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Abstract

This paper describes a classroom exercise in which students apply negotiation and project finance skills in a simulated economic development negotiation. The goal of the exercise is that students' experience of negotiating a deal will lead them to constructively explore concepts of "good process" and "just outcomes." Public–private development dominates redevelopment practice, and its vocabulary—that of negotiation and contracting—has gained ascendance in the field. Trends in planning pedagogy reflect this phenomenon, but training for professional planners also needs to encompass their future roles as exercisers of situated ethical judgment.

Keywords

economic development, citizen participation, planning theory, politics and society

Introduction

Three decades after planners in North America and Europe began adopting the public–private partnership approach, such arrangements have become the norm in urban redevelopment and city-building (Campbell, Ellis, and Henneberry 2000; Fainstein 2001; Sagalyn 2007). While sometimes regarded warily by planning scholars, development deals—real estate transactions involving joint financing arrangements and implicating complex contractual relationships between municipal authorities and property development firms (see van der Veen and Korthals Altes 2012)—are widely accepted in practice. Accordingly, and often in response to student demand, instructors and administrators have incorporated real estate finance and public–private contracting into city planning education. Each of the ten largest city planning programs in North America offers at least one real estate development course, either in its own curriculum or cross-listed with a business degree program. Several programs offer joint degrees or certificates in real estate in collaboration with schools of business or public policy (Table 1). The same is true of a large majority of programs ranked in the "Top Ten" by the website Planetizen.

In addition to spurring demand for technical skills in real estate finance, the ascendancy of the public–private partnership places new emphasis on a working familiarity with negotiation and contracting. Arguably, to become a competent planner in the current redevelopment milieu requires not just learning to plan but learning to make deals (Sagalyn 2007). The redevelopment literature describes transactions in which public sector actors sit across the negotiating table from developers, with all parties striving to maximize value under conditions of varying risk and leverage (Ennis 1997; Sagalyn 1997, 2007; Weber 2002, 2007). Negotiation tends to be pragmatic, tactical, and outcomes driven. Game theory is its intellectual substrate.

In the planning canon, this paradigm contrasts with the literature and pedagogy of deliberative engagement, which has traditionally drawn on theories of discursive democracy and focused on reasoned discussion rather than on outcomes (Forester 1989, 1999; Healey 1997; Hoch 2007). The values inherent in democratic deliberation—multi-stakeholder representation, inclusivity, the co-production of plans and policies by affected actors, and the representation of individuals and groups traditionally marginalized in the planning process—arise frequently in the planning theory curriculum and are also covered extensively in courses specifically devoted to participatory processes. But these ideas are not

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Table 1. Real Estate Courses at the Ten Largest[a] PAB-Accredited Planning Programs.

Institution	Real Estate Courses offered within City Planning Masters Degree program	Options for students to study real estate finance outside of City Planning Department
University of Illinois, Chicago	1. Development Finance Analysis	Master of Arts in Real Estate co-offered with business school.
Rutgers University	1. Land Development Practice 2. Housing Economics and Markets 3. Real Estate Finance & Investment Analysis 4. Appraisal, Analysis, Pro formas/Real Estate 5. Real Estate Finance & Legal Requisites	
University of Southern California	1. Market Analysis for Real Estate Development 2. Finance of Real Estate Development (Courses offered through Real Estate Program but open to planning students)	Certificate in Real Estate Development offered through School of Public Policy.
Universite de Montreal	1. Promotion immobilière et habitat urbain (Real Estate and Urban Habitat) 2. Financement international de l'habitat (International Housing Finance)	
University of Pennsylvania	1. Introduction to Property Development 2. Progressive Development 3. Housing in Developing Countries	Students are also referred to the business school for real estate courses. Certificate in Real Estate Design and Development co-offered with business school.
University of Michigan	Six courses including Real Estate Development, Real Estate and Urban Development, and Structuring Real Estate Financial Deals	Graduate School offers interdisciplinary Certificate in Real Estate Development open to planning students that combines courses from urban and regional planning, business, law, and other programs.
Massachusetts Institute of Technology	Twelve courses (many of which are cross-listed with MIT's Center for Real Estate) including Real Estate Finance and Investment, Real Estate Ventures I: Negotiating Development-Phase Agreements, and Real Estate Ventures II: Negotiating Leases, Financings, and Restructurings	
University of California, Los Angeles	1. Affordable Housing Development 2. Housing in Developing Countries: Policy Objectives and Options 3. Real Estate Development and Finance (Cross-listed with School of Architecture & Urban Design)	Students are also referred to the business school for real estate courses.
New York University	1. Real Estate Development Finance	Students are also referred to the schools of law and business for real estate courses.
Florida State University	1. Real Estate Valuation 2. Topics in Real Estate Finance and Appraisal 3. Real Estate Investment—Project Seminar (All courses offered through business school but are listed with planning department and open to planning students)	Real Estate Certificate is offered in collaboration with the College of Business.

Sources: Planning Accreditation Board (PAB) Annual Report Online Database; Program websites.
[a]As measured by number of students enrolled as of December 31, 2011.

endemic to classroom instruction on the practice of urban economic development or property development.[1]

The result is that when teaching real estate development as a facet of urban economic development, academic practitioners of planning face an uneasy dichotomy between deliberation—which embraces the "plannerly" virtues of inclusivity and participation—and negotiation, the procedural vocabulary of public–private contracting. This dichotomy is felt acutely by instructors who are interested in incorporating principles of equity and social justice into redevelopment pedagogy. Progressive critics of discursive approaches to planning assert the insufficiency of a procedural definition of justice (Campbell 2006; Fainstein 2010), and take the deliberative democracy paradigm to task

for being overly process oriented. Yet these critics are no happier with the conceptual foundations and practical methodologies of real estate–oriented economic development, which (they maintain) unquestioningly accepts market rationality and relegates equity to at best a marginal role (see Purcell 2009). Negotiation scholars argue that improving negotiation and contracting practices within the conventional economic development paradigm can be a route to remedying the systematic power imbalances and habits of mind that perpetuate social polarization (see Susskind 2011). But scholars and practitioners concerned with distributive justice question whether improving negotiation and contracting practice will, in the context of structural inequity, create better, more just outcomes for low-wealth/low-income and politically disfranchised communities (Fainstein 2011).

This paper describes the logic, structure, and outcomes of a classroom exercise that engages this issue. Assigned in a course titled "Techniques of Urban Economic Development," the exercise requires students to apply negotiation and real estate finance skills in the context of a simulated development negotiation based on an actual case. Though chiefly a negotiation, the exercise juxtaposes contract negotiation and public deliberation frameworks in a way that prompts reflection on each. The negotiation also requires students to contemplate what occurs when interest groups with justice-related claims insert themselves into a development planning process, and to formulate their own grounded theories about how planners ought to respond to such claims. The goal is that the experience of negotiating a "deal," a familiar meme, will lead students to constructively explore concepts of "good process" and "just outcomes."

The paper proceeds as follows: I first describe the case on which the exercise is based, which emanated from a request on the part of Cherokee Investment Partners to the City of Denver's urban redevelopment agency in 2002 to participate financially in a high-profile redevelopment project on the site of a former industrial campus. Second, I describe the adaptation of the case as a classroom exercise, pointing to its applicability under both negotiation and participation rubrics. Third, I discuss students' implementation of the exercise, focusing especially on the decisions faced by students acting in the roles of development agency staff. I conclude with commentary on the value of the case not only in illuminating the precepts of effective negotiation but also in surfacing key normative issues in economic development planning practice.

The Gates–Cherokee Case

In June 2002, the private equity firm Cherokee Investment Partners announced plans to redevelop a fifty-acre brownfield on the site of the former Gates Rubber Company, an industrial campus abandoned in the mid-1990s when Gates, a producer of automotive and industrial tires, belts, and hoses, moved its manufacturing operations overseas. Located at the intersection of two major auto corridors—Highway I25 and South Broadway—the Gates site was immediately adjacent to a key stop on the rapidly developing regional light rail system (Figure 1). According to a plan laid out by Denver's Regional Transportation District, five light rail lines originating in southern suburbs would converge at the I25/Broadway station on their way to downtown Denver, linking visitors and commuters to the central business and trendy LoDo districts, the state government complex, and the planned Union Station neighborhood. Cherokee's proposed master plan for the Gates site featured a mix of offices, retail, entertainment, and housing. The development firm characterized the project as "a world-class urban village that complements Denver's city-wide assets, takes responsibility for integrating existing neighborhoods, and captures the benefits of light rail transit" (Cherokee Denver LLC 2007).

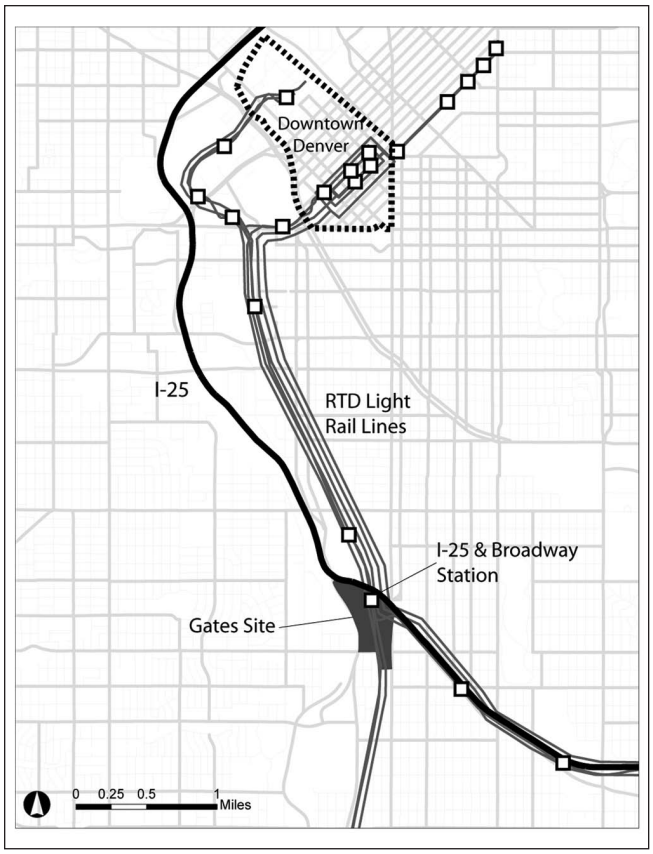


Figure 1. Gates-Cherokee project site in the context of Denver light rail development.
Source: Map created by Lauren Nolan.

In June 2003, the Denver Urban Renewal Authority (DURA) re-zoned the site, which was bisected by Denver Consolidated Main Line (CML) railroad tracks, using a new "transit-oriented mixed use" designation. DURA officials also created an urban renewal district for the area, opening the way for the creation of special taxing districts that would

generate funds to help Cherokee overcome financial obstacles burdening the site. These were its bifurcation by the CML, a lack of infrastructure suitable to the proposed new uses, and considerable environmental contamination. Cherokee requested city subsidies of $250 million, including $126 million associated with two special districts. These were to be a TIF (or tax increment financing) district keyed to increases in property values and levies, and a metropolitan taxing district supported by sales tax revenues.[2]

In the past, forming and authorizing TIF districts had been politically uncomplicated for DURA officials. But in this case, two features of the Gates TIF—its unprecedented size in Denver's overall redevelopment context and the fact that the Denver City Council, which was required by law to approve the arrangement, had recently gained several pro-organized labor members in a very close mayoral election—presented an opening for the Front Range Economic Strategy Center (FRESC), an advocacy group affiliated with the Denver Regional Labor Federation. Allying with environmental, affordable housing and neighborhood advocates, FRESC formed the Campaign for Responsible Development (CRD). This coalition included twenty-four members and thirty-two endorsers from among religious congregations, unions, housing groups, and community-based organizations around the region. The CRD argued that the Gates project, because of the public subsidy involved, should be held to higher standards than an ordinary development with respect to labor, affordable housing, and environmental remediation.[3] It approached Cherokee with a request to discuss a community benefits agreement.[4]

Cherokee at first met with but then rebuffed the advocates. As one firm representative put it, while the CRD regarded early talks as negotiations, the developer viewed them only as conversations (Read, n.d.). Cherokee saw the Denver Urban Renewal Authority as its sole partner in setting the parameters of a development agreement; DURA, too, viewed the firm as a partner, and the two parties were aligned in their commitment to clearing the political hurdles blocking the approval of a TIF district (Denver Urban Renewal Authority 2006). However, FRESC and the CRD appealed directly to public opinion and city council members to press their case,[5] capitalizing on the auspicious climate created by Mayor John Hickenlooper's repeated calls for solutions to homelessness and housing poverty in the city. FRESC's argument was also bolstered by public concern about the unprecedented size of the proposed TIF bond, and by consternation over the possibility of trichloroethylene contamination in a residential neighborhood near the Gates site. By producing turnout at public meetings and focusing media attention on all three of the issues it had taken up (housing, jobs, and public health), the coalition effectively cast the Cherokee–Gates project as a site for the expression of social and fiscal values in Denver (Center for Community Builders 2007; Read, n.d.). This advocacy persuaded a majority of the City Council to withhold approval of the TIF in the absence of CRD's support.

Cherokee officials ultimately introduced an affordable housing plan that included a significant number of units for families below 50 percent of the AMI. They also committed to pay prevailing wages to workers engaged in infrastructure construction. Additionally, as a result of actions taken by the Colorado Department of Public Health and the Environment, Cherokee became subject to higher standards for trichloroethylene remediation. DURA made a commitment to the advocates as well, promising to improve its first-source hiring policy and to pay particular attention to local hiring on the Gates project. Cherokee did not consent, as the advocates had hoped, to pay prevailing wages to workers constructing buildings on the site or to hold future tenants to wage standards. But the commitments they did make were sufficient to gain CRD approval, and thus smoothed the City Council's February 2006 passage of the TIF. Cherokee and the coalition did not sign a community benefits agreement. Rather, the public agency and the developer incorporated some coalition priorities into their bilateral development agreement (Read n.d.; Wolf-Powers 2010).

The Classroom Exercise

The case method is not a signal component of planning education as it is in schools of business and public administration. However, the method aligns well with the pedagogical principles articulated by Christensen (1993), in a seminal paper about how to expose students to the sorts of practical situations they will encounter in the field as professionals. Christensen stresses the importance of helping students discover how organizations work, providing them with the tools to understand typical "practice settings," and encouraging them to consider the institutionally and historically informed cultures within which multiple actors in the planning process operate. While she intends that her "practice templates" be used primarily for analysis and strategy development, the concept of the practice template can easily be adapted to a simulation or role-play.[6] The case at hand offers a context for interactive and experiential learning along the dimensions Christensen envisions.

The simulated practice setting in the case is the city of Dartsville, identified as a large city in the western United States, where the firm "Portico Dartsville, LLC" and the Dartsville Urban Redevelopment Authority (DURA) are negotiating a development agreement for a site formerly owned by an industrial firm, Remco.[7] The object of the negotiation is for two of the parties, DURA and Portico, to reach an agreement about the nature and amount of public subsidy to this project. The goal of the simulation is to vet many of the issues at play in a public–private development negotiation while giving students a chance to practice both negotiation skills and development pro forma analysis. It conforms to the basic standards for a simulated negotiation put forward by Susskind and Corburn (1999): a written background

piece, confidential instructions for each of several players, a bounded "game" period during which negotiation occurs (typically by multiple groups playing at the same time), and a debriefing component that encourages participants to reflect and compare outcomes (1–2).

At the start of the exercise, students are divided into two or more teams. Each team consists of two students in the role of the developer, two in the role of development agency staff, and three to five in the role of members in a community coalition working from outside of the official process to exert influence on the outcome. Students learn that the exercise emanates from an actual case, but the identity of the case is concealed. Concealment prevents students from discovering "what really happened" before or during the exercise.

Instructions to the Subgroups

Within each team, all subgroups (developer, development agency, or coalition) receive a background document several days in advance of the first negotiation session. This document outlines the basics of Portico's Remco project and describes the Dartsville political climate. At the same time, each subgroup receives a one-page document that is confidential and group-specific. The developer group's specific instructions can be paraphrased as follows:

> [Portico] is the best in the business, cleaning up thousands of acres of contaminated land around the world . . . you see this project as yet another example of your good corporate and world citizenship. Your goal is to maximize your investors' returns and minimize their liabilities and obligations. However . . . controversy [over the TIF district] in the Council and the press is leading you to think about how much subsidy you really need in this deal to get a minimally acceptable return.

The development agency's instructions also focus on arriving at a deal: "This is a perfect project that will bring national attention to Dartsville and earn you big points with the Mayor." But as befits its distinct institutional context, this group is also alerted to concerns about the fiscal impacts of the project and to the advocates' argument that public subsidy should be conditioned on specific community benefits:

> It is your job to negotiate the best possible deal for Dartsville. You fear that Portico's subsidy demand will lead to a project NPV [net present value] that is technically negative from the point of view of the city. . . . Any gap between what the developer can manage financially and what the project costs will only widen if you accept any of the modifications requested by the Campaign for Public Benefits in Development. . . . [However] you too are interested in making sure that the entire city has a chance to benefit from this project.

The community group, known as the Coalition for Public Benefits in Development (CPBD), receives the following guidance:

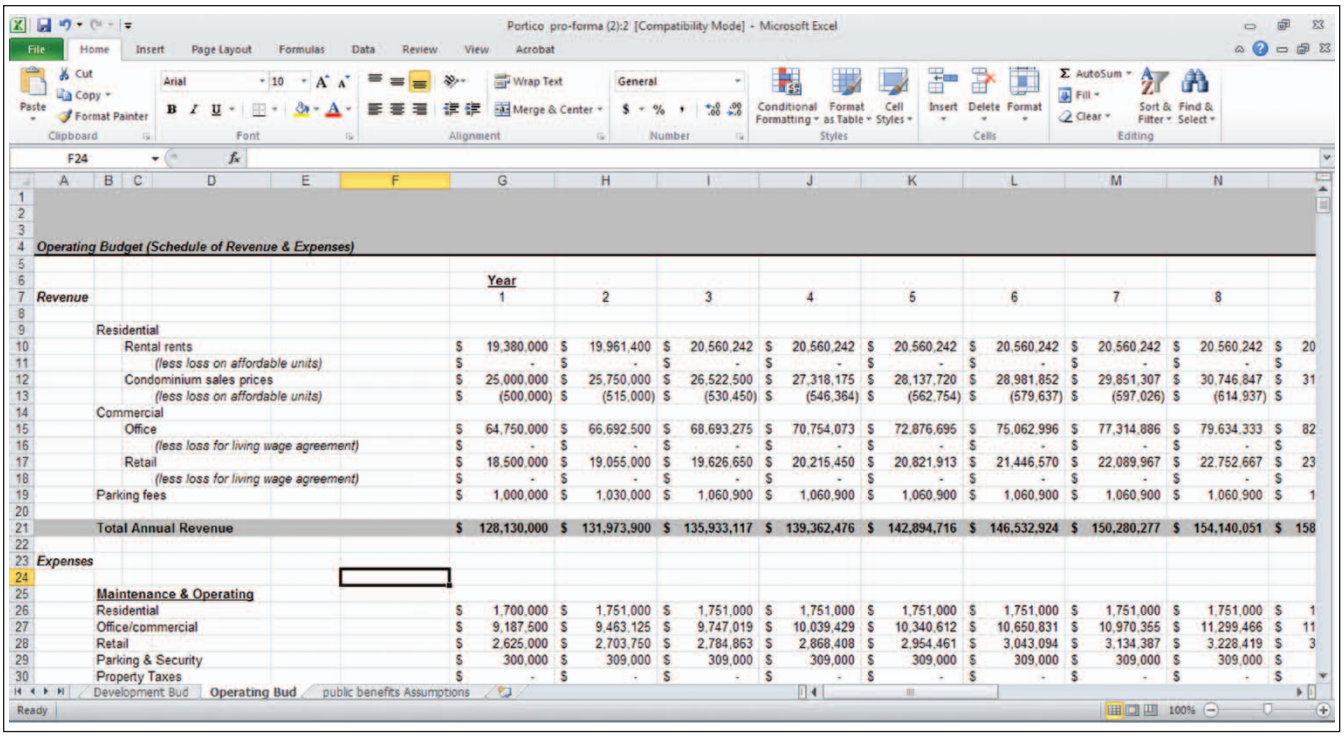
> You are an ad hoc coalition of organizations that has just decided to form to advocate for public benefits at the Remco site. . . . Your members are 1) organized labor groups interested in overall public benefit and accountability and in construction jobs for union members, 2) affordable housing advocates especially interested in housing for very low-income people, 3) groups concerned with potential environmental problems, and 4) community organizations representing the low-income neighborhoods immediately surrounding the project site. . . . [Y]ou believe that the Remco redevelopment should include more affordable housing, better environmental safeguards, living wage provisions for permanent employees of the tenants, a project labor agreement with building trades unions, and guarantees that people from the immediate neighborhood have the opportunity to be trained for and/or hired into new construction jobs and permanent jobs. You may disagree, though, on which of these priorities is paramount and which ones can be compromised over the course of a negotiation.

Members of CPBD learn that organized labor groups have convened the coalition. Though it is not stated in the initial instructions, organized labor representatives (but not other coalition members) will have to sign off on the final deal in order to achieve the needed City Council approval.[8]

The community coalition enters the negotiation with these instructions, and (like the other two groups) has in hand a background paper highlighting important features of the context. These include:

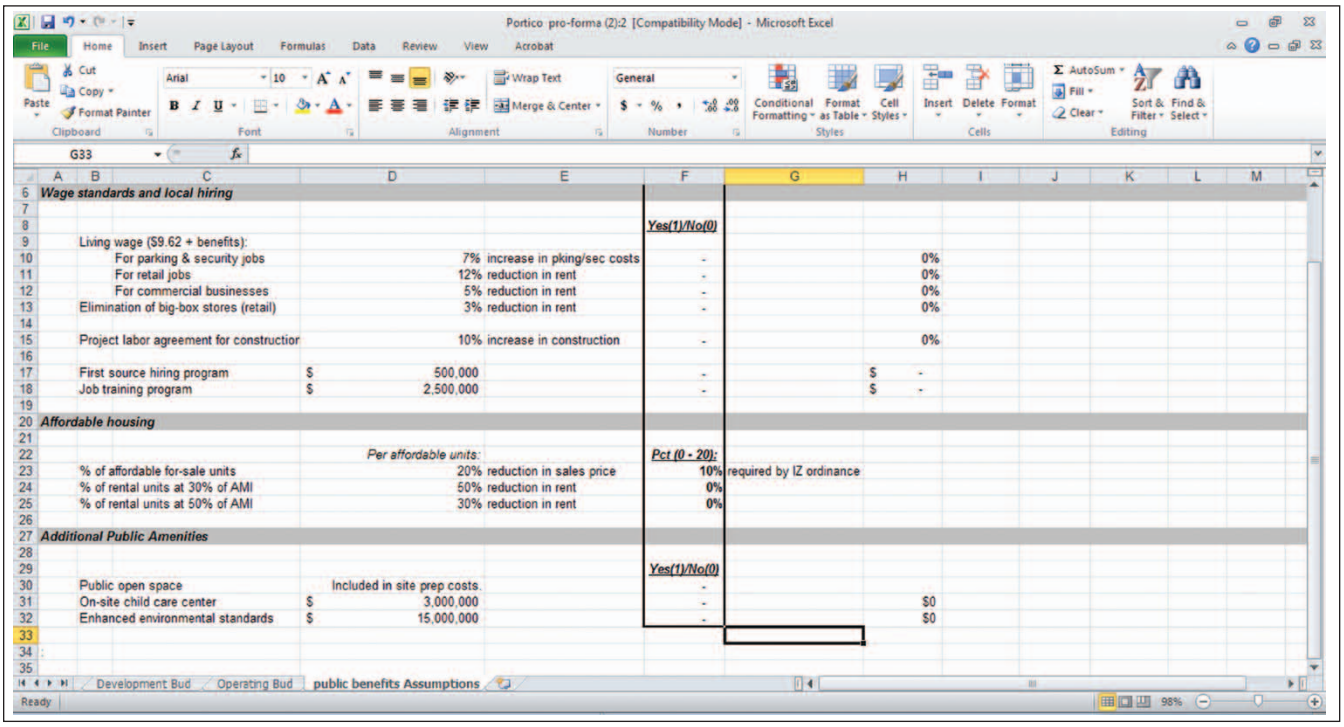
- the overall public appeal of the project (as a TOD and brownfield re-use)
- the developer's considerable sunk cost
- concern over the discovery of vaporized trichloroethylene in homes near the site
- the Mayor's outspoken commitment to affordable housing
- the recent election of organized labor-endorsed representatives to the City Council
- the crucial role of the Council in approving the TIF district.

However, the CPBD, unlike the other two groups, lacks a real estate pro forma. With its written background materials, the Portico group has received a spreadsheet showing detailed development and operating budgets for the project, which features 2,500 housing units, 1.7 million square feet of office space, and 0.5 million square feet of retail space (Figure 2). In addition, a fourth tab, entitled "public benefits assumptions," causes the development and operating budgets to register the financial impact of each of the coalition's



Operating Budget (Schedule of Revenue & Expenses)								
	Year							
Revenue	1	2	3	4	5	6	7	8
Residential								
Rental rents	$ 19,380,000	$ 19,961,400	$ 20,560,242	$ 20,560,242	$ 20,560,242	$ 20,560,242	$ 20,560,242	$ 20,560,242
(less loss on affordable units)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Condominium sales prices	$ 25,000,000	$ 25,750,000	$ 26,522,500	$ 27,318,175	$ 28,137,720	$ 28,981,852	$ 29,851,307	$ 30,746,847
(less loss on affordable units)	$ (500,000)	$ (515,000)	$ (530,450)	$ (546,364)	$ (562,754)	$ (579,637)	$ (597,026)	$ (614,937)
Commercial								
Office	$ 64,750,000	$ 66,692,500	$ 68,693,275	$ 70,754,073	$ 72,876,695	$ 75,062,996	$ 77,314,886	$ 79,634,333
(less loss for living wage agreement)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Retail	$ 18,500,000	$ 19,055,000	$ 19,626,650	$ 20,215,450	$ 20,821,913	$ 21,446,570	$ 22,089,967	$ 22,752,667
(less loss for living wage agreement)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Parking fees	$ 1,000,000	$ 1,030,000	$ 1,060,900	$ 1,060,900	$ 1,060,900	$ 1,060,900	$ 1,060,900	$ 1,060,900
Total Annual Revenue	$ 128,130,000	$ 131,973,900	$ 135,933,117	$ 139,362,476	$ 142,894,716	$ 146,532,924	$ 150,280,277	$ 154,140,051
Expenses								
Maintenance & Operating								
Residential	$ 1,700,000	$ 1,751,000	$ 1,751,000	$ 1,751,000	$ 1,751,000	$ 1,751,000	$ 1,751,000	$ 1,751,000
Office/commercial	$ 9,187,500	$ 9,463,125	$ 9,747,019	$ 10,039,429	$ 10,340,612	$ 10,650,831	$ 10,970,355	$ 11,299,466
Retail	$ 2,625,000	$ 2,703,750	$ 2,784,863	$ 2,868,408	$ 2,954,461	$ 3,043,094	$ 3,134,387	$ 3,228,419
Parking & Security	$ 300,000	$ 309,000	$ 309,000	$ 309,000	$ 309,000	$ 309,000	$ 309,000	$ 309,000
Property Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Figure 2. Spreadsheet tab: operating budget.



Wage standards and local hiring				
			Yes(1)/No(0)	
Living wage ($9.62 + benefits):				
For parking & security jobs		7% increase in pking/sec costs	-	0%
For retail jobs		12% reduction in rent	-	0%
For commercial businesses		5% reduction in rent	-	0%
Elimination of big-box stores (retail)		3% reduction in rent	-	0%
Project labor agreement for constructior		10% increase in construction	-	0%
First source hiring program	$ 500,000		-	$ -
Job training program	$ 2,500,000		-	$ -
Affordable housing				
	Per affordable units:		Pct (0 - 20):	
% of affordable for-sale units		20% reduction in sales price	10%	required by IZ ordinance
% of rental units at 30% of AMI		50% reduction in rent	0%	
% of rental units at 50% of AMI		30% reduction in rent	0%	
Additional Public Amenities				
			Yes(1)/No(0)	
Public open space	Included in site prep costs.		-	
On-site child care center	$ 3,000,000		-	$0
Enhanced environmental standards	$ 15,000,000		-	$0

Figure 3. Spreadsheet tab: public benefits assumptions.

"asks" (Figure 3). For example, if the cell indicating a project labor agreement with construction unions is toggled to the "on" position, the project's construction budget rises by 10 percent, from $679 to $747 million, and lowers the developer's internal rate of return from 15 to 13 percent. Adding "living wage" provisions for employees of the

development's end user tenants further lowers the internal rate of return (IRR) to 9.5 percent by reducing commercial rents and diminishing annual operating revenues. If all labor-oriented priorities are granted, there is a 40 percent reduction in the developer's rate of return from the base case. Adding housing for very low-income renters (an existing mandate for a 20 percent set-aside of units affordable to moderate-income homeowners is included in the base case) similarly reduces the rate of return, again through a reduction in operating revenues. Enhanced environmental standards elevate the cost of site cleanup and affect the development budget at the "infrastructure" level. If all labor and environmental priorities are granted, and if 20 percent of the project's rental housing units are reserved for low-income and very low-income tenants, the internal rate of return comes in at 8.4 percent.

The base case assumes that the developer will receive the proceeds of a $126 million TIF bond. Increases in the amount of TIF debt offered by the development authority increase the developer's rate of return by reducing the required equity contribution. However, the municipal negotiators (who, for the purposes of the exercise, have the developer's budget documents) have an additional tab in their spreadsheet that calculates "public return." This tab shows the additional fiscal costs the project brings—in the form of school, public safety, and sanitation expenses—and illustrates how they are (or are not) offset by tax revenues. During the negotiation, members of the developer group are likely to seek subsidy in excess of the $126 million, both to improve their own return and to offset costs that accompany benefits extended to the community coalition. But increases in subsidy, in sequestering property taxes away from Dartsville's annual general fund budget, make Portico's development project increasingly revenue negative. Even in the base case posited in the exercise, the net present value of the twenty-five-year revenue stream (given the property taxes stripped out to repay TIF debt) is negative: –$25 million. Students playing development agency roles face a situation in which, as community demands trigger the developer to request more subsidy to preserve an acceptable rate of return, added subsidy has undesirable fiscal consequences. From the start, however, they are instructed to pay attention to non-fiscal costs and benefits as well as well as fiscal ones.

The Developer

In theory and in practice, the developer group has the most straightforward task of the three in the simulation. The developer is responsible to investors who denominate value in dollars. The object of the negotiation is to maximize that value. However, there is a variety of strategic positions that the developer group may assume, and each is informed by the fact that Portico has already committed significant resources to the project by purchasing the Remco site for $250 million. This fact predisposes most groups to contemplate a lower-than-market return on investment. Additionally, the developer group learns from its background document that the company is new to Dartsville and hopes to win city-sponsored development projects in the future, thus providing further incentive to show flexibility. To borrow a term from the discourse of mutual gains bargaining, each party's "best alternative to a negotiated agreement" is highly unattractive (Susskind and Corburn 1999, 5).

The Community Coalition

As noted, negotiation and deliberation/engagement coexist—often uncomfortably—as modes of decision making in planning. Negotiation theorists often assert that, in practice, "mutual gains" bargaining can integrate easily with civic participation. If the appropriate stakeholders are on hand, information is freely exchanged, and joint fact-finding, framing, and deliberation occur, actors can reach voluntary agreements that are fair, efficient, and acceptable to all. In the context negotiation theorists posit, there is little difference between negotiation and deliberation (Susskind 2011). However, in the Dartsville simulation (as in the case on which it is based), no one has invited the community coalition to the table to help articulate the goals of the Remco redevelopment or to contribute to a consensus about how to achieve them. Rebuffed in its attempt to reach a separate community benefits agreement with Portico, the community coalition has had to force its way into the conversation about the project using the leverage of the Council vote, and its members can expect to be perceived as nuisances by the developer and public sector groups.

The "standing" of outside groups claiming stakeholder roles in a public–private planning process has engendered dispute in both the theory and practice of community benefits organizing (Wolf-Powers 2010; Wolf-Powers 2012; Gross 2012), and it is directly pertinent in this case. The desired outcome of the exercise is a deal between Portico and the development agency. If they choose, the developer and municipal officials are free to marginalize the advocates. Indeed, students in the community coalition groups are quick to realize that they have a profound disadvantage with respect to information, having no spreadsheet models that calculate the cost implications of various subsidy and benefits scenarios.

The community coalition also has an internal deliberation, as it must reach a consensus of its own about the priorities implicit in its proposed community benefits package. As their instructions state:

> More than the other groups, you have an internal negotiation at this stage as you figure out what your demands will be and to whom you will articulate them. Arguably, keeping the coalition together requires balancing the priorities of all members. But your counterparties may

> attempt to split the coalition, responding to some priorities and not others.

The complex conditions attendant on the community coalition's internal process spark conversation among students in that group about the power dynamics among members of coalitions, the power imbalances between "official" and "unofficial" participants in a planning process, and the difficulty of "participating" in a deal whose terms other parties are structuring. Students in this group recognize that while they hold some power (the ability to scuttle the deal in the City Council), their legitimacy as participants in the process is not a given from the perspective of the other negotiators. It depends not only on maintaining a fragile consensus around aims but on competently adhering to codes and conventions of communication defined by other participants in the encounter (see Briggs 1998). This scenario recapitulates the experience of the community coalition in the case on which the exercise is based and echoes some of the experiences of the coalitions described in Baxamusa (2008). In each of those situations, members of an organized coalition used a workshop format to conduct substantive internal deliberations about priorities and strategies, with the understanding that they would be required publicly to cast these priorities (as well as their bargaining positions) in the language of their counterparties.

The Development Agency

While all three negotiating parties play crucial roles in this simulation, the group most important from a pedagogical perspective is the public officials, the team of negotiators representing the Dartsville Urban Redevelopment Authority (development agency). As Weber argues, negotiation is a key skill for public sector planners, though "local governments have only recently learned how important good negotiation skills are to protecting their interests" (2007, 146). To local officials desiring to strengthen their bargaining positions, Weber advises more rigorous ex ante decision analysis, the imposition of performance standards, and contractual provisions such as clawbacks that recoup subsidy if an incentive recipient fails to keep its promises (see also Ledebur and Woodward 2003; Bartik 2007). Instructors of economic development planning commonly teach analytical methods of determining whether the public is "getting its money's worth." One objective of the Dartsville simulation is to demonstrate how such a method might be applied in a practical setting.

In many real-life instances, governments structure requirements and standards for incentive recipients around the fiscal aspects of a project. For example, if a firm receives subsidy to build a facility, the development agreement may commit it to pay property taxes on that facility for a certain number of years. But municipal negotiators frequently have priorities beyond the minimization of public expenditure. Their orientation as planners may lead them to interrogate a project's social and environmental sustainability, for example, its carbon footprint or its likelihood of providing labor market and housing options to those residents of the city who need them most. In the Dartsville exercise, the development agency's stated interest is to "negotiate the best possible deal for Dartsville," but in what the "best possible deal" actually consists is an open-ended question to which students must respond using value judgments.

The ambiguous, potentially conflicted position of the development agency representatives in this exercise departs from Susskind and Corburn (1999), who specify in their pedagogical model that confidential instructions given to each player in advance include "a desired set of outcomes" (p. 5). For Susskind and Corburn, performance in the negotiation is a matter of strategic choices and position-strengthening alliances made in service of a predetermined goal. Here, a categorical set of "desired outcomes" is not given to the municipal negotiators in advance, and for them, the exercise involves determining which of many combinations of subsidy to the developer (if any) and conditions imposed in response to CPBD's advocacy campaign (if any) best serve the interests of the city. This is a critical part of the simulation from the perspective of student learning, and one in which all students participate when writing the "debrief" assignment after the exercise concludes.

Negotiating the Deal

Rhetoric

The in-class negotiation, which occurs over three hours (either during a single class period or split between two periods), demonstrates several things about the real-life process it simulates. First, it illustrates the precept that rhetoric and framing are critical to the seizure and maintenance of advantage and of power. The groups whose members persuasively and proactively depict futures in which the fulfillment of their priorities serve the city's interest are markedly more successful than groups whose members take less rhetorical initiative, or whose attempts at rational argument are overcome by the rationalities of more politically adept interests (Throgmorton 1996; Flyvberg 2008). Accounts of the negotiations, which students relate in a written assignment after the fact, bear this out clearly:

> We all wanted to see the project happen. . . . My partner . . . and I were very aware of this common ground. We decided going in to the meeting to focus on . . . "joint problem solving." . . . We would also emphasize our involvement in the city, and our dedication to seeing the project benefit its residents as a long-term economic redevelopment tool. (Developer team member, Case 5)

> Early on in the meeting [with the advocates], we established the fact that DURA was there to help facilitate a mutually agreeable deal and that we were determined to get a deal done. Furthermore, DURA would help push Portico as far as

Table 2. Classroom Negotiation Outcomes over Three Years.

		Strategic Alignment	Public NPV	TIF Size	Developer IRR	Coalition priorities met	Pie-enlarging moves
2010	1	Developer/ Coalition	–$25m	$126m	12.5%	Organized labor: moderate Living wage: none Hiring & training: strong Housing: weak Environment: strong	Parking requirements relaxed
	2	Development agency/Coalition	$248m	$80m	9.0%	Organized labor: strong Living wage: strong Hiring & training: moderate Housing: weak Environment: strong	Less housing; more retail
2011	3	Developer/ Coalition	–$93.6m	$160m	14.0%	Organized labor: moderate Living wage: weak Hiring & training: weak Housing: moderate Environment: none	Reduction in required parking by half; federal funds to be sought for cleanup
	4	Development agency/ Developer	–$20m	$100m	12.9%	Organized labor: none Living wage: weak Hiring & training: weak Housing: moderate Environment: moderate	Significant additional housing permitted; non-TIF tax sources
	5	Development agency/Coalition	–$20m	$100m	11.7%	Organized labor: none Living wage: weak Hiring & training: weak Housing: moderate Environment: strong	LIHTC cited as potential equity source
2012	6	Developer/ Development agency	–$45m plus G.O. Bond of $31.6m	$121m	15.9%	Organized labor: weak Living wage: weak Hiring & training: moderate Housing: weak Environment: none	Extension in term of TIF; federal funds to be sought for clean-up
	7[a]	Developer/ Development agency	–$99.7m	$165m	17.0%	Organized labor: none Living wage: weak Hiring & training: weak Housing: weak Environment: none	
	8	Development agency/ Developer	–$20m	$100m	13.0%	Organized labor: none Living wage: weak Hiring & training: weak Housing: moderate Environment: strong	

Source: Students' written reports of negotiation results.
Note: NPV = net present value; TIF = tax increment financing; IRR = internal rate of return.
[a]Organized labor representative in coalition ultimately scuttled deal.

> possible for benefits but . . . ultimately we had to make sure those benefits didn't drive up the TIF costs beyond what the project's revenue sources could support. Our message was clear. The City had no additional outside resources to commit to the deal beyond the revenue generated by the deal. (Development authority team member, Case 4)

In each of the three years encompassed by the examples in Table 2, some of the students in the course were simultaneously taking a course on mutual gains bargaining and civic participation. It was interesting to observe differences between the rhetorical frames these students brought to the exercise and those of the students more fully steeped in real estate project finance. Where developer and redevelopment agency teams included several real estate–oriented students, mutual gains bargaining often stood little chance against hardball negotiating. This dichotomy was particularly evident in 2012, when a larger number of students in the class than in previous years had made real estate a major focus of their academic programs. This shift in classroom population may explain the comparatively high returns achieved by two of the three developer subgroups in 2012, as well as the comparatively weak benefits packages achieved by community coalition groups in that year.[9]

Tactics

Another universal aspect of deal making that students encounter during the exercise is the precept that many equilibria among interests exist. Tactically, all three subgroups push their counterparties toward an equilibrium that is favorable from their perspective, and the results of the negotiations summarized in Table 2 are indeed quite diverse, reflecting variance in the rhetorical and strategic capabilities of the negotiating cohorts. However, almost every agreement reached in this exercise involves public subsidy beyond a fiscal break-even point for the redevelopment authority. If a "good deal" for the authority is defined as a subsidy that enables the city not to spend more revenues than it collects over the life of the TIF, it is incumbent on the municipal negotiators to reduce the size of the TIF to $101 million. If any of the community coalition's priorities are to be met, the city requires an even lower TIF to reach a break-even point. In all but one of the cases documented in Table 2, the city's official return is negative. This is unsurprising given that most developer groups fight hard to keep the IRR from going below 12 percent and given that the political stalemate at hand makes some added costs (in the form of benefits extended to the community coalition) inevitable.[10]

Under these circumstances, high developer IRRs may be "paid for" with high TIFs (as in Case 3), low benefits packages (Case 6), or both (Case 7). So far in my classroom, significant concessions to the priorities of the advocates have tended to come at the expense of developer return (Case 2, Case 5) rather than via larger TIF commitments.[11] In a subset of the cases (3, 6, and 7), developers' high returns are achieved both via high subsidy and via weak gains for the community coalition. Again here (and particularly in 2012), some credit is probably due to the skill and experience of the developer teams' negotiators. Additionally in these cases, the members of the advocacy coalition have typically had a difficult time reconciling their interests and presenting a united position in negotiations with DURA or Cherokee.

The literature on negotiation also emphasizes the effectiveness of options that "make the pie larger" by capitalizing on "differences which can . . . be exploited to produce joint gains" (Susskind and Cruikshank 1987, 179). The deal struck in Case 2 involved the replacement of residential with retail square footage. Case 4 participants achieved a more balanced outcome by negotiating a density bonus that allowed significantly more housing than the original program. The reduction of parking requirements, which occurred in Cases 1 and 3, is another "win–win" in the sense that it reduces developer cost while arguably creating public value in the form of incentives for visitors and residents to use transit rather than driving. On the environmental front, representatives of the development agency and the developer have frequently (and sometimes successfully) argued that the costs of enhanced remediation can be covered by federal agencies and do not need to burden the development budget.

Alliances

While multiple equilibria are possible, the nature of an eventual agreement also depends in part on the choices the parties make at key moments about allegiances and alignments with counterparties. The first column of Table 2 indicates, for each case, which party took the lead in forging an alignment and with which counter-party they strove to align. Background materials prompt the students to strategize in advance about this:

> Decide which counterparty you would like to speak to first: If you are the community group, do you want to talk to DURA or to Portico? If you are Portico, do you want to talk directly to DURA or are you willing to meet first with the CPBD? If you are DURA, are you willing to meet with the CPBD separately? Do you even want CPBD involved?

For example, the advocacy group decides whether its interest is better served by dealing directly with Portico or allowing the development agency to mediate between them. Community coalition negotiators have striven to get their priorities met both by aligning with Portico to press the development agency for more subsidy (Case 3) and by convincing development agency representatives to negotiate with Portico on their behalf (Case 1). The Portico team, meanwhile, chooses whether to try to prenegotiate a community benefits package with the members of the coalition and use it as leverage to obtain a large subsidy (Case 3), or to ally with the city in hopes of receiving a TIF with minimal benefits concessions (Case 6, Case 7).

Outcomes in each case result from a combination of the groups' strategic choices about how to align and their effectiveness in realizing these strategies. Again, for the participants assigned to the advocacy coalition, intragroup alliances are as much a matter of strategy as are alliances with the counterparties in the negotiation.

Normative Questions for the Municipal Negotiators

The choice about "whom to talk to first" is particularly crucial for the municipal negotiating team. In the range of experiences documented in Table 2, municipal groups have in some cases actively aligned with the developer to lower the coalition's expectations (Case 4, Case 8), and in others convinced the developer that it must accept a low IRR and in essence cosponsor the social interventions needed to get the deal done (Cases 2 and 5). Thus, the initial stance of the development agency team, more than that of the other two groups, involves a situated ethical judgment (Campbell 2006, 93). The municipal negotiators engage in a deliberation that is simultaneously practical (e.g., estimating the public subsidy required to make the project economically feasible for the developer) and normative. Deborah Kolb, a practitioner consulted by Susskind and Corburn (1999) for their paper on negotiation pedagogy, cautions that simulation exercises in which roles are given and fixed may preclude participants from being able to "decide what [their] preferences are, what [their] interests are, even what the issues are" (19). The Dartsville exercise departs from this paradigm. It prompts municipal negotiators to define the issues at hand. In ascertaining their own interests, they place themselves (whether explicitly or not) some place on a spectrum between complete identification with the developer's interests and complete identification with the coalition's. Their place on this spectrum helps to construct their role in the process—a role that, as noted above, becomes clear through their choices about the form and substance of communication. One student reported:

> As we all sat down, DURA and Portico decided on having a sidebar conversation. We ended up realizing that DURA was aligning its priorities primarily with the developers. . . . [Later] collusion . . . became quite apparent. (Coalition team member, Case 7)

Interestingly, this participant's counterpart concurred:

> Despite our initial desire to remain impartial, we unconsciously took the side of the developers. . . . We [would] accept or deny proposals based upon whether they fit into the schematics of the developer. (Development authority team member, Case 7)

In contrast, in a number of instances municipal negotiators strive, in the words of one student, "to use the TIF subsidy to leverage some additional community benefits from the developer." In some cases, development authority representatives share technical budget information with the coalition team, eliminating the asymmetry that places them at an initial disadvantage. Development agency representatives also use rhetoric and framing to position the coalition's claims, in some cases asserting the coalition's interest as coincident with that of the city as a whole.

Debriefing the Negotiation

After learning about the actual case that inspired the exercise, students receive a writing assignment. Its first component is a standard debrief on the exercise itself: it asks each student to recapitulate the negotiation and evaluate its outcome from the perspective of the team on which she or he participated. The second component reopens the question of how to normatively define public sector interests, preferences, and responsibilities in relationship to subsidized economic development. All students, regardless of their roles in the simulation, consider these questions in the debrief:

> Imagine that you are a new Dartsville Urban Redevelopment Authority staff member tasked with analyzing a request by Portico that your agency create a $126m TIF to front-fund land assembly and improvements at the former Remco Auto Parts site. Negotiations have not yet begun. Your supervisor wants answers to the following questions:
>
> - What is the Present Value of the tax increment that the project will produce?
> - In your judgment, what is the appropriate subsidy? Would the project occur without public subsidy?
> - Should the demands by the Campaign for Public Benefits in Development receive serious consideration by the city? Are there any that should be particular priorities?

Determining an Appropriate Subsidy

The student's first task is to apply the "but for" criterion and judge whether public subsidy is required in this case to move the development forward. On the basis of pro forma analysis, nearly all students argue that considering the risks being borne by the developer, the project would not take place without subsidy, and that subsidy is appropriate given the public benefits to be derived in the form of transit-oriented development, brownfield remediation, and job creation. In approaching the question of an appropriate amount, however, students take different positions. Some, mindful of the added fiscal costs the city faces to support the new development, define the appropriate subsidy as $101 million, the "break-even" point described above. Others, referring to the "technical method" highlighted by Weber and Goddeeris in their briefing paper on tax-increment financing for the Lincoln Institute of Land Policy (2007), favorably compare the $126 million in TIF debt being requested to the $158 million of property tax increment being generated over 25 years. Many of those who take this approach make the case that the increased social

benefits brought by transit-oriented development and job generation are sufficient to justify subsidy, asserting that spillover effects will compensate the city for its fiscal loss:

> Cost-benefit analysis takes a fairly limited view of benefits—there may be others beyond tax-increment increase that should be considered, such as reduction in public health costs that may result from environmental cleanup or provision of retail services not currently available to neighboring residential areas. (Student debrief paper, 2010)

Estimations of appropriate subsidy also vary with interpretations of the minimum IRR for Portico. Given the developer's sunk cost, most students put that return at around 12 percent, though some argue that for a risky project the developer will require more, a conception of the status quo that potentially militates for additional subsidy.

Community Benefits

Demands for living wages, affordable housing, and environmental remediation measures introduce a new wrinkle into the analysis. As noted above, there are pragmatic and political considerations here, but students in the role of the development agency also must assess the coalition's demands within a wider normative framework. Some assert private investment as a benefit in and of itself and see attempts to pursue policies with redistributive ends as inappropriate or out-of-bounds in the situation at hand:

> Where development is expected to have direct negative consequences for residents and other stakeholders, demands must be taken seriously and incorporated into decision making by municipal authorities and the developer to ensure equitable outcomes. However, when the demands include items like contracts with local unions, contributions to job training programs and the voluntary construction of childcare facilities, the government should exercise caution in valuing the public benefits of the demands from the community. (Student debrief paper, 2010)

Others, coming from what might be termed a position that privileges "just process," argue that as development negotiators, planners have a responsibility to honor a wide range of voices when making subsidy decisions. In this view the coalition's demands have merit and legitimacy simply because they reflect stakeholder concerns:

> Subsidy is appropriate because it helps Portico get the project off the ground while also respecting the demands of CPBD. The more "public" the project becomes, the more the voice of the community ought to be considered. (Student debrief paper, 2011)

Finally, some students maintain that the development agency should use the power it possesses in this context to actively pursue the outcomes desired by the advocacy group. Their essays reflect two convictions: first, that the planner's skill extends beyond the realm of process (whether that process is structured as a deliberation or a negotiation), and second that in addition to pursuing growth and fiscal advantage as outcomes of urban redevelopment processes, planners have an affirmative obligation to pursue equity and redistribution:

> Given that the City will be forced to accept that this project will have a negative present value . . . it is vital that further ancillary benefits be extracted from Portico during redevelopment of this site . . . subsidy must be more than a simple tax giveaway to ensure that Dartsville remains a community of quality, rather than one participating in a race to the bottom in order to attract development. (Student debrief paper, 2012[12])

The thought experiment prompted by the debriefing exercise merges students' technical and tactical roles as negotiators with their roles as arbiters of substance and value (see Campbell 2006). Embedded in the exercise is a prompt for students to articulate a grounded, functional theory of the city's interest and to interrogate planners' role in realizing that interest. They do this inductively, with reference to the situated experience of the municipal development officials in the Dartsville (Denver) case.

Conclusion

Over the past three decades, public–private partnerships have come to dominate urban economic development and redevelopment practice, and the terminology and culture of deal transactions has gained ascendancy in the planning field. Trends in planning education reflect this phenomenon. Instruction on economic development in planning programs focuses, more than in the past, on real estate development, project finance, and negotiation. In this context, academic practitioners of planning can promote student learning by making more extensive use of cases and simulations. Placing students in a simulated practice setting such as the one presented in the Dartsville case encourages them to think about the organizational and political dynamics of redevelopment even as it provides them with the experience of evaluating a project on its economic and fiscal merits. Students are called upon to practice the craft of planning (here, project finance and fiscal impact analysis) while engaging in its art, which involves discretion, judgment, and persuasion (Birch 2001). Planning educators can help build the skills of future practitioners by relying more on cases and exercises that expose students to a broad set of real-world challenges.

The exercise described here also exposes students to the opportunity to use contextualized ethical judgment in a familiar practice setting (see Christensen 1993; Campbell

2006). During and after a realistic simulated negotiation, students have the opportunity to reflect not only on the tactics that advantage or handicap their teams but also on the structural conditions informing the positions of the parties involved. Classroom experience suggests that this exercise is effective in surfacing key normative issues in redevelopment practice. Students must juxtapose the theoretical ideal of an inclusive multistakeholder process with the reality of a process in which the legitimate standing of some participants is up for debate. They must also, taking the role of development agency staff, evaluate deal scenarios within a framework that encompasses questions of whether local government should use the leverage it possesses (by virtue of financial participation in the redevelopment process) to actively pursue affordable housing and employment opportunities for people in affected neighborhoods.

While the basic materials of the exercise did not change between 2010 and 2012, several other changes make it difficult to directly compare the three years of negotiations documented in Table 2. The change in student population between 2011 and 2012 (and its possible consequences for outcomes) has already been mentioned. The in-class time segments dedicated to the exercise also changed from year to year. The 2010 groups had three 90-minute classroom sessions in which to negotiate. In 2011 (based on student feedback), negotiations were limited to two 90-minute sessions, compressing the time frame, though students continued to receive background documents and spreadsheets well in advance. In 2012, all negotiation occurred during a single three-hour class period, which ratcheted up tension and did not allow for "offline" communication among the counterparties in between negotiating sessions. This too may partially explain the difference between the 2012 outcomes and those of the prior years.

Student response to the exercise—as gauged by comments made in the debrief assignment, by comments made in class, and by course evaluations—has been positive. The students assigned to "community coalition" roles have often been the least satisfied. They are understandably frustrated by lack of access to the financial model that informs the strategies of the other two groups, and they find it difficult, in an information vacuum, to successfully conduct the internal negotiations that are critical to their group's effectiveness. As noted above, however, this scenario bears much in common with the plight of advocates striving to advance low-income communities' interests in the context of subsidized development. Moreover, some students in the roles of coalition members have succeeded in becoming insiders in the process by persuading counterparties of the advantages of aligning and sharing information.

Three years of classroom pilot testing of the Dartsville exercise lay the groundwork for research that more systematically explores the factors influencing participants' negotiating strategies and their success in addressing the dilemmas the exercise presents. Alternatively or additionally, future efforts might focus on making the simulation materials more widely available to planning educators, and on forming collaborations to create more such exercises. Educators can use cases like the Dartsville simulation to help students contextualize development finance knowledge while providing a situated example of how principles of negotiation and deliberation arise in a development planning process. For instructors with an interest in incorporating principles of justice into redevelopment pedagogy, such cases also present an opportunity to engage students in questions of process versus outcome in planning and to encourage them to reflect on the role of the public sector in promoting more equitable development.

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Notes

1. Recent work by Baxamusa (2008) and Quick and Feldman (2011) usefully examine practical situations in which development planning has incorporated the principles of discursive democracy.
2. Tax increment financing is a mechanism for front-funding public or private investment, with debt secured by a guarantee that future tax revenues generated—presumably as a result of the investment—will be dedicated to repayment. It is increasingly widely used by municipalities promoting redevelopment in partnership with private entities (see Weber and Goddeeris 2007).
3. The Campaign for Responsible Development proposed that the company commit to pay a prevailing wage to construction workers, that it require tenants in the development to pay their employees "family-supporting wages and benefits," and that it require all employers to hire locally. In addition, they argued, Cherokee's plan for affordable housing should exceed the requirements of the City's inclusionary housing ordinance, and local residents should have greater input into plans for remediation at the Gates site, where there was concern about the seepage of trichloroethylene (TCE) into the groundwater (Center for Community Builders 2007).

4. The community benefits agreement (CBA) framework, pioneered by the Los Angeles Alliance for a New Economy (LAANE), has been defined as "a documented bargain outlining a set of commitments—programmatic and/or material—that a private developer has made to win political support from the residents of a development area and others claiming a stake in its future" (Wolf-Powers 2010). Others define it more narrowly as a private, independently negotiated agreement between a developer and community groups (Gross 2012). CBAs are controversial for reasons ranging from definitional issues to legal legitimacy to their fealty to principles of representative democracy and participatory planning (Wolf-Powers 2012).
5. The coalition conducted three interrelated campaigns. One, in conjunction with a citizens group, the Voluntary Cleanup Advisory Board (VCAB), was directed toward the Colorado Department for Public Health and the Environment and successfully pressed for the upgrading of TCE cleanup standards at the site and statewide. A second campaign revolved around affordable housing: the coalition argued that the city's inclusionary housing ordinance did not respond to the needs of many low- and moderate-income households and advocated for the Gates project to contain units for households below 50 percent of Area Median Income (Robinson 2005). A third campaign presented the local budget implications of tax increment financing and underscored the coalition's argument that when projects were subsidized, developers should be expected to pay prevailing (effectively, union) wages to construction workers and to require their tenants to pay family-supporting wages as defined by the Colorado Self-Sufficiency Standard (Robinson and Nevitt 2005).
6. Christensen's three practice templates are the practice setting template, the stakeholder identification template and the strategy development template (1993, 205–9).
7. The exercise developed from the case was originally created for a 2008 conference aimed at community development practitioners, entitled, "Before It's Too Late: Community Control & Benefits in Land Use" (November 14–16, 2007, Maritime Institute, Linthicum, MD), sponsored by the Lincoln Institute of Land Policy and the Annie E. Casey Foundation. The author subsequently adapted it for use with graduate-level planning students.
8. This conforms with the details of the case that inspired the exercise, in that Denver officials were unable to garner City Council support for the TIF without signoff from the labor-led Campaign for Responsible Development.
9. Teams were mixed by academic background to an extent, but the need for people who fully understood the pro forma analysis in the developer and development agency groups necessitated some overrepresentation of students with real estate backgrounds as members of those groups.
10. There is one case (2) in which improbably favorable benefits for the advocates and an improbably high municipal return occur simultaneously. In this case—a clear outlier—negotiators representing the developer requested major changes to the site program, convinced that replacing residential with retail would be to their group's benefit. The municipal negotiators agreed and (unexpectedly for all concerned) reaped significant gains that the developer could not counter because of time constraints. Several things should be noted about this case. First, because of the spreadsheet's limited ability to incorporate the consequences of changes in the site program, the repercussions of the program change were reflected in municipal revenues but not outlays (had effects on expenditures been reflected, the outcome would have been more favorable for the municipality). Second, labor and environmental benefits were strong in this case but the final deal included almost no housing. Third, it is quite possible that the changed program would not have been marketable to retail tenants, as the attractiveness of the project arguably depends upon its mixed use character and the presence of residential units on site.
11. Public subsidy commitments beyond a fiscal break-even point, as noted above, occur in almost all of the agreements reached, but some fall into the negative $20–25-million range while in others the fiscal concessions are more extensive.
12. Within this category, students express a range of views about which of the coalition's demands merit the strongest consideration. Views on this are diverse, with more students endorsing housing and environmental interventions than wage regulation. With respect to the project labor agreement, many students express mistrust that union employment will benefit the city's low-income neighborhoods or their residents; they are more enthusiastic about opportunities for training and local hiring.

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