



## Course Objective

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To help participants develop an in-depth understanding of the development process and the impact of environmental issues.

- **The Course Goals are To:**
  - Provide an in-depth knowledge of the real estate development and finance process
  - Apply environmental decision-making to real development situations
  - Improve skills in negotiating environmental agreements with developers by better understanding the developer's perspective
  - Apply real estate knowledge gained in the Real Estate 100 course
  - Simulate the practice of integrating cleanup and redevelopment



## Course Outline

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### Day I

- 8:30 a.m. Registration**
- 9:00 Overview**  
Purpose and goals of course
- 9:15 Module I: Seed Capital to Cashing Out:  
How Finance drives the Development Deal**  
Real Estate 100 Revisited  
The Role of the Developer  
What is a *Pro Forma*?  
Introduction to Leverage  
Financing Phases  
Sources and Uses Schedule  
The Deal Structure  
Types of Developers/Development  
Environmental Value Pyramid  
Environmental Impact on the Deal  
The Case for Sustainability  
Green Buildings and Financial Performance  
**Case Study: Background**
- 10:45 Break**
- 11:00 Module II: Market Analysis: How the Pros and Locals Decide What to Build**  
The Real Estate Cycle  
What is a Market Analysis?  
Different Kinds of Studies  
The Market Analysis Process and Market Data  
What Drives Demand?  
Supply Influences  
The Reuse Assessment  
Marketing Opportunities for Green Buildings  
**Case Study: Market Analysis**
- 12:15 Lunch**
- 1:15 Module III: Planning and Zoning: Control at the Local Level**  
Site Relationship to Neighborhood  
Design in the Context of Neighborhoods  
The Tasks Required Before the Site Plan is Developed  
Zoning Analysis - What is Regulated Locally?  
**Case Study: Planning and Zoning Considerations**  
Characteristics of a Well Planned Site  
Characteristics of a Sustainable Landscape  
**Case Study: Three Options for Development**



**2:00            Group Exercise #1: Consider the Deal- 'Back of the Envelope'**

In this exercise, participants get to plan their development in a "to-scale" exercise. This allows them to use the finance, market analysis, and planning knowledge they have gained. Groups are provided with three potential development scenarios and are asked to pick one as a first option.

**2:45            Groups Report Redevelopment Concept**

**3:00            Break**

**3:15            Presentation of Case Study Environmental Data**

**Group Exercise #2: Due Diligence- Identify Deal breakers**

Every developer needs to consider the upside and downside of purchasing any property. Participants will work together to explore the potential "deal breakers", including environmental cleanup, regulatory policy, and liability issues. They will formulate initial strategies for addressing deal breakers. As an example, participants will consider such issues as Bona Fide Prospective Purchaser (BFPP), windfall lien, uncontrolled costs, financial responsibility, as well as other issues based on the individual program.

**Group Discussion- What are the Deal Breakers/Risks for Developing this Property?**

**4:00            Group Exercise #3: You Bought the Property! – Make Your Deal Happen**

Determine the impact of the contamination on your design. Make changes. See the financial impact of cleanup. Practice integrating cleanup and redevelopment. Determine your best strategies for minimizing risk issues. Participants will use laptops computers to calculate the financial pro forma of the development scenario considering the impact of contamination.

**5:00            Adjourn**



## Day II

**8:30 a.m. Coffee and registration**

**9:00 Module IV: Small, Large, Tough, Isolated and Ugly- the Role of Public/Private Partnerships in Real Estate**

The Upside-Down Property  
Even the Best Sites can be Tough  
7 Strategies for Promoting Site Reuse  
Options for Small Sites  
Example of a Small Site  
Large Site Example  
Tough and Isolated Sites  
Example of a Small and Ugly Site

**10:15 Break**

**10:30 Module V: Risk Analysis: How the developer identifies and controls risk**

Where are the Risks?  
Risk Management Approach  
Environmental Risk Management  
Which Risks concern developers?  
Risks and the Redevelopment Cycle: Short, Medium and Long-Term Risks  
Risk Allocation  
Risk Transfer  
Risk Reduction  
Finding the Liabilities  
Finding the Protections  
**Panel Discussion**

**11:45 Module VI: Financing the Deal- Sustainability and Project Finance**

The Impact of Time on the Deal  
Sources of Funds Revisited  
Cashing Out  
The Role of Institutional Owners  
Options for Cashing Out  
Institutional Controls and Permanent Finance

**12:15 Lunch**



**1:15 Breakout Exercise #4- Develop A Risk Management Plan- Prepare for Permanent Financing**

Based on the previous exercise, develop a preferred scheme and cleanup approach that maximizes the sustainability of the redevelopment. The goal of all developers is to cash out. In this final exercise, the group discusses their plan for addressing short, medium and long-term risk issues as part of the deal completion phase of the project. This includes paying for cleanup, addressing risk and regulatory hurdles, and defining strategies for ensuring long-term sustainability of the cleanup. Prepare your case for presentation to the bank.

**2:15 Group Discussion- Present Case to Group**

**3:00 Module VII: What Lies Ahead – Ready for Reuse?**

EPA Program Initiatives  
Public-Private Partnerships  
Taking on Tough Sites  
Greening Contaminated Property Redevelopment  
Achieving a Balance

**3:30 Adjourn**