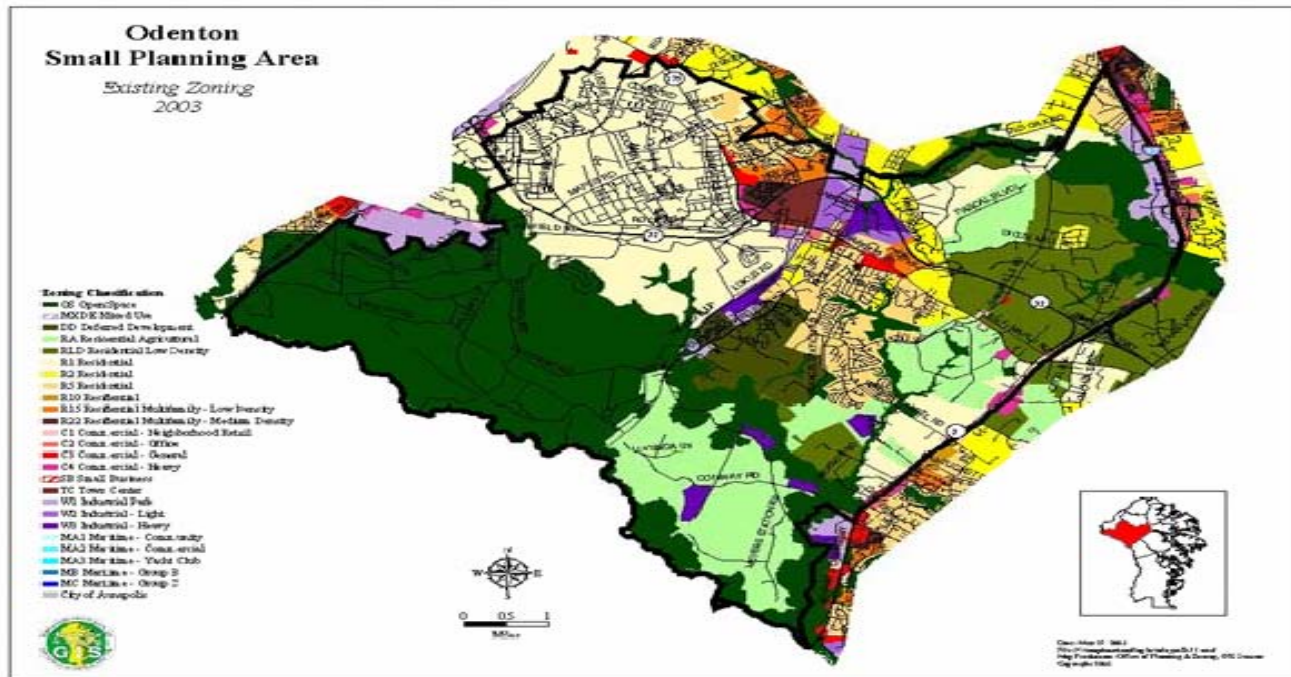
Map 7: MARC Train Service



Map 8: WMATA Metro Map



Map 11: Odenton SAP

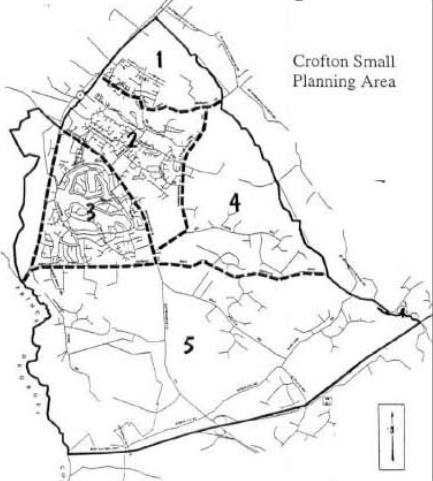


Map 12: Crofton SAP

Crofton Small Area Plan *Land Use and Zoning*

SUBAREA	ZONING	VACANT	POTENTIAL
1 Northwest of Johns Hopkins Rd. -	R1*	170 acres	170 units
	R2	110 acres	210 units
	R5	45 acres	238 units
	R10	40 acres	387 units
	<u>R15</u>	<u>10 acres</u>	<u>108 units</u>
SUBTOTAL		375 acres	1113 units
2 South of Johns Hopkins Rd. -	R1	40 acres	40 units
	<u>R5</u>	<u>57 acres</u>	<u>125 units</u>
SUBTOTAL		97 acres	165 units
3 Crofton Triangle -	R5	37 acres	110 units
4 Crofton East above Rte.450 -	RA*	825 acres	80 units
5 Crofton South of Route 450 -	RA*	2485 acres	257 units
TOTALS		3819 acres	1725 units

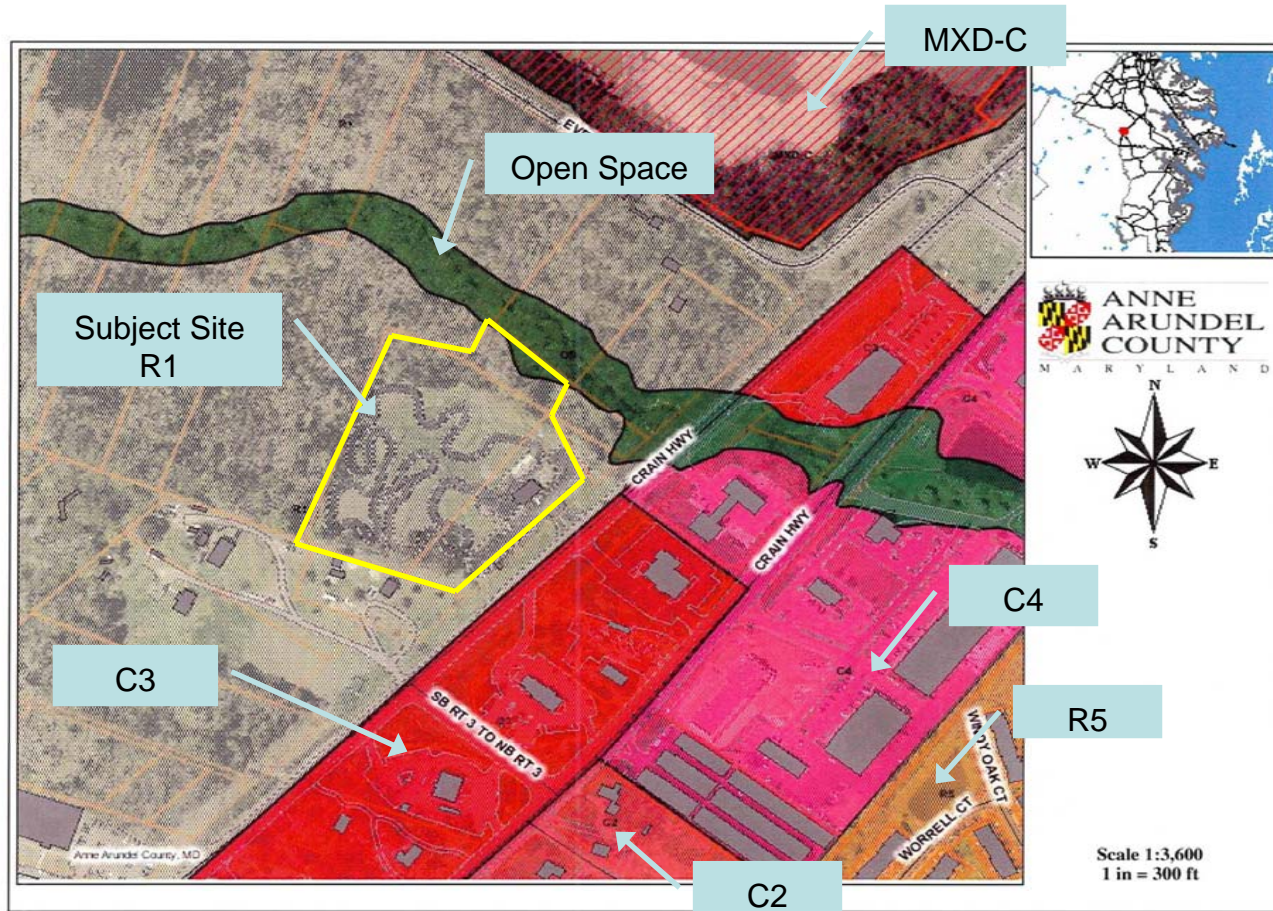
* Outside Sewer Service area



Map 13: Current Zoning

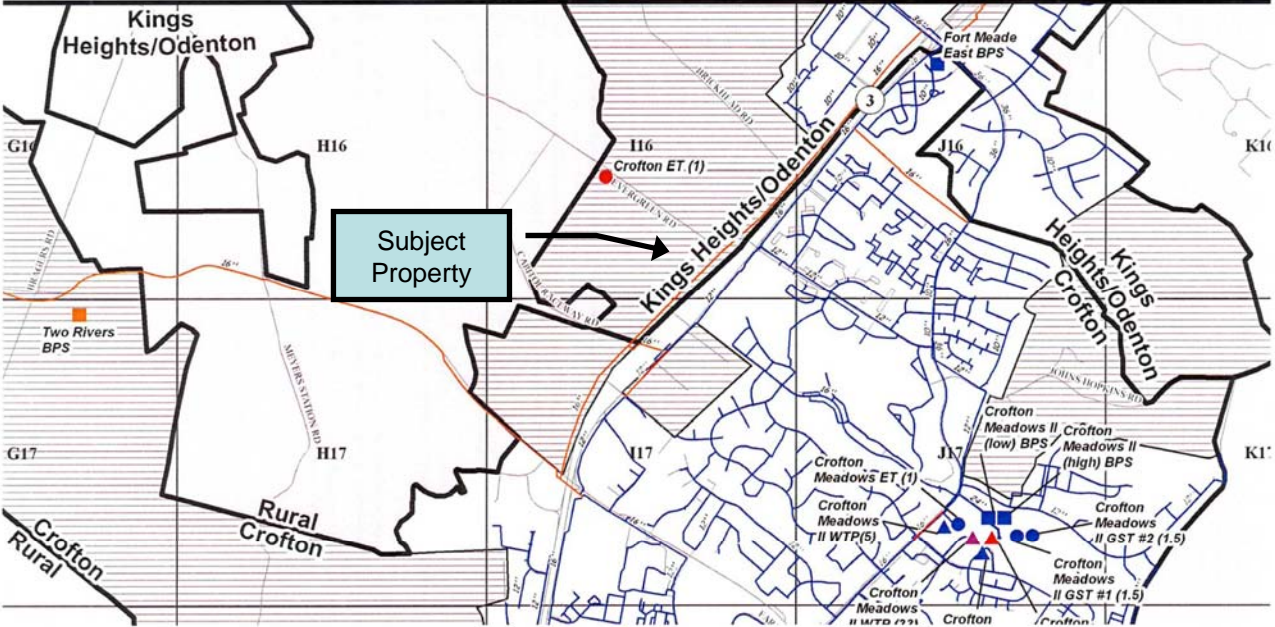
Print Map

Page 1 of 1



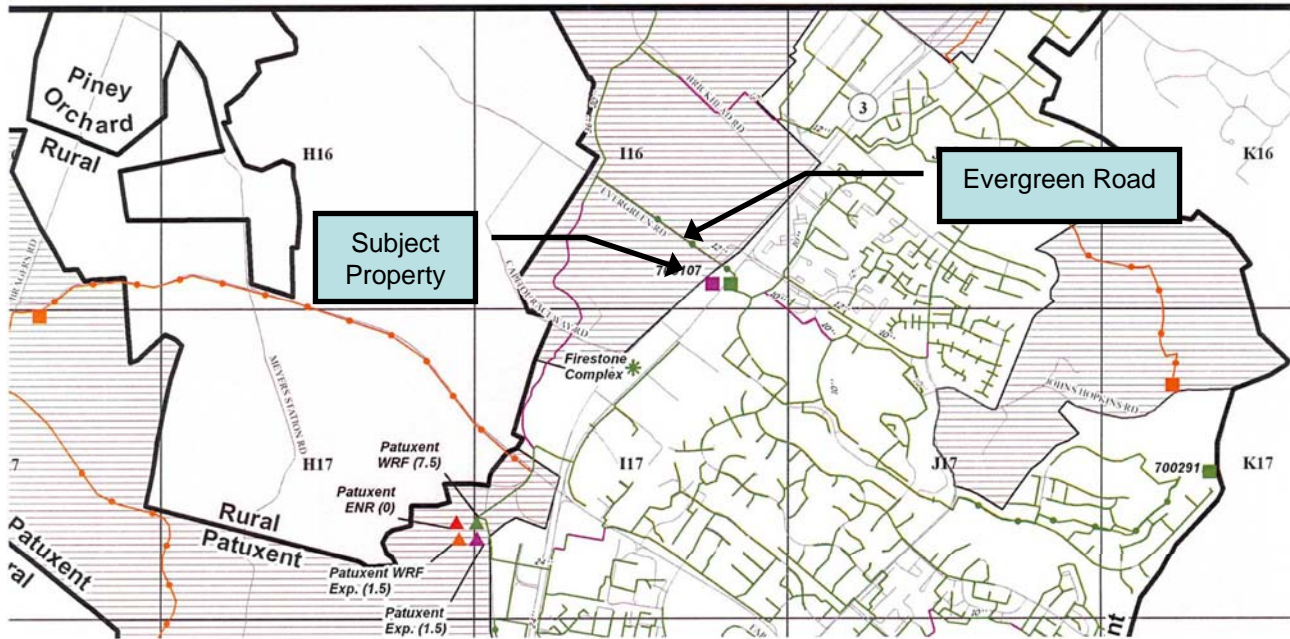
Map 15: Planned Water Service

Shaded area is a “Planned Water Service” Area



Map 16: Planned Sewer Service

Shaded area is a
"Planned Sewer Service
Area"



Map 17: Existing Water & Sewer Lines



TAB 3:
SITE PICTURES



EXISTING STRUCTURE ON SITE (WEST VIEW)



CURRENT GO-KART USE (WEST VIEW)



ADJACENT WOODED LAND (WEST)



ADJACENT SINGLE FAMILY LOT (SOUTH)



ADJACENT WOODED LAND (NORTH)



ABOVE GROUND GASOLINE STORAGE TANK



VIEW NORTH (SITE INGRESS)



VIEW SOUTH (SITE EGRESS)



VIEW EAST (PIZZA HUT IN MEDIAN)



VIEW WEST (GO-KART TRACK)



7-11 GAS STATION IN MEDIAN (EAST OF SITE)



WENDYS IN MEDIAN (EAST OF SITE)



VIEW FROM MEDIAN FACING WEST



VIEW FROM MEDIAN FACING SOUTH ON RT. 3



VIEW FROM MEDIAN



LAND NORTH OF SITE (UTILITY EASEMENT)



ADDITIONAL VIEW OF GO-KART TRACK



VIEW OF MEDIAN FROM EGRESS POINT

TAB 4:

RESIDENTIAL ZONING DISTRICTS

Residential Districts

Chapter 18: Title 4 - Residential Districts

Uses	RA	RLD	R1	R2	R5	R10	R15	R22
Assisted Living Facilities			SE	SE	SE	SE	SE	SE
Dwelling Units, Adult Independent	P	P	P	P	P	P	P	P
Dwelling Units, Multifamily						P	P	P
Dwellings, single-family detached	P	P	P	P		P	P	
Dwellings, townhouses					C	C	C	
Housing for the elderly of moderate means				SE	SE	SE	SE	SE
Nursing Homes	SE	SE	SE	SE	SE	SE	SE	SE
Commercial Recreational Facilities		SE	SE					

Special Exception Uses

Assisted Living (18-11-104) - In R1 and R2 the facility must be on 10 acres, except that a facility that abuts a collector or higher classification road may be on a lot of at least 5 acres. In other districts they may be located on 5 acres.
 - 55+ age group
 - 60% open area in R1, R2, R5
 - 50% open area in R10, R15, R22
 - Max Net Density: 3 units/acre in R1; 6 units/acre R2; 8 units/acre in R5; and in other districts in accordance with the reqs. of the district

Housing for the elderly of moderate means (18-11-127) - property shall be encumbered by a deed restriction that requires residents to be at least 62 yrs of age, and can't make more than 80% of AML, and no children allowed
 - max density is 22 units/acre, not to exceed 120 total units
 - max unit size is 1000 SF
 - max coverage by structures and parking cannot exceed 60% of gross area
 - financing must come, in part, from state and county loans

Nursing Homes (18-11-132) - In all districts except RLD, the nursing home shall be located on at least 5 acres plus one acre for each group of 25 beds, or fraction of 25 beds, in excess of 100
 - except for RLD, all structures shall be located 50' from all lot lines
 - each access drive shall be located 40' from any residential zoned property
 - facility may exceed height limit allowed in the zoning district if all setbacks are increased 1' for each 1' of excess

Commercial Recreational Facilities (18-11-116) - Lot must be at least 2 acres
 - must shield surrounding residential from noise, etc.
 - activities that include motorcycles, dirt bikes, go-karts are NOT allowed

Conditional Uses

Dwellings, townhouses (18-10-116) - max units per townhouse: 16 units if back-to-back, otherwise 8 units
 - max density: C1 & C3 = 5 units per acre; otherwise in accordance with requirements of the district
 - R5 district minimum site area is 10 acres

Bulk Regulations

	R1	R15	R22
Minimum Lot Size (SF)	40,000	N/A	N/A
Max coverage by Structures (gross area) (1)	25%	45%	45%
Max Height (2,3,4)	45'	55'	None
Max Net Density (5)	One DU/40,000 SF	15	22

- (1) Does not include parking lots or sidewalks, just building footprint
- (2) R1 for Assisted Living Facility (as a SE) may exceed height by 10' if all setbacks are increased by 2' for each 1' of excess height
- (3) R15 must increase setbacks by 1' for each 1' in excess of 40
- (4) R22 can go higher, if all setbacks are increased by 1' for each 2' of height in excess of 45'
- (5) In R1, assisted living facilities (as a SE) can go up to 3 units per net acre

"Dwelling Unit" - A single unit that provides complete, independent living facilities for at least one person (cooking, eating, sleeping, etc.)

"Net Density" - the number of dwelling units allowed for each acre of net area

"Net Area" - gross area minus the 100-yr nontidal floodplain, steep slopes, and tidal and nontidal wetlands

	Current Site	South Neighbors
Parcel 67	1.14	Parcel 76 (1) 2.75
Parcel 357	0.57	Parcel 76 (2) 1.7
Parcel 66	4.3	Parcel 281 1
Total Acreage	6.01	Total Acreage 5.45
minus floodplain, steep slope, wetland setback	100%	minus floodplz 100%
=Net Acreage	6.01	=Net Acreage 5.45
=Net SF	261,796	=Net SF 237,402
Combined Acreage	11.46	
Combined SF	499,198	

Max Net Density	R1	R15	R22
Assisted Living Facility (SE) in units/acre	18	90	132
Dwelling units, Adult Independent	6	90	132
Dwelling units, Multifamily	Not Allowed	90	132
Dwellings, single-family detached	6	90	Not Allowed
Dwellings, townhouses (C)	Not Allowed	90	Not Allowed
Housing for the elderly of moderate means (SE)	Not Allowed	90	120
Nursing Home (SE)	261,796	261,796	261,796
Commercial Recreational Facilities (SE)	261,795	Not Allowed	Not Allowed

Residential District - R15

Key

P = permitted use

C = conditional use

SE = special exception use

A = auxiliary to a business complex use

Use	R15	Potential	Reason
Alcoholic beverage uses accessory to other uses	C	N	not maximally productive
Assisted living facilities	SE	Y	allows for max density of 90 units; only if Rt. 3 is considered a higher classification road
Carnivals, circuses, and fairs, temporary	C	N	site must have an existing institutional use (fire station, etc.)
Child care centers	SE	N	10 centers within 3 mile radius
Commercial telecommunication facilities	SE	N	commercial zoned sites w/in 2500' must be exhausted
Commercial telecommunication facilities (gov't own)	C	N	not maximally productive
Commercial telecommunication facilities (nonreside)	P	N	not maximally productive
Commercial telecommunication facilities (emergenc)	P	N	not maximally productive
Construction or sales trailers, temporary	P	N	not applicable
Country clubs, private clubs, and nonprofit (<125 sq)	C	N	not by golf course or community setting
Country clubs, private clubs, and nonprofit (>125 sq)	C	N	not by golf course or community setting
Dwelling units, accessory	C	N	not applicable
Dwelling units, adult independent	P	Y	allows for max density of 90 units
Dwelling units, duplex and semi-detached	P	N	site too small
Dwelling units, multifamily	P	Y	
Dwellings, single-family detached	P	N	site too small
Dwellings, townhouses	C	Y	site too small?
Farming	P	N	not enough acreage
Golf Courses	P	N	not enough acreage
Golf course facilities, private	C	N	site does not abut a golf course
Group homes (1 & 2)	P	N	not maximally productive
Group homes (3 or more)	P	N	not maximally productive
Home occupations	C	N	not maximally productive
Housing for the elderly of moderate means	SE	Y	90 units allowed; deed restricted (62 yrs old, 80% AMI), max unit size of 1000 SF
Libraries, museums, parks, noncommercial in natur	P	N	not a community setting
Mobile home parks	SE	N	site must be at least 10 acres
Nursing Homes	SE	Y	unclear on development potential
Piers and launching ramps	SE	N	not by body of water
Piers, recreational	C	N	not by body of water
Piers, accessory to dwelling unit	P	N	not by body of water
Planned unit development	SE	N	site must be at least 20 acres for R1 zone
Public utility essential services	P	N	not applicable
Public utility uses	SE	N	not applicable
Religious facility (<300 spaces)	P	N	not maximally productive
Religious facility (>300 spaces)	P	N	not maximally productive
Restaurants, taverns, retail sales, in MF structure	C	N	only for MF structure
Rooming houses	P	N	not maximally productive
Schools, private in existence before 5/12/2005	P	N	not applicable
Schools, public charter (>125 spaces)	P	N	not a community setting
Schools, public charter (<125 spaces)	P	N	not a community setting
Staging areas for County capital projects	P	N	not applicable
Swimming pools and recreational facilities, commur	P	N	not maximally productive
Swimming pools, private	P	N	not applicable
Volunteer fire stations	P	N	not maximally productive

Total Uses

44

6

TAB 5:
RENT COMPARABLES

RACEWAY APARTMENTS

Rental Comparables Analysis – Stabilized Rents

Property Name	City, State	Year Built	Units	Occupancy	Resident Paid Utilities
Lodge at Seven Oaks	Odenton, MD	2007	396	Lease-up (45%)	All
Groves at Piney Orchard	Odenton, MD	1997	258	96.0%	All
Riverscape	Odenton, MD	1999	280	92.5%	None
Meadows at Russett	Laurel, MD	2001	238	93.0%	All
Concord Park at Russett	Laurel, MD	2005	335	88.9%	All
Arbors at Arundel Preserve	Hanover, MD	2007	496	Lease-up (71%)	All
Keswick Park	Crofton, MD	1991	406	88.9%	All

Property Name	Amenities	Amenities Fee
Lodge at Seven Oaks	Pool, Clubhouse, Gym, Cinema, Beverage Center, Billiards/etc, Detached Garage option, W/D in all units, Mountain Bikes	\$200
Groves at Piney Orchard	Pool, Clubhouse, Gym, Access to Piney Orchard Community Center, W/D & Fireplaces in all units	\$150
Riverscape	Pool, Clubhouse, Gym, Business Center, Billiards, Access to Piney Orchard Community Center, Car Care Center, W/D & Fireplaces in all units	\$150
Meadows at Russett	Pool, Clubhouse, Gym, Business Center & Conference Room, Tennis Court, Playground, Car Care Center, Garages, W/D in all units	\$250
Concord Park at Russett	Pool, Clubhouse, Gym, Business Center & Conference Room, Tennis Court, Cinema, Playroom, Car Care Center, Garages, W/D & Fireplaces in all units	\$400
Arbors at Arundel Preserve	Pool, Clubhouse, Gym, Business Center & Conference Room, Cinema, Billiards/etc, Playroom, Car Care Center, Parking Garage, W/D in all units	\$200
Keswick Park	Pool, Jacuzzi, Clubhouse, Gym, Business Center, Car Care Center, W/D in all units	\$300

1Bedroom/ 1Bath

Name	SF	# of Units	Market Rent	Price/SF
Lodge at Seven Oaks - 1/1 Sitting	786	36	\$1,514	\$1.93
Concord Park at Russett	985	8	\$1,510	\$1.53
Lodge at Seven Oaks	838	72	\$1,496	\$1.78
Lodge at Seven Oaks	722	36	\$1,464	\$2.03
Concord Park at Russett	942	3	\$1,450	\$1.54
Concord Park at Russett	887	74	\$1,405	\$1.58
Concord Park at Russett	875	3	\$1,385	\$1.58
Raceway Apartments	800	46	\$1,350	\$1.69
Keswick Park	700	60	\$1,305	\$1.86
Arbors at Arundel Preserve	746	61	\$1,283	\$1.72
Meadows at Russett	796	14	\$1,260	\$1.58
Arbors at Arundel Preserve	687	83	\$1,238	\$1.80
Riverscape	744	85	\$1,195	\$1.61
Groves at Piney Orchard	744	86	\$1,195	\$1.61
Arbors at Arundel Preserve	635	44	\$1,153	\$1.81
Average Including Subject Property	792		\$1,313	\$1.71
Average Excluding Subject Property	732		\$1,310	\$1.71

1Bedroom / 1-2Bath Loft/Den

Name	SF	# of Units	Market Rent	Price/SF
Lodge at Seven Oaks - 1/1 Study	987	30	\$1,814	\$1.84
Lodge at Seven Oaks - 1/1 Study	989	30	\$1,769	\$1.79
Arbors at Arundel - 1/1.5 Loft/Den	1102	5	\$1,645	\$1.49
Arbors at Arundel - 1/1 Loft	885	8	\$1,505	\$1.70
Arbors at Arundel - 1/1 Den	897	32	\$1,460	\$1.63
Arbors at Arundel - 1/1 Deluxe	911	2	\$1,425	\$1.56
Keswick Park - Den	770	60	\$1,408	\$1.83
Keswick Park - Loft	760	90	\$1,405	\$1.85
Meadows at Russett - 1/1 Den	870	24	\$1,320	\$1.52
Average Including Subject Property	908		\$1,494	\$1.69
Average Excluding Subject Property	908		\$1,494	\$1.69

2Bedroom / 1Bath

Name	SF	# of Units	Market Rent	Price/SF
Riverscape - 2/1.75	918	38	\$1,325	\$1.44
Riverscape	918	40	\$1,265	\$1.38
Groves at Piney Orchard	918	62	\$1,260	\$1.37
Average Including Subject Property	918		\$1,279	\$1.40
Average Excluding Subject Property	918		\$1,279	\$1.40

2Bedroom / 2-3Bath Loft/TH

Name	SF	# of Units	Market Rent	Price/SF
Concord Park at Russett - 2/2	1488	4	\$2,000	\$1.34
Lodge at Seven Oaks - 2/2 Sitting	1233	39	\$1,999	\$1.62
<i>Raceway Apartments</i>	<i>1200</i>	<i>69</i>	<i>\$1,975</i>	<i>\$1.65</i>
Concord Park at Russett - 2/2	1420	4	\$1,940	\$1.37
Arbors at Arundel Preserve - 2/2 Loft	1308	9	\$1,938	\$1.48
Concord Park at Russett - 2/2	1392	17	\$1,913	\$1.37
Lodge at Seven Oaks - 2/2	1198	39	\$1,879	\$1.57
Concord Park at Russett - 2/2	1310	82	\$1,853	\$1.41
Lodge at Seven Oaks - 2/2	1127	78	\$1,836	\$1.63
Concord Park at Russett - 2/2	1272	39	\$1,810	\$1.42
Arbors at Arundel Preserve - 2/2 Loft	1141	17	\$1,770	\$1.55
Arbors at Arundel Preserve - 2/2	1166	25	\$1,750	\$1.50
Concord Park at Russett - 2/2	1200	32	\$1,700	\$1.42
Meadows at Russett - 2/2	1193	4	\$1,700	\$1.42
Arbors at Arundel Preserve - 2/2	1100	79	\$1,643	\$1.49
Concord Park at Russett - 2/2	1116	33	\$1,610	\$1.44
Meadows at Russett - 2/2 G/TH	1082	30	\$1,600	\$1.48
Arbors at Arundel Preserve - 2/2	989	62	\$1,585	\$1.60
Keswick Park - 2/2.5	1010	32	\$1,583	\$1.57
Keswick Park - 2/2 split	990	70	\$1,565	\$1.58
Keswick Park - 2/2 thru	990	94	\$1,553	\$1.57
Meadows at Russett - 2/2 G/TH	1072	54	\$1,550	\$1.45
Arbors at Arundel Preserve - 2/2	964	44	\$1,503	\$1.56
Meadows at Russett - 2/2	1087	24	\$1,485	\$1.37
Riverscape - 2/2	1061	62	\$1,425	\$1.34
Groves at Piney Orchard	1061	63	\$1,415	\$1.33
Meadows at Russett - 2/2	964	4	\$1,400	\$1.45
Average Including Subject Property	1153		\$1,675	\$1.48
Average Excluding Subject Property	1151		\$1,655	\$1.48

3Bedroom / 2Bath

Name	SF	# of Units	Market Rent	Price/SF
Concord Park at Russett	1860	4	\$2,230	\$1.20
<i>Raceway Apartments</i>	<i>1350</i>	<i>17</i>	<i>\$2,200</i>	<i>\$1.63</i>
Concord Park at Russett	1672	8	\$2,170	\$1.30
Lodge at Seven Oaks	1348	36	\$2,126	\$1.58
Concord Park at Russett	1580	8	\$2,100	\$1.33
Concord Park at Russett	1410	16	\$1,940	\$1.38
Arbors at Arundel Preserve	1316	25	\$1,920	\$1.46
Meadows at Russett	1467	56	\$1,900	\$1.30
Meadows at Russett	1273	28	\$1,825	\$1.43
Riverscape	1246	55	\$1,650	\$1.32
Groves at Piney Orchard	1246	47	\$1,640	\$1.32
Average Including Subject Property	1433		\$1,871	\$1.39
Average Excluding Subject Property	1442		\$1,851	\$1.39

RENT COMPS

Summary of Market Competitors

- **The Lodge at Sevens Oaks** is a 396-unit Class A+ garden-style property built in 2007 and is currently in lease-up. Bozzuto Management took over management of the property on December 14, 2007. The community offers residents a full amenities package including a clubhouse with a 24-hour fitness center, movie cinema, swimming pool, mountain bike rentals, and a sports lounge with billiards, shuffleboard, and a beverage center. Located on Blue Water Blvd. adjacent to Seven Oaks I, the property is the newest in the area and will have a strong competitive advantage over the other communities.
- **The Arbors at Arundel Preserve** is a 496-unit Class A+ mid-rise community developed, built, and managed by Bozzuto in 2007. Arbors is also currently in lease-up, and since the April 2007 opening they have leased at a pace of 60 units per month. Located a mile from the Arundel Mills shopping center, the property benefits from its location and strong competitive advantage in the market. Residents enjoy a state-of-the-art clubhouse equipped with a 24-hour fitness center, business center and conference room, movie theater, billiards and game room, day care room, car care center, swimming pool, and garage parking.
- **Concord Park** is a 335-unit Class A+ mid-rise property located in the Russett PUD of Laurel and is managed by Bozzuto Management. The property was built in 2005 and recently completed lease-up. Concord's amenity package includes a clubhouse with 24-hour access to the gym, business center and conference room, tennis court, cinema, playroom, car care center, swimming pool, and garage parking. The property is located in the heart of Laurel's main retail center which includes a Sam's Club, Target, Kohl's, and a wide variety of restaurants and shopping.
- **Meadows at Russett** is a 238-unit Class A community built in 2001 and managed by Archstone Smith. The property is adjacent to Concord Park, and enjoys access to the same attractions in the market. The Meadows features a clubhouse equipped with a 24-hour fitness center, business and conference center, tennis court, playroom, car care center, and swimming pool. The asset features mid-rise apartments and townhouse-style units with garages in the town homes.
- **Keswick Park** is a 406-unit Class A garden-style property located in Crofton and managed by Berkshire Realty. Built in 1991, the property recently completed their clubhouse renovations and began interior renovations on their units. The clubhouse features a state-of-the-art fitness center, business center, car care center, pool, and outdoor whirlpool. Keswick is located in a wooded area of Crofton, so residents enjoy a peaceful and quiet setting within minutes of retail and shopping along Route 3.

- **The Groves at Piney Orchard** is a 258-unit Class B garden-style property built by Dolben Properties in 1997. Dolben has owned and managed the asset since completion. The property is located in the Piney Orchard community in Odenton, less than a mile from a newly constructed neighborhood shopping center. The Groves offers an on-site clubhouse with a fitness center and swimming pool. Additionally, residents can obtain a membership to the Piney Orchard Community Center which features pools, a fitness center, meeting rooms, playgrounds, and nature trails.
- **Riverscape** is a 280-unit Class B garden-style property located less than a mile from The Groves. Dolben built Riverscape in 1999 using the same layout and floor plans as The Groves. Dolben Properties has also maintained ownership and management responsibilities since completion. Property amenities include access to the neighborhood marketplace and community center. Riverscape also offers residents on-site access to a business center, billiards room, and car care center.

TAB 6:

SALES COMPARABLES

RACEWAY APARTMENTS

Sales Comparables Analysis

Property Name	City, State	Year Built	Units	Sales Price	Per Unit	NOI	Cap Rate	Avg SF	Occupancy	Close Date
Keswick Park	Crofton, MD	1991	406	\$68,100,000	\$167,734		5.39%		92.0%	June 30, 2008
Fenland Field	Columbia, MD	1975	234	\$28,000,000	\$119,658		4.50%		99.0%	December 2007
Huntington Downs	Columbia, MD	1983	172	\$27,184,000	\$158,047		4.71%		94.0%	December 2007
Confidential	Howard County	1991	200+	\$28,200,000	\$141,000		4.97%		95.0%	November 2007
Regency Club	Glen Burnie, MD	1988	316	\$58,500,000	\$185,127	\$2,779,537	4.75%	980	97.8%	November 2007
Montgomery at Wheaton	Wheaton, MD	2004	242	\$65,000,000	\$268,595		4.29%		95.0%	October 2007
Bowie Town Center	Bowie, MD	1998	348	\$75,000,000	\$215,517	\$3,738,213	4.98%	993	94.0%	August 2007
Ashton Woods	Columbia, MD	1991	204	\$40,000,000	\$196,078	\$1,836,258	4.59%	991	94.0%	July 2007
Dorsey's Forge	Columbia, MD	1971	251	\$33,250,000	\$132,470		4.38%		97.0%	June 2007
Kendall Ridge	Columbia, MD	1989	184	\$34,200,000	\$185,870	\$1,559,927	4.56%	945	90.0%	February 2007
Hamptons at Town Center	Germantown, MD	1983	172	\$27,184,000	\$158,047		4.71%		94.0%	January 2007
Heather Ridge	Bowie, MD	1988	324	\$60,375,000	\$186,343	\$3,126,480	5.18%	866	96.0%	December 2006
Meadows at Russett	Laurel, MD	2001	238	\$55,678,500	\$233,943	\$2,668,250	4.79%	1155	97.5%	January 2006
Concord Park at Russett	Laurel, MD	2005	335	\$90,000,000	\$268,657	\$3,640,630 *	4.05%	1201	30% (lease-up)	January 2006

* Based on 2007 statement (first stabilized year) as opposed to first full year after acquisition because of the lease-up

TAB 7:
PIPELINE

SUPPLY PIPELINE

Odenton Town Center

In planning since 1968, the Odenton Town Center was approved by the County Council in 2004 and is being developed by Halle Companies. The town center designation covers 1,620 acres of land and is centered on the Odenton MARC station. The “core” site will be a 128 acre mixed-use development with 5.5 million SF of high-tech office space. The core will also include the following developments:

- Hogan Property: 7 acres purchased by Wood Partners to build a mix of retail and multifamily. The proposal is for 185 apartment units and 15,000 SF of retail.
- Greenhill Property: 5 one acre lots purchased by Greenhill Capital near the Town Center’s main retail street. The development plan has not been finalized.
- Reliable Contracting Property: 30 acres in the core with no development plans to-date. Only 10 acres are usable.
- Town Center Commons: 7 acre site adjacent to the Odenton MARC station and future Odenton Town Center site. The Bozzuto Group is partnering with Eric Levitt to develop 250 apartment homes and a hotel to be developed by Baywood Hotels. The site was sold by Regional Investments and Koch Associates. Anticipated delivery is 2010.
- USTerra: Timonium based developer headed by John Gary and Gerson Polun planning on 44 apartments units.

Other sites within the Town Center designation include:

- Station Square @ Odenton Marc Station: Joint venture between Bozzuto Group, Osprey Property, and Reliable Contracting. The \$150 million, 27-acre site will surround the MARC station and contain 74,000 SF of retail, 90 to 120 room hotel, 572 apartment and condo units (60 designated for affordable seniors housing), 250 town homes, and five single-family homes. The development will feature two parking garages for the MARC commuters totaling 3,500 spaces, and an additional 1,245 spaces for the development. Anticipated 2011 delivery.
- The Villages @ Odenton Station: Dolben Associates out of Boston has retained AJ Properties to develop this 6 acre site. The \$40 million complex will feature 227 multifamily units, 60,000 SF of retail, and 9,600 SF of office space. It was sold by Metropolitan Management with approvals in place.
- Nevamar: Bethesda-based Stonebridge Carras, LLC controls this 31 acre site of the former Nevamar manufacturing plant. No plans have been made public.

- Fortis Development Site: Headed by Brett Griffith, Fortis plans 25,000 SF of office, 18,000 SF of retail, and 15 extended stay apartments on Rt. 175 close to the Ft. Meade entrance.

New Supply of Multifamily Units	Expected Delivery Date
~ 1,500	2010 - 2012

Office/Single-Family Development

- Arundel Gateway: Located at the intersection of I-295 and Rt. 198, this \$500 million mixed-use project will feature 1,600 single-family homes, townhouses, condos, duplexes with an office and retail component. John Stamata of Ribera Development is planning the 300 acre site, and anticipates delivering the first home in 2010.
- Ft. Meade Technology Center: Trammell Crow Development was selected by the Corp of Engineers and Ft. Meade to develop this 173-acre, 2 million SF site on the eastern side of the base. The selection was part of the Army's Enhanced Use Lease (EUL) program, in which military land is leased to a developer for a period of time with the understanding that the facilities will be financed, planned, constructed, and operated by the developer. The plan also includes construction of two, 18-hole golf courses on 367 acres of land at the south part of the base.
- Annapolis Junction: Located at the intersection of I-295 and Rt. 32, this 200 acre office park will feature 2.3 million SF of development and include office space, hotel, and retail. Site development by Boston Properties.
- National Business Park III: An extension of the 285-acre business park along I-295. Corporate Office Properties Trust (COPT) will add an additional 1.8 million SF of office space.
- Arundel Preserve: Another COPT venture located off Arundel Mills Blvd – will feature 1.2 million SF of office space
- Parkside/Reuwer: Two sites located adjacent to Ft, Meade along Rt. 175. Site will include 400,000 SF of office space.
- Classic Properties Corporation: Located by the Parkside/Reuter sites, this site will feature a single-family housing. The details are unknown at this point in time.

New Supply of Office Space	Expected Delivery Date
~ 7.7 million SF	2010 - 2012

New Supply of Single-Family Housing	Expected Delivery Date
~ 1,600	Unknown

Additional Activity

- “Boomtown”: The one mile, run-down retail strip along Rt. 175 from Blue Water Blvd. to Reece Rd. This area coined the name during WWII when the strip exploded on the scene with bars, dance clubs, tattoo parlors, and pinball arcades to support the GI’s who were training for war. After the war, the Ft. Meade population dwindled and the Boomtown mile fell to the wayside. Over the past 3 years, there has been a renewed interest in the strip due to the buzz created by BRAC. The parcels have been snatched up by speculators anticipating the future growth of the sub market. To further the development, the county has relaxed its zoning rules and has begun offering tax breaks. Recent developments include a 1st Mariner Bank, and a proposed Wawa at the corner of Rt. 175 and Charter Oaks Blvd.
- Town Center Boulevard: Currently one of the main roadways through the Seven Oaks PUD, this road is being expanded to cut through the Odenton Town Center and connect back with Rt. 175.
- Route 175 Expansion: The County has appropriate \$12.5 million toward widening a 5-mile stretch of Rt. 175, and building a 30-foot-high noise barrier around Ft. Meade. The stretch of Rt. 175 will be from Rt. 170 to I-295.
- Odenton MARC Station: The MTA is planning to increase ridership by implementing a Penn Line Plan. The plan will be phased in over a 25 year period, and involves lengthening the cars and adding additional peak time service. The first phase will increase ridership from 2,100 today to 3,400 by 2010.

APPENDIX

PARCEL OWNERS

Parcel	Zoning	Owner	Acres	Direction	Premise Address	Mailing Address	Sale Price	Sale Date	Previous Owner	Notes
309	C1	Waugh Chapel Dental Enterprises, LLC	1.34	SB	1255 Waugh Chapel Rd	28 Ridge Rd, Greenbelt, MD	\$ 95,000	Sep-01	Kinder Care Learning Centers Inc.	
309	R10	Centex Homes	16.184	SB	Waugh Chapel Rd	3684 Centerview Rd., Chantilly, VA	\$ 3,937,500	Jul-07	Frederick Taylor	
113	C4	Southland Corp	0.72	SB	MD RT 3 South	PO Box 711, Dallas, TX	\$ -	Dec-72	unknown	
262	C4	Texland Properties Corp	0.685	SB	898 MD RT 3 South	PO Box 711, Dallas, TX	\$ -	Oct-73	unknown	
8	C4	Chaney Family, LLC	0.75	SB	906 MD RT 3 South	2471 Davidsonville Rd., Gambrills, MD	\$ -	Dec-99	Merel Chaney	
240	R1	BBSS Inc.	1	SB	2530 Brickhead Rd	1 Church View Rd, Millersville, MD	\$ 120,000	Jun-95	Alice Turner	
184	R1	BBSS Inc.	1	SB	2540 Brickhead Rd	1 Church View Rd, Millersville, MD	\$ 60,000	May-90	Alverta Jones	
123	R1	BBSS Inc.	1.99	SB	2542 Brickhead Rd	1 Church View Rd, Millersville, MD	\$ 120,000	Apr-95	William Ridgely	
131	R1	Bradley Gould Trustee	0.5	SB	2544 Brickhead Rd	2016 Kurtz Ave., Pasadena, MD	\$ -	Apr-08	Calvin Isaac	
158 (12)	MXD - C	BBSS Inc.	2	SB	2621 Brickhead Rd	1 Church View Rd, Millersville, MD	\$ -	Dec-89	BBS Investors	
158 (11)	MXD - C	Towser Developers, Inc.	93.31	SB	Crain Hwy	1 Church View Rd, Millersville, MD	?	?	?	Waugh Chapel Village Phase II
220	MXD - C	Towser Developers, Inc.	23.46	SB	Brickhead Rd	1 Church View Rd, Millersville, MD	?	?	?	Waugh Chapel Village Phase II
222	MXD - C	BBSS Inc.	4.57	SB	Brickhead Rd	1 Church View Rd, Millersville, MD	\$ -	Dec-89	BBS Investors	Waugh Chapel Village Phase II
61	MXD - C	BBSS Inc.	86.78	SB	2551 Brickhead Rd	1 Church View Rd, Millersville, MD	\$ -	Dec-89	BBS Investors	Waugh Chapel Village Phase II
68	R1	BBSS Inc.	10.6	SB	?	1 Church View Rd, Millersville, MD	\$ 1,250,000	Sep-03	Arthur Morrisette Trustee	On left hand-side down Evergreen Rd
351	R1	Evergreen Road LLC	1.9	SB	Evergreen Rd	502 Washington, Ave, Towson, MD	\$ -	Oct-07	Marion Burgone	
233	R1	Evergreen Road LLC	2.76	SB	2525 Evergreen Rd	502 Washington, Ave, Towson, MD	\$ -	Oct-07	Geo Harris	
p/o 153	R1	?	?	SB	?	?	?	?	?	parcels not listed on RET assessment database
151	R1	?	?	SB	?	?	?	?	?	parcels not listed on RET assessment database
67	R1	SINCAL TOM ASSOCS	1.14	SB	1050 MD RT 3 South LA	1401 Goldenrain Dr	\$ -	Oct-85	unknown	Go-kart Raceway
357	R1	SIN CAL TOM ASSOCS	0.57	SB	Evergreen Rd	1401 Goldenrain Dr	\$ 5,750	Jan-90	Ida Lavender	Go-kart Raceway
66	R1	SINCAL TOM ASSOCS	4.3	SB	Evergreen Ave	1401 Goldenrain Dr	\$ -	Oct-85	unknown	Go-kart Raceway
281	R1	Viola Hamilton/Eva Wilson	1	SB	1068 MD RT 3 South LA	Same	\$ -	Apr-05	Emory Hamilton	
76 (1)	R1	Samuel B Cooper, Jr./Samuel B Cooper, IV	2.75	SB	1074 MD RT 3 South	1072 MD RT 3 South	\$ 500,000	May-07	Winifred Ray Watkins	Owner before Watkins was Herman Hamilton
76 (2)	R1	Thomas and Brandi Eckert	1.7	SB	1072 MD RT 3 South	Same	\$ 635,000	May-06	James Watkins	Owner before Watkins was Herman Hamilton
75	R1	Patrick and Maureen Porzillo	2.96	SB	2550 Shorter Rd	7 Carrollton Rd, Annapolis, MD	\$ -	May-80	unknown	
314	R1	Animal World, LLC	2.86	SB	1078 MD RT 3 South	212 Northwest Terr., Silver Spring, MD	\$ 95,000	May-02	Crownsville Holdings I, LLC	Owner before CH was Shiann Inc.
155	R1	Joseph and Rose Pindell	0.39	SB	2542 Shorter Rd	PO Box 56, Gambrills, MD	\$ 2,750	Aug-81	unknown	
80	R1	Joseph and Rose Pindell	0.41	SB	2544 Shorter Rd	PO Box 56, Gambrills, MD	\$ -	Apr-92	Joseph Pindell	
156	R1	John and Barbara Mckay	1.37	SB	MD RT 3 South	5416 Sargent Rd	\$ 15,000	Feb-05	Reynaldo David	Owner before David was Melvin Queen
157	R1	Animal World, LLC	0.46	SB	Crain Hwy	1078 MD RT 3 S	\$ 57,500	Nov-08	Shiann Inc.	
81	C3	1080 Route 3, LLC	2.15	SB	1080 MD RT 3 South	336 Derbyshire Ln, Riva, MD	\$ -	Jun-06	Nasrolah Khoshtinat	Owner before Nasrolah was Sandra Queen
89	C4/OS	TKG Maryland Storage, LLC	17.66	SB	1110 MD RT 3 South	2407 Rangeline, Columbia, MD	\$ 1,100,000	Jan-08	Frank Scott	Owner before was James Sherman
201	R1	Mcintyre Building, LLC	2.72	SB	1082 MD RT 3 South	CRW Skate Inc, Crofton, MD	\$ -	Apr-04	MIRW Assocs LP	
330	C4	Gretchen and Donald Clark	1.79	SB	Crain Hwy	11570 SW 69th Ocala, FL	\$ -	Jul-03	Gretchen Clark	
154	C4	Robert Long/ML Long	2.38	SB	MD RT 3 South	12004 Pleasant Prospect, Mitchellville, MD	?	?	?	Long Fence Owners (see 86 & 269)
87	R1	Archie and Sarah Oliver	0.20	SB	1114 MD RT 3 South	Same	?	?	?	
332	OS	Anne Arundel County	52.37	SB	1160 MD RT 3 South	1627 Severn Chapel Rd., Crownsville, MD	\$ -	Dec-71	unknown	
308	C3	Stavias Brothers, Inc.	4.63	SB	2510 Conway Rd	615 Shipley Rd., Linthicum, MD	\$ 2,200,000	Jul-04	Arbor Park Crofton, LLC	Patuxent River Park (rec area)
167	C3	Stavias Brothers, Inc.	3.54	SB	1166 MD RT 3 South	615 Shipley Rd., Linthicum, MD	\$ 2,200,000	Jul-04	Arbor Park Crofton, LLC	Princess Shopping Center (probably \$2.2 mm for both parcels)
65	C3	Donald and Deborah Storm	1.92	Median	1034 MD RT 3 North	131 Surrey Ln., Queenstown, MD	\$ -	Jul-84	unknown	Shoreline Seafood store
152	C4/OS	Gramadi II, Ltd	1.13	Median	1044 MD RT 3 North	3450 Fawn Wood, Fairfax, VA	\$ 2,475,235	Aug-01	WEC 991-19, LLC	Gas station - Prior owner was Southland Corporation (see parcel 113 & 262)
13	C3	Pizza Hut of MD Inc	1.47	Median	MD RT 3 South	7070 Oakland Mills, Columbia, MD	\$ 312,500	Oct-85	unknown	Pizza Hut
77	C3	Rosetta Gaither/Henry Hamilton, Et.	0.55	Median	1058 MD RT 3 North	315 Shetlands, Glen Burnie, MD	\$ -	Nov-02	John Hamilton	Junk Yard
142	C3	Geo H Rucker Realty Corp	1.65	Median	1064 MD RT 3 North	1657 Crofton Blvd., Crofton, MD	\$ 725,000	Oct-84	unknown	Wendy's - McDonalds Corp sold it in 1997 (Boston Market currently) - CNL is a REIT that provides funding to restaurants
79	C3	CNL Net Lease Funding 2001, LP	1.186	Median	1070 Md Rt. 3	PO Box 802206, Dallas, TX	\$ 1,267,267	Oct-01	CNL American Properties	
83	C3	?	?	Median	?	?	?	?	?	
82	C3	?	?	Median	?	?	?	?	?	
84 (1)	C3	Charles Brothers, Inc.	0.68	Median	1088 Md Rt. 3	1912 Hampshire LN, Adelphi, MD	\$ -	May-90	Unknown	
84 (2)	C3	Charles Brothers, Inc.	0.68	Median	1086 Md Rt. 3	1912 Hampshire LN, Adelphi, MD	\$ 420,000	Dec-88	Juanita Spriggs	
85	C4	Crofton Rt 3 Associates	0.83	Median	Md Rt. 3 S	275 West St., Annapolis, MD	\$ -	Apr-86	United States Postal Service	Macquilliam Organization
377	C4	Crofton Rt 3 Associates	1.58	Median	1106 Md Rt. 3	275 West St., Annapolis, MD	\$ -	Apr-86	United States Postal Service	Macquilliam Organization
86	C4	Robert and Marlene Long Trustee	1.01	Median	1114 Md Rt. 3	12004 Pleasant Prospect, Mitchellville, MD	\$ -	Jun-06	Robert L. Long	Long Fence
269	C4	Robert and Marlene Long Trustee	1.62	Median	Md Rt. 3 S	12004 Pleasant Prospect, Mitchellville, MD	\$ -	Jun-06	Robert L. Long	Long Fence
91	C4	McDonald's Corp	2.13	Median	Crain Hwy	PO Box 182571, Columbus, OH	\$ -	Oct-73	unknown	McDonalds
375	C4	Sunoco Inc.	1.13	NB	1025 Md Rt. 3	1801 Market St., Philadelphia, PA	\$ 1,776,889	May-04	Scott Borocz Trustee	Gas Station - Mobil Oil Corp owned in 2000
380	C4	Hopkins Road Associates	0.22	NB	Crain Hwy	1 Church View Rd, Millersville, MD	\$ -	Dec-82	unknown	Same mailing address as BBS Investors (Reliable)
378	C4	Hopkins Road Associates	2.56	NB	2299 Johns Hopkins Rd.	277 Peninsula Farm Rd., Arnold, MD	\$ -	Dec-82	unknown	
379	C4	Hopkins Road Associates	11.66	NB	1053 Md Rt. 3	277 Peninsula Farm Rd., Arnold, MD	\$ 730,000	Dec-84	unknown	
382	C4	SSC Property Holdings	2.08	NB	1057 Md Rt. 3	PO Box 25025, Glendale, CA	\$ -	Mar-94	Shugard Income Properties	Self-storage
169	C2	Queen Mitchell Road Investors, LLC	1.97	NB	1069 Md Rt. 3	2601 S. Bayshore Dr., Miami, FL	\$ 253,453	Feb-07	Howard Turner	Greenstreet Partners, LP
210	C2	Barbaro Professional Bldg, LLC	0.92	NB	1071 Md Rt. 3	1071 Md Rt. 3, Gambrills, MD	\$ -	Feb-06	Antonio Barbaro	
176	C2	Tower Federal Credit Union	1.00	NB	1077 Md Rt.	7901 Sandy Springs Rd., Laurel, MD	\$ 370,000	Jan-03	Martin Berman	
274	C2	Harry and Jeanette Ham	3.13	NB	1079 Md Rt. 3	1079 Md Rt. 3	\$ 20,000	Dec-79	unknown	
266	C2	Mary Meyers/Alfreda Scott	1.00	NB	1083 Md Rt. 3	901 Autumn Valley Rd., Gambrills, MD	\$ -	Dec-04	Mary Meyers	

PARCEL OWNERS

Parcel	Zoning	Owner	Acres	Direction	Premise Address	Mailing Address	Sale Price	Sale Date	Previous Owner	Notes
162	C2	Charles Nemphos	0.60	NB	Crain Hwy	5174 Mountain Rd., Pasadena, MD	\$ 130,000	Aug-03	Pete Stevens	Lee Sub division
260	C2	CH - Wilson Memorial United Methodist Church	0.33	NB	1113 Md Rt. 3	1113 Md Rt. 3	\$ -	Jan-03	Thomas Dorsey Trust	
366	C2	VV Commercial Center LLC	1.39	NB	1117 Md Rt.	PO Box 4206, Crofton, MD	\$ 550,000	Oct-04	Ray Sears	
367	C2	C Co Crain Hwy, LLC	0.86	NB	1123 Md Rt.	1544 Hornbeam Dr., Crofton, MD	\$ 700,000	Aug-06	South Shore Development Co., Inc.	Same owner as 163
163	C2	C Co Crain Hwy, LLC	0.89	NB	1119 to 1131 Md Rt. 3	1544 Hornbeam Dr., Crofton, MD	\$ -			SJ Chadwick Office/Retail Building (Carver Square) - 27 office/retail condos
175	C2	C Co Crain Hwy, LLC	0.63	NB	Conway Rd.	1544 Hornbeam Dr., Crofton, MD	\$ 700,000	Aug-06	South Shore Development Co., Inc.	
227	C2	Equity Trust CO - Custodian	1.74	NB	1133 Md Rt. 3	PO Box 244, Gambrills, MD	\$ 95,310	Dec-05	Michael Welsh	Same owner as 163
273	C2	1139 Md Rt. 3, LLC	1.21	NB	1139 Md Rt. 3	8050 SW Warm Springs Rd., Tualatin, OR	\$ 320,000	Sep-04	Jean Myers	Same owner as 306
306	C2	1139 Md Rt. 3, LLC	0.19	NB	1145 Md Rt. 3	1139 Mr Rt. 3	\$ 200,000	Jun-05	Helen Hamilton	Same owner as 273
376 (F)	C3	E&A Acquisition Two, LP	0.56	NB	1149 Md Rt. 3	1901 Main St, Columbia, SC	\$ 11,315,000	Jun-99	RREEF Midamerica/East-V Two, Inc.	Crofton Station Shopping Center
376 (C)	C3	E&A Acquisition Two, LP	0.47	NB	1159 Md Rt. 3	1159 Md Rt. 3, Crofton, MD	Same	Same	RREEF Midamerica/East-V Two, Inc.	Crofton Station Shopping Center
376 (E)	C3	E&A Acquisition Two, LP	0.34	NB	1163 Md Rt. 3	1901 Main St, Columbia, SC	Same	Same	RREEF Midamerica/East-V Two, Inc.	Crofton Station Shopping Center
376 (B)	C3	E&A Acquisition Two, LP	9.51	NB	1155 Md Rt. 3	1901 Main St, Columbia, SC	Same	Same	RREEF Midamerica/East-V Two, Inc.	Crofton Station Shopping Center
376 (A)	C3	E&A Acquisition Two, LP	0.49	NB	2660 Crofton Station Ct	1901 Main St, Columbia, SC	Same	Same	RREEF Midamerica/East-V Two, Inc.	Crofton Station Shopping Center



Account Identifier: District - 04 Subdivision - 000 Account Number - 05845083

Owner Information

Owner Name: SINCALTOM ASSOCS Use: COMMERCIAL
 Principal Residence: NO
 Mailing Address: 1401 GOLDENRAIN DR Deed Reference: 1) / 3958/ 897
 CROFTON MD 21114 2)

Location & Structure Information

Premises Address Legal Description
 1050 MD RT 3 SOUTH LA 1.14 ACRES
 GAMBRILLS 21054 1050 MD RT 3 SOUTH LA
 GAMBRILLS

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No:
36	18	67						2	Plat Ref:

Special Tax Areas Town
 Ad Valorem
 Tax Class

Primary Structure Built	Enclosed Area	Property Land Area	County Use
1986	1,831 SF	1.14 AC	

Stories	Basement	Type	Exterior

Value Information

	Base Value	Value Phase-in Assessments		
		As Of 01/01/2008	As Of 07/01/2008	As Of 07/01/2009
Land	271,400	501,400		
Improvements:	76,800	79,300		
Total:	348,200	580,700	425,700	503,200
Preferential Land:	0	0	0	0

Transfer Information

Seller: Date: 10/03/1985 Price: \$0
 Type: UNKNOWN Deed1: / 3958/ 897 Deed2:
 Seller: Date: Price:
 Type: Deed1: Deed2:
 Seller: Date: Price:
 Type: Deed1: Deed2:

Exemption Information

Partial Exempt Assessments	Class	07/01/2008	07/01/2009
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: NO Special Tax Recapture:
 Exempt Class: * NONE *



Account Identifier: District - 04 Subdivision - 000 Account Number - 00981300

Owner Information

Owner Name: SINCALTOM ASSOCS Use: COMMERCIAL
 Mailing Address: 1401 GOLDENRAIN DR Principal Residence: NO
 CROFTON MD 21114-3201 Deed Reference: 1) / 3958/ 897
 2)

Location & Structure Information

Premises Address: EVERGREEN AVE Legal Description: 4.3 ACRES
 GAMBRILLS 21054 EVERGREEN AVE
 CONOWAYS

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No:
36	18	66						2	Plat Ref:

Special Tax Areas: Town Ad Valorem Tax Class

Primary Structure Built	Enclosed Area	Property Land Area	County Use
0000		4.30 AC	

Stories	Basement	Type	Exterior

Value Information

	Base Value	Value Phase-in Assessments		
		As Of 01/01/2008	As Of 07/01/2008	As Of 07/01/2009
Land	153,000	357,700		
Improvements:	0	0		
Total:	153,000	357,700	221,233	289,466
Preferential Land:	0	0	0	0

Transfer Information

Seller: Date: 10/03/1985 Price: \$0
 Type: UNKNOWN Deed1: / 3958/ 897 Deed2:
 Seller: Date: Price:
 Type: Deed1: Deed2:
 Seller: Date: Price:
 Type: Deed1: Deed2:

Exemption Information

Partial Exempt Assessments	Class	07/01/2008	07/01/2009
County	000	0	0
State	000	0	0
Municipal	000	0	0

Tax Exempt: NO Special Tax Recapture: * NONE *
 Exempt Class:

