

**PLANNING COMMISSION REPORT**  
**Regular Agenda - Public Hearing Item**

PC Staff Report  
7/21/2014

**ITEM NO. 4C      RS10, A, & VC TO OS-FP; 46.10 ACRES; SE CORNER SLT & US-59 HWY (SLD)**

**Z-14-00106:** Consider a request to rezone approximately 46.10 acres from RS10 (Single-Dwelling Residential) District, County A (Agricultural) District, and County VC (Valley Channel) District to OS-FP (Open Space-Floodplain Overlay) District, located at the SE corner of the South Lawrence Trafficway and US-59 Hwy. Submitted by Landplan Engineering PA on behalf of Armstrong Management LC and Grisham Management LC, property owners of record.

**STAFF RECOMMENDATION:** Staff recommends approval of the request to rezone 46.10 acres from RS10 (Single-Dwelling Residential) District, County A (Agricultural) District, and County VC (Valley Channel) District to OS-FP (Open Space-Floodplain Overlay), located at the SE corner of the South Lawrence Trafficway and US-59 Hwy based on the findings presented in the staff report and forwarding it to the City Commission with a recommendation for approval and subject to the following condition:

1. The following uses shall be prohibited:
  - a. Public and Civic Use Groups:
    - i. Community Facilities; Cemetery, Cultural Center/Library and Funeral and Interment
    - ii. Recreation Facilities; Active Recreation and Entertainment & Spectator Sports, Limited
  - b. Commercial Use Groups:
    - i. Transient Accommodation; Campground
  - c. Other Use Groups
    - i. Communication Facilities; Amateur & Receive-Only Antennas, Telecommunications Antenna, Telecommunications Tower and Satellite Dish
    - ii. Recycling Facilities; Small Collection Recycling Facilities

**Reason for Request:** *This rezoning request is part of a package of development applications, including an annexation request and a comprehensive plan amendment, which propose the development of a retail/commercial center at this location.*

**KEY POINTS**

- Property includes areas encumbered by regulatory floodplain.
- Upon annexation, the current county zoning designation is no longer appropriate for portion of property included in request.

**ASSOCIATED CASES/OTHER ACTION REQUIRED**

- CPA-14-00107
- A-14-00104: annexation of 21.7 acres
- Z-14-00105: 122 AC to CR/CR-FP

## PLANS AND STUDIES REQUIRED

- *Traffic Study* – Not required for rezoning
- *Downstream Sanitary Sewer Analysis* – Not required for rezoning
- *Drainage Study* – Not required for rezoning
- *Retail Market Study* – Not applicable to request

**Note regarding development study requirements:** Traffic study, drainage study and sanitary sewer studies have been discussed with the applicant. These studies will be provided with the submission of a preliminary plat and will be considered throughout the development process as the detail of the project is defined.

## ATTACHMENTS

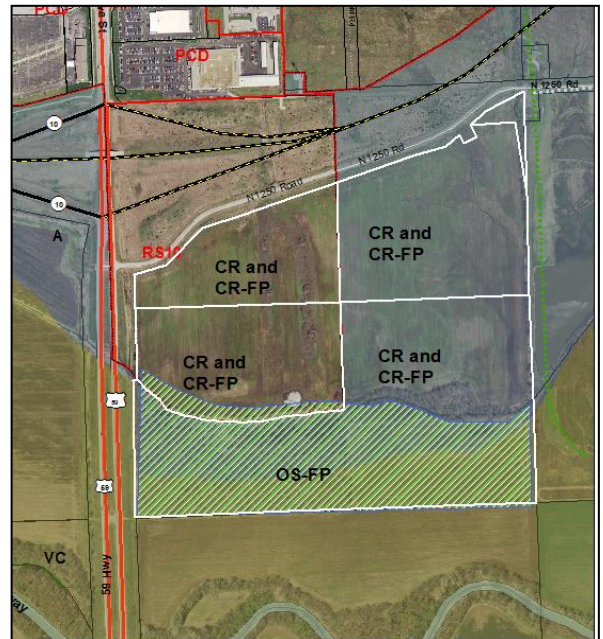
1. Area map
2. Zoning Exhibit submitted by applicant
3. Mitigation Map
4. List of permitted Uses

## PUBLIC COMMENT RECEIVED PRIOR TO PRINTING

- General inquiries from public regarding scope of development requests. Staff has clarified for callers that the current requests are for the Comprehensive Plan Amendment, annexation and zoning. A concept plan has been submitted with the development package. Specific development proposals are not available at this time.

### Project Summary:

Proposed request is for the south portion of the development known as Southpoint Center. This area of the development has the most substantial encumbrance of floodplain and floodway within the immediate area. The map to the right shows the various parcels and intended zoning districts. This staff report addresses the proposed Open Space-Floodplain Overlay District proposed.



### 1. CONFORMANCE WITH THE COMPREHENSIVE PLAN

Applicant's Response: *This request generally conforms to the land use recommendations of the Revised Southern Development Plan (incorporated into H2020 as part of Chapter 14) by reserving land encumbered by regulatory floodway and floodway fringe for open space land uses.*

A Key feature of the plan (Chapter 3, Horizon 2020) states: *The plan recommends the protection and preservation of the extensive floodplains and riparian ways throughout the planning areas. These resources often are a constraint to urban development.*

The Wakarusa River and its attendant floodplain establish an edge to the southern development of the current urban area for the City of Lawrence. The subject property is sandwiched between the boundary of the South Lawrence Trafficway (Highway K-10) and the Wakarusa River. The proposed development maximizes and leverages the developable area within these boundaries.

Development south of the Wakarusa River at this time would be considered leapfrog development and is not supported by the Comprehensive Plan.

The proposed zoning designation, OS-FP, will protect the floodplain in this area and establishes a buffer between development and the Wakarusa Drive. A map of the mitigation areas related to the South Lawrence Trafficway project is attached to this report.

***Horizon 2020: Chapter 9 Parks, Recreation, Open Space Areas and Facilities:***

Chapter 9 lists several key strategies that are applicable to the proposed development and support the proposed request.

***STRATEGIES: PARK, RECREATION, OPEN SPACE AREAS AND FACILITIES***

*The principal strategies for the development and maintenance of park, recreation, and open space areas and facilities are:*

- *Continue to develop and improve the community's park, recreation, and open space system, building upon the existing system and integrating recommendations and direction from the PRCMP, this Comprehensive Plan, and relevant area and neighborhood plans.*
- *Preserve, protect and utilize natural and environmental features as focal points for new development areas and to the extent possible, new parks and recreational facilities should extend and enhance the existing and/or future open space system.*
- *Coordinate parks, recreation, and open space planning and development between the City of Lawrence and unincorporated Douglas County to provide overlapping and connecting park and recreation opportunities. Additionally, the City and County should more carefully coordinate park and open space acquisition in the Lawrence Urban Growth Area.*
- *Development of the park, recreation, and open space system for the City of Lawrence should be based on priorities contained within the PRCMP.*
- *Improve coordinated planning efforts between the Park and Recreation Department/Advisory Board and the Lawrence/Douglas County Metropolitan Planning Office/Commission in recommendations involving the location and features of future park, recreation, and open space sites.*
- *Develop a communication network between all city and county departments, the partners who aide in parks and recreation, and the community to increase awareness, understanding, and advocacy.*
- *Create a better understanding and support of operational costs and funding with key city and county leaders during the design of all capital projects to ensure the operational and maintenance dollars are available prior to construction.*
- *Develop regional parks that create a strong sense of community pride and livability.*
- *Coordinate with private property owners to provide additional opportunities for open space preservation beyond publicly owned parks, such as, through agricultural use, land trusts, buffers, and easements.*

*Page 9-2 Horizon 2020*

This chapter predominantly focuses on public parks. Open space preservation can occur within a park as well as through private designations such as is being proposed with this application.

The South Lawrence Trafficway project includes many connecting links for non-motorized access (bike lanes, bike routes, and recreation paths) that will extend the network east of Highway 59. As development plans become defined with this application, additional links and connections between the proposed open space area and the existing/planned open space areas to the east can be considered.

Approval of this request will facilitate these stated interests.

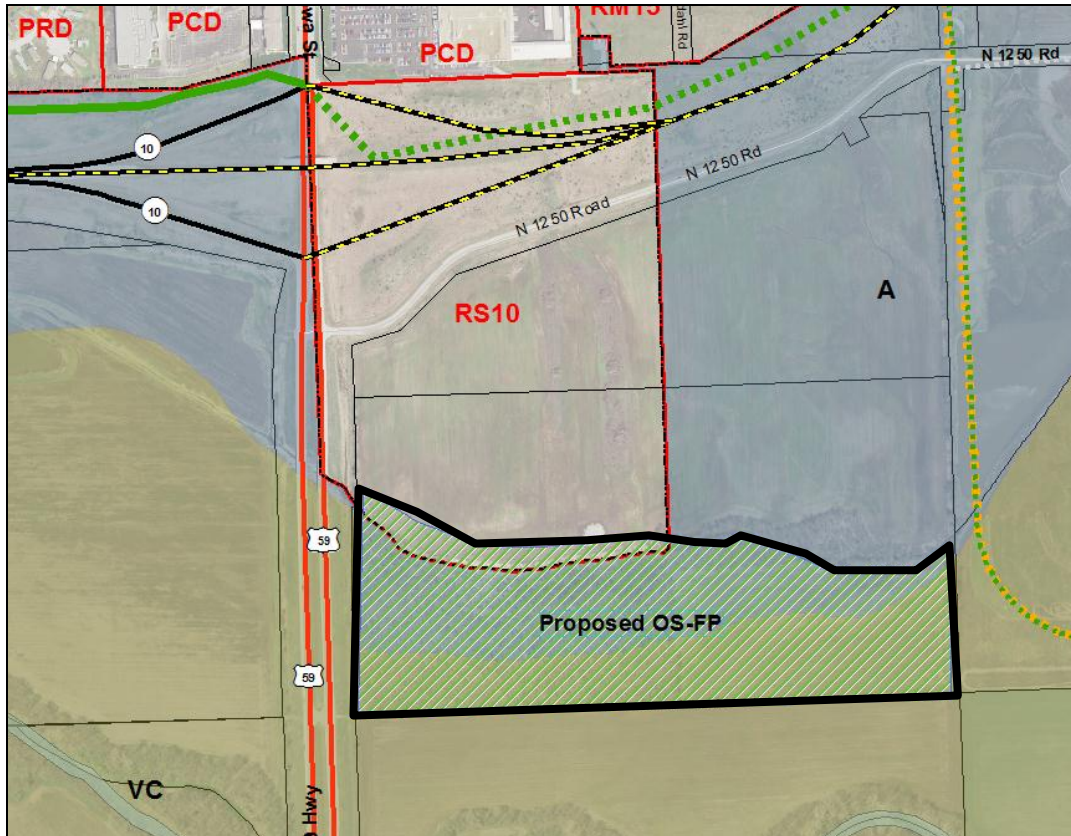
***Horizon 2020: Chapter 16 Environment:***

This chapter of *Horizon 2020* addresses several natural environmental issues including Water Resource Management. The plan states that floodplain areas should be protected. This application includes a Floodplain Overlay District designation that will be applied to the entire property rather than only that portion of the property encumbered by the regulatory floodplain.

**Staff Finding** – The proposed rezoning request conforms with *Horizon 2020* policies related to community facilities/public utilities and open space as well as floodplain.

**2. ZONING AND USE OF NEARBY PROPERTY, INCLUDING OVERLAY ZONING**

Current Zoning and Land Use:	RS10 (Detached Residential Development) A (County-Agricultural), VC (Valley Channel), and FW – FF (County Floodway and Floodway Fringe Overlay) Districts; existing agricultural.
Surrounding Zoning and Land Use:	<p>To the north: Proposed CR (Community Regional) District and CR-FP (Community Regional – Floodplain Overlay) District. Existing use is agricultural. See SP-14-00105 regarding proposed uses.</p> <p>To the east – east side of Michigan Street Extended: A (County-Agricultural), VC (Valley Channel), and FW –FF (County Floodway and Floodway Fringe Overlay) Districts; Wetlands Mitigation Areas/ Baker Wetlands, and Baker Wetlands Visitor Center Complex (SUP-12-00248).</p> <p>To the west – west side of Highway 59: VC (Valley Channel), and FW –FF (County Floodway and Floodway Fringe Overlay) Districts; existing agricultural.</p> <p>To the south: VC (Valley Channel) District and FW –FF (County Floodway and Floodway Fringe Overlay) District. Existing agricultural use.</p>



**Figure 1: Area to be zoned OS-FP highlighted by back boundary.**

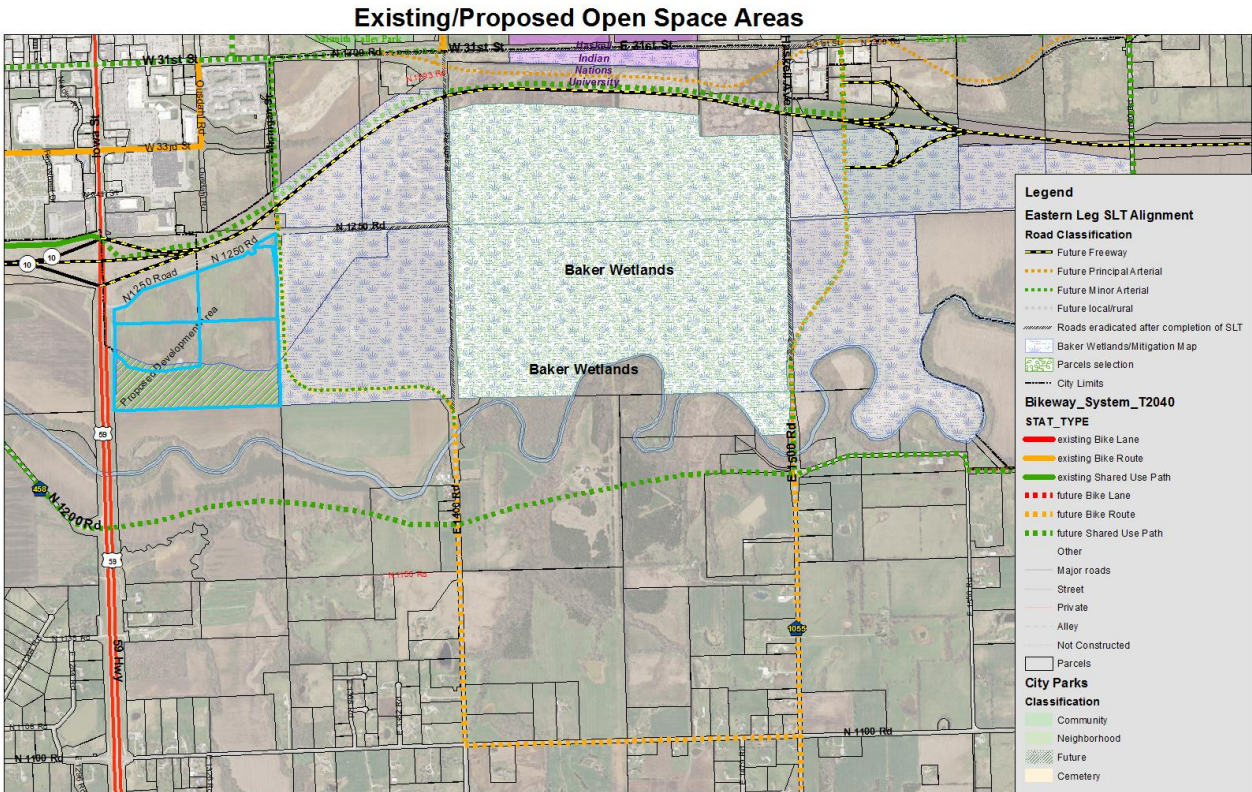
**Staff Finding** – Nearby properties are zoned V-C (Valley Channel) and A (Agricultural) with F-F (Floodway Fringe) and F-W (Floodway) Overlay Districts. Agriculture and open space are the principal land uses in the area.

### **3. CHARACTER OF THE NEIGHBORHOOD**

Applicant's Response: *The subject property lies at the southeast corner of the interchange between Kansas Highway 10, a.k.a. the South Lawrence Trafficway, or SLT, and U.S. Highway 59, a.k.a. S. Iowa Street. The property is bounded to the north by N 1250 Road and SLT right-of-way. The property is bounded to the west by Hwy 59 right-of-way. Nearby properties to the west and south are generally located within the Wakarusa River floodplain and are actively farmed. The property to the east, generally known as the Baker Wetlands, is owned by the State and is the location for wetland mitigation associated with SLT construction. As part of SLT construction, a stretch of Louisiana Street will be relocated one quarter-mile west and constructed immediately east of the subject property. This new street will form the eastern boundary of the subject property, thereby separating it from the Baker Wetlands.*

The subject property is located south of the City of Lawrence within Service Area 4 of the Urban Growth Area. This is a rural area with agriculture and open space being the primary land uses. Natural features in the area include the Wakarusa River, south of the subject property; riparian woodlands along the Wakarusa River; floodplain; and wetlands. A major thoroughfare, the South Lawrence Trafficway, will be constructed north of the subject property.

A dominating feature in the area is the Baker Wetlands and the Baker Wetlands Visitor Center to the east of the proposed OS district area.



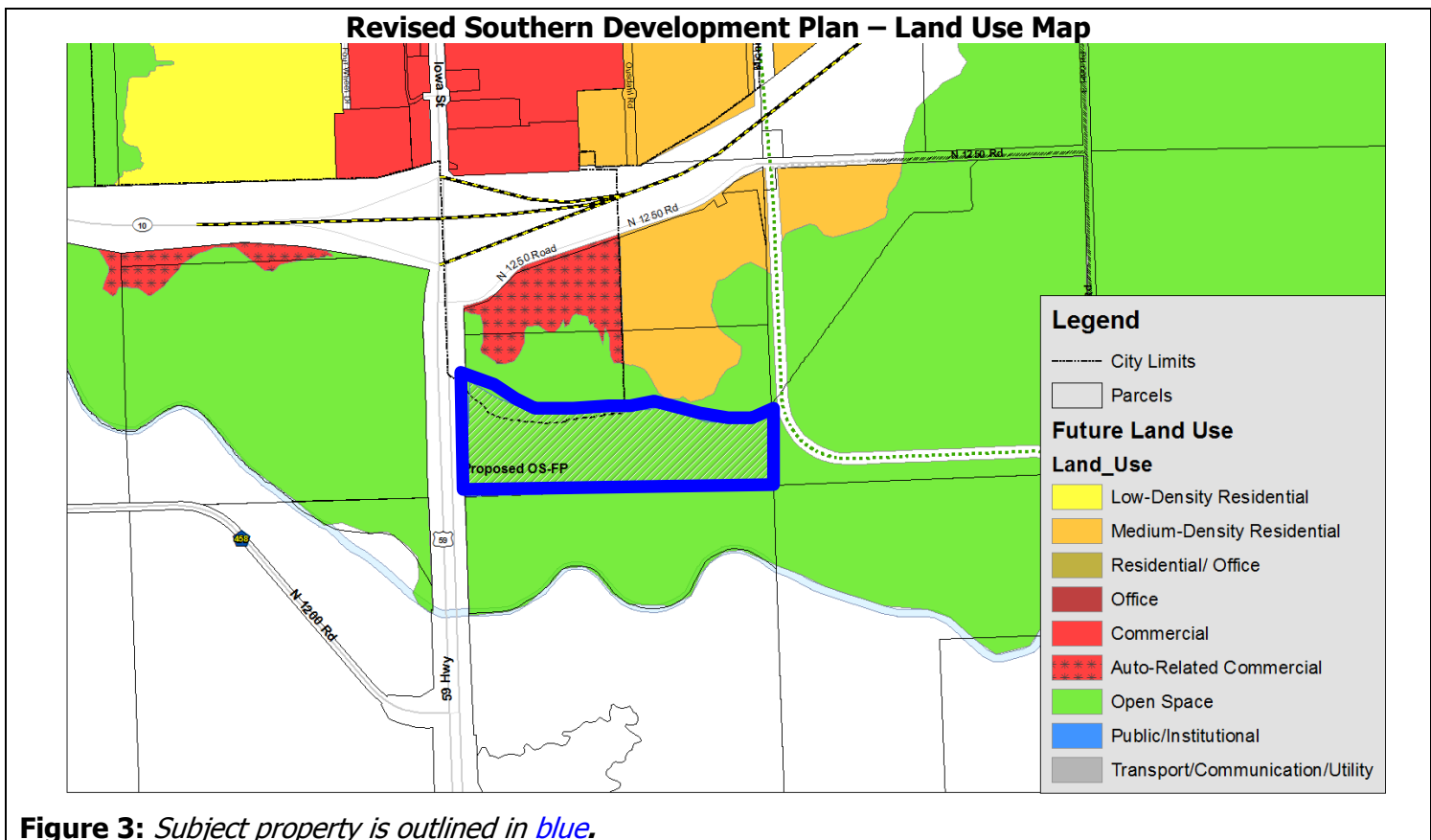
**Figure 2: Existing and proposed open space areas. Proposed OS District extends open space uses to Highway 59.**

**Staff Finding –** The area contains primarily open space and agricultural land uses. The subject property is located adjacent to a major transportation corridor within the Lawrence Urban Growth Area. There are no specific established neighborhoods in this area. The proposed Open Space zoning is consistent with the planned land use for the area regardless of any additional consideration of the proposed commercial development to the north.

#### **4. PLANS FOR THE AREA OR NEIGHBORHOOD, AS REFLECTED IN ADOPTED AREA AND/OR SECTOR PLANS INCLUDING THE PROPERTY OR ADJOINING PROPERTY**

This property is included within the plan boundary of the *Revised Southern Development Plan*. An application for a Comprehensive Plan Amendment was submitted concurrently with the commercial rezoning (Z-14-00105). The proposed changes do not impact the approved open space recommendations included in the Revised Southern Development Plan. This proposed request for Open Space with a Floodplain Overlay District can be evaluated independently of the commercial request.

The plan identifies existing floodplain areas as appropriate for open space. This plan identifies the area along the Wakarusa River and its attendant floodplain as suitable for open space uses. The proposed request is consistent with recommended land use noted in the Plan. The proposed FP Overlay District reflects the existing floodplain encumbrance of this property as a recognized land use within the Plan and is intended to be applied to the entire property. These Open Space and Floodplain uses will implement the land use recommendations of the *Revised Southern Development Plan*.



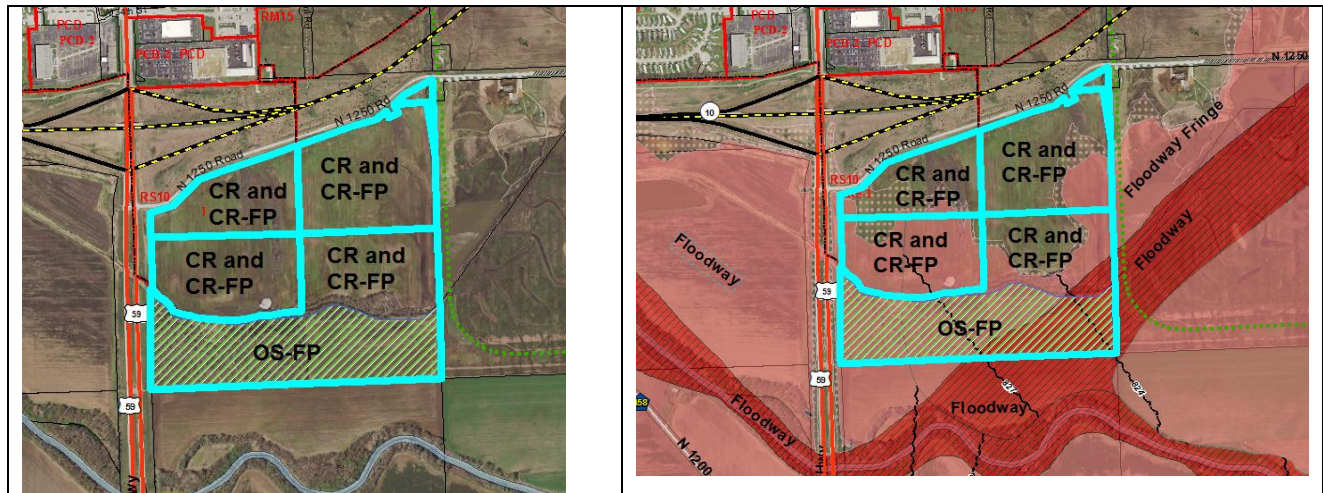
**Staff Finding** – The proposed open space – floodplain rezoning conforms to land use recommendations in the *Revised Southern Development Plan*. These land use recommendations are not altered by the proposed Comprehensive Plan Amendment (CPA-14-00107).

##### **5. SUITABILITY OF SUBJECT PROPERTY FOR THE USES TO WHICH IT HAS BEEN RESTRICTED UNDER THE EXISTING ZONING REGULATIONS**

Applicant's Response: *The subject property straddles the existing City limits line. An annexation request is being submitted concurrent with this rezoning request. The portion of the property located inside the City is zoned RS10, a district which will not permit the commercial or open space development being proposed. The portion that lies in the unincorporated area of the County is zoned A and VC. Upon annexation, those current zoning districts will no longer be appropriate.*

Prior to 2006 this property was zoned RS-1. As properties were annexed into the City Limits, the RS-1 district was commonly used as a holding zone. In 2006, a new zoning district was developed for this purpose – UR (Urban Reserve). This purpose of the UR district is to accommodate annexed property with its attendant land uses prior to establishing a final land use and zoning designation.

Upon annexation, the portion of land with existing County zoning is no longer appropriate. The existing A (Agricultural) and VC (Valley Channel Zoning) are consistent with current land use and floodplain encumbrance. The proposed OS –FP zoning accommodates the anticipated use as an open space and facilitates the protection of floodplain areas.



**Staff Finding** – The current zoning is no longer appropriate for the existing RS10 and upon annexation of majority of this property into the Lawrence city limits. The proposed OS-FP District accommodates the anticipated use as continued open space and provides protections (by limiting uses) to the designated floodplain in this area.

## 6. LENGTH OF TIME SUBJECT PROPERTY HAS REMAINED VACANT AS ZONED

Applicant's Response: [\*This property has never been developed beyond agricultural uses.\*](#)

The RS portion of the property was annexed in 1979 per Ordinance No. 5026. At that time when county properties were annexed into the City of Lawrence, a zoning designation of RS-1 was applied automatically. The RS-1 zoning converted to RS10 upon the adoption of the Land Development code.

The portions of this property zoned A (Agricultural) and VC (Valley Channel) are undeveloped and has been zoned A (Agricultural) and VC (Valley Channel) District since 1966.

**Staff Finding** – This property is undeveloped since 1966. The portion currently zoned RS10 has been undeveloped since the adoption of the Land Development Code in 2006 and zoned RS-1 since the 1979 annexation.

## 7. EXTENT TO WHICH APPROVING THE REZONING WILL DETRIMENTALLY AFFECT NEARBY PROPERTIES

Applicant's Response: [\*Approval of this rezoning will provide tangible benefits to nearby properties. This request will facilitate the preservation of low-lying floodplain-impacted ground located immediately upstream from a neighboring wetland mitigation project. The request conforms to land use recommendations of the Revised Southern Development Plan by generally protecting from development land located within regulatory floodway and floodway fringe.\*](#)

Nearby properties include the Baker Wetlands Visitor Center and Baker Wetlands to the east, agricultural land to the south and the Highway 59 right-of-way to the immediate west. Commercial development is proposed to the north. The OS district includes a limited number of uses and is generally considered low-impact. *Community Facilities, Utilities, Recreational Facilities, Campgrounds, and Communication Facilities* are allowed uses in the OS district. Some of these uses are allowed by right and some require a Special Use Permit such as a cell tower,

campground, some utilities, recreation facilities and community facilities. Uses included in these groups are Cultural Center/library, Active Recreation, Entertainment & Spector Sports, Limited, and Campground. A complete list of uses is found in Article 4 of the Land Development Code. These uses are specifically defined in Article 17.

The applicant has expressed a desire to align the OS District request with the development intent thus has included the following list of uses that would be restricted within this district. If approved the zoning district would be mapped as a conditional zoning district. Restricted uses would be included in an ordinance for this property.

**Uses listed in Section 20-404**

- Public and Civic Use Groups:
  - Community Facilities,
    - Cemetery
    - Cultural Center/Library
  - Funeral and Interment
  - Recreation Facilities
    - Active Recreation
    - Entertainment & Spectator Sports, Limited
- Commercial Use Groups
  - Transient Accommodation
    - Campground
- Other Use Groups
  - Communication Facilities
    - Amateur & Receive-Only Antennas
    - Telecommunications Antenna
    - Telecommunications Tower
    - Satellite Dish
  - Recycling Facilities
    - Small Collection Recycling Facilities

**Staff Finding** – Zoning this property to OS-FP for low impact, passive recreation uses will not generate detrimental effects to adjacent property resulting from this proposed OS-FP zoning application. Development of a substantial facility such as a recreation center would require significant mitigation in design because of the presence of the floodplain. Staff supports restricting the allowed uses to ensure low-impact use of the area.

**8. THE GAIN, IF ANY, TO THE PUBLIC HEALTH, SAFETY AND WELFARE DUE TO THE DENIAL OF THE APPLICATION, AS COMPARED TO THE HARDSHIP IMPOSED UPON THE LANDOWNER, IF ANY, AS A RESULT OF DENIAL OF THE APPLICATION**

Applicant's Response: *Approval of this request will facilitate development at this highway interchange location at a scale similar to that recommended by the revised southern Development Plan. Such development includes the preservation of floodway and floodway fringe immediately upstream from the Baker Wetlands. Denial of the request would require the application and/or future applicants to see a different mix of commercial, retail and open space zoning. .*

Evaluation of this criterion includes weighing the benefits to the public versus the benefit of the owners of the subject property. Benefits are measured based on anticipated impacts of the rezoning request on the public health, safety, and welfare.

This request includes an FP (Floodplain Overlay) District that directly correlates to the encumbrance of regulatory floodplain in this area. This characteristic makes intensive development on this part of the property impactful.

Approval of the request allows the open space to be extended in this area. The FP designation is required by the Land Development Code for that portion of the property that is within the regulatory floodplain per Section 20-1201.

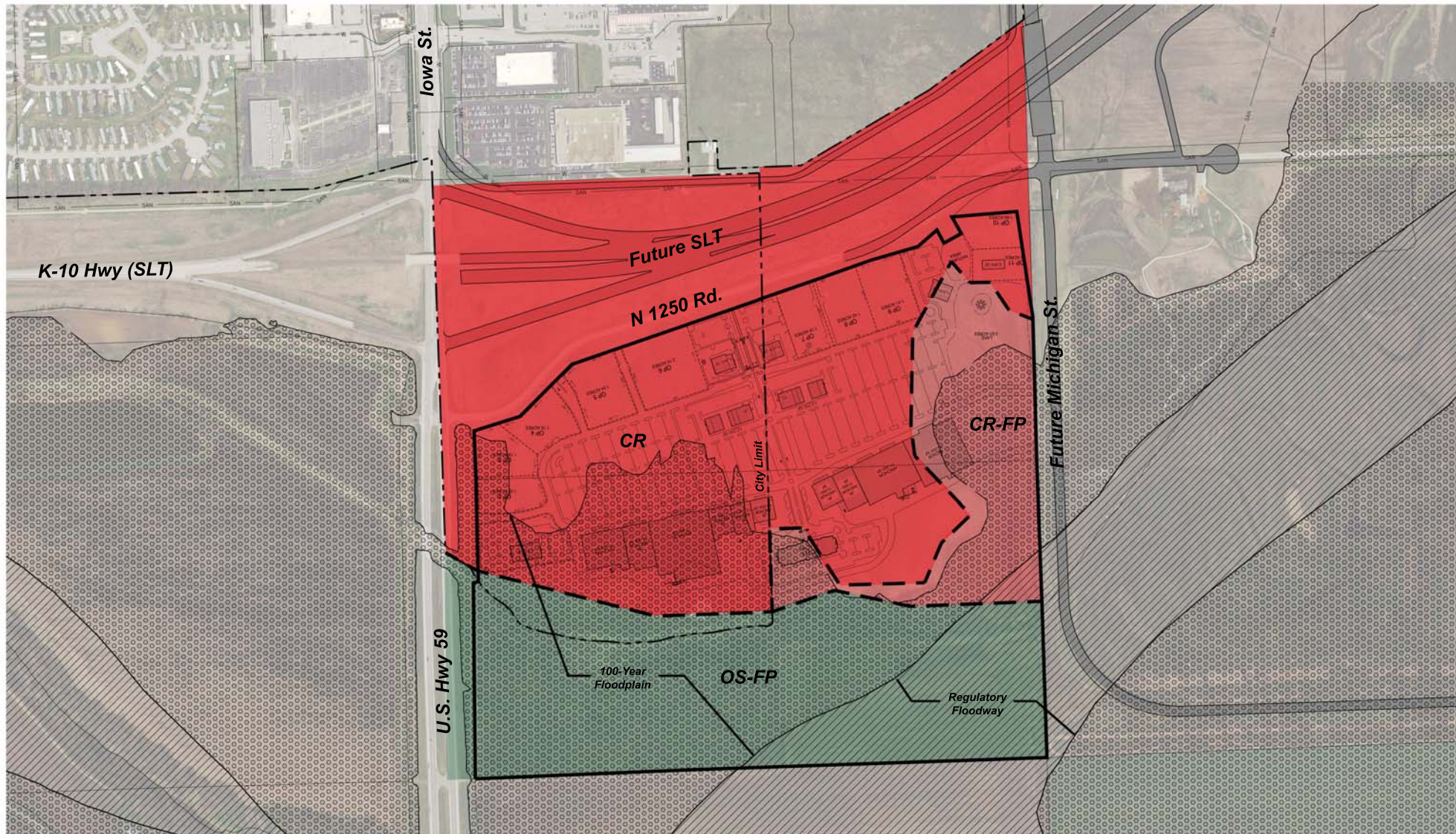
**Staff Finding** – The proposed rezoning facilitates public purposes by protecting designated floodplain.

## **9. PROFESSIONAL STAFF RECOMMENDATION**

This application facilitates the protection of designated floodplain areas along the Wakarusa River. The OS zoning designation is consistent with land use recommendations for the area. Restriction of uses using conditional zoning further mitigates the potential impact of development on the surrounding area. This recommendation is independent of the proposed commercial development included in the application for CR/CR-FP (Z-14-00105).

## **CONCLUSION**

The proposed rezoning is consistent with the planned land use development anticipated for this area. Staff recommends approval of the proposed OS-FP district for this property.



# **SOUTHPOINT CENTER REZONING EXHIBIT**

PREPARED FOR SLT, LLC  
MARCH, 2014

## **ZONING DISTRICT SUMMARY:**



OPEN SPACE (OS)  
TOTAL AREA: 46.10 AC.



REGIONAL  
COMMERCIAL (CR)  
TOTAL AREA: 122.96 AC.



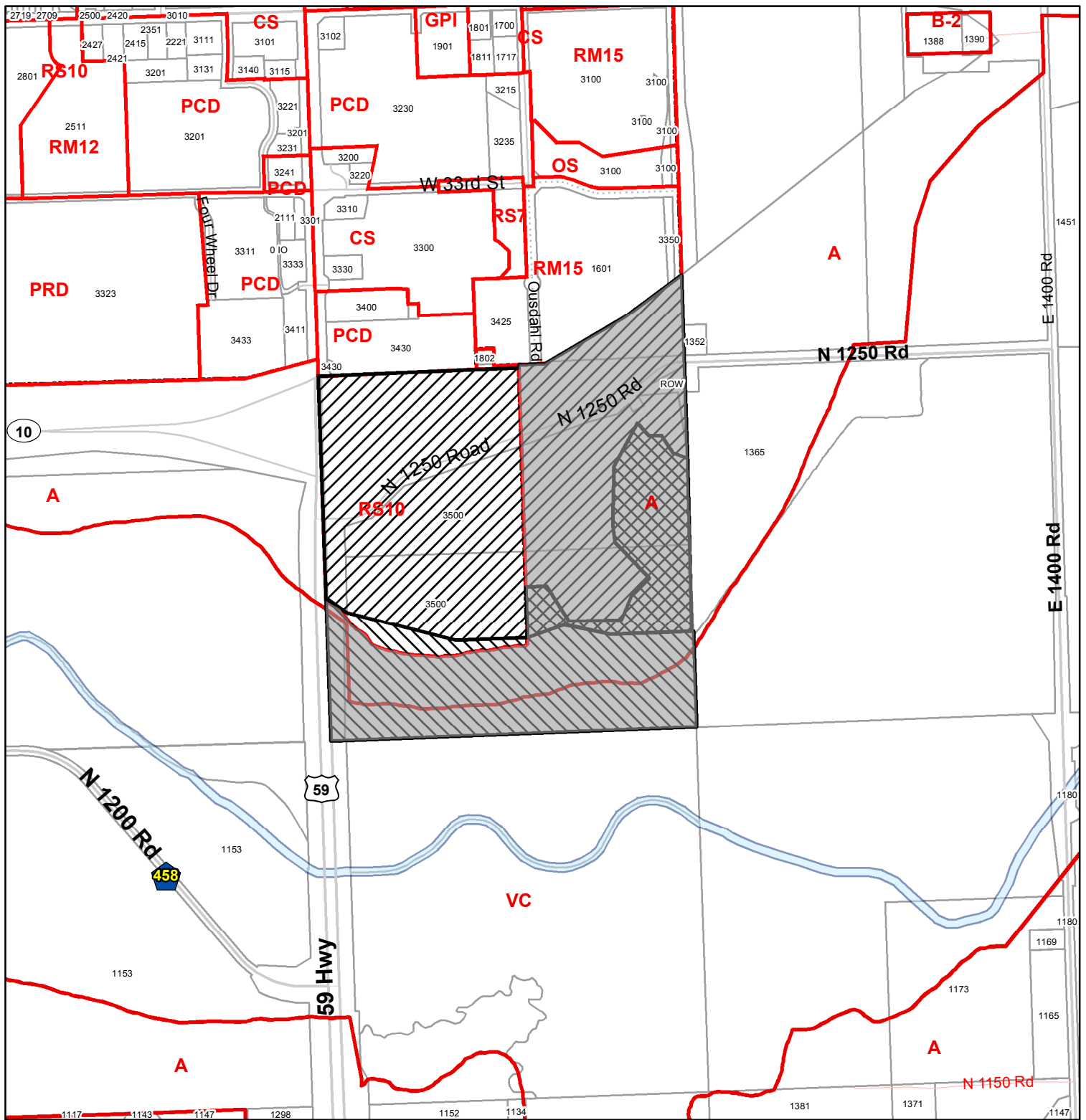
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## Use Group Table per Section 20-402

<p><b>The following Use Groups are permitted in the OS District except as shown with a strike through.</b></p> <p><b>Highlighted uses are proposed to be restricted by applicant are shown with a double strike</b></p>	
<b>Use Groups</b>	
<b>RESIDENTIAL USE GROUP</b>	
Household Living	
Group Living	
<i>Not permitted in the OS district .</i>	
<b>PUBLIC AND CIVIC USE GROUP</b>	
<b>Community Facilities</b>	
<del>Cemetery</del>	
College/University	
<del>Cultural Center/ Library</del>	
Day Care Center	
Day Care Home Class A	
Day Care Home Class B	
Detention Facility	
Lodge, Fraternal and Civic Assembly	
Postal and Parcel Service	
Public Safety	
School	
<del>Funeral and Internment (Accessory)</del>	
Temporary Shelter (SUP)	
Social Service Agency	
Community Meal Program (SUP)	
Utility Minor (P or SUP)	
Utility Major (SUP)	
<b>Medical Facilities</b>	
<i>Not permitted in the OS District</i>	
<b>Recreational Facilities</b>	
Active Recreation (SUP)	
<del>Entertainment &amp; Spectator sports, General</del>	
Entertainment & spectator sports, Limited (SUP)	
<del>Participant Sports &amp; Recreation, Indoor</del>	
<del>Participant Sports &amp; Recreation, Outdoor</del>	
Passive Recreation	
Nature Preserve/Undeveloped	
Passive Recreation	
<b>Religious Assembly</b>	
<i>Not permitted in the OS District</i>	
<b>COMMERCIAL USE GROUP</b>	
<b>Animal Services</b>	
<i>Not permitted in the OS District</i>	
<b>Eating and Drinking Establishments</b>	
<i>Not permitted in the OS District</i>	
<b>Office</b>	
<i>Not permitted in the OS District</i>	
<b>Parking Facilities</b>	
Accessory (Accessory)	
Commercial	
<b>Retail Sales and Service</b>	
<i>Not permitted in the OS District</i>	
<b>Sexually Oriented Businesses</b>	
<i>Not permitted in the OS District</i>	

<b>Transient Accommodations</b>
Bed and Breakfast
<del>Campground (SUP)</del>
Hotel, Motel, Extended Stay
<b>Vehicle Sales &amp; Service</b>
<i>Not permitted in the OS District</i>
<b>INDUSTRIAL USE GROUP</b>
<b>Industrial Facilities</b>
<i>Not permitted in the OS District</i>
<b>Wholesale, Storage &amp; Distribution</b>
<i>Not permitted in the OS District</i>
<b>OTHER USE GROUP</b>
<b>Adaptive Reuse</b>
Designated Historic Property (SUP)
Greek Housing Unit
<b>Agricultural</b>
<i>Not permitted in the OS District</i>
<b>Communications Facilities</b>
<del>Amateur &amp; receive only antennas (Accessory)</del>
Broadcasting Tower
Communications Service Establishment
<del>Telecommunication antenna (Accessory)</del>
<del>Telecommunications Tower (SUP)</del>
<del>Satellite Dish (Accessory)</del>
<b>Mining</b>
<i>Not permitted in the OS District</i>
<b>Recycling Facilities</b>
<i>Not permitted in the OS District</i>



**A-14-00104: Annex approximately 102.64 acres**

**Z-14-00105: Rezone 122.96 acres from RS10 District and A District to CR/CR-FP District &**

**Z-14-00106: Rezone 46.1 acres from RS10 District, A District and VC District to OS-FP District**

**Located at Southeast Corner of US 59 Highway (Iowa Street) & East Leg of K 10 Highway**



A-14-00104



Z-14-00105: A to CR-FP



Z-14-00105: RS10 & A to CR



Z-14-00106: A & VC to OS-FP



# Memorandum

## City of Lawrence / Douglas County

### Planning and Development Services

**TO:** Planning Commission

**FROM:** Jeff Crick, AICP, Planner II

**CC:** Scott McCullough, Planning and Development Services Director

**Date:** For the July 21, 2014 Planning Commission Meeting

**RE:** Requested Additional Information for CPA-14-00107, A-14-00104, Z-14-00105, and Z-14-00106

At the request of Commissioner Josserand, staff is providing information regarding traffic counts at the intersections of K-10/South Lawrence Trafficway & 6<sup>th</sup> Street and K-10/South Lawrence Trafficway & South Iowa Street. The following data is the Annual Average Daily Traffic for both directions, which is available from the [Kansas Department of Transportation](#):

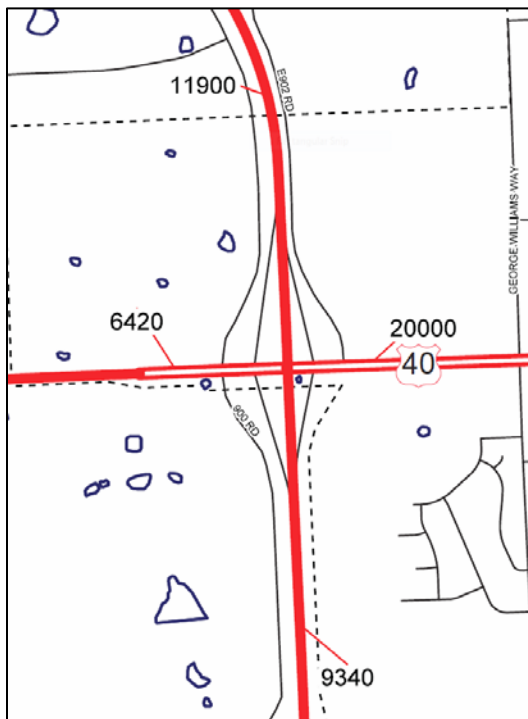


Figure 1: KDOT Traffic Counts (2013) for 6th St. at K-10

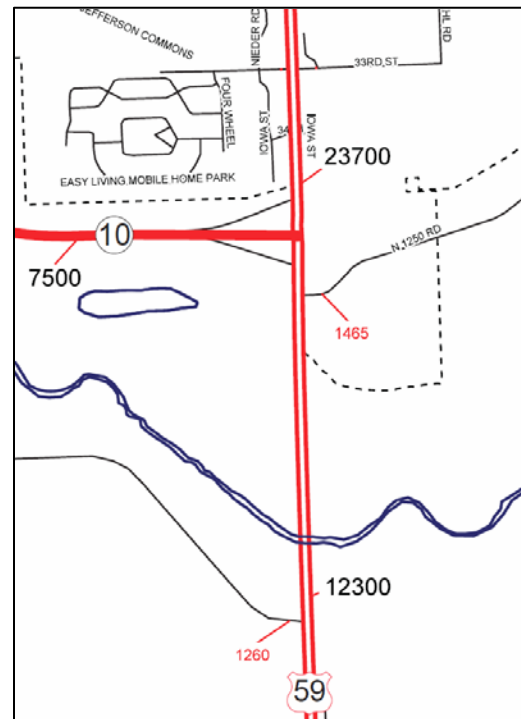


Figure 2: KDOT Traffic Counts (2013) for South Iowa St. at K-10

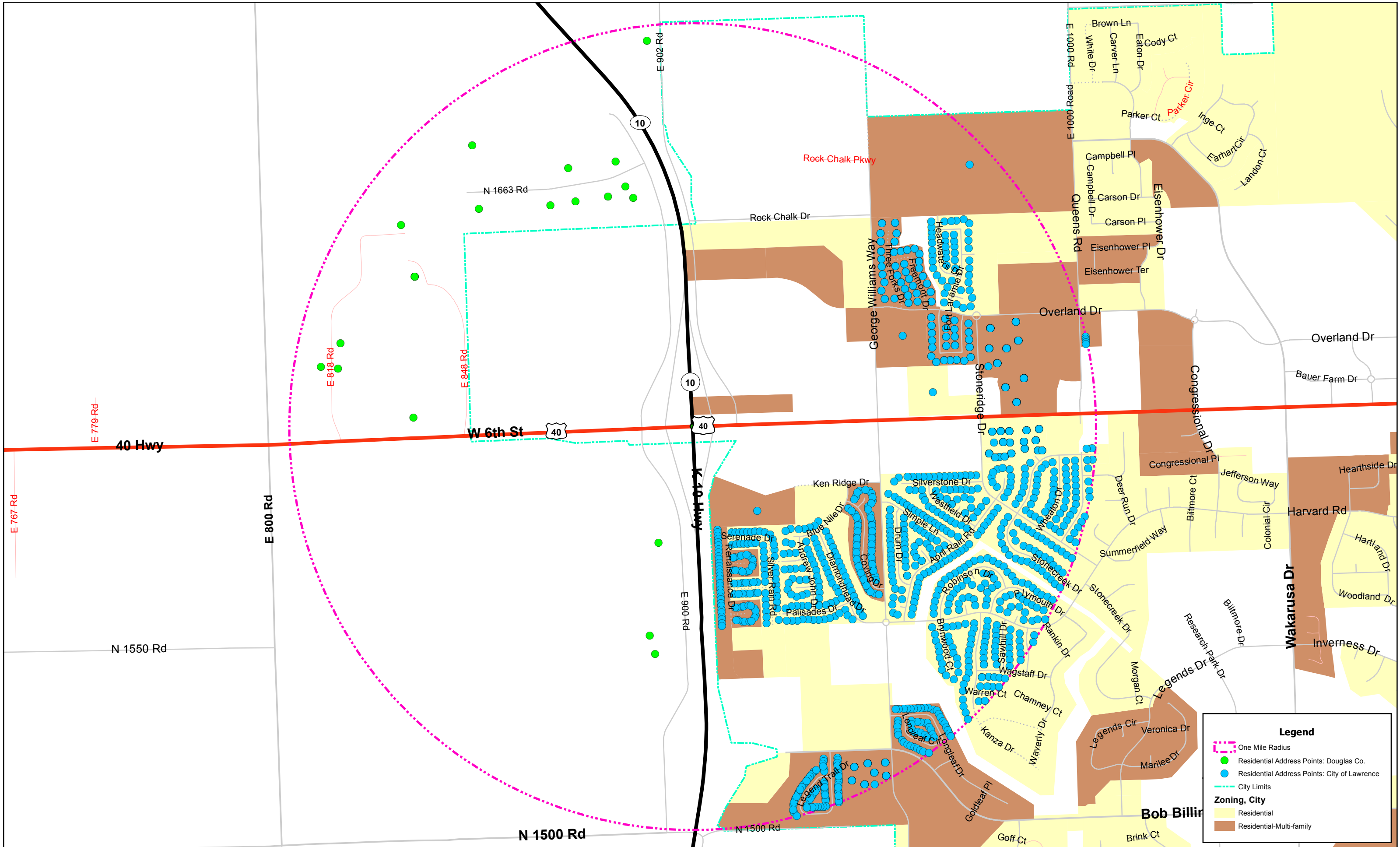
Staff was also asked to study the amounts of residentially zoned property within 1 mile of those intersections. Using the U.S. Census Bureau value for average household size (2.3 people per household) for the community, staff was able to approximate the populations living within a 1 mile radius of the these two locations.

Location	Estimated Households		Total Households	Total Population (2.3 people per Household)
	City	County		
6th St. at K-10	1,472	21	1,493	3,434
S. Iowa St. at K-10	1,449	4	1,453	3,342

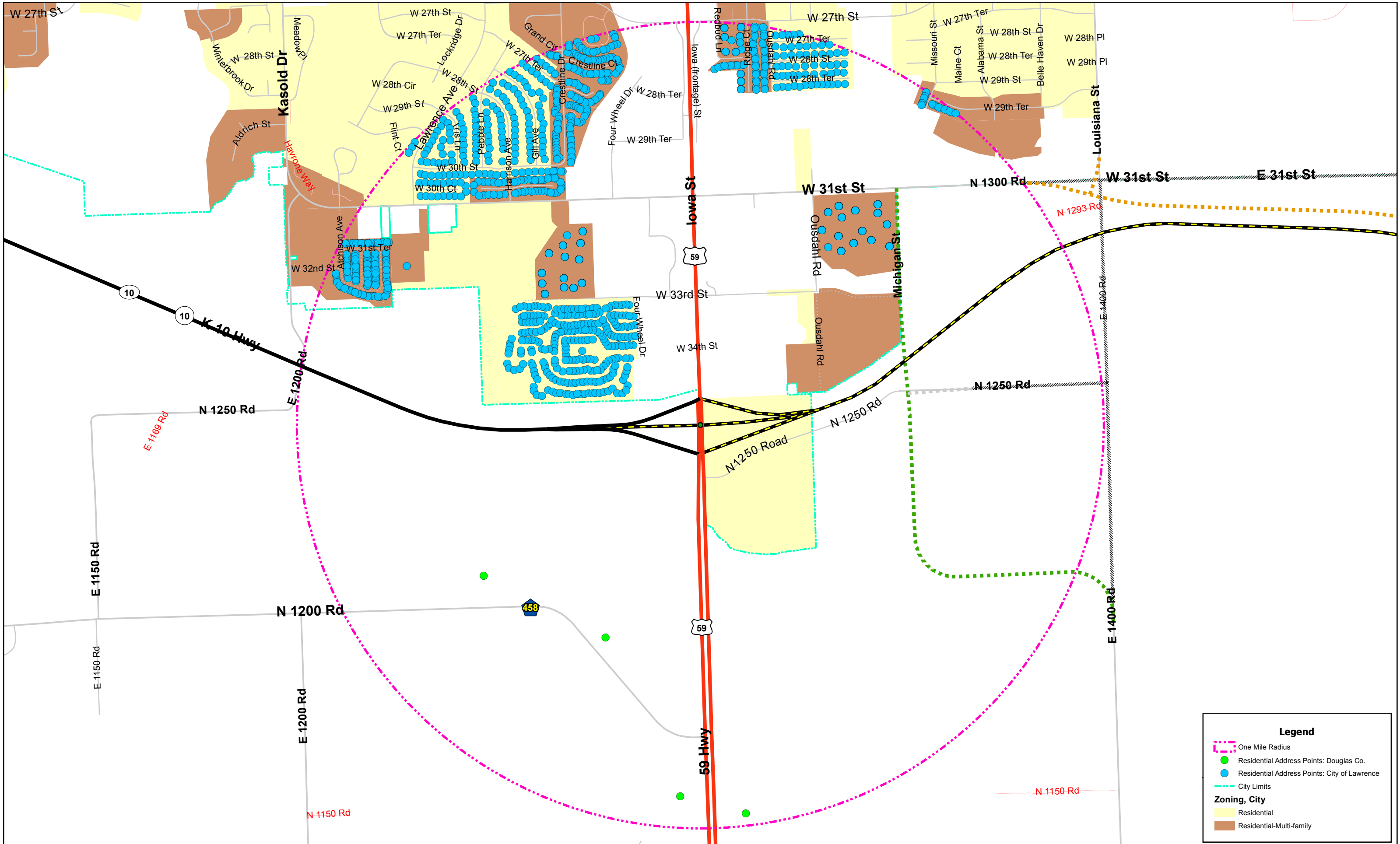
Attached are the maps from the study of the two locations.

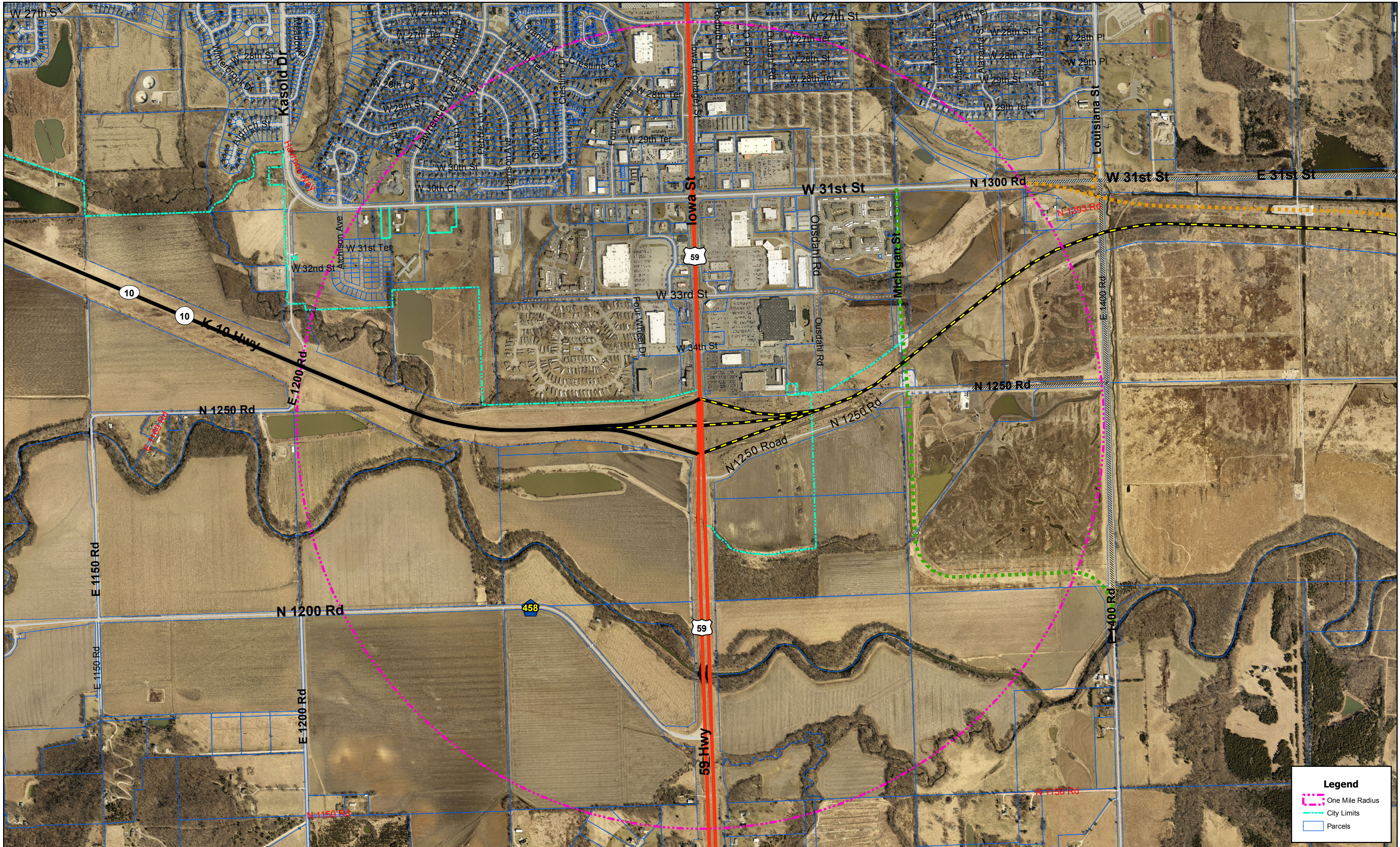
Some points on the maps are stacked and/or overlap, so they do not indicate amount/intensity of households (multi-family projects). Also, some points indicated on the maps are properties that are either currently under construction, or are anticipated to be constructed within 3 to 5 years.

Aerial maps are provided to reflect the actual units currently constructed.









**Legend**

- One Mile Radius
- City Limits
- Parcels

**From:** <Bolick>, Zak <[Zak.Bolick@INTRUSTBANK.COM](mailto:Zak.Bolick@INTRUSTBANK.COM)>

**Date:** Tuesday, July 15, 2014 at 3:19 PM

**To:** USD497 USD497 <[pkelly@usd497.org](mailto:pkelly@usd497.org)>

**Subject:** Southpoint Retail Development

Good afternoon Patrick,

I wanted to reach out to you this afternoon to voice my support for the Southpoint Retail Development that comes before you this coming Monday, July 21<sup>st</sup> where I understand you will weigh in on the requested annexation, rezoning, and amendment to the Comprehensive Plan as it relates to this development. As a business professional, homeowner, and graduate of Leadership Lawrence, I understand the tax burden that the residents of Lawrence, Kansas carry due to our wonderful city amenities and services, alongside of our lack of enough commercial and industrial developments to support it what we have.

With that said, I would ask that you pave the way for this development, which among many things will:

- Be an obvious and much needed gateway to our community from the South, along a much improved 59 Highway and finally to be completed SLT;
- Be a buffer to protect and enhance the Baker wetlands;
- Provide much needed sales and property tax dollars to our community;
- Prevent some existing spending dollars being spent outside of our community from continuing to do so.

We are blessed in this case with a developer who has spent time in our market, who has a history across the Southern half of our country doing like developments, and who believes in his development enough that he is not asking for any special financial incentives from the City, saying that the retail demand in our community is such that the development can be successful without them. This development should not negatively affect our amazing downtown, and was designed such that it is a regional retail destination feel rather than a walkable downtown look and feel, as to not compete with downtown Lawrence. Furthermore, thanks in part to the development at 9<sup>th</sup> & New Hampshire, as well as the new library and parking garage, and other downtown infill, there are more people living, working, and playing in downtown than perhaps ever before. It is clear to me that the retail demand and natural future growth is South, while the natural residential growth is West. As more and more people move farther West, and when Rock Chalk Park opens and is as popular as we all know it will be, there will be retail demand in that area. But before us today, we have an opportunity to welcome the right developer and the right tenants to our community, and reap the benefits of them being there in as short as a couple of years.

I urge you to consider this project for what it is, and what it means for our community, and support the annexation, rezoning, and amendment to the Comprehensive Plan this coming Monday, July 21<sup>st</sup> at your meeting.

Thank you for taking the time to read my email. I hope that it finds you doing well.

Best,

**Zak Bolick**, Commercial Relationship Manager  
INTRUST Bank | 901 Vermont Street | Lawrence, KS 66044  
Phone: 785-830-2616 | Mobile: 785-766-3836 | Fax: 785-830-2636  
[zak.bolick@intrustbank.com](mailto:zak.bolick@intrustbank.com)  
[www.intrustbank.com](http://www.intrustbank.com)  
**I trust INTRUST.**

Please consider the environment before printing this email.

From: "Dan Chavez" <[Danc@chavezrestoration.com](mailto:Danc@chavezrestoration.com)>  
Date: Jul 15, 2014 5:32 PM  
Subject: "Southpoint"  
To: "[montanastan62@gmail.com](mailto:montanastan62@gmail.com)" <[montanastan62@gmail.com](mailto:montanastan62@gmail.com)>  
Cc:

Stan,

My name is Dan Chavez; I am a local business owner and a Lawrence resident for the past 11 years. I am contacting you in regard to the Southpoint Development. I am one of many that believe in the Southpoint Development. I do not have a vested interest in the project, or know anyone that does. However, as a Lawrence resident, I am encouraged by such a project, and I think it will help keep tax dollars in Douglas County, as well as attract surrounding retail dollars from neighboring communities.

There have been times in the past that I felt the commission has looked for reasons not to approve such a project, listening to those afraid of too much change or growth. There will always be naysayers with whatever project is placed before the planning commission, some with great passion. I would ask you simply to weight the logic of those that oppose this project. I would challenge you to look at the merits of the Southpoint Development for what it can offer Lawrence and its residents.

I think in years passed; there were times when quality projects were more plentiful, when missing one opportunity only meant waiting on the next one. I wonder from a retail dollars standpoint if we can afford to miss the potential that this project offers Lawrence residents. Please consider the value that Southpoint offers to Lawrence, and vote accordingly. Thank you,  
Dan Chavez



**DIAMOND REALTY INVESTMENTS, INC.**

5215 N. O'Connor Blvd, Suite #670  
Irving, TX 75039

July 16th, 2014

Planning Commission  
City Hall – 1<sup>st</sup> Floor  
6 East 6<sup>th</sup> Street  
PO Box 708  
Lawrence, KS 66044

Dear Planning Commission members:

Diamond URS Lawrence, LLC, also known as The Connection at Lawrence, is a 324 unit, 888 bed class A off campus student housing multifamily property located at 3100 Ousdahl Road in Lawrence.

As an established business and tax paying entity, we are writing to express our full support for the proposed Southpoint Retail Development on the SE corner of Iowa St and K-10 (SLT).

As a business and property owner in Lawrence, we've been pleased to see positive signs of economic growth in the city and the area near our property (e.g. Menards and the K-10 SLT most recently.) We believe further developments will have a positive impact on the city, fellow property owners, and retail customers.

We are sorry that we will not be in attendance for the meeting on Monday July 21<sup>st</sup>, so we wanted to express our support for this project.

Sincerely,

Mark Stinger  
Vice President & Chief Asset Manger  
Diamond Realty Investments, Inc.

From: "Jones, Claudia K" <[Claudia.Jones@intrustbank.com](mailto:Claudia.Jones@intrustbank.com)>  
Date: Jul 16, 2014 8:31 AM  
Subject: FW: Southpoint Retail Development  
To: "[montanastan62@gmail.com](mailto:montanastan62@gmail.com)" <[montanastan62@gmail.com](mailto:montanastan62@gmail.com)>  
Cc:

I just wanted to send this e-mail letting you know that from what I have read, I am in support of this project. I am uncertain as to why we would not want a project like this to come to Lawrence. It will bring more jobs, more retail sales for Lawrence, which in turn will increase the City's sales tax revenues. I was born and raised in Lawrence, KS and have lived here for almost 60 years and get tired of driving to Topeka or KC to shop at stores that Lawrence does not offer. I do shop downtown but the stores that are anticipated to be in this project would not interfere with the type of stores that Downtown Lawrence has to offer.

It is my understanding that Southpoint will not need any special taxing districts, tax rebates or other financial incentives from the City. This is even a larger bonus for Lawrence, a company wanting to locate in our city and not asking for any incentives to come.

I hope you will support the annexation, rezoning and amendment to the comprehensive plan to allow this project to move forward.

Claudia Jones

Southpoint Retail Development is important for our community, and I support the annexation, rezoning, and comprehensive plan amendment as the first steps in getting it built.

I also support the Family Fun Center that I have seen occasionally in the news. I know that there are protests to putting it out by Raintree, and as a former Raintree parent, I don't personally see the issue; however, there are plenty of other locations where something like this could go. North Lawrence (Tanger outlet area), West Lawrence (near the new Rock Chalk Park area - I just know that there is a place for this in our community. I have two children – 6 & 11, and have to go to Topeka or Kansas City to do anything other than swimming, bowling, or a movie. I am very concerned about the lack of fun activities available to kids and teens, and as a Lawrence native, I know the kinds of trouble bored kids get in. My hangout as a teenager was a restaurant – that's pretty sad.

Thank you for your consideration on these issues.

***Heather Brown***  
***Closing Director, McGrew Real Estate***

1501 Kasold Drive  
Lawrence, KS 66047

**Main:** (785) 843-2055  
**Direct:** (785) 838-8274  
**Fax:** (785) 843-2466

**From:** CadreLawrence [<mailto:mdfales@silverlakebank.com>]  
**Sent:** Wednesday, July 16, 2014 9:49 AM  
**To:** Bryan C. Culver  
**Subject:** CadreLawrence Southpoint Retail Development Data Sheet



On behalf of CadreLawrence, thank you for taking the time to read this email. As we hope you know, having provided us with your email address, CadreLawrence is your community kitchen table, with an open invitation to the whole community to engage in thoughtful dialog by voicing support and presenting evidence for the creation of jobs and economic growth in Lawrence. With this email, you have the opportunity to get active in the support of a proposed new retail development which goes before the Planning Commission on Monday, July 21<sup>st</sup>. Read below to learn more about this proposal, and to identify our ask of you.

Information contained in this data sheet was gathered from months of research and communication with Chris Challis, developer for Collett, the company proposing the development on South Iowa, as well as data retrieved from the Retail Market Study prepared by Richard Kaplan & Associates. This is not the opinion of CadreLawrence, but more so the data that was reported to CadreLawrence from these sources.

- Planned on South Iowa Street at K-10/South Lawrence Traffic way in Lawrence, Kansas scheduled for opening in 2016.
- Will offer the Lawrence market area at least seven national retail companies that currently do not have a retail outlet in Lawrence.
  - Academy Sports
  - Ulta
  - Designer Shoe Warehouse (DSW)
  - Old Navy
  - Marshall's/Home Goods
  - Others yet to be named, including a specialty grocer
    - These businesses will occupy approximately 40% of the retail space at Southpoint.
- The project also plans to accommodate three existing retail establishments in Lawrence.
  - Their relocation to Southpoint offers these businesses a commercial center and building space more tailored to their operations as well as an easily accessible location to all Douglas County residents.
- Upon full build out in 2020, Southpoint is planned to have 538,550 square feet of commercial use.
  - This includes 18,000 square feet of office users and an 80,000 square foot, 100 room hotel.

### **Sales Tax Impact Estimate**

- Southpoint will provide approximately \$132,000,000 in new retail sales in the

Lawrence market upon completion.

- These estimated retail sales will increase the City's sales tax revenues by 5.5% in 2016-17 (\$1.13mm annual increase) when the project opens and will increase the City's sales tax revenues by 6.6% in 2020 (\$2.18mm annual increase) when the project is fully completed.
- The project is estimated to provide a cumulative \$8,883,500 in additional sales tax revenue from 2016-2020, from opening through completion.

### **Leakage Impact**

- The number of retail dollars leaking out of Lawrence to Johnson County or Topeka is estimated to decrease significantly with this new development.
  - Lawrence's drawing power as a retail center currently is about 10 percent less than Olathe's, about 25 percent less than Manhattan's and Topeka's, and about 50 percent less than Lenexa's.
  - For the retail sectors where Lawrence experiences some of the greatest sales leakage to our neighboring communities (e.g., clothing, general merchandise, furniture & home furnishings, and gasoline stations), Southpoint will add new retailers to each of these categories, helping stem the current leakage, and keep Douglas County dollars in Douglas County, and perhaps draw dollars from neighboring counties to Douglas County.

### **Vacancy Impact**

- The addition of this development will be within the City's historic average for new retail development since 2006, and will not materially affect the City's historic vacancy rate over that period.

### **City Provided Financial Incentives**

- Southpoint has been designed so it will not need any special taxing districts, tax rebates or other similar financial incentives from the city.
  - Interest from potential tenants for the center has been high enough that the development group is confident in its success without incentives.

### **Our ask of you**

- Contact your planning commissioners, and use the information from this fact sheet to draft an email or letter to tell them whether or not you support the Southpoint retail development. The action ahead of the Planning Commission on Monday, July 21<sup>st</sup> includes annexation, rezoning and amending the Comprehensive Plan. The earlier the better, but the deadline for written communication to be included in the Planning Commission packet is 10:00 am on Monday, July 21<sup>st</sup>.
- Share this information with 3-5 or more people in your own social network, and ask them to get active in the process as well.
- Try to attend the Planning Commission meeting on Monday evening, July

- 21<sup>st</sup> to allow the Planning Commissioners to hear your voice.
- Ask questions. If we do not have the answers, we will get the answers directly from Chris Challis of Collett. Direct questions to [info@cadrelawrence.com](mailto:info@cadrelawrence.com).
  - Your Planning Commission contact information:
    - City Appointees:
      - Amalia Graham - [amalia.graham@gmail.com](mailto:amalia.graham@gmail.com)
      - Stan Rasmussen - [montanastan62@gmail.com](mailto:montanastan62@gmail.com)
      - Jon Josserand - [jonjosserand@gmail.com](mailto:jonjosserand@gmail.com)
      - Patrick Kelly - [pkelly@usd497.org](mailto:pkelly@usd497.org)
      - Bryan Culver - [bculver@bankingunusual.com](mailto:bculver@bankingunusual.com)
    - County Appointees:
      - Jim Denney - [denney1@sunflower.com](mailto:denney1@sunflower.com)
      - Pennie von Achen - [squampva@aol.com](mailto:squampva@aol.com)
      - Clay Britton - [clay.britton@yahoo.com](mailto:clay.britton@yahoo.com)
      - Bruce Liese - [bruce@kansascitysailing.com](mailto:bruce@kansascitysailing.com)
      - Eric Struckhoff - [eric.c.struckhoff@gmail.com](mailto:eric.c.struckhoff@gmail.com)

Sincerely,  
CadreLawrence

Hello Planning Commissioners,

I am writing to express that I do not support the approval of the Southpoint retail development. I am fully aware of the anticipated economic impact of the development, but want the commission to know that many of us in the community value the preservation of land and natural resources above economic impact *in some cases*. The continued sprawl south of Lawrence is not something that all residents want. Stores like Old Navy have already failed here, perhaps for reasons I am unaware of, but I suggest putting efforts into supporting local small businesses, rather than continuing to develop in natural areas around Lawrence in support of more large, corporate businesses.

Thank you for your time and consideration. I hope you hear from the many other residents I know who are NOT supportive of this development.

Best,  
Emily Hampton

**From:** Karen Lowder [<mailto:klowder@cwood.org>]

**Sent:** Tuesday, July 15, 2014 3:28 PM

**To:** [amailia.graham@gmail.com](mailto:amailia.graham@gmail.com); [montanastan62@gmail.com](mailto:montanastan62@gmail.com); [jonjosserand@gmail.com](mailto:jonjosserand@gmail.com); [pkelly@usd497.org](mailto:pkelly@usd497.org); Bryan C. Culver

**Cc:** [denny1@sunflower.com](mailto:denny1@sunflower.com); [squampva@aol.com](mailto:squampva@aol.com); [clay.britton@yahoo.com](mailto:clay.britton@yahoo.com); [bruce@kansascitysailing.com](mailto:bruce@kansascitysailing.com); [eric.c.struckhoff@gmail.com](mailto:eric.c.struckhoff@gmail.com)

**Subject:** Please vote yes!

[http://www2.ljworld.com/weblogs/town\\_talk/2014/jul/7/old-navy-academy-sports-others-announced/](http://www2.ljworld.com/weblogs/town_talk/2014/jul/7/old-navy-academy-sports-others-announced/)

I hope you ladies and gentlemen will consider the financial gain in jobs that many of these new pending properties might be able to provide, not only for our community, but for surrounding communities as well. We have a vibrant downtown with many local businesses that will remain a big draw because of its uniqueness, but I imagine we are losing a lot of sales tax revenue to Kansas City, Topeka and the Legends. My son recently came home for a wedding and needed to pick up a suit for his small son, but refused to even look for clothes in Lawrence because the selection is greater in Kansas City. I couldn't argue with that.

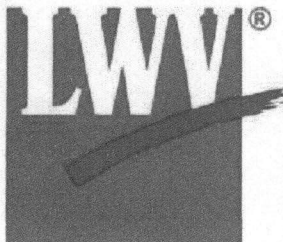
Wages, sales tax revenues, tax incentives...I'm sure there is much more to consider, but Lawrence is expanding its horizons with the Rock Chalk Park and the Warehouse Arts initiative...those visitors will need places to eat, places to stay and places to shop in their down time...it might as well be Lawrence! Let's make it work! Thanks for your consideration.

*Karen Lowder*

*947 New Hampshire*

*#302*

*Lawrence, KS 66044*



**LEAGUE OF WOMEN VOTERS®**  
OF LAWRENCE/DOUGLAS COUNTY

July 20, 2014

**RECEIVED**

JUL 21 2014

City County Planning Office  
Lawrence, Kansas

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**Cille King**

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**Marlene Merrill**

**Austin Turney**

Mr. Bruce Liese, Chairman, and Planning Commission  
Lawrence-Douglas County Metropolitan Planning Commission

RE: ITEM NO. 3; COMPREHENSIVE PLAN AMENDMENT TO HORIZON 2020 CHAPTER 6,  
CHAPTER 14, AND TO THE REVISED SOUTHERN DEVELOPMENT PLAN  
ITEM NO. 4A ANNEX 102.64 ACRES; E SIDE OF S IOWA ST & S SIDE OF N 1250 RD  
ITEM NO. 4B RS10 & A TO CR & CR-FP; 122.96 ACRES; SE CORNER SLT & US-59 HWY  
ITEM NO. 4C RS10, A, & VC TO OS-FP; 46.10 ACRES; SE CORNER SLT & US-59 HWY

Dear Chairman Liese and Planning Commissioners:

We ask the Planning Commission to deny the Comprehensive Plan change, the annexation, and the rezoning requests of the Southpoint proposal for the following reasons:

1. The overriding consideration should be whether the location is appropriate for the proposed use. We answer that it absolutely is not, because:

a. It is away from population centers and is at the southern entrance to Lawrence where the automobile traffic will be entering and leaving. This location really requires automobile-oriented uses such as a fuel station, quick shop needs, and overnight accommodations. This type of use has been designated in the Comprehensive Plan for this area as an Auto-Oriented Center.

b. The original concern that this type of use would become a Truck Stop is not warranted for Auto-Oriented centers because they do not require either Regional or General Industrial zoning, the only districts that permit Truck Stops. Truck Stops also require a Special Use Permit.

c. Because of the proposed design of Louisiana Street to bridge the SLT, as well as the Iowa Street connection to the SLT, it would seem to us that the traffic pattern of the area would be especially sensitive to added traffic from shopping-center customers. To add non-essential traffic, such as this leaving and entering slow-moving type would seem to add dangerous and unnecessary traffic connections to the fast-moving through traffic lanes.

d. Shopping centers located in the County (or almost in the County as is this site), have been shown to encourage County sprawl. The future use of a shopping center in this location would, we suggest, encourage County population to develop around it, leading to more non-farm rural residential growth.

e. The proximity of the Southpoint development to the floodplain is also an important argument against

LEAGUE OF WOMEN VOTERS®  
OF LAWRENCE/DOUGLAS COUNTY

Page 2

allowing this type of development there. With the necessary modification of the floodplain and the amount of runoff that has to be accommodated, this is a difficult area to develop. In addition, the inevitable runoff directly into the floodplain has a major impact on farmland downstream. We suggest that you talk to the farmers who have already been negatively affected by city runoff, before encouraging more.

2. The major argument given in favor of Southpoint seems to be that this development would positively affect the City's pull factor and tax revenue. We could not find convincing arguments why this would be true. Our reasons are as follows:

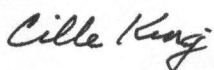
- a. The stores that Southpoint lists as being future occupants are the same stores that are found in other cities around Lawrence, so there would be no real reason to shop in Lawrence for out-of-town customers (the source of "pull.")
- b. The argument that the sales tax revenues will increase as a result of Southpoint depends on an increase in overall sales as a result of the development. The counter argument is that an increase in sales depends on an increase in income, which in turn, is dependent on an increase in employment, which brings the increase in population which brings the increase in overall incomes. Rather than increasing the amount of commercial use and zoning, the answer to this dilemma would be to increase the amount of available employment by supporting more business/industrial and office development. We suggest that the area near the SLT and this intersection outside of the Auto-Oriented area would be an important area to preserve for employment-related uses.

The planning staff method for determining the viability of future zoning by determining the current vacancy rates we find is unconvincing for justifying an increase in zoning, especially where Lawrence is already overzoned (commercial) and overbuilt (apartments). As one citizen/realtor once pointed out, landlords need occupants, if for no other reason than to protect and maintain their property, regardless of whether they pay full rent or not, and occupancy is not necessarily a sign of a healthy business.

For these reasons, and many others, we urge the Planning Commission to deny the Southpoint requests to change the Comprehensive Plan (Item 3), and the requests for Annexation, Rezoning to Regional Commercial, and Open Space (Items 4a,b,and c).

Thank you for considering our concerns.

Sincerely yours,



Cille King  
President



Alan Black, Chairman  
Land Use Committee

**From:** Candice Davis [<mailto:cdavis.chc@gmail.com>]

**Sent:** Monday, July 21, 2014 9:51 AM

**To:** Scott McCullough

**Cc:** David L. Corliss

**Subject:** Fwd: North Carolina retail proposal- letter

Hello Scott. I would like for you to include my letter in the packet for the PC tonight. I did send the e-mail to PC personal e-mails but would also like to have it included in the packet. I know that you are continually in most difficult positions as you try to accommodate many interests. However, sometimes "NO" is the most effective response to end continuous pressure from individual private interests. I believe that our long-range city planning must be forward thinking and reviewed periodically before developers submit their hearts desire. Sticking to such a plan is paramount and might make your job and those of other commissioners much easier. I know you are working hard but I am passionate about this town and will do what I can to see that changes move in a positive direction. The North Carolina group is just now contacting LAN about their proposal. They plan to speak to the group in August but the timing is very late in the city process. Your friendly but concerned neighbor, Candice Davis

Dear Planning Commissioners,

7-19-14

I am aware that you are reviewing a request for rezoning by a development group from North Carolina. They would like to invest in a large retail project south of existing retail on Iowa street that would be 40% as large as our downtown.

Having lived in Lawrence for 30 years, I am concerned about the continuing viability of our downtown retail businesses as well as city planning practices. Who is planning our city? Do the citizens of Lawrence want big developers and their lawyers to plan where projects will be located? A recent Horizon 2020 survey identified protection of our downtown as a top priority.

Good city planning should always consider the over-all health and welfare of the entire city, follow appropriate protocol and use established urban planning principles. This out-of-town firm is requesting rezoning to accommodate their development. Our long-range plan should only be changed to address the projected needs of the city not to address the needs of a developer.

Is this proposal really good city planning, and good for Lawrence?

Thank you for your thoughtful consideration, Candice Davis

#### Concerns/Questions

1. Is the North Carolina developer aware of our long-term city plan, Horizon 2020? Do they care about the welfare of our community or is this purely business?
2. The latest Horizon 2020 survey placed maintaining a viable downtown as a top priority.
3. Existing downtown retail is already shrinking. Bars and restaurants are tipping the scale.
4. What about existing commitments to Mercado and their plans for retail expansion in west Lawrence?
5. The new city recreation center to the west is promising much city and regional activity. Will this threaten taxpayer investments and hurt the potential retail market in that area?
6. There is already the highest % of retail on South Iowa Street. How will this impact existing city-wide retail businesses?

**Kirk McClure, Ph.D.**  
**707 Tennessee Street**  
**Lawrence, KS 66044**  
mcclurefamily@sbcglobal.net

July 20, 2014

**Amalia Graham**  
amalia.graham@gmail.com

**Jim Denney**  
denney1@sunflower.com

**Stan Rasmussen**  
montanastan62@gmail.com

**Pennie von Achen**  
squampva@aol.com

**Jon Josserand**  
jonjosserand@gmail.com

**Clay Britton**  
clay.britton@yahoo.com

**Patrick Kelly**  
pkelly@usd497.org

**Bruce Liese (Chair)**  
bruce@kansascitysailing.com

**Bryan Culver**  
bculver@bankingunusual.com

**Erick Stuckhoff**  
Eric.c.struckhoff@gmail.com

Re: **ITEM NO. 3 COMPREHENSIVE PLAN AMENDMENT TO HORIZON 2020 CHAPTERS 6 & 14 CPA-14-00107**  
**ITEM NO. 4A ANNEX 102.64 ACRES; E SIDE OF S IOWA ST & S SIDE OF N 1250 RD A-14-00104**  
**ITEM NO. 4B RS10 & A TO CR & CR-FP; 122.96 ACRES; SE CORNER SLT & US-59 HWY Z-14-00105**  
**ITEM NO. 4C RS10, A, & VC TO OS-FP; 46.10 ACRES; SE CORNER SLT & US-59 HWY Z-14-00106**

Members of the Lawrence Douglas County Planning Commission,

The applicant, Collett and Associates, seeks to develop a parcel on Iowa Street through an amendment to Horizon 2020, annexation of land and rezoning of the land. The proposal, Southpoint, calls for development of: About 460,000 square feet of retail in a first phase; 80,000 square feet for a 100-room hotel; and probably about 70,000 square of additional square feet of retail in a second phase (14 parcels at 5,000 square feet per parcel). The development will contain a total of over 600,000 square feet of commercial space.

This project is large; when fully built it will be the equivalent of 40 percent of our downtown. It will expand the supply of space on South Iowa by about 30 percent. At this scale it has the potential to have a significant negative impact on other retail shopping districts in Lawrence, including the downtown.

*Additional Hotel Space:*

The issue: Can the community absorb additional hotel space without threatening existing and future taxpayer investment in hotels?

The taxpayers of Lawrence are heavily invested in hotels. The taxpayers invested about \$11 million in the Oread Hotel. The taxpayers are investing about \$10 million in the 9<sup>th</sup> and New Hampshire project with a significant portion of that amount serving the new hotel.

Lawrence has zoned multiple parcels for additional hotel space. Hotel zoning was approved in the North Mass development. Hotel zoning was approved in the latest revision of the Bauer Farms development.

Lawrence is about to begin a process that may lead to a new conference center. This center will probably include additional hotel space, and this hotel and conference center will probably include a significant taxpayer contribution.

The Southpoint proposal includes a hotel. The staff report is silent on the hotel issue. It is unknown whether or not the city can absorb an additional hotel without threatening its already large investment in hotels.

The City made the hotel investments without careful study of the city's capacity to absorb new hotel space. The City is about to embark on such a study to guide it to a better decision on the conference center.

Zoning for additional hotel space may hurt an already saturated market. Zoning for additional hotel space may threaten existing taxpayer investment.

Recommendation on the hotel component: Do not approve additional hotel space until the absorption study is complete and it is clear that additional hotel space will not threaten existing, and possibly future, taxpayer investment.

*Additional Retail Space:*

The Issue: Can the Lawrence retail market absorb the proposed space without significant negative impact upon existing retail districts?

The Economics of Retail Markets: In a well-balanced market, the supply should grow in proportion with growth in demand.

The economics of retail real estate are well established. Demand for retail space is what determines the value of retail space, the number of jobs it will produce and the sales tax revenues that it will generate. The supply of retail space does not drive these outcomes. There are many false beliefs that building real estate grows the economy. It does not. Growth in the economy is a function of growth in the aggregate income of the households within the community because income sets the amount of spending that a market will experience. More stores do not create more spending; rather, only more income to the households in the community can drive growth in the economy. As a result, more stores do not create more spending, more sales taxes, more retail jobs or more value of all retail buildings. If too many

stores are added to a market, the stores vie for the finite amount of spending, driving down the revenue per square foot, hurting all stores.

**Retail Demand:** The best proxy for demand in a market is the local retail sales tax revenues. They show the actual spending in the market reflecting changes in income, the community's pull factor and the use of on-line shopping.

The City's retail market study shows that inflation adjusted retail sales taxes have been flat from 2000 to 2012. They actually declined very slightly at -.012 percent per year over the last twelve years. However, there has been negligible growth from 1995 to 2014 at +0.40 percent per year. Thus, for a long period of time, retail spending in real terms has not grown for about 20 years. See the table below.

Table: Lawrence Retail Supply and Demand Conditions 1995 to 2012

<i>Inflation</i>		
<i>Adjusted</i>		
<i>Sales</i>		
<i>Year</i>	<i>Taxes</i>	<i>Commercial Square Feet</i>
2012	\$ 13,593,996	9,105,151
2000	\$ 13,797,066	5,299,404
1995	\$ 12,695,769	4,372,183
<i>Demand Annualized Growth Rate</i>		
	<b>0.40%</b>	<b>1995 to 2012</b>
	-0.12%	2000 to 2012
<i>Supply Annualized Growth Rate</i>		
	<b>4.4%</b>	<b>1995 to 2012</b>
	4.6%	2000 to 2012

Source: City of Lawrence 2012 Retail Market Report

**Demand Conclusion:** The city's capacity to support growth in its supply of retail space is non-existent. With no growth in retail spending, the city has no capacity to support additional retail space at this time. The developer is only seeking to capture a share of that spending for the proposed development, taking this demand, and possibly some of the vendors, away from existing shopping districts.

**Retail Supply:** The stock of retail space has grown dramatically since 1995, which is the last time there seemed to be a balance between the supply of and the demand for retail space. From 1995 to 2012, the stock grew by 4.8 million square feet. This growth translates into a rate of growth of 4.4 percent per year. The City has approved an additional 1.2 million square feet at 6<sup>th</sup> Street and the SLT, Fairfield Farms, North Mass and 31<sup>st</sup> and Ousdahl Streets.

Supply conclusion: The supply of retail space is growing rapidly with much more approved for development.

Implications: The supply of retail space is growing rapidly while the retail spending is flat. This means that the revenues per square foot are falling. Reduced revenues lowers property values in existing shopping centers, including the downtown. Reduced revenues threaten the ability of attract investment to older existing properties. This is especially threatening to historic properties such as in our downtown.

If we expect to maintain the condition of our existing shopping centers, and especially if we want out downtown to continue to thrive, the space needs to attract sufficient revenue per square foot to drive sufficient lease rates that attract investment.

Staff report: The staff report on the proposed development concludes that because the vacancy rate has not become terribly bad, that the retail market will not be hurt by this development.

Vacancy is one of many measures of market health, but vacancy is one of the weaker indicators of market health. The notion is that if a market is overbuilt, the vacancy rate will rise proportionately. This is not true. Property owners will fill their space, even if it means granting rent concessions to attract occupants. Even with a rent concession that takes rents below costs, the property owner will lose less with a rent concession than with an empty property.

The staff should expand its analysis to examine the revenues coming into each market segment (defined both spatially and by type of vendor). It is clear from the staff report that the market is suffering from declining revenues per square foot over a long period of time, which leads to poor maintenance and reduced investment in existing properties, both of which are harmful to a retail market.

The Caplan Report: The market analysis provided by the developer contains multiple errors. Probably the most severe is the assumption that sales will rise 4.1 percent per year when they have not even been keeping up with inflation for a long period of time.

The Caplan report uses the argument that the proposed development will improve the Pull Factor of the entire retail market. The report claims that the community will benefit from new spending attracted to the local market. This can be a valid claim in a tourist market or a market with very special tenants that they become a destination shopping location not found in the region nor having any close substitutes elsewhere in the region.

This notion of attracting new spending into the community is simply not plausible with the proposed project. The vendors will not attract shoppers that are not already here. The vendors listed in the development proposal are not unique to the Kansas City-Lawrence-Topeka region. Thus, shoppers from Johnson County will not drive here for these vendors; they already have them in Johnson County. Shoppers from Shawnee County will not drive here for these vendors; they already have them, or have very close substitutes, in Topeka.

The best option to improve the pull factor in Lawrence is to enhance the one unique, destination shopping district that we have, Downtown Lawrence.

*Recommendation:*

Someday, this site on South Iowa Street may be an appropriate site for additional retail space and even hotel space on the scale proposed. That day is not even in sight.

- Retail spending remains flat while the supply has grown too quickly.
- We want to enhance, not degrade, the condition of our shopping centers and especially our downtown.
- We do not want to jeopardize our current and future hotel investments.

Tell the developer that this proposal is premature and cannot be approved at this time.

Yours truly,

A handwritten signature in black ink, appearing to read "Kirk McClure", with a horizontal line extending to the right.

Kirk McClure

July 21, 2014

**VIA ELECTRONIC MAIL**

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**Re: Southpoint Project**

Dear Members of the Planning Commission:

I represent K-10/40 Development, L.C., whose managers have an interest in the Mercato retail and commercial development at the northeast corner of Highways 40 (6<sup>th</sup> St.) and 10 in West Lawrence. Tonight, the Commission will consider a Comprehensive Plan Amendment to Horizon 2020 relating to what has been commonly referred to as the Southpoint Project, along with considering an annexation request and two rezoning requests affecting the same Project (the "Project"). For the reasons outlined here, the Commission should not at the present time recommend approval of the Project.

The Project is the largest commercial land use ever proposed to the City. Staff acknowledges at p. 14 of the Comprehensive Plan Amendment report (Item 3) that the proposed Comprehensive Plan Amendment *does not conform* to certain Horizon 2020 policies. Staff recognizes in multiple places in the Comprehensive Plan Amendment report that a number of retail and commercial developments will be negatively affected. This includes Mercato and a number of other sites mentioned in the report, and businesses and locations that are not mentioned in the report. The pending requests veer from existing policies and implicate significant questions of public policy and planning.

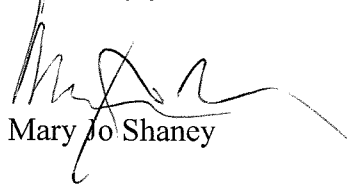
The Comprehensive Plan Amendment staff report includes some of Horizon 2020's goals and criteria for directing land use decisions, but certain policies warrant emphasis. Horizon 2020 does not contemplate the need for a new regional commercial center (Policy 3.13 at p. 15 of the staff report). While the staff report states that the Southpoint location simply would become "appended" to or "expand" the South Iowa Regional Commercial Center, in substance a project of this size does create a regional commercial center. This is a major departure from Horizon 2020.

The direction established in Horizon 2020 for the Southpoint location is that regional commercial "shall not" occur south of K-10. K-10 is viewed in Horizon 2020 as a "barrier" to commercial development of the kind now being proposed.

The concern with the Project is not that it proposes retail and commercial development. The critical issue for tonight is whether the City process and directives under Horizon 2020 are being followed. Staff recognizes that there has not been a change in public policy, one of the criteria to be considered in determining whether to amend the Comprehensive Plan (*see* p. 17 of the report). That the City is now working with a task force to amend Horizon 2020 establishes that it is premature to change or gauge public policy.

There has been much discussion of the potential tenants for the Project. It appears this potential has been the driving force in garnering support from certain quarters. But the proper focus for the Southpoint concept plan is against the backdrop of the City's Comprehensive Plan policies and goals. We urge the Commission to adhere strictly to Horizon 2020 and to postpone this Project until the public process has been properly engaged.

Very truly yours,



Mary Jo Shaney

MJS:hkm

cc: Scott McCullough, Director, Planning and Development Services,  
via e-mail [smccullough@lawrenceks.org](mailto:smccullough@lawrenceks.org)