Using Public / Private Partnerships To Get What You Want: Let’s say your community adopted a beautiful downtown plan that calls for mixed use and affordable housing; but two years later, the property still sits vacant—what is a poor city to do? Perhaps the answer is a public/private partnership.

According to the National Council for Public/Private Partnerships, such collaborations are “contractual agreements under which the public and private sectors join together in a partnership to utilize the best skills and capabilities of each to better serve the public.” In conventional development, the respective roles of the public sector and private industry are separate and discrete and may even be somewhat adversarial. The advantage of a public/private partnership is that it can bring about the development of projects of value to the community that would not be feasible through conventional methods.

Although there are a multitude of approaches to public/private partnership transactions, the staff of the Urban Land Institute has recently applied their knowledge toward developing a few guidelines for success:

First, know what you want: The key is for a city to be clear about the product it wants and the incentives being provided. Parameters for the project must be set before the bid process begins so that competing developers and the public are on the same page. It’s a good idea to hold public meetings and community visioning exercises to get stakeholder buy-in before a request for proposals is written.

Be transparent: Both the public and private partners need to be up front with their plans to avoid giving any appearance of impropriety.

Implement a competitive selection process: A competitive selection process should keep the public feeling comfortable with the project and assist in finding aggressive and committed partners. The public has two options for selecting a developer. One is a request for qualifications (RFQ) negotiation process. Here, the award is given to the most qualified developer. Negotiations follow to determine the partnership specifics. The other is an RFQ/RFP process in which interested developers submit their qualifications, and then a short list of qualified teams is invited to submit extensive project proposals. This strategy gives a jump-start to the formation of ground rules for participation.

Negotiate a contract: Once the private partner is selected, it’s time to formulate the contract. The document needs to be based on a clear understanding of the benefits of the project for partners as well as the goals and objectives. If the community wants to add additional objectives like the hiring of local contractors or the creation of jobs for low-income residents, this is the time to do it.

Although some of the things that local governments can bring to the table in a public/private partnership can cost the city money, others may be no cost or low cost. Local governments can temporarily advance front-end fees, offer city property for development, provide easements, ease regulations, reduce parking requirements, provide tax increment financing, speed the development process by cutting through red tape, sign a lease to occupy a completed office building, change the zoning, provide a bridge loan, and so on. The toolbox is extensive!

Champions: Any successful endeavor needs a champion. There should be an elected official who is willing to make the project a priority and at least one member of the city staff with the passion to make the project work.

Third parties: The City of Milwaukee has used nonprofit entities to bring public and private partners together. Some communities have found that a third party that is not heavily invested on either side but just wants the project to get built can be extremely useful in insuring that the partnership runs smoothly.

The media: The media can heavily influence public opinion about a public/private partnership. The ULI recommends, “tell your story to the media, with the public and private sector acting arm-in-arm so that the message is clear: We both believe that this is a great deal for everybody.”

Communication: Effective communication is
critical for maintaining trust among the partners. A single individual should be assigned to represent each partner to allow, “one stop shopping” and avoid mixed or conflicting messages.

*Maintaining Support:* The involvement of community groups can play an important role in sustaining community support. The input they provide can also be of value in making the project the best that it can be.

There are numerous examples of public/private partnerships throughout the country. The City of Tucson, Arizona, for instance, has partnered with developers, builders, contractors, communities, and low-income residents to help build affordable housing. The city provided city-owned vacant land and worked with developers and community activists for affordable housing. The city also marketed the properties and found eligible buyers.

Currently, downtown Vallejo, CA is being re-developed through a public/private partnership. In return for contributing seven city-owned parking lots to a developer, the community was rewarded with an extensive public participation process and a new specific plan for the entire downtown. The developer’s buildings will be the first on the ground and will most certainly attract additional investment to an area that was previously languishing.

For additional ideas regarding strategies for attracting investment to the areas of your city where it is needed, we suggest you order the LGC’s guidebook, *Building Livable Communities: A Policymaker’s Guide To Infill Development.* It can be ordered through the LGC’s online bookstore at www.lgc.org.

*Yet Another Imperative for Smart Growth:* As if the obesity epidemic, water pollution, air pollution, and habitat, farmland and open space protection weren’t enough, we now have yet another driving force pushing us toward more walkable communities – high oil prices.

“My house is too big to heat; and it’s too far from work; I drive in a car that’s too large, fueled by gas that’s too expensive; and the money just goes to terrorists, who want to attack the way I live!” This observation from a recent cartoon in the *Washington Post* reflects a growing recognition in the media that there is a link between our automobile-dependent development patterns and our growing vulnerability to oil shortages.

*The New York Times* editorial board recently included “smart growth strategies” in its list of what must be done over the next couple of decades to wean the country off of our dependence on oil. Because we’re going to be building or rebuilding the equivalent of half of everything on the ground now over the next 25 years, it would be foolish not to do it in a way that makes us less dependent on the car.

Other newspapers have made similar observations recently, including the *Minneapolis Star Tribune* and the *Augusta Free Press of Virginia* where they explored the declining desirability of distant suburbs as gas prices rise. And KHOU.com in Houston reported an emerging market for more efficient and appealing development forms.

*Bicycles Assume Increasing Importance as a Commute Option:* A growing number of cities are making it easier for commuters to ride their bikes to work — erasing hurdles big and small, from securing bikes safely downtown, to taking bikes on public transit, to finding a discreet place to shower. Bike stations — public facilities complete with lockers, showers and repair shops — are being built in downtowns from California to Washington, D.C. To manage bicycle-related efforts, cities including Chicago, IL, Louisville, KY, Portland, OR and Davis, CA have biking-policy departments to coordinate bike stations and the building of new bike lanes. A survey of U.S. cities conducted in 2004 found that more than 80 percent of municipalities planned to build new bikeways.

*APA Makes Model Codes Available:* There is a story we hear repeatedly from developers: “The vision in the general plan looks great, but when I tried to build it that way, I found out it’s illegal.” Smart Growth, Livable Communities, the Ahwahnee Principles — all reflect an increasingly popular vision being adopted by communities across the country. However, most local codes haven’t caught up with the vision.

Several years ago the American Planning Association received an EPA grant to review existing model and locally enacted ordinances. While the project was carried out prior to the popularity of form-based codes, the models collected could be useful to many.

Included in the APA’s final product are model ordinances for mixed use zoning; a density bonus for affordable housing; a unified permit review process; transfer of development rights; cluster development; a pedestrian overlay district; shared parking; and street connectivity.

The APA previously produced an audio/web conference on the model codes. The audio portion, powerpoints from the web conference, and background reading materials are available for sale on a CD through the APA’s Planners Book Service: www.planning.org