

Development of Land: Unearthed



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Disclaimer

Disclaimer: This class material is for informational purposes only. It is not intended to make you an expert in any of the subject matter covered.

Introduction

- "Under all is the Land"
- Raw vs. Improved
- Residential vs. Commercial

Benefits and Drawbacks of New Development

Benefits	Drawbacks
Low cost of land	Financing
Flexibility	Local regulations
Reduced taxes	High development costs
Potential for profit	Negative cash flow
Tangible asset	Long-term investment

Laws and Regulations

- Federal
- State
- Local



Federal Agencies



Federal Agencies



Federal Laws

- Americans with Disabilities Act



- Clean Air Act

- Clean Water Act



- CERCLA/SARA

Federal Laws

- Endangered Species Act



- Fair Housing Act

- RCRA



- Title X

Tennessee State Agencies



Tennessee State Laws

- Hazardous Waste Management Act
- Safe Dams Act of 1973
- Tennessee Air Quality Act
- Brownsfields Redevelopment Program
- Tennessee Nongame and Endangered or Threatened Wildlife Species Act of 1974

Tennessee State Laws

- Tennessee Non-smoker Protection Act
- Tennessee Petroleum UST Act
- Tennessee Safe Drinking Water Act
- Tennessee Water Quality Control Act
- Water Withdrawal Registration Act

Georgia State Agencies



Georgia State Laws

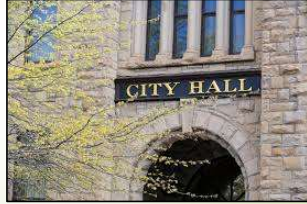
- Dam Safety Act of 1978
- Erosion and Sedimentation Act of 1975
- Georgia Air Quality Act
- Georgia Brownfield Act
- Georgia Comprehensive Solid Waste Management Act
- Georgia Endangered Wildlife Act of 1973/Georgia Wildflower Protection Act of 1973

Georgia State Laws

- Georgia Hazardous Waste Management Act
- Georgia Safe Drinking Water Act of 1977
- Georgia Smoke Free Indoor Air Act of 2005
- Georgia Water Quality Act
- The Coastal Marshlands Protection Act
- The Shore Protection Act

Local Government

- Cities
- Counties



Development Process




- | | |
|--------------------------------------|------------------------------------|
| ■ Pre-purchase | ■ Working Drawings & Documentation |
| ■ Concept | ■ Pre-construction |
| ■ Purchase | ■ Construction |
| ■ Town Planning/Development Approval | ■ Completion & Post-construction |

Pre-purchase Stage

Financing



Key Players

- Attorneys 
- Architects/Land Planners/Civil Engineers/Surveyors/Environmental Consultants 
- Accountants/Tax Specialists 

Key Players

- Appraisers 
- Local, State & Federal Agencies 
- Other

Pre-purchase Stage

Timing 

Demand 

Pre-purchase Stage - Analyzing Demand

- Existing Supply
- Vacancy Rates
- Similar Land Use Success
- Absorption Rate

Pre-purchase Stage - Factors Affecting Demand

- Population Growth
- Jobs
- Changes in Population Patterns
- Relocations
- Accessibility
- Climate
- Government
- Amenities

Land Use Type vs. Key Factors for Success

Write the letter of the BEST match (group of factors) from Table 2 into Table 1 for each land use type.

Table 1 – Land Use Type

Residential	
Office	
Retail	
Leisure	
Industrial/Manufacturing	
Agriculture/Ranch land	

Table 2 – Key Factors

A. Utilities, Tax incentives, Access to rail, highway, airports, Zoning
B. Soil Condition, Climate, Topography
C. Work pool, Location of Clients & customers
D. Location, Location, Location, visibility, Need for services
E. Proximity to tourist attractions, Demographics
F. Proximity to jobs, Income, Amenities

Pre-purchase Stage – Planning & Zoning



Pre-purchase Stage - Planning and Zoning

- Control & Direct Development
- Regulate Intensity of Use
- Buffers, Signage Restrictions, Design Constraints
- Current vs. Future Land Use

Concept Stage

- Get up close & personal



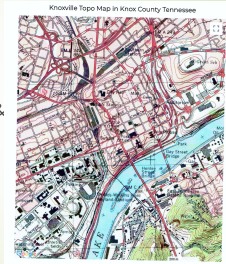
Concept Stage

- ❖ Easements & Rights of Ways
- ❖ Traffic, Roads, Ingress & Egress
- ❖ Engineering & Building Plans
- ❖ Utilities
- ❖ Public Services



Concept Stage – Up Close & Personal

- Physical Characteristics
 - ❖ Size & Configuration
 - ❖ Soil Characteristics/Hydrology & Topography
 - ❖ Environmental Issues



Wetlands

- “Waters of the United States”
- Vital to health of environment
- NO dredging or filling
- Presence & Quality
- Mitigation



Threatened and Endangered Species



Protected Species

"Take"





Threatened and Endangered Species



Protected Species

"Take"

Compensation

Contamination/Hazardous Waste

Potentially Responsible Party

Phase I Audit

Phase II Audit

Phase III Audit



Purchase Stage

Maximal Productivity

❖ Highest & Best Use

❖ PLEM

❖ Four Agents of Production



Due Diligence

Cost Factors



Purchase Stage – Cost Factors

- Boundary Survey
- Environmental Studies
- Soil Surveys & Testing
- Architectural Design
- Civil Engineering



Purchase Stage – Cost Factors

- Permits & Fees
- Utility, Water & Sewer hookups
- Earthwork

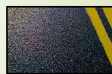


Purchase Stage – Cost Factors

- Demolition
- Renovation/Remodeling/New Construction
- Landscaping
- Legal Costs



■ Paving



Town Planning/Development Approval

- Plan Development
- Development Coordination with permitting & approval agencies
- Town Meetings/Public Workshops



Working Drawings & Documentation

- Construction plans & Specifications
- Permit Approval
- Closing



Pre-construction

Contractor Quotes



Construction



Completion



Go Help Your Client Build!!!

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