

SIDE-BY-SIDE
COMPARISON OF
RESPONSES TO RFP TO
ESTABLISH AND
IMPLEMENT A PROCESS
FOR FEDERAL LAND
APPRAISAL

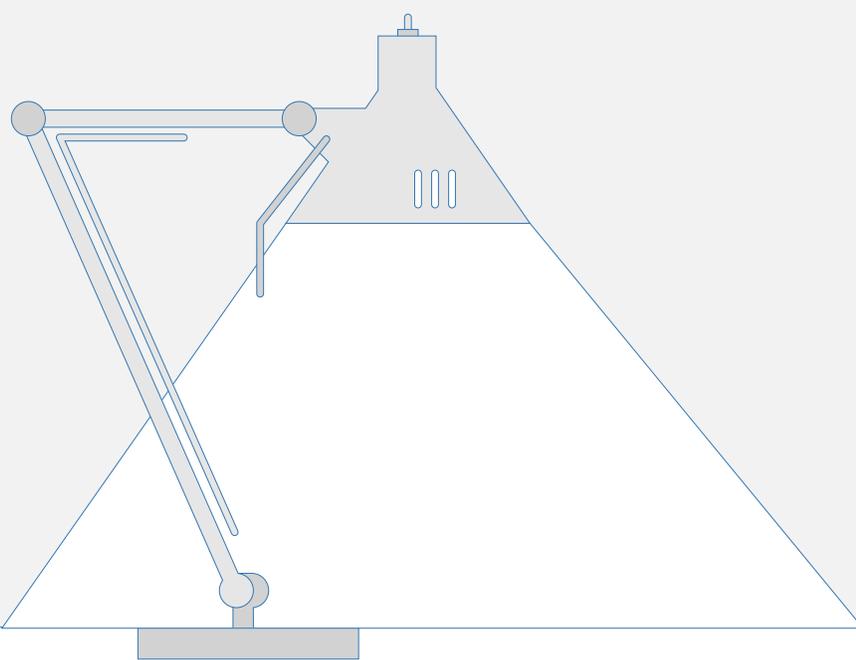


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Summary

The 2021 Idaho Committee on Federalism (“Committee”) issued a Request for Proposal (“RFP”) seeking a vendor to establish a technology-focused program to objectively appraise Federal real property within Idaho. The Committee received two responses to its RFP—one from AEON AI (“AEON”) and one from the Davillier Law Group (“DLG”). Below is a brief summary of relevant information that you may find helpful. On the following page, you will find a side-by-side comparison of the two responses using relevant excerpts from each respective response.

Both responses describe the team each will use to complete and deliver the project to the Committee; each team appears to be made up of individuals that are experienced, qualified, and capable of delivering the requested project. Both responses describe how the respective company will provide the Committee with the technology-focused program it seeks, and both programs will be user-friendly. Both responses anticipate using the entire \$250,000 for a pilot project.

AEON’s response is technology-focused, describing in detail how it can quickly provide accurate and objective appraisal valuation results of Federal real property within Idaho. Not only does AEON’s software program already exist, but AEON’s response also provides that it has successfully completed and delivered the “Federal Land Valuation Model” for the Utah Federalism Commission, where the platform for that project was nearly identical to the scope and functionality requirements outlined in this Committee’s RFP. Because the software platform has already been developed and used for a similar project concerning the PILT program, AEON’s timeline for completion of the pilot project is shorter than that of DLG’s. Further, because AEON has prior experience with projects of a similar scope, AEON provides that it has a good understanding of the data it will gather for both the pilot project and a statewide project, and from what sources it will gather that data.

DLG’s response not only includes a description of the software it proposes to develop, but it also includes a description of the legal analysis it will provide as a second deliverable with respect to the project and its corresponding results. The majority of DLG’s team is made up of distinguished attorneys, where one or more of those attorneys have experience in matters concerning Federal lands. Additionally, although DLG has not yet developed the software, the plan for the proposed software contains some similarities when compared to AEON’s description of its software. DLG does state its need to have a better understanding of the available relevant data maintained by Idaho before it can move on from the pilot project and develop a fully featured statewide appraisal solution.

In short, AEON’s already-developed and previously successful software appears to be what this Committee’s RFP is seeking, while DLG’s proposed software would need to be developed and tested. However, in addition to a software program, DLG would also provide the Committee with an in-depth legal analysis of the project and its results.

Side-By-Side Comparison of RFP Responses

1. EXPERIENCE – Description of experience relevant to the scope of work

a. Description of five projects of similar scope

AEON	DLG
<ul style="list-style-type: none"> • Provided detailed descriptions of 5 projects of a similar scope that have either been completed within the last 2 years, approximately, or are still ongoing. <ul style="list-style-type: none"> ○ <i>Pp. 4–7.</i> • One of the project descriptions is extremely similar to the scope of this project. It was completed for the Utah’s Federalism Commission. <ul style="list-style-type: none"> ○ <i>See “State of Utah PILT” on p. 4.</i> 	<ul style="list-style-type: none"> • Provided a list of 6 projects—3 performed by the legal team and 3 performed by the software team. <ul style="list-style-type: none"> ○ <i>P. 3.</i> • One project involved a legal study involving public lands, and two projects involved legal representation that was successful in reducing the size of two U.S. national monuments. • It is unclear if the other listed projects are similar in scope to this project.

b. List of individuals expected to be involved in the project, description of expected involvement, and qualifications

AEON	DLG
<ul style="list-style-type: none"> • Provided the names of the 5 individuals that will serve as the core team for this project. <ul style="list-style-type: none"> ○ <i>Pp. 7–9.</i> • Described each individual’s qualifications and experience. <ul style="list-style-type: none"> ○ Core team has experience that includes real estate (acquisition, disposal/sale, management, and development); economics; natural resources; banking; software development and data gathering; analyzing; and implementation. • Described in detail the role(s) each individual would perform under this project. <ul style="list-style-type: none"> ○ Point person named for project; will also conduct presentations and demonstrations of the software and the results/outcomes. ○ Data analytics: will determine both highest and best uses of property 	<ul style="list-style-type: none"> • Provided the names of the 6 individuals expected to be involved with this project and attached 5 resumes/CVs. <ul style="list-style-type: none"> ○ <i>Pp. 4–6; Exhibit A.</i> • Described each individual’s qualifications and experience <ul style="list-style-type: none"> ○ Experience includes legal representation and litigation involving public land matters; legal analysis of public land issues; project coordination and management; property tax appraisals in Idaho; information technology and technical systems; and software development. • Described in detail the role(s) each individual would perform under this project. <ul style="list-style-type: none"> ○ Consulting on legal issues and development of legal arm of project; directing design of project; project coordination; project management; consultation regarding Idaho Tax

AEON	DLG
<p>based on Idaho’s unique economic variables.</p> <ul style="list-style-type: none"> ○ Software architecture: ensuring various dataset formats and methods are aggregated and integrated into the system in a standardized format. ○ Front-end functionality of software, including user interface, dashboards, and overall aesthetics; gather feedback and create user experience specific to the user’s needs and objectives. ○ Research and data gathering: provide training on functionality of software; facilitate login data; and provide customer and technical support. 	<p>Commission rules, regulations, and appraisal standards; coordinating assembly of necessary data from local, state, and federal sources; managing and developing software leg of project; and synthesizing data into final product.</p> <ul style="list-style-type: none"> ● Specified that a nationally recognized expert on appraisals for privately-owned land would also be retained for this project to assist in identifying reliable data and audit the results.

c. References

AEON	DLG
<ul style="list-style-type: none"> ● Provided on <i>p. 10</i>. 	<ul style="list-style-type: none"> ● Provided on <i>p. 3</i>.

2. SCOPE OF WORK – Detailed statement of proposer’s approach to the project

a. Whether appraisals will be conducted by region or property type

AEON	DLG
<ul style="list-style-type: none"> ● Software gathers data at parcel level and larger. ● Valuation results can be as broad or as granular as the user would like them to be, allowing for complete flexibility. <ul style="list-style-type: none"> ○ An analysis could be run on a single parcel or on a large region. ○ An analysis could be run on acres of Federal land located in or near city limits. ● Software provides ability to run analyses across numerous different possible scenarios. <ul style="list-style-type: none"> ○ <i>Pp. 10–11</i>. 	<ul style="list-style-type: none"> ● Software will be created to gather data at parcel level and larger. ● Each appraisal will be conducted individually based on unique features present in that parcel as stored by the Idaho State Tax Commission and other data County Assessors may provide. ● User could conceivably select individual parcels to review, or export entire dataset of appraisals to output a single number of total value of land. ● Software will take any applicable factors into account. <ul style="list-style-type: none"> ○ For example, each region in Idaho is assigned a different value for forestry exemptions based on soil quality, precipitation, and other hydrologic and geologic factors. ○ <i>Pp. 8–9</i>.

b. Deliverables

AEON	DLG
<ul style="list-style-type: none"> • Includes delivery of fully functioning software and valuation model, all login credentials, dashboard visualizations, and a detailed, written report of the results. <ul style="list-style-type: none"> ○ Report will detail all methods, results, and visualizations of project. ○ Report designed to allow presentations in public forum. • Ability to view all deliverables in single platform. • Utilization of real-time data where any valuation can be modified and adjusted based on the State’s current needs. <ul style="list-style-type: none"> ○ Appraisals can be conducted on an individual parcel or larger. • A “living document” that automatically adjusts over time based on ever-changing sales comparables and market conditions, allowing for continuous, real-time valuations throughout duration of contract on all Federal parcels. <ul style="list-style-type: none"> ○ <i>Pp. 11–12, 19–23.</i> 	<ul style="list-style-type: none"> • Includes objectively defensible automated appraisals of Federally-Claimed Lands within the Pilot Area of the state of Idaho, calculated from a limited pool of variables from data maintained by the Idaho State Tax Commission and County Assessors Offices, and output in both tabular and graphical formats (including map of state tinted to display heatmaps of appraisal values). • Report analyzing needed additional data in the control of state and county officials for the final version of the project and its technical feasibility for integration. • Software will be developed to include: <ul style="list-style-type: none"> ○ Appraisal for individual parcel based on unique features present in that parcel. ○ Software will take these factors into account in deriving final values, and will create a highest and best value analysis for each parcel. ○ Final appraisal deliverable is date for each parcel, identified by parcel number and visible on a graphical map interface, displaying its highest and best value, as well as the estimated tax revenue depending on the taxation levels input by the user. ○ Data can be exported into common spreadsheet formats. ○ Users will be able to able to output all Federal parcels in pilot areas with exposed variables to permit modification based on the advocacy needs. ○ <i>Pp. 8–9.</i> • Software will demonstrate technical possibilities for full version of software and the data it can provide, while the report will lay out the tasks necessary to

AEON	DLG
	<ul style="list-style-type: none"> develop this software to its full and legally useful advocacy/litigation purpose. <ul style="list-style-type: none"> ○ <i>P. 10.</i>

c. Proposed delivery schedule

AEON	DLG
<ul style="list-style-type: none"> • Delivery schedule for proposed Pilot Project on <i>p. 12.</i> • Total time estimate: 3 months. 	<ul style="list-style-type: none"> • Delivery schedule proposed for Pilot Project on <i>pp. 11–12.</i> • Total time estimate: 214 days (or approximately 7 months).

d. Pilot Project – proposed pilot area(s) and explanation of how the area provides a representative sample of Federal real property within Idaho

AEON	DLG
<ul style="list-style-type: none"> • Pilot area: Canyon County. <ul style="list-style-type: none"> ○ <i>P. 11.</i> • Provides a representative sample of Federal real property within Idaho based on: <ul style="list-style-type: none"> ○ Number of Federal acres located within or near city boundaries in this area. ○ Uniform availability of parcel, GIS, property tax, and boundary data. ○ Good sampling of both rural and high growth areas. ○ Results, particularly in the areas near or in city boundaries, should be substantial and compelling. 	<ul style="list-style-type: none"> • Pilot areas: Counties of Boundary, Bonner, Kootenai, Shoshone, and Benewah. <ul style="list-style-type: none"> ○ <i>P. 9.</i> • Encompasses all or part of the Idaho Department of Lands supervisory areas of Priest Lake, Lake Pend Oreille, Mica, and St. Joe. • Provides a representative sample of Federally-Claimed Lands due to: <ul style="list-style-type: none"> ○ lands varied utility (mining, grazing, cultivated land, forestry, and recreation); ○ the presence of large and small urban areas; and ○ numerous small towns.

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3. TECHNOLOGY – Description of technology used to conduct appraisal

a. Methodology for testing accuracy of appraisals

AEON	DLG
<ul style="list-style-type: none"> • Software combines 3 methodologies: market value (comparable sales), intrinsic value (land), and pro forma value (building). • Sales data comes mostly from MLS, commercial brokerage firms, and local County Assessors. <ul style="list-style-type: none"> ○ Data can be connected directly to software platform and automated to ensure up-to-date results. • Software also provides ability to evaluate and compare multiple land uses, and contains data necessary to approximate and analyze such things as topography, proximity to utilities, soil conditions, flood zones, underlying natural resources, absorption rates, lease rates, grading costs, zoning, land entitlements, density, and numerous other conditions unique to each parcel. • Software provides ability to assign unique zoning attributes to each parcel and provide functionality to easily toggle and compare multiple zoning scenarios simultaneously. • Software provides ability to load and incorporate Idaho’s Natural Resource Management Plan. <ul style="list-style-type: none"> ○ Useful in helping to determine whether property should be designated as “recreational” or whether there are underlying natural resources to be considered in the analysis. • Software incorporates over 65 different data variables into its platform, providing greater accuracy and flexibility, and allows for a more defensible property valuation. <ul style="list-style-type: none"> ○ <i>Pp. 13–16.</i> 	<ul style="list-style-type: none"> • Software development process will include quality control and assurance by person(s) with the experience and qualifications to do so. • Concurrent with software development process, DLG will work with its appraisers to identify the most pertinent data for appraising Federal lands. • Once in the database, the proprietary software will implement a series of calculations and rules based upon the methods, factors, and weighing information provided by the team appraisal experts, to derive a fact-based analysis of the possible uses of the property. • Limited number of variables will be selected for pilot project to keep it within the Committee’s budget. <ul style="list-style-type: none"> ○ <i>Pp. 7–10.</i>

b. Methodology for updating appraisals

AEON	DLG
<ul style="list-style-type: none"> • Real-time data is utilized, allowing any valuation to be modified and adjusted based on the current needs of the State. • Each property valuation is updated regularly to ensure the most accurate and up-to-date information is provided. <ul style="list-style-type: none"> ○ <i>P. 13.</i> 	<ul style="list-style-type: none"> • The software will be designed to easily incorporate new data through semi-periodic database updates. <ul style="list-style-type: none"> ○ <i>P. 7.</i> • Final appraised value and its estimated tax revenue will be an updatable, exportable collection of calculated data. <ul style="list-style-type: none"> ○ <i>Pp. 10–11.</i>

c. Whether and how the technology addresses variety in local government taxes throughout Idaho

AEON	DLG
<ul style="list-style-type: none"> • Since the software uses data aggregated from local sources, software can work seamlessly across multiple municipal boundaries where tax rates may vary. <ul style="list-style-type: none"> ○ <i>P. 13.</i> • With regard to PILT and the underlying tax equivalent valuations that are required to fairly determine these payments, the software enables the user to run virtually limitless land use scenarios, taking into consideration the unique characteristics of the property. • <i>See “City of Nampa, Idaho” and “Bear River Association of Governments” on p. 5.</i> 	<ul style="list-style-type: none"> • Proposed software solution will be able to calculate potential tax revenues from the appraised values it develops for the Federal parcels on a per-parcel basis. • In calculating this revenue, the taxes each particular parcel would be subject to must be input into the software, from county and municipality taxes to those of taxing districts. <ul style="list-style-type: none"> ○ Key element of the final output of the software. ○ <i>P. 11.</i>

d. Whether and how the technology allows modification of factors use to produce appraisals

AEON	DLG
<ul style="list-style-type: none"> • Software platform provides instant valuation results and allows for complete flexibility each time the user interacts with the data. <ul style="list-style-type: none"> ○ Virtually limitless land use scenarios taking unique characteristics of property into consideration. • User can set own assumptions and determine what specific properties or areas they wish to analyze. 	<ul style="list-style-type: none"> • Ability to modify factors, assign weights, and analyze alternate uses of property for income weighing is an essential part of the final product. • User inputs and modifications will serve as a separate table in the database and can be modified on a parcel-by-parcel basis, if desired. • The exact specifications of which factors and weights the Committee would desire

AEON	DLG
<ul style="list-style-type: none"> • Software allows the user to quickly modify and shift the different assumptions in the scenarios. <ul style="list-style-type: none"> ○ <i>Pp. 11, 13.</i> 	<p>for its purposes shall be established during the Assessment phase.</p> <ul style="list-style-type: none"> ○ The capability exists; its scope may be developed throughout the Assessment. ○ <i>P. 11.</i>

4. COST – Proposed cost methodology related to the scope of work

AEON	DLG
<ul style="list-style-type: none"> • Cost methodology on <i>pp. 16–17.</i> • Total estimated cost for proposed Pilot Project: \$250,000. • Total estimated cost for remainder of State following Pilot Project: \$2,250,000. 	<ul style="list-style-type: none"> • Cost methodology on <i>p. 13.</i> • Total estimated cost for proposed Pilot Project: \$250,000.

5. ADDITIONAL INFORMATION INCLUDED IN RESPONSE

AEON	DLG
<ul style="list-style-type: none"> • Because Idaho is a “non-disclosure” state, availability of specific property sales prices is limited. But with the PILT project performed for Utah, which is also a non-disclosure state, AEON was able to develop a tool within the software platform that allows these sale prices to be used in the analysis, while not disclosing individual transactions. • Platform contains all parcel and city boundaries and allows a user to search for properties within a set distance from city borders. • Software provides an ability to quickly ascertain the landowner type (<i>i.e.</i>, BLM, SITLA, Tribal, Private, etc.). • Provides ability for user to not only see the current zoning associated with every parcel within the city/county/state boundaries, but also enables them to modify the zoning as desired. • On parcels that are not yet zoned or entitled for a specific use (as is the case for most Federal parcels), AEON has incorporated a tool that pulls zoning 	<ul style="list-style-type: none"> • DLG is the leading law firm working in public lands issues in the western United States and actively developing multistate litigation to challenge, among other issues, PILT’s compensation, Federal compliance with the PILT formula, and a constitutional challenge to invalidate FLPMA’s perpetual halt to Federal divestment of Federally-Claimed Lands.

AEON	DLG
<p>classes from the closest municipality and/or creates general land use zones.</p> <ul style="list-style-type: none"> • As part of the results portion of this project, AEON provides several dynamic dashboards, which aggregate the resulting land values and creates a breakdown of current PILT payments versus tax equivalency projections by city or county. • Only simple revisions will be suggested to template agreement; no major material changes would be proposed. <ul style="list-style-type: none"> ○ Simple revisions would relate mostly to ownership of the core IP and the term AEON would be responsible for maintaining the data in the system. ○ All reports, dashboards, analyses, or other documents prepared for the Committee as part of this project would be property of the State. 	