Instructor: Kelly Snider
Office location: One Washington Square WSQ 216
Telephone: 650-387-3132
Email: KellySniderConsulting@Gmail.com
Office hours: By Appointment – schedule with instructor
Class days/time: Thursday 7:30 – 10:00 PM
Classroom: DMH 308

Prerequisites: URBP 205, 206, and 207

Course Catalog Description
This is a capstone studio course designed to immerse students in the real world of urban property development. Students will explore this world by taking part in a major mock-development project of an actual site in the San Jose Metro Area.

Course Description and Course Learning Objectives
This is a capstone studio course designed to immerse students into a “real-world” urban property development project. Students will explore this world by taking part in a development analysis which examines all the major components of development feasibility. The lecture content of the first six weeks will familiarize students with the principles of site design, project programming, height, bulk, mass and density yields, finance options and financial feasibility, community consultation and stakeholder support, and entitlement approvals and risk. The final six weeks will be a team-based studio session where teams of students will prepare their own mock Development Committee Investment Report and presentation for review by their student peers and a mini-panel of professionals.

Upon successful completion of the course, students will be able to:

1. Identify the key criteria for evaluating a land parcel as suitable for development.
2. Recognize and explain the key aspects of a project’s feasibility (or infeasibility), including an assessment of entitlement risk; site design and programming; analysis of soft costs and hard San José State University Urban and Regional Planning Department page 2 of 8 cost projections; measuring stakeholder support; ways to measure Return on Investment; and investment exit strategies.

3. Create a feasible development proposal containing an executive summary, recommendation for action, and detailed sections supporting the recommendation.

4. Effectively present a development proposal which can be tailored and modified depending on the audience, such as: investors/lenders; land use decision-makers; civic and neighborhood leaders; community groups; elected officials; and property owners and neighbors.

Planning Accreditation Board (PAB) Knowledge Components
This course partially covers the following PAB Knowledge Components:

A complete list of the PAB Knowledge Components can be found at http://www.sjsu.edu/urbanplanning/courses/pabknowledge.html.

Course Format (delete if not applicable)
This course requires weekly attendance in the classroom during regular class hours. Occasionally, in consultation with the class, we may meet off-site at a “field trip” location or use an online work session.

Required Course Texts
None. Periodical articles and lecture notes may be distributed electronically and/or during class.

Course Assignments and Grading Policy
Your grade for the course will be based on the following assignments and other activities:

<table>
<thead>
<tr>
<th>Assignments</th>
<th>Percent of Course Grade</th>
<th>Course Learning Objectives Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class discussion and participation</td>
<td>20%</td>
<td>1 &amp; 2</td>
</tr>
<tr>
<td>Written Assignment – Compare/Contrast</td>
<td>20%</td>
<td>4</td>
</tr>
<tr>
<td>First Draft Investment Committee Report</td>
<td>20%</td>
<td>1, 2, &amp; 3</td>
</tr>
<tr>
<td>Final Investment Committee Report</td>
<td>20%</td>
<td>1, 2, &amp; 3</td>
</tr>
<tr>
<td>Group Presentation of final Investment Committee</td>
<td>20%</td>
<td>2, 3, &amp; 4</td>
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</tbody>
</table>

Calculation of Final Course Letter Grade
I will assign a letter grade to the student’s participation in classroom discussions as evidenced by thoughtful questions; listening to and responding to guest lecturers experiences and case studies; and out-of-class email and other written correspondence with other students, guest lecturers, and the instructor. The letter grade for the remaining three assignments will be determined by weighting the San José State University.
grade for each assignment according to the percentages in the table above. To do this, I first convert the letter grade for each assignment to a number using a 4-point scale (A = 4.0, A- = 3.67, B+ = 3.33, B = 3, B- = 2.67, C+ = 2.33, C = 2.0, C- = 1.67, D = 1, and F = 0). I then use these numbers and the weights for each assignment to calculate a final, numerical grade for the course based on a 4-point scale. That number is converted back to a letter grade (A = 3.85+, A- = 3.50 – 2.84, B+ = 3.17 – 3.49, B = 2.85 – 3.16, B- = 2.50 – 2.84, C+ = 2.17 – 2.49, C = 1.85 – 2.16, C- = 1.50 – 1.84, D+ = 1.17 – 1.40, D = 0.85 – 1.16, F = 0 – 0.84).

Other Grading and Assignment Issues

In the real world, real estate development is not a “Pass/Fail” exercise, and this class is a Studio class which mimics real-world development scenarios. Therefore, the emphasis on grades for students in all assignments is on their demonstrated responsiveness to the fluctuating variables that go into a real estate project’s feasibility; their ability to customize their questions, presentations, and salient facts to the audience (a neighbor may have different questions about a project than a potential investor); and their ability to recognize the necessary inputs and professional collaborators necessary to produce a feasible development proposal. A student will succeed in this class, and in real life RE Development, if they approach the class and its assignments with good humor, flexibility, and a desire to improve the built environment by making responsible and sustainable decisions related to the project site. Specifically, students will be expected to attend and participate in the lectures and guest lectures which will comprise the first 8 class sessions. Thoughtful engagement, evidenced by questions and discussions among the instructor, lecturer, and peers, will be evaluated by the instructor each week.

The middle section of the course will see the students broken into teams and asked to evaluate a specific development site (chosen for them by the Instructor) in a nearby San Jose/Silicon Valley location. The student teams will outline a draft Investment Committee Report (ICR) in Week 8. The draft ICRs must contain the important elements of a development feasibility analysis, including (1) executive summary; (2) site analysis and as-of-right entitlements; (3) market analysis; (4) entitlement strategy and risk, including legal risk; (5) height, mass, and bulk “best fit” and reference images to evoke the proposed site design; (6) mock pro-forma with development soft costs, hard costs, cash flow, and exit strategy identified; (7) financing proposal and return-on-costs projections; and containing a clear (8) recommendation for action. Because this is a mock Studio course, and not real life, in this case the instructor will value creativity, ingenuity, and slightly out-of-the-box and proposals that enable the students to capitalize on their personal background, training, experiences, and professional goals.

The last weeks of the course will allow students to finalize their written ICRs and create a 15-20 minute oral presentation (group presentation) for their class peers and a panel of invited professionals, who will give feedback to the students on their proposals and analysis. Students will be assigned to a team through a collaborative in-class process overseen by the Instructor, and are expected to work together to produce the draft and final ICRs as well as the oral presentation. Individual roles on the team should be clearly defined and each student will be assessed on individual contribution as well as team performance.

The following roles are suggested:

Project manager

Overall responsibility for managing the process, ensuring the smooth running of the team and that inputs are clearly specified and delivered on time, that the final report is edited and formatted and...

San José State University
delivered on time, and that the oral presentation is coherent and well structured. You will help identify the necessary professionals who may be needed (architects, civil engineers, landscape designers, hazmat mitigation specialists, traffic consultants, etc.) You are also expected to help out as necessary with other aspects of the project.

**Planning consultant**

The planning consultant has the responsibility for assessing all entitlement constraints including satisfaction of general plan policies, zoning and affordable housing requirements, and formal design requirements. The planning consultant also needs to advise on any procedures/negotiations necessary to amend zoning requirements. Team consultants also need to gather information on surrounding land uses and area policies. Should advise on site-specific conditions, constraints and potential liabilities.

**Market analyst**

The market analyst is responsible for assessing the macro and micro market conditions and providing evidence in support. This may include empirical data-gathering and site observation, as well as demographic analysis and local market data on competing schemes, start and completion rates and absorption rates. The analyst should also advise on development yields and sources of project financing.

**Designer/cost assessor**

Responsible for researching cost data and applying it to the proposed scheme. Should provide basic site layout and height/bulk/mass diagrams, plus reference images (“Image Boards”) in order to evoke the proposed look-and-feel of a project after it is built. Needs to work closely with the planning consultant and provide inputs for the development analyst and the pro forma, as well as the project schedule and cash flow.

**Development Analyst**

Responsible for feasibility analysis using data provided by the market analyst and cost assessor. Should be able to justify the land use proposal based on an analysis of highest and best use, market comparables, evidence-gathering (e.g. interviews with a commercial broker), and through detailed quantified analysis.

**Deliverables**

The team will submit an Investment Committee Report which includes an executive summary followed by sufficient detail and evidence to allow a potential financier/investor to assess the robustness of the proposal's feasibility. Each member of the team should identify clearly his or her input to the report (I suggest that each team member is responsible for a defined section and that this is clearly labeled). The IRC must be organized intuitively into sections, with appendices when necessary, and should be between 10 and 20 pages. Each team will also make a 20-minute oral presentation, using slides or boards, with suitable graphics that distills the essence of the report. The San José State University
core of this exercise is to familiarize you with the lexicon of a real estate developer, the key aspects evaluated in a development proposal, and the range of professionals you would employ in order to sufficiently understand the proposal's risk and feasibility for success. As such, it is

**Course Workload**
Success in this course is based on the expectation that students will spend approximately 9 hours per week during the semester on course-related work.

**Academic Integrity Statement, Plagiarism, and Citing Sources Properly**
Your commitment, as a student, to learning is evidenced by your enrollment at San Jose State University. The University Academic Integrity Policy S07-2 at http://www.sjsu.edu/senate/docs/S07-2.pdf requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The Student Conduct and Ethical Development website is available at http://www.sjsu.edu/studentconduct/

Plagiarism is the use of someone else's language, images, data, or ideas without proper attribution. It is a very serious offense both in the university and in your professional work. In essence, plagiarism is both theft and lying: you have stolen someone else's ideas, and then lied by implying that they are your own.

Plagiarism will lead to grade penalties and a record filed with the Office of Student Conduct and Ethical Development. In severe cases, students may also fail the course or even be expelled from the university.

If you are unsure what constitutes plagiarism, it is your responsibility to make sure you clarify the issues before you hand in draft or final work.

Learning when to cite a source and when not to is an art, not a science. However, here are some common examples of plagiarism that you should be careful to avoid:

- Using a sentence (or even a part of a sentence) that someone else wrote without identifying the language as a quote by putting the text in quote marks and referencing the source.
- Paraphrasing somebody else's theory or idea without referencing the source.
- Using a picture or table from a webpage or book without reference the source.
- Using data some other person or organization has collected without referencing the source.

The University of Indiana has developed a very helpful website with concrete examples about proper paraphrasing and quotation. See in particular the following pages:

- Overview of plagiarism at www.indiana.edu/~istd/overview.html
- Examples of plagiarism at www.indiana.edu/~istd/examples.html
• Plagiarism quiz at www.indiana.edu/~istd/test.html

If you still have questions, feel free to talk to me personally. There is nothing wrong with asking for help, whereas even unintentional plagiarism is a serious offense.

**Citation style**

All instructors in the URBP department are encouraged to have students follow the citation formatting guidelines in Turabian's *A Manual for Writers of Research Papers*. By using a consistent style across classes, we make it easier for students to learn and apply proper formatting. You may choose to require a different style if you prefer, though.

Whatever style you ask students to use, however, should be described in this section of the syllabus.

If you choose to have students follow Turabian style, you can include the paragraph below, modifying it as explained in the next “comment.”

It is important to properly cite any references you use in your assignments. The Department of Urban and Regional Planning uses Kate Turabian’s *A Manual for Writers of Research Papers, Theses, and Dissertations*, 8th edition (University of Chicago Press, 2013, ISBN 780226816388). Copies are available in the SJSU King Library. Additionally, the book is relatively inexpensive, and you may wish to purchase a copy. Please note that Turabian’s book describes two systems for referencing materials: (1) “notes” (footnotes or endnotes), plus a corresponding bibliography, and (2) in-text parenthetical references, plus a corresponding reference list. In this class, students should use the “notes” style with footnotes or endnotes.

**Accommodation for Disabilities**

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at http://www.sjsu.edu/aec to establish a record of their disability.

You can find information about the services SJSU offers to accommodate students with disabilities at the Accessible Education Center website at www.sjsu.edu/aec.

**Accommodation to Students' Religious Holidays**

San José State University shall provide accommodation on any graded class work or activities for students wishing to observe religious holidays when such observances require students to be absent from class. It is the responsibility of the student to inform the instructor, in writing, about such holidays before the add deadline at the start of each semester. If such holidays occur before the add deadline, the student must notify the instructor, in writing, at least three days before the date that he/she will be absent. It is the responsibility of the instructor to make every reasonable effort to honor the student request without penalty, and of the student to make up the work missed. See University Policy S14-7 at http://www.sjsu.edu/senate/docs/S14-7.pdf.
Consent for Recording of Class and Public Sharing of Instructor Material

Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor’s permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.

Library Liaison

The SJSU Library Liaison for the Urban and Regional Planning Department is Ms. Toby Matoush. If you have questions, you can contact her at toby.matoush@sjsu.edu or 408-808-2096.

SJSU Writing Center

The SJSU Writing Center is located in Clark Hall, Suite 126. All Writing Specialists have gone through a rigorous hiring process, and they are well trained to assist all students at all levels within all disciplines to become better writers. In addition to one-on-one tutoring services, the Writing Center also offers workshops every semester on a variety of writing topics. To make an appointment or to refer to the numerous online resources offered through the Writing Center, visit the Writing Center website at http://www.sjsu.edu/writingcenter. The SJSU Writing Center is located in Room 126 in Clark Hall.

SJSU Counseling and Psychological Services

The SJSU Counseling and Psychological Services is located on the corner of 7th Street and San Fernando Street, in Room 201, Administration Building. Professional psychologists, social workers, and counselors are available to provide consultations on issues of student mental health, campus climate or psychological and academic issues on an individual, couple, or group basis. To schedule an appointment or learn more information, visit Counseling and Psychological Services website at http://www.sjsu.edu/counseling.

Dropping and Adding

Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester’s Catalog Policies section at http://info.sjsu.edu/static/catalog/policies.html. Add/drop deadlines can be found on the current academic year calendars document on the Academic Calendars webpage at http://www.sjsu.edu/provost/services/academic_calendars/. The Late Drop Policy is available at http://www.sjsu.edu/aars/policies/latedrops/policy/. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the Advising Hub at http://www.sjsu.edu/advising/.

Classroom Protocol

[SJSU recommends that instructors include a section on this topic. It is not required, however. Here you can explain your expectations for attendance, arrival times, behavior, safety, cell phone and internet use, etc.]
## URB 208
### SPRING 2016

### COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignments due</th>
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<tbody>
<tr>
<td>January 28</td>
<td>Introduction to Class, Instructor, Students&lt;br&gt;Student backgrounds, goals; communication for semester; office hours, phone, email;</td>
<td>READ the documents in CFD and Greenmailing&quot; this week, in preparation for 2.4.16 class.</td>
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<tr>
<td>February 4</td>
<td>Investment Committee Reports – discussion, review, samples&lt;br&gt;Site Design, Urban Design, Architecture – review 205-207 lessons learned.&lt;br&gt;I. Community Facilities Districts – Developer’s Best Friend? Or Worst Nightmare?&lt;br&gt; + Fiscal Neutrality in Walnut Creek (6.19.12 Report &amp; Public Comments for Continuation)&lt;br&gt; + Police Services in Hayward (2.3.15 Report)&lt;br&gt;II. GreenMailing – review CEQA Abuses and (small) momentum toward revising (share links to reports and have students read for next week)&lt;br&gt;III. Comps – What is a comp?&lt;br&gt; + look at Redfin&lt;br&gt; + look at KS “home-style” Santa Clara version&lt;br&gt; + other examples</td>
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<td>February 11</td>
<td><strong>Ryan Hansen, Engineer, Carlson, Barbee &amp; Gibson, Guest Lecture</strong>&lt;br&gt;REVIEW: Pro Forma styles, assumptions. Make a simple pro forma (.xls or Google Spreadsheets) for a single- or multi-use project. Include costs, cash flow, revenue, and exit strategy.</td>
<td>READ the documents in “Mayfield Mall History” in preparation for 2.18.16 class</td>
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<tr>
<td>February 18</td>
<td>Discuss Mayfield Mall entitlement and development process. How did the market and</td>
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market timing affect development? How did neighbors’ pushback affect development? How did city staff and officials affect it? What happened and what is property today?

Hard Costs and Construction Cost Estimating
Inter-relationship between design and pre-construction; Value Engineering - when and why to do it; Relative costs of types of construction and materials; Construction code updates, impacts to planning, cost estimating; experiences of local vs. regional vs. state-wide authorities on code interpretation.

Review Los Altos First & Main development as example (video, memos)

February 25

Neighborhood Issues: Discuss adjacencies, neighborhood outreach, community outreach. Political support from electeds. NIMBY and concerns.

**First Written Assignment:**

Find a development project with information in news (e.g. Business Journal) or city staff reports. Write a 3 page evaluation of its proposal, where it’s located, and why. Can you find evidence of market research? Neighborhood outreach? Are you surprised by the proposed uses? Do they address transit adjacency/proximity? Parking? What is the estimated timeline for execution? Part of the goal of this is to “read between the lines” of news stories and try to “suss out” what the real story may be. I can help you find examples – email me.

**OR:** Find a PRIVATE development project from not-too-distant history, that resulted in a mostly well-loved neighborhood asset. (E.g. Valley Fair Mall, Santana Row; Eichler or Mackay neighborhoods; Whole Foods grocery store; ). How were those “projects” received in their time? Can you find consistent truths about how communities receive developers today, vs. in the past? Please use specific examples (from articles, books, or from your own work/history) of how new real estate development proposals are
<table>
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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>March 3</td>
<td><strong>Jo Price, Residential Development “Flips and Flops”, Guest Lecture</strong></td>
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<td></td>
<td>Existing Asset Purchase and Redevelopment. Paying tenants in place? Quality of existing building? Will the building be rehabilitated?</td>
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<td></td>
<td>Lexicon and Vocabulary: Kelly’s evolving FlashCards of essential terms for Real Estate Professionals.</td>
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</tbody>
</table>
| March 10   | **Ground Leases and Phased Master Plan projects**  
**Seth Bland, FRIT, Guest Lecture**  

→ Review assignment – any questions? |
|            | a. How did you get into RE Development? What is your path? What is your position and what is your typical day at work like? |
|            | b. How much do you rely on the data/$$/pro forma VS. how much is gut/logic/experience? Is the process different for a private equity firm vs. publicly traded? |
|            | c. In your opinion, what is the (1 or 2) greatest misconceptions about RE Development in minds of electeds? Community members? |
|            | d. Advice on career path for SJSU CRED grads?  
Prognostication for the next 5 years? What will FRIT look for in acquisitions or new projects?  
How would WMS look at next 5 years? |
| March 17   | **Bracken Richardson, SummerHill Housing, Guest Lecture**  
**Assignment #1 is due tonight.** |
| March 24   | **Group Work – ICRs and presentations (Guest Lecture?)**  
Housing Fundamentals, housing in mixed-use projects; Ground Leases’ affect transactions, product type, planning; Consortium policy-making, developer groups, how that affects timing, phasing (e.g. Coyote Valley); Community Outreach, the importance of neighborhood support, political support |
|            | Review ICR assignment, Assign Groups.  
Distribute J Fearn example. Review Group |
assignments and walk through examples.

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<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>March 31</td>
<td>NO CLASS – CESAR CHAVEZ DAY AND SPRING BREAK</td>
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<tr>
<td>April 7</td>
<td>Jobs-Housing Balance</td>
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<td></td>
<td><strong>Kerry Williams, M West Mixed-Use Proposal</strong></td>
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<td></td>
<td>(Morgan Hill) Case Study. Guest Lecture</td>
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<tr>
<td>April 14</td>
<td>NO CLASS - Group Work – ICRs and presentations</td>
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<td></td>
<td>none</td>
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<tr>
<td>April 21</td>
<td>Group Work – ICRs and presentations</td>
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<td></td>
<td>First Draft ICRs</td>
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<td></td>
<td><strong>Alex Yarmolinsky, CFO, Marcus &amp; Millichap Companies, Guest Lecture</strong></td>
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<tr>
<td>April 28</td>
<td>Final Draft Q&amp;A/review ICR final drafts</td>
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<tr>
<td>May 5</td>
<td>Work Session/Group Work</td>
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<td>May 12</td>
<td>Oral Presentations – Team Groups present</td>
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<td></td>
<td>Final ICR package</td>
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<td></td>
<td><strong>Guest Adjudicants TBD</strong></td>
</tr>
<tr>
<td>May 19</td>
<td>Party! Details TBD</td>
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</tbody>
</table>