SAN JOSE STATE UNIVERSITY

URBAN AND REGIONAL PLANNING DEPARTMENT

URBP 205 – PRIVATE DEVELOPMENT AND URBAN PLANNING
URBP/BUS 143 – INTRO TO PRIVATE DEVELOPMENT AND URBAN PLANNING
FALL 2015

Instructor: Greta K. Brownlow, PhD
Office location: Washington Square Hall (WSQ) 218B
Telephone: 510-206-3603 (email preferred)
Email: greta.brownlow@sjtu.edu/greta.brownlow@gmail.com
Office hours: Wednesdays 6:30-7:30 (by appointment)
Class days/time: Wednesdays from 7:30-10:00pm (for both online and in-person sessions)
Classroom: 205 Clark Building
Prerequisites: Graduate/upper division standing or instructor consent
Units: 3

Course Catalog Description
URBP/BUS 143: Introduction to the real estate development process from preliminary product analysis through planning, construction, and marketing.

URBP 205: Study of the entire process of private development from preliminary product analysis through planning, construction and marketing.

Course Description and Course Learning Objectives
This course is designed to examine the nexus between real estate development and urban planning. Students will learn the material using an eight-stage model of the development process, and the material will cover idea conception, feasibility, planning, financing, market analysis, contract negotiation, construction, and asset management. Other topics discussed include but are not limited to market analysis, site acquisition, due diligence, zoning, entitlements, approvals, site planning, building design, construction, financing, leasing, and ongoing management and disposition. The course will include real estate projects, case studies, and guest lecturers.

Upon successful completion of the course, students will be able to meet the following course learning objectives (CLOs):

1. Describe the stages of Highest and Best Use in the real estate development process
2. Identify the primary stakeholders in a given development project.
3. Conduct a thorough site analysis for a development feasibility report.
4. Interpret and translate language used between the real estate development and urban planning worlds.
5. Create a basic cash-flow statement for a real estate development project.

**Planning Accreditation Board (PAB) Knowledge Components**

This course partially covers the following PAB Knowledge Components: 2a and 2b.

A complete list of the PAB Knowledge Components can be found at [http://www.sjsu.edu/urbanplanning/courses/pabknowledge.html](http://www.sjsu.edu/urbanplanning/courses/pabknowledge.html).

**Course Format**

This is a hybrid course, meaning that some sessions will be conducted in person and others will be conducted online. For in-person sessions, students are expected to physically attend on campus. During online synchronous sessions, students must join the online conference session through WebEx during regularly scheduled class time. During asynchronous sessions, students are expected to read the assigned material and complete the associated exercise.

**Required Course Texts**


Urban Land Institute (ULI) UrbanPlan Handbook. To be made available in class.

**Course Assignments and Grading Policy**

Your grade for the course will be based on the following assignments and other activities:

<table>
<thead>
<tr>
<th>Assignments</th>
<th>Percent of Course Grade</th>
<th>Course Learning Objectives Covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assignment #1: Stakeholder Analysis</td>
<td>10%</td>
<td>1 &amp; 2</td>
</tr>
<tr>
<td>Assignment #2: Site Analysis Report</td>
<td>20%</td>
<td>3</td>
</tr>
<tr>
<td>Assignment #3: Urban Plan</td>
<td>30%</td>
<td>4</td>
</tr>
<tr>
<td>Assignment #4: Development Report</td>
<td>30%</td>
<td>5</td>
</tr>
<tr>
<td>Participation</td>
<td>10%</td>
<td></td>
</tr>
</tbody>
</table>
Participation

Your participation grade for this course will be based on attendance of in-person sessions, participation in synchronous online sessions, and completion of four “mini assignments.” These mini-assignments will not be graded, but will be assigned a complete/incomplete status (see schedule below for details).

Assignment 1: Stakeholder Analysis (~1500 words)

In analyzing a potential development scenario developers should always begin by determining who the stakeholders are and what their levels of relative power and influence appear to be. Your task for this assignment is to simulate the process a developer might go through by creating a 1000-1500 word Stakeholder Report for an actual pending development in the San Francisco Bay Area. Information regarding pending development projects can be acquired in person from local governments, or online from local government websites such as the City of San Jose’s website, the City of San Francisco’s website (http://www.sf-planning.org/index.aspx?page=2673), (https://www.sjpermits.org/permits/), or the City of Cupertino’s website (http://www.cupertino.org/index.aspx?page=114). The development project you choose should be a project in the land use approval stage (i.e., a project that is being considered for planning approval by a local government), and should be for new development (not rehabilitation of an existing structure).

Your report should include: (1) a brief description of the development project (including location), (2) a list of the 10 stakeholders in the project, (3) a thorough description of the 5 most important stakeholders, their relative levels of interest and power, and how their level of power and interest may change over time, and (4) a visual that charts each stakeholder’s power, interest, and changing power and interest over time. Your report should conclude with a summary of the opportunities and risks the stakeholders give to the project.

Assignment 2: Site Analysis Report (~2500 words)

This assignment is intended to give you some exposure to how developers and investors assess the feasibility of a site for a particular land use or activity. Using the site of the development project chosen for Assignment 1 as your subject site, you will prepare a Site Analysis Report. Your objective in preparing the report will be to demonstrate how the site in question integrates with its surroundings in order to determine the feasibility and appropriateness of the intended land use or activity. The sources of your information for this assignment will be your own observations of the site (preferably, you should walk the site several times, from end to end in different directions to get different perspectives) as well as any information you can obtain through online research.

To thoroughly characterize the site, your analysis should include information on its physical, biological, and cultural attributes (as described in the LaGro reading), as well as any supporting maps or graphics, as needed. Your report should follow the basic outline:

(1) Site Location and Context: provide a brief description of the location and size of the site and a characterization of adjacent uses, including any nearby rail system, bus stops, bicycle paths, walking paths, etc.
(2) Physical Attributes: describe the physical attributes of the site – characterize the site topography, drainage, physical appearance, local and regional climate, etc.
(3) Biological Attributes: describe the biological attributes of the site – does the site contain
trees or other vegetation, water features such as creeks or wetlands, potential habitat for sensitive wildlife species?

(4) Cultural Attributes: describe the cultural attributes of the site – does it contain historic buildings or other types of cultural resources? Is it representative of any particular time in history or of significance to any particular group of people?

(5) Summary: discuss which attributes may be of concern for planning approvals, financing, and marketability.

Assignment 3: Urban Land Institute Activity - UrbanPlan

For UrbanPlan, students will form development teams and respond to a “request for proposals” for the redevelopment of a blighted site in a hypothetical community. Each team member assumes one of five roles: finance director, marketing director, city liaison, neighborhood liaison, or site planner. Through these roles, you will develop an awareness of who the stakeholders in a given development process might be as well as a visceral understanding of the various market and nonmarket forces that affect that process. Ultimately, you must reconcile the often-competing agendas to create a well-designed, market-responsive, and sustainable project.

For this assignment, teams will address challenging financial, market, social, political, and design issues; develop a pro forma and three-dimensional model of their plan; and present their proposal to a “city council” of ULI members that awards the development contract to the winning team.

To assist student teams in creating a well-designed project, land use professionals who have attended a full day of UrbanPlan volunteer training will come to class at strategic times during the project and will take on the following roles:

- As “Facilitators,” through Socratic interaction volunteers challenge the students to think more critically about the UrbanPlan issues and the specific responsibilities of their “role” (finance, market, site planner, city liaison, neighborhood liaison).
- As “Presenters,” UP volunteers engage in interactive discussions with students on the member’s own project work or specific professional challenges. Through thoughtful questioning, the presenter helps students relate these issues and decisions to struggles the students are experiencing in UrbanPlan.
- As “City Council,” UP volunteers hear student presentations, challenge their proposals as would happen in an actual city council hearing, and award the development contract to the winning development team.

Students are expected to attend in person each of the five UrbanPlan sessions. 50% of your grade will be based upon the quality of your group presentation to the UrbanPlan City council, and 50% will be based upon the completion of your UrbanPlan assignments. Further information on these assignments will be provided later in the semester.

UrbanPlan Reflection (Requirement only for URBP 205 Students)

As part of Assignment 4, URBP 205 students should submit a 2000 word reflection on the role of urban planning in the development process. You should reflect on your UrbanPlan experience by writing critically about the role of urban planning in the real estate development process. You should reflect on your observations and experiences in completing UrbanPlan, as well as using scholarly sources to confirm or refute the importance of your observations and experiences. You should address questions such as (but not limited to):

San José State University

Urban and Regional Planning Department
1. What does the planning system do well in managing the private development process?
2. What does the planning system not do well in managing private development?
3. What are the areas/issues of contention between planners and developers?
4. Does the planning system add value (both privately and publicly) to the development process?
5. How can the private development process be improved to yield better project outcomes?
6. How can the planning system be improved to yield better development outcomes?

Assignment 4: “Back-of-the Envelope” Development Report (~3000 words for URBP 205 students, ~2000 words for URBP 143 students)

The objective of this assignment is to introduce students to how developers and investors initially examine the feasibility of a potential real estate development. The intuition underlying this static approach is that an investor/developer seeks solvency (break-even) in the short run and profitability in the long run. For this assignment, students should use the same project you analyzed for Assignments 1 and 2 to prepare a report including the following components:

(1) A Market Analysis including two components:
   a. Demand Analysis:
      i. Discuss the overall US segment performance of the proposed land use, as well as the outlook for the broader San Francisco market relative to its competition in other U.S. cities. What are the demand drivers that are causing the growth of the given real estate submarket(s) in Northern California and the site area in particular?
      ii. Provide a detailed market analysis of the demand for your proposed development, which should include local cap rates, market prices and rents, and take-up rates. Sources of this data will be discussed in class.
   b. Supply Analysis:
      i. Discuss the supply of similar types of existing properties. Is the market underserved? Oversupplied? Explain using current lease and/or sales listings for properties currently on the market.
      ii. Discuss the supply of forthcoming similar properties in the area of your project. You should research development permit applications for the past year in the city your project is located in, and find those that are most similar to your project.

(2) A “Back of the Envelope” Pro Forma (a template will be handed out in class), which should include, but is not limited, to the following components:
   a. A preliminary estimate of the hard and soft costs of the proposed development
   b. An estimate of the potential NOI, and NOI/Cost ratio
   c. An estimate of the availability and cost of finance for your development.
   d. A future stabilized NOI, and future stabilized NOI/Cost ratio (which includes capital expenditures)
   e. Estimate timeline for project approval, market entry, and sales date.

(3) Executive Feasibility Summary, which should include:
   a. A capsulized summary of (1) and (2) above.
b. A recommendation (supported by the evidence above) of whether the proposed development should proceed.

c. Recommendations for changes to the proposed development to improve feasibility.

**Calculation of Final Course Letter Grade**

The course grade is based on completion of the four assignments and on a participation component. Assignment 1 is worth 10% (10 points), Assignment 2 is worth 20% (20 points), and Assignments 3 and 4 are worth 30% each (30 points each). There is also a class participation grade that is worth 10%. Class participation is worth 10 points. A student’s total points earned out of 100 points will be determine and, using the following grading scheme, will be converted into a letter grade:

A+ (96 and above); A (93 to 95); A- (90 to 92); B+ (87 to 89); B (84 to 86); B- (80 to 83); C+ (78 to 79); C (74 to 78); C- (70 to 73); D+ (67 to 69); D (64 to 66); D- (60 to 65); F (below 60)

Further information on how each of the assignments will be graded will be provided.

**Other Grading and Assignment Issues**

Late assignments will only be accepted with prior consent of the instructor, and will be down graded 10% for each day they are late. Extra credit work may be assigned as needed.

**Course Workload**

Success in this course is based on the expectation that students will spend, for each unit of credit, a minimum of forty-five hours over the length of the course (normally 3 hours per unit per week with 1 of the hours used for lecture) for instruction or preparation/studying or course related activities including but not limited to internships, labs, clinical practica. Other course structures will have equivalent workload expectations as described in the syllabus.

Careful time management will help you keep up with readings and assignments and enable you to be successful in all of your courses. For this class, you will have to undertake additional activities outside the class hours such as visiting your project site. Details on how to complete these activities will be provided during the class lecture on September 2nd.

**Academic Integrity Statement, Plagiarism, and Citing Sources Properly**

Your commitment, as a student, to learning is evidenced by your enrollment at San Jose State University. The University Academic Integrity Policy S07-2 at http://www.sjsu.edu/senate/docs/S07-2.pdf requires you to be honest in all your academic course work. Faculty members are required to report all infractions to the office of Student Conduct and Ethical Development. The Student Conduct and Ethical Development website is available at http://www.sjsu.edu/studentconduct/.

Plagiarism is the use of someone else's language, images, data, or ideas without proper attribution. It is a very serious offense both in the university and in your professional work. In essence, plagiarism is both theft and lying; you have stolen someone else's ideas, and then lied by implying that they are your own.
Plagiarism will lead to grade penalties and a record filed with the Office of Student Conduct and Ethical Development. In severe cases, students may also fail the course or even be expelled from the university.

If you are unsure what constitutes plagiarism, it is your responsibility to make sure you clarify the issues before you hand in draft or final work.

Learning when to cite a source and when not to is an art, not a science. However, here are some common examples of plagiarism that you should be careful to avoid:

- Using a sentence (or even a part of a sentence) that someone else wrote without identifying the language as a quote by putting the text in quote marks and referencing the source.
- Paraphrasing somebody else's theory or idea without referencing the source.
- Using a picture or table from a webpage or book without reference the source.
- Using data some other person or organization has collected without referencing the source.

The University of Indiana has developed a very helpful website with concrete examples about proper paraphrasing and quotation. See in particular the following pages:

- Overview of plagiarism at www.indiana.edu/~istd/overview.html
- Examples of plagiarism at www.indiana.edu/~istd/examples.html
- Plagiarism quiz at www.indiana.edu/~istd/test.html

If you still have questions, feel free to talk to me personally. There is nothing wrong with asking for help, whereas even unintentional plagiarism is a serious offense.

Citation style

It is important to properly cite any references you use in your assignments. The Department of Urban and Regional Planning uses Kate Turabian’s *A Manual for Writers of Research Papers, Theses, and Dissertations*, 8th edition (University of Chicago Press, 2013, ISBN 780226816388). Copies are available in the SJSU King Library. Additionally, the book is relatively inexpensive, and you may wish to purchase a copy. Please note that Turabian’s book describes two systems for referencing materials: (1) “notes” (footnotes or endnotes), plus a corresponding bibliography, and (2) in-text parenthetical references, plus a corresponding reference list. In this class, students may use either system, as long the chosen method is used consistently throughout a given document.

Accommodation for Disabilities

If you need course adaptations or accommodations because of a disability, or if you need to make special arrangements in case the building must be evacuated, please make an appointment with me as soon as possible, or see me during office hours. Presidential Directive 97-03 at http://www.sjsu.edu/president/docs/directives/PD_1997-03.pdf requires that students with disabilities requesting accommodations must register with the Accessible Education Center (AEC) at http://www.sjsu.edu/ace to establish a record of their disability.
You can find information about the services SJSU offers to accommodate students with disabilities at the Accessible Education Center website at www.sjsu.edu/aec.

**Accommodation to Students' Religious Holidays**
San José State University shall provide accommodation on any graded class work or activities for students wishing to observe religious holidays when such observances require students to be absent from class. It is the responsibility of the student to inform the instructor, in writing, about such holidays before the add deadline at the start of each semester. If such holidays occur before the add deadline, the student must notify the instructor, in writing, at least three days before the date that he/she will be absent. It is the responsibility of the instructor to make every reasonable effort to honor the student request without penalty, and of the student to make up the work missed. See University Policy S14-7 at http://www.sjsu.edu/senate/docs/S14-7.pdf.

**Consent for Recording of Class and Public Sharing of Instructor Material**
Common courtesy and professional behavior dictate that you notify someone when you are recording him/her. You must obtain the instructor's permission to make audio or video recordings in this class. Such permission allows the recordings to be used for your private, study purposes only. The recordings are the intellectual property of the instructor; you have not been given any rights to reproduce or distribute the material.

**Library Liaison**
The SJSU Library Liaison for the Urban and Regional Planning Department is Ms. Toby Matoush. If you have questions, you can contact her at toby.matoush@sjsu.edu or 408-808-2096.

**SJSU Writing Center**
The SJSU Writing Center is located in Clark Hall, Suite 126. All Writing Specialists have gone through a rigorous hiring process, and they are well trained to assist all students at all levels within all disciplines to become better writers. In addition to one-on-one tutoring services, the Writing Center also offers workshops every semester on a variety of writing topics. To make an appointment or to refer to the numerous online resources offered through the Writing Center, visit the Writing Center website at http://www.sjsu.edu/writingcenter. The SJSU Writing Center is located in Room 126 in Clark Hall.

**SJSU Counseling and Psychological Services**
The SJSU Counseling and Psychological Services is located on the corner of 7th Street and San Fernando Street, in Room 201, Administration Building. Professional psychologists, social workers, and counselors are available to provide consultations on issues of student mental health, campus climate or psychological and academic issues on an individual, couple, or group basis. To schedule an appointment or learn more information, visit Counseling and Psychological Services website at http://www.sjsu.edu/counseling.

**Dropping and Adding**
Students are responsible for understanding the policies and procedures about add/drop, grade forgiveness, etc. Refer to the current semester's Catalog Policies section at
Add/drop deadlines can be found on the current academic year calendars document on the Academic Calendars webpage at http://www.sjsu.edu/provost/services/academic_calendars/. The Late Drop Policy is available at http://www.sjsu.edu/aars/policies/latedrops/policy/. Students should be aware of the current deadlines and penalties for dropping classes.

Information about the latest changes and news is available at the Advising Hub at http://www.sjsu.edu/advising/.
## Course Schedule*

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<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Format/Readings</th>
<th>Assignments due</th>
</tr>
</thead>
<tbody>
<tr>
<td>8/26</td>
<td>NO CLASS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9/2</td>
<td>Introduction</td>
<td>In-person: Review of course syllabus and expectations</td>
<td></td>
</tr>
<tr>
<td>9/9</td>
<td>Analyzing the Development Process</td>
<td>Online Asynchronous: Read Miles (Ch. 1 through 3)</td>
<td>Answer questions 3.1-3.9 on pg. 64</td>
</tr>
<tr>
<td>9/16</td>
<td>Site Analysis</td>
<td>Online Synchronous: Read LaGro (Chapter 3)</td>
<td><strong>Assignment 1</strong></td>
</tr>
<tr>
<td>9/23</td>
<td>Planning Constraints</td>
<td>Online Asynchronous: Read Miles (Ch. 13)</td>
<td>Answer questions 13.1-13.7 on pg 321</td>
</tr>
<tr>
<td>9/30</td>
<td>Economic and Market Analysis</td>
<td>Online Asynchronous: Read Miles (Ch. 11)</td>
<td>Answer questions 11.1-11.5 on pg 268</td>
</tr>
<tr>
<td>10/7</td>
<td>Finance – Project Valuation and Cash Flow</td>
<td>Online Asynchronous: Read Miles (Ch. 7&amp;8)</td>
<td>Answer questions 7.1-7.9 on pg 174 and questions 8.1-8.8 on pg 200</td>
</tr>
<tr>
<td>10/14</td>
<td>Site Visit</td>
<td>Online Asynchronous: Visit your project site and complete site report checklist for Assignment 2</td>
<td><strong>Assignment 2</strong></td>
</tr>
<tr>
<td></td>
<td></td>
<td>UrbanPlan Exercise 3</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Topic</td>
<td>Format/Readings</td>
<td>Assignments due</td>
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<tr>
<td>11/11</td>
<td>UrbanPlan</td>
<td>In-person: UrbanPlan – First Facilitation</td>
<td></td>
</tr>
<tr>
<td>11/18</td>
<td>UrbanPlan</td>
<td>In-person: UrbanPlan – Second Facilitation</td>
<td></td>
</tr>
<tr>
<td>11/25</td>
<td>No Class</td>
<td>Thanksgiving</td>
<td>Assignment 3</td>
</tr>
<tr>
<td>12/2</td>
<td>UrbanPlan</td>
<td>In-person: UrbanPlan – Final Presentations</td>
<td></td>
</tr>
<tr>
<td>12/9</td>
<td>Pro-Forma</td>
<td>Online Synchronous: Pro-Forma Workshop #1</td>
<td>Assignment 4</td>
</tr>
<tr>
<td>12/16</td>
<td>Finals Week (7:45-10pm)</td>
<td>Online Synchronous: Pro-Forma Workshop #2</td>
<td></td>
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</tbody>
</table>

*In-person sessions must be attended in classroom; Online synchronous sessions must be attended during class time using WebEx meeting space; Asynchronous sessions entail no official meeting but students must complete exercises by the end of the week. WebEx meeting invitations will be sent to students, and WebEx links will be posted weekly to the course Canvas Home Page. Adjustments may be made as to which online sessions will be synchronous versus asynchronous; however, no additional in-person sessions will be scheduled.