

**Fall Semester 2013**

Tufts University, Graduate Department of Urban and Environmental Policy and Planning

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**Course Objectives**

Through lecture, case studies, and research, this course will help students accomplish the following:

- Explore what is meant by Community Economic Development (CED), the overarching goals and basic economic concepts and terminology .
- Develop a framework to evaluate the costs and benefits of economic development projects and explore the use of logic models to enhance community economic impact of projects/programs.
- Review several economic development theories that have evolved, examine the types of entities that typically undertake CED and common financing sources.
- Acquire fundamental skills necessary for evaluating feasibility and financing commercial real estate development projects.
- Investigate strategies and tools employed in microenterprise and small business development, social enterprise and business district revitalization.
- Increase knowledge of analytical methods and data sources used in economic development.
- Implement a process to evaluate feasibility of an economic development venture.

**Course Outline at a Glance**

<i>Date</i>	<i>Class</i>	<i>Topics</i>	<i>Assign. Due*</i>
9-Sept	1	Course Overview and Requirements; Introduction to CED, Target Communities and Goals, Overview of Process to Analyze Potential CED Ventures	
16-Sept	2	Costs and Benefits of CED Projects, Local Economy Impact, Selected Terms and Concepts, Evolution of Economic Development Theories	
23-Sept	3	Who Implements CED, CED Objectives & Strategies, Industry Cluster/Sector Strategies, Overview of Selected Tools	
30-Sept	4	Commercial Real Estate Development & Finance--Part 1	1 & 4
7-Oct	5	Commercial Real Estate Development & Finance--Part 2	
15-Oct	6	Commercial Real Estate Development & Finance--Part 3 <b>TUESDAY due to holiday</b>	5
21-Oct	7	Connecting Program Design to Community Economic Impact; Using Logic Models	2
28-Oct	8	Feasibility Analysis for Economic Development Ventures	
4-Nov	9	Social Enterprise Development	3
11-Nov		<b>NO CLASS</b> – Veteran’s Day	
18-Nov	10	Commercial District/Downtown Strategies & Tools Part --1	6
25-Nov	11	Commercial District Strategies Part-- 2; Business Development Tools Part --1	
2-Dec	12	Business Development Tools Part --2	
9-Dec		Team Project Work Sessions	
17-Dec		Team Project Presentations	7

\* Plus reading and homework as assigned

## Course Outline

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### Class 1

I. Course Overview; Introduction to Community Economic Development, Target Communities and Goals  
Overview of Process to Analyze Potential CED Ventures

- Course Objectives
- Course overview and syllabus
- Reader & Trunk Site, Requirements, Policies, etc.
  
- Defining community economic development
- Target communities for CED
- Introduction to CED Goals
  
- Team Project Discussion and Overview of Process for Analyzing Potential ED Ventures

Distribute Team Assignment #4, 5, 6 & 7 (available on Trunk website)

### Required Reading

Peg Barringer, Excerpt: "Community Economic Development: A Primer" 2012, Chapter 1, page 4 – 14, (available on Trunk)

Shaffer, R. S. Deller, and D. Marcouiller, "Rethinking Community Economic Development" 2006. *Economic Development Quarterly* (available on Trunk)

Peg Barringer, Chart - "Analyzing Potential Economic Development Ventures", (available on Trunk)

Assignment #4, 5, 6 & 7 (available on Trunk)

\*\*\* Readings listed in the Syllabus are available in the UEP 271 2013 Reader unless otherwise noted. Some readings will be available on Trunk.

## Class 2

### II. Analyzing Costs & Benefits of CED Projects, Developing Local Economy, Selected Terms & Concepts, Evolution of Economic Development Theories

- Analyzing Costs and Benefits of ED Projects - Case Study #1 Discussion
- Developing the Local Economy
- Selected Economic Development Terms & Concepts
- Case Study #2 Discussion (will be distributed in class)
- Evolving Theories of Economic Development
- Discuss homework assignment #2

#### Required Readings

Peg Barringer, "Community Economic Development: A Primer" 2012, Chapter 1, pages 14 - 19 and Chapter 2, pages 20 – 24 **CED 15-15**

Case Study: "O Governor, Won't You Buy Me a Mercedes Plant?" **CED 56-62**

Employment Multiplier Chart Example **CED 63**

"Pre-feasibility Analysis Worksheet" **CED 64-65**

Assignment #4, 5, 6 & 7 (available on Trunk website)

#### Skim/Reference

Greg Last, Summary of Economic Development Terms (available on Trunk)

#### Homework Assignments (due for this class)

1. Case Study: "O Governor, Won't You Buy Me a Mercedes Plant?" (You do not have to turn anything in, but take notes and come prepared to discuss in class.) Read the case and consider the following questions (use information provided in this article based upon the time when it was written; we will explore what has happened since the project was initiated later)
  - a. What are the economic development benefits that were generated from this project? (amount and type)
  - b. What were the public costs? (what incentives/assistance were provided to the company & other costs)
  - c. What lessons should be learned from this experience?
2. Read the Instructions and requirements for the Team Assignment (available on Trunk).
  - a. Conduct Internet research on CED programs/projects/social enterprises; come up with ideas for possible projects you might want to pursue for the team assignment.
  - b. Contact at least one ED organization you might want to work with and inquire if there is a social enterprise/program/project model that the organization is considering and would like to have some research completed on. (Be sure to tell them you are only collecting ideas at this point and will have to make decisions about project selection with your whole team.
  - c. Describe a couple of possible projects/programs to investigate. **Come prepared to share your ideas with classmates.**

**Class 3**

## III. Who Implements CED, CED Objectives &amp; Strategies, Industry Cluster/Sector Strategies, Overview of Selected Tools

- Evolving Theories of Economic Development (cont'd as necessary)
- Entities that Implement CED
- CDCs – characteristics, operation of for-profit ventures, typical CED activities
- CED Resources and Financing Sources
- Overview of Planning Process
- CED Objectives and Strategies, Industry Cluster/ Sector Development Strategies
- Fundamentals of Selected CED Tools
- Mercedes Case Study Follow up after 15+ years (homework)

Distribute Assignment #1 (available on Trunk)

Required Readings

Peg Barringer, "Community Economic Development: A Primer" 2012, Chapter II pages 20 – 32 and Chapter III pages 33-53 [CED 21-54](#)

Peg Barringer, "CED Planning Process Overview", CED Principles and Practices [CED 66-67](#)

Peg Barringer, "Determining Economic Development Priorities" [CED 68-74](#)

CED Project Example Activity [CED 75](#)

Previous Case study Follow-up Articles (skim, available on TRUNK):

- "Mercedes-Benz plant in Vance shifting into overdrive", Birmingham News, 8/21/2011
- "Ten Years Later, Mercedes still pans for Gold", Savannah Morning News
- Laura H. Corbin, "Driving Progress", Southern Business & Development Website 2006
- International Harold Tribune, "Study Touts Mercedes Benz Impact on Alabama", July 2007
- "Mercedes Prepares to Expand Alabama Plant" Automotive News, 3/20/09
- "Mercedes Investing \$290 Million to Expand", Area Development Online, 3/23/09"
- "Recession Challenged Alabama Auto Industry" 2010, University of Alabama
- Ralph Brown et. al, Longitudinal Study of Vance and Mercedes

Homework Assignment (due for this class)

1. Skim the follow-up articles on Mercedes. Now that you have additional information about what has transpired, what do you think about the Mercedes recruitment project? Summarize a few bullet points that represent positive and negative aspects.

**Class 4**

## IV. Commercial Real Estate Development and Finance – Part 1

**Bring calculator to class!**

- Roles of Commercial Real Estate Development in CED
- Healthy Food Initiatives and Commercial Real Estate Development
- Real estate development process and players
- Market analysis and leasing issues
- Projecting Rents and reimbursements

**Required Readings - Bring the following materials to Part 2 and 3 classes also!!!**

Peg Barringer, Commercial Real Estate Development: A Training Guide for Economic Development Professionals, FinePoint Associates, LLC, Revised 2011, Pages 2-1 to 2-32 and 3-3 to 3-15 **CED 79-111 & CED 144-156**

Northside Shopping Plaza Case Study **CED 216-220**

Northside Case Study Worksheets **CED 221-229**

**Homework Assignment (due for this class)**

1. Read the Northside Case Study.
2. Calculate the projected rents; complete Worksheet #2 calculating guaranteed minimum rent only (not percentage rent)
3. Input office, retail and total rents to Worksheet #1 for years 1 to 3 only

**Supplemental Reading:**

Julian Gross, et al., Community Benefit Agreements: Making Development Projects Accountable, Good Jobs First and the California Partnership of Working Families, 2010 (Available on Trunk)

**Class 5**

## V. Real Estate Development and Finance – Part 2

**Bring calculator to class!**

- Financial feasibility analysis process
- Development budget
- Developing the income and expense pro forma
- Determining debt capacity; debt coverage ratio & loan to value ratio
- Calculating Loan payment & amortization
- Project valuation & capitalization rate

Distribute Assignment # 2 (Available on Trunk)

**Required Readings - Bring the materials from Part 1 class also!!!**

Peg Barringer, Commercial Real Estate Development: A Training Guide for Economic Development Professionals, FinePoint Associates, LLC, Revised 2011, Pages 2-33 to 2-52 **CED 112-131**

**Homework Assignment (due for this class)**

1. Northside Case Study -- Calculate Expense and reimbursements; complete Worksheet # 3
2. Complete Worksheet # 1 up to the "Net Operating Income" Line for Year 1 only, assuming a 10% Vacancy Allowance

Class 6

## VI. Real Estate Development and Finance – Part 3

**Bring calculator to class!**

- Weighted Average Cost of Capital, Understanding Capitalization Rate (cont'd)
- Exploring options to close financing gaps
- Financing Tools and Sources
- Understanding Investors and Investment Goals
- Breakeven analysis
- How Loan Rate and DCR can affect feasibility
- Fill in the blank finance tool worksheet

Required Readings - **Bring the materials from Part 1 and Part 2 to class also!!!**

Peg Barringer, Commercial Real Estate Development: A Training Guide for Economic Development Professionals, FinePoint Associates, LLC, Revised 2011, Pages 2-53 to 2-59 and 3-21 to 3-36 **CED 133-138 & 161-178**

Homework Assignment (due for this class)

1. Northside Case Study – Review potential financing sources; Complete Worksheet #5 **except for Shaded Columns**

**Class 7**

## VII. Connecting Program Design to Community Economic Impact; Using Logic Models

- What is a Logic Model?
- Inputs, Outputs and Outcomes
- Program Logic – the “if- then” relationship
- Using Logic Models in CED
- Creating Logic Models

Distribute Assignment # 3 (Available on Trunk)

Guest Speaker: Melissa L. Nemon, Ph.D, Nemon Consulting LLC (Bio on TRUNK)

**Required Readings**

Review Section 1 thru 4 of the online course available at the following link.

Enhancing Program Performance with Logic Models, University of Wisconsin-Extension

<http://www.uwex.edu/ces/lmcourse/#>

A written transcript of the class is available on TRUNK but you will get much more out of it if you go thru the class online. It might be helpful to have the transcript available to take notes as you move thru the online session.

Positioning Your Programs for Success: Connecting Program Design to Community Economic Impact, Excerpt, review page 8 – 30 (Available on TRUNK)

Logic Model Example: Fresh Food Financing Initiative, Excerpt, Community Development Financial Institution Financing of Supermarkets in Underserved Communities: A Case Study, Ira Goldstein et al., The Reinvestment Fund. Pg. 4 **CED 231**

**Please look at TRUNK for any additional handouts or materials that should be brought to class.**



## Class 8

### VIII. Feasibility Analysis for CED Ventures

- Financial Analysis for ED Ventures
- Feasibility Analysis Process Overview
- Startup/development budgets
- Income and Expense Projection
- Clarifications for Team Project Assignment
- Team Project Discussions

We will be working with team projects in class -- please bring Team Project information to class.

#### Required Readings

Peg Barringer, "Feasibility Analysis for CED Ventures", we will be covering this material in class; please read Appendix A and B and review Appendix C in advance **Read CED 231-234, skim 325-341**

Esther Kim and Samra Haider, "Business Planning Guide: REDF Social Enterprise Start-up Toolkit" (available on Trunk)

#### Supplemental

Zimmerer, "Conducting a Feasibility Analysis and Crafting a Winning Business Plan" (available on Trunk)

Social Enterprise Business Plan Template, REDF revised 2012 (available on Trunk)

## Class 9

### IX. Social Enterprise Development

- Follow-up on Feasibility Analysis for CED Ventures as necessary\*
- Introduction to Social Enterprise
- Examples of Social Enterprise

### Guest Speaker -- Social Enterprise: TBD

\*We might be continuing some topics from previous class depending on much we were able to cover, so please bring the "Feasibility Analysis for CED Ventures" to class if necessary along with your team project information.

### Required Readings

Kristen Ace Burns, managing director, Roberts Enterprise Development Fund, "Five Social Enterprise Myths, Dispelled", Fast Company, December, 2007 CED 342-345

Jerr Bosche, "Merging The Profit Motive And Moral Imperatives: The Rise Of Social Enterprise In The United States", The Institute for Social Entrepreneurs, 2010 CED 346-355

Review: Peg Barringer, "Community Economic Development: A Primer" 2012, Chapter III pages 45-46 CED 46-47

### Supplemental Reading

"The Chronicle of Social Enterprise, Volume One", 2009 –Available on Trunk (table of contents for illustration in Reader)

**Class 10**

Team Project Progress Report Presentations\*\*\*

**X. Commercial District/Downtown Strategies & Tools - Part 1**

- Organizational Models
- The Planning Process
- Components of a Revitalization Strategy
  
- Downtown Spencer Case Study

**Required Readings**

Rick Jacobus and Maureen Hickey Commercial Revitalization Planning Guide: A Toolkit for Community Based Organizations, LISC, read pg. 5 – 17 in reader, skim pages 33- 81 Read **CED 357-373, skim 374-422**

Peg Barringer, “Commercial District Revitalization Planning Process Chart” **CED 423**

“Successful Organizational Models for Downtown/Commercial District Revitalization Programs”, Main Street Center, National Trust for Historic Preservation **CED 424-427**

Downtown Spencer Case Study: Assessment Plan (review in advance, we will work on in class) **CED 428-434**

**Supplemental Reading**

Rick Jacobus and Maureen Hickey, Commercial Revitalization Planning Guide: A Toolkit for Community Based Organizations, LISC; excerpt in reader, full volume available on Trunk

Mt. Pleasant Street Commercial Revitalization Strategy, DC Office of Planning, Available on Trunk

Mt. Pleasant Street Market Study, DC Office of Planning, RES/Retail Compass, Available on Trunk

**Class 11**

## XI. Commercial District/Downtown Strategies &amp; Tools - Part 2

- Business District Revitalization -- Essential Steps for Economic Success
- Rainier Valley Case Study

## Business Development Strategies &amp; Tools - Part 1

- Definition of small business
- Definition of microenterprise
- Roles for CED organizations/agencies

**Required Readings**

Peg Barringer, Commercial Districts: 12 Steps for Economic Success, A Guide for Economic Development, Downtown and Neighborhood Business District Organizations, FinePoint Associates, revised 2013 [CED 436-441](#)

Retail Development Strategy for Rainier Valley, Seattle's Office of Economic Development, Community Land Use and Economics Group, LLC, pg 1 -52 [CED 442-493](#)

Rainier Valley Case Study: Action Plan (review in advance, we will work on in class) [CED 494-496](#)

**Supplemental Reading**

Retail Development Strategy for Rainier Valley, Seattle's Office of Economic Development, Community Land Use and Economics Group, LLC; excerpt in reader, full volume available on Trunk

“Retail Action RoadMap”, Washington, DC, Available on Trunk

**Class 12**

## XII. Business Development Strategies &amp; Tools - Part 2

- Overview of selected business development tools
- Business Technical Assistance Program Example
- Business incubator Examples
- Business Loan Programs, Purpose, Target Clients, Desired Outcomes
- Community Development Financial Institutions (CDFIs)
- Loan program examples

Guest Speaker(s) –Business Development: TBD

**Required Reading**

“Business Incubation FAQ (Frequently Asked Questions)”, National Business Incubation Association  
CED 498-501

Microenterprise Development: A Primer, FDIC Quarterly, 2011 Volume 5, No. 1 CED 502-511

Community Development Financial Institution Financing of Supermarkets in Underserved Communities: A Case Study, Ira Goldstein et al., The Reinvestment Fund (Excerpt in Reader, full report available on TRUNK for Supplemental Reading) CED 512-520

Review: Peg Barringer, “Community Economic Development: A Primer” 2012, Chapter III pages 41-44  
CED 42-45

**Class 13**

Team Project Work Sessions

**Final Session**

Team Project Presentations – time to be announced, might not be at normal class time

## Requirements

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All students are expected to complete required readings and actively participate in class. Many of the assignments and deadlines are listed below. In addition, other assignments are listed under each class in the syllabus and/or might be given out during class.

### Individual Assignments

	<u>Assigned</u>	<u>Due Date</u>
1. Community Economic Development (classes I,II, III materials)	Class 3	Class 4
2. Real Estate Development	Class 5	Class 7
3. Problem Analysis and Logic Model for Case Study Project	Class 7	Class 9

### Team Project Assignments

4. Team Project - Project and Team Identification	Class 1	Class 4
5. Team Project - Case Study Research	Class 1	Class 6
6. Team Project Progress Presentation	Class1	Class 10
7. Team Project - Feasibility Analysis	Class 1	* see below

Assignments will be distributed through Trunk Website.

### **\* Final Team Project - Items to be Submitted**

1. Please submit a hard copy of PowerPoint Presentation printed out in "handout form" with 2 or 3 slides per page (make sure large enough to be legible) and a hard copy of your paper and any handouts used during the presentation (Must be submitted **before the start** of the Presentation Session – grade penalty for late submission)
2. Please submit an electronic version of your paper and PowerPoint file as well as any handouts used in presentation thru Trunk. If there is any problem uploading to Trunk, please put on a CD.

### **Weight of Assignments**

Class Participation, In-class Case Studies, Homework,	15%
Assignment #1	15%
Assignment #2	15%
Assignment #3	15%
Assignment #4	0% (no grade, but late penalty)
Assignment #5	12%
Assignment #6	4%
Assignment #7	24%
	<hr/> 100%

**UEP 271 – Policies**

1. Several classes will require the use of a calculator. Please come prepared.
2. Bring copies of required readings, case studies and other materials to class.\*\*\*
3. If you have to miss a class, **it is your responsibility to make arrangements with another student to pick up copies of handouts and assignments that you might miss.**
4. If you request an extension on an assignment, there will be a 5% grade penalty. All late assignments must be received no later than 1 week after the due date.
5. Please include the following information on the front cover of your assignments

Submitted to: Peg Barringer, Tufts University Graduate Department of Urban and Environmental Policy and Planning,

Course: UEP 271

Submitted by: (your name or all team member names)

Date: (date of submittal)

**Reader**

Readings required for the class will be available in a separate packet.

The Readers will be available for purchase at Gnomon Copy. Please plan to pick up your reader at Gnomon Copy in time to complete readings for class #2.

Some readings will also be distributed via the Trunk website (see below).

**Trunk Site**

Trunk.tufts.edu

Assignments, some readings and other information will be distributed to students via the Trunk website for UEP 271. Students may also communicate with other students via this site. Students are encouraged to open forums to discuss possibilities for team projects and discuss potential team configuration on the site.

**Communication**

You may communicate with Peg Barringer directly via e-mail at: [pegsquare@aol.com](mailto:pegsquare@aol.com)

Please do not to communicate to Peg Barringer via the Trunk website.

*Professional Bio***Peg Barringer**

Partner, FinePoint Associates, LLC, [www.FinePointAssociates.com](http://www.FinePointAssociates.com)

Tufts University, Graduate Department of Urban and Environmental Policy & Planning

Peg Barringer directs economic development consulting at FinePoint Associates, a Boston based firm with clients throughout the U.S. She has expertise in economic development research, feasibility analysis, program design, planning, implementation and evaluation. She has conducted economic and financial analysis, market research, training and other services for government agencies, financial institutions, nonprofits, social enterprises and real estate developers in over 200 communities. She often assists public and nonprofit clients to analyze their community economies and develop new strategies or evaluate and improve current programs intended to expand local businesses, generate employment, create new enterprises and improve goods and services. For more than 25 years, she has consulted on a wide range of project types including: downtown and neighborhood business district revitalization, microenterprise and small business development, commercial real estate development, creative economy initiatives and a large array of customized market research and economic analysis impact projects. She is a seasoned administrator and project manager and has directed several complex, multi-site projects with large teams of staff and subcontractors.

Ms. Barringer is on the faculty at Tufts University in the Graduate Program of Urban Policy and Planning and the NeighborWorks America Training Institute. She has also provided multiple trainings for the U.S. Department of HUD, state-wide economic development organizations and many other institutions.

Ms. Barringer and her business partner founded FinePoint Associates in 2007. FinePoint Associates currently has a staff of seven employees dedicated to providing technical consulting to entities involved in economic development and affordable housing. Before starting FinePoint, Peg Barringer was the Director of Economic Development Consulting at OKM Associates, Inc. for 13 years. Prior to that, she was the Director of the Commercial and Economic Development Department at Neighborhood Reinvestment Corporation and held economic development positions in the public sector.

Study of Economic Impacts on Local Businesses  
Retail Market Study for Business District  
Loan Program Assessment & Recommendations  
Smart Growth Housing Study in 3 communities  
Business Plan for Creative Economy Incubator  
Economic Development Toolkit and Training  
Transit Corridor Business Recruitment Project  
Commercial Real Estate Finance Training  
Planning for Cultural Districts in 2 Communities  
ED Consulting for 16 Main Street Organizations  
Art Center Development Study

Town Hall Reuse Study  
Village Center Economic Analysis & Strategy  
Development Plan for 2 Multicultural Districts  
Healthy Food Access  
Strategic Plan for Downtown Arts District  
Economic Analysis & Planning for Public  
Property Disposition  
Downtown Market and Development  
Opportunity Assessment  
Strategic Planning for Multi-Cultural Rural  
Organization