

Memorandum

City of Lawrence

Planning & Development Services

TO: Planning Commission

FROM: Planning Staff

Date: For May 20, 2013 Planning Commission Meeting

RE: CPA-13-00067: Horizon 2020 Chapter 6 and Revised Southern Development Plan and Z-13-00071: RM12 to CR: Menards

This memo addresses the various issues related to a request to revise Horizon 2020, the revised Southern Development Plan and rezone property to CR for commercial development. This memo identifies specific development actions/options the Planning Commission could take to support the request as well as provides clarification for items discussed by the Planning Commission during their regular meeting on April 22, 2013.

Staff Recommended Option if the comprehensive plan amendment and rezoning requests are recommended for approval:

Option 3c: Approve application with the following conditions:

1. Condition CR to include 200' buffer along north property line, permitting a reduction in the size of out lots on the Menards site, and designate the adjacent property to the east for future commercial development in the Revised Southern Development Plan.
2. Restrict uses to ensure compatibility.

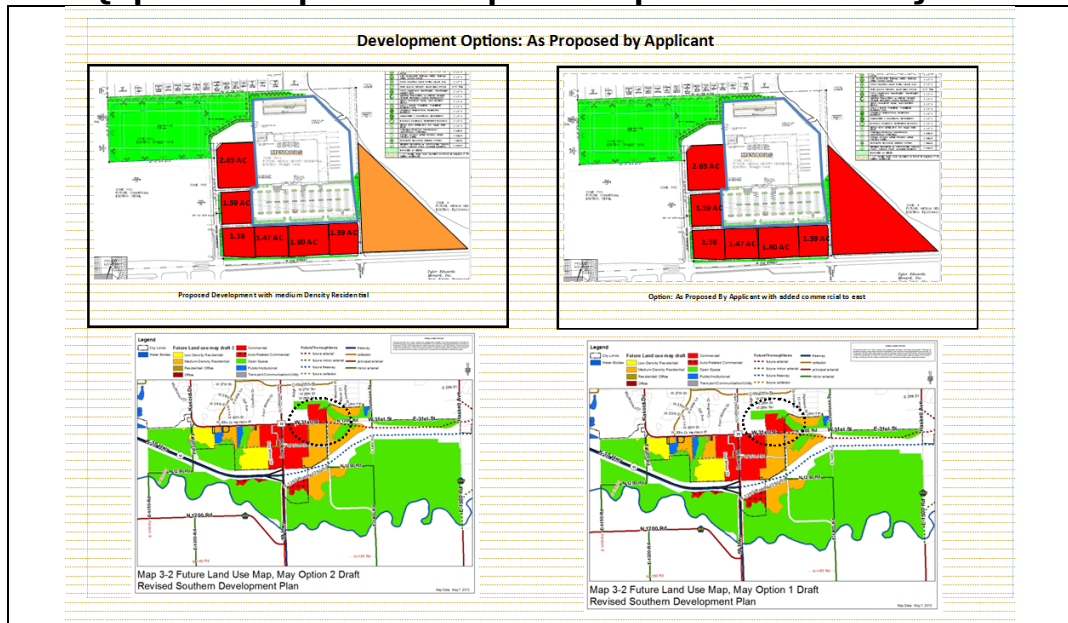
The Planning Commission may take the following actions with regard to the proposed requests:

Development Options:

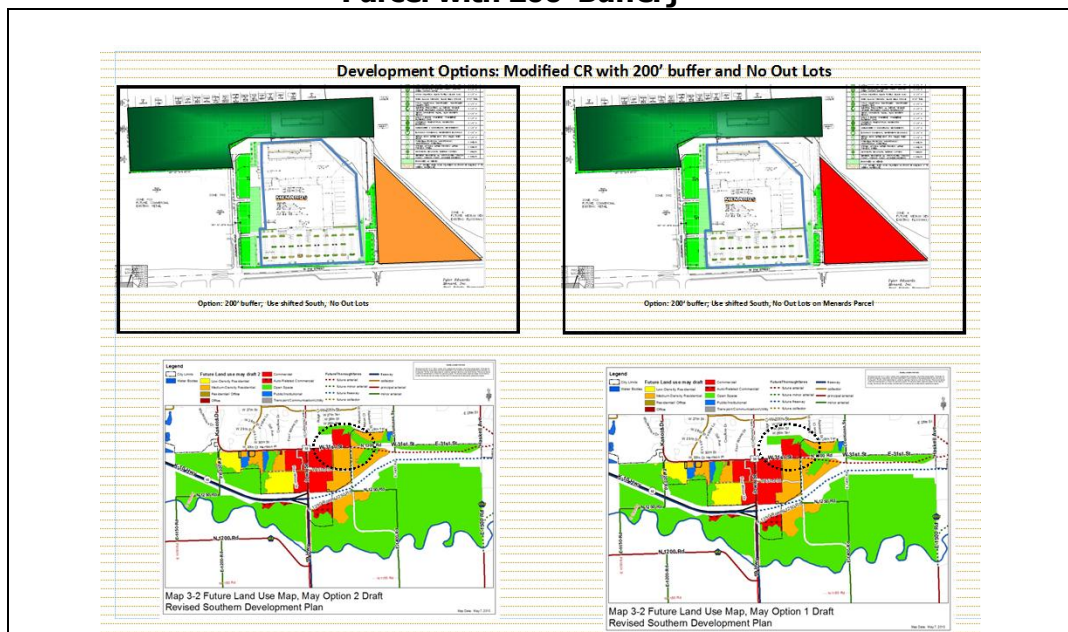
1. Deny the applications.
2. Approve applications as proposed by applicant.
3. Approve applications with conditions:
 - a. Require a 200' buffer along the north property line, limit the development to a single use big box tenant [move building and parking lot forward to frame 31st Street] and exclude out lots.
 - b. Require a 200' buffer, single use big box tenant [move building and parking lot forward to frame 31st Street], and designate adjacent property to the east for future commercial development.
 - c. Require a 200' buffer, permitting a reduction in the size of out lots on the Menards property, and designate the adjacent property to the east for future commercial development in the Revised Southern Development Plan.

The following graphics depict the Menards project as proposed both with and without the inclusion of commercial land to the east (Snodgrass property). An option for consideration is approving the proposed CR request and amending the Revised Southern Development Plan to extend the commercial area to the east property line of the Menards site and retain medium density residential land use east of the subject property. If approved, the Commission may want to consider expanding the commercial designation to the east incorporating the western portion of the Snodgrass property as shown below. The existing floodplain is designated on the Revised Southern Development Plan as open space. The floodplain/floodway would be a clear terminating feature of commercial use along the north side of W. 31st Street.

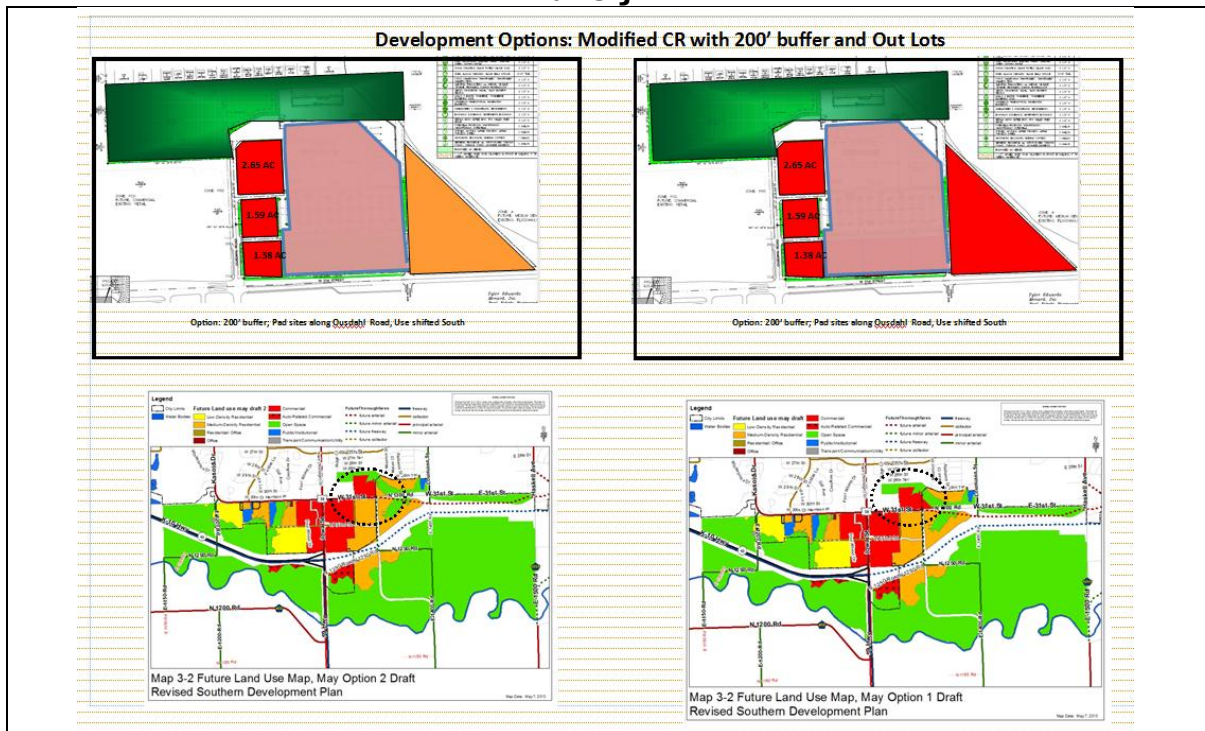
{Option 2: Proposed Development Request with Pad Sites}



{Option 3a and 3b: Proposed Development Request without Pad Sites on Menards Parcel with 200' Buffer}



{Option 3c: Proposed Development Request with Pad Sites on Menards Parcel with 200' Buffer}

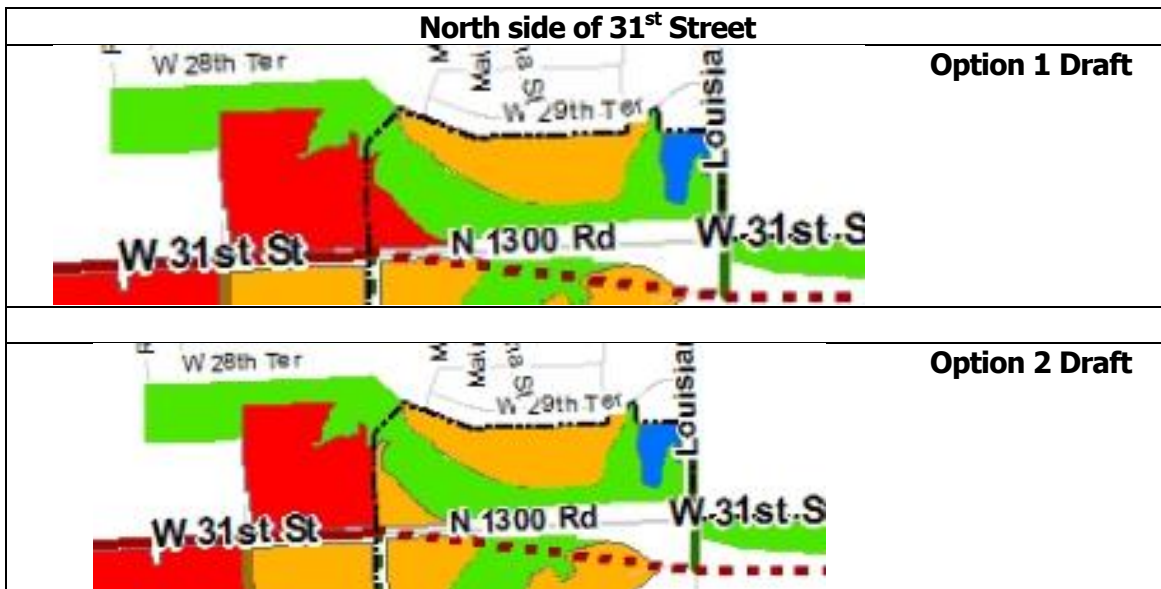


The submitted concept plan reflects an open area used for stormwater/borrow pit in the northwest portion of the site. It also reflects a 55' wide open space along the remaining north property line. There are a number of ways to provide transitions to less intensive uses, such as berms with dense landscaping, open space, fences, etc. The green space represented in the option above is intended to represent 200' along the north property line. This area abuts existing residential homes. The area also includes an open channel of a tributary to Naismith Creek that is prone to flooding. It is not within the regulatory floodplain. This green space buffer could accommodate passive uses such as stormwater management and multi-modal connection of the bicycle path between 31st Street and Naismith Park.

The remaining portion of this report provides responses and clarification to issues identified at the April PC meeting.

1. Land Use Patterns (Refer to attachments Map 3-2 Revised Southern Development Plan Option 1 Draft and Option 2 Draft)

Attached to this memo are revised land use maps for the Revised Southern Development Plan. The regulatory floodplain within the boundary of the Revised Southern Development Plan Area is a significant feature influencing land use patterns, utility extensions, and access.



a. North Side of 31st Street

The city is actively engaged in acquiring the eastern 5.6 acres of the Snodgrass property for future utility improvements. Utility improvements are typically platted and zoned GPI (General Public and Institutional) District reflecting the public nature of the land use. This known land use will preclude commercial development at the northwest corner of 31st Street and Louisiana Street. The attachments show land use along the north side of 31st Street updated with a future utility pump station located on the northwest corner of Louisiana Street and 31st Street. **(Blue Map Area)**

The area abutting the Indian Hills neighborhood continues to be reflected as medium density residential in both Option 1 and Option 2. This area is paired with a text discussion in the plan that defines the land use recommendation to not more than 8 dwelling units per acre for density and that building type should be limited to detached, duplex, triplex and rowhouses (Page 24, Revised Southern Development Plan). **(Orange Map Area)**

Both options of Map 3-2 show the Menards property as commercial with designated open space along the north property line. The open space shown in this plan reflects the current floodplain boundaries within the study area and recommended open spaces areas as a transitional land use between high intensity and lower intensity land uses. **(Green Map Area)**

Commercial use is shown for the Menards application as an option noted in the beginning of this memo. The two maps depict that commercial area with and without the addition of the western portion of the Snodgrass property included. **(Red Map Area)**

b. South Side of 31st Street

Residential Land Use along the south side of 31st Street east of Ousdahl Road has been set with the existing development. Commercial uses to the west are bound by Ousdahl Road. The area between Ousdahl Road and Michigan Street has been platted, site planned and constructed as a medium density residential use. The Medium Density residential designation allows residential development to be clustered along 31st street and retain a larger connected open space that is needed for stormwater and flood protections.

Development east of Michigan, south of 31st Street is not recommended to change land use in the Revised Southern Development Plan but to continue to be appropriate for medium density residential development. The residential zoning provides a greater protection to the environmentally sensitive floodplain by more rigorous regulatory requirements and by allowing clustered development to offset the wider open space areas. It would mitigate the aesthetic of commercial strip development along 31st Street.



2. Land Use transition between commercial and residential uses.

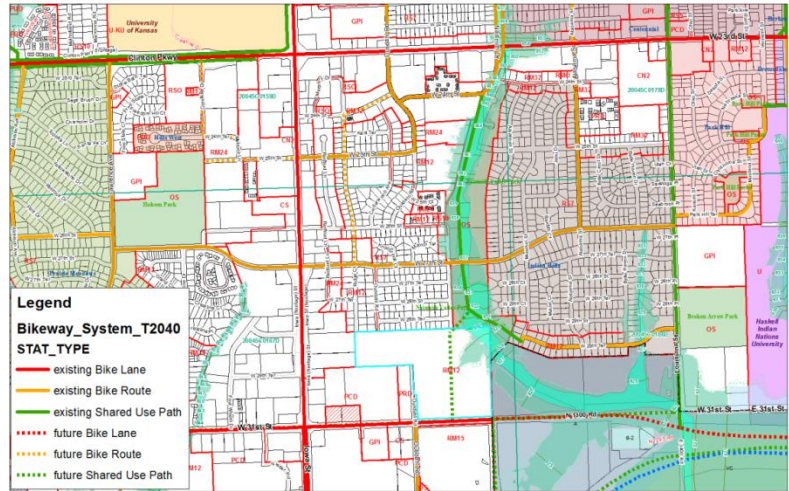
If the Commission finds that the commercial zoning for the Menards project should be supported, then appropriate transition and buffering between the proposed commercial development and the existing residential development should be applied.

a. Transition and Buffering:

Buffering can be created through the application of multiple techniques including use limitations, setbacks, distance separation, landscaping and screening or a combination of these elements. This application is unique with respect to the proximity to existing development and regulatory floodplain. An appropriately wide buffer will accommodate the needed transition between uses and will provide options to address stormwater along the north property line. Additionally, this area can be used to connect the recreation path between 31st Street and Naismith Park.

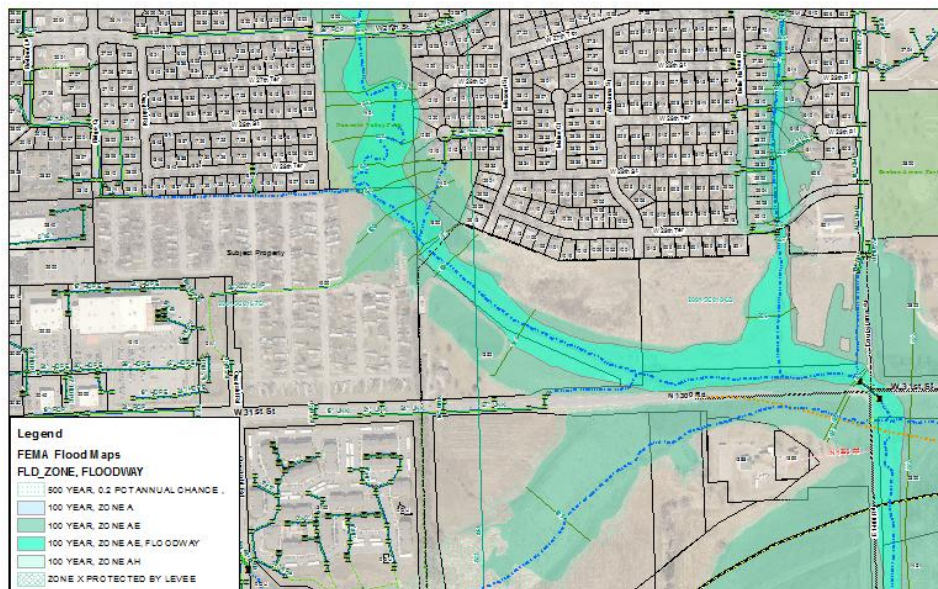
b. Bike Path Connection to be designed

The City's adopted Transportation Plan has for several years shown a future connection between 31st Street and the Naismith Recreation path. Regardless of the type of development this connection is important to the community. This bikeway along the Naismith/Michigan Corridor helps to connect the KU and Haskell campuses, provides a bikeway corridor parallel to Iowa, will help connect the KU campus and neighborhoods south of campus to the SLT pathway, and helps to build the bikeway network so cycling can become more useful for utilitarian trips. This and all the other bikeway segments shown on the MPO approved *Transportation 2040* Bikeway System Map are planned for transportation purpose first and are designed to be part of the region's multimodal transportation system.



c. Floodplain and Stormwater Requirements

This area is encumbered by regulatory floodplain of Naismith Creek. The creek flows to the south east crossing the northeast corner of the subject property and diagonally through the abutting property to the east. A tributary of Naismith Creek is located along the north property line of the subject property. This tributary is not within the regulatory floodplain. The creek depth along the north property line is not large enough to offset additional impervious surface that will result from development. The provision of a wider riparian area (in the form of a dedicated green space area) will provide an opportunity to alleviate existing and potential drainage issues in this area.



As part of the review of this proposed CR zoning request, preliminary review comments were provided to the applicant regarding the conceptual development of the property. It is important to remember that a formal development submission has not been made other than the specific zoning application. Specific comments provided to the applicant included the following from the City's Stormwater Engineer:

1. The Hydrologic & Hydraulic Study dated 2-19-2013 meets the specified requirements and is approved. This H&H Study is for the Naismith Creek floodplain determination only and applies to the zoning request. An additional drainage study will be required for the site proper, specifically the channel running along the north side of the property.
2. A Letter of Map Revision (LOMR) will need to be filed with FEMA to revise the floodplain.

The applicant has provided concept plans to staff along with very preliminary grading and stormwater information. The specific development project has not been submitted for official floodplain or site plan review at this time. Based on information contained in the concept plan staff has identified several issues with regard to floodplain regulations that are not compliant with the City's Development Code, one being that the floodplain regulations prohibit fill within the setback areas.

The setbacks for the CR district:	
Front Yard:	25'
Side Yard Setback:	0' interior when adjacent to a non-residential zone 45' when adjacent to a residential zone
Rear Yard setback:	30'

For reference, the applicant's revised plan represents a 55' setback from the north property line.

The floodplain regulations also prohibit storage of materials within the floodplain. This will have an impact on the site design that will be considered with the submission of a subdivision plat and site plan for the site. In addition, the applicant will need to submit an Hydrologic & Hydraulic study for review that shows no change in the water surface elevation.

Any development of this property, regardless of use, will be required to address drainage. If approved, and controlled by one entity, staff recommends that an Hydrologic & Hydraulic study be prepared for the combined properties of the Menards request and the western portion of the Snodgrass property so that floodplain management is considered comprehensively in this area.

The developer should be aware that in addition to local floodplain and stormwater requirements other state and federal permits are required for this property including a 404 permit from the Corps of Engineers, a fill permit from the Division of Water Resources, and a Division of Water Resources Stream Obstruction permit.

The conceptual plan includes a large area along the northwest portion of the property to be excavated for fill to raise the site above the base flood elevation and to further elevate the site closer to the existing street grade. To achieve an elevated pad site, fill, borrowed from within the

site, will result in a deep pond area that will not drain and will be subject to anaerobic activity that results in attracting mosquitos and that can be a safety hazard depending on final design.

The depth and configuration of this borrow pit area should be designed to maximize the stormwater improvements needed in the area. By making the area wider and shallower, the capacity for stormwater is increased and the overall drainage system in an area prone to flooding is improved.

3. SLT and the Surrounding Street Network (Refer to attached KDOT Map for reference)

Construction of the east leg of the SLT is expected to begin in December 2013 with completion of the project in 2016. The project includes construction of the east leg of the SLT, construction of 31st Street on an offset alignment south of the current centerline between Louisiana Street and the eastern revised alignment of Haskell Avenue.

a. Louisiana Street.

Louisiana Street will not have access to the SLT. It will be relocated to the west for the portion south of 31st Street and intersect 31st Street as a "T" intersection from the north. Louisiana Street will be stop controlled allowing traffic to flow free along 31st Street. Appropriate turn lanes will be constructed to accommodate intersection movements. Existing Louisiana Street improvements between 31st Street and the Wakarusa River will be removed. The existing ROW will be vacated and added to the adjacent wetlands. A new road segment will be constructed to connect Louisiana Street south of the river to 31st Street on an alignment of Michigan Street. This ROW will bridge over the SLT. (SLT Map reference 5.)

Louisiana Street as a bypass for regional traffic and truck traffic is not anticipated. Engineers project that traffic will be reduced over time as travel patterns normalize post SLT/31st Street construction. This should not be taken to mean that traffic will decrease on Louisiana Street.

b. Haskell Avenue

Haskell Avenue is designed as a folded diamond interchange with SLT and is intended to be desirable to heavier traffic and through traffic in the community. This intersection is designed to be preferable access over Louisiana Street. (SLT Map reference 13).

c. 31st Street

A portion of the existing 31st Street improvements will be removed. A new 31st Street will be constructed parallel to the SLT (SLT Map reference 9). Specific access points will be further evaluated as final development proposals along the 31st Street Corridor are developed and submitted. General expectations for access should be considered as the area is platted and site planned to design within these known parameters.

As the area along 31st Street builds out, Louisiana Street intersection improvements such as a traffic signal may be necessary. Traffic will be evaluated through a traffic study AFTER construction AND after traffic patterns have normalized post construction. If approved, the applicant could be required to participate in a future benefit district for specific intersections. This is accomplished through the execution of an agreement not to protest the formation of a benefit district for specific public improvements. This condition is often a standard requirement of the subdivision process.

Direct access to 31st Street is restricted along segments of the corridor per right-of-way acquisition for the SLT project and through adopted access management policies of the City. As such, access to individual parcels will be shared on common property lines or from intersecting side streets.

If the request for CR is approved, it is likely that a 9-acre parcel along the east property line would also be considered for CR zoning (west portion of the Snodgrass property). This parcel is currently accessed via an existing residential driveway to 31st Street. Land Use Development of the western portion of the Snodgrass property would presume to have shared/common access to 31st Street along the west property line or the Michigan Street alignment extended north. This may be developed as a short street extension similar to Ousdahl Road or may be constructed as a commercial driveway with access extended to either property to the east and west.



4. Uses in the CR District

The April Staff Report suggested use restrictions if approved. Certain uses associated with heavy and continuous traffic and noise are not recommended in this specific location because of the proximity to residential uses. If approved, Staff suggests uses be restricted as shown on the attached Table.

5. Retail Market Study Update

Retail Market Study: The applicant submitted a project specific retail market study in November 2012 that was reviewed, in the staff report for CPA-13-00067, against the latest available data at that time from the 2010 Retail Market Report. Staff has been in the process of updating the city wide report and the Planning Commission requested that project specific retail market analysis for Menards be updated with the new figures when the item was brought back to their May 2013 meeting. Staff has issued the 2012 Retail Market Report¹ and the following serves as an update to the information presented in the CPA-13-00067 staff report, using the 2012 Retail Market Report figures as a base. The market study includes this analysis for the addition of a Home Improvement Store (189,988 sf) to be located in Phase I of the development. The report also indicates that an additional 65,350 sf will be built as part of Phase II, for a total of 255,328 sf.

Horizon 2020, Policy 3.13 (b) states that, "The project shall not be approved if the market study indicates the commercial project or any proposed phase cannot be absorbed into the

¹ http://www.lawrenceks.org/assets/agendas/cc/2013/05-14-13/cm_report_retail_market_study.pdf

community within three years from the date of its estimated completion, or that it would result in a community-wide retail vacancy rate greater than eight percent.” The Development Code uses a vacancy rate threshold of 8% as one factor in order to determine market health, and the most recent citywide market study (2012) figured the city-wide vacancy rate at 7.2%. The addition of this project to those figures show that, when completed and entirely vacant, the construction of the 189,988 sf home improvement store will push the city-wide vacancy rate to 9.1%. If the total square footage for both Phase I and II were constructed (255,328), and vacant, the city-wide vacancy rate would rise to 9.7%. If Phase I were considered occupied, but Phase II were considered vacant, the city-wide vacancy rate would be 7.7%. Staff conducted additional analysis to take into consideration other commercial projects that have received approvals, but have not been constructed to date. The below table illustrates the impact that other projects that have been approved will have on the overall vacancy rate:

	Total Square Feet	Total Occupied Square Feet	Total Vacant Square Feet	City-wide Vacancy Rate
Total Current Retail Inventory	9,105,151	8,451,929	653,222	7.2%
Gateway - NW Corner 6 th & K-10 Node	155,000	0	155,000	
Mercato - NE Corner 6th & K-10 Node	359,640	0	359,640	
Fairfield Farms	200,000	0	200,000	
North Mass	215,000	0	217,337	
31 st & Ousdahl – Phase I (Mendards)	189,988	0	189,988	
31 st & Ousdahl – Phase II	65,340	0	65,340	
Total	10,290,119	8,451,929	1,840,527	17.9%

If all commercial space that has been approved were to be constructed and assumed vacant, the city-wide vacancy rate would rise to 17.9%.

Demand factors, such as income, employment and population were also updated with the completion of the 2012 Retail Market Report. From 2006-2011, population increased an average of .8% annually. However, during that same time period retail sales tax collections had an average annual decrease of 1.1% and per capita income had an average annual decrease of .9%, adjusting all dollar figures for inflation. On the supply side of the market, retail stock has shown an average annual increase of 4.3% from 2006-2012. What is important to take away from the above number is that demand has not kept pace with supply as shown by the limited income, population, and retail sales growth.

With the 2012 retail Market Report, in Lawrence there are approximately 97 sf of retail space per capita in 2012. With the addition of this project’s square footage to the market, there would be approximately 100 sf of retail space per capita. In Section 20-1107 (c)(3)(iv) of the Land Development Code, a maximum threshold of 100 square feet per resident is

established to help maintain market health. However, this analysis does not take into consideration any of the other approved commercial development. The addition of Mercato, Fairfield Farms, north side of 6th and the K-10, and the remainder of the Bauer Farm development that is approved, but not constructed, would result in a ratio of 110 retail square feet per capita.

The staff report presented at the April 2013 Planning Commission meeting included analysis on pull factors. That analysis showed that as of December 2012, the pull factor for Lawrence was 1.07. Those numbers were the most updated figures. The original staff report, using the 2010 Retail Market Report Data showed that if Phase I and II were constructed and entirely vacant upon completion, the city wide vacancy rate would rise to 9.7%. Using the updated 2012 Retail Market Report, the above analysis shows that the city wide vacancy rate would be 9.6% under the same circumstances. These updated numbers show little change to the original retail market analysis included in the CPA-13-00067 staff report.

6. Public testimony:

The hearing process has produced testimony from the public that is mixed. Some in the adjacent and nearby neighborhoods support the proposal as a preferred alternative to the potential for student-based housing and others prefer to maintain the potential for residential uses at the subject property. Members of the Indian Hills neighborhood have expressed concern for maintaining the floodplain/floodway crossing the Snodgrass property as a hard boundary if commercial uses are permitted as requested. This memo attempts to demonstrate that commercial uses east of the floodplain would be challenging for several technical reasons, as well as reasons associated with planning for compatible land uses south of the neighborhood.

CONCLUSION:

The Revised Southern Development Plan reflects compatible land uses; however, it may not be the only reasonable pattern given considerations exposed during the hearing process for this request. Items of note since the plan was adopted include:

1. The SLT is planned for construction, affecting the local street network within the planning area.
2. Approval of a student-based residential development on the subject site has left some in the surrounding neighborhoods considering whether commercial development with a transition buffer would be as, or more, compatible with the residences to the north.
3. The city has approved other areas for commercial use, but accommodating big box development remains limited to the market.

If the Planning Commission determines that the request should be supported, staff recommends that a 200' buffer be required along the north portion of the site, but that Menards have the ability to establish out lots on the remainder of the property. In relation to this, staff recommends that the west portion of the Snodgrass property be designated for commercial uses. Staff recommends that the other areas of the Revised Southern Development Plan be maintained as originally adopted.

The Planning Commission could find the following if the majority consensus is to support the request:

1. The subject site provides a reasonable alternative to accommodate a large retail use at a time when there is limited opportunity to locate such a use in the city.
2. Public testimony has demonstrated that the request is generally viewed as acceptable if certain conditions are placed on the request.
3. Modifying the adjacent property to the east for future commercial uses maintains a compatible pattern of land use and transportation relationships within the Revised Southern Development Plan.