

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

VII. INDUSTRY EDUCATIONAL COURSES - LONG TERM

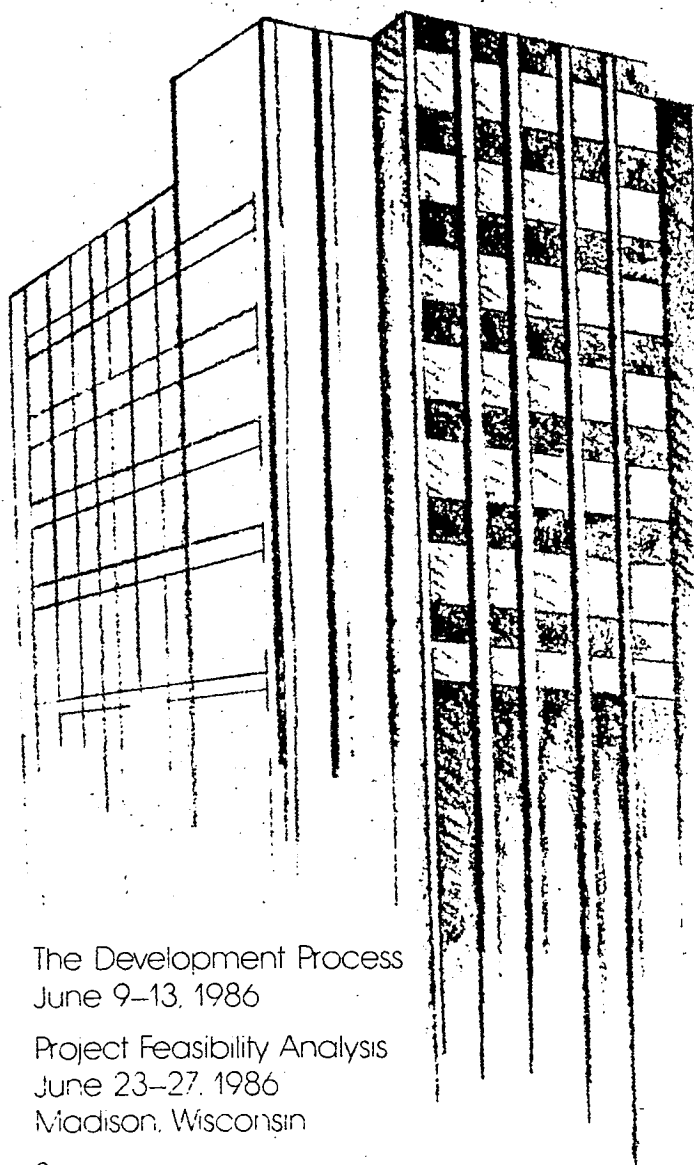
B. Urban Land Institute (ULI) Summer Courses

2. "The Development Process", June 9-13, 1986
and "Project Feasibility Analysis",
June 22-27, 1986: Includes brochure, program
schedules, course outlines, and
correspondence



the Urban Land Institute
1090 Vermont Avenue, N.W.
Washington, D.C. 20005

ULI REAL ESTATE DEVELOPMENT SCHOOL



The Development Process
June 9-13, 1986

Project Feasibility Analysis
June 23-27, 1986
Madison, Wisconsin

Sponsors
ULI-the Urban Land Institute
University of Wisconsin, School of Business,
Real Estate and Urban Land
Economics Department

The Urban Land Institute Real Estate Development School offers intensive short courses on various elements of the development process. Now, for the first time, it is offering two five-day courses, to be cosponsored by the Real Estate and Urban Land Economics Department of the School of Business at the University of Wisconsin in Madison. Both courses are geared toward new professionals, those reentering the field, and individuals involved in real estate development but trained in other disciplines.

"The Development Process" examines the various aspects of developing residential, commercial, and industrial projects, including the land use decision, financial analysis planning and structures, site analysis and physical planning, marketing and market analysis, political and legal issues, lease structures, office building design, and construction management. Attendance is limited to 50 people.

The second course, "Project Feasibility Analysis," covers basic concepts for financial modeling—forecasting, use of the spread sheet, and sensitivity analysis. Market research and its application are examined. The use of the computer is emphasized throughout the course. Attendance is limited to 30 people.

Each course provides an opportunity to learn from experts on the faculty the essentials of real estate development. Full course outlines are provided below. As attendance is limited, early registration is recommended.

ULI—THE URBAN LAND INSTITUTE

ULI—the Urban Land Institute is an independent, nonprofit educational and research organization dedicated to improving the quality of standards for land use planning and development.

Since its formation in 1936, ULI has worked continuously, through the identification and interpretation of current trends in land use, to formulate a system of important guidelines for members of the development community. Its publications and activities have consistently fostered innovation and constructive change in the development field. As a result, ULI maintains a reputation as one of the foremost sources of objective information on land use planning and development.

The Institute relies heavily on the experience of its members and associates. Its membership includes 10,208 individuals worldwide, many of whom are prominent leaders in the land use community. All those in the land use and development communities have the opportunity to participate in and benefit professionally from the goals and achievements of the Urban Land Institute.

UNIVERSITY OF WISCONSIN, SCHOOL OF BUSINESS, REAL ESTATE AND URBAN LAND ECONOMICS DEPARTMENT

The University of Wisconsin's School of Business has a long tradition of teaching and research in real estate and urban land economics. It was the first such school in the United States to offer a multidisciplinary graduate program leading to a master of science degree in real estate investment analysis. Its program focuses on how to define real estate problems, how to integrate physical planning with financial and market planning, and how to fit real estate project development to both private and public goals. The process and the methods are the same for the developer, the banker, or the public planner. The intensive courses developed by the University of Wisconsin for the ULI Real Estate Development schools are distilled from the Wisconsin graduate program in real estate.

PROGRAM PLANNERS

James A. Graaskamp, Chairman, Real Estate and Urban Land Economics, University of Wisconsin, Madison, Wisconsin

Rachelle L. Levitt, Director, Education Programs, ULI—the Urban Land Institute, Washington, D.C.

ULI EDUCATION PROGRAM

ULI's education program, of which the real estate school is a part, is a multifaceted endeavor, designed to improve the level of expertise of preprofessional and professional land use and development practitioners. Guided by the ULI Education Committee, which is composed of leading members of the land use and development field, ULI's program offers the professional development seminar series, furnishes academic assistance for the improvement and development of real estate curricula, and provides other continuing education.

TUITION

Tuition includes admission to the course, luncheons, reception, and course materials. Registration must be accompanied by payment in full, or by an organization's purchase order.

The Development Process

ULI Member: \$900
Nonmember: \$950

Project Feasibility Analysis

ULI Member: \$900
Nonmember: \$1,000
Computer Lab Fee: \$100

REGISTRATION AND CANCELLATION POLICIES

All mail and telephone registrations must be received in the ULI office by Monday, June 2, 1986, for "The Development Process"; and by Monday, June 16, 1986, for "Project Feasibility Analysis." Cancellations, which must be made in writing to ULI, will be subject to a \$50 administrative fee. No refunds may be made after Monday, June 2, 1986, for "The Development Process"; and after June 16, 1986, for "Project Feasibility Analysis." You may, however, transfer your registration, without penalty, to another member of your organization.

For further information and to check on available space, call the ULI office at (202) 289-3320.

FACULTY

THE DEVELOPMENT PROCESS

RONALD J. BARBIERI
Principal
Torrey Urban Research Institute
Rancho Santa Fe, California

JAMES A. GRAASKAMP
Chairman, Real Estate and Urban Land
Economics Department
School of Business
University of Wisconsin
Madison, Wisconsin

JOHN J. GRIFFIN
Partner
Rackemann, Sawyer & Brewster
Boston, Massachusetts

DOWELL MYERS
Assistant Professor, Land Economics
University of Wisconsin
Madison, Wisconsin

JOHN RAHINKAMP *Bob Gray & Mike LoFurno
from Rahenkamp & Assoc.*
President
John Rahenkamp & Associates
Philadelphia, Pennsylvania

PROJECT FEASIBILITY ANALYSIS

JAMES C. CANESTARO
Adjunct Associate Professor
Virginia Polytechnic and State University
Blacksburg, Virginia

JAMES A. GRAASKAMP
Chairman, Real Estate and Urban Land
Economics Department
University of Wisconsin
Madison, Wisconsin

ENUD MOUCHLY
Principal
Koten, Reagan, Mouchly
Los Angeles, California

MICHAEL L. ROBBINS
Assistant Professor of Real Estate
University of Wisconsin
Madison, Wisconsin

MICHAEL YOUNG
President
Shlaes & Young
Chicago, Illinois

THE DEVELOPMENT PROCESS

Monday, June 9
8:30 a.m.

Graaskamp

Introduction to Real Estate Development

- Viewpoints of the private and public sectors
- The private/public development partnership
- Balancing who benefits with who pays

9:30 a.m.

Land Use Decisions: An Exercise in Social Ethics

- Environmental conservation
- Equitable allocation of entitlements of the benefits of land
- Financial success versus fiscal equity
- Cost efficiency versus political sensitivity
- The quiet revolution

10:30 a.m.

Development as an Exercise in Problem Solving

- Recognition and definition of problems
- Understanding the decision maker
- Understanding decision-making techniques
- Modeling the decision-making process
- Planning, feasibility analysis, and problem solving compared
- Elements of the real estate problem and decision

11:00 a.m.

Rudiments of Financial Analysis

- Pro forma operating budgets—rental properties
- Cash flow budgets—rental properties
- Pro forma development budgets—subdivisions
- Cash flow budget models—subdivisions
- Financial risk management concepts

12:00 noon

Luncheon

1:00 p.m.

Gray & LoFurro

Site Analysis and Physical Planning for Residential Development

- Inventory of site attributes
- Definition of optimal infrastructure
- Selection of a flexible design
- Definition of alternative layouts

3:30–5:00 p.m.

Design Densities and Residential Floor Plans

5:00 p.m.

Dinner on your own

7:00 p.m.

ULI Videos

Films on the history of urban development

Tuesday, June 10
8:30 a.m.

Gray & LoFurro

Financial Planning and Fiscal Budgets to Optimize Land Use Mix

- Residential density and developer profitability, school board solvency, municipal service costs, and environmental loads.

10:00 a.m.

Marketing the Residential Development and Financing the Consumer

10:45 a.m.

Financing the Developer

- Contracts for the purchaser
- Methods for financing infrastructure and administrative costs
- Critical assumptions in a financing strategy

12:30 noon

Luncheon

1:30 p.m.

Griffin

The Political Process Controlling Land Use and Platting

3:15–5:00 p.m.

Negotiation of the Private/Public Development

Evening

Open

Wednesday,
June 11
8:30 a.m.

Griffin

Basic Elements in the Industrial/
Commercial Development Project

- The lease structure
- The capital structure
- The facility program

9:00 a.m.

The Office Lease

- The parties
- Space and services
- Conditions to initiate lease
- Conditions to terminate lease
- Formulas for rent and service charges
- Conditions to anticipate lender requirements

10:45 a.m.

Office and Industrial Leases Compared

12:00 noon

Luncheon

1:00 p.m.

Barbieri

Physical Variables and Choices in
Office Building Design

- Foundation structure
- Vertical and horizontal circulation systems
- Floor and ceiling requirements
- HVAC systems
- Life safety systems
- Telecommunications
- Exterior and interior wall design
- Pedestrian/vehicle site systems

2:15 p.m.

Construction Management Process for an Office Building

- Preconstruction and design input
- General conditions of bid documents
- The role of drawings, specifications, and the general contractor's agreement
- On-site construction management of basic structure
- Construction management of tenant improvements
- Legal pitfalls and developer/contractor/tenant relationships

4:15-5:00 p.m.

Market Segmentation for
Merchandising Office Buildings

5:00 p.m.

Dinner on your own

Graaskamp

7:00 p.m.

Review of Visual Marketing Program for Office Space

Thursday,
June 12

8:30 a.m.

Graaskamp

Basic Financial Structures for Commercial/Retail Projects

- Alternative methods of commercial financing
- Conventional mortgages
- Joint ventures
- Limited partnerships
- Public/private finance consortiums
- Other group investment formats

10:30 a.m.

Three Case Study Examples of Financial Structure and Development Evolution

- Office building
- Retail project
- Mixed-use development

12:00 noon

Luncheon

1:00 p.m.

Myers

Rudiments of Market Analysis

- Scaling the market
- Profiling the market
- Programming the politics
- Motivating the consumer

Graaskamp

2:00 p.m.

Application of Market Research to Shopping Center Development

3:30-5:00 p.m.

Slide Lecture on Shopping Center Case Study

Evening

Open

Friday, June 13

8:30 a.m.

Graaskamp

Development through Renovation

- Selection of structures
- Pitfalls in restoration
- Subsidies available
- Economic analysis
- A renovation case study

10:30 a.m.

Graaskamp

Summation: The Development Process

- Current areas of weakness in the system
- Future areas of opportunity
- The literature of development—a suggested reading list

12:00 noon

Adjournment

3:30–5:00 p.m.

Case Studies

Discussion of two case studies: discounted cash flow of an industrial office park project; and a spread sheet model of a housing project for the elderly, with tax-exempt bond financing

Evening

On your own

**Tuesday,
June 24
8:30 a.m.**

Alternative Forms of Sensitivity Analysis

- Financial structure
- Physical envelope
- Efficiency of elevator component
- Efficiency of energy systems
- Time delays in project life cycle
- Case study presentation: bank building rehabilitation in a small town

PROJECT FEASIBILITY ANALYSIS

**Monday,
June 23
8:30 a.m.**

Overview of Project Feasibility Analysis

- Strategic viewpoints
- Feasibility format
- Market research
- Financial analysis components and applications
- Feasibility analysis as a form of financial risk management

10:30 a.m.

Basic Concepts for Financial Modeling

- Basic back door concepts
- Key ratios in the static model
- Key financial ratios in the dynamic model
- Before tax/after tax elements

12:00 noon

Luncheon

1:00 p.m.

Formatting Basic Components of Rental Property Model

- The revenue forecast
- Operating expense classification
- Capital outlay scheduling
- Mortgage loan modeling
- Planning venture capital receipts and outlays

10:30 a.m.

Use of Lease as a Tracking System

- Alternative commercial system
- Compatibility of spread sheet models
- Interfacing model

12:00 noon

Luncheon

1:00 p.m.

Introduction to Market Data

- The content of demographic statistics
- Public and private services available
- Application of demographics for market segmentation and scaling
- Example of industrial properties marketing
- Example of shopping center location analysis

3:30–5:00 p.m.

Merchandising Research—Primary Survey Research

- A spread sheet example of market research and assumptions required for setting project carry costs in capital budget
- Relationship of market risk to project finance risk

5:00 p.m. Dinner on your own.

**Wednesday,
June 25**
8:30 a.m.

Computer Lab
Hands-on use of basic feasibility financial models

10:30 a.m.

Computer Lab
Hands-on demonstration of advanced cash flow model

12:00 noon

Luncheon

1:00-3:15 p.m.

Computer Lab
Hands-on of market data and statistical packages for market survey research data

7:00-10:00 p.m.

Computer lab open for student experimentation and demonstration

**Thursday,
June 26**
8:30 a.m.

Computer Lab
An integrated model for development and management of a commercial project

10:30 a.m.

~~Computer Lab~~
A project feasibility model demonstrates important issues in the use of a lease role tracking system and interfacing property management reporting systems

12:00 noon

Luncheon

1:00 p.m.

Computer Analysis of Site Planning Factors

3:30-5:00 p.m.

Computer Analysis of Building Design Elements

5:00 p.m.

Dinner on your own

7:00-9:00 p.m.

Computer Lab Open for Student Analysis of Case Problems

Friday, June 26
8:30 a.m.

Sources of Financial Standards for Costs, Operating Budgets, and Investment Performance by Property Type

- Capital cost and operating budget sources evaluated
- General literature on market and financial feasibility
- Professional support groups and seminars

10:30 a.m.

Market Critiques and Financial Feasibility Studies Available

12:00 noon

Adjournment

Jim Strahorn
Acquisitions - Progressive
Analysis & Graphic Presentation

- Mike Young

REGISTRATION

Indicate your course selection(s):

- ☐ The Development Process, June 9-13, 1986
☐ Project Feasibility Analysis, June 23-27, 1986

NOTE: You are encouraged to register as early as possible by phoning in a credit card number (American Express, MasterCard, or VISA), or by mailing your check to ULI. Tuition includes admission to the five-day course, the luncheons, and the course materials.

Please print clearly or type the information requested below. For multiple registrations, duplicate this form.

Name _____
Title _____
Company _____
Address _____
City _____ State _____ Zip _____
Telephone () _____

The Development

Process

- ☐ *ULI Member: \$900 ☐ ULI Member: \$1,000**
ULI ID Number _____ ULI ID Number _____
☐ Nonmember: \$950 ☐ Nonmember: \$1,100**

Project Feasibility Analysis

*Members include designated individuals of corporate memberships, as well as individual and associate members.

**Includes \$100 computer lab fee.

Please make check payable to ULI—the Urban Land Institute and send with this registration form to:

ULI Real Estate Development School
ULI—the Urban Land Institute
1090 Vermont Avenue, N.W.
Washington, D.C. 20005

HOTEL RESERVATIONS

THE DEVELOPMENT PROCESS

Please send this form directly to:

The Inn Towner
2424 University Avenue
Madison, Wisconsin 53705
(608) 233-8778
Attn: Reservations

NOTE: By forwarding this form to ULI, you will delay your hotel reservations.

The Inn Towner has reserved rooms for registrants until Thursday, May 8, 1986.

I will attend the ULI Real Estate Development School course, "The Development Process," June 9-13, 1986.

- ☐ Singles: \$38
☐ Doubles: \$46

Arrival date _____ Time _____

Departure date _____ Time _____

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Telephone () _____

Your room will be held until 6:00 p.m. on the date of your arrival unless you provide a guarantee to cover your later arrival.

Please guarantee my room for arrival after _____ p.m.

To guarantee a room, please enclose a check for one night's lodging or indicate your credit card account number and other data below:

Account number _____

Credit card _____

Expiration date _____

HOTEL RESERVATIONS

PROJECT FEASIBILITY ANALYSIS

Please send this form directly to:

The Madison Inn
601 Langdon Street
Madison, Wisconsin 53703
(608) 257-4391
Attn: Reservations

NOTE: By forwarding this form to ULI, you will delay your hotel reservations.

The Madison Inn has reserved rooms for registrants until Thursday, May 23, 1986.

I will attend the ULI Real Estate Development School course, "Project Feasibility Analysis," June 23-27, 1986.

- ☐ Singles: \$40
☐ Doubles: \$48

Arrival date _____ Time _____

Departure date _____ Time _____

Name _____

Title _____

Company _____

Address _____

City _____ State _____ Zip _____

Telephone () _____

Your room will be held until 5:00 p.m. on the date of your arrival unless you provide a guarantee to cover your later arrival.

Please guarantee my room for arrival after _____ p.m.

To guarantee a room, please enclose a check for \$20 or indicate your credit card account number and other data below:

Account number _____

Credit card _____

Expiration date _____



University of Wisconsin-Madison

Graduate School of Business

1155 Observatory Drive
Madison, WI 53706
608/262-0391

May 16, 1986

Rachelle Levitt
The Urban Land Institute
1090 Vermont Avenue, N.W.
Washington, D.C. 20005

Dear Rachelle:

I have listed below the titles of the Urban Land Institute Development Component Series (DCS) needed for the first session of the ULI Real Estate School in Madison on June 9 - 13, 1986.

Please send 65 copies of each so that we can provide them to each participant, as well as to all speakers.

- 1 - Graaskamp, J., "Fundamentals of Real Estate Development"
- 2 - Witherspoon, Robert, "Codevelopment: City Rebuilding by Business & Government"
- 3 - Stout, Gary & Joseph Vitt, "Public Incentives & Financing Techniques for Codevelopment"
- 4 - Chow??, "Understanding Cities"
- 5 - Gruen, Gruen & Smith, "Demographic Changes & Their Effect on Real Estate Markets in the 1980's"
- 6 - Also, please send 65 brochures for ULI publications

Thank you.

Sincerely,

Susan Thomas
Susan Thomas

cc: Prof. J. Graaskamp

ULI REAL ESTATE DEVELOPMENT SCHOOL
"THE DEVELOPMENT PROCESS"

June 9 - 13, 1986
The Inntowner Hotel - Madison, WI

OUTLINE OF COURSE MATERIALS
BY SPEAKER & SESSION

Note! Each section in the binders is followed by a colored tab. These tab colors are the key to locating the session materials outlined below:

JUNE 9

Morning RED - James A. Graaskamp/Introduction

1. Introduction & Organization
2. Property Evaluation & Investment Analysis, The Shidler Group
3. Office Park Development Planning & Design Process
4. Chapter 4 - Analyzing the Feasibility of a Small City Office Rehab Project
5. Long Range Cash Flow Planning: A Total Systems Approach, Norman G. Miller
6. The Real Estate Process, James A. Graaskamp
7. Here's A New System for Figuring Project Feasibility
8. Fundamentals of Real Estate Development, James A. Graaskamp (front flap)
9. Codevelopment: City Rebuilding by Business & Government, Robert Witherspoon (front flap)
10. Public Incentives & Financing Techniques for Codevelopment, Gary E. Stout and Joseph E. Vitt (front flap)
11. Passing the Buck, Builder magazine (handed out in sessn)

Afternoon CLEAR - Mike LoFurno & Bob Gray/Site Analysis & Physical Planning for Residential Development

1. Design Management diagram
2. Martin Farm - Development Feasibility Analysis, John Rahenkamp & Associates

JUNE 10

Morning BLUE - Mike LoFurno & Bob Gray/Financial Planning & Fiscal Budgets to Optimize Land Use Mix

1. Linville Orchards Financial Analysis Letter
2. Windrush Cash Flow Analysis
3. Pelican Cove Condominium Project

"THE DEVELOPMENT PROCESS"

Page 2

OUTLINE OF COURSE MATERIALS

JUNE 9 YELLOW - To Accompany ULI Videos

Evening 1. Understanding Cities, David Clow

JUNE 10 (cont.)

Afternoon GREEN - John Griffin/The Political Process Controlling
Land Use & Negotiation of the Private/Public
Development

1. Development Agreement
2. AIA Standard Form of Agreement Between Owner & Contractor
3. AIA General Conditions of the Contract for Construction
4. Point West Place - Work Letter, Standard Form

JUNE 11

Morning CLEAR - John Griffin/Industrial-Commercial Development
Project & The Office Lease

1. Income Property Management Agreement
2. Commercial Lease Law Insider, November 1985

Afternoon BLUE - Ronald Barbieri/Office Building Design & The
Construction Management Process

1. Forecasting Office Space Demand In Urban Areas,
Hugh F. Kelly
2. Form Versus Function, Antony Harbour
- ** Materials below will be handed out in the session **
3. Market Study: San Diego County
4. The Winds of Downtown, Jim Dawson
5. Manual on Fires & Construction
6. An Introduction to the Design Analysis of Office Buildings,
James C. Canestaro
7. Types of Construction Contracts
8. Construction Management Versus Conventional Contracting
9. Construction Scheduling
10. Future Impacts of Telecommunication Upon Real Estate &
Urban Development, Anthony Downs

"THE DEVELOPMENT PROCESS"

Page 3

OUTLINE OF COURSE MATERIALS

JUNE 12

Afternoon YELLOW - Dowell Myers/Market Analysis

1. Demographic Changes and Their Effects on Real Estate Markets in the 1980s, Nina Gruen, Claude Gruen, Wallace F. Smith (back flap)
2. Demometrics, National Planning Data Corporation
3. Construction Forecasting: The Delphi Approach, Albert F. Eger & J. Graham Smith

JUNE 13

Morning GREEN - James A. Graaskamp/Renovation Development & Course Summation

1. Quantifying Uncertainty in Investment Analysis, K.B. Cady, C.S. Pettygrove, and D.K. Westby
2. Shopping Center Study Lease, International Council of Shopping Centers
3. Strategic Planning in Development Firms, Richard A. Hardy

MISCELLANEOUS

Back Section:

1. Development Trends 1986, Urban Land Institute
2. ULI 1985 Publications Catalog
3. National Association of Home Builders, NAHB Bookstore, Winter/Spring 1986 Publications Catalog
4. American Planning Association, Planners Bookstore-Publicaitons List

Exhibit 1

URBAN LAND INSTITUTE NATIONAL REAL ESTATE SCHOOL

Proposed Course Outline

THE DEVELOPMENT PROCESS

*make
8 copies*

MORNING--FIRST DAY (GRAASKAMP)

- 8:30- 9:30 A. Introduction to Real Estate Development
1. The private enterprise viewpoint
 2. The public enterprise viewpoint
 3. The private/public development partnership
 4. Balancing who benefits and who pays
- 9:30- 10:15 B. Land Use Decisions: An Exercise in Social Ethics
1. Environmental conservation
 2. Equitable allocation of entitlements to the benefits of land
 3. Financial success vs. fiscal equity
 4. Cost efficiency vs. political sensitivity
 5. The quiet revolution
- 10:15- 10:30 COFFEE BREAK
- 10:30- 11:00 C. Development as an Exercise in Problem Solving
1. Recognition and definition of problems
 2. Understanding the decision-maker
 3. Understanding decision-making techniques
 4. Modeling the decision process
 5. Planning, feasibility analysis, and problem solving compared
 6. Elements of any real estate problem and decision
- 11:00- 12:00 D. Rudiments of Financial Analysis
1. Pro forma operating budgets--rental properties
 2. Cash flow budgets--rental properties
 3. Pro forma development budgets-- subdivisions
 4. Cash flow budget models--subdivisions
 5. Financial risk management concepts
- 12:00- 1:00 LUNCH BREAK

AFTERNOON--FIRST DAY (RAHENKAMP)

- 1:00- 3:15 E. Site Analysis and Physical Planning for Residential Development
1. Inventory of site attributes
 2. Definition of optimal infrastructure
 3. Selection of a flexible design
 4. Definition of alternative layouts

3:15- COKE BREAK
3:30

3:30- F. Design Densities and Residential Floor Plans
5:00

EVENING--FIRST DAY

7:00- G. Film--"History of Urban Development"
8:30

1. Selected items from the Bacon Series
2. Selected items from ULI 50th Anniversary Series

MORNING--SECOND DAY (RAHENKAMP)

8:30- A. Financial Planning and Fiscal Budgets to Optimize Land Use Mix
10:00

1. Residential density and developer profitability
2. Residential density and School Board solvency
3. Residential density and municipal service costs
4. Residential density and environmental loads

10:00- B. Marketing the Residential Development and Financing the Consumer
10:30

10:30- COFFEE BREAK
10:45

10:45- C. Financing the Developer
12:30

- 1.. Contracts for the purchaser
2. Methods for financing infrastructure
3. Methods for financing administrative costs
4. Critical assumptions in land development financing strategy

12:30- LUNCH BREAK
1:30

AFTERNOON--SECOND DAY (GRIFFIN)

1:30- D. The Political Process Controlling Land Use and Platting
3:00

3:00- COKE BREAK
3:15

3:15- Negotiation of the Private/Public Development
5:00

EVENING--SECOND DAY

Open

MORNING--THIRD DAY (GRIFFIN)

8:30- A. Basic Elements in the Industrial/Commercial Development Project
9:00

1. The lease structure
2. The capital structure
3. The facility program

9:00- B. The Office Lease
10:30

1. The parties
2. Space and services
3. Conditions to initiate lease
4. Conditions to terminate
5. Formulas for rent and service charges
6. Conditions to anticipate lender requirements

10:30- COFFEE BREAK
10:45

10:45- C. Office and Industrial Leases Compared
12:00

12:00- LUNCH BREAK
1:00

AFTERNOON--THIRD DAY (BARBIERI)

1:00- D. Physical Variables and Choices in Office Building Design
3:00

1. Foundation systems
2. Structural systems
3. Vertical circulation systems
4. Horizontal circulation systems
5. Floor systems
6. Ceiling systems
7. HVAC systems
8. Life safety systems
9. Telecommunication systems
10. Exterior wall systems
11. Interior wall systems
12. Pedestrian/vehicle site systems

3:00- COKE BREAK
3:15

3:15- E. Construction Management Process for an Office Building
4:15

1. Pre-construction and design input
2. General conditions of bid documents
3. The role of drawings, specifications, and general contractor's agreement
4. On-site construction management of basic structure
5. Construction management of tenant improvements
6. Legal pitfalls and developer/contractor/tenant relationships

4:15- F. Market Segmentation for Merchandising Office Buildings
5:00

EVENING--THIRD DAY (GRAASKAMP)

7:00- Review of Visual Marketing Program for Office Space
8:30 (Video tape and slide presentations selected from ULI developers)

MORNING--FOURTH DAY (GRAASKAMP)

8:30- A. Basic Financial Structures for Commercial/Retail Projects
10:15

1. Alternative methods of commercial finance
2. Conventional mortgages
3. Participating and convertible mortgages
4. Joint venture
5. Limited partnerships
6. Public/private finance consortiums
7. Other group investment formats

10:15- COFFEE BREAK
10:30

10:30- B. Three Case Study Examples of Financial Structure and Development
12:00 Evolution

1. Office building--land lease, UDAG parking, and two-tiered financing
2. Retail project with tenant financing, participation loan, and public/private venture
3. Mixed use project with credit enhanced tax exempt financing for shallow housing subsidy and tax incremental financing kicker from integrated office development

12:00- LUNCH BREAK
1:00

AFTERNOON--FOURTH DAY (MYERS)

1:00- C. Rudiments of Market Analysis
3:15

1. Scaling the market--demographics
2. Profiling the markets--segmentation by value system
3. Programming the politics--power structure survey
4. Motivating the consumer--research of non-verbal communicators and promotion media

D. Market Research for the Shopping Center

1. Scaling the market--demographics
2. Profiling the market by lifestyle
3. Programming the project to enhance frequency of visit and average expenditure per visit

3:15- COKE BREAK
3:30

3:30- E. Slide Lecture on Shopping Center Case Study
5:00

EVENING--FOURTH DAY

Open

MORNING--FIFTH DAY (GRAASKAMP)

8:30- A. The Renovation and Remodeling Approach to Development
10:15

1. Selection of structures suitable for renovation
2. Pitfalls in the romantic notion of restoration
3. Subsidies to advance public priorities for saving old buildings
4. Economic analysis for renovation decisions
5. A renovation case study

10:15- COFFEE BREAK
10:30

10:30- B. The Development Process:
12:00

1. Building a social terrarium with private enterprise
2. Current areas of weakness in the system
3. Future areas of opportunity
4. The literature of development--a suggested reading list

12:00- LUNCH
1:00

The Development Process

June 9 - 13, 1986
The Inntowner Hotel

A Note About Meeting Rooms, Catered Meals...

- 1) All meetings will be held in the Chadbourne Center room at the Inntowner, including the ULI videos on Monday evening.
- 2) A continental breakfast of coffee, juice and pastries will be provided in meeting rooms each morning. Coffee breaks will be held each morning and each afternoon.
- 3) All lunches will be located in the Van Hise A room at the Inntowner hotel.
- 4) Dinners are on your own.
- 5) A list of recommended restaurants:
 - * The Ovens of Brittany - there are 3:
 - Shorewood on University Avenue
 - on Monroe Street
 - on State Street
 - * Kosta's (Greek) on State Street, near the Capitol
 - * Porta Bella on N. Frances (Italian)
 - * Paisan's at University Square (Italian)
 - * Here's an authentic Wisconsin delight, it's new but probably worth a try---Capital Brewery & Beer Gardens in Middleton, they claim authentic German meals and fresh German beer
 - * Quivey's Grove on Nesbitt Road
 - * The Fess on East Doty
 - * Ask Jim Graaskamp, our local expert on Madison dining

June 16, 1986

Alexis P. Victors, President
Upland Industries Corporation
Blackstone Centre
302 South 36th Street
Omaha, NE 68131

Dear Alex,

We have completed the first run of the Introductory Course to Real Estate Development for ULI. It went very well, and we had an unusually mature and committed group of fifty-eight participants. Apparently there were so many people left on the waiting list that we will be able to run this same program again July 27 - August 1. All of the same faculty have consented to play the same roles.

We will edit each presentation based on what we learned the first time, primarily shortening the Rahenkamp presentation and expanding basic financial analysis. We will also reduce the amount of materials in the handbook, a set of which is enclosed.

For your benefit, we have enclosed copies of the student evaluation sheets. Identical sets of these sheets have been sent to Rachelle Levitt and the principal instructors.

In general, the students liked the executive classroom and the hotel rooms. Lunches were unimaginative, and we will have an all new light salad menu buffet for the next program. Some students regretted that they were not closer to the student bar district. The Feasibility Seminar will be right in the middle of the student district; we will see how they like that decibel rating!

A major source of irritation was the casual administration in the Washington ULI Office which made it difficult for the students to get confirmation instructions as to where to go or a friendly response to various questions. (There was good communication between the Wisconsin campus and ULI). The fact that students were expected to make their own hotel reservations was also confusing. Either Washington has to become more efficient or the University Continuing Education Departments should take on the responsibility of registration in whatever locality a course is held.

The Washington office also failed to provide a roster by employment and address so we substituted a set of business cards but not everyone was included. We will have a subsequent mailing once we are able to reconstruct a detailed roster.

June 16, 1986

Page 2

Upland was well represented by several talented folks.

The best news is I believe we will be making money on the first summer series.

JAG/dlv

Best regards,

A handwritten signature in dark ink, appearing to read 'James A. Graaskamp', with a horizontal line extending from the end of the signature.

James A. Graaskamp
Chairman

Mr. Victor - 6/16/86

I will be sending
copies of the evaluation
forms, along with the binder
materials in the next
few days.

Susan Thomas
for
Prof. Graaskamp

EXHIBIT 2

URBAN LAND INSTITUTE NATIONAL REAL ESTATE SCHOOL

Proposed Course Outline

PROJECT FEASIBILITY ANALYSIS: WITH AUGMENTATION OF DATA ANALYSIS WITH PC COMPUTER

MORNING - FIRST DAY - June 23, 1986

- 8:30-10:15 A. An Overview of Project Feasibility Analysis (Graaskamp)
1. Strategic viewpoints for the development firm
 2. Market research plus financial analysis equals feasibility format
 3. Market research includes market data, merchandising data, political profile, and media for marketing communication
 4. Financial analysis includes conversion of product design to pro forma capital structures, operating budgets and investment analysis
 5. Site in search of a market which provides investment return
 6. A market with investment potential in search of a site
 7. Investment dollars in search of acceptable market and site risks
 8. Feasibility analysis as a form of financial risk management
- 10:15-10:30 COFFEE BREAK
- 10:20-12:00 B. Basic Concepts for Financial Modeling (Graaskamp)
1. Basic back door concepts driving from revenues to justified capital budgets
 2. Key ratios in the static model
 3. Key financial ratios in the dynamic model
 4. Before tax/after tax elements
- 12:00-1:00 LUNCH

AFTERNOON - FIRST DAY

- 1:00-3:15 C. Formatting Basic Components of Rental Property Model (Mouchly)
1. The revenue forecast format
 2. Operating expense classification and format
 3. Capital outlay scheduling and format
 4. Mortgage loan modeling
 5. Venture capital receipts and outlays planning
- 3:15-3:30 COKE BREAK
- 3:30-5:00 D. Case Study #1, Discounted Cash Flow of an Industrial Office Park Project (Mouchly)
- E. Case Study #2, Spread Sheet Model of an Elderly Housing Project with Tax Exempt Housing Bond Financing (Mouchly)

MORNING - SECOND DAY - JUNE 24

- 8:30-10:15 A. Alternative Forms of Sensitivity Analysis (Mouchly)
1. Financial structure
 2. Physical envelope
 3. Efficiency of elevator component
 4. Efficiency of energy systems
 5. Time delays in project life cycle
 6. Case Study #3, Bank Building Rehabilitation in A Small Town (Graaskamp & Mouchly)
- 10:15-10:30 COFFEE BREAK
- 10:30-12:00 B. Important Issues in the Use of Lease Role Tracking System
1. Alternative commercial system
 2. Compatibility of spread sheet models
 3. Interfacing model
- 12:00-1:00 LUNCH BREAK

AFTERNOON - SECOND DAY

- 1:00-3:15 A. Introduction to Market Data (Myers)
1. The content of demographic statistics
 2. Public services available
 3. Private services available
 4. Application of demographics for market segmentation and scaling
 5. Industrial properties marketing example
 6. Shipping center location analysis example

- 3:15-3:30 COFFEE BREAK
- 3:30-5:00 B. Merchandising Research - Primary Survey Research (Myers)
1. Residential market studies by consumer survey
 2. Residential market communication market reserach
 3. Political market research
 4. The VALS system for sementation by life style
- C. Market Research and Assumptions Required for Setting Project Carry Costs in Capital Budget - A Spread Sheet Example (Graaskamp)
- D. Relationship of Market Risk to Project Finance Risk (Graaskamp)

MORNING - THIRD DAY - JUNE 25

- 8:30-10:15 A. Computer Lab - Hands-On Use of Basic Feasibility Financial Models (Robbins)
- 10:15-10:30 COFFEE BREAK
- 10:30-12:00 B. Computer Lab - Hands-On Demonstration of Advanced Cash Flow Development Model (Canestaro)
- 12:00-1:00 LUNCH

AFTERNOON - THRID DAY

- 1:00-3:15 C. Computer Lab - Hands-On Use of Market Data and Statistical Packages for Market Survey Research Data (Myers)

EVENING - THIRD DAY

- 7:00-10:00 D. Computer Lab Open for Student Experimentation, Demonstration, and Show and Tell (Robbins and TAs)

MORNING - FOURTH DAY - June 26

- 8:30-10:15 A. Computer Lab - An Integrated Model for Development and Management of a Commercial Project (Young)
- 10:15-10:30 COFFEE BREAK
- 10:30-12:00 B. Computer Lab - Important Issues in the Use of Lease Role Tracking System (Robbings, Mouchly, or Young)
1. Alternative commercial system
 2. Compatibility of spread sheet models
 3. Interfacing model

- C. Computer Lab - Interfacing Property Management Reporting Systems with Project Feasibility Model

12:00-1:00 LUNCH

AFTERNOON - FOURTH DAY

- 1:00-3:15 D. Computer Analysis of Site Planning Factors (Robbins)

3:15-3:30 COKE BREAK

- 3:30-5:00 E. Computer Analysis of Building Design Elements

EVENING - FOURTH DAY

- 7:00-9:00 E. Computer Lab Open for Student Analysis of Case Problems (Canestaro)

MORNING - FIFTH DAY

- 8:30-10:15 A. Sources of Financial Standard for Costs, Operating Budgets, and Investment Performance by Property Type (Canestaro)

1. Capital cost and operating budget sources evaluated
2. General literature on market and financial feasibility
3. Professional support groups and seminars

10:15-10:30 COFFEE BREAK

- 10:30-12:00 B. Critiquing the Market and Financial Feasibility Study of Others (Graaskamp)

1. R 41 (b) and fiduciary responsibility for objective market and financial feasibility analysis
2. Basic tests for reasonableness of projections and assumptions
3. Critiquing some actual reports

SEMINAR CLOSED AFTER LUNCH