

Organized project development



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President

It may seem silly to write an article about the obvious, that it's preferable to develop projects in an organized manner. Actually, it's preferable to do any business in an organized manner, however, the laws of probability would argue that most projects, as organized as they are intended to be, tend to follow the laws of Entropy, which basically state that the longer something goes on, the greater its disorder becomes. It's also probable that many readers who have experienced the challenging dynamics of the develop-

ment process can relate to this as they have seen their projects become more unruly and at times questionable in outcome, the longer it takes to grind out the process.

The worst plan in the world is better than no plan at all. The end objectives of the development need to be stepped out. You may know what your goals are for the final development plan, however, too many developers do not put enough value on planning the path to that objective. In order to maximize the development team's efforts and minimize the time and costs of receiving all entitlement approvals and construction costs, it is important to put together an effective and cohesive development team.

The Development Team

The typical development team consists of the owner or developer, an attorney, civil engineer and architect. The engineer either contains under his roof or coordinates other team experts, such as surveyors, planners, traffic, geotechnical and environmental engineers. As most of the entitlement needs are the responsibility of the civil engineer, quite often he or she becomes the lead consultant, although the attorney may also act as lead or quarterback for the team. The team, in order to be effective, not only must be qualified and competent, but at least as important, must communicate with each other and those outside of the team fluidly, accurately and consistently.

The Four Phases of the Project

Once the need and economic viability of a development project is determined, the execution of bringing that vision to reality should be carefully planned. In general, I consider this phase of development broken up into four basic phases: Pre-Design, Design, Entitlement and Construction.

Phase I: Pre-Design Phase

During this phase, the "Concept in Mind" is committed to plan, and the actual feasibility of the project must be determined. This should typically be accomplished during the due-diligence period prior to monies going hard.

This phase should include zoning analysis, environmental evaluation, utility and drainage feasibilities, access analysis, conceptual planning and design, political climate and the development of a realistic but aggressive Development Schedule. The development schedule essentially forms the corner-

stone of the Development Plan, whereby it maps or charts the route, sequence, timing and interdependencies of the project's development process. Microsoft Projects is one of the most popular scheduling and management programs available that can readily be used for the preparation of planning and tracking the development process. The objective is to list the various tasks required to get from initiation to completion of the project, running as many of the tasks simultaneously as possible to condense the timeframe of the process to the greatest degree. It also enables the schedule to reflect interdependencies. An example is that you must first complete a foundation, or survey before you can construct a wall or prepare a site plan.

This type of schedule is called a Gantt or PERT Charts which diagrammatically present the flow and timing of the project as well as project the Critical Path of completion through the most critical tasks. This is also known as the Critical Path Method or CPM which was developed during and for the development of the Polaris Intercontinental Missile System.

Although the land development process is not quite as elaborate as rocket science, most may agree that the level of sophistication is quickly approaching "rocket science." This type of schedule can also be set to the calendar if properly set up. After the due diligence phase is complete, a "Kick Off" date may be inserted at the initial Phase which, in turn, automatically sets Start and Finish dates for all other tasks on the schedule. These may be adjusted as factors affect the schedule, so that the actual completion date may be predicted as accurately as possible. It also sets deadlines for all required tasks and acts as a central communications focus of the process.

Phase II: The Design Process

During this phase of the process, the conceptual plan is integrated with actual three-dimensional land features and engineered as a constructible project. Close coordination of all team design professionals (surveyor, environmental consultants, civil engineer, architect, etc.) is essential during this phase to assure a cost-effective, marketable and aesthetically pleasing design that conforms as closely as possible to Land Development Ordinances and Regulations. It is also helpful to coordinate with governmental staff experts to involve them in the process and generate "face time," which creates a bit of personal interaction as opposed to a defensive reaction.

Phase III: the Entitlement Process

Of all of the development phases, in my humble opinion this one is the most challenging. The application for and obtaining of approvals and permits has become highly dynamic, as it tends to change from project to project, city to city and political climate. To be successful here takes dispassionate patience and personal interaction with approving officials, and continual energy to assure the greatest momentum possible so that the project continues to progress at as rapid a pace as possible. This is an area of development that is extremely difficult to schedule, as there are a great many factors beyond the control of the development team.

Phase IV: Construction

If the design team did their jobs, this phase of the project's development should be the most predictable (barring unions and weather, that is). There are usually field or coordination issues,

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Hartford industrial market

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facilities with good clear height (24' or greater) will continue to be highly desired by the market. Land that is subdivided with utilities and infrastructure is also difficult to locate in certain categories. The larger build to suits noted above as well as two large office developments in Windsor (ING – 500,000 s/f, The Hartford – 450,000) have served to decrease the supply of available land. On the investment side there have been a number of success stories in commercial real estate over the last decade. Credit is available, commercial real estate is a viable asset class and economic conditions are positive. We also expect demand to continue for investments.

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The City of Boston

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Containing some 850,000 s/f, the Bronstein Center's highly flexible space, equipped with freight elevators, heavy floor loads, and significant ceiling clears – not to mention amazing skyline views – will become home to the BMIP's newest tenants in the months and years ahead.

Additional space is available at 12 Channel Street, where a mixture of businesses occupy 9 floors consisting of 350,000 gross.

We're here to help you grow. Just let us know what you need.

NH's obsolete industrial buildings

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be accessible to the site. With continued commercial and residential development in Southern NH, industrial land is becoming a premium asset and will force companies to re-evaluate their building requirements and focus on existing buildings that might need substantial renovation to meet their requirements.

As in the past three years, we anticipate the industrial market in Southern NH to continue to improve. With vacancy rates continuing to decrease, antiquated industrial properties being redeveloped for alternative uses, and a lack of available industrial land, it will become increasingly difficult for industrial users to find properties that meet their requirements. For industrial owners and landlords the future looks very good with lease rates and building values increasing. Industrial land suitable for development is already at record high values and we only expect this to increase. Unlike the residential market, we do not see any signs of a slow down for the commercial market and specifically the industrial market during 2008.

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Rhode Island industrial market

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activity will be due to owners / investors giving up on the idea of leasing their buildings, due to little or no activity, and putting them up for sale, subsequently going from no activity to offers and deals. As long as the inventory remains low, and there is no indication it won't, more modern buildings (< 30 – 40 years old) will remain active, especially the availabilities below 40,000 s/f.

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Office/Industrial trends

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developers. Many of the buildings have reached the end of their useful lives. While a number of these buildings were re-developed during the office boom of the late 1990s, it is clear that this location holds great potential for mixed use development, especially since the dynamic Needham Street/Highland Avenue corridor contains little in the way of easily developed sites.

Also on Route 128, in Waltham, The Related Cos. of New York plan a mixed use office, retail, and restaurant development on the 119-acre Polaroid campus on Main Street, just off Route 128. The high end development is to consist of approximately 1.6 million s/f.

The shift to mixed uses within business park environments is due in part to changing attitudes of communities. In pursuit of tax revenue and rejuvenating communities, Towns and zoning boards have become more future oriented and flexible in thinking about zoning and mixing of uses. Some government initiative such as transportation oriented development and Chapter 40B have helped as well.

There are any number of examples of this trend manifesting itself. Consider the development along Route 24 near Jordan's Furniture for one. At a smaller level, consider the number of non-office uses in the Wells Avenue Park in Newton and the number of owner occupants that have acquired buildings in business parks due to a lack of suitable buildings at reasonable prices in more heavily trafficked locations.

While this trend has a long tail, reaching back at least 20 years, recent events suggest a growing sophistication and developments on a scale that no one would have predicted. This is an exciting period for mixed use development and the concepts of new urbanism. These established locations provide large sites, excellent highway locations, and good access to population, making them ideal for redevelopment and for the revitalization and transformation of the established communities in which they are located.

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however, with good communications and relationships between the professionals and construction personnel, most issues should be worked out without the involvement of the owners. If possible, it is almost always advantageous to involve construction personnel or experts in the design process, as their ideas come from years of practical experience and in most cases, help promote cost-effective designs.

Phase V: Leasing the Project

This is an area that is best left to the real experts in this realm, the Professional Broker! In conclusion, the first phase, where the feasibility, concept design and development schedule creates the foundation and plan for moving the project forward, is the most important. Use a PLAN which can be referred to by all and which details the process and provides the guidelines and measurements of the development team's efforts.

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