



Federal, state and local government agencies face a unique set of challenges in maximizing the value of real estate holdings. Operating and capital budget limitations often contribute to overuse and under-investment in vital real property assets, inhibiting an agency's ability to adequately maintain, renovate and expand needed facilities. There is a solution – many of these underutilized assets have significant market value, which can be used to finance facility improvements and expansion, promote economic development and job creation, and generate revenue. The key is to identify and unlock that value.

A&M assists federal, state and local government agencies in unlocking the value of real estate holdings.

Alvarez & Marsal's Real Estate Advisory Services professionals have a deep understanding of the government operating environment and the constraints that public sector clients encounter. We work alongside government teams to assess opportunities and deliver measurable operational results by developing executable out-leasing strategies; structuring transactions that meet government budget and scoring requirements; identifying re-use projects that benefit communities; and crafting single-asset and portfolio strategies that reduce cost and generate revenue.

A&M professionals have worked in federal, state and local government agencies, and are familiar with the public sector from the inside out. We are well-equipped to identify issues and offer the right solutions for public sector clients.

THE A&M ADVANTAGE

Unlike other real estate advisers, A&M's operational heritage fuels our distinct "speed to execution" approach. We recognize that accelerating and implementing an action plan is the most effective way to increase asset performance and minimize risk. Furthermore, we apply disciplined approaches honed over more than two decades of corporate workout and restructuring services in the private sector to achieve optimal results and unlock value.

OUR SERVICES

A&M provides strategic advice and implementation support across the real estate spectrum. Our Public Sector Real Estate group focuses on strategy, operations, development and transaction services, including:

- Enhanced Use Leasing (EUL)
- Public / Private Partnerships
- Infrastructure Privatization
- School Facilities Privatization
- Strategic Portfolio Planning
- Project Assessment and Development
- Land Use and Development Management
- Financial Proforma Models and Cash Flow Analyses
- Market and Feasibility Analyses
- Site Determination Reports
- Budget Scoring Analyses and Presentations to Government Leaders
- Solicitation Development and Evaluations
- Transaction Closings

RELEVANT PUBLIC SECTOR SUCCESS STORIES

A&M offers appropriate and tailored solutions with government budget processes, accountability, and performance standards in mind. Several agencies with significant real estate holdings have looked to A&M for advice and support:

Military Housing Privatization: As the primary real estate advisor to the Office of the Secretary of Defense (Office of Housing & Competitive Sourcing), A&M is assisting in the oversight and management of the Department of Defense's (DoD) military housing privatization program. A&M is also assisting the U.S. Air Force in the execution of housing privatization transactions. To date, DoD has transferred ownership responsibilities to the private sector and generated more than \$11 billion in private capital to renovate and build more than 100,000 quality homes for U.S. military families.

Enhanced Use Leasing: A&M is the exclusive adviser to the Department of the Navy in the development and execution of enhanced use lease (EUL) transactions at active Navy bases around the country. The goal of EUL is to extract and redeploy value from under-utilized real property assets. A&M's EUL services range from market analyses and feasibility assessments to developer selections and lease signing. A&M also advises the Air Force and Army on EUL transactions – A&M advised the Army on a transaction at Yuma Proving Ground in Arizona, involving the out-lease of nearly 2,000 acres to General Motors to relocate its vehicle testing facilities.

Public-Private Development: The District of Columbia (D.C.) and Fairfax County, Virginia have tapped A&M to advise on a number of mixed-use, urban, and transit-oriented public-private development transactions designed to promote economic development and job creation. Projects have ranged from redevelopment of the 25-acre McMillan Sand Filtration site in D.C. to the adaptive re-use of the former Lorton Prison in Laural Hills, VA.

School Facilities Privatization: A&M has assisted the State of Louisiana and the Department of Defense Education Activity in assessing the feasibility of privatizing school facilities construction, operations, and maintenance – similar to the models being used in the U.K. and Canada. A&M completed privatization feasibility studies for 15 military dependent schools in South Korea and three military dependent schools in Germany.

Strategic Facilities Planning: The California Department of Motor Vehicles tapped A&M to assist in developing a strategic facilities plan to determine the best occupancy options to meet the Department's changing needs. Fairfax County tapped A&M to assess options for consolidating various administrative offices and to perform an own vs. lease analysis.

COMPLEMENTARY SERVICES

Federal Credit Advisory Services

A&M assists federal agencies with the numerous requirements for planning and implementing federal credit programs. Specific services include:

- Development, review and validation of financial models
- Compliance with budgeting, accounting and reporting requirements for credit programs
- Development of newly authorized credit programs
- Creation of handbooks and other forms of program guidance
- Scoring of credit transactions and legislation

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ABOUT ALVAREZ & MARSAL REAL ESTATE ADVISORY SERVICES

Alvarez & Marsal Real Estate Advisory Services, LLC advises owners, investors, lenders and users of real estate throughout the real estate lifecycle – enabling clients to combat current economic related challenges as well as position them for future success. Services range from pre-acquisition due diligence and transaction advisory to receiverships, loan workouts and exit strategies, including real estate asset management, which it is currently providing to Lehman Brothers, among many other entities.

Alvarez & Marsal draws on a deep operational heritage and hands-on approach to deliver comprehensive performance improvement, turnaround management, business advisory and interim management services that produce meaningful – and lasting – results when time is of the essence.

To learn more, visit
www.alvarezandmarsal.com



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