

## **Retail Task Force**

### ***Recommendations for Enhancing the Lawrence Retail Economy***

**January 18<sup>th</sup>, 2011**

**Members of the Retail Task Force**

**Leslie Alhert**, Owner, Stitch On Needlework Shop (representing Downtown merchants)

**Robert Chestnut**, Lawrence City Commission

**Susan Cook**, Owner, Lasting Impressions (representing City merchants)

**John Ellena**, Owner, Ellena Honda (representing City merchants)

**Michael Gaughan**, Douglas County Commission

**Tom Kern**, CEO, Lawrence/Douglas County Chamber of Commerce

**Allison Vance Moore**, Commercial Real Estate, Colliers International

**Earl Reineman**, Vice-President, Weaver's Department Store (representing Downtown merchants)

**Table of Contents**

<u>Section</u>	<u>Page</u>
<b>Executive Summary</b>	4
<b>Background</b>	
Purpose of the Report	5
The Retail Task Force	5
<b>The Retail Economy and Policies of Lawrence</b>	
The Status of the Retail Economy in Lawrence	7
Policies and Laws that Govern Retail in Lawrence	8
<b>Tools and Best Practices for Promoting Retail</b>	
Resources Available to Promote Retail Development	8
Best Practices from Other Cities	12
<b>Recommendations</b>	
Facilitation of Planning and Support of Local Retail	13
Additional Recommendations	16
<b>Conclusion</b>	19
<b>Appendix</b>	
Resolution	20
Minutes	22

## Executive Summary

The Retail Task Force was established by the City Commission in order to identify ways to improve the retail economy in Lawrence, Kansas. The Task Force met over several months and received valuable data and information regarding the retail sector in Lawrence and the planning processes and policies governing retail business development in the City. After reviewing this information, the Task Force identified the following goals as the most important to accomplish:

- To increase retail sales in the City of Lawrence;
- To reduce sales leakage from the community;
- To assist local retailers in growing their businesses; and
- To facilitate the planning process for retailers who wish to locate in Lawrence.

The Task Force studied best practices from other communities. This included a review of tools available in Kansas to assist retail development; strategic planning for retail from around the country; and numerous specific programs such as loans, grants, and retail incubators. Based on the information presented and the discussions between the Task Force members, the Task Force recommends that the Lawrence City Commission consider taking a more proactive role in promoting retail. Specifically, the Task Force recommends that the City:

- Review the building code in order to make it easier for existing retailers to expand and new retailers to locate in the community;
- Acquire a database of market and spending information to help local retailers identify ways to grow their businesses;
- Ensure that the City and Chamber have identified personnel to accomplish these tasks;
- Enhance Downtown retail by helping bring new residents and primary businesses there;
- Encourage private partners to establish a retail incubator; and
- Investigate a collaborative marketing program to draw additional visitors to Lawrence.

The report that follows provides the context and details supporting the purposes and recommendations as described above.

## **BACKGROUND**

### The Purpose of this Report

The purpose of this report is to present the findings and recommendations of the Retail Task Force to the City Commission and other interested stakeholders. The recommendations are based on four key goals that the Retail Task Force has identified. These reflect a consensus regarding both the outcomes that the City should strive to achieve, and the way these outcomes should be accomplished. The two most important outcomes to achieve are:

- 1) To increase retail sales in Lawrence. Retail sales have been stagnant for several years, and that the primary goal should be to begin seeing them increase again.
- 2) To reduce sales leakage. “Leakage” occurs when residents of Lawrence make purchases outside of the City. This hurts local retailers as well as sales tax collections.

These outcomes will best be met by offering an enhanced retail atmosphere in Lawrence. In order to improve the retail atmosphere in the City, the Retail Task Force recommends that the City and its economic development partners:

- 3) Provide better assistance to local retailers. This can include facilitating the planning process for local retailers as well as providing them with critical information to help them grow.
- 4) Facilitate the planning process for non-local retail firms who want to locate in Lawrence. While direct recruitment of outside retail is discouraged, retailers who want to come to Lawrence should be able to do so efficiently and quickly.

### The Retail Task Force

Retail is an important component of Lawrence’s economy and is critical for providing a high quality of life for residents. It also is a substantial source of tax revenue for the City. In 2009, more than \$26 million of sales tax revenue was generated. Today, due to an increase in the local sales tax rate, retail sales generate approximately \$30 million in annual revenue. However, the recent economic downturn

and continuing new development in neighboring cities have led to declining retail sales in Lawrence. This has resulted in stagnant growth in retail sales and a reduced “pull factor,” as residents appear to be shopping more often elsewhere.

The Retail Task Force was established by the City Commission in order to investigate what the City of Lawrence could do to promote the retail economy in Lawrence. The Task Force was comprised of City Commissioner Rob Chestnut, County Commissioner Mike Gaughan, downtown store representatives Earl Reineman and Leslie Alhert, Lawrence store representatives Susan Cook and John Ellena, the Lawrence Douglas/County Chamber of Commerce CEO Tom Kern, Allison Moore of Colliers International, and Diane Oakes representing the citizenry at large (Ms. Oakes withdrew from the committee in October). In its deliberations, the Task Force was charged with reviewing the current status of the Lawrence retail economy; assessing the regulation of retail by the City Code and planning documents; investigating best practices from other cities; and finally providing recommendations for additional steps Lawrence should take—if any—to bolster retail in the City.

The Retail Task Force has been meeting monthly since May. Over this time, it has received a wealth of information on local market conditions, the Lawrence planning code, retail practices in other communities, and additional methods that could be used to expand and grow the retail economy. The Task Force has also received public comment as part of its deliberations. Based on the material presented and the discussions made by the members, the Task Force developed a set of recommendations for the City Commission to consider. These recommendations are presented in this report.

The report that follows provides a summary of the information presented to the Task Force so that the Commission and interested stakeholders may better understand the reasoning for the recommendations made. It begins with an overview of existing retail conditions in Lawrence, as well as the current policies that govern the retail sector in the community. It then discusses different incentives and policies that can be used to promote retail, and examines the approach that other cities often take when trying to enhance the retail in their communities. Finally, the report presents the recommendations of the Retail Task Force to help improve local retail conditions.

## **THE RETAIL ECONOMY AND POLICIES OF LAWRENCE, KANSAS**

### The Status of the Retail Economy in Lawrence

An analysis of the retail economy in Lawrence was prepared by City Staff for the Retail Task Force. The study found that retail has been struggling both nationally and in Kansas this decade. Across the nation, there has been some growth in retail GDP, but there has been less growth statewide. Additionally, retail has seen job losses this decade as well. While restaurant employment has increased, jobs in stores that sell products have generally been going down. These patterns have been even more pronounced in Lawrence, which has seen more modest GDP gains in retail and greater net job losses than either Kansas or the nation as a whole.

The retail sector is more important for Lawrence's economy than either the statewide or national economy. Retail, restaurants and lodging make up 11 percent of local GDP and over 30 percent of all employment. However, compared to many of our peer communities, Lawrence has lower-than-average retail sales. Part of the reason for this may be a lower-than-average income. Another reason may be Lawrence's proximity to two other metro regions (Kansas City and Topeka). These two factors present significant challenges for the local retail sector.

Retail employment in Lawrence has declined this decade, while taxable retail sales have been flat. As previously noted, some of this change is consistent with trends at the state and national level, as retail growth has been minimal throughout the state and the nation. But Lawrence has been adversely affected by new retail opportunities at places such as Village West in Kansas City, Kansas. While Lawrence does not appear to have been affected as adversely by Village West as some other cities in northeast Kansas, the impact demonstrates some vulnerability to new opportunities in neighboring cities.

Most taxable retail sales in Lawrence come from General Merchandise Stores, Restaurants, Car Dealerships, and Grocery Stores. Two of these categories—Restaurants and Grocery Stores—have done quite well this decade, while General Merchandise and Car Dealerships have struggled. New retail in Lawrence has generally followed the new residential growth toward the western portion of the City. However, about half of all existing retail can be found along South Iowa Street and the eastern 23<sup>rd</sup> Street Corridor.

### Policies and Laws that Govern Retail in Lawrence

There are policies and regulations that help guide retail development in Lawrence. Horizon 2020, the comprehensive land use plan is a guiding policy document that establishes goals of strengthening existing commercial areas and establishing new commercial areas. Horizon 2020 supports nodal commercial development versus strip commercial development, the use of commercial design standards and establishes locations appropriate for retail development throughout the city.

The Land Development Code (Chapter 20 of the Code of the City of Lawrence) contains more specific code language regarding the types of commercial land uses and where they are allowed. In particular, both documents require project specific market studies to be submitted by applicants of new commercial projects that focus on the projects' impact on existing commercial development and, more specifically, Downtown Lawrence.

## **TOOLS AND BEST PRACTICES FOR PROMOTING RETAIL**

### Resources Available to Promote Retail Development

Cities can utilize a number of resources to assist with retail development. These resources can be thought of as a continuum, ranging from regulation and planning through incentives, to subsidies, to outright ownership. The following are commonly used programs to facilitate retail development. The use of these policies by other cities will be noted, as well as which ones are currently used in Lawrence.

#### *Infrastructure*

Most cities recognize that infrastructure is an important backbone for retail activity within a community. This is true as it relates to everything from traffic flow to publicly-owned parking areas, which are a prevalent feature of Lawrence's downtown area. Cities can use regulation or the subsidization of infrastructure to encourage (or discourage) retail opportunities.



### *Planning*

Like infrastructure, good City planning can be a catalyst for economic development activity by encouraging appropriate land use and densities of activity. Some Cities, such as Lenexa, incorporate retail development directly into their comprehensive plan. Other cities, such as Overland Park and Wichita, consider retail with regards to specific areas in their community.

More generally, planning and development regulations are used by almost all cities to either encourage or control retail growth to varying degrees. The City of Lawrence's comprehensive plan, Horizon 2020, has a section related to retail activity. Key features of the development code and Horizon 2020 as it relates to retail were presented in the previous section.

### *Small Business Development Incentives/Microloan Programs/Retail Incubators*

Some cities have programs that help encourage the development of small businesses, including small retail businesses. Some of these programs are specific to a certain area, such as a downtown area. An example of this type of program would be the Shawnee Downtown Partnership program, which offers low interest loans for downtown owners to remodel or update commercial buildings.

Other communities have attempted to address challenges to starting up new retail businesses by creating retail incubators. Incubators generally provide low-rent space and business support services to entrepreneurs. In addition to traditional incubator services, retail incubators often also try to provide a tenant mix that would encourage customer visits. For example, Kalamazoo and Ann Arbor, Michigan have retail incubators that offer favorable rent rates, flexible leasing terms and business coaching assistance. Wilmington, Delaware has a retail incubator that is designed to assist low income residents in starting their own business. As another approach, Portland, Oregon has used the incubator concept to populate vacant storefronts during Christmastime in order to attract more people downtown.

### *Neighborhood Revitalization Act/Other Targeted Redevelopment Assistance*

Some cities have utilized the Neighborhood Revitalization Act (NRA) or other targeted redevelopment assistance to help encourage redevelopment or reinvestment in properties within a certain targeted area. Such programs could be a tool for assistance to retail. For example, the NRA is used in the City of Topeka for the Downtown Topeka, Inc. Downtown Redevelopment Grant Incentive Program, which offers incentive grants to help businesses with infrastructure improvements to properties in downtown

Topeka, including facades and building renovations. Shawnee Downtown Partnership program is also an example of this type of program. The City of Wichita has used the NRA for targeted downtown redevelopment and its program allows a rebate of up to 75% of additional property taxes for five years for commercial upgrades or new construction inside the NRA boundary. In Lawrence, a NRA was established in the area of 8th and Pennsylvania.

#### *Transportation Development District Financing*

Transportation Development Districts (TDDs) enable the financing of certain transportation-related public improvements within a development to be funded through either a special sales tax within that development (up to 1 percent for 22 years), or the placement of special assessments upon property within the district.

Many cities have successfully utilized TDD financing. For example, the City of Manhattan utilized TDDs to finance significant traffic and street improvements associated with a redevelopment project to establish a new Wal-Mart Supercenter and associated retail development. A complete list of TDD projects throughout the State is available at the Kansas Department of Revenue website (<http://www.ksrevenue.org/salesratechanges.htm>). The City of Lawrence has a TDD policy and has established two TDDs within the City of Lawrence- one at the Oread Hotel, and one in conjunction with the Bauer Farm development on West 6th Street.

#### *Community Improvement Districts*

Community Improvement Districts (CIDs) are the most recently authorized tool in Kansas for supporting development and redevelopment. CIDs were originally established in Missouri and represent a hybrid between traditional Business Improvement Districts, or BIDs, and TDDs. CIDs utilize either a special sales tax within the district (up to 2 percent for 22 years) or special assessments upon the property within the district. Unlike many other special taxing districts, a CID can be utilized to reimburse a broad range of project costs, including ongoing services such as security and landscaping, private construction, and tenant improvements.

Although introduced only a year ago, several Kansas cities have already established CIDs. These include Fort Scott, Hays, Olathe, and Wichita. The City of Lawrence established a CID policy in early 2010. Although there has been an applicant, no CIDs have been created by Lawrence yet.

### *Tax Increment Financing*

Tax Increment Financing (TIF) is a mechanism by which the incremental increase of property and/or sales tax related to the development itself is captured and placed in a special fund for a period of up to 20 years for the purpose of reimbursing certain public expenses related to the development. For a project to receive these incremental taxes, it must first demonstrate that “but for” the incentive offered, the project could not be completed.

Examples of TIF projects in other communities include the development of a new Bass Pro Shop and associated retail in Olathe at 119th Street and I-35, and the mixed-use Lenexa City Center at 87th and Renner Road in Lenexa. The City of Lawrence has a policy on the use of TIF and there have been two TIF districts created within the City- one was created in conjunction with the construction of the Lawrence Arts Center and the parking garage on New Hampshire Street downtown, and the other one was for the development of the Oread Hotel.

### *Kansas STAR (sales tax revenue) Bonds*

Kansas Sales Tax Revenue (STAR) Bonds provide Kansas municipalities the opportunity to issue bonds to finance the development of major commercial, entertainment and tourism areas and use the state and local sales tax revenue generated by the development to pay off the bonds. STAR bonds are similar to tax increment financing, however they also leverage the State’s portion of the retail sales tax in addition to the local retail sales tax, both of which can be pledged back to the development to reimburse certain eligible project costs.

#### *Summary of Lawrence and Retail Incentives*

As noted, Lawrence utilizes several of the programs available. Lawrence has a section of its long term plan, Horizon 2020, dedicated specifically to retail. Lawrence also has policies guiding the use of TIF, TDD, and CID. Lawrence has two active TIF districts, and two active TDDs at this time. Lawrence also established a NRA, though the project has yet to be initiated by the developer. Lawrence provides some assistance to businesses in the downtown district, including reduced parking requirements. Lawrence also provided subsidies for installing fire sprinklers in downtown buildings, a large cost for businesses that were renovating buildings.

However, there are also several retail programs that Lawrence does not utilize. Lawrence does not have a microloan program to assist small businesses with renovations or upgrades. Also, Lawrence does not proactively target areas for redevelopment—for example, by establishing a Neighborhood Revitalization Area prior to a developer’s request. Lawrence has also not pursued projects large enough to qualify for STAR Bonds. Finally, Lawrence has never been active in recruiting retail to the community.

The Kansas Department of Commerce has established tight criteria regarding economic impact and visitor generation for STAR bond projects within the State since the first STAR bond project was

established, which was for the Kansas Speedway and associated Village West area retail (Cabelas, Nebraska Furniture Mart, Great Wolf Lodge, etc.) Other examples include the development of the Hutchinson Salt Mine Museum and the development of a Flint Hills Discovery Center in Manhattan.

#### *Direct Recruitment of Retail*

Many cities are not involved with the development of retail within their communities outside of traditional infrastructure and planning activities. However, some cities are involved to varying degrees with the direct recruitment of retail to their communities. In most instances, a developer or commercial real estate firm serves as a go-between and facilitator of retail recruitment. Examples of direct retail recruitment include the following: some small cities are interested in offering incentives for a grocery store to locate within their community, some larger cities are actively involved in identifying retail gaps where they are experiencing loss of sales tax revenue as a result of residents making retail purchases in neighboring communities (leakage) and then implementing strategies to fill those gaps, and some cities attend national retail trade shows to meet retail decision-makers and attempt to influence future location decisions or put their community on the radar screen.

Some companies have found a niche in assisting communities with the development of retail opportunities. For example, Buxton is a company that specializes in customer analytics (identifying where and what people buy versus where they live) and works for both retailers and cities. A company like Buxton can assist with identifying retail gaps, area retail patterns and marketing a community to a retailer. The City of McKinney, Texas, a north Dallas suburb, worked with Buxton to identify recruitment strategies to encourage major retailers to locate in McKinney, thus reducing McKinney's leakage and increasing sales tax revenues.

#### Best Practices from Other Cities

Enhancing retail in a community is a common goal in economic development throughout the country. Dozens of cities have undertaken retail improvements. A review of other cities finds that they typically approach retail by developing a strategy and then applying resources that best fit the strategy. The typical approach is as follows:

First, the City defines the retail problem it wishes to solve. An example already mentioned is McKinney, Texas, which wanted to attract retail that matched its demographics and consumer profile. Another example is Gary, Indiana, which wanted to stop sales leakages to other nearby communities.

Second, the City typically undertakes a study in order to identify opportunities relevant to the problem it wishes to solve. This can include demographic studies, analysis of spending patterns, the location of retail in the community, knowing what retail is available in the community and what is missing. Oftentimes the study is conducted by an outside consultant. Examples of this include Knoxville, Tennessee; Portland, Oregon; and Austin, Texas. Cities can also analyze and purchase data on their own. For example, Elko, Nevada originally retained a consultant to conduct its retail study, but has since utilized ESRI Business Analyst to market retail opportunities without at the same time retaining a consultant.

Finally, cities will identify the appropriate resources necessary to implement the recommendations of the study. This includes appointing individuals to market the community or recruit retailers; assisting targeted areas of the community for redevelopment; reviewing and updating City codes and incentives as required; and/or working with existing businesses to help them maintain or grow their operations.

## **RECOMMENDATIONS OF THE RETAIL TASK FORCE**

### Facilitation of Planning and Support of Local Retail

The Retail Task Force believes that there are two approaches that can be used when working with retail in a community. The Task Force refers to the first as “laissez faire.” This means that the community largely lets supply and demand set the market for retail. The City’s role in this approach is to set the regulations and zoning codes by which all development occurs, with minimal differentiation between retail and other types of commercial development. The City may also grant incentives or special district designations, but generally only at the request of a developer.

The second approach is more proactive. In this case, the City and its economic development partners would take a more active role in maintaining and growing retail in the community. This could include targeted regulations and zoning to encourage some types of retail development or certain locations for

retail development; development incentives to promote new opportunities; and efforts to use data to retain and expand existing retail where possible, or attract new retail when necessary.

The Task Force believes that in order to accomplish the goals set forth in the beginning of this report, Lawrence should become more proactive in pursuing retail. Regional retail centers and internet competition make it more difficult for local retailers to compete and provide alternate venues in which national retailers can locate and still get business from Lawrence. The Task Force believes that efforts to counter these trends should be focused primarily on strengthening existing retailers in the community and providing a more facilitative atmosphere for new retailers who wish to locate in the City.

The Task Force believes that the City can be more proactive by implementing the practices used in other cities. In particular for Lawrence, this means: 1) to continue to review the building code in light of specific concerns presented by retail businesses; 2) to develop a plan and a database to assist local businesses in growing their market share; and 3) to identify personnel responsible for assisting local businesses and, when necessary, to recruit new retail firms to fill gaps.

#### *Reviewing the Building Code for Retail*

Over the last couple of years, the Planning Department has undertaken a process of reviewing the standards and procedures within the Development Code with those most closely associated with Lawrence development – architects, real estate attorneys, engineers, planners, etc. – all representing the interest of their business clients. This group is broadly based in commercial, retail, industrial, and residential development and several concrete examples of code standards needing improvement have been presented during time. Staff and the City Commission have worked to revise the codes to lessen the burden on businesses.

Several items within the Development Code have been revised. Some of the most significant changes include: revised parking lot standards and interior parking lot landscaping; lengthened time periods for initiating developments; expanded ability to change uses in the Downtown District without site planning; expanded administrative review authority; increased thresholds for certain sites to come into compliance with the code; and expedited plan review processes. Staff continue to work on the platting process and improving the development review process.

While retail has been positively affected by many of these changes, there may be additional concerns that are specific to the retail community that have not been adequately addressed thus far. The Retail

Task Force received recommendations from Lawrence City Staff regarding additional efforts that could be made to improve the Development Code for retail. These include:

- Roundtable discussions to better understand specific issues retail businesses are facing;
- Customer surveys to make meaningful changes to codes and practices;
- Working toward a true “One Stop Shop” so that small retail businesses can receive all required information in one place and at one time;
- The possibility of a website for small business customers; and
- Continuing to build a relationship with the Kansas Small Business Development Center.

The Retail Task Force recommends that Planning Staff work toward implementing these suggestions. In particular, the Task Force believes that for the City to be more proactive in supporting retail, engaging retail businesses and realtors to identify their concerns with the development process and addressing those concerns is important.

#### *Proactively Engaging the Retail Community*

The Retail Task Force also recommends that the City and its economic development partners enhance their ability to support existing retail in order to help these businesses grow and capture larger shares of regional retail expenditures. The Task Force believes this is best done by obtaining data that helps owners market and expand their businesses, and tasking a position to specifically assist local retail businesses to expand their operations.

### **Data**

The Retail Task Force received a presentation from Buxton Consultants regarding customer, or consumer, analytics. As previously noted, a wealth of data exists regarding consumer buying and spending patterns that can be analyzed and used to identify strengths, weaknesses, gaps, and opportunities in the local economy. The data are often used by larger retail corporations to identify new markets in which to locate. However, due to its cost it is often difficult for smaller businesses to access the data.

The Retail Task Force believes that one of the best ways the City can become more proactive in promoting retail is by acquiring this type of data and making it available to local retail companies. The data would include information on retail trends, the supply of retail products and demand for retail products within the City and the market region, what types of purchases are typically made in the

community and outside of it by residents and potential visitors, and so forth. Retailers could access the data in order to identify such issues as their current customer base, where they might market to attract similar customers, what locations might be ideal for an expansion of their company, and what products they might be able offer to enhance their sales.

Consumer analytic data may be purchased through a consulting firm, but it may also be purchased as a stand-alone product. As noted, Elko, Nevada has done both. At first they used Buxton Consultants to develop a strategy, but over time they have transferred to ESRI Business Analyst- a stand-alone GIS-based consumer analytic software program- to maintain their retail efforts. Consultants have the advantage of providing both and a strategic report, and can often provide assistance with developing marketing material if desired. On the other hand, purchasing the data as a stand-alone product may be less expensive and easier to integrate with existing software.

The Retail Task Force recommends evaluating both consulting and stand-alone opportunities to identify which is the most cost-effective as well as appropriate for the City's retail goals.

### **Resources**

Consumer analytic data is only good if it is used. To use the data, the Retail Task Force believes that existing staff need to be tasked with using the data and working with local retailers to assist them with their ongoing business operations. If staff is unavailable to do this, the City and the Chamber of Commerce may wish to explore establishing a new position with these responsibilities. Additionally, the Retail Task Force believes that retail businesses need to be made aware of the newly available data and how it can be useful for them.

The Retail Task Force recommends that the primary responsibility for these new retail services be housed within the Chamber of Commerce, and that the contracts between the City, County, and Chamber be amended to reflect this additional requirement.

### **Additional Recommendations**

During the course of its deliberation, the Task Force discussed various other ways to promote retail in Lawrence. These include: focusing on Downtown Lawrence, developing a retail incubator, and



providing loans and grants to retailers. The Task Force believes that each idea has merits and drawbacks, and some should be considered more closely by the City Commission than others.

#### *Promoting Retail in Downtown Lawrence*

Downtown Lawrence runs from 6<sup>th</sup> to 11<sup>th</sup> Streets along Massachusetts, Vermont, and New Hampshire, and has long been recognized as the heart of the City. The City has been involved in the preservation and promotion of Downtown for more than three decades. As a result, Downtown Lawrence is recognized as one of the most vibrant downtowns in both Kansas and the nation. Some of the many initiatives the City has undertaken to strengthen Downtown include: maintaining the landscaping, low-cost parking, relaxation of certain development codes to encourage investment, and grants to help building owners install fire sprinklers.

The Task Force recognizes that a vibrant downtown contains not only restaurants and bars, but a healthy retail component as well. The main recommendations of this report- to assist local retailers and facilitate the process for all retail businesses that wish to locate or expand in Lawrence- will help maintain this vibrancy. The Task Force further believes that a critical way to strengthen retail in Downtown is to continue to encourage new residential and primary business growth in the district. This increases the number of people on the streets and will give rise to demand for products offered by grocery stores, pharmacies, clothing stores, and other retail outlets. Finally, the Retail Task Force believes that parking requirements are at times confusing to visitors to the City. Therefore, the Task Force recommends that the City look closely at improving the signage Downtown, so that people better understand where they can park and what the times and regulations are in each parking area.

#### *Retail Incubators*

Business incubators are increasingly seen as an opportunity to cultivate entrepreneurialism and commercialization. As previously noted, some cities are also using incubators to help develop retail. Retail incubators have some aspects that make them unique. For example, retail incubators are often concerned about the mix of businesses in the incubator. The right mix helps build foot traffic, which increases the survival rate of all the businesses in the program. Some communities also focus retail incubators on helping lower-income residents start their own companies to help supplement their incomes. Other communities do not have a dedicated incubator building. Instead, these cities provide rental and business assistance to small retail companies to locate in particular districts in order to keep those districts vibrant. Finally, some retail incubators are privately owned and operated, such as Trendz in Leawood, Kansas.

The Retail Task Force is supportive of the concept of a retail incubator. However, the Task Force believes that the incubator should be similar to Trendz, in that it should be developed by a private party. The Task Force believes that the City Commission should be open to a subsidy or incentive if the appropriate incubator opportunity is presented. Finally, the Task Force believes that the primary purpose of the incubator should be to help new local retailers succeed. To that extent, the location within Lawrence is not as important as a sound business plan for the facility. The incubator could be located in any commercial district, including Downtown, South Iowa Street, East 23<sup>rd</sup> Street, or 6<sup>th</sup> and Wakarusa, among others.

#### *Marketing Lawrence*

The Retail Task Force believes that an opportunity exists to enhance the marketing of Lawrence for regional tourism and attraction. This could include taking out TV ads on regional television stations, marketing through newspapers, or online advertising. By showcasing Lawrence and the tourism and recreational opportunities available, this could increase the number of visitors and thus help improve retail and dining sales in the City. A recent example of such an approach is Manhattan, which undertook a “Visit Manhattan” campaign several years ago.

The Task Force believes that such efforts should be done professionally and the costs of doing this likely exceed the resources of the Convention and Visitors Bureau (CVB). Therefore, this would be a collaborative effort between the City, CVB and other partners. The Task Force encourages the City Commission to investigate a collaborative effort to market Lawrence in order to attract more visitors.

#### *Loans/Grants*

Loans and grants are typically done to help sustain or renovate an area of town. For example, this report noted the grant program in Shawnee County, Kansas for façade improvements in downtown Topeka. Loans and grants may also be offered to small businesses to help with capital purchases for their operations.

In Lawrence, grants existed for several years to help install water sprinklers in Downtown buildings. The Retail Task Force recommends that the City Commission consider re-instituting the water sprinkler grant for Downtown as economic conditions improve. In general, however, the Task Force does not recommend any loans or grants specifically to promote retail. While the water sprinkler grant may help retail in Downtown, the grant is given primarily to promote public safety.

More generally, the Task Force believes that incentives should be offered only when a public purpose is identified besides promoting retail. For example, consideration of establishing a TIF or TDD should be given primarily based on a public benefit such as redevelopment or improved traffic flow. Retail should be only a secondary consideration in granting incentives.

### Conclusion

The purpose of this report was to present the recommendations of the Retail Task Force to the City Commission for helping to improve the retail sector in Lawrence. The City this decade has seen stagnation in retail sales likely due to economic conditions and regional retail competition. While Lawrence has traditionally taken a more “laissez-faire” approach to retail business, the Task Force believes a more proactive approach is necessary in order to get local retail sales growing again and reduce sales leakage to other communities.

The Task Force recommends that this proactive approach is best accomplished by assisting local retailers, facilitating the planning process for retail firms that wish to locate in the community, and ensuring that the appropriate personnel are available to assist in these efforts. Additionally, the City should strive to help Downtown by continuing its efforts to increase the number of residents and primary businesses located in the district, re-establishing the water sprinkler program when possible, and improving the parking signage for guests. Finally, the Task Force recommends that the City be ready to help with any appropriate plans for a new, privately owned retail incubator in the community, and look into the possibility of a collaborative marketing effort to increase visitors to the City.

## Appendix

### Resolution Number 6881

#### A RESOLUTION OF THE CITY OF LAWRENCE, KANSAS ESTABLISHING A TASK FORCE TO ENCOURAGE THE GROWTH OF THE RETAIL ECONOMY IN LAWRENCE

**Whereas**, the Lawrence retail economy provides numerous employment opportunities for Lawrence citizens; and

**Whereas**, retail sales tax is an important revenue source for the City of Lawrence, providing over \$26 million to fund municipal services in 2009; and

**Whereas**, the retail economy is an important attribute for the quality of life for Lawrence including Lawrence's downtown; and

**Whereas**, enhancing the retail economy in Lawrence can serve several important community goals, including providing employment, revenue for City services, enhancing the attractiveness of Lawrence and the community's quality of life, and enhancing the vitality of various parts of the Lawrence community;

#### **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF LAWRENCE, KANSAS:**

**Section 1.** There is hereby established the Retail Growth Task Force, hereinafter referred to as the "Task Force." The Task Force shall have the mission and role as hereinafter established.

**Section 2.** The Task Force shall be composed of nine (9) residents of the City of Lawrence, as recommended by the Mayor and appointed by the City Commission. The composition of the Task Force shall include a diverse representation of the Lawrence community, including ~~two~~ one city commissioners, one county commissioner, two representatives of downtown merchants, two representatives of merchants outside of the downtown area, an individual involved in commercial real estate, an individual appointed to represent the business community at-large, and an individual appointed to represent the public at-large.

**Section 3.** The Task Force shall have a primary focus on the following issue: What should the City of Lawrence do to grow the retail economy in Lawrence? The Task Force shall organize its work in such a way to provide a report on findings and recommendations by December 1, 2010. The work of the Task Force shall include, but not be limited to following areas of inquiry:

- A. What is the status of Lawrence's retail economy? What existing policies and laws currently govern the retail economy? The inquiry shall include a review of applicable retail statistics and market surveys and provisions of the City's comprehensive plan applicable to retail issues.
- B. What are best practices for communities regarding enhancing the retail economy? The inquiry shall include the possibility and practicality of City sponsorship of a retail incubator. The inquiry shall include a review of what other successful communities have done to enhance their retail economy (with a similar review of lessons learned from poor practices). The inquiry shall include a review of practices to specifically enhance the retail economy of Lawrence's downtown. Additionally, the inquiry shall include a review of possible tools to enhance the retail economy, including CID, TIF, TDD, Neighborhood Revitalization, New Market Tax Credits, and STAR bonds incentives. Additionally, the inquiry shall include a review of City practices and policies which may currently inhibit the growth of the retail economy, including development costs associated with new or existing expansion of retail establishments.

- C. What recommendations for changes in laws, policies, practices, and spending priorities are appropriate to enhance the retail economy of Lawrence? The Task Force shall recognize that any recommendations concerning land use laws or policies shall require an appropriate review through the Lawrence-Douglas County Planning Commission and appropriate governing bodies.

**Section 4.** The Task Force shall conduct all meetings in public sessions. The Task Force may organize subcommittees to conduct specific reviews and inquiries, with such subcommittee work to also be conducted in public sessions. The Task Force shall provide a report on findings and recommendations by December 1, 2010.

**Section 5.** Resolution No. 6881 repeals and replaces Resolution No. 6877, establishing a task force to encourage the growth of the retail economy in Lawrence.

Adopted this 6<sup>th</sup> day of April, 2010.

Minutes from the Retail Task Force Meetings

**City of Lawrence  
Retail Task Force  
May 4, 2010 meeting minutes**

Members Present: Robert Chestnut, Earl Reineman, Leslie Alhert, Allison Vance Moore, Tom Kern, Susan Cook, John Ellena, Diane Oakes

Members Absent: Mike Gaughan

Staff Present: David L. Corliss, City Manager  
Diane Stoddard, Assistant City Manager  
Roger Zalneraitis, Economic Development Coordinator/Planner  
Scott McCullough, Director of Planning and Development Services  
Amy Brown, Long-Range Planner  
Michelle Stevens, Intern

Public Present: None

**1. Call meeting to order**

Commissioner Rob Chestnut called the meeting to order at 4:30 pm. On Tuesday, May 4, 2010.

**2. Introductions**

The members of the Retail Task Force were introduced. Gaughan was not present for the meeting.

**3. Review of Materials**

First, Commissioner Chestnut reviewed his introduction letter. He reviewed the pull factor. He said Lawrence's pull factor is barely over 1 and he said that there is opportunity to improve this number. He said the group was pulled together to represent a variety of interests within the community, retail, real estate, the citizens at large, the chamber of commerce, car dealerships, etc. The group was pulled together to discuss what can be done to attract more retail business within the Lawrence community. Chestnut then referred to Corliss to review the Resolution No. 6881.

Corliss reviewed Section 3 of Resolution No. 6881, which is the general outline of the task force. He said task forces are generally not ongoing and the retail task force is set to expire on December 1. Section 3, subsection a, b and c are meant to serve as guidelines or a starting point for discussions.

- Section 3A proposes examining the status of Lawrence's retail economy and the current policies that laws that govern the retail economy.
- Section 3B proposes examining a partial City sponsorship of a retail incubator. This inquiry would include best practices of other communities and a review of possible tools to enhance the retail economy.
- Section 3C proposes developing recommendations for changes in law, policies, practices and spending priorities to enhance the retail economy in Lawrence.

Corliss also said he wants to keep the budget in mind during the retail task force meetings. Thirty million is the amount of sales tax money needed on an annual basis. The City's general fund and the ability to grow recreational facilities are heavily dependent upon sales tax. Also, Transit operates solely on sales tax. Therefore, he said that small deviations matter a lot. The recession has impacted growth in sales tax revenue currently. It is an important number to keep in mind.

Stoddard walked through the staff report, which summarized various initiatives that other cities have undertaken regarding promoting retail. Stoddard first spoke to infrastructure and planning. The remainder of the items are tools Cities have to encourage retail. Some have developed small business programs and examples were provided. The other items are mainly legislative items that enable Lawrence to implement various types of programs, many of which rely on the income from sales tax

and property tax from the development itself. She spoke to the Neighborhood Revitalization Act. It is something the City established at 8<sup>th</sup> and Pennsylvania. She also spoke to Transportation Development Districts and Community Improvement Districts, which are special sales tax in an area to fund improvement related to that district.

Zalneraitis then reviewed the Retail Report Outline, which will be an analytical data report with a memo similar to the length of Diane's memo. He said reporting retail will be separated out in two components; Retail and food/lodging. There will also be more specific information on sales tax as well as information regarding Lawrence's pull factor.

The Retail Task Force then outlined their goals:

- Define vision – something that benefits everyone (regional destination, etc) Match the vision of the community (if community is not on the same boat then it can make it difficult to advance) and retailers
  - What other communities are doing
  - What retailers want
  - What current documents say
  - Why important to have
- Roles and Responsibilities (what works and what doesn't work for each entity, ex: public sector marketing?)
- Desired demographics by retailers and why (both national, regional and local)
- Define Recommendations

City staff will continue to work on the Retail Report and Planning will gather information in regards to a commerce plan.

#### **4. Dates of future meetings**

Commissioner Chestnut suggested meeting once a month. The next meeting is scheduled for the 8<sup>th</sup> of June at 4:30

#### **5. Adjourn**

### **City of Lawrence Retail Task Force June 8, 2010 meeting minutes**

City of Lawrence  
Retail Task Force  
June 8, 2010 minutes

Members Present: Robert Chestnut, Mike Gaughan, Earl Reineman, Leslie Alhert, Allison Vance Moore, Tom Kern, Susan Cook, John Ellena, Diane Oakes

Members Absent: None

Staff Present: David L. Corliss, City Manager  
Diane Stoddard, Assistant City Manager  
Roger Zalneraitis, Economic Development Coordinator/Planner  
Scott McCullough, Director of Planning and Development Services  
Amy Brown, Long-Range Planner

Public Present: Hank Booth, Hubbard Collinsworth

**Call meeting to order:**

Commissioner Rob Chestnut called the meeting to order at 4:35 pm on Tuesday June 8, 2010.

**Minutes:**

Mr. Kern moved approval of the minutes from the May 4, 2010 meeting, seconded by Mr. Reineman. Minutes were approved 8-0.

**Retail Conditions Report:**

Roger Zalneraitis provided an overview of his report on retail services in the Lawrence economy. Roger indicated that the retail sector is stronger here than it is typically nationally. Only 4 counties in Kansas out of 105 grew in terms of retail sector jobs in Kansas: Wyandotte County, Sedgwick County, Riley County, and Geary County. He indicated that when adjusted for income, the pull factor for Lawrence did increase slightly. The largest retail sales category is general merchandise. He noted that if the City of Lawrence retail sales categories were compared to average retail sales categories from other peer cities, there would exist a surplus in some categories, such as food and beverage, and a deficit in some categories, such as general merchandise. Roger reported that there was over 200% growth in internet sales over the 2003-2009 timeframe. The bulk of taxable retail sales in Lawrence, approximately \$30 million, is generated roughly on the South Iowa and 23<sup>rd</sup> Street corridors. The next highest geographic area was the downtown, or northeast quadrant of the City.

Commissioner Chestnut requested a follow up regarding what types of retail stores are included in each category. Commissioner Chestnut indicated that relative to other cities, Lawrence did not grow in the areas of lodging, furniture and home furnishings, and sporting goods/hobby/books/music. He thought it would be helpful to look at what stores these categories represent. He also indicated that it was important to be thinking ahead about how these categories looked in the future. Mr. Kern thought it would be interesting to see retail sales trends in the other Big 12 cities, compared to Lawrence.

Mr. Ellena indicated that his desire was to focus on what Lawrence was doing well in, rather than focusing on the areas in which Lawrence has deficiencies. Mr. Reineman indicated the growth and dominance of category killers, such as Dick's Sporting Goods, or Nebraska Furniture Mart, has made an impact on independent retailers, but that those stores also attract people from a larger area. He thought that the way that Lawrence was situated geographically would make it a challenge to attract some of these category killers and that the category killer was represented somewhat by those retail categories that were underrepresented in Lawrence. He suggested the geography was a possible factor.

Mr. Reineman asked about the effect of internet sales. Mr. Corliss indicated that sales are paid locally on internet sales when there is a nexus, or physical location, of that store in Kansas. Sales taxes are remitted to the state and then distributed back to cities. Mr. Corliss indicated he would get additional information on this subject. Ms. Stoddard also noted that a concept to understand is destination sales tax, which ties the sales tax to the delivery of certain merchandise. For example, when a Lawrence resident purchases furniture at Nebraska Furniture Mart and has it delivered at their Lawrence address, the sales tax paid goes to Lawrence. However, when someone from Lawrence loads furniture in their vehicle at the store, the sales tax is paid at the point of sale.

Mr. Reineman asked for a snapshot of our lodging industry, specifically occupancy rate and other similar statistics. Commissioner Chestnut indicated that he thought that the Oread filled a need in this area.

Amy Brown Miller provided an overview of the City's planning documents related to retail. Specifically summarized was Horizon 2020, which emphasizes support for downtown as the regional retail center, focusing on nodes of retail at key intersections, and support for commercial design standards. She also stated that the document indicates that the City maintain an inventory of commercial space, requires a market impact analysis for projects that create more than 150,000 square feet of retail. In the City's development code, there is a requirement that a retail analysis be completed for projects that add over 50,000 square feet of retail and that the City staff maintain a database of retail space and update it annually. Mr. Kern asked why there was a difference between the two documents. She indicated that it is because the documents were approved at different times. It was noted that these were key issues of debate in the community over the past decade. It was noted that the last retail



inventory analysis was done in 2007 for the fiscal year 2006. Commissioner Chestnut indicated that relative to our peer communities, our general merchandise was not growing at a similar rate and that there are hurdles that have likely impacted that area. Mr. Reineman indicated that these regulations were meant to avoid the “donut” effect that some other cities suffer from. However, he questions what hurdles have been either protectionists against existing retailers, or have stopped a retailer from moving to town. Mr. Kern indicated that recently Landplan did three identical CVS stores in Manhattan, Lawrence and Kansas City, Kansas. Lawrence was the highest cost area. He said that costs are a factor when locating a business. Mr. Reineman indicated those were things to look into, but they also look at market demand, which may affect our ability to get certain businesses.

Commissioner Chestnut suggested July 6 as the next meeting date. It was suggested to move the meetings up to 4:00 pm, rather than 4:30 pm. Mr. Reineman indicated a desire to know from staff or others what we have that is a deterrent to development.

The meeting was adjourned at 5:50 p.m. The next meeting is set for Tuesday, July 6 at 4:00 pm.

**City of Lawrence  
Retail Task Force  
July 6, 2010 meeting minutes**

Members Present: Robert Chestnut, Mike Gaughan, Earl Reineman, Allison Vance Moore, Susan Cook, Diane Oakes

Members Absent: Leslie Alhert, John Ellena, Tom Kern

Staff Present: David L. Corliss, City Manager  
Diane Stoddard, Assistant City Manager  
Scott McCullough, Director of Planning and Development Services  
Amy Brown, Long-Range Planner  
Ed Mullins, Director of Finance

Public Present: Judy Billings, Convention and Visitors' Bureau, Hubbard Collinsworth

**Call meeting to order:**

Commissioner Rob Chestnut called the meeting to order at 4:00 pm on Tuesday July 6, 2010.

**Minutes:**

The minutes were approved unanimously with a small correction to Ms. Vance Moore's name.

**Follow-up Items from Previous Meeting:**

David Corliss reviewed the listing of stores representing various NAICS code categories.

David introduced Ed Mullins, Finance Director. Dave indicated that internet retailers are not required to collect a sales tax unless 1) they have a physical connection with the state; or 2) they have agreed to collect sales taxes. For example, Amazon has a physical connection in Kansas with a distribution center and Best Buy has stores here. However, some store from out of state would not be required to collect state or local sales tax. Mr. Reineman indicated that if sales taxes could be collected on internet sales, it would solve many ills for many communities. Mr. Corliss indicated that many states have “streamlined” their sales taxes and refined the definitions of sales taxes. Kansas has been part of this effort and there have been several pieces of legislation over the past few years regarding this.

Ms. Stoddard reviewed Mr. Zalneraitis's information regarding peer cities that he had prepared as a follow up to discussion from the last meeting.

Mr. Corliss introduced Judy Billings. He also noted that there was some general information prepared by Mr. Zalneraitis regarding tourism and lodging. He noted that the guest tax rate recently was

changed to 6% from 5%. Mr. Corliss asked Ms. Billings to comment on what she saw as the future of lodging in Lawrence.

Ms. Billings indicated that we were challenged here sitting between Kansas City and Topeka. She noted that she thought that a higher end property would be much better for Lawrence than a limited service facility. Mr. Reineman asked about the occupancy rate of 60% and how it compares to other communities. Ms. Billings indicated that information is really hard to find. Lawrence does its own voluntary reporting and it ranges from high 50s to low 60s. Overland Park had a higher occupancy due to a lot of business activity. She said that 60 percent occupancy was acceptable given the economy and the market at this time. Mr. Reineman asked if another property were added, would it negatively affect existing properties. She said that it would need to be a more full service property. She said that we compete with Kansas City and Topeka for conventions. More meeting capacity would likely come through KU and the Oread is filling that niche. She did say that the Oread was challenged that had a higher price point and the conference meeting rooms were smaller and pre-convene area was not large. She said that Lawrence has a unique community and Lawrence needs to have a lot of marketing.

Mr. Booth asked about the property south of Hallmark. Mr. Corliss responded that the property has been zoned and platted to allow for a hotel use, but that the City wasn't aware of the brand of hotel, or exactly what was proceeding at that location.

Ms. Billings stated that hotels either needed to have a "flag" so that they could access a national reservation system, or they needed to be a destination hotel. Ms. Billings was asked about the top events that bring in people to stay the night. She said that they were mostly KU events, but there were also events with Haskell, some sporting events, etc. She said that weekends generally weren't a problem for hotels in Lawrence, it was weekdays that was needed. Mr. Reineman asked if anyone was looking at downtown currently. She indicated that she was not aware of anything at this time. She said that she thought that Lawrence was holding its own.

Ms. Vance Moore asked about whether there were things in the works to bring people into town, such as the bike race. Ms. Billings responded that there were. It was asked if there was overflow here from events out of town. She said that there were guests from the Speedway events. Commissioner Chestnut asked what more can we do to enhance overnight guests. She indicated that we just bid on the Shrine Bowl, but that the KU facility was too expensive for what the Shrine Bowl could afford and it went to Emporia. Ms. Billings stated that some kind of incentive for a higher end property in the downtown area would add to Lawrence's capacity. Commissioner Chestnut asked about whether there were shuttles from the Oread to the downtown area. The response was that most of the people staying at the Oread drive their own vehicles.

Ms. Billings updated the group on the status of heritage tourism efforts. She stated that in 2011 it is the 150<sup>th</sup> anniversary of statehood and the beginning of the civil war. She is doing cooperative advertising between Kansas and Missouri to get the word out. There is work going on to tie in exhibits together to make a more cohesive experience for visitors. She said that the Carnegie building will serve as the first gateway for tourists to get information about regional historic tourism. The exhibit would likely open in the spring, after Ms. Billings moves DMI into the Carnegie Building. Commissioner Chestnut asked about co-marketing efforts. Ms. Billings said those efforts were underway. She said that by the end of the year, there will likely be a map showing heritage tourism opportunities.

Commissioner Chestnut indicated that he wanted to visit next about developing destination shopping and retail incubator examples. Ms. Vance Moore reported that there is an incubator called Trendz at 151<sup>st</sup> and Nall in Johnson County. This was a larger retail space where the owner rented booths. It was asked if she could forward the information to City staff.

Commissioner Chestnut asked Ms. Stoddard to overview the destination shopping information. She indicated that many communities had used steps similar to those set forth in the outline to develop retail strategic plans. She spoke about firms, such as Buxton, that used spending trend information to develop plans, either by identifying retail gaps, or and identifying potential market opportunities. She

said that with Buxton, for example, they used credit card information to identify where people are shopping and what opportunities are to spend in town.

Commissioner Chestnut thought it may be good to have Buxton or one of these companies make a presentation to the group.

Mr. Reineman asked about the focus of the committee. He thought that retailers knew about the market and if there was a market here, they would be here. He thought that looking at what companies to attract to come here would be a top down approach. He expressed concerns about offering incentives to retailers. He thought that there should be a bottom up approach to make the conditions right to support retail. The example that he provided was a downtown hotel, which would be good for downtown retailers. He supported an education effort. He stated that we have many of the nation's top retailers now.

Ms. Oakes asked about the role of the City in this effort. She thought that perhaps some of the things that had been discussed paired more with the Convention & Visitors' Bureau, or the Chamber of Commerce. Ms. Vance Moore agreed and thought that this was one of the purposes of the Task Force. Mr. Corliss also agreed that this was an important question. He said that the City had improved quite a bit regarding its data collection abilities and being able to monitor sales tax trends, etc. He thought that the policy issue for the Task Force to address is what should the role of the City be regarding retail. Mr. Booth noted that Lawrence does things differently and Ms. Vance Moore agreed, even if it were only a perception. Ms. Vance Moore indicated that when a change of use occurs, it triggers additional City processes. Mr. Booth said that CVS had a perception that it was more expensive and difficult to put a business here.

Commissioner Chestnut thought that there was a lack of information and that having additional market information may be useful.

Commissioner Gaughan indicated that there is a need to have additional discussion about Lawrence's process. He also thought that it would be important to discuss the incubator models.

The meeting was adjourned at 5:30 p.m. The next meeting is set for Tuesday, August 3 at 4:00 pm. Commissioner Chestnut asked for members to plan on the next meeting to go until approximately 6 pm. Mr. Corliss indicated that possible items could include a presentation from one of the firms that collect retail information, discussion about various retail incubators, and continuing discussion on what the City's role should be regarding retail in the community.

**City of Lawrence  
Retail Task Force  
August 3, 2010 meeting minutes**

Members Present: Robert Chestnut, Mike Gaughan, Earl Reineman, Leslie Alhert, Allison Vance Moore, Tom Kern, Susan Cook, John Ellena

Members Absent: Diane Oakes

Staff Present: David L. Corliss, City Manager  
Diane Stoddard, Assistant City Manager  
Scott McCullough, Director of Planning and Development Services  
Amy Brown, Long-Range Planner  
Roger Zalneraitis, Economic Development Coordinator/Planner

Public Present: Hank Booth

**Call meeting to order:**

Commissioner Rob Chestnut called the meeting to order at 4:00 pm on Tuesday August 3, 2010.

**Minutes:**

The July meeting minutes were approved unanimously.

**Buxton Presentation:** Chip Rogers and Joe Brown from Buxton were present to provide information about the services that they provide cities. Mr. Rogers reported that they provide services that include recruitment of national retailers and also help retain local businesses, depending upon the goal of the community. Buxton reported that their Community ID product costs \$70,000 and in most projects the City takes a lead with these costs. Regarding the execution of the retail plan, Mr. Rogers indicated that typically one entity takes the lead and it is part of someone's job description to execute. He said that there are many people involved in the development of the plan. He said the timeframe would be 45-60 days to develop a retail strategy. The typical shelf-life of the information is 4-5 years and refreshing the information after that timeframe costs \$10,000. He indicated that some of the college towns that they work with include Murray, Kentucky; South Bend, Indiana; Clemson, South Carolina; and Bryan/College Station, Texas. Mr. Rogers answered other various questions from the group.

There was a discussion regarding the Buxton presentation. Mr. Gaughan noted that it was important to have an idea of what we wanted in terms of retail, while Mr. Chestnut pointed out that what we want has to be based on what can be done. It was generally agreed that data would be helpful with planning and incentives. Mr. Kern said that it could also help answer general questions such as why we don't have certain retailers in the community. Mr. Corliss pointed out that the City needed \$30 million in sales tax annually and some investment in information that could possibly assist with sales tax collections may be helpful, considering the shelf life of the information.

Mr. Corliss provided an overview of additional information in the packet. He briefly covered the retail incubator information and the draft report outline in the packet.

It was asked what might be other companies that do this work and request of vendors their entire customer list. It was the consensus of the group that market information would be of value to the community. It was also suggested that perhaps this should be discussed with neighboring communities.

The meeting was adjourned at 6:00 p.m. The next meeting is set for Tuesday, September 7 at 4:00 pm. The meeting in November was discussed and it was decided to schedule the November meeting on November 9.

**City of Lawrence  
Retail Task Force  
September 7, 2010 meeting minutes**

Members Present: Robert Chestnut, Mike Gaughan, Leslie Alhert, Tom Kern, Susan Cook, John Ellena

Members Absent: Diane Oakes, Earl Reineman, Allison Vance Moore

Staff Present: David L. Corliss, City Manager  
Diane Stoddard, Assistant City Manager  
Scott McCullough, Director of Planning and Development Services  
Amy Brown, Long-Range Planner  
Roger Zalneraitis, Economic Development Coordinator/Planner

Public Present: Jane Pennington, Hank Booth

**Call meeting to order:**

Commissioner Rob Chestnut called the meeting to order at 4:10 pm on Tuesday September 7, 2010.

**Minutes:**

The July meeting minutes were approved unanimously.

**Follow-up from last month on retail market analysis:**

Commissioner Chestnut asked for thoughts from the group as a result of follow up from last month's discussion on the retail market analysis. Mr. Ellena indicated that he thought that the information would be invaluable to assist with the retail economy by identifying gaps in the market. This information is important to keeping sales tax money in town. Mr. Booth reported that he spoke with Mr. Flannery and Mr. Reineman the other day and he stated that various national retailers had come to Lawrence over the years and a number had also left. They also indicated that the retail analysis showed that the retail pull factor of Lawrence was better than a number of the cities comparatively. Commissioner Chestnut responded that several of the national retailers that had left the community had left due to corporate decisions that weren't necessarily a reflection on the local market. Mr. Kern said he thought that the data was going to be important from a study. Mr. Ellena said that seeing what the leakage was is important for existing retailers. Mr. Kern said that he didn't believe the data was available from any other source, other than one of these companies. Mr. Ellena made the point that the data could be used to help existing retailers as a first priority. Mr. Booth also added that the information would be used by the firm's retail clients to show market in Lawrence. Mr. Corliss indicated he thought the information would be valuable as other communities were utilizing this sort of information. Mr. Corliss suggested that the task force consider requesting staff to draft an RFP and request that the City Commission consider sending out an RFP. He thought that this could be done concurrently with the task force completing their report. Commissioner Gaughan indicated his support for this data.

Commissioner Chestnut agreed with Mr. Corliss about proceeding with drafting a Request for Proposals for retail analysis. He said he thought the first priority of the information was for existing retailers. Commissioner Gaughan asked about the implementation of the plan that the vendor would provide. Commissioner Chestnut indicated that he thought that Roger Zalneraitis would be involved in implementing the strategy. Mr. Corliss added that he thought that there would be other partners, such as the Chamber and others, involved in implementation. Commissioner Chestnut indicated that perhaps the information could be used for such things as identifying a market for a grocery store in North Lawrence.

It was moved by Mr. Kern and seconded by Ms. Alhert to have staff draft an RFP. Mr. Corliss indicated that a draft could be discussed and could be considered for distribution in October.

**First Section of Draft Task Force Report:**

Feedback was requested on the first section draft of the task force report. Commissioner Gaughan commented that there was a statement about the effect of the Legends and other area shopping on Lawrence. He just suggested that statement be backed up in the report. There were some hypotheticals in the report that were discussed. One related to the per capita income and the lower retail spending per capita. The report suggested that the lower per capita income may be related to lower per capita income and the relative proximity to two metro areas. Mr. Zalneraitis referred to the Claritas report that showed a gap between income and spending, indicating some leakage. Mr. Zalneraitis indicated that an appendix with data could be added.

Mr. Corliss asked the question whether we were practicing the best practices related to other communities regarding retail?

**The Role of the City in Retail Development:**

Mr. Ellena commented that we should look at City laws and ordinances that hinder retail development. Commissioner Chestnut indicated that Planning and Development Services had been looking at a variety of subjects such as this. Scott McCullough reported that parking requirements and several other items were examined. He said that aside from the items that were adjusted as a result, the City of Lawrence was very similar to other communities that have zoning regulations, etc. He said that the process was continual. Mr. Kern stated that there are differences between facilitation and regulation. He gave the example of a new retailer in the former Arensberg's building and the importance of

facilitating the retailer through that process. Mr. Kern indicated the costs involved with preliminary platting and how that was a result of a project that did not involve much detail with that development phase. Commissioner Chestnut indicated that work on sector planning was helping to guide future development expectations and certainty for the future. He thought that was helpful as well. Commissioner Chestnut asked about incentives. Commissioner Gaughan said that the more that we get into incentives, he would see the expectation about development increases.

Commissioner Chestnut briefly explained the concept about CIDs and the discussion at the Commission level and asked what the task force's responses were to that tool. Several members discussed the current difference in the retail market compared with several years ago, including the tight credit market. Mr. Booth pointed out that there is really old retail space in Lawrence that is being counted as usable space. Commissioner Gaughan thought that it should be stated what public good is happening as a result of projects receiving incentives. Mr. Kern thought that the CID put the burden on the retailer to show value for shopping at that business because no one was being forced to shop at that retailer. Mr. Kern gave examples of Oak Park Mall, Leawood Town Center and others. Commissioner Chestnut explained his concern about retail in Lawrence had to do with green field development versus redevelopment of existing areas and the ability of existing residents to walk to neighborhood shopping opportunities. Commissioner Chestnut asked about other tools for redevelopment. Commissioner Gaughan asked about Final Fridays and cultural arts potential.

The meeting was adjourned at 5:30 p.m. The next meeting is set for Tuesday, October 5th at 4:00 pm. There will be discussion on retail incubators at the October meeting.

**City of Lawrence  
Retail Task Force  
October 5, 2010 meeting minutes**

Members Present: Robert Chestnut, Allison Vance Moore, Tom Kern, John Ellena, Earl Reineman

Members Absent: Diane Oakes, Susan Cook, Mike Gaughan, Leslie Alhert

Staff Present: David L. Corliss, City Manager  
Diane Stoddard, Assistant City Manager  
Scott McCullough, Director of Planning and Development Services  
Amy Brown, Long-Range Planner  
Roger Zalneraitis, Economic Development Coordinator/Planner

Public Present: Hank Booth

**Call meeting to order:**

Commissioner Rob Chestnut called the meeting to order at 4:10 pm on Tuesday October 5, 2010.

**Discussion: What is the role of the City in retail development?**

The discussion from the last month was recapped. Commissioner Chestnut asked what the Task Force member's thoughts were on the use of incentives for retail. Mr. Reineman indicated that he could see it used for redevelopment and things of that sort, but didn't believe incentives should be used for recruitment of retail that was brought in from the outside and would compete with other local businesses. Mr. Reineman indicated that incentives should be used for businesses with primary jobs, jobs that bring income from outside of the community and create or support other businesses. Commissioner Chestnut asked how this related to incubators. Mr. Reineman indicated that he thought retail incubators weren't an issue for him personally because they were assisting start-up businesses.

Mr. Kern indicated his concern was new retailers who get incentives, versus existing retailers that didn't get any incentive. Mr. Kern mentioned the new design store in the former Arensberg Shoes location. Mr. Kern indicated the costs for that business was extensive. Mr. Kern indicated that he

wanted to see assistance for start-up costs related to new businesses like this, such as low interest loan or grant programs. He thought that would help direct resources at potential obstacles that cause potential businesses to not start. Ms. Vance Moore indicated the importance of having tools in the toolbox. She indicates that she is aware that we have certain tools, but thinks there is a perception there that they can't be utilized. Ms. Vance Moore indicated that examples of these negative perceptions include: O'Reilly's, Jade Garden, Ingredient, and Herbal Life. Mr. Corliss indicated that there are also some examples of where the City has worked hard to ensure that a development did occur- such as the care home at the former Woodlawn School and others. Mr. Corliss also indicated that sometimes there are multiple objectives or values at play, such as historic preservation, fire safety, etc., and every project has its unique circumstances. Ms. Vance Moore indicated that she was concerned with missing the last meeting and that the task force was proceeding with an RFP to recruit new retail when we haven't as a community addressed process issues. Commissioner Chestnut indicated that code issues and process issues take time to improve. His hope was that we could work on these things in parallel- make process improvements but also try to help retail, as well. Ms. Vance Moore indicated that we need to address perceptions that she hears on the street. Commissioner Chestnut indicated that perhaps a group could look at issues for retailers. Mr. McCullough indicated that there has been quite a bit of changes implemented already. He mentioned that the O'Reilly project included a complex piece of property that involved KDOT and Lawrence's downtown with its older buildings have challenges related to ADA improvements, etc.

Mr. Ellena indicated it might be good for the City to have an ombudsman to help retailers with answering questions about investment. Mr. Corliss indicated that those questions can come to him, or others in the City staff. Mr. McCullough responded that there is a role for his position. Ms. Vance Moore indicated that Jade Garden approached her to follow up with some additional questions from staff, but that many retailers may just take an answer as given and not pursue it further. Commissioner Chestnut asked how the City could help very small or new start-up retailers with navigating the processes. He suggested that possibly that be a discussion item for the next meeting.

Mr. Kern indicated that he is comfortable with keeping the incentive tools in the toolbox at this time. He said that there is a significant amount of older retailer that the tools could help incentive to redevelop. He said that personally he was in favor of CIDs because it relies on the performance of the owner of the property and doesn't rely on the dollars of general taxpayers- it is consumer and choice driven.

Ms. Vance Moore indicated that there is a possibility of someone doing a retail incubator without incentives.

Commissioner Chestnut indicated that a lot has to do with expectations and communication. There was discussion that some communities have a larger sense of desperation and tend to have less regulation. Commissioner Chestnut indicated that he thought that we needed a list of items in our toolkit to get a consensus from the group about which tools they believe are relevant. He also indicated that looking at obstacles facing the small retailer would be helpful. Mr. Reineman thought that was a good course and a market driven approach.

**Minutes:**

The September meeting minutes were approved unanimously.

**Review Draft RFP:**

Mr. Zalneraitis reviewed the draft RFP. The merits and concerns about the RFP were discussed. It was indicated that the value of the RFP was not alone for the purpose of attracting outside retailers, but also for assisting existing retailers. Mr. Booth asked about the value of studies and whether it has been determined if the studies are valuable and provide a return. Commissioner Chestnut indicated that he didn't see this as a study, but saw this as information on buying habits of retailers in the community and how this information can enhance retailers within the community and the information gets refreshed regularly.

The meeting was adjourned at 5:30 p.m. The next meeting is set for Tuesday, November 9th at 4:00 pm. There will be further discussion on a list of retail tools, obstacles to small businesses, and

continued discussions on the RFP draft and the draft final report at the November meeting. Commissioner Chestnut encouraged members to read through the RFP and contact Mr. Zalneraitis for additional questions in preparation for more discussion in November.

**City of Lawrence  
Retail Task Force  
November 9, 2010 meeting minutes**

Members Present: Robert Chestnut, Allison Vance Moore, Tom Kern, Susan Cook, Mike Gaughan, Leslie Alhert

Members Absent: John Ellena, Earl Reineman

Staff Present: David L. Corliss, City Manager  
Diane Stoddard, Assistant City Manager  
Scott McCullough, Director of Planning and Development Services  
Roger Zalneraitis, Economic Development Coordinator/Planner

Public Present: None

**Call meeting to order:**

Commissioner Rob Chestnut called the meeting to order at 4:00 pm on Tuesday November 9, 2010.

**Minutes from October 5<sup>th</sup> meeting:**

Tom Kern made a motion to approve the minutes from October 5. The motion was seconded by Leslie Alhert. The motion was approved.

**Continuing Discussion Regarding RFP for market information:**

Commissioner Chestnut opened the discussion regarding the draft RFP. Tom Kern commented that retail tends to follow other development and wondered if we let the private market take the lead. There was discussion about the need to have a focus for a variety of retail uses. There was concern expressed that the RFP not only get information that would be exclusively used for recruitment of new retail.

There was discussion that the City doesn't have any retail incentives at this time. However, the City had adopted a policy concerning Commercial Improvement Districts. Ms. Vance Moore indicated that there appeared to be a need to identify next steps for how the information would be used to ensure that the information would be used to its fullest.

Commissioner Gaughan wondered about the retention work that the Chamber currently provides. Mr. Kern responded that the primary focus of the agreements between the City and County and the Chamber regarding job retention was for primary jobs, not secondary jobs. Mr. Kern suggested that a way the market analysis information could be used would be to share with retailers gap information identified with the analysis. The first focus would be on growing current retailers. Ms. Alhert thought a key would be to have someone working to educate retailers about what the information is saying. Mr. Zalneraitis reported that there are two ways to get the information- have a consultant provide information, or buy the data outright. He thought that the consultant work might be more aiming at identifying gaps and the data might be good for when a retailer just wants more general market information. After this discussion, Ms. Vance Moore asked whether smaller retailers would have the resources necessary to address a gap and thought that might be an issue. Commissioner Chestnut thought that the information may be able to be used by retailers to take to a bank to pursue capital to address a need.



Ms. Alhert indicated that she thought it would be very important to have the Chamber involved in this.

There was discussion about where the point person to lead the information should reside. Several expressed with the Chamber. Mr. Kern indicated that the structure may not be unlike the current economic structure between the City and Chamber regarding other economic development activities. Mr. Corliss confirmed that the City did not license businesses, but had some general information.

It was suggested to possibly modify the RFP to enable data firms to be able to respond. Mr. Zalneraitis indicated that the best way to determine what the data itself might cost would be for staff to do some research on this.

Ms. Vance Moore mentioned staffing resources to accomplish the implementation. It was suggested that this resource issue could be something discussed by the City Commission and the Chamber Board.

Tom Kern made a motion to proceed with requesting that the City Commission consider releasing the RFP. The motion was seconded by Leslie Alhert. Motion passed unanimously.

**Memo on changes to development process:**

Scott McCullough, the City's Director of Planning and Development Services, provided an overview for the group of a memo showing various actions the City has taken to improve the development process. These items include things such as various code modifications, extension of approvals, additional administrative authority and waivers and processes to set up continuous improvement. Discussion of these sorts of issues has been a subject at several prior Retail Task Force meetings.

Mr. McCullough indicated that has given a lot of thought to whether the code contributes positively or negatively to economic development. He believes that the changes made have resulted in improvements to the process, but acknowledges that from time to time there are challenges. Ms. Vance Moore thanked Mr. McCullough for his work in the report and indicated that she has noted improvements to the process as well. She also commented customer service was important and noted customer service cultural improvements within the department. Commissioner Chestnut asked Ms. Vance Moore if some of the changes that have been made to the code have adequately been communicated to the development community. Tom Kern suggested the possibility of a commercial realtors forum that could communication and discuss this information several times each year.

**Discuss structure of final report:**

Mr. Zalneraitis asked the Task Force how they would like to see the final report. Commissioner Gaughan responded that it could be a document that provides background regarding what has been done regarding retail and current status. Mr. Kern added that he thought that there should be a section regarding various recommendations. He thought that placing the recommendations of the Task Force in context would be important. Mr. Kern suggested the possibility of framing this as a pilot project and try to see if certain milestones can be achieved within a given timeframe. Commissioner Gaughan indicated he would be comfortable with that as long as the metrics were flexible in response to things happening in the market place.

Commissioner Chestnut also indicated that including the importance of sales tax to the City budget would be important for the report. Mr. Zalneraitis reported that he would work on drafting more text of the report for the next meeting. Commissioner Chestnut indicated that having some discussion on the ED Partner's role regarding retail would be a good item.

The meeting was adjourned at 5:30 p.m. The next meeting is set for Tuesday, December 7 at 4 pm. Agenda items identified included more information on a draft report, discussion regarding role of ED Partners related to retail.

**City of Lawrence  
Retail Task Force  
December 7, 2010 meeting minutes**

Members Present: Robert Chestnut, Allison Vance Moore, Tom Kern, Susan Cook, Mike Gaughn, Leslie Alhert, John Ellena, Earl Reineman

Members Absent: None

Staff Present: David L. Corliss, City Manager  
Diane Stoddard, Assistant City Manager  
Scott McCullough, Director of Planning and Development Services  
Roger Zalneraitis, Economic Development Coordinator/Planner

Public Present: Hank Booth

**Call meeting to order:**

Commissioner Rob Chestnut called the meeting to order at 4:05 pm on Tuesday December 7, 2010.

**Minutes from November 9th meeting:**

Mr. Reineman noted several suggested changes to the November minutes. It was noted that Ms. Oakes had withdrawn from the Task Force and also noted an incomplete sentence within the minutes. With the changes, Mr. Reineman made a motion to approve the minutes from November 9. The motion was seconded by Tom Kern. The motion was approved.

**Draft report:**

Mr. Zalneraitis indicated that a draft report was prepared and requested feedback. Commissioner Gaughan asked about the plan and what we were planning to solve. Commissioner Gaughn indicated that he thought that the City Commission should have a discussion about what it wished to solve related to any study.

Commissioner Chestnut indicated that he would like to see the pull factor improved. Mr. Kern added that he thought that there should be a front cover that summarized the objectives and suggested: 1) increase retail sales 2) reduce leakage 3) create a retail database that identifies market gaps and 4) work with retailers to address gaps and 5) facilitate the process to help grow new retailers. Mr. Ellena indicated that it was as much about stopping leakage as it was increasing the pull factor. Commissioner Chestnut added the importance of creating facilitation for businesses through the process as also being important. It was mentioned that resources for small businesses would be important. Mr. Ellena spoke about taking a business by the hand and walking them through the steps in a personal fashion. It was confirmed that Mr. Zalneraitis would draft four or five major objectives in an executive summary and reiterated these five items. The group was in general concurrence with this aspect.

Mr. Reineman added that he had discomfort with recruiting retailers to fill a gap. He stated that he was uncomfortable with who gets to decide when to recruit and who to recruit and who defines whether a gap exists. Commissioner Chestnut responded that the data would indicate the gaps and that it wouldn't be subjective, however he was fine with toning down the language regarding active recruitment. Mr. Ellena indicated that the report did emphasize first seeking existing retailers to fill the gap.

Mr. Reineman indicated that the data could be used subjectively and still had concerns about this. Mr. Corliss answered Mr. Reineman's question by stating that to the extent that it had to do with City staff being involved in any recruitment, the City Commission would be deciding the City's role. Mr. Kern asked how retail recruitment differed from industrial recruitment. Mr. Reineman answered that it was the difference between primary jobs and secondary jobs and indicated that retail follows primary jobs and that retail is not economic development. He indicated that he wanted us to market ourselves for

retail opportunities but he didn't see how a gap would be identified. Several responded that a consultant would bring good data regarding gaps in retail opportunities. Commissioner Chestnut asked about what Reineman wanted to see and indicated that our pull factor was down by 15% or so. Reineman indicated that he would be more comfortable with removing the reference to active recruiting.

There was some general discussion regarding incentives. Ms. Vance Moore indicated that she would like to see an incentive when businesses invest in the gateway areas to help beautify these areas.

Commissioner Chestnut asked what feedback the group needed to provide regarding outstanding issues. The first item discussed was retail incubators. Mr. Reineman indicated that he was thinking more about helping with rent for start ups. Mr. Corliss asked about the City's role regarding incubators. Mr. Kern indicated that this might be a logical extension for the small business development office. He also said that there are some chambers that have retail incubators. Ms. Vance Moore thought that perhaps a small incentive could help provide someone the willingness to move forward with creating an incubator who owned an existing vacant space. Mr. Corliss asked about what types of criteria for such incentives. Commissioner Chestnut brought it back to facilitation assistance. Ms. Vance Moore wanted to make sure that the data wouldn't be used to say that we have an over abundance of a certain type of retailer related to planning decisions.

Mr. Zalneraitis indicated that the second issue was downtown. Commissioner Chestnut indicated that related to downtown, the planning report and facilitation is important. There was discussion about parking downtown about hours they were metered. Ms. Cook also thought that this was an issue and that more signage was needed. There was also discussion about the cost related to having a business downtown. Mr. Kern supposed that there wasn't much that the City could do related to the escalating cost of real estate downtown. Mr. Corliss indicated that the City has tried to continue to make investments downtown, such as the Carnegie, and the physical infrastructure of the area. Mr. Kern suggested several points to include in the report.

The final issue was loans and grants. Mr. Zalneraitis reported that we don't currently have loan or grant opportunities, but that other communities were offering this. Commissioner Gaughan indicated it was a large topic and had a concern about adding this to the report at this point. Several agreed. There was some discussion about several downtown area properties that were difficult to redevelop. It was decided that there were programs outlined in the report that could help assist with these properties, if authorized. There was consensus to have no loans and grants.

Retail Market Study: This information was included as information for the Task Force.

Commissioner Chestnut suggested that there be a meeting on January 4 to review the retail market study and to have a review of the final report.

The meeting was adjourned at 5:30 p.m. The next meeting is set for Tuesday, January 4 at 4 pm. Agenda items identified include review of the retail market study and review of the final report for the Task Force.

**City of Lawrence  
Retail Task Force  
January 4, 2011 meeting minutes**

Members Present: Robert Chestnut, Allison Vance Moore, Tom Kern, Susan Cook, Leslie Alhert, Earl Reineman

Members Absent: Mike Gaughan, John Ellena

Staff Present: David L. Corliss, City Manager

Diane Stoddard, Assistant City Manager  
Scott McCullough, Director of Planning and Development Services  
Roger Zalneraitis, Economic Development Coordinator/Planner  
Amy Brown, Long Range Planner

Public Present: Hank Booth

**Call meeting to order:**

Commissioner Rob Chestnut called the meeting to order at 4:05 pm on Tuesday January 4, 2011.

**Minutes from December meeting:** Tom Kern made a motion to approve the December minutes. Allison Vance Moore seconded the motion. Motion approved unanimously.

**Retail Market Study:**

Amy Miller provided an overview of the recently updated retail market study. She discussed chart summaries showing distribution of retail and non-retail uses in various parts of Lawrence. Task Force members asked various questions. It was noted that the 9<sup>th</sup> Street corridor had a zero percent vacancy rate. It was also noted that the downtown area was roughly 1/3 retail and the south Iowa area had a much larger percentage of retail. The overall vacancy rate was 7%, relatively unchanged from the 6.7% vacancy rate in 2006. The data showed a slight shift in non-retail uses from retail uses from 2006 to 2009. The 2009 pull factor for the City is 0.99. The report shows a slight increase in per capital retail square footage but a slight drop in per capital sales tax from 2007 to 2010. Ms. Miller indicated that the code provides for an 8% threshold in retail vacancy. Mr. McCullough indicated that the community can grow retail by the growth in primary jobs. Ms. Miller also added that growth in population, retail sales and income are important trends to have increasing over time. Commissioner Chestnut indicated that Wyandotte County is a reverse model where retail growth has now spurred the growth of primary jobs.

Mr. McCullough indicated that staff was planning on updating the report annually, dependent upon available resources. Commissioner Chestnut asked whether there would be ways to update the report without the tremendous dedication of time. Mr. Zalneraitis responded that the windshield tour provided the information about the square footage uses. Ms. Vance Moore reported that the Colliers information is updated quarterly and that those figures differ from the City's figures, which is likely explained related to the different points in time of the data collection.

**Draft report:**

Mr. Reineman asked about an integrated approach to investigate a collaborative marketing approach to draw people to Lawrence. Mr. Reineman indicated that in the past the downtown area worked together with some ads on a Topeka television station. It was suggested to add this to the recommendation.

Mr. Kern reported that one of his staff members reviewed the draft and provided comments to Mr. Zalneraitis. The comments included providing some more clarification about what is meant about a database.

Mr. Reineman thought that the report was well done and it set a tone of a welcoming environment. Commissioner Chestnut said it was important to emphasize the facilitation aspects for new or expanding retailers.

**Next Steps:**

Commissioner Chestnut requested members to forward any further comments on the final report to Mr. Zalneraitis by the end of the week and a final report would then be distributed to the group and then provided to the City Commission.

Mr. Kern made a motion to approve the report subject to changes discussed. The motion was seconded by Ms. Cook. Motion was approved unanimously.

Commissioner Chestnut suggested that if the RFP were approved by the City Commission perhaps this group could get back together to provide a recommendation on a vendor.

Commissioner Chestnut thanked everyone for their work on this task force.

The meeting was adjourned at 5::05 p.m.