

**Public Private Partnerships: Financing Equitable Development - URP 595 - Fall Semester 2023 Taubman College of Architecture and Urban Planning, 200 Bonisteel Drive, Room TBD, Ann Arbor, MI Monday's , 5:30 – 8:30 pm**

**Instructor: Luke Bonner Associate Professor of Practice, Urban Planning  
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(Umich Email TBD) Office hours by appointment.**

This course examines the mechanisms through which real estate is developed in the United States. This seminar style course will be taught through lectures, readings, and guest speakers, the course analyzes the interaction of public agencies, developers, and designers in the initiation, financing, and design of developments. Case studies drawn from a variety of locations throughout the U.S. in addition to the region provide concrete demonstrations of how buildings emerge through negotiation among these various parties. By analyzing the structure of existing developments and generating their own development proposals, students will develop the skills to participate effectively within the complex ecology of powers and agendas governing real estate development, design, policy and finance.

The course addresses the following topics:

Development fundamentals: Theoretical and historical analysis of how markets interact with regulatory systems such as zoning, land use regulation, building codes, tax codes, and government approval processes.

Evaluating economic feasibility: Analysis of developers' spreadsheets and decision-making process as proposals interact with lenders, governmental agencies, and other stakeholders in the development process.

Structuring developments: Training in how to evaluate risk, structure financing, balance subsidized with market-rate housing and sales with rentals, pricing and marketing units, and the balance of private and public interests.

Negotiating and presenting proposals: Practice in understanding the roles of the players in development, striking balances between private goals and public purposes, and working collaboratively through negotiation.

Assignments include a site planning exercise, a short written assignment, Excel-based financial feasibility analyses, and a final assignment in which student teams' structure and present a development proposal. Grading will be based on these assignments as well as class participation.

**Class Participation 10%, Written Assignment(s) 30%, in class exercises and quizzes 20%, and Final Presentation 40%**

**Textbooks Required:**

**Ebook:** [\*Real estate development : principles and process\*](#) (access restricted to umich accounts)

**Print:** [\*Real estate development : principles and process\*](#) (5th ed.) AAEL 3rd Floor HD 255 .R348 2015

**Various Readings** will also be distributed throughout the semester in a variety of formats such as news articles, case studies, briefs, etc.

Class 1	<p><b>Overview of Course – What are the Problems to solve?</b></p> <p>Concepts include:</p> <ul style="list-style-type: none"> <li>• Development defined. The methods and techniques specific to Public Private Development</li> <li>• The players involved</li> <li>• Real Estate tools available for class work</li> <li>• Popular Types of Public Private Partnerships: <ul style="list-style-type: none"> <li>◦ Mixed Use – Affordable Housing</li> <li>◦ Tax Increment Financing and Public Subsidies</li> <li>◦ Sport Stadiums and Arena Districts</li> <li>◦ Public Campuses with Private Financing</li> </ul> </li> <li>• Parameters of Semester Project</li> <li>• Constraints for Developers, architects, policy makers, investors and planners</li> </ul> <p><i>Assignments and readings will be outlined. Teams for class project will be assigned.</i></p>
Class 2	<p><b>Finding Ideal Sites and Partners</b></p> <p>Concepts include:</p> <ul style="list-style-type: none"> <li>• Review development fundamentals</li> <li>• Understanding and evaluating developments</li> <li>• Evaluating Partnership Opportunities</li> <li>• The Public Planning Process – Zoning, Re-Zoning, PUD's, Planning Commissions, Politics</li> </ul> <p>Guest Speaker Case Study Readings: TO BE DISTRIBUTED</p>
Class 3	<p><b>Utilizing Market Analysis</b></p> <p>Using demographics to gauge market demand, project feasibility, development type, etc..</p> <p>Concepts Include:</p> <ul style="list-style-type: none"> <li>• Area median income feasibility</li> <li>• Development trends</li> <li>• Real Estate Data: Lease Rates, Sales Comps, Construction Pricing</li> <li>• Financing, regulatory and policy options</li> <li>• Risks</li> </ul> <p>Case study Readings: TO BE DISTRIBUTED</p>

Class 4	<p><b>Understanding a Real Estate Pro-Forma</b></p> <p>Excel Workshop with overview of real estate terms and development parameters.</p> <p>Concepts Include</p> <ul style="list-style-type: none"> <li>• Private sector vs. public sector initiatives-</li> <li>• Affordable Housing /Economic Incentives</li> <li>• Rental Rates</li> <li>• Financial Risks</li> <li>• Financial return and feasibility.</li> <li>• Mixed income / Mixed Use development</li> <li>• Closing the Deal</li> </ul> <p>Guest Speaker Case Study</p> <p><u>Readings:</u> TO BE DISTRIBUTED</p>
Class 5	<p><b>Understanding Physical Development</b></p> <p>Concepts Include:</p> <ul style="list-style-type: none"> <li>• Construction</li> <li>• Architecture</li> <li>• Engineering</li> <li>• Site risks – wetlands, floodplains, environmental impacts, historic preservation</li> </ul> <p>Guest Speaker Case Study</p> <p>Readings: TO BE DISTRIBUTED</p>
Class 6	<p><b>Role of Economic Development</b></p> <p>Concepts Include:</p> <ul style="list-style-type: none"> <li>• Developers and government officials</li> <li>• Economic Incentives – understanding project gaps and how to fill them</li> <li>• Municipal Bond Financing</li> <li>• Deeper Dive into tax credits, tax increment financing, tax abatements, grants and low interest government loans</li> </ul> <p>Case Study Guest Speaker</p>

Class 7	<p><b>Collaborating, Team Building, Negotiations</b></p> <p>Concepts include:</p> <ul style="list-style-type: none"> <li>• Identify Team Structure</li> <li>• Knowing Your Politics</li> <li>• Structuring The Process</li> <li>• Community Engagement</li> </ul> <p>Readings: TO BE DISTRIBUTED</p>
Class 8	<p><b>Bringing It All Together</b></p> <p>Overview of Class Concepts</p> <p>Preview of Team Project: What is the Opportunity for a Public Private Partnership and What is the Problem being Solved?</p>
Class 9	<p><b>The Art of Deal Structuring</b></p>
Class 10	<p><b>Real Estate and Economic Development Panel</b></p> <ul style="list-style-type: none"> <li>• Nationally Recognized Industry Leaders</li> <li>• Current Trends</li> <li>• Lessons Learned</li> <li>• Opportunities</li> </ul>
Class 11	<p><b>Field Trip of Public Private Partnership Deal – Greater Metro Detroit</b></p>
Class 12	<p><b>Wrap up – the value and limitations of Public Private Partnerships.</b></p> <ul style="list-style-type: none"> <li>• Student led discussion</li> <li>• Lessons learned from case studies, guest speakers, and field trip</li> <li>• Final questions and thoughts leading into the final project presentations</li> </ul>
Class 13	<p><b>Final Presentations – Guest Judges</b></p>