

## Laguna Estates

**“When our client unexpectedly received an alternate proposal that would have a devastating fiscal impact on their project, and very little time to respond – we had to energize the network.” – David Barrows, Dawson & Associates**

### Client

Panattoni Development Company (PDC) develops and manages industrial, office and retail projects in more than 100 markets throughout the US.

### Background

PDC, with co-developer, DR Horton, had purchased 76 acres in suburban Sacramento, CA with plans to develop quality commercial and residential properties. The site included about 5 acres of low-value wetlands that had been degraded by past agricultural and flood control activities. With escrow closed and \$1 million in US Fish & Wildlife mitigation secured, Panattoni, expecting the final permit shortly, scheduled construction to begin in January, 2004.

However, in February the company received an alternative proposal requiring 40% of the property be reserved for wetlands. Meeting the alternative would require processing and approval of General Plan amendments, rezoning, reengineering, consultation, new plan approvals and a new analysis under the California Environmental Quality Act. The potential impact – \$14 million and an additional 18 months to 3 years to complete – could have been economically catastrophic for Panattoni.

### Response

Seeking the experience and expertise to respond effectively to this decision, Panattoni engaged Dawson & Associates (D&A) to “turn this around and get a permit to develop.” Facing an extremely compressed timetable, the Dawson team energized its network, initiating and coordinating the multifaceted efforts of its technical experts and governmental specialists.

Within a week, the Dawson team submitted a report to the US Army Corps of Engineers describing Panattoni’s responsiveness and financial commitment to the requirements of the original permit. Almost simultaneously, D&A initiated discussions with Corps Headquarters, the Pentagon and key Congressional leaders, establishing the merits of Panattoni’s case.

Working with determination and a strategy to develop and present a conclusive rationale based on sound technical arguments and economic analysis, we helped create a new level of understanding among the decision makers – locally and in Washington. Specific and comprehensive background information provided by the Dawson team enabled the Corps District Commander to review and reconsider the requirements included in the alternative proposal.

Six months after releasing its alternative proposal, the Corps issued a final permit allowing the development to move forward without the on-site alternatives. As a result, Panattoni saved \$10 million in on-site preservation and has moved forward toward a successful commercial development.



Satellite image Sacramento, CA

**“It was critical for us to have a firm that understood the policies and regulations of our situation and, more importantly, could create opportunities to present the facts. Dawson & Associates had the same sense of urgency we had and pursued the case with diligence. They enabled us to make our case – with the credibility of experts – to all the key decision makers. We absolutely could not have done this alone – with Dawson & Associates, we had a partner.”**

**– Michael E. Diepenbrock, Partner  
Panattoni Development Company**