

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

IV. UW REAL ESTATE ALUMNI ASSOCIATION

A. General Correspondence

7. "Alumni Bulletin from the Chief", Summer, 1984. Describes Motives and Reactions to the Departure of Prof. Mike Miles for Chapel Hill, NC

1984

ALUMNI BULLETIN FROM THE CHIEF

With deep personal disappointment, we must report that Professor Mike Miles has decided to return to the University of North Carolina in Chapel Hill following the completion of his Visiting Professorship the first week of August. We must further report that Dean Robert Bock of the School of Business has resigned as Dean as of June 30, a further loss of a friend of the Real Estate Department. As a result, the Real Estate Department is both severely understaffed and without prospect of permission to search for or to fund a replacement for at least a year.

Mike Miles came to Wisconsin in the summer of 1983 as a Visiting Professor because it was not possible to go through the tenure process in the summer when appropriate faculty committees do not meet. To be a Visiting Professor, you must have the right to return to your previous assignment, and North Carolina granted him that right in exchange for the right to advance him to full professorship (which they did by December 1983) and to generate funding for a counter offer (which they made in January). Mike Miles bought a house in Madison, which is inconsistent with a Visiting Professorship, but also retained ownership of his home in Chapel Hill, consistent with an intent to return to Chapel Hill, if tenure were not forthcoming.

Although there are rumors that the protracted tenure process was a factor in the decision by Professor Miles, that is decidedly not true. The Executive Committee had approved his tenure application and recommended approval by the Business School Faculty by a vote of 6 - 0 and a full professorship by a vote of 5 - 1. The latter was a vote staged to anticipate a question by the Social Science Division Committee members as to whether the advance by Miles from graduate student to full professorship in seven years had been too precipitous.

Mike Miles chose to withdraw his name from further consideration before the tenure process could be completed by March 27. We had sensed that he was being courted aggressively by North Carolina to return and that he was comparing Business School prospects at Wisconsin with those in Chapel Hill. We had asked him not to make a decision until April but he opted to make an irrevocable decision during my sojourn in Australia. We asked Mike to write a candid explanation to the Real Estate Alumni and he has provided the following:

With great difficulty, my family and I have decided that North Carolina is home. Coming to Wisconsin, I expected a strong university, the oldest and largest real estate program, a great town, and the pleasure of working with Jim, Mike, and Marian. I was not disappointed in any respect and have really enjoyed both the student and faculty interaction. Faculty outside the School of Business have been most supportive and I was confident of receiving an offer to stay permanently.

As an army brat, I've always considered myself a traveler with no true home. I guess seven years in Chapel Hill have produced a home and that is the reason for my decision. I feel a deep commitment to things begun at UNC and a need to see them through. At the same time, I want to do whatever I can to continue to work with the Wisconsin Program. It is "the program" and I look forward to its continued prosperity.

It should be noted that the basic salary package at Wisconsin is equal to North Carolina's, but the perks and political powers for Mike will be considerably greater there. For example, he will have greater discretion over research funds and seminar fees with which to supplement his income and to fund two Ph.D. candidates at approximately \$10,000 each to carry out his research. He will have the opportunity to help select new finance professors at North Carolina in contrast to his view that the U.W. School of Business Finance Department had been gutted by the loss of Hawk, Cramer, and Senbet on leave to Berkeley. School of Business faculty salary scales cannot compete nationally for Finance Department replacements. Professor Wichern (Statistics) is moving to Texas A & M and faculty in other Business School departments are expected to leave as well. Mike Miles believes academic stature for Real Estate and for himself depends on association with national stars in finance and management. He does not believe the Real Estate Department can set its own national image by serving the industry well and by remaining somewhat aloof from academia. He enjoys interaction with school administrators, with finance associations, and with academic colleagues in other disciplines through a multitude of co-authored articles in multiple publications.

The Real Estate Department must depend on itself to raise funds for research and faculty salary supplements, and Mike Miles felt that we did not have the prospect of Texas or Carolina millionaires endowing our program lavishly. Indeed, the School of Business has been victimized by the refusal of Chancellor Shain to divert limited resources toward engineering, business, and the other vocational fields where students want to enroll. There is a tradition at Wisconsin to suppress business in favor of loftier intellectual pursuits in the arts and sciences. Only the School of Agriculture has carefully developed its own legislative lobby; Wisconsin businesses remain largely unorganized as a constituency to support adequate funding of the Business School. Since the Business School Faculty has chosen to freeze enrollments, the Business School will never have the bodies to prove its case and never have a constituency on the Board of Regents to acquire facilities and budgets comparable to all the universities which support business to attract endowment. I am sure Mike Miles could sense this and the frustration expressed by Dean Bock in his statement of resignation. Dean Bock indicated that the problems of the Business School exceeded his ingenuity to find solutions.

The loss of Mike Miles will mean the loss of a communication link between the Real Estate Department and the other Business Professors who are critical of the Real Estate program's Ph.D. component, our academic research, and our reluctance to play the game of academic protocol and publication. Mike Miles' gregarious personality, his social radar, and his out of state credentials were already changing faculty misconceptions about the Real Estate Program. Nevertheless, the integrity and effectiveness of the program really depends on the hours of personal dedication to student contact in the classroom of Professor Robbins, the teaching assistants, and the other faculty. The Miles position had been funded with a budget allocation for a Public Policy Course for the general Graduate Business School, income from the Real Estate Chair, and general funds gambled by the Dean to anticipate research grants in the pension area. Therefore, the Miles departure leaves the Department without any budget allocation for even a portion of an assistant professorship and no further income from the Chair until the fall of 1985. No acting Dean will create an assistant professorship for Real Estate, and a new Dean will most likely move to secure his political power base by funding accounting, finance, marketing, and management before he does anything for Real Estate.

Therefore, the only way out for the Real Estate Department is to create its own funds. It will take \$500,000 of capital to fund a much deserved salary supplement for Professor Robbins, an additional assistant or associate professorship, and a Ph.D. research assistantship. We need \$500,000 minimum endowment, and we presently have \$150,000 in hand or pledged. In addition, Professor Graaskamp continues to be the lowest salaried full professor and department chairman in the School of Business even though he will be teaching four courses each semester again to fill the gap left by Professor Miles. Since most of our alumni are only now beginning their careers and their capital accumulation, it will be necessary to find corporate sponsors.

We do not fully understand Professor Miles' choice, but we do perceive that the timing of the decision could not be worse in terms of the momentum and enthusiasm of the alumni, the faltering of the Business School, and the opportunities that were opening up to our Department for a more balanced program of teaching loads, research, services to the industry, continuing education, and upgraded course content. Staff problems will be further compounded by the otherwise happy prospect for a maternity leave for Marian Wolfe and a possible research opportunity for Mike Robbins.

We sincerely hope that these setbacks will not affect the marvelous continuing support of the Real Estate Alumni for the program as typified by the outstanding field trip engineered by Mike Casey of the Chicago Real Estate Alumni this past weekend in Chicago.

Attached to this bulletin are several significant job opportunities for those with several years' experience. In addition, there is a major industrial park development in Phoenix in need of a project manager/executive director. Owners of this partnership would prefer one of our alumni if he/she has appropriate experience. Call Chief at (608) 262-6378.

Please help us find the addresses of the following:

David Agateer

Debra J. Patterson

Liz Bryant

Milwaukee WI

Lawrence M. Gentner

Peter J. Higgins

Douglas Hill

Jim Hoepfner

Robert Hubert

Ken Jaffe

Davis Karl

Donald D. Kaster

Ken Ley

Frederick W. Petri

Chris L. Plantico

Tom Robertson

Joanne Robinson

Richard Torres

Randy Bruce

Champaign IL

James Fourness

Seattle WA

100 South Wacker Drive
Suite 834
Chicago, Illinois 60606
Telephone: 312 372-5380

Northwestern
Mutual Life

REAL ESTATE INVESTMENT OFFICE

Theodore C. Mesjak, Manager

March 8, 1984

Professor James A. Graaskamp
119 Commerce Building
University of Wisconsin
School of Business
1155 Observatory Drive
Madison, WI 53706

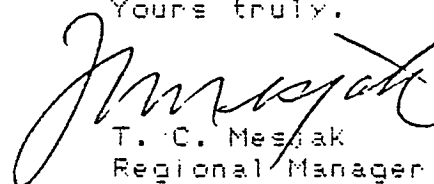
Dear Professor Graaskamp:

Ralph Pelton, Eastern Divisional Manager from our home office in Milwaukee recently spoke with your secretary concerning an opening that we have in our Chicago Real Estate field office for an Asset Management Analyst. This is a position above entry level for someone with a masters degree in real estate. We would be willing to consider graduating students who have had some business experience in addition to their education. Preferably, the experience would be in the area of property management or real estate, however, this is not completely necessary.

The position of Real Estate Analyst, Asset Management, will involve work in the management of real estate assets contained in Northwestern Mutual's large portfolio. He or she will be based in the Chicago Real Estate Office and will work along side experienced field personnel, eventually becoming responsible for specific properties in which Northwestern Mutual has an equity interest. These properties include joint ventures, wholly owned properties, and those in which a type of debt equity combination financing has been structured. Asset management work involves liaison between our company and the on-site management firms as well as supervision of those firms. The person will be responsible for drafting and negotiating management and operating agreements, leasing guidelines, budgeting, coordinating all reports to our home office and, in general, overseeing the entire operational aspects of completed real estate projects.

This position is available immediately and interested graduates and/or students should forward their resumes and covering letters to me at the above address in Chicago.

Yours truly,


T. C. Mesjak
Regional Manager

TCM:fsd



SECURITY PACIFIC MORTGAGE CORPORATION

SECURITY PACIFIC PLAZA
333 SOUTH HOPE STREET, LOS ANGELES, CALIFORNIA 90071
TELEPHONE (213) 813-5313

March 12, 1984

Mike Miles
Real Estate & Urban Land Economics
School of Business
1155 Observatory Drive
Madison, WI 53706

Dear Mike :

I enjoyed talking with you last Thursday morning. The program certainly seems to be in good hands with Mike Robbins and yourself at the helm while the Chief is off frolicking around the South Seas.

As I mentioned to you on the phone, Robert LeMoine of English & Continental is seeking someone to assist him in an analyst role. Responsibilities and requirements of the position would include:

- Investment analysis
- Cash flow analysis
- Using The IBM Personal Computer
- Performing marketing studies
- Development feasibility analysis

As you and I both know, nobody handles these tasks better than a UW real estate graduate. In addition to gaining valuable experience assisting Mr. Lemoine in the above tasks, the individual receives the opportunity to work alongside of one of the most well connected players in the Los Angeles marketplace. Mr. LeMoine was one of top L.A. brokers while he was Director of Institutional Investments for Merrill Lynch Commercial Realty.

English & Continental is a British realty investment firm developing new and acquiring and developing existing commercial property on the West coast. Compensation would be in the neighborhood of \$30,000. I would be happy to forward resumes of spring graduates seriously interested in working in Los Angeles.

Mike Miles
March 12, 1984
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I would also appreciate your sending of a few R.E. program brochures to me so I could forward them to other prospective employers.

Thank You,

A handwritten signature in cursive script that reads "Rob Curtis". The signature is written in black ink and is positioned below the typed "Thank You,".

Robert H. Curtis

FLASH!

FLASH!

FLASH!

As a result of the momentum on the Real Estate Chair, we have made arrangements to attract Mike Miles to the U.W. campus. Because the Tenure Committee doesn't meet in the summer, he'll have title of Visiting Professor until formal arrangements can be completed. Mike, Elston and four children plan to move to Madison this summer for teaching in the fall. However, to negotiate financing it was necessary to lend him to the Dean one-half time to improve the business policy course for the MBA program. He'll teach Residential Finance in the fall, and Equity Investment in the spring. In addition we will initiate an Institute for Pension Fund Real Estate Research.