BARRY GROSS

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Advisory Services for Land Optimization

- **Portfolio owner**: a parcel approved for 1,400 units was acquired as part of a portfolio purchase. After evaluation, the client recorded the property on its books with no value (a complete loss). We were engaged to identify a different disposition strategy. Based upon our recommendations, the project was reentitled including avoidance of an area requiring expensive grading. Five years after our assignment, we were informed the project was 2/3 sold out and the builder had earned more than \$70,000,000.
- Lender client had foreclosed a property. An appraisal based upon an approved Specific Plan for 1,300 units indicated the property could not be profitably developed. Our client retained us to determine if there was an opportunity to monetize the property. We worked with the local jurisdiction and within one year obtained an approved tentative tract map for 139 units and an updated approved Specific Plan for an additional 1,300 lots. Due to regulatory constraints, the lender sold the property and recovered \$9.0 M. Our client's buyer is processing the remainder of the property to full entitlement and this buyer is projecting additional cash flow of \$50.0M.
- **Texas developer** with a 400-acre property. Their initial plan was to develop the property for a multiproduct line residential use. After reviewing the zoning code and city financial incentives, we suggested that he change the use to a combination of industrial and multifamily. Based upon marketing information provided by a national broker, the land residual was doubled from about \$40.M to more than \$80.M and the project duration will be reduced from more than 5 years to less than 2 years.
- Private Equity Client was underwriting the purchase of about 1,700 acres for about 4,000 homes. The fund had an underwriting budget of \$200,000. We were engaged and reviewed the documents provided by the project sponsor. These included project cash flows, title documents, geotechnical reports, water availability studies, preliminary sanitation facilities plans, a Phase 1 analysis, a public facilities finance plan, a market study, a proposed land plan among other documents. We visited the site, spoke to all the consultants, reviewed the documents and prepared an underwriting summary memo within 17 days. Other than attorneys, the private equity fund did not engage any other consultants The project was approved by the private equity fund. The client underwriting costs, including attorney's fees were less than \$90,000 saving the client \$110,000.
- **Oil producer** owned 4,500 acres in central California. A portion of the field was depleted, and the oil producer considered developing 1,500 acres for a mixed-use project. We reviewed the area zoning code and met with elected officials and local government personnel. We obtained marking information from the Internet. Without the benefit of working with a land planning firm, we developed a product mix of residential, multifamily, affordable, retail, office and industrial uses. We then met with a land planning firm to develop a preliminary site plan that was the basis of a land residual model, including cash flows. The client is currently processing a Specific Plan.
- Industrial scale farmer retained us to evaluate the opportunity to convert 5,000 acres of
 farmland to a Master Planned Community in Central California. In this case, we were provided a
 preliminary land plan. We developed preliminary market information from the Internet and
 prepared a land residual value projection. Our analysis indicated the property, if approved, would
 be a financial success. The client is now dealing with the political process to determine if they
 want to pursue the entitlement.
- Other services: processing Specific Plans, Tentative Tract Maps, Environmental Impact Reports and Resource Permits. Preparation of Project Budgets, Cash Flows, Project Schedules and Partner Waterfalls. Focus on identifying product mixes resulting in increased Land Residuals Values and Net Present Values while maximizing Internal Rates of Return and minimizing peak capital.
- **Product segments evaluated include** Master Planned Communities, Residential, Multifamily, Industrial, Retail, Office, Hotels.

BARRY GROSS

EMPLOYMENT

Land Optimization Strategies Owner 2020 - Present

Provide financial services land development organizations: Land Entitlements: Preparation of GANTT schedules, Cost Analysis, Land Residual models and Cash Flow projections; Business Plan models and coordination of public finance opportunities (Mello Roos, Community Facilities Districts), See List of Services addendum for details.

Newport Pacific Land Company

Development Manager

2016 - 2020

Managed land acquisitions, underwriting and land use entitlements for company with more than 10,000 lots in development. Entitlements include Specific Plans, Tentative Tract Maps, Environmental Impact Reports and Resource Permits. Managed third party consultant teams.

Developers Research, Inc.

Owner

1997 to 2016

Real-estate consulting firm specializing in cost analysis, cash flows, and land residual valuations. Reviewed over 7,000 projects containing more than 5,000,000 residential units and 2 billion square feet of commercial, industrial and retail projects in 26 states. At peak, company had 47 employees.

Client included

DR Horton Lewis Operating Companies Starwood Property Trust

Rancho Mission Viejo City of Irvine **KB Homes** Landsea **GTIS** City of Riverside Lennar Lehman Brothers City of Santa Margarita

TriPointe Morgan Stanley City of Tustin

Foremost Communities Oaktree Capital Kamehameha Schools Raintree Capital Institutional Housing Partners Riverside County

Sarmate, USA Partner and General Director 1990 to 1996

Owned and operated a clay brick factory in Astrakhan, Russian Federation producing 4,000,000 bricks per month. Managed 350 employees and responsible for all aspects of the manufacturing facility.

City of Newport Beach, CA Planning Commissioner 1988 to 1992

Orange County, Board of Supervisors Development Processing Review Committee 1985 to 1989

Concorde Development, General Partner and Co-Owner 1982 to 1990

Responsible for operations, financing, accounting, sales and marketing for a residential builder/developer. Revenues increased from \$275,000 in 1984 to \$20 Million in 1989.

The Housing Group

Corporate Controller and Finance Manager

1977 to 1982

Pritzker Family-owned real estate developer with sales exceeding \$100 Million. Responsible for financial reporting, tax compliance and non-real estate activities.

Kenneth Leventhal & Company, CPAs

Accountant

1973 to 1977

Other Information

BA Economics: Union College, Schenectady NY

MBA Accounting/Finance: Rutgers University, Newark NJ

2005 - present: Member: Big Canyon Country Club, involved in club management

Member. Urban Land Institute, National Community Development Council 2009 - 2018: 1983 - 1989: Board of Directors. Building Industry Association of Orange County, CA

1980 - 2018: Member. Building Industry Association of Orange County, CA

1964 **Eagle Scout**