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PSC 595.01: Urban Redevelopment

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PSCI 595
Urban Redevelopment
Summer 2011 [Online]

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INTRODUCTION

Every community of a certain size has an area its citizens know as “downtown” or the “central business district.” More often than not, it is the place where the community first began, decades or even centuries before on a cross roads or body of water that supported trade and/or manufacturing. All the elements that make up an urban area—infrastructure like streets and utilities, neighborhoods, stores, schools, etc.—emerge in an interdependent relationship over time in this area. This area is typically the seat of local government, commerce, culture and local history and, for those reasons alone, it has a unique importance and gravity to the community.

Time, innovation, economic influences and social vicissitudes, however, inevitably work against the vitality of center city areas and they frequently fall into decay. Buildings and infrastructure age and are no longer are capable of serving contemporary needs, investment in new retail centers outside the downtown diminish economic vitality, residents moving out to suburbs diminish social vitality, crime goes up, etc. In the face of the deterioration of the urban core, what is the appropriate community response?

COURSE DESCRIPTION:

Urban Redevelopment is a 3 credit course that explores the field of urban redevelopment including policy issues, planning, program and project creation, and public/private partnerships. Specific to the course will be examination of the practice of tax increment financing and the related policy and practical considerations of TIF as a redevelopment tool including budgeting and accountability. Finally, the course will include examination of various relationships between urban renewal agencies and other entities such as state and local government, developers, property owners, businesses, non-profits and neighborhoods.

LEARNING AND COURSE OBJECTIVES:

The course objectives for PSC 595 are as follows, students will be able to:

1. Define and explain basic theory and application of urban redevelopment.
2. Develop an understanding of the Montana Urban Renewal statutes (7-15-Parts 42& 43, MCA)
3. Analyze a potential redevelopment area in order to determine the existence of blight.
4. Recognize the key components of an Urban Renewal Plan, including tax increment financing.
5. Understand Issues of Urban Renewal including use of eminent domain, “urban removal,” social justice issues, use of public funds for private purposes.
6. Understand the concept of public/private partnerships.
7. Understand urban renewal program and project development and identify measures of success.

METHOD OF INSTRUCTION:

PSC 595 objectives will be accomplished through a variety of methods. These include on-line research, readings and court cases, mini-lectures, individual research and writing about redevelopment in Montana cities, and participating in on-line class assignments and discussions designed to stimulate critical thinking and application. Students will prepare an urban renewal plan for a limited area.

COURSE REQUIREMENTS:

All students are required to read the assigned readings, complete assignments and discussion questions and respond to classmates' postings on both the Assignment and Discussion Boards by the due dates. In general, original discussion and assignment postings are due on a given date, and all students are required to read classmates' postings and make thoughtful responses by a date specified.

See Course Information - Grading Requirements for posting grading criteria.

TEXTBOOKS

Reading assignments are drawn from provided readings and linked web sites.

SCHEDULE OF LESSONS

Week 1

Objectives are to study and understand:

1. Why cities are formed and how they develop
2. How cities age and decline
3. The problems of decline
4. The history of Urban Renewal in the US
5. The history of Urban Renewal in Montana

Getting Started - Introductions

Assignment

Discussion Question #1 Community reflection

Reading Assignment #1 Read 7-15-Parts 42 & 43 (MCA)

Week 2 Urban Renewal Law

Objectives are to study and understand:

1. The Montana Urban Renewal Law
2. Public policy statement
3. State and local roles
4. Definition of "Blight"
5. Analysis of blighting conditions and study area
6. Public response to finding of blight.
7. Communicating with the public and officials
8. Tax Increment Industrial Districts.

Discussion Question #2 : Consider the definition of the word "blight" and all the different issues that cause or contribute to it as described in the Montana Urban Renewal Statute. Suggest a better term than "blight" that is consistent with what is being described and defend your suggestion.

Assignment : Making a finding of blight—a field exercise.

Week 3 Urban Renewal Plans

Objectives are to study and understand creating and adopting an Urban Renewal Plan in response to the finding of blight.

1. An Urban Renewal Plan is document for ***Change***.
2. Responsiveness to finding of blight
3. Identification of District
4. General vs. Specific
5. Term of plan
6. Governance—Local Governing Body vs. Agency
7. Staffing
8. Relation to local government
 - a. Existing plans
 - b. Adoption

Reading Assignment: Blight Study and Montana Urban Renewal Plans

Assignment: Compare and contrast urban renewal plans from two communities.

Week 4 Tax Increment Financing

Objectives are to study and understand the basic concept of Tax Increment Financing:

1. History
2. Mechanics
3. Public policy discussion
4. Key factors in TIF growth and development
5. Use of TIF funds
6. TIF cash flow application to redevelopment programs and projects
7. Tax Increment Bonds
 - a) Structure
 - b) When appropriate
 - c) How marketed
 - d) Affect on Urban Renewal Program and local government

Discussion Question #3: “Tax Increment provisions in Urban Renewal plans unfairly divert tax revenues from other taxing jurisdictions.” Do you agree or disagree with this statement? Defend your answer with examples.

Assignment: Calculate Tax Increment Receipts

Week 5 Tax Increment Financing

Objectives are to study and understand the basic concept of Tax Increment Financing:

1. History
2. Mechanics
3. Public policy discussion
4. Key factors in TIF growth and development
5. Use of TIF funds
6. TIF cash flow application to redevelopment programs and projects
7. Tax Increment Bonds
 - a. Structure
 - b. When appropriate
 - c. How marketed

- d. Affect on Urban Renewal Program and local government

Reading Assignment : Read *Kelo et al v. City of New London et al.*

Discussion Question #4: Public Private Partnership: Permissible Permeability?

Week 6 Leveraging Investment: the Public/Private Partnership

Objectives are to study and understand:

1. Private investment pays the bills
 - a. Physical improvements and new construction
 - b. Creates jobs
 - c. Increases taxes
2. What are developers property owners looking for?
 - a. Opportunity
 - b. Advantage
 - c. Reduced Risk and Regulation
 - d. Return on Investment

Assignment: Final Project assigned.

Reading: Chapter 7 Downtown, Inc.

Week 7 Use of TIF (continued) Partnerships with the Private Sector

Objectives are to study and understand a sound, fair and legal relationship with a private sector partner including:

1. Desired outcomes consistent with Urban Renewal Plan and State Law.
2. Equity and investment
3. “But For” situations
4. Policies for evaluating projects (“Rule of 10’s”)
5. Performance
6. Development Agreements
7. Liability & Risk Management
8. Project Management
9. Outcomes.
 - a. Elimination of blight
 - b. Increased Taxes
 - c. Creation of Jobs
 - d. Stimulation of further investment

Assignment : Negotiating a Development Agreement from both sides.

Reading Assignment: Assigned Development Agreements.

Week 8 Use of TIF with Public Partners and Non-Profit Partners

Objectives are to study and understand sound, fair, and legal relationships with state, local and federal partners.

1. Consistency with Urban Renewal Plan and State Law
2. Equity and investment

3. Approvals and Agreements
4. Competition for Grants and Revenue Sharing
5. Policies for evaluating projects
6. Performance
7. Project Management: Who's in Charge?
8. Outcomes
 - a. Elimination of blight
 - b. Improved public infrastructure
 - c. Stimulation of further investment
9. Non-Profit partners
10. Consistency with Urban Renewal Plan and State Law
11. Historic Preservation
12. Public Art and Museums
13. Professional Sports Facilities
14. Special Projects: Case study: A Carousel For Missoula
15. Associations and Districts

Assignment – Submit Google Map coordinates and Existing Conditions of Final Project.

Discussion Question #5 : *Icing or Cake: What is the role of non-profit projects in urban redevelopment?*

Assignment: Respond to Videos of public partners.

Week 9 Urban Renewal Agency Governance and Administration

Objectives are to study and understand:

1. How a governance of redevelopment activities can be organized
 - a. By local governing bodies
 - b. By agency with a board of directors
2. Staffing: What to look for
3. Procurement of Contract Services
 - a. Legal
 - b. Financial
 - c. Architectural and Engineering
 - d. Others
4. Accountability
 - a. Duty to the Public
 - b. Reporting to Board/Local Government
 - c. Annual Report
 - d. Annual Audit
 - e. Transparency of activities
5. Duty to Private Partners
 - a. Proprietary information
 - b. Financial Statements
6. Relations with the Press
7. Open Meeting Law

Discussion Question #6: Who oversees the urban renewal activities?

Reading Assignment: TBD

Week 10

Objectives are to review and evaluate urban renewal plans submitted by class..

Assignment: Submit Final Projects.