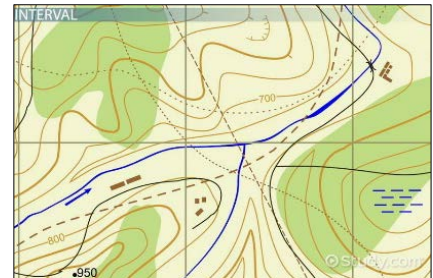




Typical Development Process

A basic overview of the steps involved in the identification, due diligence, evaluation, acquisition and development of real estate



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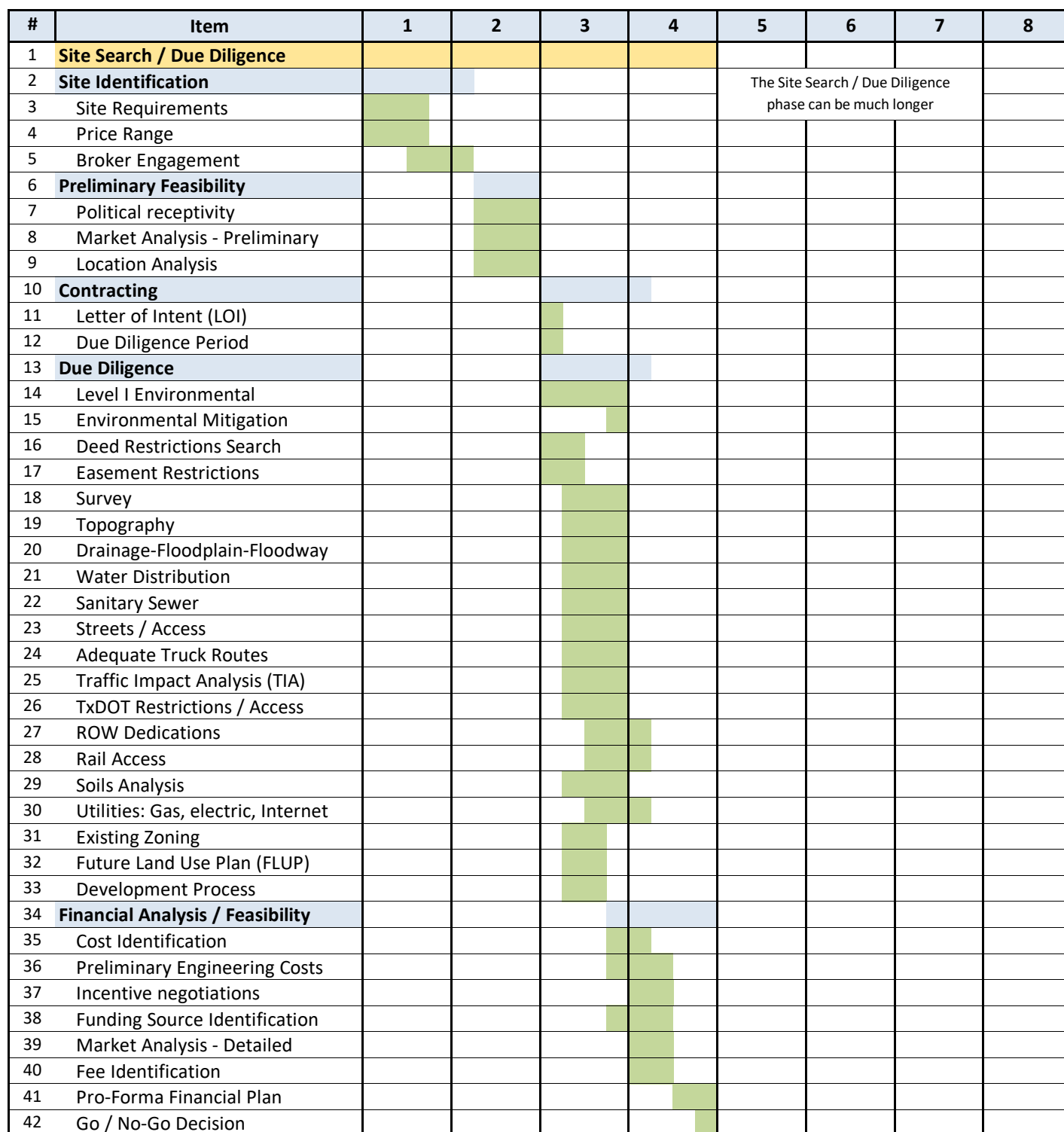
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Development Process - Gantt Chart

This Gantt Chart shows an approximation of the sequencing of major steps in the development process.
The length of time to complete each item can vary significantly with the type and scale of project. (8 months shown)



| # | Item | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|----|--|---|---|---|---|--|---|---|---|
| 43 | Entitlements | | | | | Entitlements are sometimes required before someone will close on a property. | | | |
| 44 | Staff Review | | | | | | | | |
| 45 | Pre-Submittal Mtgs w Staff | | | | | | | | |
| 46 | Development Review Com. | | | | | | | | |
| 47 | Zoning Change | | | | | | | | |
| 48 | Property Owner Notices | | | | | This can be considerably longer depending on the frequency of mtgs | | | |
| 49 | P&Z Hearing | | | | | | | | |
| 50 | CC Hearing(s) | | | | | | | | |
| 51 | Preliminary Plat | | | | | | | | |
| 52 | Property Owner Notices | | | | | | | | |
| 53 | Preliminary engineering plans | | | | | | | | |
| 54 | P&Z Hearing | | | | | | | | |
| 55 | CC Hearing | | | | | | | | |
| 56 | Final Plat | | | | | | | | |
| 57 | P&Z Action | | | | | | | | |
| 58 | Site Plan Approval | | | | | | | | |
| 59 | P&Z Hearing | | | | | | | | |
| 60 | CC Hearing | | | | | | | | |
| 61 | Plan Review / Permitting | | | | | | | | |
| 62 | Building Construction Plans | | | | | | | | |
| 63 | Pre-Submittal w Staff | | | | | | | | |
| 64 | Plan Preparation | | | | | | | | |
| 65 | Submittal / Staff review | | | | | | | | |
| 66 | Permit Issued | | | | | | | | |
| 67 | Public Works Construction Plans | | | | | | | | |
| 68 | Pre-Submittal w Staff | | | | | | | | |
| 69 | Preparation | | | | | | | | |
| 70 | Submittal / Staff review | | | | | | | | |
| 71 | Developer's Agreement - CC | | | | | | | | |
| 72 | Notice to Proceed | | | | | | | | |
| 73 | Land Acquisition / Closing | | | | | | | | |
| 74 | Purchase | | | | | | | | |
| 75 | Contract Development | | | | | | | | |
| 76 | Title Work | | | | | | | | |
| 77 | Closing | | | | | | | | |
| 78 | Construction | | | | | | | | |
| 79 | Mobilization | | | | | | | | |
| 80 | Clearing & Grubbing | | | | | | | | |
| 81 | Earth Disturbance Permit | | | | | | | | |
| 82 | Erosion Control | | | | | | | | |
| 83 | Tree Preservation | | | | | | | | |
| 84 | Site Grading | | | | | | | | |
| 85 | Public Works Construction | | | | | | | | |
| 86 | Utilities (Water / Sewer) | | | | | | | | |
| 87 | Drainage / Streets / Driveways | | | | | | | | |
| 88 | Site Development | | | | | | | | |
| 89 | Utility services | | | | | | | | |
| 90 | Hardscape | | | | | | | | |
| 91 | Building | | | | | | | | |
| 92 | Landscape | | | | | | | | |
| 93 | Certificate of Occupancy | | | | | | | | |

Development Process - Item Descriptions

| # | Item | Description | Notes |
|----|------------------------------------|--|---|
| 1 | Site Search / Due Diligence | | |
| 2 | Site Identification | | |
| 3 | Site Requirements | Create a list of all site requirements, in prioritized order, with "knock-out" factors identified | Knock-out factors are typically those that you cannot change much (location, topo, drainage) |
| 4 | Price Range | How much are you willing to pay in total, and per acre or square foot | |
| 5 | Broker Engagement | Hiring a broker to search for an identify sites, contact owner / representative, begin negotiations | Would typically require a commission |
| 6 | Preliminary Feasibility | Items typically not requiring paid consultants | |
| 7 | Political receptivity | Meetings with Mayor, Councilmembers, P&Z Chair | Also good way to establish a relationship with community leaders |
| 8 | Market Analysis - Preliminary | Quick look at occupancy rates, competition, market growth | |
| 9 | Location Analysis | Supply / distribution analysis, road / rail availability, preliminary workforce | |
| 10 | Contracting | | |
| 11 | Letter of Intent (LOI) | A letter describing the intent of both selling and purchasing parties | |
| 12 | Due Diligence Period | Include a period of time for you to perform your due diligence w/o them marketing the property | Include right to extend if needed Often this can require the purchase of an "Option" |
| 13 | Due Diligence | | |
| 14 | Level I Environmental | Fairly high-level analysis, identifies need for Level II analysis or potential issues, archeological, endangered species, etc. | A 'must have' before purchasing TCEQ can help with Level I |
| 15 | Environmental Mitigation | Has there been any mitigation in past, any required to move forward | This is not the actual mitigation, just an understanding of what has been done |
| 16 | Deed Restrictions Search | Any deed restrictions that might prohibit the desired use | |
| 17 | Easement Restrictions | Identify any easements that may restrict the development of the land | |
| 18 | Survey | Typically would include acquiring an ALTA survey which is very detailed and comprehensive | ALTA / ACSM stands for American Land Title Association / American Congress on Surveying and Mapping |
| 19 | Topography | Evaluate extent of slopes, drainage patterns, extent of grading needed | |
| 20 | Drainage-Floodplain-Floodway | Evaluate the extent that floodplain reduces useable acreage, drainage patterns through the property, etc. | Use FEMA / FIRM maps |
| 21 | Water Distribution | Does it currently exist, right size, if not, what does it take to get it there | |
| 22 | Sanitary Sewer | Does it currently exist, right size, if not, what does it take to get it there | Contact City regarding capacity, long-term plan |
| 23 | Streets / Access | Are there restrictions to drive locations, proximity to intersections, on/off ramps | |
| 24 | Adequate Truck Routes | Are there designated truck routes, are they accessible from this site | |

| # | Item | Description | Notes |
|----|---|---|---|
| 25 | Traffic Impact Analysis (TIA) | Frequently a TIA is required by a City if there is likely negative impacts resulting from a development | |
| 26 | TxDOT Restrictions / Access | Are adjacent roadways TxDOT, are there access restrictions for driveways | Ask local TxDOT engineer Usually shown on ROW maps |
| 27 | ROW Dedications | Does Master Thoroughfare Plan (MTP) show increased width on adjacent roads | Determine extent of required ROW dedication |
| 28 | Rail Access | Is rail in close proximity, is access allowed / desired | Discuss with Area Rail Manager |
| 29 | Soils Analysis | Is the soil stable, depth to bedrock, water table | Can refer to USGS maps preliminarily |
| 30 | Utilities: Gas, electric, Internet | Does it currently exist, right size, if not, what does it take to get it there | Get utility providers to summarize availability and costs to provide |
| 31 | Existing Zoning | Is it currently zoned appropriately | Ask Planning Dept. to confirm required zoning based on your desired use |
| 32 | Future Land Use Plan (FLUP) | Is the desired future land use support a rezoning to the required zoning | FLUP shows the long-term desired land uses for all land in a City |
| 33 | Development Process | How long is the full process, application costs, political whims | Typically the City Planning Dept. will have a good overview of this |
| 34 | Financial Analysis / Feasibility | | |
| 35 | Cost Identification | Identify all non-engineering costs | e.g. Marketing, financing, |
| 36 | Preliminary Engineering Costs | Estimate all public works costs | Water, sewer, streets, drainage |
| 37 | Incentive negotiations | Determine availability of incentives | Typically developer would request this as part of their feasibility |
| 38 | Funding Source Identification | Determine source of funds for project | Banks, grants, reserves, etc. |
| 39 | Market Analysis - Detailed | Identify competing properties, costs, absorption rates, fine tune product design | |
| 40 | Fee identification | City Entitlement fees, environmental permits, consultant costs, etc. | Incentives may include reductions to some fees |
| 41 | Pro-Forma Financial Plan | Financial analysis of all costs and revenues over a time period | |
| 42 | Go / No-Go Decision | Decision to proceed or drop project | |
| 43 | Entitlements | | |
| 44 | Staff Review | | |
| 45 | Pre-Submittal Mtgs w Staff | Informal meeting, typically w Planning | Explains submittal, checklists, etc. |
| 46 | Development Review Com. | A mtg of all departments to review the development before formal submittal | Always consult with Fire Marshall re access, hydrants, fire lanes, etc. |
| 47 | Zoning Change | | |
| 48 | Property Owner Notices | Typically everyone within 200' | |
| 49 | P&Z Hearing | Public consideration by P&Z | Owners sometimes requiring purchase before finalizing zoning |
| 50 | CC Hearing(s) | Public consideration by Council | Typically two separate hearings |
| 51 | Preliminary Plat | | |
| 52 | Property Owner Notices | Typically everyone within 200' | |
| 53 | Preliminary engineering plans | Prelim. water, sewer, streets, drainage | |
| 54 | P&Z Hearing | Public consideration by P&Z | |
| 55 | CC Hearing | Public consideration by Council | |
| 56 | Final Plat | | |
| 57 | P&Z Action | Final approval by P&Z | May have to go to CC also |
| 58 | Site Plan Approval | | |
| 59 | P&Z Hearing | Public consideration by P&Z | |
| 60 | CC Hearing | Public consideration by Council | |

| # | Item | Description | Notes |
|----|--|---|--|
| 61 | Plan Review / Permitting | | |
| 62 | Building Construction Plans | | |
| 63 | Pre-Submittal w Staff | Informal meeting w Building Inspector | Understand codes, submittal reqmts |
| 64 | Plan Preparation | Architectural plans prepared | |
| 65 | Submittal / Staff review | Formal submittal, fees, review | Can take longer if sent to third party |
| 66 | Permit Issued | Permission to move forward | Can sometimes get 'staged' permitting to allow quicker start |
| 67 | Public Works Construction Plans | | |
| 68 | Pre-Submittal w Staff | Informal mtg to understand reqmts | |
| 69 | Preparation | Civil Engineer to prepare plans | |
| 70 | Submittal / Staff review | Submit for compliance with engineering standards | |
| 71 | Developer's Agreement - CC | Bonding, insurance, cost participation | Usually reqd prior to construction |
| 72 | Notice to Proceed | Permission to move forward | |
| 73 | Land Acquisition / Closing | | |
| 74 | Purchase | | |
| 75 | Contract Development | Finalize contract for purchase | |
| 76 | Title Work | Title company research and closing document preparation | |
| 77 | Closing | Consumates the sale of property | |
| 78 | Construction | | |
| 79 | Mobilization | Bringing all equipment to the site | |
| 80 | Clearing & Grubbing | | |
| 81 | Earth Disturbance Permit | Allows clean up, tree removal | |
| 82 | Erosion Control | Plan, install perimeter erosion control | |
| 83 | Tree Preservation | Protection of trees to be saved | |
| 84 | Site Grading | Grading in accordance with grading plan prepared by Civil Engineers | |
| 85 | Public Works Construction | | |
| 86 | Utilities (Water / Sewer) | Underground utilities typically are first | |
| 87 | Drainage / Streets / Driveways | Culverts, streets, drives | Provides access to property |
| 88 | Site Development | | |
| 89 | Utility services | Brings utilities from public ROW or easements to the buildings | |
| 90 | Hardscape | Sidewalks, drives, parking, | Make sure Fire Marshall is engaged |
| 91 | Building | Vertical construction | |
| 92 | Landscape | Irrigation, landscape, sod | |
| 93 | Certificate of Occupancy | Issuance of a C.O. allows occupancy of any buildings | |