

**Order 7 Day Delivery
Get a Free Gift
Subscribe Now**

Advertisement

More Real estate

- [Family-friendly developments](#)
- [YOUR HOUSE: Save energy, protect home](#)
- [FRONT DOOR](#)
- [Keep house safe this summer](#)
- [BRENDEL HIGHTOWER: Macomb Township/Macomb County](#)

Today's top stories

- [Side safety: Impala and Avalon best](#)
- [Comic books draw in ads](#)
- [Blogging becomes a civic duty](#)
- [Teaching people to teach pups](#)
- [GPS to keep eye on sex offenders](#)

Entertainment main
Movies
Music
TV/Radio
Dining
People
Video games
Arts

REAL ESTATE

DEVELOPMENT projects don't plan for big problems

They can wind up late

June 17, 2006

BY JOHN GALLAGHER
FREE PRESS DEVELOPMENT WRITER

[Email this](#) [Print this](#)

When is a deal not a deal?

Advertisement

More than 20 years of covering development news has taught me to look askance at predictions about when the latest and greatest new project will be finished and what it will cost.

Just think how long we've been arguing about adding a new bridge between Detroit and Windsor or what to do with Tiger Stadium or what should happen to the Michigan State Fairgrounds.

Pick any big deal you like, and virtually always you'll find it was delayed by months, often years, beyond the completion date initially announced by planners and developers.

As for the price tag, well, the initial cost figures often turn out to be pleasant fantasies at best.

Be it highways, airports, nuclear plants, major renovation projects or waterfront development, everything seems to take longer and cost more than the developers and politicians said when announcing the project -- if, that is, the project is completed at all.

A relatively recent study by a Danish professor named Bent Flyvbjerg offers a new theory on why this is so.

Flyvbjerg looked at what he calls megaprojects -- those enormous public developments like Boston's Big Dig highway project, the initial section of which opened in 2003, five years late and about \$12 billion over its initial budget.

Confronting delays and cost overruns on dozens of projects around the world, Flyvbjerg theorizes that some important element of risk was not being calculated into the original project planning.

It may be environmental risk that can swell the cost and delay construction, or public resistance to a plan. Whatever the reason, planners and developers seem to ignore, miscalculate or understate the problems likely to arise once a project gets under way.

Flyvbjerg uses the term "democracy deficit" to describe the lack of full public involvement at the front end that leads to problems later on.

"Most appraisals of megaprojects assume, or pretend to assume, that infrastructure policies and projects exist in a predictable Newtonian world of cause and effect where things go according to plan," he writes in his book "Megaprojects and Risk" (Cambridge University Press, \$22.99.)

"In reality, the world of megaproject preparation and implementation is a highly risky one where things happen only with a certain probability and



rarely turn out as originally intended."

You can read the first chapter of Flyvbjerg's book online at <http://flyvbjerg.plan.aau.dk/excerpt.php>.

One reason, perhaps, for the fudging of numbers at the front end is that big projects always carry a weight of local or national prestige, with jobs, fortunes and tax base at stake.

Any politician facing a re-election campaign, not to mention an angry city council or state legislature, wants big projects to go as smoothly as possible. That motivates the politician to present the plan as simple, clean and virtually cost-free.

Then, too, private developers feel they are playing a unique and important role in society -- taking a worthless piece of dirt and giving it economic value. They often view anyone who stands in their way as an enemy -- be it a zoning official, an angry neighbor or a competitor with a different plan.

So, on the part of both politicians and developers, the psychological impetus to assume the most optimistic outcome is strong.

It is so easy to derail a project or tie it up with legal stratagems that proponents like to present their deals as tidy little packages, all wrapped up and ready to go, with nothing but beneficial results to follow.

So keep that in mind next time you hear a big announcement of the latest and greatest project. Everyone says success is just around the corner.

But 'taint necessarily so.

Contact **JOHN GALLAGHER** at 313-222-5173 or gallagher@freepress.com.

[✉ Email this](#)
[🖨 Print this](#)

Advertisement

CROSSWINDS
COMMUNITIES

Copyright © 2006 Detroit Free Press Inc.
Use of this site indicates your agreement to the [Terms of Service](#) and [Privacy Policy](#), updated 9/21/05.

