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 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, and property taxation), 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 9/8**

   - 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 I 9/15
   Regulation:
   - Zoning
   - Environmental review
   - Landmark preservation

Readings
- List of terms to know

Web
  http://www1.nyc.gov/site/planning/applicants/applicant-portal/step5-ulurp-process.page
- Refer to NYC environmental review, Read chapters 1 and 2 of CEQR Handbook
- For background and class discussion: Vanderbilt Corridor rezoning

3. Governmental powers II 9/22
   Condemnation
   Taxation
   Property ownership
   Public Investment Strategies
   - Land assemblage
   - Strategic investments

Readings
- Supreme Court Kelo ruling

Web
  http://esd.ny.gov/Subsidiaries_Projects/Data/Columbia/AdditionalResources/determination_findings.pdf

4. Special Purpose Entities 9/29
   Development entities:
   - Local development corporations, industrial development agencies,
   - urban renewal agencies, state development entities
   Non-development entities:
Soliciting developer participation

Requests for Proposals, Requests for Expressions of Interest

Balancing process: flexibility versus fixed procurement procedures- and politics

Readings

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

Web

- Browse web sites of New York State Housing Finance Agency www.nyhomes.org and Empire State Development Corporation http://www.empire.state.ny.us/

5. Political Context: Neighborhood and Regional Interests 10/6

Constituency groups and stakeholders
Intergovernmental dynamics
Understanding each party’s interests
Building consensus

Web


A test on governmental powers will be given at the start of class

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.

6. Initiating Projects 10/13

Guest Speaker Fred Harris, Managing Director Development, Jonathon Rose Companies and formerly executive vice president for Real Estate Development at the New York City Housing Authority
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

Readings
- Case Study Powerpoint: New York City Housing Authority: 2013 effort to self finance major renovations through development of underutilized property holdings


Private sector vs. public sector initiatives
The planning context
Direct and indirect subsidies
Bond financing
Tax abatement programs
Strategic infrastructure investment
Affordable housing initiatives

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

Web
- MTA RFP for the West Side Rail Yards issued July 13, 2007: http://www.mta.info/mta/procurement/wsy/ (Browse)

Note: no class 10/27 for ULI Conference in Dallas

8. Negotiation Process 11/3

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 – due date for initial individual assignment is November 17

9. Structuring a Transaction 11/10

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

Web

Written assignment: Discuss lessons learned from negotiation process.

10. Downtown Redevelopment 11/17

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 24 for Thanksgiving

11. Transit Oriented Development 12/1

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

Readings

Web sites for TOD information
- Reconnecting America http://www.reconnectingamerica.org/public/ra
- Congress for the New Urbanism http://www.cnu.org
- http://www.railvolution.com/
- Regional Plan Association http://www.rpa.org
- The Vorhees Center at Rutgers http://vtc.rutgers.edu/
12. Real Estate Development Presentations 12/8