

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

**Public- Private Partnerships in Real Estate Development PLA 6568**

Fall 2016 Thursdays  
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 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
- 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 I 9/15

### *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](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](http://www.nyc.gov/html/dcp/html/vanderbilt_corridor/index.shtml)

## 3. Governmental powers II 9/22

### *Condemnation*

### *Taxation*

### *Property ownership*

### *Public Investment Strategies*

### *Land assemblage*

### *Strategic investments*

## 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](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:***

*Housing finance agencies transit agencies, business improvement districts*

**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).
- 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](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](http://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

- 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>

**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 1<sup>st</sup> Wednesday of month, CB 7 3<sup>rd</sup> 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**

**7. Public Investment Strategies: Catalysts for Private Investment 10/20**

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

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)

**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

- 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 11/17**

*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
- 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 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

- 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>
- 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/>

- Lincoln Land Institute <http://www.lincolnst.edu/subcenters/visualizing-density/>
- Todd Littman, "Parking Management: Strategies, Evaluation and Planning," July 16, 2010  
[http://www.vtpi.org/park\\_man.pdf](http://www.vtpi.org/park_man.pdf)

## **12. Real Estate Development Presentations 12/8**