



**School Materials Notebook  
January 2010  
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## Section 1

January 2010

RE: 2010 Pacific Northwest Real Estate Challenge  
School Materials Notebook

Dear Real Estate Directors and Students:

On behalf of the Washington State Chapter of the NAIOP, I am pleased that you have chosen to participate in NAIOP's 7th Annual Pacific Northwest Real Estate Challenge competition. This is the seventh year that this student real estate event will be held in our region and we are hopeful that it will be an enjoyable and meaningful experience for everyone involved. One of our key objectives is to provide the students with a "real world" real estate project and we are grateful to all of the participating parties to allow the subject site to be the subject of this year's competition.

The enclosed materials provide a significant amount of information for your use in understanding and participating in the 2010 Pacific Northwest Real Estate Challenge. This material identifies the key participants in the program, provides competition guidelines to the schools and includes specific property level information provided by Harbor Properties. The subject property offers a challenging mix of real estate issues and opportunities. City of Seattle, West Seattle Community and other interested parties will be available over the next several months for key question and answer sessions with the students.

This notebook contains important details about the competition. Please ensure that you read this notebook in its entirety.

We welcome Washington State University, the University of British Columbia, and the University of Washington Real Estate Programs to this event and are appreciative that you have incorporated it into your 2010 academic offerings. The NAIOP Chapters in Vancouver, and Washington are confident that this competition will provide valuable exposure for the participating students. Good luck to all of you as you work through this very challenging assignment. We look forward to seeing you all on March 23<sup>rd</sup>, 2010 for the final presentation and the awarding of the NAIOP Bob Filley Cup on March 24th!

Yours truly,

Rob S. Arron  
Vulcan  
2010 President – NAIOP Washington State Chapter

## **Section 2**

### **Committee Members and Roles:**

Co-Chairman:

**Matt Anderson**

Co-Chairman:

**Wayne Reisenauer**

NAIOP Board Liaison

**Bryce Taylor**

NAIOP Liaisons

**Eric Featherstone**

(Budget/Finances/Sponsorships/  
Function Logistics/Venue):

**Jillanne Bates**

Mentor Coordinators:

**Lee Graeve**

Site Selection Coordinators:

**Matt Anderson**

Marketing/Communication Coordinators:

**Jason Dardis**

**Marc Gearheart**

Judging Coordinators:

**Wayne Reisenauer**

Challenge Proposal Coordinators:

**Jason Dardis**

Sponsorship Coordinators:

**Bryce Taylor**

**CJ Bowles**

Challenge Site - Key Contacts:

**Denny Onslow**

Developer: Harbor Properties

**Emi Baldwin**

**Sean Sykes**

Architect: Hewitt

**David Hewitt**

City Of Seattle: DPD

**Robert Scully**

**Susan McLain**

## **University Real Estate Program Directors**

### **University of British Columbia**

#### **Tsur Somerville**

Director - UBC Centre for Urban Economics and Real Estate  
Sauder School of Business  
2053 Main Mall  
Vancouver, BC  
Canada V6T 1Z2  
(604) 822-8343  
(604) 822-8477 fax  
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### **University of Washington**

#### **George Rolfe**

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College of Architecture and Urban Planning  
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College of Built Environments  
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### **Washington State University**

#### **Glenn Crellin**

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## **Section 3**

### **Competition Description and Ground Rules**

#### ***Overview of the Challenge***

The 2010 Pacific Northwest Real Estate Challenge matches teams from Washington State University, The University of British Columbia, and The University of Washington real estate programs in a competition focusing on a high profile development/redevelopment project in the Seattle Metropolitan area. The teams will be assigned the same real estate project and will be provided essential information and/or assumptions about the property. Each team will work to formulate a proposed investment strategy that, among other considerations:

- Demonstrates an understanding of the current economy, local market conditions, development and land uses that exist or can be reasonably anticipated for the property
- Contains ample information and support for evaluating costs, financing sources and economic returns to be expected from their recommended solution
- Identifies and responds to prevailing regulatory constraints, entitlement processes and local community interests
- Maximizes the value to the owner of the property

The students' final feasibility assessment and development plan recommendations will constitute a comprehensive analysis and conclusion of how to maximize the potential of the property from both a quantitative (financial) and qualitative (feasibility) standpoint.

Each school will establish and be responsible for its own team selection process and will be free to utilize both undergraduate and graduate level full time students. In the spring of 2010, three finalist teams, one from each school, will deliver a written analysis of their findings to a panel of judges selected by the Washington State NAIOP Chapter. Then at the competition event on March 23rd, 2010 each finalist team will present detailed oral discussions of their conclusions and recommendations to the panel of judges, and later that evening meet with the NAIOP Developing Leaders group to network with an audience of local industry leaders.

On March 24<sup>th</sup>, 2010, starting at 7:50 am, a NAIOP event where the student teams will be showcasing their proposals. This catered breakfast will be attended by professionals from throughout the Pacific Northwest who are active in commercial real estate and related industries, as well as educators and students from each of the competing schools.

The attendees will hear firsthand presentations by each school's team outlining their principal conclusions and recommendations followed by audience questions. The NAIOP audience will then vote for the People Choice Award, the event will be culminated with the announcement of the winning team and the presentation of the prestigious traveling trophy, The Bob Filley NAIOP Cup. Each school will be granted a \$1,000 honorarium and the winning team will receive \$2,500. The People Choice Award will also be presented at that time to the team with the best presentation.

### ***2010 Real Estate Challenge Philosophy***

The philosophy of this competition is for all participants to emerge as winners. The 2010 Pacific Northwest Real Estate Challenge will provide unique and valuable industry exposure for the students and their respective schools. While there is a strong element of competition between the students and schools, the spirit of the program is to provide exposure and experience for all involved. All participating students, instructors and schools, as well as the judges, professional resources and audience members will be "winners" because of the valuable experiences and exposure gained and networking opportunities. It is also expected that the owner of the subject property, as a result of their willingness to share their time, project information and financial support, will be the beneficiary of fresh, focused and creative thinking about their unique asset. In the end, this competition will likely provide the owner with perspectives and ideas that truly add value to their investment.

### ***School Participation and Benefits***

It is anticipated that each school will operate its own internal academic program built around this project. It is probable that each school will have several teams who evaluate the property as part of an academic project competition class. Each team will be provided property information and access to the owner and external resources as they craft their evaluations and recommendations. Each school will establish their own internal evaluation criteria and process that will lead to the selection of their winning team that will represent their school in the Pacific Real Estate Challenge competition in the spring of 2010.

There are at least two significant benefits to the students who choose to participate in this competition. The principal benefit is the opportunity and value of working on a real world, challenging case study of a significant real estate development project located in their own Pacific Northwest region. The analysis and recommendations made by the students will require their finest thinking and creativity. The options they consider will take into account the national, regional and local economies and other factors such as the supply and demand forces affecting the local real estate markets. The teams have an opportunity to put themselves into the shoes of the owner/developer and to consider many options for maximizing return and creating a quality and viable project. This "battle of the brightest" is designed to extract the best efforts from the students in a competitive environment not unlike the real estate world they wish to enter.

The second benefit to the students will be their exposure to members of the Pacific Northwest real estate industry and business community. Students will have a unique opportunity to interact with outside consultants, representatives of the subject property, NAIOP members and local agencies during the course of their investigations. In addition, the finalist teams will present their findings and conclusions to competition judges as well as the broader commercial real estate community during the final competition event. A brief bio of each student will be included in the materials provided to the judges and event attendees.

## ***The 2010 Challenge***

RFP included in **Section 7**.

### ***Competition Guidelines***

The key ground rules for The 2010 Pacific Northwest Real Estate Challenge are listed below. The spirit of the competition is for each team to employ its most creative thinking, coupled with the assistance of key internal and external resources, in evaluating alternatives and recommending the optimal strategy for the property. The purpose of the following guidelines includes providing reasonable access by each team to internal and external resources and representatives of the selected project site in understanding the property and creating a viable development plan:

Each school will send one finalist team to present at the NAIOP challenge.

***Resources*** - Each team may use all available internal university resources such as real estate and business faculty and research data ordinarily available to them as real estate and business students to help guide and advise student teams.

The 2010 Pacific Real Estate Challenge Committee (the "Committee") will make available industry resources that are current members of the Washington NAIOP Chapter to assist teams. These industry mentors will assist in guiding a team in their project's development. A complete list of mentors is given in **Section 5**.

Any issues arising from the student's team's interaction with mentors should be brought to the attention of the Committee immediately.

Teams may utilize other (non-assigned) NAIOP industry resources members or non-NAIOP member resources subject to the schedules and time constraints of each resource. Student teams must contact non-NAIOP assigned resources to request support/assistance.

***Judges*** - The Committee will select a panel of judges. Judges will be selected for their experience in real estate development and redevelopment projects and for their ability to be fair and impartial in judging the student submittals and presentations. The Committee will make every effort to balance the panel of judges so that no school has a perceived advantage or disadvantage. A representative of the property will also sit on the judging panel as a non-voting member to act as a resource and sounding board for the voting judges during their deliberations. The judges will evaluate the quality of the written and oral presentations of each team. An important task of the judges will be to validate the originality of the critical conclusions of each team.

***Kickoff Meeting*** - A kickoff meeting will be held on January 8<sup>th</sup>, 2010. At this meeting all teams from each school will be introduced, the ground rules of the competition format will be reviewed, questions will be answered and project site representatives will tour the property with the teams.

***Stipend*** - Each school will receive a stipend of up to \$1500 to defray travel, lodging and food for the day of the event and the presentation graphics production expenses. The Committee will make this payment directly to the schools as instructed by each school and upon completion of the work and submittal of a request for reimbursement to Eric Featherstone at Washington State Chapter NAIOP, P.O. Box 2016, Edmonds, WA 98020-9516.

Schools may use independent sponsors to help absorb competition costs. The use of independent sponsors is at each school's discretion. No independent sponsors will be mentioned in the NAIOP publications, distributions or at the March 24<sup>th</sup>, 2010 Pacific Northwest Real Estate Competition Event, or at any other event or publication related to the school challenge.

**Written Presentation** - By March 16<sup>th</sup>, 2010, the winning team selected by each school will submit approximately 25 copies of a written report outlining their analysis of the subject site and their development strategy to Eric Featherstone at Washington State Chapter NAIOP, P.O. Box 2016, Edmonds, WA 98020-9516, (phone: 206-382-9121).

This report should not exceed 50 pages of text and graphics and should be presented as a professional industry submission.

This report may differ from the internal academic program report required by each school. However, it is anticipated that each finalist's report will contain at least the following elements:

- Up to 5 page Executive summary with project overview and key strategies/financial consideration
- Conclusions and recommendations
- Team member names and brief biographies
- Key outside resources

**Oral Presentations** - On March 23<sup>rd</sup>, 2010, the three finalist teams will each present oral discussions of their findings and conclusions.

The first presentation to the competition judges will commence at 1:00, the second at 2:00 pm, and the third at 3:00 pm, (known as the "Judges Presentation"). The order of the presentations will be pre-determined by a drawing.

This presentation will consist of a 20-minute oral presentation of the written report then 40 minutes of round-table discussion between the judges and students where the judges may ask any questions of any student. Presentation boards/pictures/graphics and other media may be used to help convey information. Judges are free to ask question(s) to the team.

The second presentation will be to the NAIOP audience in attendance at the morning breakfast and will commence on March 24<sup>th</sup>, 2010. The first oral presentation will commence at 7:50 am, the second at 8:10 am, and the third at 8:30 am, (known as the "Audience Presentation"). Each team will have 15 minutes to present. The order of presentations will be the reverse of the Judges Presentation. There will be 10 minutes of time allotted at the end for questions from the audience for any team. During the 10 minutes of Q&A judging for the People's Choice Award ballots will be tallied.

The Awards Ceremony will follow the "Audience Presentations" where the winning team(s) will be presented Bob Filley Cup & People's Choice award.

**Evaluation Criteria** - Each team will be judged based on the thoroughness and logic of their analytical process, as well as their ability to properly support their conclusions and recommendations. General evaluation criteria and their suggested weights are:

Criterion	Dimension	Weight
Logic	The thought process and decision-making model used in arriving at the recommendation.	20%
Client Goals & Objectives	The extent to which the proposal achieves/satisfied the overall goals and objectives: maximize value, protect on-going Boeing operations, and contribute to economic revitalization/jobs.	40%
Evaluative Criteria	The degree to which the recommendation addresses/satisfies the bulleted criteria stated in the RFP: Master Plan Feasibility, Fiscal Responsibility, Marketability, Infrastructure Adequacy and Utilization, Financial Viability, Compatibility with Surrounding Uses, Physical Feasibility, Balanced Environmental Fit, High Quality Employment Opportunities for Residents, and Creativity	20%
Overall Presentation	Written and oral presentation and materials; this is the "overall" element that captures the intangibles that are important in real-world competition.	20%
Total		100%

The judges will vote for the ultimate winner at the conclusion of the presentations on March 24<sup>th</sup>, 2010 based upon their evaluation of the written submissions, Judges Presentations and student responses to questions. Each judge has one vote and the winning team will be the team that receives the greater number of votes. Judges vote according to a ranking and point system devised in earlier years based on the criteria and weighting above. The Winning team will not be announced until the following morning after the "Audience Presentation".

The judges will utilize their own decision making and will not use any formulaic approach in determining the winner. The judges' notes on the presentations will be copied and given to each team/school respectively as a feedback mechanism and for instructional use. These sheets are provided in this notebook.

## Section 4 Competition Calendar

**January 8, 2010** - Final list of planning firms/developers/judges provided to each school.

**January 8, 2010** - Kickoff event (introduction of the schools and teams, tour of the project site and clarification of project information including ground rules for the teams)

**March 16, 2010** - Deadline for delivery of finalists' written reports

**March 23, 2010** - Final competition event at location (Seattle Westin)

12:00 – 1:00 PM	Judges convene for lunch, final instructions and Q&A
1:00 – 2:00 PM	<b>UW</b> team Judges Presentation - the 'oral form' of the written submission Discussion / Q&A roundtable session with judges and <b>UW</b> team
2:00 – 3:00 PM	<b>WSU</b> team Judges Presentation - the 'oral form' of the written submission Discussion / Q&A roundtable session with judges & <b>WSU</b> team
3:00 – 4:00 PM	<b>UBC</b> team Judges Presentation - the 'oral form' of the written submission Discussion / Q&A roundtable session with judges & <b>UBC</b> team

**March 23, 2010** – Developing Leaders event at location – TBD.

4:30 to 7:00 pm	Special event with NAIOP Developing Leaders Group to allow students to network with local industry leaders. Location TBD.
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**March 24, 2010** – Audience Presentations & People's Choice Award

6:30 – 7:30 am	UBC Wake-up call
7:30 – 7:40 am	Breakfast Event & Monthly Business
7:40 – 7:50 am	Introductions, Recognitions, Thanks
7:50 – 8:10 am	<b>UBC</b> team Audience Presentation
8:10 – 8:30 am	<b>WSU</b> team Audience Presentation
8:30 – 8:50 am	<b>UW</b> team Audience Presentation
8:50 – 9:00 am	Q&A, People's Choice Awards voting
9:00 – 9:15 am	Awards / Recognitions and presentation of the Bob Filley NAIOP Cup

**Section 5**  
**Mentor Contacts and Guidelines**

Mentors are available in the following areas of expertise; Site planning, Architecture, Land use law, Developer, Finance, Broker, Appraisal, Title Survey, and General Construction.

Contact the mentors between January 8<sup>th</sup> and March 16<sup>th</sup>, 2010. Your professor and the local NAIOP Chapter will have additional local mentors available for you. Also, your professor is a mentor, as well. A dedicated mentor team, consisting of a Developer, Architect, and General Contractor will be assigned to each team at the Kick-off meeting. Mentors can be contacted by email and/or telephone. If a mentor states a preference for the method by which he or she is contacted, please respect that choice.

Students must call the mentor; do not ask the mentor to call you. Confirm with the mentor before the call how much time he or she has available for the call. Do not exceed the agreed call length. As many students as are on the team may participate in the call.

When emailing a mentor, have specific, focused questions. Think through what you want to get from the mentor before you send an email. Keep the emails brief.

If you are unfamiliar with the terminology a mentor is using, ask for a brief explanation. If you still do not understand the concept, ask your professor. Mentors are not available to provide "introductory courses" in a subject.

If a mentor is repeatedly unavailable due to work considerations, please let your professor know and your professor will let the NAIOP steering committee know. We will make every effort to find another mentor in that area of expertise. Have fun and Learn.

<u>EXPERTISE</u>	<u>NAME</u>	<u>COMPANY</u>	<u>EMAIL / PHONE</u>
Broker	CJ Bowles	CB Richard Ellis	<a href="mailto:cjbowles@cbre.com">cjbowles@cbre.com</a> (425) 462-6926
Land Law	Don Marcy	Cairncross & Hempleman	<a href="mailto:dmarcy@cairncross.com">dmarcy@cairncross.com</a> (206) 254-4465
Finance	Lee Graeve	Intervest Mortgage	<a href="mailto:Lee.Graeve@intervestmortgage.com">Lee.Graeve@intervestmortgage.com</a> (425) 635-7667
Civil Engineer	Mike Warfel	Parametrix	<a href="mailto:warfel@parametrix.com">warfel@parametrix.com</a> (425) 458-6378
Soils Engineer	Eric Lim	Associated Earth Sciences	<a href="mailto:elim@aesgeo.com">elim@aesgeo.com</a> (425) 827-7701
Title Insurance	Valerie Rodrick	Old Republic Title & Escrow	<a href="mailto:vrodruk@ortc.com">vrodruk@ortc.com</a> (206) 441-1955
Appraiser	Richard Briscoe	GVA Kidder Matthews	<a href="mailto:rbriscoe@gvakm.com">rbriscoe@gvakm.com</a> (206) 205-7502
Finance	Brian Rockey	Prime Pacific Bank	<a href="mailto:brianr@primepacificbank.com">brianr@primepacificbank.com</a> (425) 608-4171

## **Section 6**

### **Written Presentation**

School: \_\_\_\_\_

*Judges: These areas of analysis are listed only for your convenience in providing the student teams with specific feedback and are not official evaluation criteria.*

**Financial Analysis** - (Do they articulate the available financing options? Is the recommended financing feasible? Are the projected returns adequate? Is the development pro forma realistic?)

Comments:

**Property and Market Analysis** - (Do they understand the existing improvements and their uses? Do they demonstrate an understanding of relevant economic and market conditions and trends? Do they address neighborhood, transportation and governmental issues? Are their proposed land uses supported by the data?)

Comments:

**Development Strategy** - (Given financing options, market conditions, location, physical issues, and projected returns, does the development strategy make sense? Is the solution a creative relevant response to these issues?)

Comments:

**Zoning, Entitlements, Environmental** - (Do they demonstrate an understanding of the applicable zoning, regulatory, entitlement and environmental issues? Is the solution feasible given these forces?)

Comments:

**Support for Assumptions and Conclusions** - (Is their research adequate? Do they cite all sources? Are their conclusions logical?)

Comments:

**Adequacy of Written Report** - (Is the report organized? Professional? Readable? State of the art? Does the Executive Summary provide a clear and concise recap of their principal conclusions and strategies?)

Comments:

## **Judges Presentation - Discussion with Judges on Written Presentation**

School: \_\_\_\_\_

*Judges: These areas of analysis are listed only for your convenience in providing the student teams with specific feedback and are not official evaluation criteria.*

**Organization** - (Did they provide an effective summary discussion of the essential information contained in their written report? Did they emphasize their main themes to provide a clear vision for their recommended strategy?)

Comments:

**Discussion Style** - (Did they adequately and effectively utilize each of their members in the discussion of their written report?)

Comments:

**Knowledge of Topic** - (Did the team effectively explain/defend their primary conclusions? Were their conclusions logical and defensible? Did they reference detail in their written material when necessary?)

Comments:

**Use of Discussion Time** - (Did they spend adequate time on their important issues and conclusions?)

Comments:

**Persuasiveness** - (Was the team engaging and persuasive in their conclusions and recommendations? Were the members of the team well prepared and confident in their answers?)

Comments:

**Responses to Questions** - (Did they carefully listen to questions and clarify when necessary? Did they effectively answer all questions?)

Comments:

