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Jonathan E. Farnham, Ph.D.
 Executive Director
 Philadelphia Historical Commission
 Room 576, City Hall
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Re: 1524-34 South Street, Philadelphia, Pennsylvania, a.k.a. the Royal Theater

After review of our April 17, 2015 letter report, it has come to our attention that there is a discrepancy between the appendices attached to the report and the tables in the body of the report. For four scenarios (retail, residential, retail/residential and retail/commercial), the final values in the appendix are based on a capitalization rate of 10 percent, whereas the numbers in the report body reflect a 7 percent capitalization rate. Our conclusions, and the presentation to the Commission, were based on the 7 percent capitalization rate. The 7 percent capitalization rate implies a greater value than a 10 percent capitalization rate, and therefore is more conservative in the context of a hardship analysis.

In an unrelated matter, Tables 1 and 15 in the report do not include fit-out costs for all scenarios except the retail scenario, though these costs are properly included in the individual analyses.

The individual analyses in the report, upon which our conclusions are based, are the correct values. Table A summarizes these values and the values reported elsewhere in the report.

Table A: "Value of Project" as reported in Individual Analyses, Summary Table and Appendix

	1	2a	2b	3	4	5	6
	Retail	Single Screen	Multi-Screen	Live Performance	Residential	Retail / Residential	Retail / Commercial
Individual Analyses	-\$6.6	-\$12.8	-\$10.0	-\$7.4	-\$8.1	-\$8.1	-\$7.5
Summary Table	-\$6.6	-\$11.8	-\$8.5	-\$7.4	-\$8.1	-\$7.6	-\$7.0
Appendix	-\$7.5	-\$12.8	-\$10.0	-\$7.4	-\$9.4	-\$9.3	-\$8.7

As our conclusions were based on the individual analyses, which have not changed, our conclusions do not change.

Regards,


 Peter Angelides