

INTER-OFFICE MEMORANDUM

TO: James Leonard
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DATE: 5/16/74

FROM: Anne Leonard *KL**d3*

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SUBJECT: May 15, 1974 Meetings with Appraisers, on appraisal of Land on Tinian.

I. Mr. Marcum

Richard Maurice and I met with Mr. Vincent Marcum and his associate, Mr. Yates, of Appraisal Research Consultants, Inc. Mr. Briden of the American Society of Appraisers referred us to Mr. Marcum.

In this interview we attempted to follow a similar line of questioning as in our meeting of May 9 with Mr. Fred Babcock. We first gave Mr. Marcum and Mr. Yates a brief background of the situation and inquired as to how the Tinian land appraisal might be structured. This line of questioning elicited very little response.

It was our feeling that these appraisers, while no doubt technically competent and with some experience in Asia, did not have the grasp of the strategy of negotiation that Mr. Babcock showed in his interview. They did, however, make several points that we would like to note here. First, they noted that some agreement should be reached with the U.S. that the Marianas appraiser have access to all data the U.S. military appraiser might use (that is, no information should be withheld as "classified") and that the U.S. should inform the Marianas rather specifically as to the planned uses of the land. Mr. Yates indicated that in his experience, local governments were reluctant to sell land to the military where its use was not

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specified in detail. (This issue could involve, for example, environmental impacts, dangers from atomic accidents, etc. AL).

The appraisers also pointed out that the value of Tini-an is related not only to local market values, but its possible value to outside "markets". There was some discussion on this issue, since land cannot now be sold to outsiders and "just compensation" may not be based on speculative values.

In terms of procedure, Mr. Marcum seemed to envision each side making its own appraisal (with access to the same data) and then negotiating a price; possibly using a third, neutral appraiser arbitor. He did not appear to take a very perceptive view of this approach, however.

We do have a copy of Mr. Marcum's resume/brochure if we should wish to contact him again.

II. Mr. C. Robert Boucher

Mr. C. Robert Boucher is a realtor-appraiser, former president of the American Institute of Real Estate Appraisers. His son accompanied him. Mr. Boucher is well known and has many international connections as well as government ones. He mentioned a Mr. Y.T. Lum (an old acquaintance of his) who is an appraiser in Honolulu, who may be used by the U.S. Government.

In general, Mr. Boucher had little to add in the way of approaches to the study. He is strongly in favor of each appraiser submitting his own evaluation report rather than arriving at a joint U.S. - Marianas report on evaluation. He seemed to feel this approach offers better protections to the appraiser. He also seemed to feel that the terms of reference that the appraisers use should be explicitly agreed upon before

appraisal proceeds. Further, he feels the government may wish both sides to use more than one independent appraisal, which would mean the Marianas might have to hire several appraisers. These appraisals could then be submitted to another appraiser for arbitration. This method seems much more cumbersome than that proposed by Mr. Babcock.

There was some general discussion of the costs of appraisals. Mr. Boucher's fees run \$250 per day plus expenses. However, Mr. Boucher did not indicate any total cost to the Marianas, although the proposed time frame of within 6 months seemed to present no problem.