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Avoid “Double Vision” by Understanding City Expectations for a Property

Market analysis, financing, design development – these initial stages of project development take time and hard work. By the time owners and developers have a concept plan in place, they usually have a clear vision of a property’s future. It may come as a surprise to find out the city has a different vision.



When developer and city perspectives differ, taking time early on to resolve the discrepancies can minimize costly delays later. A strategy for ensuring alignment of project vision includes productive meetings with the city, an understanding of political relationships, and clear identification of potential encumbrances.

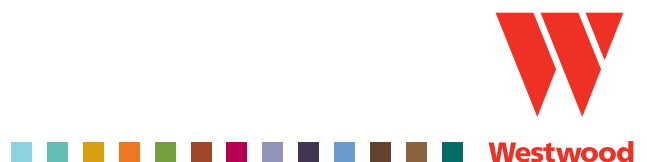
Discussing a concept plan with a city or other unit of local government is a basic initial step in project development. Experience shows, however, that such meetings do not necessarily indicate whether the city would support the application or guarantee that constraints will be identified. Meetings at this stage tend to be optimistic and cordial by nature. Many seasoned developers can recall a supportive early meeting with the city, only to submit plans for approval and face a long list of substantial constraints.

There may also be political issues that merit consideration. Unhappy neighbors may have clout with their council member, or certain stakeholders may see a chance for unrelated public upgrades. It is also important to understand the relationships between city staff, planning commissions, and city councils, as these groups are closely allied in some communities and more independent in others. Because the city council has final say, obtaining support from council members in the early stages can greatly enhance a project’s success.

One of the most tangible steps a developer can take to understand city expectations is having the project team review the city’s comprehensive plan. This document is the most significant source of potential encumbrances. A comprehensive plan identifies not only the land use for which a property is guided, but also transportation upgrades, trail corridors, utility and open space requirements, and preservation areas.

A comprehensive plan can encumber a property in various and sometimes unexpected ways. In one case, an owner who had made plans to develop a parcel didn't realize it was scheduled for condemnation involving a future public bridge and related on/off-ramps. Another common scenario is a developer who wants a retail project and eventually finds out that the property is guided for office use. Golf courses that are slated for conversion to residential development typically come with open space or recreation land use requirements, which can have significant impacts on the return on investment. Smaller issues also arise, such as giving up land for right-of-way road widening, paying for public trail extensions, or dedicating property for a water tower or school.

Developers can avoid a case of "double vision" by taking certain steps early in the due diligence process to align their plans with the city's expectations. Understanding the political environment and the long-term planning framework can save time and money in the end.



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