



CEU Packet

1027 - Impact of Sports Betting on Property Values

FUTURE TRENDS

Description:

Sports betting is rapidly growing throughout the US. The question is if the growth in this industry can result in increased property values. The session discusses the industry, its growth and the approach the State of Colorado has taken to increase property values based on legislative changes to the sports betting ordinance.

Start Date: 8/31/2021 11:00:00 AM

End Date: 8/31/2021 12:00:00 PM

Learning Outcomes:

- 1) Educate regarding sports betting industry
- 2) Inform of weakness with sports betting legislation
- 3) Provide a legislative solution and valuation technique to capture escaped valuation.

Presenters:

Richard Jortberg MAI - Gilpin /Teller / Sumner Counties, RJ Associates Inc

Timed Outline - Impact of Sports Betting on Property Values –

Rich Jortberg, MS, MAI

Time (minutes):

0-3: Introduction to Jortberg Associates –Casino Valuation

3-30: Overview of Sports Betting (SB):

Overview of SB Industry

SB Market Share / Major Players / Terminology

SB Enterprises and Casinos

State SB Licensing Overview – highlights - New Jersey Predicate

SB Legislative Initiative in Colorado

Required Public Information Disclosures

30-50: Valuation Impacts of Sports Betting:

Nexus to real estate ownership / casino licensing

Casino Master Licensee Structure

Sub-licensees (in house / internet)

Overview of SB Contracts with casinos –overview and variability

Casino income statements and SB net Income Integration

SB impact on Cost Approach valuation (no impairment)

Discussion of Enterprise Value and Impairment (SB Income Inclusion)

50:60

Q&A

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- Present Employment:** Jortberg Associates, LLC. Manager of real estate research, valuation and consulting firm. Focus is on a wide variety of commercial property types, planned developments and international assignments. (9/1992- Current)
- Prior:**
- Pannell Kerr Forster, Denver, Colorado; Analyst regarding a diverse mix of commercial properties until PKF shut office. (6/91-9/92)
- RJ Associates, Inc., Agana, Guam; A real estate investment valuation and consulting firm specializing in commercial properties in Guam, Japan and the Pacific Rim. (3/1990-6/1991)
- Bramalea USA, Denver, Colorado; Development Analyst. Responsible for review of over \$2 billion of prospective development opportunities and acquisitions throughout the U.S. and Canada prior to bankruptcy of firm. (2/1989-3/1990)
- Laventhol & Horwath, Denver, Colorado; Consultant, Senior Consultant, Real Estate Appraisal and Advisory Services. Involved in a wide variety of market analysis, valuation and research assignments for private and public sector clients. (1986-1989)
- Verex Insurance, Madison, Wisconsin; Mortgage underwriter and research assoc. for securitization of mortgages during graduate school.
- Prentice Hall Publishing Company, Englewood Cliffs, New Jersey; Collegiate textbook regional editor and marketing representative in Wisconsin. Responsible for publication and sales of collegiate textbooks at major public and private universities. (1981-1985)
- Education:**
- BSBA 1981 Marquette University, Milwaukee, Wisconsin
MS 1986 University of Wisconsin, Madison
Real Estate Valuation and Investment Analysis
Laventhol & Horwath Principles of Management Consulting
- State Certifications (Cert Gen):** Colorado (CG1315397); Kansas
- Membership:** MAI, Appraisal Institute, Member Number 10,155
- Publications:**
- Invited to author a chapter of *Real Estate Market Valuation and Analysis* by Wiley for future publication.
- “Retail Market Analysis, an Intermediate Approach to Estimate Demand”, *The Appraisal Journal*, October, 1996. (This article was reprinted by the Urban Land Institute in *Feasibility Analysis for Real Estate*, InfoPacket No. 349, 2003. Also excerpted in a European Commission paper (IST-2001-38846) and is required reading at numerous universities in the US and internationally)
- “Lease Valuation”, *Guam Business News*, October, 1990
- “Land Theft”, *Guam Business News*, July, 1991

Recent Expert Testimony:

Scope of following testimony is defense of property tax valuation for respective County governments:

- 1) Numerous bi-annual testimonies from 2000 to 2020 for County Board of Equalization, Teller County and Gilpin County, CO.
- 2) Kansas Board of Tax Appeals, 2013-2019 - appeals regarding a large casino in Sumner County (Wichita area), KS.
- 3) Board of Assessment Appeals, Colorado Board of Assessment Appeals, 2014, regarding a large casino in Black Hawk, Colorado.
- 4) Gilpin County District Court, CO real property valuation, 2008.

Major Projects:

J. D. Edwards Phases II and III - Market analysis and valuation for synthetic lease financing of 2 proposed 200,000 square foot office buildings in the Denver Technology Center.

Longmont Business Center - Storage Technology Corporation facility – a market analysis and valuation of a 550,000 square foot facility and excess land, Longmont, Colorado.

Several market analyses for Denver-area housing authorities of multi-family properties which were subsequently incorporated into Standard and Poors ratings and bond financing documentation.

Market and feasibility analysis for a proposed factory outlet center at Cabela's (nationally known outdoor wear/gear) in Sydney, Nebraska.

Community College of Denver - Tech Center East Campus. A market analysis - valuation of a community college.

Market / feasibility analyses, enterprise and real property valuations and consulting services related to multiple casinos in Black Hawk and Central City. Contracts are with Gilpin and Teller County Assessors' offices, and main task is valuation of all casinos for tax assessment purposes.

Denver Merchandise Mart - Valuation and market analysis of 750,000 square foot, multi-building merchandise mart complex.

Jeremy Ranch, Park City, Utah - Market analysis and valuation of a partially built out 9,000 acre ranch / master planned resort community and Arnold Palmer designed golf course. The assignment also included valuation of water rights.

Valuation of a 70 acre flood plain near E-470, a toll way in the eastern portion of the Denver metropolitan area.

Rocky Mountain Butterfly Pavilion, Westminster, Colorado - Market analysis and valuation of a proposed (now constructed) indoor tropical butterfly garden.

Jackson's All American Sports Bar / Restaurant, Sluggers Sports Bar and Baja Beach Grill in Lower Downtown Denver - Market analyses and valuation assignments in the Coors Field area.

Market analysis and valuation of the private equity Castle Pines Golf Club and a valuation of the International (later Sprint) golf tournament.

Market analysis and valuation of 113,000 square foot parcel in downtown Denver to be developed with a Class A office building.

Albuquerque Academy, Albuquerque, New Mexico – Market and feasibility study and alternative use analysis for a proposed large-scale residential subdivision, golf course and hotel.

Hyatt Hotel, Beaver Creek - Assisted in valuation and market analysis of the condominium and retail component of this proposed development.

Snowmass Mountain, Aspen - Market analysis and valuation of 23 ski in - ski out home sites.

East 61st Street Development, New York, New York - Development analysis of a proposed \$600 million mixed use project, consisting of condominiums, office space and a luxury spa and hotel.

San Jacinto Center, Austin Texas - Acquisition analysis of a Four Seasons Hotel, office building and development land.

1333 Third Avenue, Seattle Washington - Development analysis of a proposed \$380 million Class A mixed use office development.

Trinity Center, Denver, Colorado - Development analysis, residual land valuation for two proposed Class A office buildings totaling 1,700,000 square feet.

201 Mission Street, San Francisco, California - Acquisition analysis of a downtown office building.

International Projects:

Sigua Highlands, Guam – Managed all phases of due diligence and rezoning process of a 1,300 acre site in the center of the US Territory of Guam. Successful rezoning process yielded development rights for 5,000 housing units and 250,000 square feet of commercial space. Property owner / funding partner was Texas A&M Foundation. After rezoning, successfully managed the disposition of above property.

A.B. Won Pat Industrial Park - Valuation of Government of Guam-owned industrial park adjoining Guam's commercial airport. Also completed valuation of a 1,150 acre parcel of undeveloped land to be developed with a billion dollar resort in Yona, Guam.

Republic of Palau - Cost estimation and consulting services for a resort hotel, scuba diving shop and marina.

Batanes, Philippines - Investment analysis of a 7,000 acre proposed mixed use development including casino and commercial development, an industrial assembly complex and residential development.

Republic of Seychelles, Africa – Investment, market analysis and valuation of a proposed local wireless and fiber optic telecommunications system.

Guam and Saipan - Investment analyses of proposed onshore and offshore gaming ventures.

Macau, Special Administrative Region of China – Market analysis of Cotai Strip and Old City Macau casinos in conjunction with junket programs throughout Asia.

Kumbo, Republic of Cameroon - Investment analysis of proposed \$100 million poultry processing facility.

Kampala, Republic of Uganda – Geothermal energy feasibility analysis and project assessment.

Recent Appraisal Education:

- 2019: General Appraiser Site Valuation and Cost Approach (35 hours)
- 2018: Uniform Standards of Professional Appraisal Practice (7 hours)
Valuation of Big Box Property Properties (7 hours)
- 2017: General Appraisal Market Analysis and Highest and Best Use (28 hours)
Advance Market Analysis and Highest and Best Use (35 hours)
- 2016: Fundamentals of Separating Real Property, Personal Property and
Intangible Business Assets (14 hours)
USPAP (7 hours)
Going Concern Valuation (7.5 hours)
- 2015: Marshall Valuation Service Certification Class (15 hours)- MVS certification.
General Appraisal Review Theory (30 hours)
- 2014: HVS Hotel Valuation Class (7 hours)
Hotel – Motel Valuation (7 hours)
Cost Approach (7 hours)
Review of Court Decisions (1 hour)