

## **PRINCIPLES OF GOOD PLANNING PRACTICE FOR PUBLIC-PRIVATE URBAN REVITALIZATION PARTNERSHIPS**

---

Rob Kurucz (rmk48), Ivy McCottry (imm5), Sam Strong (srs59), Eunice Omole (eio2)  
CRP 649: Final Assignment  
Due Date: March 6, 2007

This paper summarizes key principles of good planning practice for public-private urban revitalization partnerships. A successful partnership between the public and private sectors depends on the active and coordinated involvement of all stakeholders. Problems in public-private partnerships generally result from challenges arising from uncoordinated working relationships between sectors. Lack of executive and project leadership, insurmountable communication issues, and/or deficiencies in planning and processes can also create barriers to successful collaboration and ultimately, implementation<sup>1</sup>.

What does it take to make public-private urban revitalization partnerships work? Good planning takes into account diverse perspectives and impacts, allowing decision-makers to identify and implement the most effective ways to achieve goals. In order to promote sustainable solutions and to ensure that public-private partnerships benefit all citizens, public-private partnerships must be carried out in accordance with sound principles. There is a great deal of literature and resources outlining good practice in making partnerships work. Based on research, this paper can serve as a checklist of comprehensive principles that help achieve good planning practice for public-private urban revitalization partnerships:

### **1. The partnership should be spearheaded by well-informed and visible leadership.**

Strong public-private partnerships require the active involvement of prominent and visible leaders from the public sector and the private sector. Leadership involvement from both sectors is necessary for cross-sector collaboration and is also essential to the public's perception and acceptance of the partnership and its objectives. Well-informed and engaged political leadership can be critical to public perception and acceptance of the partnership. Leaders' value of the partnership can result in public value of the partnership.<sup>2</sup>

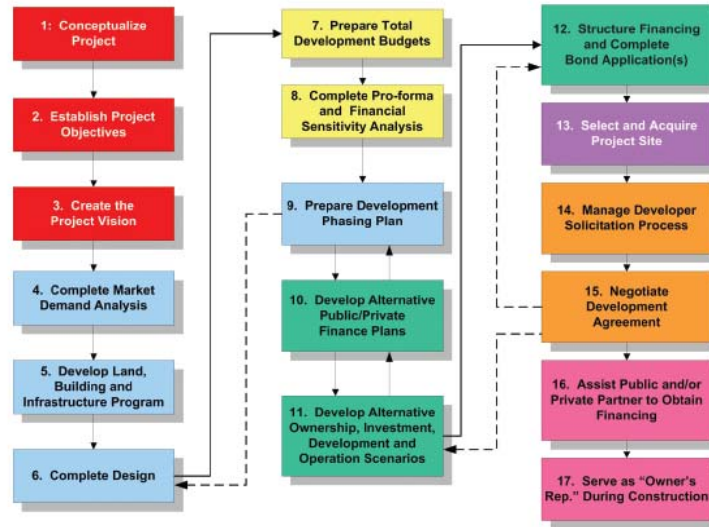
### **2. The partnership should be understood by all stakeholders through a clearly defined vision with comprehensive goals, evaluation criteria and performance indicators.<sup>3</sup>**

Creating a vision is not always an easy task, and it is crucial that the vision is a shared vision. The vision for the partnership should be the result of a consensus-building process that identifies the objectives, risks, and opportunities for all stakeholders. Public sector participants (i.e. local, regional and state governments and agencies) must consider and establish long-range public interest goals and resolve any conflicts that it might exist for the specific project in question. It is essential that the overall

development strategy is described both verbally and graphically to ensure that both the public and private sector understand their shared vision and the roles they need to play in respect to that vision.

Exhibit 1 illustrates that the predevelopment process establishes how the partnership's shared vision can be realized and indicates the level of preparation needed by the public sector to structure and implement the project.<sup>4</sup>

**Exhibit 1 Proven Pre-Development Process**



Copyright © Stainback Public/Private Real Estate (SPPRE)

**3. The partnership should establish a clear and rational decision-making process.<sup>5</sup>**

All partners need to articulate and agree upon the process to be followed and the rules of engagement to be used to structure a deal with public and private dimensions as early as possible. Agreement on process helps ensure that the partnership establishes effective policies and implements them efficiently and collaboratively. Furthermore, a documented decision-making process increases transparency and facilitates the sharing of information about the project.

**4. The partnership should use contingency-based planning when appropriate.**

This helps identify a wide range of potential solutions and results in the implementation of the most cost-effective strategies justified at each point in time, with additional strategies available for quick deployment if needed in the future.<sup>6</sup> A planning process will sometimes initially fail, but succeed if repeated due to changing circumstances or greater stakeholder understanding and commitment.

**5. The partnership should establish a regular cycle of review of its performance.**

There should be a review in which partners assess how well the partnership is fulfilling its purpose, and decide on actions necessary to improve the partnerships “performance” if appropriate. This review and evaluation is reported publicly in a clear and accessible manner. A process of performance management where clear targets are set for delivery and where there is regular monitoring of performance against these should be in place.<sup>7</sup>

**6. The partnership should promote equity and sustainability through job creation, strengthening of low and moderate-income communities and protection of the natural environment<sup>8</sup>.**

Economic development is a critical objective for all partnerships. The provision of jobs and other opportunities are needed to enhance disadvantaged and/or marginalized populations and to make regions stronger and more competitive.

Along with equity, economic development through public-private partnerships should encourage development that minimizes disruption and degradation of the natural environment. There, a reasonable proportion of revitalization efforts should be concentrated in sites in areas suffering from poverty, a weak job market, and/or abandonment.

**7. The partnership should have effective communication between all partners.**

Communication is a means for transparency in public-private partnerships and allows for efficiency in decision-making and implementation.<sup>9</sup> Early and frequent communication with all stakeholders is effective communication because it gets partners involved in the process.

Communication is also a way in which the shared vision of partners becomes apparent.<sup>10</sup> Recognition of the shared vision creates value for the partnership which leads to support and further engagement.

**8. Partners should conduct feasibility analyzes throughout the partnership.**

Research or due diligence on all issues relevant to the partnership (technical, social, financial, etc.) needs to be conducted by partners throughout the process because there are risks, limitations and rewards to partners' involvement that need to be made known (Exhibit 2). Risks and limitations change throughout the process and as such, means for addressing those risks and limitations should change accordingly. This is especially true for the financial aspect of public-private partnership where the private sector is usually taking unusual risks because of public sector involvement. Through feasibility analyzes, partners be can do scenario planning and structure creative public/private finance plans.<sup>11</sup>

**Exhibit 2** Framework for Risks and Rewards Balance Sheet

<b>Risks</b>		<b>Rewards</b>	
<b>Public</b>	<b>Private</b>	<b>Public</b>	<b>Private</b>
<b>Conflicts of interest, perceived or real</b>	<b>Excessive costs of development, unprofitable</b>	<b>Greater community wealth, tax base, public infrastructure</b>	<b>Resources to sustain organization</b>
<b>Use/misuse of public funds, resources, perceived or real</b>	<b>Time-consuming process required; time is money</b>	<b>Increased taxes, other revenue</b>	<b>Profitability</b>
<b>Controversial impacts on those directly affected:</b> <ul style="list-style-type: none"> <li>• Land use conflicts with adjacent property owners</li> <li>• Dislocation by condemnation</li> <li>• Relocation costs and procedures</li> <li>• Disagreements on fair market value</li> </ul>	<b>Failure to create long-term value</b>	<b>Promote, advance city image</b>	<b>Value, wealth creation</b>
	<b>Accusation of being unfairly enriched at public expense</b>	<b>Job creation</b>	<b>Enhanced reputation, experience to get next project</b>
	<b>Change in key public, political, or staff leadership that derails partnership</b>	<b>Community betterment, enhanced quality of life</b>	<b>Market niche</b>
	<b>Market shortfall, failure</b>	<b>Reelection (elected officials)</b>	<b>Community betterment, enhanced quality of life</b>
	<b>Loss of invested equity</b>	<b>Job retention, advancement (staff)</b>	
<b>Developer fails to perform or goes out of business</b>	<b>Untimely public airing of critical project details, especially financing</b>		
<b>Public opposition, NIMBYism</b>	<b>Liability impacts</b>		
<b>Liability impacts</b>			

## **Resources and Reference for More Information:**

---

<sup>1</sup> Keys to Collaboration: Effective Public-Private Partnerships  
(<http://www.nascio.org/publications/documents/NASCIO-Keys%20to%20Collaboration.pdf>)

<sup>2</sup> NASCIO, 2006 7

<sup>3</sup> Reid Ewing (2006), Best Development Practices, Planners Press ([www.planning.org](http://www.planning.org))

<sup>4</sup> Ten Principles for Successful Public/Private Partnerships, Urban Land Institute (ULI) 2005 ([www.uli.org](http://www.uli.org))

<sup>5</sup> Ten Principles for Successful Public/Private Partnerships, Urban Land Institute (ULI) 2005 ([www.uli.org](http://www.uli.org))

<sup>6</sup> Reid Ewing (2006), Best Development Practices, Planners Press ([www.planning.org](http://www.planning.org))

<sup>7</sup> Scottish Executive Publications, Effective Partnership Working, March 2004  
(<http://www.scotland.gov.uk/Publications/2004/04/19167/35260>)

<sup>8</sup> Metropolitan Area Planning Council (MAPC), Smart Growth Principles:  
([http://www.mapc.org/regional\\_planning/MAPC\\_Smart\\_Growth.html](http://www.mapc.org/regional_planning/MAPC_Smart_Growth.html))

<sup>9</sup> Ten Principles for Successful Public/Private Partnerships, Urban Land Institute (ULI) 2005 ([www.uli.org](http://www.uli.org))

<sup>10</sup> Ten Principles for Successful Public/Private Partnerships, Urban Land Institute (ULI) 2005 ([www.uli.org](http://www.uli.org))

<sup>11</sup> Ten Principles for Successful Public/Private Partnerships, Urban Land Institute (ULI) 2005 ([www.uli.org](http://www.uli.org))