

Construction, Design & Engineering

Avoiding pitfalls during site selection process: Be proactive

Proper site selection is critical to any real estate development project. But it can also be a time-consuming and challenging process. This is especially true in the Denver market, where available land is increasingly difficult to develop. Whether you are a large developer or a smaller real estate company, it is important to uncover and plan for any potential issues early on in the process, before making a final site selection for your next project.

Here are six pitfalls to avoid during the site selection process:

■ **Unexpected fees.** It is essential to understand all of the fees required to develop a specific parcel. Often, there are unexpected costs such as impact fees for connection into the jurisdiction's water, sewer, storm drainage or street infrastructure. Reimbursement agreements, annexation agreements or development agreements from previous landowners may have been put in place and define future costs that impact the site. Denver metro's water and sewer fees are important costs to define; they can significantly impact your pro forma.

■ **Off-site impacts.** Examining the off-site impacts is key, as



Chris Strawn
Principal, Jansen Strawn Consulting Engineers, a Ware Malcomb Co., Denver

they affect the overall cost of developing the site. Some questions to consider: Is the site adequately served with utilities? How far does the water, sanitary sewer or storm sewer need to extend to get to the site? Is the existing water service capable of serving the fire demands of the proposed project? What is the downstream capacity level of the storm and sanitary sewers? What roadways, roadway improvements or traffic signals will be needed? What is required for gas, power and fiber connections? Are there overhead power lines that will need to be buried? Does the site have a large upstream drainage basin draining through it and how will that be mitigated on site?

■ **Impact of floodplains.** Understanding the impact of floodplains on the potential site drives many factors from site planning to infrastructure costs.



Tom Jansen
Principal, Jansen Strawn Consulting Engineers, a Ware Malcomb Co., Denver

Many remaining, available sites have floodplain issues to deal with. Each city has different rules and regulations for floodplains, which must be incorporated during the planning phase before any development can occur.

■ **Soil implications.** Soil implications throughout the Rocky Mountain region are incredibly important to understand, and often drive the real estate deal in many ways. What is the condition of soils on the site? Are there expansive soils that might require overexcavation, drilled piers or removal and replacement? What is the level of the ground water and how will it affect the site's ability to develop? How will the site's current topography allow for the development? Is an import or export of soil required?

■ **Land entitlements.** Most projects will require jurisdictional approval through their planning

department or zoning board for the developer's vision to become a reality. There are many different processes to understand, timing issues to navigate, and steps to take in order to gain approval to develop the land in an efficient way. If there are unknown processes required for approval, many projects stall and delay the start of construction. It is important to know what the current zoning or type of use is allowed for the site. Sometimes there are restrictions on what can be developed on a particular parcel of land and zoning changes may be time-intensive, costly or not appealing to the community.

■ **Environmental issues.** Existing environmental issues on a site can impact its ability to be developed. It is imperative to identify if any items exist that need either remediation or special care. This can include protection of nesting animals or endangered species, contamination abatement or wetlands mitigation. Retaining an environmental consultant is necessary to assist in the evaluation of these issues.

If overlooked, any of these factors can result in time delays and increased costs that could impact your project's bottom line.

The solution is to be proactive and engage in appropriate due diligence and site feasibility as early as possible. Incorporating effective research and planning early in the process will minimize unexpected, negative surprises later on. At a minimum, a standard due diligence report should examine environmental processes, soils, zoning and a site layout or yield study.

Further, developers should consider a site development feasibility study. This includes the above, but also a concise, easy-to-read summary of all key factors for consideration, along with a visual site plan with specific site characteristics. Additionally, look for a firm that offers site optimization modeling in conjunction with the site development feasibility study to take a 3-D view of the site. In addition, a firm offering civil engineering and architectural services can provide an even more integrated look at your site.

Proactive due diligence, including the review of off-site impacts, unexpected fees, soils, land entitlements, environmental issues and floodplains can ensure that the you are making the right site selection for your development plans.▲

Retail

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Partners LLC at 3993 E. 120th Ave. in Thornton. **Bill Singer** represented the tenant and also was the in-house broker for the

landlord, **Western Centers**, in the transaction.

■ **Western Slope Driving** leased 1,426 sf from **Cottonwood Mountain LLC** at 17906

Cottonwood Drive in Parker. **Bill Singer**, of **Western Centers**, the landlord, represented the tenant as well as acting as in-house broker for the landlord.

■ **Workhorse Tattoo Collec-**

ive leased 1,400 sf from **ASM Pearl LLC** at 16741 Cottonwood Drive in Aurora. **Sara Mendoza** and **Corey Wagner** were the in-house brokers for the landlord, **Western Centers**.

■ **Chambers Point LLC** leased 1,200 sf of retail space at 1728 S. Chambers Road in Aurora to **Party 4 Less**. **Bill Singer** of **Western Centers** represented the landlord.▲