COURSE SYLLABUS
Spring Term 2012, Fridays, 4:00 – 6:30 p.m., URBN 220
DRAFT

Public-Private Development Partnerships (PPPs)

Description: Public-private partnerships can innovate new kinds of projects that neither the public nor private sectors could create on their own. But they can also stifle competition and result in lifeless and formulaic spaces developed by politically connected corporate interests. This course will examine the advantages and disadvantages of public-private development partnerships, the variety of parties that may partner, the selection methods for choosing partners and projects, potential conflicts of interest, elements of deal structures that can be negotiated and the public and private benefits and risks that may result from such partnerships. Case studies and conversations with experienced public-private developers will enable students to learn first hand the problems and potentials of public-private development partnerships. An independent proposal will enable students to create one. The course will count as an elective for those pursuing a graduate Certificate in Real Estate Development.
**Students:** This course is designed for planning and/or development students and professionals who desire to understand, and eventually participate in, the development process, either in the public or private sectors, or in their joint development efforts. It should be useful for the practicing professional who already has been exposed to the development process in a planning, design, financing, leasing or property management capacity, and who desires to expand into public-private partnerships.

**Professor:** William Macht is President of the development firm Macht & Company which completed Officers' Row as developer for the Vancouver Area Development Authority. Officers' Row is a 21-acre mixed-use downtown historic project implemented through a public-private partnership. Macht & Company, in a joint venture with OTAK, Inc, was selected as one of two finalists, from a field of six developers, to plan, design, finance and construct a new Vancouver City Hall and downtown central Library and headquarters for the 3-county Fort Vancouver Library District. Mr. Macht is also a development consultant whose clients include Transpacific Development Company, Norris, Beggs & Simpson, Riverview Properties Company, Landing Property Corporation, Smith-Ritchie Development Company, American Property Management, ROSE Community Development Corporation, D.M. Stevenson Ranch, Inc. and Multnomah County. As a Commissioner, he organized development efforts for the Port of Hood River, redeveloping a 750,000 SF downtown mixed-use project and urban waterfront development projects. He was appointed to the founding board of the Hood River Urban Renewal Agency.

Mr. Macht was formerly a Development Director of the Rouse Company [developer of mixed-use urban centers, festival marketplaces, and the new city of Columbia, Maryland]. He was an aide to Senator Javits working on the Atlantic Community Development Group for Latin America (ADELA) and an aide to Senator Robert Kennedy working on the Appalachian Regional Development Commission. He was an attorney drafting the Caribbean Development Bank charter for the U.S. Treasury. He was also International Counsel for the Gates Rubber Company and Gates Land Company. Mr. Macht is a graduate of the Woodrow Wilson School of Public and International Affairs at Princeton University, holds a J.D. degree from the University of Virginia Law School and is admitted to the Washington D.C. bar. He has taught courses on Small Cities, Planning Law and Development Planning and workshops at the School of Urban and Public Affairs for the past 33 years. He has lectured at the Urban Land Institute [ULI], the University of Washington Cascade Center for Public Service, the National Association of Housing & Redevelopment Officials [NAHRO] and the Oregon Community Development Training Institute. He writes and edits the Solution File column for Urban Land magazine, the national publication of the Urban Land Institute. He has published law review articles in the field of development, written three chapters in a ULI book “Remaking The Urban Waterfront” and is the author of a proposal for a Columbia Gorge Development Bank supported by both Oregon and Washington Governors and Senators. He was appointed by Governor Roberts to the Oregon Investment Board. He was also appointed to be a founding board member of GorgeTrust, a bi-state non-profit corporation supporting sustainable development, and has served as its President. He is also an Adjunct Professor of Architecture at the University of Oregon School Of Architecture, Portland Center.

**Case Study Method:** In order to reflect the integrated nature of the development process for each development project, the sequence primarily uses the case study method. The case study method will ground the student each week in the way in which design, development, market, finance, construction, management and public policy is inter-related and integrated to make each project unique. The case method will also demonstrate the iterative nature of development planning.

**Materials:** The required reading material is Stainback, *Public/Private Finance and Development: Methodology/Deal Structuring/Developer Solicitation*, (Washington, DC: John Wiley & Sons, 2000). Recommended but not required are: *Urban Land Institute, Public Private Development: Selected*

Independent Public-Private Partnership Plans [PPPPs]: In order to balance the reading materials, which are general in scope, and in order to give the student hands-on experience in understanding how to craft PPPs, each student (or team) will formulate a public-private partnership for a development project in the Portland metropolitan area. Each will select an underutilized piece of land and/or building owned by a public entity and propose a project and public-private partnership plan to develop that project. The purposes of the case study are [1] to permit the student to have a specific reference against which to measure the assertions made in the reading and in class, [2] to stimulate discussions and comparisons in class of alternative approaches to the solution of specific public-private partnership development problems, and [3] to refine the ability of the student to evaluate and concisely write about public-private development partnership issues.

In order to conserve time and avoid duplication, in the first class each student (or team, in partnerships of two students), will select a topic in the first class from among potential infill sites or potential rehabilitation/redevelopment projects in the following urban renewal areas:

1. Central Eastside/Rose Quarter 5. South Waterfront Renewal Area
2. Gateway Renewal Area 6. University District
3. Interstate Renewal Area 7. Vancouver Downtown
4. River District Renewal Area 8. West End

Each public-private partnership plan must include at least a:

1. PP Development Team 3. Development Strategy
2. Development Program 4. Deal Structure

Each public-private partnership plan should be carefully organized and concisely written. Next to each section, each team member must indicate that section which s/he wrote and/or for which took responsibility. Each should be approximately 15 - 20 pages in length, have relevant graphic plans inserted relevant to the discussion, and should be submitted with on a CD an electronic copy in PDF format, as well as with one hard copy.

Class Participation: Visiting developers and public servants will speak to and discuss with the class various public-private partnerships in which they have been involved. Therefore it is essential that every class member attend every class. Class attendance is mandatory and will be monitored. Students should be prepared to ask intelligent questions. The Socratic method will be used in the class, which will operate to the extent feasible as a seminar. The interaction between professor and students, and the stimulation of lively debate, enriches the learning experience and makes it fun.
**Course Grades:** Grades are determined on the basis of each student’s total performance in the course, which includes active participation in every class, timely reading of the materials, successful creation of a public-private partnership plan through succinct written expression and articulate oral presentation.

**PUBLIC-PRIVATE PARTNERSHIPS USP 410/510**

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<tr>
<th>Week</th>
<th>Readings/Case Studies/ Discussion</th>
<th>Week</th>
<th>Case Studies, Lectures &amp; Discussion</th>
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| Apr 6 | PPP Types & Issues  
Stainback, Chapters 1-3  
Broadway Place-Macht Article  
RiverPlace-Macht Chapter | 1. | PDC’s Approach to PPPs  
Lewis Bowers, Portland Development Commission Senior Development Director |
| Apr 13 | PPP Roles & Process  
Stainback, Chapters 4-5  
Hoyt St. PPP Agreement  
SOWA PPP Agreement | 2. | South Waterfront - SOWA  
Homer Williams, President  
Williams & Dame |
| Apr 20 | PPP Deal Structures  
Strategic Issues Book, Chapters 6-7  
Charlestown Navy Yard-Macht Chapter  
Millspaugh-Inner Harbor Case | 3. | South Waterfront  
Brian Newman, Planning Director  
Oregon Health & Sciences University |
| Apr 27 | PPP Selection Methods  
Stainback, Chapter 8  
Burnside Bridgehead MOU  
Sagaly-PPP Development | 4. | Burnside Bridgehead  
Brad Malsin, President  
Beam Development |
| May 4 | PPP Principles, Problems & Prospects  
ULL-10 Principles of PPPs  
Suchman, PPP Affordable Housing  
Providence Place-Macht Chapter | 5. | UO Portland Campus/White Stag  
Art DeMuro, President  
Venerable Properties |
| May 11 | Large-Scale PPPs  
Stainback Chap. 10-Case 1-Rose Garden  
Leinberger-12 Step Revitalization  
Museum Place/Belmont Dairy Cases  
Coliseum PPP Dev’n/Oper. Aqrm’ts. | 6. | Museum Place/Belmont Dairy/Hollywood Library, Uwajimaya, Coliseum  
Doug Obletz, President  
Shiels Obletz Johnson |
| May 18 | PPPs Analysis  
Stainback Chap. 10-Case 1-Sansom  
Sagaly-Lassar, Public Profit Sharing  
Brewery Blocks Aqrm’t/ Vertas | 7. | Brewery Blocks/ Broadway Housing,  
Oregon Sustainability Center  
Mark Edlen, President  
Gerdning-Edlen |
| May 25 | PPPs Assessments  
City Auditor-DDA Monitoring Audits  
Case: SUBMIT Final PPP-PDF & Copy  
Cascade Station DDA | 8. | Cascade Station  
Fred Bruning, President  
CenterCal Properties |
| Jun 1 | PPPs For Schools  
Finke, 63-20 Schools  
NorthLake Park Community School | 9. | Pearl School  
Ed McNamara, President  
Turtle Island Development |
| Jun 8 | PPPs For Public & Non-Profit Properties  
Killingsworth Station DDA | 10. | Desoto/Killingsworth Station  
Jim Winkler, President  
Winkler Development Corporation |
| Jun 15 | Oral Exam: Present PPPPs & Slides | 11. | PPP Presentations |