

Fall Semester 2010

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

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Course Objectives

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

- Explore the range of strategies and tools available to address economic issues and understand the underlying principles that should guide economic development efforts (with special emphasis on distressed communities and lower income populations);
- Increase knowledge of analytical tools, methods and data sources used to assess local economies;
- Acquire a basic knowledge of technical skills necessary to evaluate feasibility and carry out economic development initiatives involving business development, commercial real estate finance, downtown/business district revitalization and social enterprise creation.
- Develop a framework to evaluate the costs and benefits of economic development programs.

Course Outline at a Glance

<i>Date</i>	<i>Reader</i>	<i>Topics</i>
13-Sept	1	Course Overview; Introduction to Economic Development, Defining CED, Key Players, Overview of Process to Analyze Potential CED Ventures
20-Sept	2	Analyzing Costs and Benefits, Selected ED Terms and Concepts, Industry Sector/Cluster Development, Evolution of Economic Development Paradigms and Strategies
27-Sept	3	Understanding the Community Economy, Improving Economic Conditions, CED Goals, Objectives Strategies and Tools, CED Action Plans
28-Sept 29-Sept	4	Economic Analysis Tools, Methods and Information Sources *** Class 4 will be re-scheduled for one of these days, No Class Oct. 4 ****
11-Oct	5	Commercial Real Estate Development and Finance--Part 1
18-Oct	6	Commercial Real Estate Development and Finance--Part 2
25-Oct	7	Commercial Real Estate Development and Finance--Part 3
1-Nov	8	Business Development Tools Overview; Business Incubators
8-Nov	9	Feasibility Analysis for Economic Development Ventures
15-Nov	10	Commercial District/Downtown Revitalization--Part 1
22-Nov	11	Commercial District/Downtown Revitalization--Part 2
29-Dec	12	Business Loan Programs & Social Enterprise Development
6-Dec		Team Project Meetings
13-Dec		Team Project Presentations

Course Outline

Class 1

I. Course Overview; Introduction to Economic Development, Defining CED, Key Players, Overview of Process to Analyze Potential CED Ventures

- Course Objectives
- Course overview and syllabus
- Reader & Blackboard Site, Requirements, Policies, etc.

- Defining community economic development
- Defining community, defining constituency
- Key Players in Economic Development (government agencies, quasi publics, trade organizations, financial intermediaries, secondary markets, foundations, local non profits/CDCs)
- CDCs – characteristics, operation of for-profit ventures, typical CED activities
- Trade associations and information resources
- Team Project Discussion and Overview of Process for Analyzing Potential ED Ventures

Distribute Assignment #3 & #5 (available on Blackboard website)

Required Reading

Peg Barringer, “Introduction to Community Economic Development” (in Reader and available on Blackboard)

Bibliography/information resources (with live links) (available on Blackboard)

Peg Barringer, Chart - “Analyzing Potential Economic Development Ventures” (available on Blackboard)

Assignment #3 & #5 (available on Blackboard website)

Class 2

II. Analyzing Costs and Benefits, Industry Cluster/Sector Strategies, Evolution of Economic Development Paradigms and Strategies

- Analyzing Costs and Benefits of ED Projects - Case Study Discussion
- Selected Economic Development Terms & Concepts
- Industry Cluster Development/ Sector Development Strategies
- Evolution of Economic Development Paradigms & Strategies
- Team Project Discussion and Pre-Feasibility Analysis Worksheet
- Discuss homework assignment, start to form groups

- Information about Assignment #3 & #5 (available on Blackboard)

Required Readings

Peg Barringer, "Selected Economic Development Terms and the Evolution of Paradigms & Strategies" (rev. 2010)
Employment Multiplier Chart Example

"Tools of the Trade", Planning and Economic Development Toolkit, 2009, American Planning Association and Economic Development Administration

"Pre-feasibility Analysis Worksheet"

Skim/Reference

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

Homework Assignments (due for this class)

1. Case Study: "O Governor, Won't You Buy Me a Mercedes Plant?"

Read 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 Assignment #3 and #5 (available on Blackboard). Conduct Internet research on CED programs/projects, contact potential ED organizations you might want to work with and determine if there is a program/project model that the organization is considering/would like to have some research on; develop ideas for a couple of possible projects/programs to investigate. **Come prepared to share your ideas with classmates.**

Class 3

III. Understanding the Community Economy, Improving Economic Conditions, CED Goals, Objectives Strategies and Tools, CED Action Plans

- Case Study (will get in class)
- Improving Economic Development Conditions – Typology of Strategies
- CED Objectives, Strategies and Tools
- Economic Development Plans - Homework Assignment Discussion
- Mercedes Case Study Follow up after 10 years

Assignment 3 – Part A due

Distribute Assignment #1 (available on Blackboard)

Required Readings

Peg Barringer, “ Improving Economic Well Being of Residents: A Typology of Strategies” rev. 2010

Peg Barringer, “CED Objectives, Strategies and Tools, rev. 2009

Peg Barringer, Ralph Nodine, Michael Doherty, et. al., Community Economic Development: A "How to" Manual for Community-based Development Corporations, Chapter 2-2 "Creating an Economic Development Plan for the Community", pp 53 - 79 (U.S. Dept. of Housing and Urban Development, Washington, D.C.,)

Homework Assignment (due for this class)

Review the Economic Development Plans listed below.

- Greater Philadelphia Economic Development Framework 2009 (excerpt) Table 14: Key Regional Economic Development Projects; You can skim the full document that is available on the Blackboard website
- Portland Economic Development Strategy : A Five Year Plan for Promoting Job Creation and Economic Growth

Select one “project” from the Philadelphia Plan and one “Action” from the Portland Plan and answer the following questions for each

1. Describe the “Project” or “Action”
2. How does this project/action fit within overall economic development strategy for the area?
3. What economic development benefits do you think will result? (Be specific as possible)

Previous Case study Follow-up Articles:

- Laura H. Corbin, “Driving Progress”, Southern Business & Development Website 2006, Rural Alabama Speeds to Success
- 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

Class 4

IV. Economic Analysis Tools & Methods Used in Community Economic Development

Bring calculator to class!

- Using data effectively
- Quantitative versus qualitative analysis
- Primary vs. secondary data
- Tips for analyzing data
- Using Ratios for Comparison
- Adjusting for Inflation
- North American Industry Classification System (NAICS)
- Identifying Basic Industries using Location Quotient Analysis
- Data Sources
- Commercial data firms

Distribute Assignment #2 (available on Blackboard)

Assignment #1 Due

Homework Assignment Due Next Class**Required Readings**•

Peg Barringer, Analytical Tools & Methods for Community Economic Development
(exercises will be done in class)

Appendix - Tab 3: Sample Information from Useful Web Sites

Appendix – Tab 4: Sample Demographic Reports

Analytical Tools Worksheet – In Class Exercise

Reference/For more information:

[Community Economic Analysis: A How to Manual](#), by R. Hustedde, R. Shaffer, & G. Pulver,
revised 2005. pp 1 – 45

Available at:

<http://ncrcrd.org/Publications/BestoffromNCRCDatIowaStateUniversity.aspx>

Class 5

V. Commercial Real Estate Development and Finance – Part 1

Bring calculator to class!

- Progress Discussion -Tips for Working on Team Assignment (3 & 5)
- Roles for the public sector and community based organizations in real estate development
- Project examples
- Real estate development process
- Key players and ownership structures
- Feasibility Analysis process
- Market analysis and leasing issues
- Financial feasibility analysis process
- Development Budget
- Developing the income and expense pro forma

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 Organizations, Revised 2010

River Street Shopping Center Case Study

Worksheets

Homework Assignment (due for this class)

Read Training Guide & Riverside Case Study, Complete only **Worksheet #2**, Use pencil, Bring pencil, eraser and calculators to next three classes

Class 6

VI. Real Estate Development and Finance – Part 2

Bring calculator to class!

- Project Feasibility Analysis (cont'd)
- Income & Expense pro forma (cont'd)
- Determining debt capacity
- Project valuation
- Understanding and Using Capitalization Rate
- Understanding Investors and Investment Goals

Distribute Assignment #4 (Available on Blackboard)

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

The Real Estate Marketplace Glossary: How to Talk the Talk, Federal Trade Commission

Homework Assignment (due for this class)

Read Training Guide & Riverside Case Study, Complete **Worksheet #3** and **Worksheet #1 down to Net Operating Income (use 15% for vacancy allowance)**

Class 7

VII. Real Estate Development and Finance – Part 3

Bring calculator to class!

- Understanding and Using Capitalization Rate (cont'd)
- Understanding Investors and Investment Goals
- Exploring options to close financing gaps
- Breakeven analysis
- Financing Sources
- How Loan Rate and DCR can affect feasibility
- Case Study Discussion: Fruitvale Transit Village

Speaker: To be Announced

Assignment 3 Due

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

Roxbury Arts Center

Peg Barringer, Economic Development Financing Tools and Resources (rev. 2010)

Fruitvale Transit Village Case Study

Reference Reading

Julian Gross, et al., Community Benefit Agreements: Making Development Projects Accountable, Chapter 1 and 2, Good Jobs First and the California Partnership of Working Families (See Blackboard)

Class 8

VIII. Business Development Tools, Business Incubators, Business Retention Strategies

- Definition of small business
- Definition of microenterprise
- Roles for CED organizations/agencies
- Selected tools
- Business incubators

Speaker:

Maria Dickinson, Economic Development Department, Lowell, MA -- “Business Retention Strategies in Lowell”

Required Reading

Peg Barringer, Business Development and Selected Economic Development Tools

“Business Incubation FAQ (Frequently Asked Questions)”, National Business Incubation Association

“Business Incubator Case Study” – Northside CDC

Class 9

IX. 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 - bring Team Project (Assignment 5) information to class

Required Readings

Peg Barringer, "Feasibility Analysis for CED Ventures"

Appendix: Examples of Income and Expense Projections and Startup Budgets

Class 10

X. Commercial District/Downtown Revitalization (Part 1)

- Organizational Models
- The Planning Process
- Components of a Revitalization Strategy
- Business Development – Attracting the Right Tenants, Assisting Existing Businesses to Prosper, Arts Districts, Physical Improvements – Enhancing Aesthetic Appeal, Management, Promotion & Marketing Targeted Real Estate Development
- Discussion of Frankford Avenue Arts Corridor Plan

Required Readings

Peg Barringer, “Commercial District Revitalization Planning Process Chart”

Read and be prepared to discuss case study questions:

Frankford Arts Corridor Plan, New Kensington CDC, Philadelphia, PA

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

<http://www.mainstreet.org/content.aspx?page=3329§ion=2#Nonprofit>

“The National Trust Main Street Center and the Main Street Approach” More information is available at <http://www.preservationnation.org/main-street>

Class 11

XI. Commercial District/Downtown Revitalization (Part 2)

- Implementation Plans for Downtown Revitalization - Downtown Rochester Plan Discussion
- Orleans Village Center– presentation of existing conditions and market study results
- Case Study Activity – Develop a set of specific Action Steps that could be taken to:
 - increase customer draw and ensure long term prosperity of the Village center
 - better meet the needs of the residents and visitor market segments
 - assist businesses in area grow
- Business Districts -12 Steps for Economic Success

Required Readings

Read and be prepared to discuss case study questions:

Rochester, Minnesota: Market-Based Downtown Plan , Part III: Recommendations for Moving Forward (All 3 Parts Available on Blackboard)

“Excerpted Survey Results”, Orleans Village Center Economic Analysis, Peg Barringer, FinePoint Associates, LLC

Peg Barringer, 12 Steps to Economic Success for Commercial Districts, (rev. 2009)

Class 12

Business Loan Programs & Social Enterprise Development

- Business Loan Programs, Purpose, Target Clients, Desired Outcomes
 - Loan program examples
 - Loan program Design Activity
- Social Enterprise
 - Introduction to Social Enterprise
 - Examples of Social Enterprise

Required Readings

Peg Barringer, Ralph Nodine, Michael Doherty, et. al., Community Economic Development: A "How to" Manual for Community-based Development Corporations, Chapter 3-1 "Designing and Administering Revolving Loan Funds", pp 83-98 (U.S. Dept. of Housing and Urban Development, Washington, D.C.)

Loan Program Design Exercise

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

Skim

Peg Barringer, Ralph Nodine, Michael Doherty, et. al., Community Economic Development: A "How to" Manual for Community-based Development Corporations, Chapter 5-3 "Planning the Venture", pp 249 -270 (U.S. Dept. of Housing and Urban Development, Washington, D.C.)

Reference – Example

Haley House Bakery Café Business Plan

Class 13

Team Project Meetings

Class 14

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

Requirements

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.

	<u>Assigned</u>	<u>Due Date</u>
1. Community Economic Development (classes I,II, III and reference material on Financing CED)	Class 3 (9/27)	Class 4 (TBD)
2. Economic Analysis Tools	Class 4 (9/28-29TBD)	Class 6 (10/19)
3. Team Project - Part 1 - A	Class 1 (9/13)	Class 3 (9/27)
3. Team Project - Part 1 - B	Class 1 (9/13)	Class 7 (10/25)
4. Real Estate Development	Class 6 (10/19)	Class 8 (11/1)
5. Team Project - Part 2	Class 1 (9/13)	(12/13)

Assignments will be distributed through Blackboard Website.

Weight of Assignments

Class Participation/in class case studies/exercises, etc.	18%
Assignment #1	15%
Assignment #2	15%
Assignment #3	15%
Assignment #4	17%
Assignment #5	20%
	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 Blackboard website (see below).

Blackboard Site

blackboard.tufts.edu

Assignments, some readings and other information will be distributed to students via the Blackboard Site 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. Please do not try to communicate to Peg Barringer via this site; she must be communicated directly.