



By Jessika Nelson, Assoc. AIA | Collins Cooper Carusi Architects
&
Eric Balogh, AIA, NCARB | The Beck Group

December 07, 2018

Understanding Project Financing

SESSION #3

@ Portman Holdings
303 Peachtree Center Ave NE, #575, Atlanta, GA 30303

Understanding Project Financing

PROGRAM SUMMARY:

Session 3 focuses on understanding how projects are conceptualized and funded before the architect is involved. Understanding where financing originates and the motivations behind the funding are as important in the practice of architecture as utilizing the funding responsibly in practice. The session will explore the various methods of funding and financing projects across different project scales, types, and owner entities.

LEARNING OBJECTIVES:

1. Understanding how a private development project starts from a financial standpoint, often before the architect is involved, and the key entities early in a project's monetary life cycle.
2. Understanding types of private funding and the process of financing private developments, focusing primarily on commercial development projects.
3. Understanding how public-private partnerships (PPP) are structured and financed, and the difference between a horizontal and vertical PPP.
4. Understanding how funding is acquired, structured, and utilized by various entities for public projects at the community, city, state, and/or federal level.

PROGRAM ABSTRACT:

Session 3, "Understanding Project Financing", will begin with an interactive lecture by the founder of a private real estate financing advisory group, Lance Patterson, and will introduce common financial concepts and discuss their application to private development. The focus will be prior to the architects involvement, but will discuss the entire financial life cycle of a development. The session will provide an understanding of key parties, their relationship, the hierarchy, and financial obligations throughout a project, including the architect's involvement and risk exposure.

The second part will introduce how publicly funded projects are financed, and explore in greater depth Public-Private partnerships (PPP). PPP's are an emerging project structure in Georgia, and many architects do not understand how they are funded and function. Don Bolia, a principal at a government relations firm, will discuss the difference between a vertical and horizontal PPP and the financial and team structures associated with each. Don will also discuss the legislation which allows for vertical PPPs.

The final portion will be a moderated discussion panel followed by an open question and answer session on how public projects are financed. The panel will be moderated by Don Bolia and include professionals from different roles involved in the financial structuring and funding procurement of these projects. This panel will include the Deputy State Property Officer for the State of Georgia, the acting President at Portman Holdings, the Vice President of Investment Services at Invest Atlanta, and the Vice President at AEC firm Marx Okubo Associates. After the moderated portion, scholars are able to ask questions directly to the panel in an open question and answer session in order to facilitate further discussion.

Understanding Project Financing

Date: 12.07.2018

Location: Portman Holdings LLC | 303 Peachtree Center Ave NE, # 575, Atlanta, GA 30303

Time: 12:00 pm – 5:00pm

AGENDA

| | |
|---------------|--|
| 12:00 – 12:30 | Lunch Reception |
| 12:30 - 12:45 | Session Introduction Jessika Nelson and Eric Balogh |
| 12:45 - 1:00 | Host Introduction - Portman Holdings Grace Tan |
| 01:00 – 02:00 | Private Real Estate Project Financing by M. Lance Patterson |
| 02:00 – 02:05 | Break |
| 02:05 – 02:20 | Portman Office Tour |
| 02:20 – 02:50 | Public Projects and Public-Private Partnerships by Don Bolia |
| 02:50 – 03:00 | Break |
| 03:00 – 04:00 | Public Project Financing Panel moderated by Don Bolia |
| 04:00 – 04:30 | Open Question and Answer moderated by Jessika Nelson and Eric Balogh |
| 04:30 - 5:00 | Conclusion & Housekeeping Jessika Nelson, Eric Balogh & the CKLDP Executive Committee |
| 5:00 – 6:30 | Happy Hour @ Pacific Rim Bistro 303 Peachtree Center Ave NE, Atlanta, GA 30303 |



Grace Tan, AIA

John Portman & Associates

gtan@portmanusa.com

www.portmanusa.com

Grace Tan, AIA

Grace Tan has been with John Portman & Associates (Portman) since 1985. As President, she is responsible for determining, implementing and enforcing any operational policies required for the effective and efficient operations of Portman, leading the yearly business planning and strategic direction of the company, reviewing and approving professional and vendor contracts, establishing and maintaining the profitability criteria for projects and the firm, managing the issues, structure and use of the firm's human resources, and overseeing the firm's marketing strategy. In addition, she oversees the production and coordination of all competition proposals and presentations, and keeps in close contact with our China office.

Previous to her role as President, Ms. Tan served as the Co-Director and Architect for JPAI, the Shanghai representative branch that she helped established, from 1993 to 1999. This role was granted based on the extensive international design experience she acquire working with multinational design teams on international mixed-use projects, which requires an understanding of indigenous materials, local construction practices and an appreciation of local culture and customs as they relate to and influence design. Ms. Tan managed proposal and design contract negotiation and preparation, provided design presentations to owners and relevant authorities, assisted in construction coordination and project administration, developed and prepared concept design and presentation documents, and provided marketing design services.

Presentation

Private Real Estate Project Financing

Lance Patterson will introduce the basic concepts of real estate project financing focusing on private commercial development. Key terms, concepts, and stakeholders will be introduced and explored through the financial life cycle of a project to give an understanding of where money comes from, how money is expended, and what are critical financial factors when evaluating a project.



M. Lance Patterson, CEO, Founder
Patterson Real Estate Advisory Group
laptterson@pattersonreag.com
www.pattersonreag.com

M. Lance Patterson

Lance founded Patterson Real Estate Advisory Group, LLC in January 2010 with the goal of becoming the premier commercial real estate capital advisor in the United States. In its first nine years, Patterson has grown to 16 employees in four cities (Atlanta, Nashville, Charleston and Charlotte) and has arranged over \$3 billion of debt and equity for product types including office, multifamily, hospitality, retail, industrial, land, condominiums, student and senior housing and other.

Prior to founding Patterson, Lance worked as president and chief operating officer of Barry Real Estate Companies from June 2005 through June 2009. At Barry, he was responsible for the capitalization of all projects and general COO responsibilities. While there, Barry developed the W Hotel in Downtown Atlanta, the Pinnacle Office building in Nashville and numerous other projects. Lance also led the largest office portfolio acquisition in Atlanta history (Equity Office Properties exit of Central Perimeter in 2007, 3.3 mm SF, 19 buildings, \$545 mm acquisition price).

Lance first moved to Atlanta in 1993 to join First Fidelity Mortgage Corporation, one of the premier mortgage brokerage firms in the South. At First Fidelity, Lance was responsible for arranging debt, equity and investment sales on projects throughout the US, including all product and capital types. Lance became chief operating officer at First Fidelity in calendar 2000.

Lance began his career in 1984 as a loan officer at InterFirst Bank Dallas, where he worked until he moved to St. Louis in the fall of 1986. In St. Louis, Lance continued his banking career, working for Mark Twain Banks while attending the evening MBA program at Washington University. After receiving his MBA in 1990, Lance moved to Germany where he was a Fellow of the Robert Bosch Foundation, working in various positions in the German federal government and financial industry.

From 2002-2005 Lance served as Chair of the ULI Urban Development Mixed-Use Commercial Council and was also Chair of the ULI Atlanta District Council from 2005-2007.

Lance is originally from Columbia, Missouri where he still has strong family ties. Lance has been on the boards of New Horizons for Children, an international orphan hosting agency, Central Atlanta Progress, the steering committee for the Terwilliger Center for Workforce Housing and he is currently a board member of TVS Design Companies. He is an active member of St. David's Episcopal Church in Roswell, Georgia and enjoys following his three sons throughout the world.

Presentation

Public Financing and Public-Private Partnerships

Don Bolia will introduce publicly funded projects and public-private partnerships. Don will discuss public project financing at a basic level, followed by the legislative, team, and financial structure of and the differences between horizontal and vertical Public-Private Partnerships (PPPs). This will be explored through implemented and on going project examples around the state.



Don Bolia, Principal
Peachtree Government Relations
don.bolia@peachgr.com
www.peachgr.com

Don Bolia

Don Bolia is the founder and principal at Peachtree Government Relations. He provides industry leaders with strategic advice on legislative trends and assists them in shaping policy debates at the state, federal, and local levels in Georgia.

Don manages clients' relationships before the Georgia General Assembly, as well as numerous city and county governments and agencies. His background and experience give clients an edge in conducting business with local governments. Because of his key relationships at the municipal level, his clients are able to clearly communicate their message to key players.

Don began his political career working for Congressman Newt Gingrich in Washington D.C. In 1991, he was appointed the Political Director of the Georgia Republican Party. In that capacity, he was directly responsible for managing the GOP's statewide effort to elect Republicans to the Georgia General Assembly.

In 1993, Don was appointed Chief of Staff of the Fulton County Commission. During his first weeks in office, Fulton County, Georgia's most populous county, cut taxes for the first time in a decade and the chairman's office returned over \$180,000 in savings from the chairman's budget alone. Don was responsible for directing the chairman's agenda and working with the Board of Commissioners.

In 1994, Don was appointed the executive director of the Georgia Republican Party, during an election cycle that saw Republicans win six state-level offices for the first time since reconstruction, including insurance commissioner, superintendent of schools, and a majority of the seats on the Public Service Commission.

Don was also the president of D&B Communications, a government affairs and public relations firm he founded in 1995.

In 2005, Don was made the director of Government Affairs for the Atlanta office of Hunton and Williams and in 2007, he was hired as the director of government affairs in the Atlanta office of DLA Piper. In 2010, Don founded Peachtree Government Relations.

Currently, Don is the Chairman of the Decide DeKalb Development Authority. He is the former Chairman of the Southeast Chapter of the Arthritis Foundation and currently serves on the advisory board for the Georgia Chapter of the Arthritis Foundation. He also served on the Brookhaven Zoning Board of Appeals.

Don is married to Kate Williamon Bolia and they have three dogs, Beauregard, Bella, and Montana Rye. Don is an avid marathon runner who is halfway through running a marathon in every state.

III. Speakers & Presentations

Discussion Panel:

Project Financing

Don Bolia will moderate a panel discussion on publicly funded projects. The panel will feature professionals from various roles in realm of public project finance. -----



Marvin Woodward
Deputy State Property Officer
Georgia Building Authority
www.gba.georgia.gov

Marvin Woodward

Marvin Woodward was named Deputy State Property Officer in April 2008. He is responsible for management and operations of the Georgia State Investment and Finance Commission's construction division, the Georgia Building Authority and the State Properties Commission.

Woodward has 33 years of engineering experience, most recently as Chief Engineer at Georgia Regional Transportation Authority where he was responsible for the management and coordination of the authority's transportation projects. Prior to working with GRTA, Woodward worked for the Federal Highway Administration, the New Jersey Department of Transportation and Highway Construction Contractors. His experience includes on-site construction management, cost estimating, project design, environmental document preparation and metropolitan planning.

Woodward is a graduate of The Pennsylvania State University (Penn State) with a bachelor's degree in civil engineering.



John C. Portman IV
President, Portman Holdings
www.portmanholdings.com

John C. Portman IV

John shares responsibility for the general management and strategic direction of Portman Holdings. Additionally, his focus is on the pre-development and capital markets arenas for Portman which includes sourcing, underwriting, capitalizing and structuring new opportunities.

John's association with Portman Holdings began in the early 2000s, when he worked on domestic developments. He left Portman to work with KPMG's Corporate Finance Group in Mumbai, focusing on mergers and acquisitions as well as raising equity and performing valuation assessments in real estate, aviation and FMCG industries. John has also worked for companies such as Goldman Sachs Real Estate Principal Investment Area and WholeFoods Market, Inc.

John sits on the Board of Atlanta Downtown Improvement District (ADID) and Metro Atlanta Chamber of Commerce. He graduated cum laude from Harvard College, and earned a master's degree with honors and distinction from Cardiff University, United Kingdom. Additionally, John has earned a Master's in Business Administration with a concentration in Finance from the Goizueta Business School at Emory University.

Discussion Panel:
Project Financing
-continued



Dale Royal , Credentials
Vice President, Investment Services
President, Atlanta Emerging Markets, Inc.
droyal@investatlanta.com
www.investatlanta.com

Dale Royal

Dale Royal is Vice President of Investment Services at Invest Atlanta, the City of Atlanta's official economic development authority. He oversees all aspects of the agency's involvement in the Federal Opportunity Zones, New Markets Tax Credits and other public-private partnerships. He currently manages a portfolio of over \$700 million in financing programs to create jobs and revitalize communities.

Dale has a 30-year track record in financing community development projects, including transit, affordable housing, commercial buildings, and mixed-use development. He is a native of Los Angeles, and earned a bachelor's degree in economics from the University of California at Irvine and a master's degree in public policy from Duke University.



Edward A. Bernard AIA, CSI
edward_bernard@marxokubo.com
www.marxokubo.com

Edward A. Bernard, AIA, CSI

Edward Bernard, Vice President, directs operations at the Atlanta office and Marx|Okubo's work in the Southeast region.

With over 25 years of architectural design, development, and forensic evaluation experience, he provides complete analysis of projects and existing buildings, including due diligence, feasibility studies, construction document review, and project performance and cost reviews across multiple project types.

Ed's specialty in forensics and analytical architecture includes cause and origin evaluation, cost analysis, remedial repair for structural damage due to construction defects and improper design, and damage assessments due to storm events. Additional areas of expertise include program management, project management and real estate strategies.

He earned a bachelor's degree in architectural engineering from Southern Polytechnic State University. Ed is a registered architect in Georgia, North Carolina and Texas, as well as a member of the American Institute of Architects, Construction Specification Institute, Urban Land Institute and Southern Polytechnic State University's College of Architecture Professional Advisory Board. In addition, he has served as AIA Atlanta President and AIA Georgia President, has received "Service to the Profession" awards from AIA and is the recipient of the AIA Georgia Bronze Medal.

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SESSION 3 PARTICIPANTS



JOHN PORTMAN & ASSOCIATES



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