

Rosalie's Mother

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Negotiation Game by Mark Lefkowitz (developer) vs. 3.3

For this part you are the CEO of Powerful Development Inc.. Your core business is purchasing parcels of land and creating value. Luckily, you have a brilliant ability to negotiate great terms and the amazing skill to leverage. After studying demographics you purchase 10 acres of dirt **behind** the corner frontage lot which is the same size and similar dimension. (see the attached map to see this long rectangle shape) (it is 300 feet wide and ¼ mile long)) You are in the back.. oh well

The price is 80,000 per acre or \$800,000.00 total for 10 acres with a small down-payment. It sounds like a good deal and maybe you could flip it making a nice profit so you buy it. Maybe it will be worth a million dollars one day! **That's a real profit and good money.**

The reality is that you are in the back **with-out** frontage on the main road. That IS A PROBLEM! If only you could get the 10 acre parcel in front of you, with the key frontage you hit a home run instead of making a reasonable profit.

To make the most money, you must get a deal done with the other parcel and assemble them together. Larger parcels are better. Furthermore, it is imperative to get governmental entitlement. Entitlement is the process of getting approvals, permissions, and zoning rights for development. **To hit it out of the park you will need commercial zoning! Repeat You need the frontage parcel to get commercial zoning!!! loud and clear!**

NO TIME TO WASTE! BEING FIRST IS CRITICAL! You must be the first one approved by the City Council and Mayor before the competitors come along. The first one with approvals is the big winner. Why!

The reason is the space distance restrictions between taverns, liquor stores, fast-food franchises, supermarkets, gas stations, and SCHOOLS including CHURCH and PLACES OF WORSHIP, under the City building code. All these uses could be built on other lands in the general vicinity. Moreover, there might only be enough local business to support one supermarket, gas station, fast food, bar and tavern, or drug store within a mile or more.

Then you would be precluded for approval for certain particular commercial uses on this property. For example liquor sales are not permitted near a school or church! Worse you may not be able to land an anchor tenant. If they commit to a different corner), then the value could be greatly diminished.

Better hurry before word gets out and you lose your advantage. Other developers will swarm in and get that corner parcel in front of your land. Or much worse, the competition gets to be first on a different lot. They develop on the opposite corner, and YOU ARE OUT because 2nd place is not a winner here.

To be a master deal maker, and a superstar entrepreneur you need to be relentless. The clock is ticking away.. YOU ARE IN A WEAK POSITION because your land is in the back and **without your neighbor's land** there is **NO commercial zoning possibility** at all.***HELP!!*** How good of a dealmaker are you? Soon you will meet the owners of the front parcel. (Her name is Rosalie and she is the leader of her small tight knit family)

Your goal is to create the most money by hammering out a deal.
How good are you at deal making? TICK TOCK Tick tock.....
TIME TO GET TO WORK!

Developer Secret! Luckily you come across information showing plans for the construction of a major freeway interchange that will be located nearby. Having freeway access creates huge traffic counts and a great demand for goods and services. This is certainly good news for a commercial project because now development is imminent. ***Wow, having this information gives you a tremendous advantage! It's your magical secret out of the rat race!!!!***

You are in a powerful position because it is almost certain that the people who own the front parcel are uninformed. They probably do not have much experience in land and development matters. Also long narrow parcels are not as functional for commercial shopping centers so squaring up with Rosalie's front parcel is paramount.