This course will explore public sector involvement in real estate development and is designed to impart a set of skills and an understanding of resources necessary to manage the complex blend of governmental powers and conflicting goals and agendas that are inherent in public/private development. Case studies drawn from a variety of projects, primarily in the New York metropolitan region, will examine the motivations, powers and constraints of public agencies and approaches to planning projects, soliciting support, sustaining momentum and negotiating and structuring public/private partnerships.

The course will focus on the following general themes:

**Fundamentals of government initiative.** Public purpose and political context, governmental resources, constraints, powers and process.

**Characteristics of public sector development.** Multiple mandates and constituencies; focus on process, equity and precedent; short term political orientation versus long term planning and investment horizons; political risk takes priority over capital risk; motivated by public benefit rather than investment yield.

**Similarities with private development:** Elements of success: entrepreneurship, market responsiveness and intelligent design.

**Striking a balance between private goals and public purposes.** The fiduciary role in developing Public/Private Partnerships; Governmental versus private planning initiatives; promoting the public interest.

Grading will be based on one test (which will cover development regulation, eminent domain, property taxation and governmental entities), several short written assignments, general classroom participation, and a student development presentation of a plan for a large development site in New York City.
Students are expected to prepare for class each week by reading both the selections posted to Courseworks and the web documents with links indicated in the weekly assignments below. There is one additional reading not in the packet: Fisher, Roger and William Ury, Getting to Yes: Negotiating Agreements Without Giving In.

1. Overview 9/6

Public purposes advanced by governmental action

Municipal powers and roles: regulation, taxation, eminent domain, public services, public works and redevelopment initiatives

Constraints on public initiative

Case studies –public and private roles, community concerns, elements of success

Readings

• Paley, Robert, “An Introduction to PLA 6568,” August 2016
• A sampling of governmental entities involved in New York development
• NYC Citywide organization chart.

2. Governmental powers 9/13

Regulation: Zoning

Environmental review

Landmark preservation

Readings

• List of terms to know
3. Governmental powers (continued) and Special Purpose Entities 9/20

Condemnation

Taxation

Property ownership

Public Investment Strategies
  Land assemblage
  Strategic investments

Special Purpose Government Entities

Readings

- Supreme Court Kelo ruling
“Determination and Findings” by ESDC in Connection with the Columbia University
http://esd.ny.gov/Subsidiaries_Projects/Data/Columbia/AdditionalResources/determination_findings.pdf

Development entities:
Local development corporations, industrial development agencies, urban renewal agencies, state development entities

Non-development entities:
Housing finance agencies, transit agencies, business improvement districts

Readings

- Public Law 92-578 establishing the Pennsylvania Avenue Development Corporation, October 27, 1972 (excerpt).

Web

- Urban Land Institute, “Ten Principles for Successful Public Private Partnerships,
- Browse web site of New York City Economic Development Corporation.
  http://www.nycedc.com/Pages/HomePage.aspx
- Browse web sites of New York State Housing Finance Agency
  www.nyhomes.org and Empire State Development Corporation http://www.empire.state.ny.us/ (Links to an external site.)Links to an external site.

4. Political Context: Neighborhood and Regional Interests 9/27
Constituency groups and stakeholders

Intergovernmental dynamics

Understanding each party’s interests

Building consensus

Web


Note: A test on governmental powers and entities will be given at the start of class

5. Public Investment Strategies: Catalysts for Private Investment 10/4

Guest Speaker – Holly Leicht, Executive Vice President, Real Estate Development & Planning Empire State Development

Note: no class 10/11 for ULI Conference in Boston

6. Initiating Projects and Soliciting developer participation 10/15 NOTE: This is a (Monday) evening class, there will be no class 10/18

Setting the public benefit agenda

Outreach and constituency building

Alignment of Interests / Balancing goals: market forces and public purposes
Strategies to engage the private market

Land use and design controls

Striking a balance between privatization and public initiatives

The relationship among agency initiative, elected officials and stakeholders

Solicitation process: Requests for Proposals, Requests for Expressions of Interest

Balancing process: flexibility versus mandated procedures
Readings

- The Evolution of Hudson Yards – from concept to development
- Case Study: New York City Housing Authority:

Web

- MTA RFP for the West Side Rail Yards issued July 13, 2007: http://www.mta.info/mta/procurement/wsy/ (Browse)
- New York City Economic Development Corporation, investment intended to catalyze development,
  http://www.nycedc.com/REALESTATE/CAPITALPROGRAMS/Pages/CapitalProgram.aspx (Links to an external site.)

Written assignment due: Attend a public land use hearing (community board or city planning commission).(CB 5 1st Wednesday of month, CB 7 3rd Wednesday, CB 9 generally second Tuesday) Observe for approximately one hour and write no more than one page:

1. Describe discussed agenda items
2. Identify speakers
3. Discuss the key issues and concerns raised and speculate as to the interests of the speakers
4. Discuss the dynamics of the meeting.

Readings

- Metropolitan Transportation Authority, Master Plan Caemmerer West Side Yard, August, 1989.

7. Discuss of several recent projects 10/25

8. Negotiation - Process 11/1

Players, interests and issues
Structuring the process
Linking back to the political context

Reading

• Fisher, Roger and William Ury, Getting to Yes: Negotiating Agreement without Giving In. An in-class negotiation exercise will be based on the techniques discussed in Getting to Yes.

• Final Development Project RFP will be issued – There will be an individual assignment due date November 16. This will be followed by a team development presentation 12/6

9. Negotiation - Structuring a Transaction 11/8

Business issues (allocating value and risks)
Community issues (impacts and benefits)
Political issues (leadership and credit)
Acting as a fiduciary for the public
Tolerance for long time horizons

Readings

• Levitt, Rachelle, and Kirlin, John J., eds. Managing Development Through Public/Private Negotiations, Urban Land Institute, 1985, chapters 1, 2, 3, 6 and 7. Web
Written assignment: Discuss lessons learned from negotiation process

10. Downtown Redevelopment 11/15

Goals and Strategies
Governmental entities and programs
Elements of redevelopment: Housing, Retail, Arts, Job Creation, Open Space, and Sustainable development

Readings

- New Rochelle Case Study

Team questions for development RFP should be submitted

No class November 22 for Thanksgiving

11. Transit Oriented Development 11/29

The regional context
Development opportunities
Planning and consensus building
Parking strategies
Zoning approaches
State and Federal Support

Readings
• Bernick, Michael and Cervero, Robert, Transit Villages in the Twentieth Century, McGraw-Hill, 1997, Chapter 14, “Building Transit Villages in the Real World”


Web sites for TOD information

• Reconnecting America http://www.reconnectingamerica.org/public/ra (Links to an external site.)

• Congress for the New Urbanism http://www.cnu.org (Links to an external site.)

• http://www.railvolution.com/ (Links to an external site.)

• Regional Plan Association http://www.rpa.org (Links to an external site.)

• The Vorhees Center at Rutgers http://vtc.rutgers.edu/ (Links to an external site.)

• Lincoln Land Institute http://www.lincolnist.edu/subcenters/visualizing-density/ (Links to an external site.)


12. Real Estate Development Presentations 12/6