

NEGOTIATED DEVELOPMENT IN REDSTONE

Full materials for the scenario are available from the Harvard Law School Program on Negotiation [Clearinghouse](#). The following abstract is taken from this website.

SCENARIO:

The grandchild of the founder of the city of Redstone has proposed building an up-scale condominium project. This has been encouraged by the Redevelopment Authority. Rumor has it that the plans include 120 units, street level commercial businesses, and a parking garage. The City Council is opposed to the project. A Neighborhood Association, including supporters of the "slow-growth" platform on which the Council was elected is very upset and has articulated its opposition to the plan. In addition, the down-zoning laws in Redstone allows the developer of the proposed project an "as of right" density of only 50 units. However, the developer can negotiate for a higher density by offering to exceed the 10% affordable housing requirement set by the city. The City Council has urged that a representative from the Neighborhood Association and the developer meet to try and reach an accord. If no agreement is reached, the dispute will go to the City Council and the Redevelopment Authority (which are at odds).

MAJOR LESSONS:

- Importance of pre-negotiation analysis: It is important to prepare for a negotiation and particularly to identify both aspirations and BATNA's.
- Distributive vs. Integrative bargaining differences: The participants have an opportunity to analyze the differences between distributive and integrative bargaining.
- Potential Joint Gains: Focusing on issues that are valued differently will allow participants to assess the importance of trading across issues to reach an agreement.