

ITEM NO. 6 TEXT AMENDMENT TO THE LAND DEVELOPMENT CODE; RETAIL MARKET STUDY (AAM)

TA-12-00205: Consider a Text Amendment to the City of Lawrence Land Development Code, Chapter 20, Article 11, to modify the requirements for a Retail Market Study. *Initiated by City Commission on 8/21/12.*

STAFF PRESENTATION

Ms. Amy Miller presented the item.

PUBLIC HEARING

Mr. Kirk McClure said this was a good amendment and that staff was moving in the direction to provide the kind of market analysis needed. He said he was not sure two years was the right frequency. He felt ideally there should be an annual or semi-annual reporting mechanism, not limited to retail. He supported the overall idea of the text amendment and felt Planning Commission should demand more from staff and then learn from the information brought forward.

COMMISSION DISCUSSION

Commissioner Rasmussen asked Mr. McClure what type of qualifications an expert needed for market analysis.

Mr. McClure felt an expert should have a Master's degree in Urban Planning.

Commissioner von Achen asked Mr. McClure asked about his comment that Planning Commission should demand more from staff. She asked if he was referring to the square footage of retail space and sales tax or additional information.

Mr. McClure said the text amendment this evening was narrowly within the confines of retail and he supported that. He said in an ideal market retail was the easiest one to follow because you could monitor inflation adjusted revenue per square foot. He said they were hurting the capacity to redevelop the downtown because the revenue per square foot had fallen so far. He said had they properly monitored the market and rationed the spending, the spending could have been directed to the benefit of the community. He said similar analysis could be done for multi-family, office use, and subdivisions so that when an applicant brings a proposal forward Planning Commission could be informed on whether or not the community was capable of absorbing that without undue harm to other parts of the community.

Commissioner Josserand asked Mr. McClure about his thoughts on the percent number.

Mr. McClure said in the market place 5% was considered a healthy number. He said 2% was considered a tight market and 8% was considered a soft market.

Mr. McCullough referred them to the language in Article 13(g)(10):

for proposals that will create more than 100,000 square feet of retail space within the city: the impact of the proposed project on the retail market. Staff will provide an analysis based on the addition of the square footage to the retail market, vacancy rate trends, square footage per capita trends, and current demand trends, including but not limited to population, income, pull factors, and retail sales using the latest available city-wide retail market report.

Commissioner Denney asked if the text amendment would prevent the applicant from providing their own report.

Mr. McCullough said no, the applicant could present a report to refute the staff analysis.

Commissioner Denney felt this was a step in the right direction.

Commissioner Liese asked Mr. McClure if the market study would still be valid if a business would draw customers from outside Lawrence.

Mr. McClure said retail was locally driven. He said the important issue was basic industry versus non-basic industry and would it bring in dollars from outside of town. He said retail rarely draws. He felt the numbers could be monitored through monthly sales tax reports.

Commissioner Liese asked if the customer draw could be measured.

Ms. Miller said no, not on a specific business basis. She stated a lot of merchants do track zip codes but that staff did not have access to that type of data.

Commissioner Josserand said if the City wanted to they could establish rules to require reporting for that type of information.

Commissioner Rasmussen asked if the language allowed flexibility to look at other factors such as draw and geography.

Mr. McCullough said yes, there was flexibility to bring in components that may be unique to the situation.

Commissioner Rasmussen said the retail market report would be completed every two years but also triggered if there was a proposal for projects over 100,000 square feet associated with a rezoning.

Mr. McCullough said that was when it was part of the staff report. He said the city-wide retail market report would be done every two years and also done with retail space over 100,000 square feet with a specific analysis, using the biennial report as the basis.

Commissioner Rasmussen asked if the analysis would remain where a new building would be counted in the vacancy rate.

Mr. McCullough said it was not that direct. He said staff would provide an analysis on the impact of the project on the retail market but that it wouldn't directly be treated as vacant once built.

Commissioner Rasmussen preferred staff to have flexibility.

Commissioner von Achen asked if separate sectors could be tracked.

Ms. Miller said there were limitations with the data that staff can publicize, in terms of sales. She said the sales tax data from the State had strict requirements. She said they could talk about it in an aggregate sense but could not talk about it in a way that would identify specific businesses and how much sales they make.

Commissioner von Achen asked if they would have definitive criteria for decisions.

Mr. McCullough said it was one of ten factors that Planning Commission would weigh in decisions about rezoning property.

Commissioner Lamer thanked staff for their work and said they were very fortunate to have Ms. Miller on staff because she was a valuable asset. He encouraged Planning Commissioners to attend the next American Planning Association Conference if they were interested in market analysis and trends since there were lots of sessions on the topic.

ACTION TAKEN

Motioned by Commissioner Liese, seconded by Commissioner von Achen, to approve the text amendment, TA-12-00205, to the Land Development Code and forward to the City Commission based on the analysis in the staff report.

Commissioner Liese thanked Ms. Miller for her work.

Commissioner Culver felt this was a step in the right direction.

Unanimously approved 7-0.

Commissioner von Achen asked why staff had not been tasked with a multi-family study.

Mr. McCullough said City Commission had chosen thus far to not task staff with providing trends, vacancy rates, and different studies on the apartment industry.

Commissioner Rasmussen said industry and office was also not tracked.

Commissioner Denney asked if similar numbers were available for industry.

Mr. McCullough said data and trends could be found on a number of factors, such as the number of stock or historical trends.