



**Feature Article, May 2006**

**Tales From The Development Front**

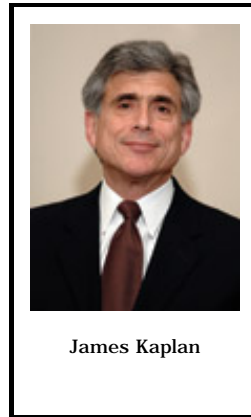
**By enhancing relations between communities, public officials and development entities, developers can make an easier go of things.**

James Kaplan

A series of events from recent community plan commission meetings demonstrates the necessity for strong relations between communities, public officials and development entities, as well as a better understanding of each other's activities and concerns.

The developer was wisely proactive in the process. It initiated a series of pre-development meetings with the community development director as well as the village board president to establish relationships and informally present the concept plans, as well as to get a handle on potential reactions, determine what the tenor of the meeting(s) would be, the nature of potential objections which might be raised.

The project was blessed and assurances (such as they were) were given that the process would be relatively routine and not overly time consuming, and that a groundbreaking could be anticipated in a reasonable time frame. Preparation of building plans was initiated, renderings and information for the meeting process prepared, residential neighbors living in the immediate proximity of the site were contacted and educated as to the nature of the development and the extent of impact it would present to them. Yet after all of this seemingly careful preparation, let's just say the developer was a bit blindsided by the opening remarks from some of the board members.



James Kaplan

**No Strip Malls And No Banks, Either**

Despite pre-approved zoning for retail (a planned unit development, actually, which would include the already built and operating, nationally prominent drugstore with drive-thru on the hard corner to be complemented by a small specialty/convenience center) one board member didn't want to see "no dang strip malls" on the land. "Yeah, okay, it's zoned for retail, but why can't there just be one user instead of a bunch of shops?" he asked.

On just over an acre of land which could comfortably fit 7,500 square feet of GLA? Well, that would be nice, certainly easier and probably less costly to build, but judging from what the pre-development market analysis and initial leasing efforts concluded, highly unlikely.

"And we don't want no dang banks either," said another board member. "We've got too many of them already. And real estate offices, medical offices, well, they don't generate sales tax revenue and our community needs that money."

It seems the developers neglected to get out to more of the community about the project. They weren't aware of the pressure several of the board members regularly received from a local group which was anti-development and anti-growth, the result of a commercial development "gone bad" several years past as a result of poor planning, some bad decisions made by board members since

departed, and a series of unfulfilled promises by an inexperienced developer. It was going to be a long night.

### **Old School/New School**

Many developers today wisely seek to engage communities and community officials in the pre-development process as a means to eradicate “old school” perceptions. A recent study commissioned by an independent consulting group found staggering numbers of people who have opposed retail development projects in their communities. Despite stronger efforts by the development community to educate the public about their plans, many are still seemingly thought of as prone to not delivering what was originally promised.

Neighbors fear that the ensuing growth of the area around the development will be un-manageable or introduce disturbing changes. A developer’s advocacy for change tends to raise concerns of people who are happy with the way things are, the perception often that the primary concern of the developer is profit — at whatever cost. Municipal officials, planning boards and related commissions, guardians of the public trust, feel this pressure from their constituents and the need to act, or react, in their purported best interests, often without all the facts.

It has become increasingly more important for the development community to educate the residents of communities, as well as public officials, and work to win their support rather than fight their opposition.

In earlier days of the shopping center industry, it was relatively unheard of to involve community groups in pre-development discussions. Common wisdom presented the impression that the development team met in a smoke-filled room with municipal officials, hammered out the deal, and walked away with a permit.

As things evolved, public officials and agencies began to experience the occasional input from a concerned and vocal citizen, reminded that the term was “public hearing.” Yet ideas and concerns expressed were sincere and often constructive, and officials, subject to stricter levels of accountability, wanted to be re-elected while avoiding any appearances of impropriety. Communities hungry for development began offering developers financial incentives, in effect creating partnerships with developers. The process has grown more complex as more residents and then community groups involve themselves, and the concept of community involvement has become the rule rather than the exception. Choosing to focus on their core competencies, developers began to enlist the services of consultant teams or legal counsel for representation throughout the process.

Today, it seems almost expected for communities to involve its residents in the process, which in turn has made crucial the need for the development community to take a proactive posture in presenting their projects prior to the hearing process.

### **Examine The Benefits**

We in the shopping center industry will always view change as a result of new development as beneficial, but change is often feared — the fear of the unknown and all of the what-ifs that accompany it. Often this fear is a product of an absence of information and knowledge by the very people who will reap the benefits from the development. Therefore, we need to realize that we live in a relatively closed universe, and that the language we speak is usually foreign to the public. Simply, when people are well informed about what is driving a particular development and have a better understanding of the whys and wherefores which motivate the retailing and service business community, even a basic understanding of the economics at play and the long term benefits to the community which will be derived, the likelihood of securing their approval increases.

Yet too often the development community is busy doing just that — focusing on putting bricks and mortar and money and tenants together, forgetting about the approval process which is going to get them to the finish line. The idea of attending a never-ending series of meetings, of listening to resident concerns, of being “forced” to plant another tree, add another light standard, not include a specific type of user to a tenant mix, is certainly a source of frustration to every developer who has ever watched a land-carry interest clock tick away. Yet these are the very reasons we need to take a proactive posture. The sharing of information through workshops, community forums and media releases can be extremely effective in streamlining the process. It will get shovels into the dirt that

much quicker.

Yet it's a burden. The shopping center industry generally lacks advocacy at the municipal level. Developers recognize the need and quickly employ consultants for engineering and design issues, for zoning and entitlements. But as the community approval process becomes more complicated, the development community needs to also consider fortifying its team with consultants who are not only fluent in the language of retail development, but also versed in the planning processes, knowledgeable about local political issues, and able to introduce information and educate community residents and municipal officials in a patient and non-threatening manner, usually outside of the hearing process.

### **Strong Relationships Help Get Us To The Finish Line**

To reiterate, when people are well informed, the likelihood of securing their support is greatly enhanced. The process of developing and redeveloping our communities of today and tomorrow has clearly become more complicated, demonstrating a greater need for an alignment of interests and a cooperative working relationship amongst all the parties in the equation. The shopping center industry has long recognized the value of strong relationships. There exists a growing need to recognize the sensitive nature of community relations, which continues to become an increasingly important component in the development process, and that it's important to expand networks to include the communities in which we work or hope to work. It is important to recognize the importance of building development teams with members who can speak to these specific concerns in a constructive and patient manner, securing the appropriate partners to make development visions reality. scb

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