
Commercial Revitalization and Commercial Real Estate Development

Course Offerings



LOCAL INITIATIVES SUPPORT CORPORATION
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Core Courses

Commercial District Revitalization 101

An Introduction to LISC's Neighborhood Markets Strategy

Goal

To provide an overview of the components of successful commercial district revitalization and help LISC and local CDCs plan for these programs.

This introductory workshop is for community groups around the country that are considering taking on the long-term responsibility for managing the health of their neighborhood commercial district. A number of LISC supported programs have succeeded in turning around long-neglected neighborhood retail districts through a combination of promotion, business attraction, retail development and other physical improvements. This workshop will provide a comprehensive overview of commercial district revitalization programs including:

- What happened to neighborhood retail?
- The role of retail in broader revitalization strategies
- Development without displacement
- Developing a revitalization strategy
- Revitalization program planning
- Market research methods
- Key features of successful revitalization programs
- Profiles of successful programs
- Common revitalization activities
- Organizing committees/engaging stakeholders
- Staffing the revitalization process over time
- Building neighborhood coalitions for revitalization
- Creating a comprehensive work plan
- Funding program operations
- Tracking outcomes over time

<u>Agenda</u>	<u>Timeframe</u>	<u>Description of Activity/Workshop Topics</u>
Day 1	2:00pm – 5:00pm	Tour of local commercial districts and consultation with Local LISC Staff
Day 2	9:00am – 4:00pm	Creating a revitalization Strategy, Understanding Neighborhood Markets, Commercial District Planning
Day 3	9:00am – 4:00pm	Managing a revitalization program, Staffing, Organizing Committees, Common Activities, Revitalization Success Stories.

Product(s)

Each Participant will receive LISC's *Commercial District Planning Toolkit* as well several additional handouts and copies of PowerPoint presentations.

Developing a Neighborhood Retail Strategy

Bringing retail back to inner city neighborhoods

Goal

To provide an overview of neighborhood retail markets and some of the ways that CDCs intervene to strengthen these markets including both comprehensive commercial district revitalization programs and commercial real estate development projects.

Healthy neighborhoods have healthy retail. Lack of retail opportunities and vacant or boarded up retail properties contribute to safety concerns and other negative perceptions of our communities. After decades of disinvestments, many neighborhoods are beginning to experience new retail activity. Community Development Corporations (CDCs) around the country are playing a growing role brokering and, in many cases, developing neighborhood retail projects ranging from stand alone retail centers and ground floor retail in mixed-use buildings to comprehensive commercial district revitalization programs. This workshop is designed to help CDC staff and others to develop ambitious but realistic strategies for strengthening neighborhood retail.



Retail Strategy

- What happened to neighborhood retail?
- Elements of a retail strategy
- Common neighborhood retail niches
- Identifying and evaluating social impacts of retail development

Commercial District Revitalization

- Creating a comprehensive workplan
- Identifying and engaging stakeholders
- Key features of successful revitalization programs

Understanding Neighborhood Markets

- Tools/techniques for understanding neighborhood retail markets
- Understanding retailer need
- Identifying realistic tenanting goals

Commercial Real Estate Development

- Common CDC commercial development project types
- CDC commercial development capacity assessment
- Joint ventures and partnerships
- Feasibility analysis for commercial real estate projects

Agenda	Timeframe	Description of Activity/Workshop Topics
Day 1	9:00am – 4:00pm	Strategy: Creating a vision for neighborhood revitalization, Understanding Neighborhood Markets
Day 2	9:00am – 4:00pm	Nuts and bolts: Features of successful revitalization programs, overview of commercial development projects.

Product(s)

Each Participant will receive a workbook with sample materials, readings and other resources for commercial revitalization and development as well as copies of PowerPoint presentations.

Introduction to Commercial Real Estate Development

Presented in partnership with LISC's Organizational Development Initiative (ODI)

Goal

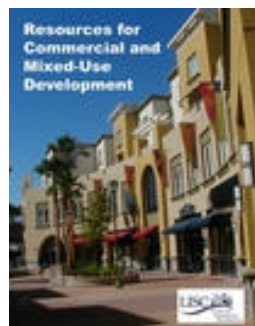
To prepare CDC project managers and other local stakeholders to participate in complex commercial real estate development projects in low-income neighborhoods.



This workshop will provide a comprehensive overview of commercial and mixed-use development and will prepare participants to make critical project decisions, including:

- Why do community-based organizations undertake commercial projects?
- How do different social and financial objectives affect project planning?
- What kind of market analysis is appropriate for each kind of project?
- What are the most common financing sources for nonprofit-sponsored commercial projects?
- How do you know whether your community-based organization has the necessary capacity to undertake a commercial project?
- Can a joint venture with a private developer help build the community-based organization's capacity?
- What is involved in planning for long-term property and asset management for commercial projects?
- How do community-based organizations find retail tenants for projects in challenging locations?
- How should you evaluate small businesses as prospective tenants?
- How do commercial leases work? What are the most important provisions?
- What is involved in negotiating and managing tenant improvements?

<u>Agenda</u>	<u>Timeframe</u>	<u>Description of Activity/Workshop Topics</u>
Day 1	9:00am – 4:00pm	Setting social objectives, joint ventures, project market analysis
Day 2	9:00am – 4:00pm	Financing commercial projects, negotiating leases, common lease terms, tenant improvements



Product(s)

Each Participant will receive *Resources for Commercial and Mixed Use Development*, a workbook with companion CD-ROM with sample materials from CDC projects throughout the country, readings and other resources for commercial real estate development as well as copies of the PowerPoint presentation.

Advanced Commercial Real Estate Workshops

Presented in partnership with LISC's Organizational Development Initiative

Prerequisite: Completion of at least one (1) Core Workshop.

Local sites may combine any of the courses outlined below to structure a 2 Day (minimum) Training

Developing a Retail Leasing Strategy - 1 day

Even when it is clear that a neighborhood needs more neighborhood serving retail, it is often not at all obvious what type of retail will be most likely to succeed. This workshop is designed to help CDC staff and volunteer leaders to develop ambitious but realistic strategies for retail attraction. Participants will learn how to combine grassroots "on the ground" knowledge about a neighborhood with published market data to create a more complete picture of neighborhood market opportunities. Participants will also learn how to research retailer needs and address some of the common concerns that keep retailers from locating in low-income urban neighborhoods.

The workshop will cover a range of issues including:

- Elements of a leasing strategy
- Tools/techniques for understanding neighborhood retail markets
- Understanding market data
- Working with market research consultants
- Common neighborhood retail niches
- Identifying target tenant types
- Evaluating retailer needs
- Common retailer concerns
- Outreach methods for retail tenants
- Evaluating long term performance of a leasing strategy

Joint Ventures with Private Developers - 1 day

Joint ventures between a community development corporation ("CDC") and a for-profit partner can present tremendous opportunities for a CDC to build its skills and complete projects that are larger in scale and/or beyond its core competencies. However, there are a host of business issues raised by the prospect of a CDC co-owning or working closely with a for-profit on a project. Many issues need to be carefully negotiated for the CDC to protect its financial integrity and credibility. Joint ventures also raise a number of legal issues, often bringing together corporate, partnership, tax, real estate and exempt organization law into a single realm.

The workshop will cover a range of issues including:

- Why Joint Venture?
- Evaluating CDC Capacity
- What do CDCs typically bring to these deals
- What do private developers typically bring
- Legal options for structuring joint ventures
- Building capacity through joint ventures
- Common pitfalls

This workshop will provide an overview of joint ventures and profile several real world joint venture projects including both housing and commercial development projects.

Financing Commercial Real Estate Projects - 1 day

This workshop will introduce participants to the process of financing for commercial real estate projects. Participants will develop a project proforma for a sample CDC sponsored retail development project and will evaluate the impact of different financing assumptions on the project feasibility and community impact.

The workshop will cover a range of issues including:

- Common Financing Sources
- Common Commercial Lender Conditions
- Commercial Development Pro-formas
- Tracking lease terms, rents and reimbursable charges
- Re-leasing risk and costs
- Take Out Financing

Each participant must bring a laptop. Requires general computer literacy. Basic familiarity with MS Excel.

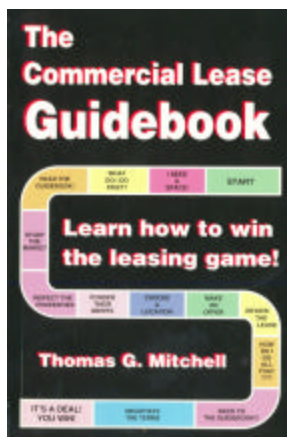
Negotiating Commercial Leases - 1 day or ½ day

More and more community development corporations are taking on complex commercial and mixed-use real estate projects. One of the key challenges of commercial projects for housing organizations is the complexity of commercial leases. Unlike residential leases, every commercial lease is negotiated to meet the specific needs of each tenant.

This workshop is designed to help CDC staff with housing experience better understand some of the unique aspects of commercial leasing including:

- Lease negotiation process
- Common objectives of commercial tenants
- Common objectives of commercial property owners
- Lease requirements of commercial lenders
- Rent structures, Common Area Maintenance Charges and fees
- Lease terms, renewals, and options
- Use provisions, restrictions and exclusives
- Negotiating tenant improvement and work letters
- Incorporating social objectives into leasing documents
- Getting help with lease negotiations

The workshop will be built around an in depth case study and role-playing exercise. Participants should bring a financial calculator or laptop for use in the exercise.



Evaluating Commercial Tenants – ½ day

One of the key challenges in leasing commercial space is the complexity involved in evaluating potential small business tenants. The strength of any potential tenant depends on such a wide range of factors and each tenant's business and industry is unique. CDCs that manage small portfolios of commercial space are often daunted by the task of critically reviewing application material from potential commercial tenants.

The workshop will cover a range of issues including:

- What material to request from business tenants as part of their application
- Identifying baseline tenant qualifications
- Evaluating financial health of small businesses
- Reading credit reports
- Evaluating capital needs for small businesses
- Business planning basics

Commercial Property Management - 1 day

Commercial development projects (retail, office, industrial, social service space, etc.) can play an important role in neighborhood revitalization. More and more Community Development Corporations (CDC) and other community nonprofits are undertaking development of nonresidential projects. However, the success of these projects will largely be a function of how well they are managed over the long term. Commercial real estate is a specialized business that requires a set of specialized skills and unique systems, policies and procedures. This workshop is designed to help property managers, project developers, and CDC leaders to plan for successful ongoing management of commercial and mixed-use real estate projects.

Participants will undertake a brief assessment of their own organization's commercial property and asset management capacity and develop a mini-action plan outlining immediate action steps that would improve their ability to successfully operate commercial projects. Participants from organizations that are not currently managing or developing commercial projects will identify steps to guide their organizations through deciding whether or not to undertake commercial projects.



LOCAL INITIATIVES SUPPORT CORPORATION (LISC)

LISC helps resident-led, community-based development organizations transform distressed communities and neighborhoods into healthy ones – good places to live, do business, work and raise families. By providing capital, technical expertise, training and information, LISC supports the development of local leadership and the creation of affordable housing, commercial, industrial and community facilities, businesses and jobs. We help neighbors build communities.

CENTER FOR COMMERCIAL REVITALIZATION (the CENTER)

The primary mission of the Center is to support the LISC network of local offices and community-based organizations in the creation and implementation of comprehensive commercial corridor revitalization strategies, specifically targeting urban neighborhood markets.

STATE FARM

Major support for LISC's economic development work and the Center for Commercial Revitalization is provided by State Farm.

