



# The Education Committee of the National Federation of Municipal Analysts

## Advanced Seminar on Real Estate Backed Bonds: Analyzing Land-Backed and Housing Sector Debt in a Changing Real Estate Market

January 25-26, 2007  
Grand Hyatt Denver  
Denver, Colorado

### PROGRAM

Thursday, January 25

7:30-8:00 a.m.      *Registration and Continental Breakfast Sponsored by George K. Baum*

8:00-8:15 a.m.      *Opening Remarks*  
*Mark Stockwell, PNC Municipal Investment Group, NFMA Education*  
*Committee Chairman*

8:15-9:15 a.m.      *Prospects for the National and Regional Real Estate Markets*  
Analyzing real estate-backed credits just got a bit more interesting with the softening of the real estate market. What is going on in the economy? Real estate markets are cyclical by nature; so where are we in this current cycle? How are the housing, office, industrial and hotel markets affected in this current environment? This panel will shed some light on these questions and provide an economic framework to analyze real estate-backed debt.

Moderator:    *Noreen Domanico, Vice President, Financial Guarantee*  
*Insurance Company*

Panelists:    *David Wyss, Chief Economist, Standard and Poor's*  
*Corporation • Glenn Mueller, Real Estate Investment Strategist, Dividend*  
*Capital Group and Professor, University of Denver, Burns School of Real*  
*Estate and Construction Management.*

9:15 – 9:30 a.m.      *Break*

9:30 – 10:45 a.m.

***Tax Increment Finance in a Changing Real Estate Environment***

This panel will cover current topics impacting the credit quality of tax increment and related financing structures, such as bonds secured by payments in lieu of taxes (PILOTS). Topics to be discussed include the changing real estate climate, the growing movement to restrict eminent domain use, new and revised tax-sharing requirements, the role of tax increment financing as a redevelopment tool and new twists on this structure.

Moderator: *Amy Doppelt, Managing Director, Fitch Ratings*

Panelists: *Jeffrey Burger, Director, High Yield Senior Research, Columbia Management • John D. Echeverria, Director of the Georgetown Environmental Law and Policy Institute and Georgetown University Law Center • Debra R. Hinsvark, Chief Financial Officer, City of Kansas City, Missouri*

10:45 – 11:00 am

***Break***

11:00 a.m. –  
12:15 p.m.

***Housing Sector Bonds***

With over \$20 billion of housing bonds issued annually, investors have many opportunities to invest in this sector. However, this market is hardly homogenous with the underlying credits ranging from single family to multifamily loans, from fully credit enhanced to naked real estate risk, from elderly properties to student housing. This panel will provide an overview of the housing sector, the rating methodologies for the various multifamily credit types, how issuers determine what type of credit enhancement (if any) to use and how the various types of multifamily housing are impacted by the changes in the real estate market.

Moderator: *Florence Zeman, Moody's*

Panelists: *Carolyn J. Law, Principal, Carolyn J. Law & Associates, Real Estate Consultants & Advisors • Tom Hemming, CFO, Colorado Housing and Finance Authority*

12:30-2:00 p.m.

***Luncheon with Speaker***

*“Financing of the Redevelopment of Denver's Stapleton Airport”*

*Tracy Huggins, Executive Director, Denver Urban Renewal Authority*

2:00- 3:30 p.m.

***Special Assessments/Special Tax Debt: No Two Are Alike: Evaluating Land-Secured Credits Coast to Coast***

Public agencies in California, Colorado, Texas, and Florida have been long-time issuers of non-rated debt secured by special assessments or special tax liens on property. Over the past several years, however, many more states have started issuing municipal bonds backed by real estate. This panel will take a look at land-secured credits around the country and give an overview of how they are similar, how they differ, and the critical

structuring and credit features analysts should consider when examining each. Panelists also will discuss changes in this sector over time and some of the new structures being introduced to the national land-secured market.

Moderator: *Lauren Post, Director, Municipal Research, Stone & Youngberg LLC*

Panelists: *David Moore, Vice President, Director of Municipal Research, American Century Investments • John Murphy, Principal, Stradling Yocca Carlson & Rauth • Sam Sharp, Senior Vice President, D.A. Davidson*

3:30-3:45 p.m.

***Break***

3:45-5:00 p.m.

***The Changing Landscape of Real Estate-Backed Debt: Market Acceptance of Land-Backed and Multi-Family Housing Sector Bonds***

The search for higher returns has contributed to tighter spreads in the land-secured sector. Will weakening fundamentals lead to less demand by investors and potential credit defaults or workout situations? Conversely, in recent years the multi-family sector has suffered from weaker underlying fundamentals, causing bond buyers to be more selective. However, improving market fundamentals may begin to make this sector more attractive to investors. This panel will focus on the changes in these sectors and the potential impact on market acceptance of the bonds.

Moderator: *Jonathan Chirunga, Vice President, T. Rowe Price Associates*

Panelists: *Terry Goode, Head of Tax Exempt Research, Wells Capital Management • Kurt van Kuller, CFA, Research Analyst, MLPF&S • Chris Levey, Senior Vice President, MMA Financial*

5:00-6:30 p.m.

***Cocktail Reception***

**Friday, January 26**

8:00-8:15 a.m.

***Continental Breakfast***

8:15-9:45 a.m.

***The Reliability of Consultant Reports in Analyzing Real Estate-Backed Bonds***

This panel will discuss the use of appraisals, market studies, and feasibility studies in analyzing real estate-backed securities. The providers will discuss their areas of specialization, how their work should be used—and how it should not be used. There will also be a buy side perspective and an investment banking perspective to the use of these studies in the analytical and due diligence process. The panel will discuss why there are detailed third party studies in real estate deals

that are done in some states while they are absent in others.

Moderator: *Ron Mintz, The Vanguard Group*

Panelists: *Dean Lewallen, The Dreyfus Corporation • Chip King, King and Associates • Cydney Bender, MAI, Bender Rosenthal • Keenan Rice, MuniCap Inc • Robert Burch, Bank of America*

9:45-10:00 a.m.      ***Break***

10:00 – 11:30 a.m.      ***Real Estate Bond Defaults and Workouts – or – “Luck of the Draw”***

Just when you think you’ve seen it all in a workout, reality deals you a new “hand.” How investors respond to this “luck of the draw” can make the difference – or maybe it’s a non-event. This session will explore how investors can respond creatively to new situations that develop in land-based and housing deals and how a ‘bad draw’ can be played.

Moderator: *Judi Harvey, Senior Vice President - Research, George K. Baum & Co.*

Panelists: *Doug Nelson, Executive Vice President, Portfolio Manager, Janus Capital • Ned Comer, Sound Asset Services, Inc. • Ginny Housum, Wells Fargo Corporate Trust*

11:30 a.m.      ***Seminar Adjourns***

*The views expressed at the Advanced Seminar are those of the speakers alone and do not necessarily represent those of the National Federation of Municipal Analysts.*

### **2006 DIAMOND SPONSORS**

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### **EVENT SPONSOR**

George K. Baum

***Sponsorship opportunities for this seminar and for the NFMA 24<sup>th</sup> Annual Conference in Las Vegas, Nevada on May 16-18, 2007 are available. Please contact Lisa Good, NFMA Executive Director at 412-341-4898 or [lgood@nfma.org](mailto:lgood@nfma.org) for further information.***

### **EDUCATION CO-CHAIRS**

Mark Stockwell, PNC Municipal Investment Group  
Bill Hogan, Assured Guaranty

## **REGISTRATION**

Registration for the seminar is \$450 for members and \$500 for non-member of the NFMA and its Constituent Societies. The registration fee includes all seminar materials, two continental breakfasts, one luncheon and the cocktail reception.

Firms sending three or more registrants to the seminar may deduct \$50 per person, regardless of membership status. If you qualify for a multiple attendee discount, please contact Lisa Good (lgood@nfma.org) or Betsy Harkins (bharkins@nfma.org) for the link to discount online registration.

**Registration is online only.** Please type the following address into your web browser: <https://web.memberclicks.com/mc/quickForm/viewForm.do?orgId=nfma&formId=21602>. You will have the option of paying by credit card or sending a check. Please make checks payable to the NFMA and send to: NFMA, P.O. Box 14893, Pittsburgh, PA 15234. The registration deadline is January 12, 2007. Cancellations will not be accepted after January 12, 2007; however, substitutions may be made with advanced notice to the NFMA. Please call Lisa Good, Executive Director, at 412-341-4898 with any questions. Individuals will be sent email confirmations of registration; please contact the NFMA if you do not receive a confirmation. Online registration is available at [www.nfma.org/event](http://www.nfma.org/event) calendar. Multiple attendee discounts are not available through the online form.

## **HOTEL**

The Grand Hyatt Denver, 1750 Welton Street, Denver, Colorado, has been selected as the site of the Advanced Seminar. A block of rooms has been established for seminar attendees for the nights of January 24 and 25. The group rate is \$189 single/double. Individuals should call the hotel directly at 303-295-1234 or 800-233-1234 by January 3, 2007 and request the National Federation of Municipal Analysts' group rate. ***The room block will be closed on January 3, 2007.*** Reservations received after the cut-off date will be accepted on a space availability basis.

## **ATTIRE**

Business casual is acceptable for the seminar.

## **POSSIBLE FRIDAY ACTIVITY**

A casual group may be organized to visit the newly expanded Denver Art Museum after the conclusion of the seminar on Friday, January 27. The website for the museum is <http://www.denverartmuseum.org/home>. If you have an interest in this activity, please e-mail Lisa Good at [lgood@nfma.org](mailto:lgood@nfma.org) prior to the registration deadline.

## **TRANSPORTATION**

Transportation to and from the airport, and to local ski venues is available from Denver Airport Shuttle Express/Aspen Snowmass Express. The website for this shuttle service is: <http://www.aspensnowmassexpress.com/>. There will be a link to discount coupons.