

# METRO METRICS, INC.

5272 RIVER ROAD, SUITE 755  
WASHINGTON, D. C. 20016  
(301) 654-2291

June 10, 1974

Mr. James R. Leonard  
James R. Leonard and Associates  
1601 Connecticut Avenue, N.W.  
Suite 301  
Washington, D.C. 20009

Dear Mr. Leonard:

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In accordance with your request this is to propose that I undertake project responsibility for the design of an analysis which would lead to a valuation of some 25,000 acres on the island of Tinian, Micronesia. It is anticipated that we would form a team to conduct the analysis. The specifics of any work beyond a first phase would, however, be the subject of a subsequent document.

## Understanding

On the basis of our meeting I understand that your organization is economic counsel to the Mariana Political Status Commission and its committee which is dealing with the problem of valuing some 25,000 acres on the island of Tinian. The valuation problem is a particularly difficult one and will require some specialized services of a variety of experts.

*Satisfaction*  
Presently we conceive our assignment in three phases. The first is the design of the research to provide an estimate of value together with the back up data. Included in this design work is the proposal of a team which would enlarge upon our regular staff and that would in particular include other nationally recognized experts.

The second phase would be the conduct of the analysis and the presentation of findings. Such work would be done in close coordination with your organization. The specifics of that work would be the subject of a subsequent document.

The third phase would be any follow up consultation or testimony regarding the findings and recommendations.

## Proposal:

This proposal covers only the first phase. The work anticipated for the first phase is as follows:

1. Review and evaluate available background information.
2. Propose a preliminary approach and receive comment from you and your associates.

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3. Prepare necessary revisions of approach document and disseminate to select group of experts for their review and comment.
4. Conduct a session with selected experts to review and revise the approach so as to provide an acceptable analytical method.

Each of these steps in Phase I should take about one week of elapsed time with an undetermined amount of manpower involved. Depending upon the level of detail pursued the level of effort over the four week period could run from one to two man months or more. You will be kept apprised of the general level of activity so that we may make such adjustments in schedule as are necessary.

The product of these services will be a general plan including proposed staff, estimated costs, and time to completion. The general plan will indicate the methodology to be used.

*whole part of phase I is to get methodology*

Organization

Metro Metrics, Inc., of which I am president, will contract to do the work herein stated. Our fee for this service will be based upon our costs and calculated as follows:

1. Staff will be paid at the regular Metro Metrics employees salary rates except that for this project I will be paid at a rate of \$150 per day. To this will be added a stipulated overhead rate of 1.01 percent. That overhead calculation is submitted as Exhibit 1. To this will be added a profit margin of 10 percent. The rates to be billed are listed on Exhibit 2. which also shows the overhead and profit rate.

*he mean 101%*

*enjoy of overhead?*

2. Additional staff will be employed by Metro Metrics as needed at competitive rates. Where the staff is from academia it is anticipated that the rate will approximate the following schedule: Instructor, \$75 per day; Assistant Professor, \$100 per day; Associate Professor, \$125 per day; Professor, \$150 per day. We will place the additional staff on our payroll as part time employees and pay the appropriate payroll taxes and perform the appropriate coordination and management functions. We will also add in the overhead charges and the 10 percent profit margins as for "1" above. Should there be distinguished faculty/experts we would like to employ but who are not available at the limited rates we would be agreeable to your employing them directly as consultants to you.

3. The direct project costs other than wages and salaries will be billed on a cost reimbursal basis plus a stipulated 10 percent charge for overhead which is our usual overhead charge for handling such expenditures.

Statements of time and expense will be rendered twice monthly. Billings will be deemed payable within ten days of the date rendered.

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We will arrange such progress review sessions as are necessary to keep you apprised and will prepare such estimates of time and manpower allocation as may be reasonably prepared at various stages of the project.

*omophon?*

If the proposal is in accord with your current requirements you may signify your approval and authorize our work to begin by signing and returning the enclosed copy. Should further clarification or amendment be required, please advise us. This is indeed an exceptional project and we are looking forward to working with you on it.

Sincerely,

*Maury*

Maury Seldin for  
METRO METRICS, INC.

Accepted:

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James R. Leonard for  
JAMES R. LEONARD AND ASSOCIATES

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Date

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EXHIBIT 1

METRO METRICS, INC.  
OVERHEAD COST RATIO

	Quarter I 1973	Quarter II 1973	Quarter III 1973	Quarter IV 1973	Quarter I 1974	Total/Average
Total Expense	\$23,140	\$31,807	\$31,633	\$30,390	\$38,235	\$155,207
Less Direct Salaries	9,653	17,228	15,225	15,147	14,229	71,482
Direct Job Cost	1,749	2,167	2,915	2,994	1,931	11,756
Total Direct Costs	\$11,402	\$19,395	\$18,140	\$18,141	\$16,160	\$83,238
Indirect Expense	\$11,738	\$12,412	\$13,493	\$12,249	\$20,095	\$71,969
Overhead Cost Ratio						1.007
Indirect Expense/ Direct Salaries	\$ 1.01	\$ 0,720	\$ 0,886	\$ 0,809	\$ 1,410	\$ 1.008

1.01 rounded

Overhead Rate 101 percent of Direct Salaries

0.1165

EXHIBIT 2

METRO METRICS, INC.  
BILLABLE RATE

	Direct Salary Cost	Direct Payroll Taxes and Fringe Benefits (5.85%)	Overhead 101% of Direct Salary	Profit (10%)	Total Per Rate Day
	Subtotal	Subtotal	Subtotal	Subtotal	
Senior Principal Maury Seldin	\$150.* /day	\$ 8.78	160.34	31.91	\$351.00
Research Supervisor Bruce Hanson	74.42/day	6.31**	82.04	16.33	179.60
Research Associate Hal Himmelstein	83.33/day	4.94	81.07	16.13	177.47
Research Assistant Deb Sisco	32.21/day	2.26	34.81	6.93	76.21

\* This rate applies only to government projects. The regular rate is \$200 per day. The rate structure is for government projects only. The regular project rates, including overhead and profit are as follows: Maury Seldin, \$480; Bruce Hanson \$360; Hal Himmelstein, \$240, and Deb Sisco, \$160.

\*\*Includes health insurance.

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## Maury Seldin

POSITION IN THE FIRM: President, Chief Non-operating Officer on a consultancy basis. Services specialized in development planning and strategy. Limited client contact.

FACULTY STATUS: Professor and Director, Urban Development Studies, School of Business Administration, The American University, Washington, D. C. 20016.

EDUCATION: B.S. (1953) and M.B.A. (1957), University of California, Los Angeles; Doctor of Business Administration (1960), Indiana University.

PROFESSIONAL MEMBERSHIPS: Immediate Past President, American Real Estate and Urban Economics Association; Past President and Member, Board of Governors, George Washington Chapter, Lambda Alpha; Member, American Academy of Political and Social Sciences.

PUBLICATIONS - Books and Portions of Books Since 1969: Co-author, Real Estate Investment Strategy, New York: Wiley-Interscience, a division of John Wiley & Sons, New York, 1970. Co-Editor, Proceedings of the American Real Estate and Urban Economics Assoc., Volume V, 1970, AREUEA, Storrs, Connecticut, 1971. "American - City Model Usage for Courses in Real Estate and Urban Economic Development", Chapter XI, An Environmental Laboratory for the Social Sciences (Peter W. House & Philip D. Patterson, Ed.) Washington, D. C., U. S. Environmental Protection Agency, 1972. Managing Urban Development: Selections from Seldin, Washington, D. C., The American University (Xeroxed) 1973. "Coordinating Property Taxation With Land Use Planning and Control", in Proceedings of Committee on Taxation, Resources, and Economic Development, University of Wisconsin Press, in press.

Monographs and Articles Since 1969: "Planning Management: An Approach to Development Planning Emphasizing Managerial Control Under Conditions of Fractionated Authority", Hearings before the Subcommittee on Economic Development of the Committee on Public Works, U.S. Senate, Ninety-Second Congress, Second Session, April 1972 (U.S. Government Printing Office, 1972). Co-author, "Urban Land Management: An Approach for the Education of Decision Makers", National Capital Area Realtor, February, 1972. "Managing Urban Growth Through Land Use Control", Proceedings of American Real Estate and Urban Economic Assoc., Vol. VI, 1971, Storrs, Conn., 1972. "Real Estate Investment Strategy for the 70's", National Capital Area Realtor, November, 1971. "Planning for the Seventies -- Real Estate Investment Strategy", Realtor's Headlines, July, 1971. "The Location of Residential Development", Housing Panels of the H.R. Committee on Banking and Currency, 92nd Congress, First Session, June, 1971 (U.S. Government Printing Office, 1971). Co-author, The Uniform Building Permit Reporting System: A Demonstration in the Washington, D.C. SMSA, U.S. Department of Housing and Urban Development, 1971. Co-author, Economic Impact of Construction Moratorium on the Washington, D. C. Metropolitan Area, Homer Hoyt Institute, October, 1970. Co-author, "Education Is Career Defense", The National Capital Area Realtor, Vol. XXXVIII, No. 8 (August 1970). Co-author, "Management Aid for Black Entrepreneurs: The American University Program", Journal for Small Business Management, Vol. VII (July 1970). "Land Costs: Some Proposals to Stop the Spiral", The National Capital Area Realtor, Vol. XXXVII, No. 5 (May 1970). Co-author, "Developing a Perpetual Inventory of Housing", 1969 Proceedings: American Real Estate and Urban Economics Association, Vol. IV, 1970, American Real Estate and Urban Economics Association, 1970. "Marketing Information for Developing the Inner City", The Real Estate Appraiser (Society of Real Estate Appraisers), Vol. XXXV, No. 5 (July-August 1969). "The Role of a Market Information System in Regulating Land Use", Assessors Journal, IV, No. 2 (July 1969). Co-author, "Negro Entrepreneurship in the District of Columbia", SBA Economic Review, Vol. II, No. 2 (Spring-Summer 1969). Co-author, Survey of Business Ownership in Washington, D.C., a study for the Small Business Administration, Homer Hoyt Institute, March 1969. "Market Information for Developing the Inner City", 1968 Proceedings: American Real Estate and Urban Economics Association, Vol. III, 1969.

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Selected other publications prior to 1969: "Does Land Depreciate?" The Appraisal Journal, American Institute of Real Estate Appraisers. "Real Estate Investment: Policy Based on Forecast", The Valuation Manual, American Society of Appraisers. Components of Future Housing Demand (co-editor), National Association of Home Builders. "Urban Spaces: A Study of Small Parks", The American University Real Estate and Land Planning Program. "Comment on Determination of Appropriate Urban Land Uses: The Conflict of Public Interest and Private Profit", AREUEA Proceedings, American Real Estate and Urban Economics Assoc. "Planning Study" for D.C., State Technical Services Program.

RESEARCH AND CONSULTING: Selected research projects include: Forecasting growth for small areas, Montgomery County Planning Board; design of urban development information system for coordination of program planning and budgeting of public improvements with the planning zoning system, partially funded by Department of Housing and Urban Development and partially by Fairfax County; survey of business ownership in D.C. for the Small Business Administration, design and development of urban parks for National Park Service; planning study for the Consortium of Universities, the State-designated agency for the State Technical Services Program, U.S. Department of Commerce.

Other selected projects include study of redevelopment costs, Indianapolis Redevelopment Commission; Impact of Highways on Land Values for the State Highway Department of Indiana, and Bureau of Public Roads, U.S. Department of Commerce; Development Cost Analyses of the Santa Monica Mountains, City of Los Angeles, as a consultant to the economic consultant to the City of Los Angeles; Management and Financial Controls for Home Builders, for the Small Business Administration and Indiana University Bureau of Business Research.

Various real estate appraisal and market research projects for investors and development companies. Projects include traditional appraisals and market analyses as well as forecasts of land absorption in long run markets, land use studies, real estate business planning and management consulting and real estate investment counseling.

On going projects include studies of the urban development process which emphasize public policy influences on land development and projects designed to improve data and urban development decision making. Consultant to and a principal of Metro Metrics, Inc., consulting urban research and development firm with special emphasis on private-sector analyses and decision making. President, Homer Hoyt Institute, not-for-profit urban environment research organization.

Also, recently served as a consultant to the Office of Budget and Management, Executive Office of the President of the United States, and as consultant to House Banking and Currency Committee, Subcommittee on Housing. Recently completed paper for Public Works Committee, U.S. Senate and served as consultant to Montgomery County Planning Board, Montgomery County, Maryland. Also served on the Montgomery County Councils' Development Advisory Board and the Metropolitan Washington Council of Governments' Builder and Sponsor Committee. Directed Environmental Protection Agency Summer 1972 Fellows Program with research in area of Quality of Life, Leisure and the Environment, Consumption Differentials, Center City Differentials, and Environmental Management. Member of the Advisory Board for the Bureau of National Affairs, Inc.'s Housing and Development Reporter. Educational consultant to National Institute of Farm and Land Brokers and to National Association of Home Builders. Consultant to Division of Social Systems and Human Resources, National Science Foundation.

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