

Land/Site Analysis—Part 2
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There are complementary and competing social, political, environmental and economic forces in any community. Those forces influence the application of zoning. However, zoning is a police power that is often a fact and does not necessarily provide a historical perspective or a window into the future. Typically, appraisal assignments require some level of consideration to what uses are legally permissible. However, scope of work requirements may need to consider other factors such as future infrastructure improvements, development trends and probability of a zone change. Some assignments may require an analysis of the general plan.

The general plan is the primary tool used by local government to make public statement of its intentions regarding physical development. It is also intended to assist in the day-to-day decisions made in municipal government. General plan formats typically contain maps and diagrams as well as a text that contains goals, policies and action statements. In essence, the general plan is intended to be a comprehensive blueprint and a policy statement for the location, type, density, quality and rate of land development. A well-prepared general plan will discuss where a community has been, where it is now and where it wants to go.

The extent to which a local agency relies upon a general plan will partially depend upon state law, past litigation, and the commitment of elected and appointed representatives. In the final analysis, the popular mind of the people is a primary force that directs planning programs.

In highest and best use analysis, appraisers often focus on the land use map of the general plan because it is the visible part of the plan. While analyzing the map is an important step in determining legal uses, a review of the text may be equally important. This is due to the fact that the goals, policies and other factors stated in the text can also determine how land is used. Goals and policies are in essence the design criteria for preparing the map. In addition, the text could override the map in specific instances.

For example, a “goal” may be to *provide a range of residential densities to meet the housing needs of the community*. A “policy” could then state that *a range of residential densities from 4 to 24 units per acre shall be allowed within the neighborhood core areas*. An “action statement,” that further defines the policy, could state that *multi-family uses with a density of 10 to 24 units per acre, when appropriate, may be allowed adjacent to commercial areas*. If the land use map did not indicate a multi-family symbol adjacent to the commercial areas because of the text, the appraiser may not have known the option existed without reading the text of the plan.

Legal considerations, such as zoning and general plan, may give an indication of the long-term prospects for a subject property. Uses that are not in legal compliance with existing government regulations may be considered to be legal nonconforming—even if

legal nonconforming uses may be lacking conformity with the immediate properties and neighborhood.

Consider a commercially zoned property that is located at an intersection of a major arterial street and a collector street. The site has 130 feet of frontage along the arterial and 250 feet of frontage along the collector street. The site is 32,500 sq. ft. in size. Improvements consist of a 4,500-sq.-ft. commercial building fronting the arterial street and two single-family residences located along the collector street. The surrounding area is an older neighborhood primarily consisting of commercial and light industrial uses. All improvements are considered in good shape. The assignment is to develop an opinion of the market value of the property.

The appraiser should determine if the residential structures are allowed as permitted uses or are considered legal nonconforming improvements. If the residential uses are legal nonconforming, they may be considered to be interim improvements. The zoning code will indicate the permitted uses and uses subject to discretionary review. The general plan should provide the intent of the jurisdiction on the long-term development of the area. That would provide some guidance on how long the residential structures may be in existence. Policies may encourage the conversion of the residential structures into commercial activities. Sketch plans on how the property can be developed may be required. How parking can be accommodated will provide some insight into how the residential structures can be converted. The residential improvements may be located in such a manner that the site cannot be used efficiently creating surplus land as currently developed. Say the typical floor area ratio in the neighborhood is .30. The site could accommodate 9,750 sq. ft. of building area. This would indicate that the site is under utilized. Demolition or redevelopment of existing improvements is an economic as well as a political/legal consideration.