

EXECUTIVE SUMMARY

RCLCO (Robert Charles Lesser & Co.), a national independent real estate consulting and economic analysis firm headquartered in Bethesda, Maryland, was retained by Foulger-Pratt/Argo Investment Company to analyze the fiscal impact of the proposed mixed-use development at East Campus at the University of Maryland at College Park.

The objective of this analysis was to determine the fiscal impact on the city of College Park and Prince George's County, Maryland. The analysis took into account all categories of revenues and expenditures expected to be received and incurred as a result of the projected development, and incorporated them into a detailed model. We have also included the impact on select state of Maryland revenues. The assumptions used for the fiscal impact analysis were based on inputs from Prince George's County's Fiscal Year 2008 Proposed General Fund budget, College Park's adopted 2007 General Fund budget, conversations with officials from College Park and Prince George's County, and assumptions from various other sources, including the U.S. Census, the Bureau of Labor Statistics, and Claritas, Inc. Foulger-Pratt/Argo provided the development program, the anticipated absorption schedules for all land uses, and values for commercial uses. RCLCO conducted an independent market analysis to determine likely values for the proposed residential uses at East Campus.

The development program consists of a mix of general occupancy rental apartments, rental apartments dedicated to graduate students at the University of Maryland, retail, office, movie theater, and fitness club. Exhibit 3 provides the development program and other key assumptions.

Types of Impacts

The analysis includes various types of impacts, defined as follows:

- Direct Revenues include all city, county, and select state revenues received as a direct result of development and activities at the project.
- Additional real property taxes emanating from the positive impact that development at East Campus will have on assessed values of surrounding properties in College Park.

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- Direct Net Fiscal Impact includes all revenues received after subtracting the cost of additional city and county services required as a result of the project.
- Indirect/Induced Revenues include additional county and state revenues as a result of the economic activity that East Campus will generate elsewhere in the county and state. For example, this includes the estimated county and state income tax paid by employees elsewhere in Prince George's County or Maryland, who are likely to live in those areas, whose jobs are an indirect result of the project, net of county operating expenses generated by the additional employees.
- Total Direct Net Fiscal Impact & Indirect/Induced Revenues is the sum of Direct Net Fiscal Impact and Indirect/Induced Revenues.

We have taken a similar approach in this analysis as we used in the fiscal and economic impact analyses for Downtown Silver Spring (Montgomery County, Maryland) and for National Harbor (Prince George's County, Maryland). These analyses were reviewed and accepted by respective county staff and state staff. For the indirect and induced impacts, we used 2003 IMPLAN multipliers for Prince George's County and Maryland produced by the Minnesota IMPLAN Group, Inc. that developed the nationally recognized IMPLAN economic impact modeling system.

Summary of Fiscal Impact Analysis

Over a 36-year period, from 2007 through 2042, the East Campus development will have a very positive fiscal impact on College Park, Prince George's County, and Maryland. The total direct net fiscal impact through the year 2042 is estimated to be \$125.7 million to the city of College Park and \$355.4 million to Prince George's County. We anticipate that Maryland will receive total revenues of \$886.1 million over 36 years in property, income, sales, and corporate income taxes. We estimate additional induced/indirect revenues of \$18.2 million to the county (\$13.3 million net of additional miscellaneous revenues and expenditures from indirect/induced employees living in the county) and \$148.6 million to the state.

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East Campus will generate a large number of jobs on-site. By the time the development is built out, according to RCLCO's forecast, the development will generate approximately 1,229 on-site jobs. This figure does not include on-site construction jobs that are generated by the project, which we anticipate will peak at 858 in 2012. We estimate that 88% of on-site jobs generated by the East Campus project will be held by Maryland residents. Of these, 60% of the jobs will be held by Prince George's County residents, and approximately 14% of these jobs will be held by residents of the city of College Park.

See Figure 1 below or Exhibit 1 for a summary of the total fiscal impacts on College Park, Prince George's County, and Maryland:

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Figure 1

Summary of Direct and Indirect/Induced Fiscal Impacts

REVENUES/EXPENDITURES	PRINCE GEORGE'S COUNTY		CITY OF COLLEGE PARK		MARYLAND	
	\$	%	\$	%	\$	%
REVENUES						
Real Property Tax (East Campus Parcels)	\$226,828,000	37%	\$71,845,000	37%	\$26,912,000	3%
Real Property Tax (Surrounding Existing Uses)	\$95,597,000	16%	\$30,279,000	16%	\$11,342,000	1%
Personal Property Tax	\$23,218,000	4%	\$7,353,000	4%	\$0	0%
Employee Income Tax	\$32,437,000	5%	\$779,000	0%	\$82,991,000	9%
Household Income Tax	\$167,384,000	27%	\$34,283,000	18%	\$303,120,000	34%
Hotel Room Tax	\$12,959,000	2%	\$12,959,000	7%	\$0	0%
Admissions and Amusements Tax	\$0	0%	\$17,915,000	9%	\$0	0%
Public School Facility Surcharge	\$15,199,000	2%	\$0	0%	\$0	0%
Public Safety Surcharge	\$3,954,000	1%	\$1,318,000	1%	\$0	0%
Miscellaneous Fees/Taxes	\$38,411,000	6%	\$16,566,000	9%	\$0	0%
Sales and Use Tax	\$0	0%	\$0	0%	\$419,771,000	47%
Corporate Income Tax	\$0	0%	\$0	0%	\$41,915,000	5%
TOTAL REVENUE	\$615,986,000	100%	\$193,297,000	100%	\$886,050,000	100%
EXPENDITURES						
Operating Expenditures	\$177,974,000	68%	\$65,459,000	97%	N/A	N/A
Educational Expenditures - Operating	\$62,035,000	24%	N/A	N/A	N/A	N/A
Other Capital Expenditures	\$6,617,000	3%	\$2,149,000	3%	N/A	N/A
Educational Expenditures - Capital	\$13,949,000	5%	N/A	N/A	N/A	N/A
TOTAL EXPENDITURES	\$260,575,000	100%	\$67,609,000	100%	N/A	N/A
NET FISCAL IMPACT	\$355,411,000		\$125,688,000		\$886,050,000	
INDIRECT/INDUCED REVENUES	\$18,219,000		N/A		\$148,584,000	
INDIRECT/INDUCED EXPENDITURES	\$4,911,000		N/A		N/A	
INDIRECT/INDUCED NET FISCAL IMPACT	\$13,309,000		N/A		\$148,584,000	
TOTAL REVENUES	\$634,205,000		N/A		\$1,034,634,000	
TOTAL EXPENDITURES	\$265,486,000		N/A		N/A	
TOTAL NET FISCAL IMPACT	\$368,720,000		N/A		\$1,034,634,000	

Note: Analysis only took account of select state taxes.

CRITICAL ASSUMPTIONS

The conclusions and recommendations presented in this report are based on our analysis of the information available to us from our own sources and from the client as of the date of this report. We assume that the information is correct, complete, and reliable.

Our conclusions and recommendations are based on certain assumptions about the future performance of the global, national, and/or local economy and real estate market, and on other factors similarly outside either our control or that of the client. We analyzed trends and the information available to us in drawing conclusions and making the appropriate recommendations. However, given the fluid and dynamic nature of the economy and real estate markets, it is critical to monitor the economy and markets continuously and to revisit the aforementioned conclusions and recommendations periodically to ensure that they stand the test of time.

We assume that, in the future, the economy and real estate markets will grow at a stable and moderate rate. However, history tells us that stable and moderate growth patterns are not sustainable over extended periods of time. Indeed, we find that the economy is cyclical and that the real estate markets are typically highly sensitive to business cycles. Our analysis does not necessarily take into account the potential impact of major economic "shocks" on the national and/or local economy and does not necessarily account for the potential benefits from a major "boom." Similarly, the analysis does not necessarily reflect the residual impact on the real estate market and the competitive environment of such a shock or boom. The future is always difficult to predict, particularly given changing consumer and market psychology. Therefore, we recommend the close monitoring of the economy and the marketplace. The project and investment economics should be "stress tested" to ensure that potential fluctuations in the economy and real estate market conditions will not cause failure.

In addition, we assume that economic, employment, and household growth will occur more or less in accordance with current expectations, along with other forecasts of trends and demographic and economic patterns. Along these lines, we are not taking into account any major shifts in the level of consumer confidence; in the cost of development and construction; in tax laws (i.e., property and income tax rates, deductibility of mortgage interest, and so forth); or in the availability and/or cost of capital and mortgage financing for real estate developers, owners, and buyers. Should any of

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the above change, this analysis should probably be updated, with the conclusions and recommendations summarized herein reviewed accordingly (and possibly revised).

We also assume that competitive projects will be developed as planned (active and future) and that a reasonable stream of supply offerings will satisfy real estate demand. Finally, we assume that major public works projects occur and are completed as planned.

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Figure 2

Development Program and Key Assumptions

LAND USE	IMPROVED VALUES (2007 Dollars)		RENT/ UNIT	LEASE RATE RENT/SF	AVERAGE VALUE PER SF	AVERAGE SIZE						
	LAND	TOTAL										
Apartments - Graduate Student Dedicated	\$25,000	\$181,125	\$2,277	\$2.20	\$163.62	1,035						
Apartments - General Occupancy	\$25,000	\$149,797	\$1,746	\$1.90	\$160.21	919						
Hotel	\$25,000	\$133,297	\$175 ADR		\$174.59	764 GSF/Room						
Office	\$30 /FAR FT	\$158 /FAR FT		\$26.00								
Lifestyle/Town Center Retail	\$40 /FAR FT	\$185 /FAR FT		\$32.00								
Neighborhood Retail-Grocery	\$40 /FAR FT	\$154 /FAR FT		\$18.00								
Restaurants	\$40 /FAR FT	\$307 /FAR FT		\$32.00								
Movie Theater	\$40 /FAR FT	\$192 /FAR FT		\$32.00	1,200 Seats							
Health Club	\$30 /FAR FT	\$104 /FAR FT										
DELIVERY	TOTAL	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Apartments - Graduate Student Dedicated	425						425					
Apartments - General Occupancy	1,653						621		1,032			
Hotel	200						200					
Office	96,700						96,700					
Lifestyle/Town Center Retail	174,300						174,300					
Movie Theater	35,000						35,000					
Neighborhood Retail-Grocery	55,000						55,000					
Restaurants	80,000						80,000					
Health Club	40,000						40,000					

SOURCE: Foulger-Pratt/Argo Investment Company; MuniCap, Inc.; RCLCO

College Park

Real Property Tax: We multiplied the estimated improved value of each of the land uses by the city tax rate of \$0.299 per \$100 of assessed value, based on an assessed value of 100% of the fair market value. We do not assume there will be any property taxes paid until delivery.

In addition to the real property taxes that the development itself will generate for the city, we have identified surrounding properties that we believe will realize an increase in assessed values as a result of the development at East Campus, quantified what we believe will be the increase in value over time, and estimated the real property taxes arising from increasing assessments. Our analysis was informed by the experience in Silver Spring, Maryland, where the revitalization at Downtown Silver Spring turned around the trend of declining values in the surrounding area, and even resulted in a spike in values immediately following the completion of the Downtown Silver Spring project. The parcels we selected in College Park have an aggregate land area that is similar to the land area of the Silver Spring Central Business District. These parcels stretch from Berwyn Road to the north, Calvert Road to the south, Baltimore Avenue to the west (and includes properties either side of Baltimore Avenue), and the train tracks to the east. In Silver Spring, we found that, in anticipation of the development and during early years of construction, values began increasing and then rose dramatically after 2004, when the project was complete. We believe a similar trend will prevail in College Park for the properties that we identified; however, we believe the magnitude of increase may be somewhat more muted, considering that College Park does not have the same level of distress as was the case in Silver Spring in the mid- to late-1990s. Furthermore, in addition to private developers, the public sector made considerable efforts to improve Silver Spring, such as instituting an Enterprise Zone, providing tax credits, and implementing other programs. Therefore, we have estimated that the compounded annual increase in assessed values of surrounding properties in College Park will be one-third of the compounded increases calculated for the Silver Spring CBD. This analysis results in \$30.2 million through 2042 of additional real property taxes to College Park. Appendices 6 through 8 provide detail on the impact of development at Downtown Silver Spring and how we used our analysis to determine the impact of East Campus on surrounding properties in College Park.

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Personal Property Tax: Using data from the Maryland State Department of Assessments and Taxation on assessable tax base of real and personal property in Prince George's County, we determined that the assessed value of business personal property will be equal to approximately 14% of the real property market value. We multiplied the estimated personal property tax base by the city tax rate of \$0.748 per \$100 of assessed value.

Income Tax: College Park will collect income taxes from residents at East Campus and from on-site employees residing in College Park. The average estimated household income is based on the anticipated monthly rent and likely share of income spent on housing. We assume that approximately 65% of graduate students' income will be taxable, taking into account the data from responses to the 2005 study by Economics Research Associates of primary sources of income. For the general occupancy apartments, we assumed that 75% of the household income is likely to be taxable.

RCLCO estimated that approximately 88% of the employees on-site would live in Maryland, and that 60% of employees living in the state would live in Prince George's County. These estimates are based on commuting data from the U.S. Census. Of the number of employees living in the county, we estimate that about 14% would live in the city of College Park, which is based on the percentage of faculty and staff at the University of Maryland who live in College Park. We estimated the average income per employee by commercial development type from the Bureau of Labor Statistics by industry for Prince George's County, adjusted to reflect the estimated percentage of part-time employment. Occupied square footage per full-time equivalent employee and rooms per full-time equivalent employee were estimated based on Urban Land Institute reports, other industry sources, and RCLCO's experience and judgment. For the on-site employees, we assumed that 75% of the income is likely to be taxable.

We multiplied the total net taxable income of anticipated city residents by the city income tax rate, 0.53% (or 17% of the 3.1% tax rate collected by Prince George's County).

Hotel Rooms Tax: Given that the hotel will be located within the city of College Park, the city and county will each receive 50% of the hotel tax revenues. The hotel is expected to have an average daily rate (ADR) of \$175 (in 2006 dollars), according to the developer. We assumed an average occupancy rate of 70% and multiplied the resulting room revenues by one-half of the county tax rate of 5% (2.50%).

Admissions and Amusements Tax: The admissions and amusement tax is imposed on the gross receipts from admissions, the use or rental of recreational or sports equipment, and the sale of merchandise, refreshments or

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services at a nightclub or similar place where entertainment is provided. The tax is collected by the county or municipality in which the venue is located. College Park collects a 4.5% tax, which we applied to projected revenues from the movie theater.

Public Safety Surcharge: Prince George's County imposes a public safety surcharge on new construction, which can only be directed toward police, fire, and emergency medical services to be used for construction or rehabilitation of facilities or the purchase of equipment or communications devices. As of fiscal year 2007-2008, the surcharge will be \$2,124 per housing unit within the developed tier (the area largely located within the Capital Beltway). As of July 2008, if a development project is located within a municipality, 25% of the surcharge fees collected will be distributed to that municipality's police department (House Bill 908). In the fiscal model, we have inflated the per-unit surcharge by 3% annually, and included 25% of the surcharge as revenue to the city of College Park.

Miscellaneous Fees/Taxes: RCLCO allocated additional miscellaneous revenue in the College Park General Fund that would be likely to increase as a result of the proposed new development on a per-resident and per-employee basis, as detailed in Appendix 2. Allocated revenues include such items as highway user fees, franchise fees, miscellaneous permits and fees, fines, licenses, charges for services, etc. We divided applicable revenues by the current employment and population. The resulting average revenues are \$65.15 per resident and \$27.64 per employee, which we inflated at an annual rate of 3% and applied to new residents and employees at East Campus.

Prince George's County

Real Property Tax: We multiplied the estimated improved value of each of the land uses by the county tax rate applicable to properties located within the city of College Park of \$0.944 per \$100 of assessed value, based on an assessed value of 100% of the fair market value. We did not assume there will be any property taxes paid until delivery.

As discussed above, our analysis includes the additional real property taxes arising from increased values of surrounding properties in College Park (see the section on College Park real property taxes). We anticipate that Prince George's County will receive \$95.6 million through 2042 from the increase in values of the properties that we identified.

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Personal Property Tax: We used the same methodology for determining the assessable personal property base for Prince George's County as for College Park (14% of real property value; see explanation above). We multiplied the assessed personal property value by the county tax rate applicable to properties located within the city of College Park of \$2.362 per \$100 assessed value.

Income Tax: Prince George's County will collect income taxes from residents at East Campus and from on-site employees residing in the county. The average estimated household income is based on the anticipated monthly rent and likely share of income spent on housing. We assume that approximately 65% of graduate students' income will be taxable, taking into account the data from responses to the 2005 study by Hollander, Cohen & McBride of primary sources of income. For the general occupancy apartments, we assume that 75% of the household income is likely to be taxable.

RCLCO estimated that approximately 88% of the employees on-site would live in Maryland, and of this pool, 60% would live in Prince George's County. These estimates are based on commuting data from the U.S. Census. We estimated the average income per employee by commercial development type from the Bureau of Labor Statistics by industry for Prince George's County, adjusted to reflect the estimated percentage of part-time employment. Occupied square footage per full-time equivalent employee and rooms per full-time equivalent employee were estimated based on Urban Land Institute reports, other industry sources, and RCLCO's experience and judgment. For the on-site employees, we assumed that 75% of the income is likely to be taxable.

We multiplied the total net taxable income from on-site households and employees living in College Park by the county income tax rate of 2.57% (or 83% of the 3.1% tax rate collected by Prince George's County). For the remaining number of on-site employees expected to live in Prince George's County, but outside of College Park, we multiplied the total net taxable income by the county income tax rate of 3.1%.

Hotel Rooms Tax: Given that the hotel will be located within the city of College Park, the city and county will each receive 50% of the hotel tax revenues. The hotel is expected to have an average daily rate (ADR) of \$175 (in 2006 dollars), according to the developer. We assumed an average occupancy rate of 70% and multiplied the resulting room revenues by one-half of the county tax rate of 5% (2.50%).

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Public Schools Facilities Surcharge: Prince George's County collects a public schools facilities surcharge on new residential construction to help offset educational capital improvement costs. The per-unit amount is \$7,870 for Fiscal Year 2007-2008 for residential development occurring within the developed tier (the area largely located within the Capital Beltway). The school facilities surcharge does not apply to multifamily student housing within 1.5 miles of the University of Maryland at College Park (House Bill 696). The apartments dedicated to graduate students at East Campus will be exempted from the school facilities surcharge. The model assumes the county will collect \$7,870 per general occupancy apartment, which we inflated by 3% annually.

Public Safety Surcharge: Prince George's County imposes a public safety surcharge on new construction, which can only be directed toward police, fire, and emergency medical services to be used for construction or rehabilitation of facilities or the purchase of equipment or communications devices. The surcharge is \$2,124 per housing unit within the developed tier in Fiscal Year 2007-2008. As of July 2008, if a development project is located within a municipality, 25% of the surcharge fees collected will be distributed to that municipality's police department (House Bill 908). In the fiscal model, we have inflated the per-unit surcharge by 3% annually, and included 75% of the surcharge as revenue to the county.

Miscellaneous Fees/Taxes: RCLCO allocated additional miscellaneous revenue in the Prince George's County General Fund that would be likely to increase as a result of the proposed new development on a per-resident and per-employee basis, as detailed in Appendix 4. Allocated revenues include such items as energy and telecommunications taxes, miscellaneous licenses and permits, fines, charges for services, etc. The resulting average revenues are \$129.22 per resident and \$132.58 per employee, which we inflated at an annual rate of 3%.

Maryland

Real Property Tax: We multiplied the estimated improved value of each of the land uses by the state tax rate of \$0.112 per \$100 of assessed value, based on an assessed value of 100% of the fair market value. We did not assume there will be any property taxes paid until delivery. We anticipate that Prince George's County will receive \$11.3 million through 2042 from the increase in values of the properties that we identified.

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Income Tax: Maryland will collect income taxes from residents at East Campus and from on-site employees residing in the state. As stated above, RCLCO estimates that 88% of the employees would live in Maryland. The net taxable income was multiplied by the current Maryland tax rate of 4.75%, except for the first \$3,000 of income that is taxed at 3.00%.

Retail Sales Taxes: We multiplied per-square-foot sales thresholds and percentage of total sales that are likely to be subject to the sales tax by the gross square footage of retail development to determine the total estimated taxable sales generated at East Campus. In addition to retail sales, the fiscal model also includes revenues from hotel operations and the estimated sales taxes on materials used in construction at East Campus. We multiplied the estimated portion of construction value that is taxable (45%, based on data from the Urban Land Institute) and the portion expected to be purchased in Maryland (25%). Maryland collects a 5% tax on taxable sales.

Corporate Income Tax: The corporate income derived from East Campus was estimated at 5% of total retail sales, hotel revenues, health club revenues, and rental income revenues. The 7% state tax rate was then applied to the estimated corporate income.

EXPENDITURES

College Park

Operating Expenditures: Appendix 3 provides detail on how we allocated operating expenditures in the College Park General Fund on a per-resident and per-employee basis that would be likely to increase as a result of development at East Campus. As mentioned in the discussion of allocated revenues, for each expenditure category, we estimated what share is attributable to residential versus commercial uses and divided by the number of employees working in the city and the current city population, respectively. We multiplied these per-employee (185.94) and per-population (\$232.97) factors by the number of employees and residents anticipated at East Campus, which we inflated by 3% annually.

Capital Expenditures: In addition to operating expenditures, we included capital costs for public services, such as fire and rescue facilities that the development would generate. We assumed that the per-unit costs would be equivalent to the public safety surcharges that the city will collect (25% of the county surcharge) and will be paid over time by means of bond issue (20-year bonds at a 5.5% interest rate).

Prince George's County

Operating Expenditures: Appendix 5 provides detail on how we allocated operating expenditures in the Prince George's County General Fund on a per-resident and per-employee basis that would be likely to increase as a result of development at East Campus. We used the same methodology in allocating county operating expenditures as city operating expenditures. The resulting average expenditures are \$694.98 per resident and \$312.58 per employee.

School Operating Expenditures: The County School budget indicates that the County spends \$4,853 in 2007 dollars (excluding state and federal aid) per student for annual operations. This rate was applied to the number of new school students generated by the on-site residents. The proposed residential products include high-end rental apartments that are not particularly attractive for families with children due to the small living area, lack of a yard, and high rents. It is reasonable to assume that very few families with children will live at East Campus when there are more affordable and

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more desirable housing options available for this type of household. A low rate of school children has been experienced in these types of products in many different jurisdictions throughout the Washington, D.C., area.

Since this type of high-end, mixed-use, high density development has not yet occurred in Prince George's County, we used student generation rates for high-rise multifamily units from Montgomery County to determine the number of public school students. To be conservative, we also applied the per-unit student generation rates to the graduate student apartments, although they are likely to have even fewer children.

School Capital Expenditures: RCLCO obtained estimated per student construction costs for new elementary, middle, and high schools based on school construction costs in Prince George's County. We then determined the proportional share of debt service required due to new students generated by new development. Debt service was calculated over 20 years at a 5.5% interest rate.

Other Capital Expenditures: In addition to operating expenditures, we included capital costs for public services, such as fire and rescue facilities, that the development would generate. We assumed that the per-unit costs would be equivalent to the public safety surcharges that the county will collect (75% of the surcharge) and will be paid over time by means of bond issue (20-year bonds at a 5.5% interest rate).

INDIRECT/INDUCED IMPACTS

The estimates of induced/indirect impact are based on multipliers obtained from the Minnesota IMPLAN Group, Inc., the nationally renowned developers of the IMPLAN economic impact modeling system. We estimated the number of indirect/induced employees that the East Campus would generate elsewhere in the county using the employment multiplier. We estimated indirect/induced income taxes for both the county and the state based on employment income multipliers for the respective areas, applied to taxable income from the number of indirect/induced employees that would be likely to also reside within the respective areas. For Prince George's County, we took account of the net cost of providing services to the indirect/induced number of employees that would be likely to reside within the county. Indirect state sales taxes, state corporate income taxes, and county hotel taxes were based on indirect gross output multipliers.

To calculate the multipliers for retail uses, we used a combination of the following categories from IMPLAN: Miscellaneous Store Retailers (IMPLAN Industry Code 411) for the lifestyle retail and movie theater; Food & Beverage Stores (405) for the grocery store; Food Services and Drinking Places (481) for the restaurants; and Fitness and Recreational Sports Centers (476) for the health club. For office uses, we used custom computer programming services (441) because it appeared to be representative of an average for industries that typically occupy office space. For hotels, we used Hotels and Motels, Including Casino Hotels (479). For construction, we used New Multifamily Structures, Nonfarm (34).

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This engagement was conducted by Leonard Bogorad, Managing Director, and Ann Glendon, Senior Consultant, with input from Elizabeth Davison, Vice President. If you have any questions regarding the conclusions and recommendations included herein, or wish to learn about other RCLCO advisory services, please call (301) 907-6600.

GENERAL LIMITING CONDITIONS

Reasonable efforts have been made to ensure that the data contained in this study reflect accurate and timely information and are believed to be reliable. This study is based on estimates, assumptions, and other information developed by RCLCO from its independent research effort, general knowledge of the industry, and consultations with the client and its representatives. No responsibility is assumed for inaccuracies in reporting by the client, its agent, and representatives or in any other data source used in preparing or presenting this study. This report is based on information that to our knowledge was current as of the date of this report, and RCLCO has not undertaken any update of its research effort since such date.

Our report may contain prospective financial information, estimates, or opinions that represent our view of reasonable expectations at a particular time, but such information, estimates, or opinions are not offered as predictions or assurances that a particular level of income or profit will be achieved, that particular events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by our prospective financial analysis may vary from those described in our report, and the variations may be material. Therefore, no warranty or representation is made by RCLCO that any of the projected values or results contained in this study will be achieved.

Possession of this study does not carry with it the right of publication thereof or to use the name of "Robert Charles Lesser & Co." or "RCLCO" in any manner without first obtaining the prior written consent of RCLCO. No abstracting, excerpting, or summarization of this study may be made without first obtaining the prior written consent of RCLCO. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining the prior written consent of RCLCO. This study may not be used for any purpose other than that for which it is prepared or for which prior written consent has first been obtained from RCLCO.

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Exhibit 1

SUMMARY OF FISCAL IMPACT ON PRINCE GEORGE'S COUNTY, COLLEGE PARK, AND MD EAST CAMPUS REDEVELOPMENT 2007 - 2042

REVENUES/EXPENDITURES	PRINCE GEORGE'S COUNTY		CITY OF COLLEGE PARK		MARYLAND	
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Operating Expenditures	\$177,974,000	68%	\$65,459,000	97%	N/A	N/A
Educational Expenditures - Operating	\$62,035,000	24%	N/A	N/A	N/A	N/A
Other Capital Expenditures	\$6,617,000	3%	\$2,149,000	3%	N/A	N/A
Educational Expenditures - Capital	\$13,949,000	5%	N/A	N/A	N/A	N/A
TOTAL EXPENDITURES	\$260,575,000	100%	\$67,609,000	100%	N/A	N/A
NET FISCAL IMPACT	\$355,411,000		\$125,688,000		\$886,050,000	
INDIRECT/INDUCED REVENUES	\$18,219,000		N/A		\$148,584,000	
INDIRECT/INDUCED EXPENDITURES	\$4,911,000		N/A		N/A	
INDIRECT/INDUCED NET FISCAL IMPACT	\$13,309,000		N/A		\$148,584,000	
TOTAL REVENUES	\$634,205,000		N/A		\$1,034,634,000	
TOTAL EXPENDITURES	\$265,486,000		N/A		N/A	
TOTAL NET FISCAL IMPACT	\$368,720,000		N/A		\$1,034,634,000	

Note: Analysis only took account of select state taxes.

