

Real Estate Development 101 – Chris McCandless

Part One: Open Space Land Preservation


Create open space through creative real estate development practices and inter-local jurisdictional cooperation

Part Two: Ground Level Economic Impacts

The impact of jobs in the local economy from new housing construction

Part One: Open Space Land Preservation

Objective: Preserve priority sensitive open space property without taking away or decreasing private property rights of the landowners or stakeholder.



Open Space Land Preservation: 5 Jurisdictional Steps

1. Incentivize the Stakeholder: Increase the residential density by allowing clustering of units

- Increases profitability and home sales absorption
- Higher density, lowers ROW infrastructure improvement costs

Open Space Land Preservation

2. Dedication of open space:

- Create open space stewardship including an on-going maintenance plan.
- Diverse open space amenities – incorporate all public access and their participation

Open Space Land Preservation

3. Modification of existing or creation of new overlay zone or other ordinances:

- Allow for the decreased lot sizes and increased density in a particular zone in exchange for:
 - Master Planned projects requiring:
 - Development agreements
 - Dedication of a percentage of the site as open space
 - Community amenities including public access on private property
 - Stewardship plan to accommodate maintenance
 - Design guidelines and restrictions
 - Allow for off-site priority open space land acquisitions and dedications in exchange for density.

Open Space Land Preservation

4. Open Space Funding:

- Creative land exchanges – privately owned and governmental (surplus) property can be exchanged for critical open space land and improvements (precursor to inter-local TDR)
- Open Space Bonds approved by voters
- Federal, State and Local grants and budgetary allocations for needed improvements
- Private funding from grants and others
- Seek out allies in the funding effort
- Creation of public/private preservation organizations

Open Space Land Preservation

5. Take action now:

- Entitlement process together with zoning, code and ordinance changes take time.
- Stakeholders and developers don't have the time.
- Where possible research and incorporate the following:
 - Identify priority/critical lands within jurisdictional boundaries
 - Obtain accurate survey and other relevant information
 - Wetland delineation
 - 100/500 year flood plains
 - Fault line research
 - Slope and stability studies
 - Soils and groundwater studies
 - Finds ways to use the above information obtained to incentivize the Stakeholder

Case Study: Springview Farms, Bluffdale UT



The Original Plan

289 acres site in Bluffdale City zoned agricultural on the Jordan River:

Zoned for 1-unit per acre density with no other options – leaving no hope for major open space or Jordan River corridor preservation.

Major obstacle to Jordan River Parkway – almost all property was privately owned.

The Preservation Plan

Same 289 acre site in Bluffdale City on the Jordan River:

Open Space plan created a new Cluster Residential Overlay Zone (CRO Zone): 1.35 units per acre density bonus for developer agreed exactions.

- Land exchange with State of Utah Sovereign Lands and Salt Lake County – 5 parcels
- Completion of this segment of the Jordan River Parkway
- Developer used funds from SLCo surplus properties to partially pay for Jordan River Parkway improvements.

Zoning and Density

Notes: All master plans, concept drawings and subdivision designs and dimensions are conceptual and are subject to change without notice. The church site as depicted on Page 5 (area in blue) may or may not be developed as a church but could alternatively be developed as several single family homesites. This and other attached plans as distributed are for informational purposes only. For more accurate information with regards to Spring View Farms - Sage Estates in Buffalo City, interested parties should refer to official documents, CDE's and recorded subdivision plans that can be found at the office of the County Recorder at 2000 South State in Salt Lake County, Utah.



Springview Farms Development: Original Economic Benefits and Challenges

Springview Farms:

- One acre per unit zoning allowed for 240 homes with estimated developed value of \$93.6 million
 - All property, regardless of land type could be divided into 1 acre lot/private ownership
- Longer projected absorption due to duplicity of housing product types and smaller overall market share

Open Space Land - The End Result:



Jordan River Preservation Photos



Open Space Details

- 53% Open Space(153 acres) owned by:
 - State of Utah
 - Salt Lake County
 - Bluffdale City
 - Springview Farms Homeowners Association
 - SVSD with/conservation easements to Audubon Society
- Stewardship: open space maintained by State, County, City and Home Owners Association
 - All open space property and private trails open to public

Existing Trails

Proposed Trails

Proposed Trails paid for by City

Trails System: The End Result



Trails System Details

- Jordan River Parkway element:
 - 4.5 miles of multi-use paved and chipped trails
 - Large wildlife animal and migratory bird habitat protection
 - Four open ponds and numerous stream enhancements
 - Public and private parks and landscaped streetscapes.
 - Private entry with large water features
 - Off-site JRP extension – the “cork in the bottle” trail

Economic Outcomes- The End Result:



Economic Outcome Details

Springview Farms Development Summary:

- 310 Homes with estimated value of \$100.3 million (\$6.7 million increase over original plan)
 - CRO zone allowed for 1.35 residential units per acre
- Faster absorption rate due to varied housing products
- Reduced infrastructure costs due to smaller lot frontages

Open Space Preservation Summary:

- Preserved 153 of 289 acres: \$13.7 million land value
- Open Space, Parks and Trails improvements: \$7.7 million
- Total estimated value of preserved open space parks and trails - **\$21.4 million.**

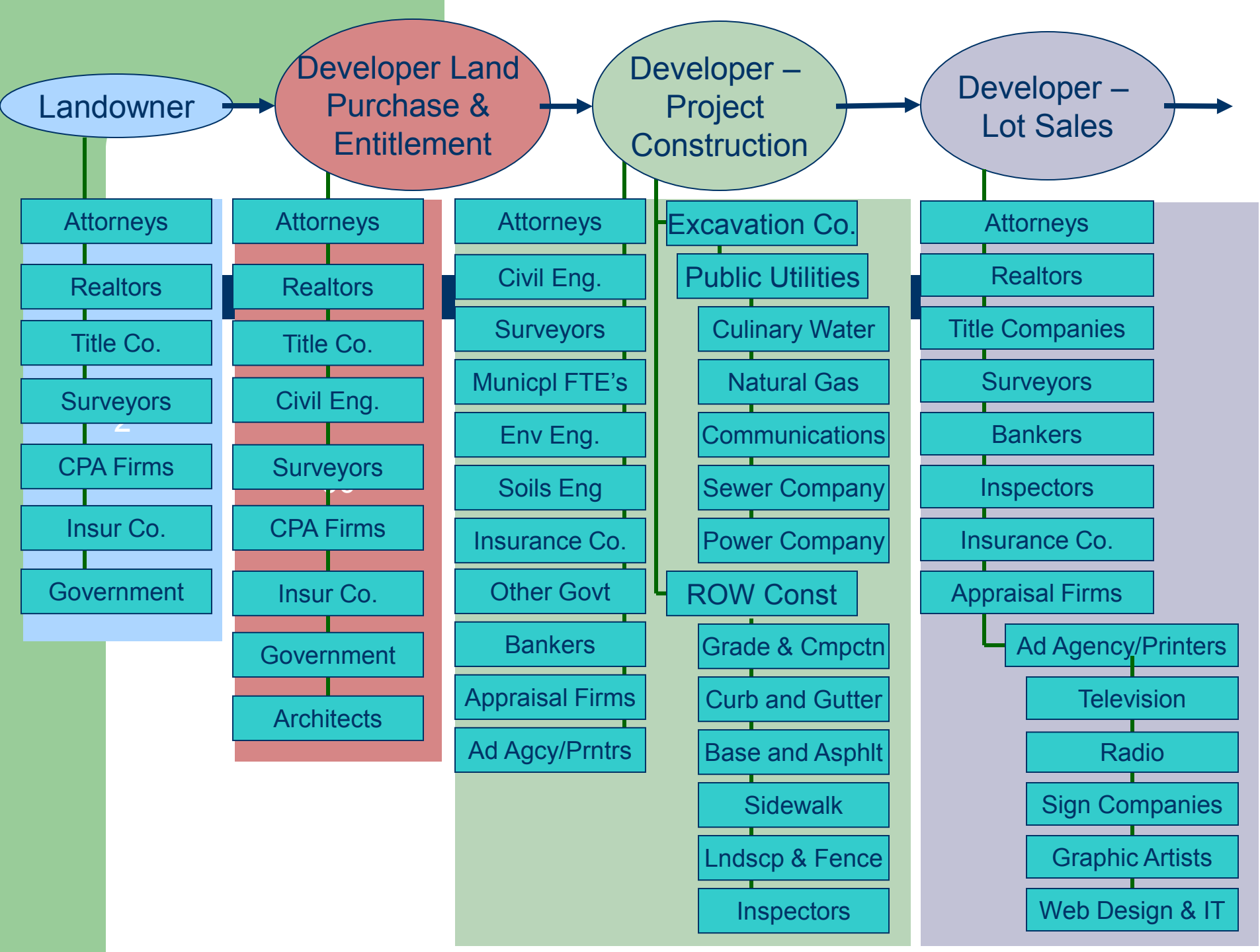
Part Two: Ground Level New Construction Jobs Impact



Ground Level New Construction Jobs Impact:

- **Case Study:**

- A landowner sells a 10 acre parcel to a Development Company.
- Development Company entitles and constructs a project with a three UPA density (creating about 30 new homes).
- Time frame from start to sale of homes: 2-3 years.
- Categories (on the following charts) identify personnel or employees that are sometimes redundant because they are used in each category during the developmental and land sales construction process.



New Home Builders

New Home Buyers

- Architects
- Surveyors
- Construction Lenders
- Appraisers
- Attorneys
- Inspectors
- Excavators
- Concrete Companies
- Plumbers
- Framing Companies
- Construction Supply Companies
- Electricians
- Roofing Companies
- Masonry Companies

- Siding Companies
- Light Fixture Company
- Finish Carpenters
- Finish Electricians
- Flooring Companies
- HVAC Companies
- Cabinet Companies
- Counter Top Companies
- Window Covering Firms
- Interior Decorators
- Lowes, Home Depot, Sears and other stores
- Sprinkler Companies
- Sod and Nursery
- Fencing and other Outdoor components

- City Inspectors
- Realtors
- Title Companies
- Appraisers
- Inspectors
- Excavators
- Concrete Companies
- Plumbers
- Painting Companies
- Ad Agency/Printers
- Television
- Radio
- Sign Companies
- Graphic Artists
- Web Design & Internet

- Realtors
- Title Companies
- Attorneys
- Inspectors
- Surveyors
- Insurance Companies
- Mortgage Bankers
- Mortgage Ins. Comp.
- Appraisers
- Interior Decorators
- Lowes, Home Depot, Sears and other stores
- Furniture Companies
- Basement finishers
- Public Utility Company (new connections)

Case Study Conclusion:

- **New Construction impact: how many jobs are created under the case study?**
 - It is estimated that this single development will significantly support 587 jobs (not all full-time positions) in the related industries during the time the development process is active (2-3 years).
 - During that same period, increased property taxes, payroll taxes, sales taxes, gasoline taxes and other revenue streams are flowing into local governmental entities.
 - Municipal and County revenue streams then continue on in perpetuity.