

PRE-DEVELOPMENT AND ENTITLEMENT STAGE

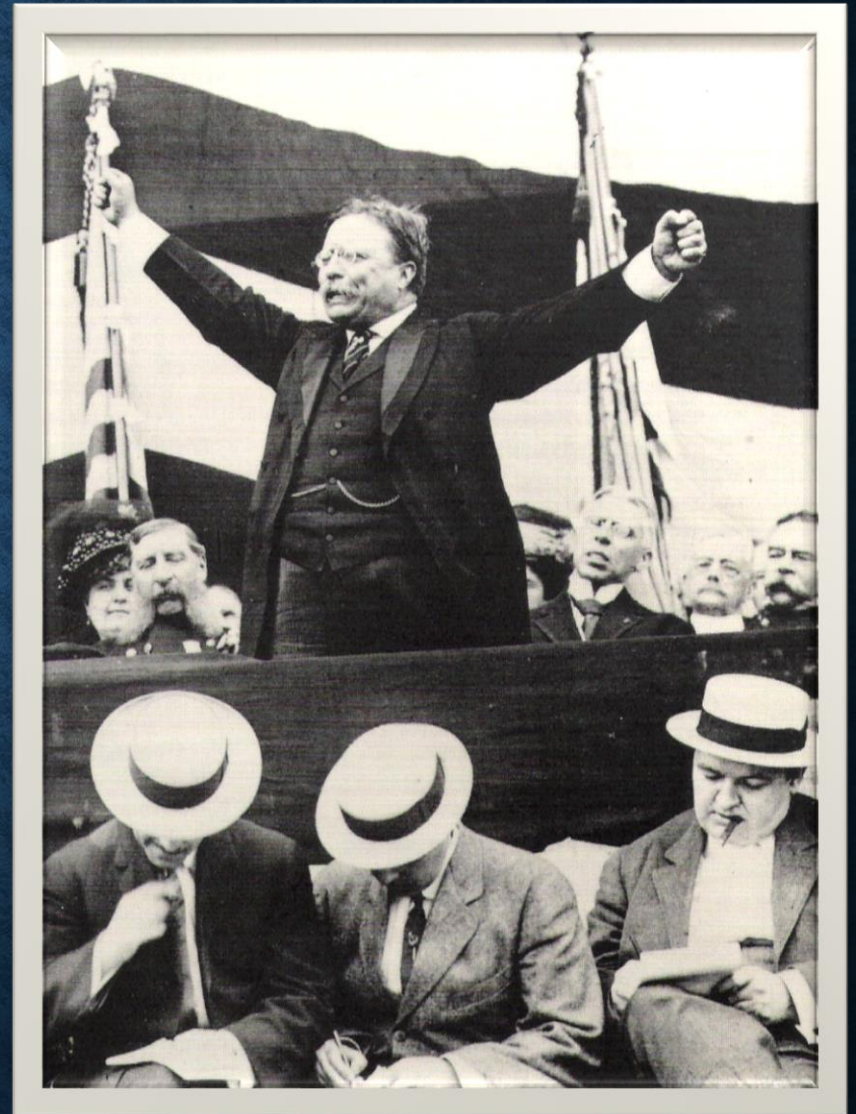
A ULI South Carolina Young Leaders Presentation

Russ Davis and Robert Benedict

January 24, 2018

THEODORE ROOSEVELT

“Every person who invests in well-selected real estate in a growing section of a prosperous community adopts the surest and safest method of becoming independent, for real estate is the basis of wealth.”



WHAT ROOSEVELT FAILED TO MENTION:

“REAL ESTATE DEVELOPMENT....PERHAPS THE MOST RISK-INTENSIVE, STRESS-INDUCING, CAPITAL-CONSUMING PROCESS OF INVESTING.”

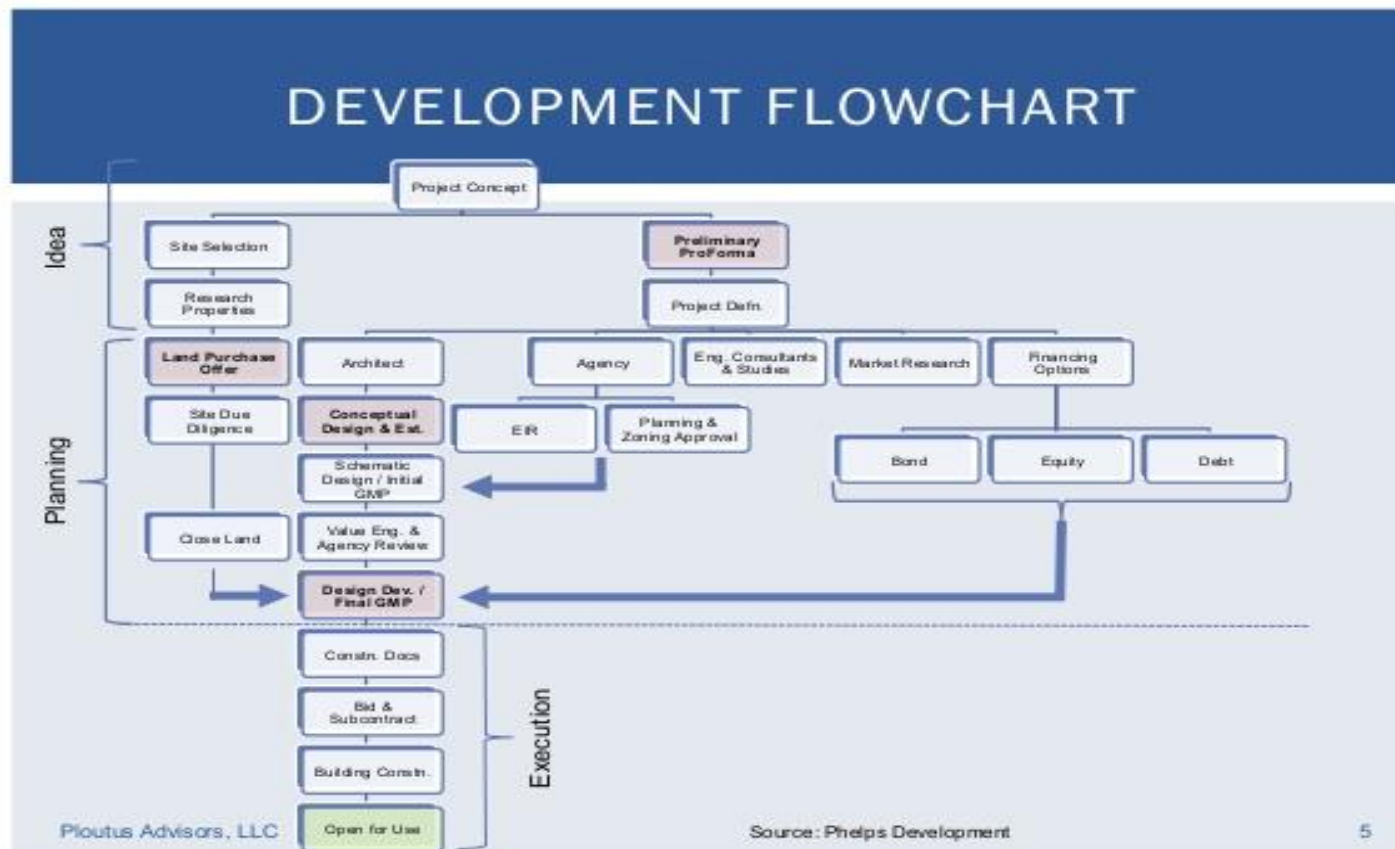
**WHO SAID THE REAL ESTATE
PROFESSION WAS STRESSFUL?!**



I'M 48 AND I FEEL GREAT!

 /LighterSideOfRealEstate

WHAT IS THE REAL ESTATE DEVELOPMENT PROCESS?



A series of steps that are required to turn a development concept into a completed project

ENTITLEMENTS...WHAT ARE THEY AND WHAT DO THEY GIVE YOU

ENTITLEMENT

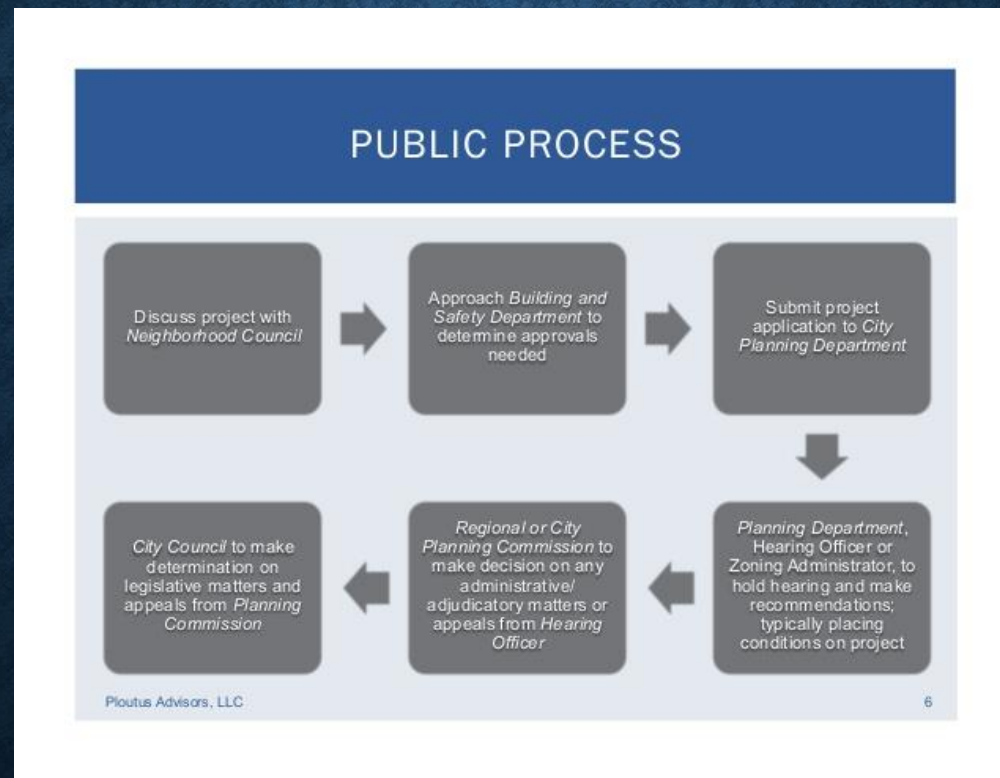
- **Entitlement** is approval from a regulatory body to use or develop land
- A project typically requires several approvals pertaining to land use, architecture review, general and specific plan, subdivision, development agreement, etc.
- Entitlement process includes:
 - General Plan
 - Zoning
 - Subdivision Approval
 - Site Specific Permits
 - Conditional Use (CUP)
 - Variance
 - Design Review
 - California Environmental Quality Act (CEQA) / Environmental Impact Report (EIR)

PRE-DEVELOPMENT AND ENTITLEMENT PHASE

KEY DECISION DRIVERS

- **Land Use**
future of neighborhood, kind of new construction permitted (eg., multifamily, commercial, industrial, etc.)
- **Housing**
type of housing, affordability, ownership vs. rental, proximity to transportation, parks, community services
- **Redevelopment**
responsiveness to community needs, use of eminent domain, relocation, replacement housing, affordability
- **Transportation**
connectivity with neighborhood and beyond, street improvements, freeways, bus, rail, bicycle, pedestrian
- **Community**
neighborhood revitalization
- **Parks / Recreation**
safety, cleanliness
- **Environment**
quality of neighborhood, permits, toxic cleanup, air and water quality
- **Jobs**
local job creation, wages, benefits
- **Financial Impact**
public subsidies, tax revenue

CONSIDERATIONS FOR GRANTING ENTITLEMENTS

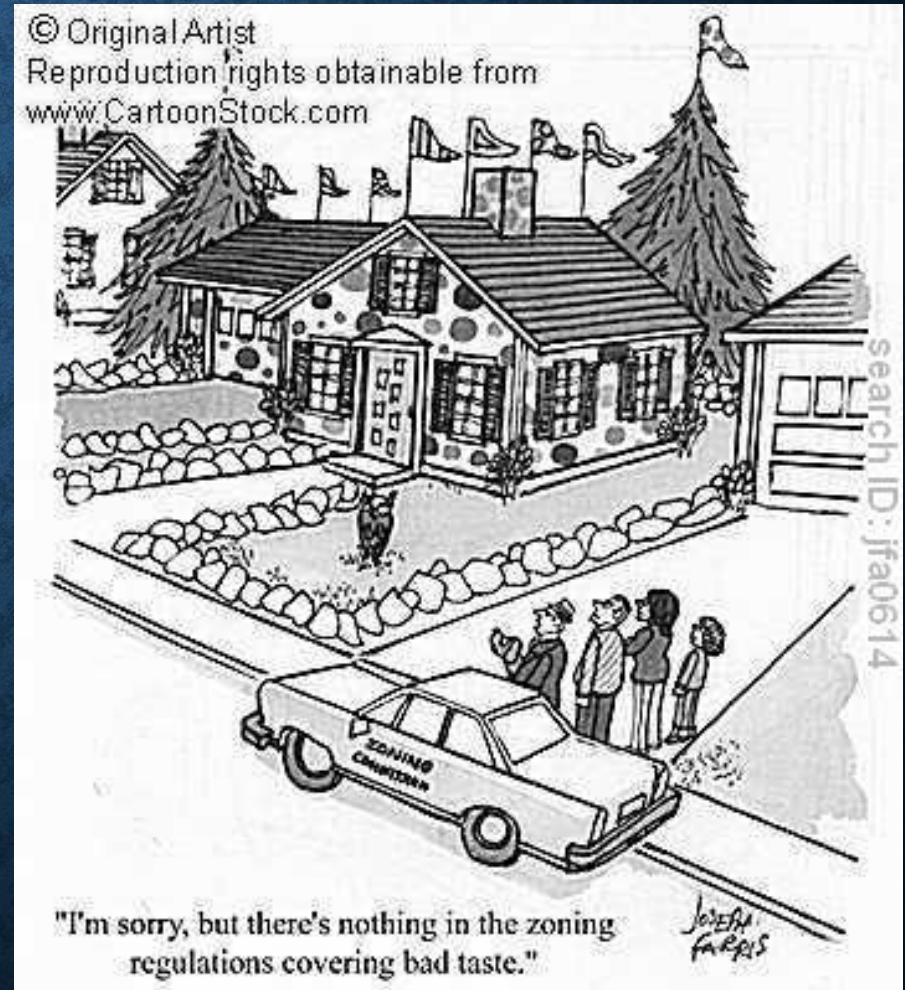


REZONINGS AND PUBLIC HEARINGS

- **Most common objection of homeowners groups regarding proposed development is that it will reduce the quality of the existing neighborhood**
 - **Exacerbate existing traffic problems. Overload schools, tax utilities, etc.**
- **Best counter argument is the quality of the new development. Will it enhance property values and improve the character of the community?**

COLLABORATING WITH NEIGHBORHOOD ASSOCIATIONS

- **NIMBYS**
 - **Not in my backyard!**
- **LULUs**
 - **Locally unwanted land use.**
- **NOPEs**
 - **Not on planet earth.**
- **CAVEs**
 - **Citizens against virtually everything.**
- **BANANAs**
 - **Build absolutely nothing anywhere near anything.**



PRELIMINARY CONSIDERATIONS

- **No income stream during the pre-development phase**
- **Remember the value of good communication**
 - **Keep investors and the development team in the loop**
- **Maintain adequate contingencies and anticipate delays**
 - **Obtaining the entitlements will always take longer and cost more**

BENEDICT'S 5 R'S

- **Research** – Do your homework, know what challenges are ahead
- **Resources** – Make sure you have the right development team and tools to go down this road
- **Realistic Expectations** – Plan for a reasonable time frame
- **Relationships** – Establish a good relationship with the public sector and neighborhood associations
- **Resillency** – Be patience and have thick skin

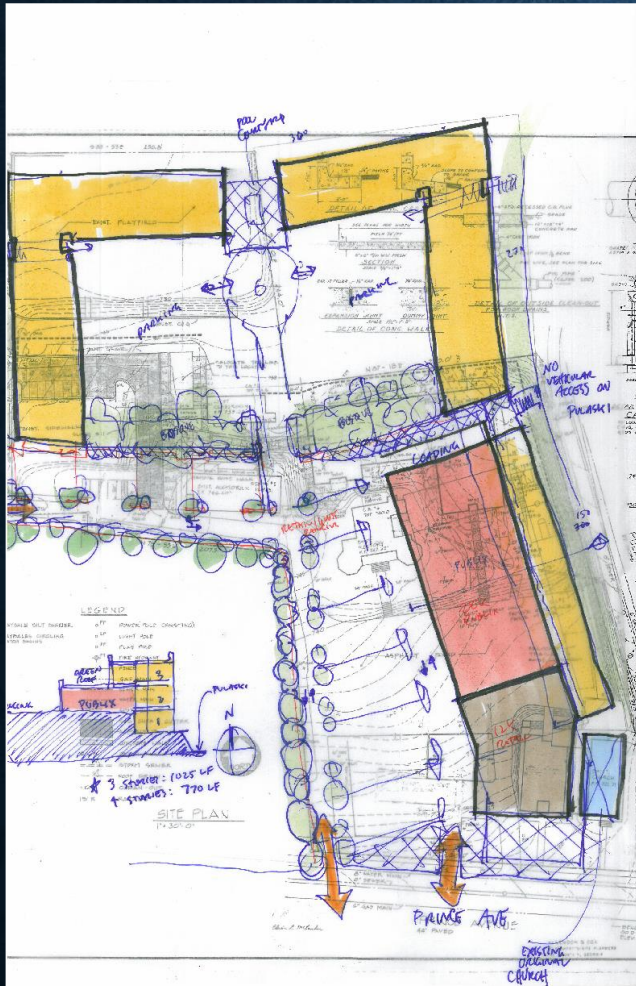
THERE IS A REASON...



100 PRINCE, ATHENS, GA



INITIAL CONCEPTS



DUE DILIGENCE TEAM

- Title Search Wyche Firm
- Environmental Bunnell Lammons Engineering
- Archaeological Southeatern Archaeological Associates
- Geotechnical/ Seismic Bunnell Lammons Engineering
- Survey Woods Land Surveyors
- Civil Engineer Smith Planning and Engineering
- Entitlements Lawyer Timmons, Warnes and Mercer
- Architect McMillan, Pazdan Smith
- Traffic Engineer Atkins
- Market Researcher NONE
- Commercial Broker Austin Sumner Properties
- Contractor Trehel Corporation
- Financing Tax Advantage Group

DUE DILIGENCE ISSUES

- Sale of Beer and Wine
- Shared Alley
- Traffic Volume
- Topography
- Entitlement Challenges/ Process
- Stormwater Challenges

ENTITLEMENT PROCESS

1. City Planners
2. City Officials
3. Special Interest Groups
 - Center for Community Design
 - Complete Streets Prince
4. Historic Neighborhoods
 - Boulevard Neighborhood- 3 Meetings
 - Pulaski Heights- 4 Meetings
 - Cobbham Neighborhhod- 3 Meetings
5. Planning Commission- 4 Meetings
6. City Counsel- 2 Meetings
7. Meetings with individual concerned citizens

ENTITLEMENT CHALLENGES

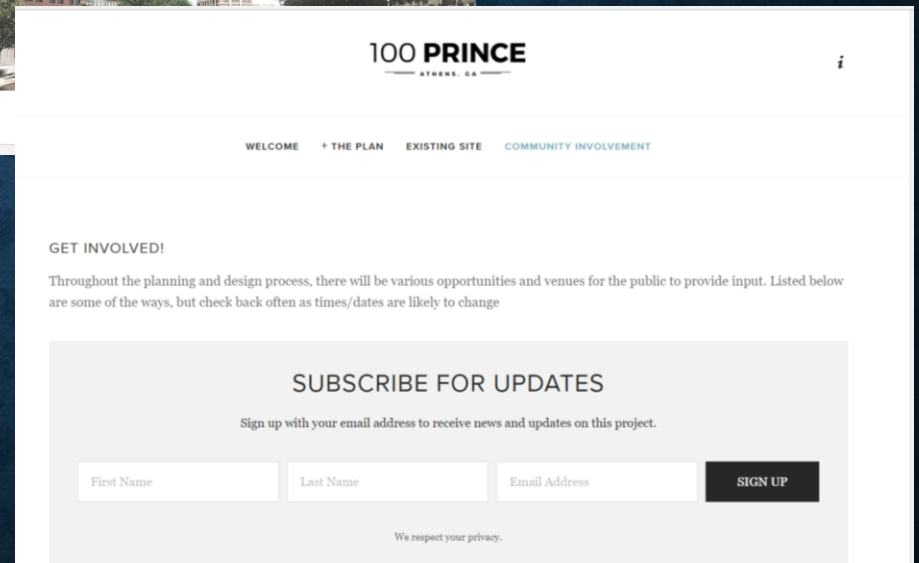
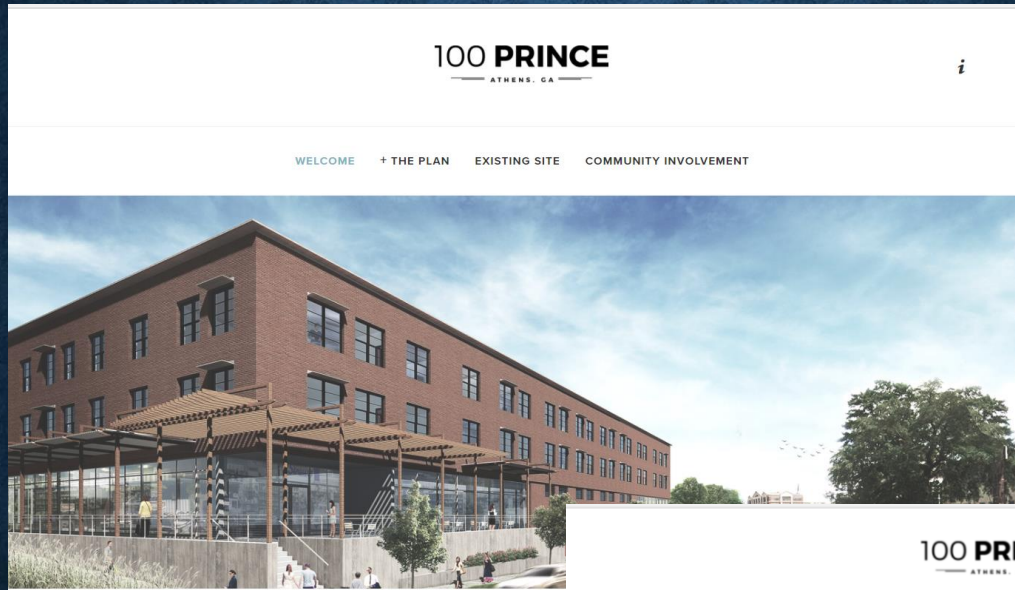
Challenges

- Density
- Target Market
- Height, Mass and Scale
- Traffic
- Hyperactive Public Interest
- No Planned Development Zoning Classification

Responses

- Model
- Design Barriers
- Refinement of Plan
- Politics
- Website
- Split Zoning

PUBLIC INFORMATION WEBSITE



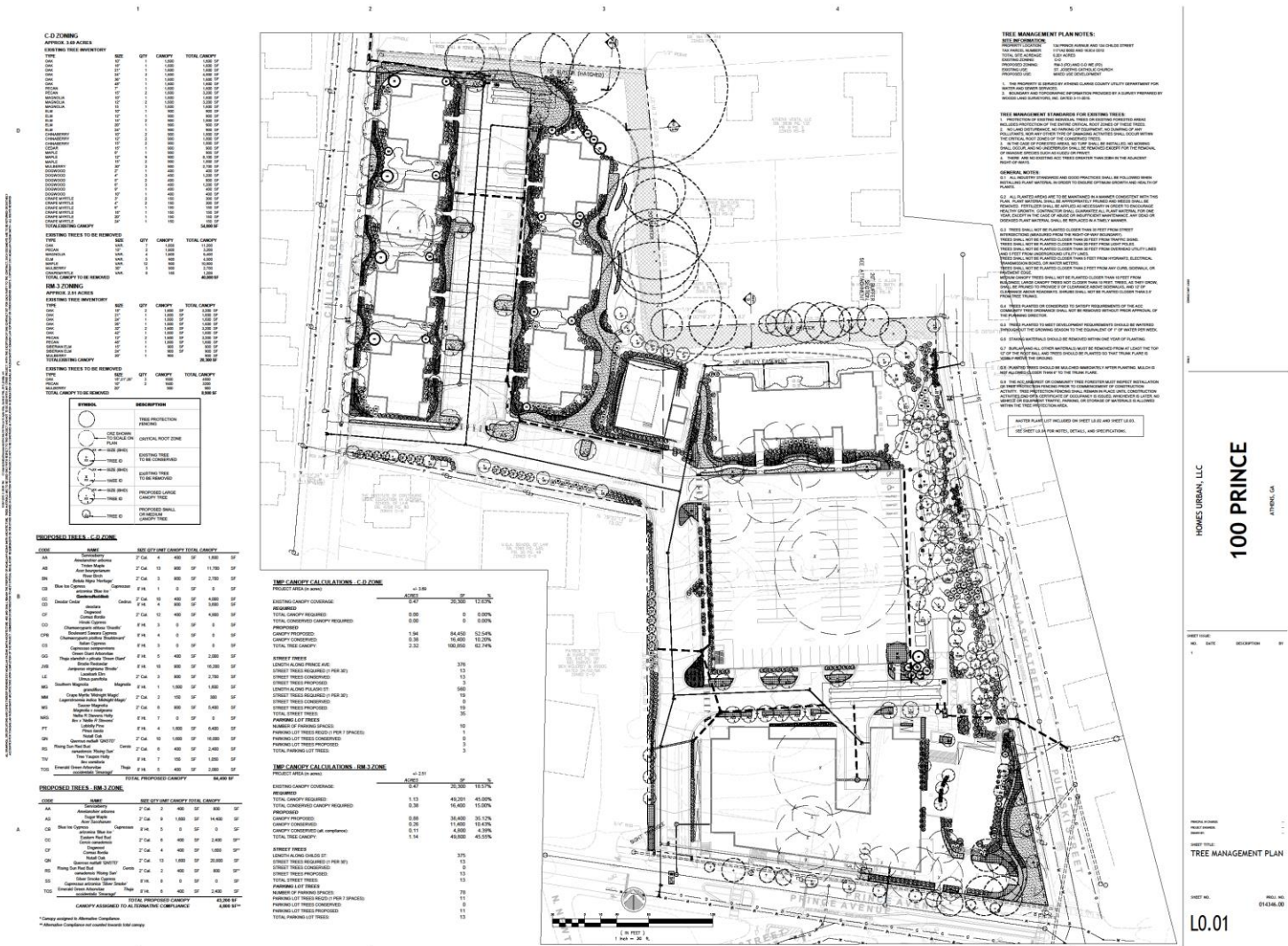
PROJECT DESIGN REFINEMENT



ZONING APPROVAL



REDESIGN! RE-ENTITLEMENT!



C.D. ZONING
APPROX. 1.51 ACRES

EXISTING TREE INVENTORY

TYPE	SIZE	QTY	CANOPY	TOTAL CANOPY
Large	12" DBH	1	1,000	1,000
Large	10" DBH	1	1,000	1,000
Large	8" DBH	1	1,000	1,000
Large	6" DBH	1	1,000	1,000
Large	4" DBH	1	1,000	1,000
Large	2" DBH	1	1,000	1,000
Large	1" DBH	1	1,000	1,000
Large	0.5" DBH	1	1,000	1,000
Large	0.25" DBH	1	1,000	1,000
Large	0.125" DBH	1	1,000	1,000
Large	0.0625" DBH	1	1,000	1,000
Large	0.03125" DBH	1	1,000	1,000
Large	0.015625" DBH	1	1,000	1,000
Large	0.0078125" DBH	1	1,000	1,000
Large	0.00390625" DBH	1	1,000	1,000
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PHOENIX ?



COMING SOON