

Columbia University

Graduate School of Architecture, Planning and Preservation Master of Science in Real Estate Development

Public- Private Partnerships in Real Estate Development PLA 65688-12-2018

Fall 2018 Thursdays (Except Monday, October 15th) 6:00 PM – 8:00 PM
Room 200 Fayerweather

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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
- Nolon, John R. and Jessica A Bacher, *Reinventing Redevelopment Law: Legal Tools and Issues*, Pace Law School, 2005, *Glossary of Redevelopment Terms and Sources of Authority*, 2005.
- A sampling of governmental entities involved in New York development
- NYC Citywide organization chart.
- Optional: Garvin, Alexander, *The American City: What Works, What Doesn't*, McGraw Hill, 1996, chapters 1 and 2

2. Governmental powers 9/13

Regulation: Zoning

Environmental review

Landmark preservation

Readings

- List of terms to know

- Garvin, Alexander, *The American City: What Works, What Doesn't*, McGraw Hill, 1996,
chapter 16

Web

- Read Uniform Land Use Review Procedure (ULURP) “ULURP Review Process.” <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
- http://www.nyc.gov/html/oec/html/ceqr/technical_manual_2014.shtml
- For background and class discussion: Vanderbilt Corridor rezoning
http://www.nyc.gov/html/dcp/html/vanderbilt_corridor/index.shtml

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

- Nolon, John R. and Jessica A Bacher, *Reinventing Redevelopment Law: Legal Tools and Issues*, Pace Law School, 2005, pp. 15-29.
- Supreme Court Kelo ruling
- Pringle, Curt, “Development without Eminent Domain,” Institute of Justice, June 2007.

Web

- “Determination and Findings” by ESDC in Connection with the Columbia University Educational Mixed Use Development Land Use Project, December 2008. 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).
- Caro, Robert, *The Power Broker: Robert Moses and the Fall of New York*, Knopf 1974. Chapter 28, pp. 615-636.
- Jackson, Kenneth T., “Robert Moses and the Rise of New York,” in *Robert Moses and the Modern City: The Transformation of New York*, Eds. Hilary Ballon and Kenneth T. Jackson, W.W. Norton & Company, 2007 Pp. 67-71 and “Housing and Urban Renewal, Redevelopment Companies Law,” pp. 242-243

Web

- Urban Land Institute, “Ten Principles for Successful Public Private Partnerships,” http://uli.org/wp-content/uploads/2005/01/TP_Partnerships.pdf
- 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

- New York Bar, "The Role of Community Benefit Agreements in New York City's Land Use Process, March 8, 2010
<http://www.nycbar.org/pdf/report/uploads/20071844-TheRoleofCommunityBenefitAgreementsinNYCLandUseProcess.pdf>

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

- New York City Department of City Planning, Hudson Yards Development, <http://www.nyc.gov/html/dcp/html/hyards/hymain.shtml> (Browse)
- MTA RFP for the West Side Rail Yards issued July 13, 2007: <http://www.mta.info/mta/procurement/wsy/> (Browse)
- Urban Land Institute, “Successful Public Private Partnerships: From Principles to Practices: <http://americas.uli.org/wp-content/uploads/sites/125/ULI-Documents/Successful-Public-Private-Partnerships.pdf>
- 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.)[Links to an external site.](http://www.nycedc.com/REALESTATE/CAPITALPROGRAMS/Pages/CapitalProgram.aspx)

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.

- New York City Independent Budget Office, “Learning from Experience: A Primer on Tax Increment Financing, September 2002.

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

- Joshua Stein, “The Art of Real Estate Negotiations,” <http://www.real-estate-law.com/infoFrame.php?pdf=19>

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
- Leinberger, Christopher B., “Barriers to Developing Walkable Urbanism and Possible Solutions,” The Brookings Institution, March 2005.
- Leinberger, Christopher B., “Turning Around Downtown: Twelve Steps to Revitalization,” The Brookings Institution, March 2005.

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"
- Jesse Smith, "Revitalizing Urban Property," Urban Land, July 2005, pp. 50-55.
- Jill Bensley and Michael Beyard, "Revival of the American City," Urban Land, April 2007, pp. 114-117.

Web sites for TOD information

- Reconnecting America <http://www.reconnectingamerica.org/public/ra> (Links to an external site.)Links to an external site.
- Congress for the New Urbanism <http://www.cnu.org> (Links to an external site.)Links to an external site.
- <http://www.railvolution.com/> (Links to an external site.)Links to an external site.
- Regional Plan Association <http://www.rpa.org> (Links to an external site.)Links to an external site.
- The Vorhees Center at Rutgers <http://vtc.rutgers.edu/> (Links to an external site.)Links to an external site.
- Lincoln Land Institute <http://www.lincolninst.edu/subcenters/visualizing-density/> (Links to an external site.)Links to an external site.
- Todd Littman, "Parking Management: Strategies, Evaluation and Planning," July 16, 2010. http://www.vtpi.org/park_man.pdf

12. Real Estate Development Presentations 12/6