

PLANNING COMMISSION REPORT
Regular Agenda – Public Hearing Item

PC Staff Report
7/21/14

ITEM NO. 4B RS10 & A TO CR & CR-FP; 122.96 ACRES; SE CORNER SLT & US-59 HWY (SLD)

Z-14-00105: Consider a request to rezone approximately 122.96 acres from RS10 (Single-Dwelling Residential) District and County A (Agricultural) District to CR (Regional Commercial) District and CR-FP (Regional Commercial Floodplain Overlay) District, located at the SE corner of the South Lawrence Trafficway and US-59 Hwy. Submitted by Landplan Engineering PA, on behalf of Armstrong Management LC and Grisham Management LC, property owners of record.

STAFF RECOMMENDATION: Staff recommends approval of rezoning 122.96 acres from RS10 (Single-Dwelling Residential) District and County A (Agricultural) District to CR (Regional Commercial) District and CR-FP (Regional Commercial Floodplain Overlay) District and forwarding it to the City Commission with a recommendation for approval based on the findings of fact found in the body of the staff report.

ATTACHMENTS

1. Map 6-1 Horizon 2020 Existing/Future Commercial Locations
2. Revised Southern Development Plan Map
3. Concept Plan
4. Section 20-201 Base Districts
5. List of permitted Uses
6. K-10-SLT Factsheet

PROPERTY OWNER'S REASON FOR REQUEST

Applicant's Response: *This rezoning request is part of a package of development applications, including an annexation request and a comprehensive plan amendment, which propose the development of a retail/commercial center at this location. As indicated on the attached Concept Plan, this rezoning request for Regional Commercial (CR) entails 613,200 gross square feet (GSF) of commercial land uses, of which 42,600 GSF is restaurant, 410,600 GSF is general retail, and 160,000 GSF is hotel (200 rooms).*

Staff's Response: These numbers have been revised since the original submission of the application to include 538,550 gross square feet commercial use, of which 458,550 gross square feet would be retail uses and 80,000 gross square feet would be for a 100 room hotel as noted in CPA-14-00107.

KEY POINTS

- This request is intended to facilitate new commercial development.
- Location is at intersection of two highways.
- Property includes areas encumbered by regulatory floodplain.
- Upon annexation, the current county zoning designation is no longer appropriate for portion of property included in request.

ASSOCIATED CASES/OTHER ACTION REQUIRED

- CPA-14-00107
- A-14-00104: annexation of 21.7 acres
- Z-14-00106: 46.10 AC to OS-FP

OTHER ACTION REQUIRED:

- City Commission approval of rezoning and adoption of ordinance.
- Publication of rezoning ordinance.

PLANS AND STUDIES REQUIRED

- *Traffic Study* – Not required for rezoning
- *Downstream Sanitary Sewer Analysis* – Not required for rezoning
- *Drainage Study* – Not required for rezoning
- *Retail Market Study* – See staff review below

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

PUBLIC COMMENT

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

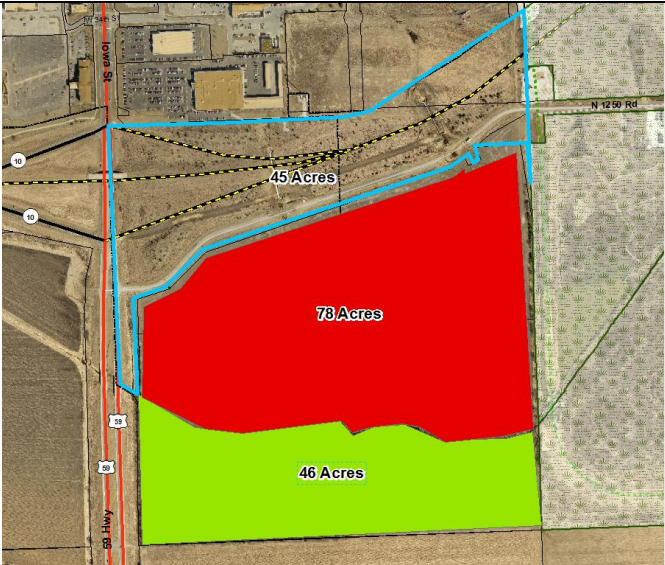
GENERAL INFORMATION:	
Request includes 122.96 acres for CR and CR-FP	
<ul style="list-style-type: none">• 104.87 acres [CR]<ul style="list-style-type: none">○ 45.4 acres existing ROW [CR]○ 59.47 acres development area [CR]○ 19.09 acres [CR-FP]• 78.56 acres [CR and CR-FP without ROW]	
See Z-14-00106 for proposed OS-FP discussion.	

Table 1: General Summary

Project Summary

This property is located on the south side of K-10 Highway between Highway 59 on the west and Michigan Street extended on the east. The proposed zoning includes the abutting highway right-of-way for a contiguous boundary description. This application is independent of the proposed Open Space District to the south included in Z-14-00106.

Included with this request is a concept plan depicting the potential development of the proposed CR and CR-FP area. This concept plan includes individual buildings and tenant spaces as well as generalized pad sites.

The addition of the Floodplain Overlay District designation (-FP) applies to only that portion that is encumbered by the regulatory floodplain plus the area that includes 2' above the base flood elevation of the site.

REVIEW & DECISION-MAKING CRITERIA

1. CONFORMANCE WITH THE COMPREHENSIVE PLAN

Applicant's Response: *"This request conforms to the design criteria for Regional Commercial Centers (Ch. 6, Policy 3.13(C)). While both Chapters 6 & 14 of H2020 recommend an Auto Related Commercial Center and Medium Density Residential land uses for this location, this request generally conforms to the scope and intensity of such prescribed development. An accompanying rezoning request proposes to place the balance of the property within an OS district. Please see the attached Comprehensive Plan Amendment for additional information."*

The City Commission recently approved an amendment to *Horizon 2020* and the *Revised Southern Development Plan* as part of the recent approval for CR zoning for the Menards project, expanding commercial development along W. 31st Street [CPA-13-00067]. This rezoning request has been submitted concurrently with a request to modify *Horizon 2020* and the related *Revised Southern Development Plan* [CPA-14-00107]. If approved, this would expand the commercial area south of K-10 Highway.

Current Plan

The Plan currently designates this intersection as an "Auto Related Center."

This type of commercial use is described as a *"unique type of commercial development"*. *"These centers include a wide variety of uses such as auto sales and repair, restaurants, hotels, and other similar uses that attract a large amount of the traveling public. However, these uses are not limited to Auto-related commercial centers. A common feature of all these uses is that they typically have a small amount of commercial square footage under roof, but require large amount of acreage for parking or sales display."* Uses listed in this section of *Horizon 2020* can occur in other commercial zoning districts including CS, CR and CC.

Another characteristic described in *Horizon 2020* is the intensive nature of these types of centers and the *need to be directed to areas that have an ability to handle the intensive nature of an Auto-Related Commercial Center*. The Plan specifically recommends Auto-Related Commercial Centers locate at the intersection of two state or federally designated highways.

The plan also notes that all designated Auto-Related Centers serve as "gateways" to the city. Applicable development standards, such as increased landscaping and higher quality architecture, should be anticipated by the developer.

K-10 Highway is recognized in *Horizon 2020* as the physical boundary and edge to the commercial corridor that has developed for the South Iowa Street (23rd Street to K-10) for the existing Regional Commercial Center (Page 6-15). Commercial uses south of K-10 are not recommended except for the possible location of an Auto-Related commercial Center. The plan

also notes that as the community grows “it may be necessary to change the recommended location of commercial centers or not use a designated intersection for a commercial use. The plan also states that it does not support “increasing the size or number of new Commercial Centers” but “may consider small, new inner-neighborhood centers as part of new planned neighborhoods.” (Page 6-20).

The proposed location of US-59 and K-10 is one of the three designated locations included in *Horizon 2020* for a potential new Auto-Related Commercial Center. The request complies with the general criteria for Auto-Related commercial Centers per Policy 3.16 as follows:

Policy 3.16: Criteria for Auto-Related Commercial Centers (Page 6-41)

- A. *Auto-Related Centers shall be located at the intersection of two state or federally designated highways.*
- B. *Auto-Related Centers shall have a lot length-to-depth ratio between 1:1 and 3:2 and shall be a minimum of 20 acres in size.*
- C. *As Auto-Related Centers are located in areas that serve as “gateways” to the city, any proposal shall be closely scrutinized for architectural appearance, landscaping, signage, etc.*

Horizon 2020 provides several policies applicable to the proposed request. The Plan recommends compatible transition between commercial development and other less intensive land uses (Goal 2). Buffering can be achieved by the use of landscaping, setbacks and open space. The proposed request includes 46 acres of open space to the south (Z-14-00106) as well as the existing Baker Wetlands located on the east side of Michigan Street extended.

Goal 3 addresses specific criteria for commercial development. These include support for nodal development versus strip commercial development, appropriate vehicular access, site development that avoids substantial disruption of natural drainage and vegetation and appropriate public improvements. The proposed request is bounded on the north and west by existing highway right-of-way and open space to the south and east.

The design standards ensure that a new regional commercial center is capable of development with a critical mass of uses including multiple big box buildings, parking, and other physical development considerations. S. Iowa (23rd Street to K-10) is an existing commercial center. Map 6-1 of *Horizon 2020* shows the existing and future commercial land use locations.

This request is for CR (Regional Commercial) zoning. Section 20-201 of the Land Development Code provides a matrix that shows how each base district is intended to be applied to the Comprehensive Plan. The Land Development Code does not include a specific zoning district that correlates to the Comprehensive Plan designation of “Auto-Related Commercial Center”. See attachment Section 20-201. The CC and CR districts are reasonable districts to consider that reflect the intensity of the Auto-Related Commercial Center as well as the applicant’s request to change the plan to extend the Community Regional corridor to the subject property.

Revised Plan

CPA-14-00107 addresses changes to *Horizon 2020* to revise the description and type of commercial node that should be applied to the Highway 59 and K-10 intersection. Changes to

Horizon 2020 include changes to Chapter 14 Specific Plan – *Revised Southern Development Plan*. The *Revised Southern Development Plan* is discussed later in this report. This report assumes approval of CPA-14-00107.

Staff Finding – The request for CR zoning in this location is consistent with recommended changes to *Horizon 2020* goals and policies and specific land use recommendations included in the *Revised Southern Development Plan* per CPA-14-00107. If CPA-14-00107 is not approved, then the rezoning request would not align with the Plan since it is larger in area than what the *Revised Southern Development Plan* designates.

2. ZONING AND LAND USES OF NEARBY PROPERTY, INCLUDING OVERLAY ZONING

Current Zoning and Land Use: RS10 (Detached Residential Development) A (County-Agricultural), FW–FF (County Floodway and Floodway Fringe Overlay) Districts; existing agricultural use.

Surrounding Zoning and Land Use: To the north: Along the north side of K-10 Highway PD-[Crown Toyota (Playless Cashways) PCD], A (County Agricultural) District and RM15 (Multi-Dwelling Residential) District. Existing uses include an automotive dealership, communication tower, and vacant lots for multi-dwelling residential development.

To the east: Along the east side of Michigan Street extended, A (County-Agricultural), VC (Valley Channel), and FW –FF (County Floodway and Floodway Fringe Overlay) Districts; Wetlands Mitigation Areas/ Baker Wetlands, and Baker Wetlands Visitor Center Complex (SUP-12-00248).

To the west : Along the west side of Highway 59, VC (Valley Channel), and FW –FF (County Floodway and Floodway Fringe Overlay) Districts; existing agricultural uses.

To the south: Proposed OS-FP (Open Space- Floodplain Overlay) District per Z-14-00106. Existing use is agricultural. Proposed use is open space.

Staff Finding – The existing zoning and land use in this immediate area includes both city and county zoning and a significant area both north and south that is vacant or used for agricultural purposes. This area includes two state highways and is dominated by designated floodplain.

3. CHARACTER OF THE AREA

Applicant's Response: *"The subject property lies at the southeast corner of the interchange between Kansas Highway 10, a.k.a. the South Lawrence Trafficway, or SLT, and U.S. Highway 59, a.k.a. S. Iowa Street. The property is bounded to the north by N 1250 Road and SLT right-of-way. Further north rests the southern end of the South Iowa commercial corridor. The property is bounded to the west by Hwy 59 right-of-way. Nearby properties to the west and south are generally located within the Wakarusa River floodplain and are actively farmed. The*

property to the east, generally known as the Baker Wetlands, is owned by the State and is the location for wetland mitigation associated with SLT construction. As part of SLT construction, a stretch of Louisiana Street will be relocated one quarter-mile west and constructed immediately east of the subject property. This new street will form the eastern boundary of the subject property, thereby separating it from the Baker Wetlands.”

The subject property is located south of K-10 Highway within Service Area 4 of the Urban Growth Area. This is a rural area with agriculture and open space being the primary land uses. Natural features in the area include the Wakarusa River, south of the subject property; riparian woodlands along the Wakarusa River; floodplain; and wetlands. A major thoroughfare, the South Lawrence Trafficway, is being constructed north of the subject property.

A feature in the area is the Baker Wetlands and the Baker Wetlands Visitor Center to the east of the proposed site. The open space use is also discussed in the staff report for Z-14-00106. This segment of Douglas County is not located within a designated neighborhood. Development in the area could result in a new neighborhood for the City of Lawrence.

There is relatively little area for development within the area between K-10 Highway to the north and the Wakarusa River to the South. As this area develops the character of the area will be impacted by the developable area and the presence of significant area dedicated and used for open space activity and the regulatory floodplain.

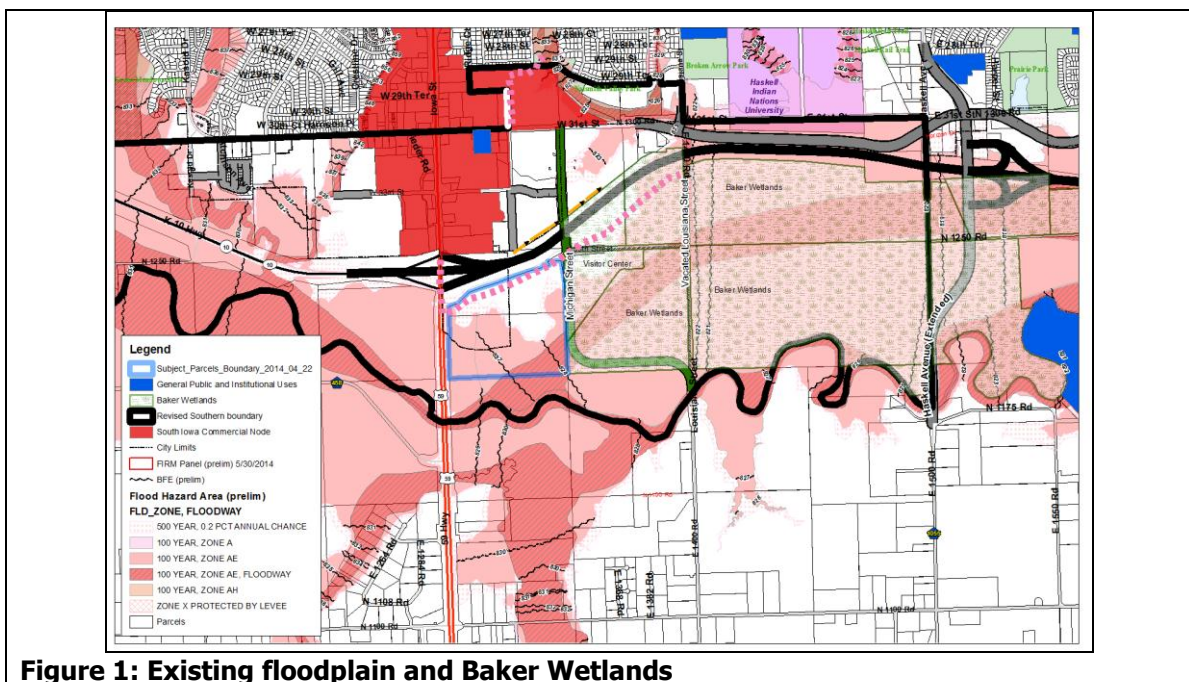


Figure 1: Existing floodplain and Baker Wetlands

Staff Finding – this area is dominated by two state highways, regulatory floodplain and the Baker Wetlands. The current character of the area south of K-10 Highway is agricultural.

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

This property is included within the plan boundary of the *Revised Southern Development Plan* adopted in June 2013 anticipating Auto-Related Commercial and residential development for the subject site.

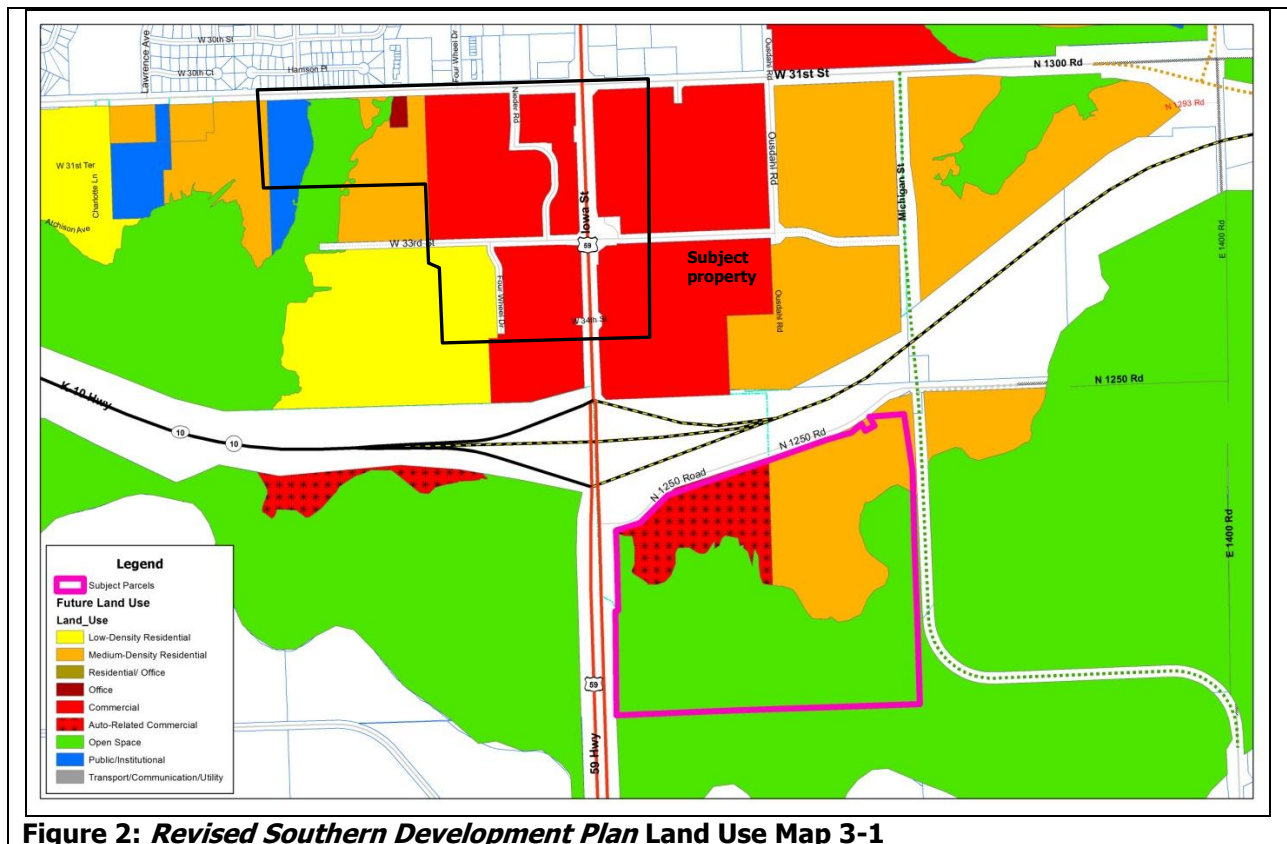


Figure 2: Revised Southern Development Plan Land Use Map 3-1

An Auto-Related commercial area is identified south of K-10 Highway along Highway 59. This use is shown to be buffered by a medium density residential use between Michigan Street on the east and Ousdahl Road (extended) on the west. This residential development included a conventional development option and a "Traditional Neighborhood Design" (TND) as shown in map 3-2 of the Plan. A copy of the plan is included in the CPA staff report for reference. These areas are encouraged to development consistent with the City's Smart Code utilizing zoning districts T3, T4, T5 and T5.5. To date, no developer had approached the City with intent to utilize the adopted Smart Code. If approved, the site would develop without any residential uses.

A majority of the land use is shown as open space. This open space corresponds with the extensive regulatory floodplain in the immediate area. Portions of the commercial request that are encumbered by the floodplain are proposed to be rezoned CR-FP in response to this existing land feature.

If CPA-14-00107 is approved the revised land use plan removes the residential uses west of Michigan Street and designates them as commercial.

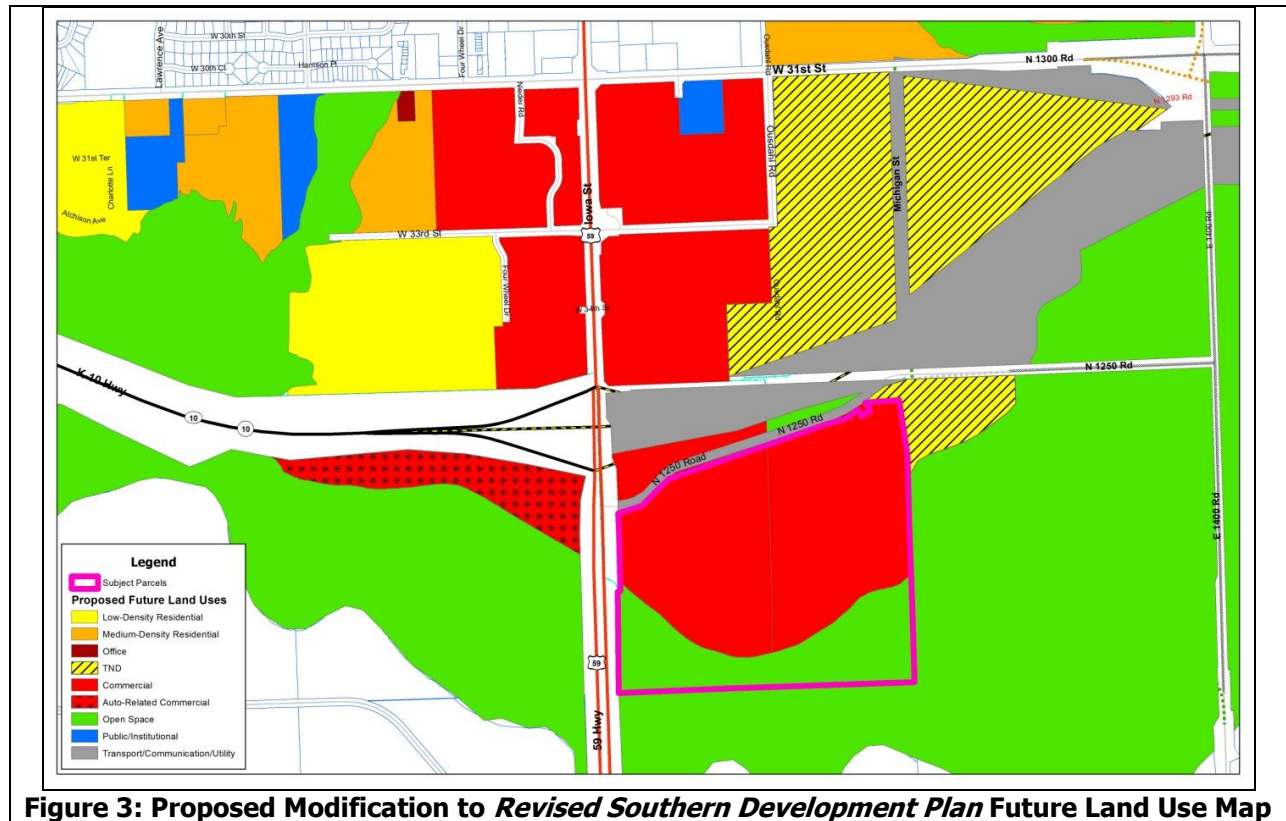


Figure 3: Proposed Modification to Revised Southern Development Plan Future Land Use Map

Staff Finding – The proposed commercial rezoning conforms with proposed land use recommendations in the *Revised Southern Development Plan* to extend the commercial use to the east. If CPA-14-00107 is not approved, then the rezoning request would not be supportable by the *Revised Southern Development Plan*.

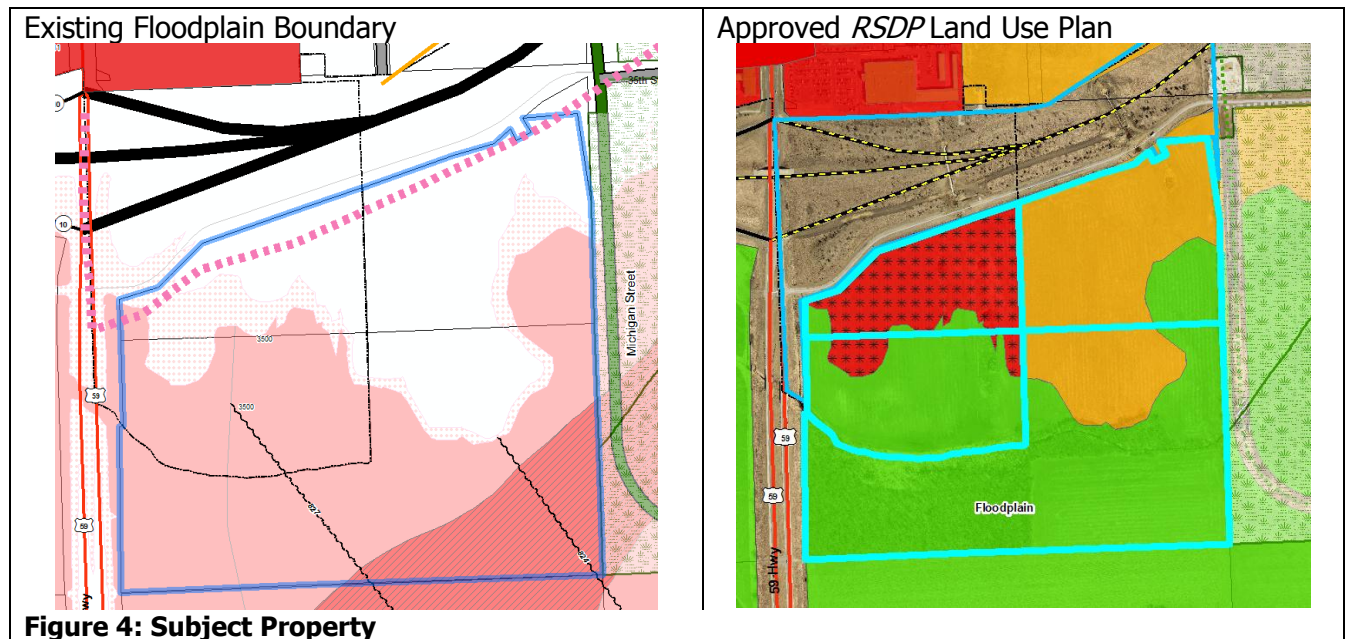
5. SUITABILITY OF SUBJECT PROPERTY FOR THE USES TO WHICH IT HAS BEEN RESTRICTED UNDER THE EXISTING ZONING REGULATIONS

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

This request includes existing RS zoning as well as property zoned A (Agricultural) District. Upon annexation, the existing A (Agricultural) County District designation will no longer be suitable for this property. The RS10 District is a remnant of a past practice to apply very low-density residential zoning automatically upon annexation as a temporary holding zone. Several significant development actions are occurring in this area including the extension and improvement of major infrastructure. The proximity and imminent completion of the highway and street network within the next two years as well as the construction of the Waste Water Treatment Plant and pump station make accessing this area with urban services feasible.

This property is located within the Lawrence Urban Growth Area and has been planned for commercial development. The proximity of the property to the highways leverages access to support this site for development.

The existing commercial boundary in the Revised Southern Development Plan follows the boundary of the floodplain and assumes no development in any portion of the regulatory floodplain.



However, the Land Development Code does allow development of a portion of the Regulatory Floodplain commonly known as the Floodway Fringe, with limitation. The FP Overlay District was specifically created to address floodplain/flood prone areas. Furthermore, it is a Code requirement that upon annexation the FP district be applied.

Since portions of this property are encumbered by regulatory floodplain **and** are being annexed after March 1, 2003, it is appropriate to zone the property as part of the Floodplain Overlay District. The boundary of the FP (Floodplain) Overlay District is established as the base flood elevation plus an area of 2' of "freeboard". For reference, floodplain terms used in this report are defined in Article 12 of the Land Development Code.

The CR district allows a variety of uses. These uses are listed in section 20-402 of the Land Development Code. Residential uses and Mining uses are the only two use groups that are fully prohibited in the CR district. A range of Community Facility, Medical Facility, Recreational Facility, Commercial and industrial Uses are allowed in the CR district. The applicant has not proposed any specific use restrictions for this CR request.

Staff Finding – Upon annexation, the existing County designation is no longer suitable. The property is suitable for the commercial zoning consistent with land use recommendations relating to changes to *Horizon 2020* and the *Revised Southern Development Plan* previously discussed. The CR District is the base-zoning district. The portion of the property encumbered by the regulatory floodplain will be zoned with the CR base district and the FP Overlay District.

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

Property Owner's Response: *"The subject property has never been developed beyond agricultural uses."*

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

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

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

7. EXTENT TO WHICH REMOVAL OF RESTRICTIONS WILL DETRIMENTALLY AFFECT NEARBY PROPERTIES

Applicant's response: *Approval of this rezoning will have negligible impact to nearby properties. This request is appropriate considering the significant transportation improvements currently under construction in this part of the City. The request will facilitate development at a scale similar to that recommended in the Revised Southern Development Plan (incorporated into H2020 as part of Chapter 14).*

This property is bounded on the north and west by highway right-of-way with limited access. The property is also bounded on the south and east by existing and proposed open space. These land uses provide a definite edge to development. Area shown on the Revised Southern Development Plan on the east side of Michigan Street (on the south side of the South Lawrence Trafficway) has been incorporated into the Baker Wetland Visitor Center and is not likely to be redeveloped in the future for a more intensive residential use. Development of the Commercial Area is unlikely to have an impact on land uses to the west and south in terms of nuisance activity. Appropriate design must be implemented at the time of subdivision and site plan to mitigate and buffer the uses as applicable.

This site is isolated by the highway and floodplain in the area. Traffic and floodplain management are two key development topics that will require additional study and review to ensure unintended impacts are not incurred by surrounding property owners, land users and the general public.

Approval of this request entitles an additional commercial area for development. There are several existing commercial areas including Mercato, Fairfield Farms, and North Massachusetts Street with commercial development approvals where development timing could be hindered by the addition of more retail area. Thus potentially underserving the area around these projects until they are developed.

This topic is also discussion in CPA-14-00107.

Staff Finding – Approval of the request entitles additional land area for commercial development. Impact on nearby properties are subject to mitigation of traffic and buffering requirements between uses. Approval of the request could hinder development of already approved commercial areas.

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

Applicant's Response: *"Approval of this request will facilitate development at this highway interchange location at a scale similar to that recommended by the comprehensive plan. Denial of the request would require the applicant and/or future applicants to seek a different mix of commercial and perhaps multi-family residential zoning."*

Evaluation of these criteria includes weighing the benefits to the public versus the benefits of the owner of the subject property. Benefits are measured based on the anticipated impacts of the rezoning request on the public health, safety and welfare.

If the rezoning request were denied, the property could remain as an agriculturally used property; however, upon annexation an applicable city-zoning district is needed. A more appropriate temporary zoning district would be UR (Urban Reserve). This district would be applicable if the Commission determines the request is premature.

If the rezoning were approved, the uses allowed change from residential/Agricultural to commercial with a wide variety of commercial uses allowed. Limiting uses could serve to create a development with specific objectives. Likewise, the Commission could recommend the addition of a PD (Planned Development Overlay) District to ensure additional scrutiny of development than what conventional zoning grants to development. This would require an additional public hearing and the submission of a development plan for consideration.

Approval of the request will facilitate development and investment along a major piece of infrastructure (South Lawrence Trafficway) at an intersection designated for commercial uses.

Staff Finding – Benefits to the community include the investment in property within existing utility, transportation and service corridors. Denial of the request would require the applicant to develop the property as an Auto-Related Commercial Center per the current *Revised Southern Development Plan*.

9. RETAIL MARKET STUDY. FOR PROPOSALS THAT WILL CREATE MORE THAN 100,000 SQUARE FEET OF RETAIL SPACE WITHIN THE CITY: THE IMPACT OF THE PROPOSED PROJECT ON THE RETAIL MARKET. STAFF WILL PROVIDE AN ANALYSIS BASED ON THE ADDITION OF THE SQUARE FOOTAGE TO THE RETAIL MARKET, VACANCY RATE TRENDS, SQUARE FOOTAGE PER CAPITA TRENDS, AND CURRENT DEMAND TRENDS, INCLUDING BUT NOT LIMITED TO POPULATION, INCOME, PULL FACTORS, AND RETAIL SALES USING THE LATEST AVAILABLE CITY-WIDE RETAIL MARKET REPORT.

Staff is providing a retail market analysis of the proposed project's impact on the retail market per Policy 3.15 in *Horizon 2020* and Section 20-1303 (g) (10) of the Land Development Code. Policy 3.15 of *Horizon 2020* requires a project specific retail market study for projects that would create 150,000 square feet or more of commercial space. Section 20-1303 (g) (10) of the Land Development Code applies to zoning applications that could create 100,000 square feet of retail space and states:

"For proposals that will create more than 100,000 square feet of retail space within the city: the impact of the proposed project on the retail market. Staff will provide an

analysis based on the addition of the square footage to the retail market, vacancy rate trends, square footage per capita trends, and current demand trends, including but not limited to population, income, pull factors, and retail sales using the latest available city-wide retail market report.”

Staff is reviewing this project for compliance with the Land Development Code, in addition to the criteria in *Horizon 2020*, based on the comprehensive plan amendment request and the rezoning request. Staff is conducting this analysis based on the most recent citywide market study completed in 2012 (<http://www.lawrenceks.org/assets/pds/planning/documents/2012Retail.pdf>), and updating the supply figures based on this request to add roughly 458,550 square feet of commercial (retail) uses.

Currently, there is a discrepancy between the requirements of the Land Development Code and those of *Horizon 2020*, specifically regarding the requirements for a retail market analysis of a proposed project. The Land Development Code was amended in 2013 to remove the requirement that an independent market study be submitted by an applicant. Instead, staff now provides the analysis based on the most recently adopted city-wide retail market study per the zoning map amendment criteria located in Section 20-1303 (g). *Horizon 2020* still contains the requirement for an independent market study to be submitted; however, staff recognizes that the language in the Land Development Code is the most current and will provide the majority of the analysis provided below based on the Land Development Code. Even though there is no longer a requirement in the Land Development Code for the applicant to submit an independent market analysis for this project, the applicant has supplied one and it is included in the packet as supplemental information. Staff has neither accepted nor rejected the independent market study submitted by the applicant.

Projected City Wide Vacancy Rate with Southpoint Retail Project				
	Total Built	Occupied	Vacant	Vacant % - City Wide
2012 City Wide Retail Market Analysis	9,105,151	8,451,929	653,222	7.2%
Southpoint Retail (458,550 sf) - 100% Vacant	9,563,701	8,451,929	1,111,772	11.6%
Southpoint Retail (458,550 sf) - 50% Vacant	9,563,701	8,681,204	882,497	9.2%
Southpoint Retail (458,550 sf) - 0% Vacant	9,563,701	8,910,479	653,222	6.8%

Table 2: Projected Vacancy Rate

Horizon 2020, Policy 3.15 (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 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." *Horizon 2020* uses a vacancy rate threshold of 8% as one factor in order to determine market health, and the most recent city-wide market study figured the city-wide vacancy rate at 7.2%, slightly higher than the 2010 vacancy rate of 7.0% and the 2006 vacancy rate of 6.7%. The addition of this project, when completed and entirely vacant, will push the city-wide vacancy rate to 11.6%. Staff has also conducted further analysis that takes into consideration other commercial projects that have received approvals, but have not been constructed to date. The table below illustrates the impact that other major projects, that have been approved, will have on the overall vacancy rate.

	Total SF	Total Occupied SF	Total Vacant SF	City-wide Vacancy Rate
Total Current Retail Inventory	9,105,151	8,451,929	653,222	7.2%
Approved Northwest corner – 6 th and K-10 Node	155,000			
Approved Northeast corner- 6th and K-10 Node (Mercato)	359,640			
Fairfield Farms	200,000			
North Mass	217,337			
31 st & Ousdahl – Phase I (Menards)	189,988	189,988		
31 st & Ousdahl – Phase II	65,340			
Total (without Southpoint) - 100% Vacant	10,292,456	8,641,917	1,650,539	16.0%
Total (without Southpoint) - 0% Vacant	10,292,456	9,639,234	653,222	6.3%
Southpoint	458,550			
Total with Southpoint project - All projects 100% Vacant	10,751,006	8,641,917	2,109,089	19.6%
Total with Southpoint project- Only Southpoint 100% Vacant	10,751,006	9,639,234	1,111,772	10.3%
Total with Southpoint project- All projects 0% Vacant	10,751,006	10,097,784	653,222	6.1%

Table 3: Retail Inventory

*This figure is taken from the project's market study and includes space that may not be truly retail in nature.

**Menards has the majority of the necessary planning approvals and has submitted a building permit application, the square footage for the Menards store is being considered occupied for this analysis.

If all approved commercial space that has been approved were constructed and vacant, the city-wide vacancy rate would rise to 19.6%. If all approved commercial spaces that have been approved were to be constructed but occupied, except for the subject of this request (Souhtpoint), the city-wide vacancy rate would be 10.3%.

While the market study shows that the project, upon completion and vacant, will push the city-wide vacancy rate above 8%, this figure alone is not an adequate representation of the impact of this development. This figure is computed by assuming that the project will either be entirely vacant upon completion, or that it will cause the same amount of space to become vacant in other areas of town. While new commercial development can lead to vacancies in other parts of town, the current economic conditions have all but halted speculative commercial building in Lawrence. The current development trend is that buildings are built with known users or committed tenants, and therefore, it is unlikely that the space will be vacant upon completion. In addition, this request for additional retail square footage is being made with understanding that the majority of the space is already leased to retailers. The applicant has identified some of

the proposed retail tenants, and has indicated that three unidentified retailers are currently in the Lawrence market and plan to relocate from their existing space to the new retail center. While this will certainly cause vacancy in other parts of Lawrence, the city has seen vacant retail spaces redevelop in multiple locations when this situation arises.

In staff's opinion, the Lawrence retail market has remained healthy for the last 10 years because of the minimal fluctuation in the retail vacancy rate, and therefore, this project and the relocation of three existing tenants in the market should have minimal impact on the market as a whole.

Demand Factor Analysis	Avg. Annual % Change Population	Avg. Annual % Change Sales Tax	Avg. Annual % Change Income
Avg. Annual Change 2006-2011	0.8%	-1.1%	-0.9%
Avg. Annual Change 2000-2005	2.1%	0.2%	0.7%
Avg. Annual Change 1995-2000	1.8%	1.7%	3.7%
Avg. Annual Change 1990-1995	2.4%	3.7%	1.8%

Table 4: Demand Factor

Demand factors such as income, employment, and population need to be taken into account as well when looking at the overall impact of this project on the market as a whole. The 2012 Retail Market Report identified that 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.

Average Annual Retail Square Footage Trend	
Avg. Annual 2006-2012 Change	4.3%

On the supply side of the market, retail stock has shown an average annual increase of 4.3% from 2006-2012. While demand may not have risen with supply, the relatively stable vacancy rates and positive pull factor (discussed below) signal that the market is relatively healthy.

Retail Space per capita			
	Total SF	Population	SF per capita
2012 City Wide RMS	9,105,151	93,944	97
Approved Northwest corner – 6 th and K-10 Node	155,000		
Approved Northeast corner- 6th and K-10 Node (Mercato)	359,640		
Fairfield Farms	200,000		
North Mass	217,337		
31 st & Ousdahl – Phase I (Menards)	189,988		
31 st & Ousdahl – Phase II	65,340		
Total of all approved projects without Southpoint	10,292,456	93,944	110
Southpoint	458,550		
Total of all approved projects with Southpoint	10,751,006	93,944	114
Total of 2012 City Wide RMS plus Menards with Southpoint (but not all approved projects)	9,753,689	93,944	104

Table 5: Retail Space Per Capita

With the 2012 Retail Market Report, in Lawrence there were approximately 97 square feet of retail space per capita in 2012. With the addition of this project's square footage to the market, as well as the addition of the Menards store's square footage since they have started construction, there would be approximately 104 square feet of retail space per capita. However, this analysis does not take into consideration any of the other approved commercial development. If all approved projects were added, there would be 110 square feet of retail space per capita and if the Southpoint project were added on top of that, that figure would rise to 114 square feet per capita. By the time the project is fully constructed and occupied in 2016, population will have grown (using our average annual growth rate,) to around 96,000 people, which would result in 102 square feet of retail space per capita, not including other approved projects. Staff does not view the addition of this retail space as having a significant impact on the retail market in terms of square feet per capita.

Lawrence Trade Pull Factors and Trade Capture Area Figures						
	Collections	Per Capita	Pull Factor	Trade Area Capture	% of County Sales	Population[1]
FY 2013	81,747,115	\$913	1.07	95,424	92.90%	89,512
FY 2012	\$79,524,295	\$896	1.07	94,639	93.00%	88,727
FY 2011	\$74,699,896	\$852	1.07	93,560	92.80%	87,643
FY 2010	\$61,696,381	\$674	1.02	93,630	92.40%	91,611
FY 2009	\$67,723,146	\$696	0.99	89,630	92.30%	90,083
FY 2008	\$63,864,019	\$714	0.99	88,638	92.50%	89,415
FY 2007	\$61,894,678	\$702	1.02	89,985	92.40%	88,168
FY 2006	\$60,892,108	\$748	1.12	90,982	91.30%	81,379
FY 2005	\$58,300,971	\$716	1.11	90,058	90.90%	81,417

Table 6: Pull Factors

Also important is an analysis of “pull factors,” or a measure of local commerce based on a comparison of local spending to the state as a whole. A pull factor above 1.00 indicates that a community attracts retail sales, while a factor below 1.00 indicates that the community is losing retail sales to outside areas. The Kansas Department of Revenue issues pull factor reports for all of Kansas. The most recent, issued in early 2014, states that Lawrence’s pull factor was 1.07 in 2013, which has held steady at 1.07 since 2011. The marked increase in the City’s pull factor these last three years now means that the City is attracting retail sales to the community.

In staff’s opinion, proposals to add retail space should be carefully scrutinized with respect to the indicators above. The proposed additional retail square footage at this node has a focus of drawing local and non-local visitors by providing retail space that offers more choices and types of retail than currently exist in the market. Even though this project could push the vacancy rate above the 8% threshold identified in the comprehensive plan, it is unlikely that this development will be speculative in nature. The current economic conditions are showing a trend that buildings are built with committed tenants. In addition, the vacancy rate has remained steady since 2006, signaling a healthy retail market. The community has also been attracting retail sales in the last three years, and this development could serve to increase that attraction, thereby increasing the pull factor.

One challenge with this proposal is that the designation of this area for this amount of retail square footage may cause other identified, undeveloped commercial nodes (6th and SLT, Fairfield Farms, etc.) to delay development. Demand has not increased at the same rate that supply has increased; however, the stable vacancy rate and positive pull factor indicate a healthy retail market.

Retail Market Analysis Finding: Considering all factors noted above, this proposal should not have a detrimental impact on the health of the community’s retail market.

PROFESSIONAL STAFF RECOMMENDATION

The focus of this report is the specific land use request for CR zoning. This application was made with a concept plan for a specific development pattern that includes a mix of retail uses and pad site development along the south side of K-10 Highway.

The timing of this development is intended to coincide with the completion of the highways, street network and utility infrastructure improvements actively being made in the area.

As discussed above, a portion of this property is encumbered by the regulatory floodplain. The FP (Floodplain Overlay) District will be applied to a portion of this property. The impact of this zoning designation is that:

1. A local floodplain development permit is required for development of the site. Such permit is typically submitted concurrently with a site plan or applicable development plan.
2. New development requires an approved Hydrologic and Hydraulic Study at the time of platting demonstrating there will be no rise in the Base Flood Elevation and no increase in the flood velocities at any point resulting from the proposed development.
3. Fill may not be placed in a setback.
4. Structural design of buildings and improvements must meet minimum flood proofing standards, including elevating 1' above the base flood elevation.
5. Exterior storage of material is required to be adequately flood proofed including being raised 1' above Base Flood Elevation.
6. Maximum impervious surface cover within the FP District is 60%.

A study has not yet been submitted but is anticipated with a preliminary plat and site plan for this property pending approval of the annexation and rezoning applications.

The Land Development Code provides certain design standards such as buffer yards, landscaping, limitation on impervious surface coverage, building and parking lot setbacks as they apply to the base district, overlay districts and commercial design standards.

Additionally, Section 20-307 of the Land Development Code requires certain design considerations for development adjacent to the SLT/K-10 Transportation Corridor. This boundary extends 500' on either side of the centerline of the trafficway and requires additional setback and landscaping, which will be employed at platting and site planning phases of development.

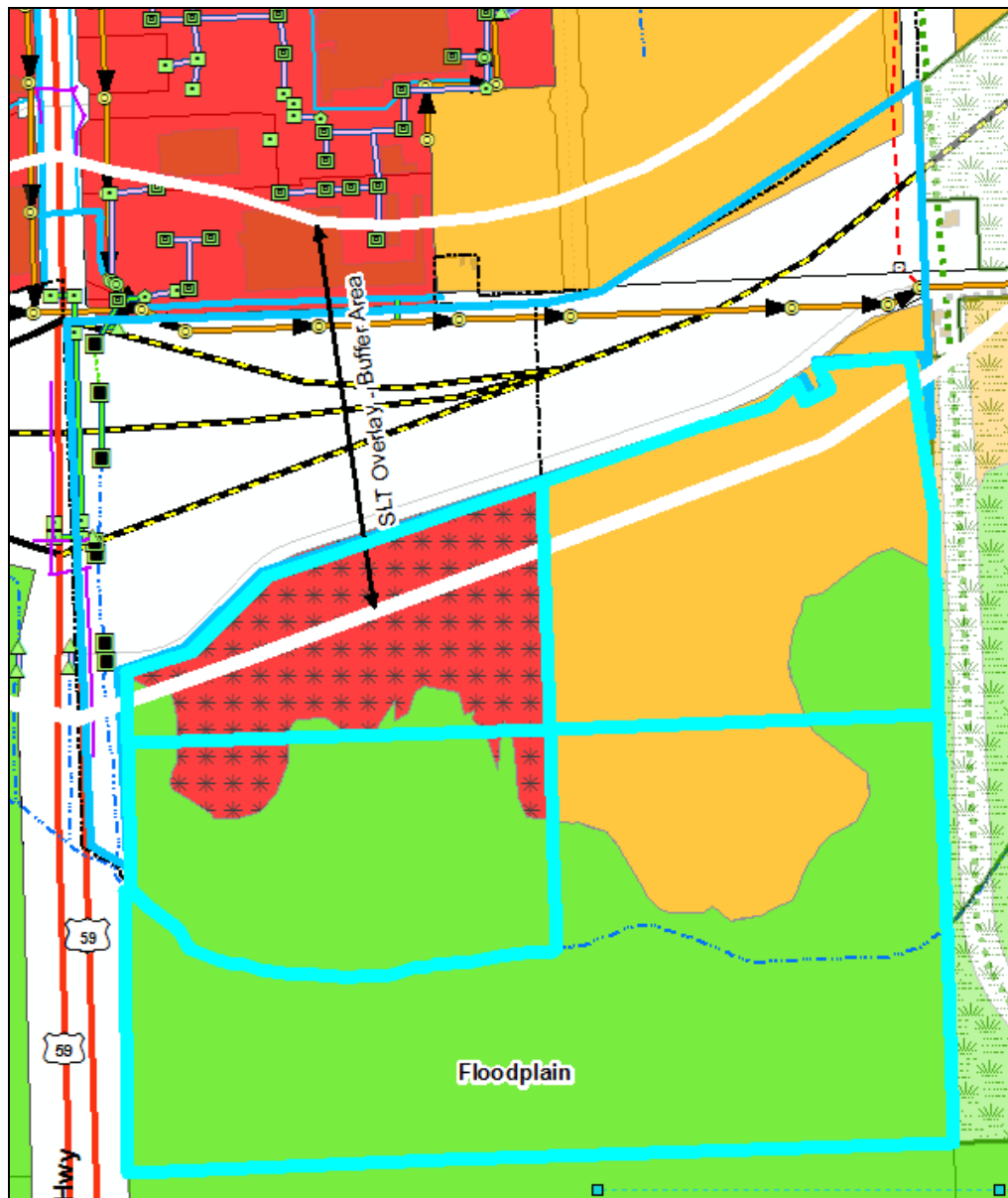


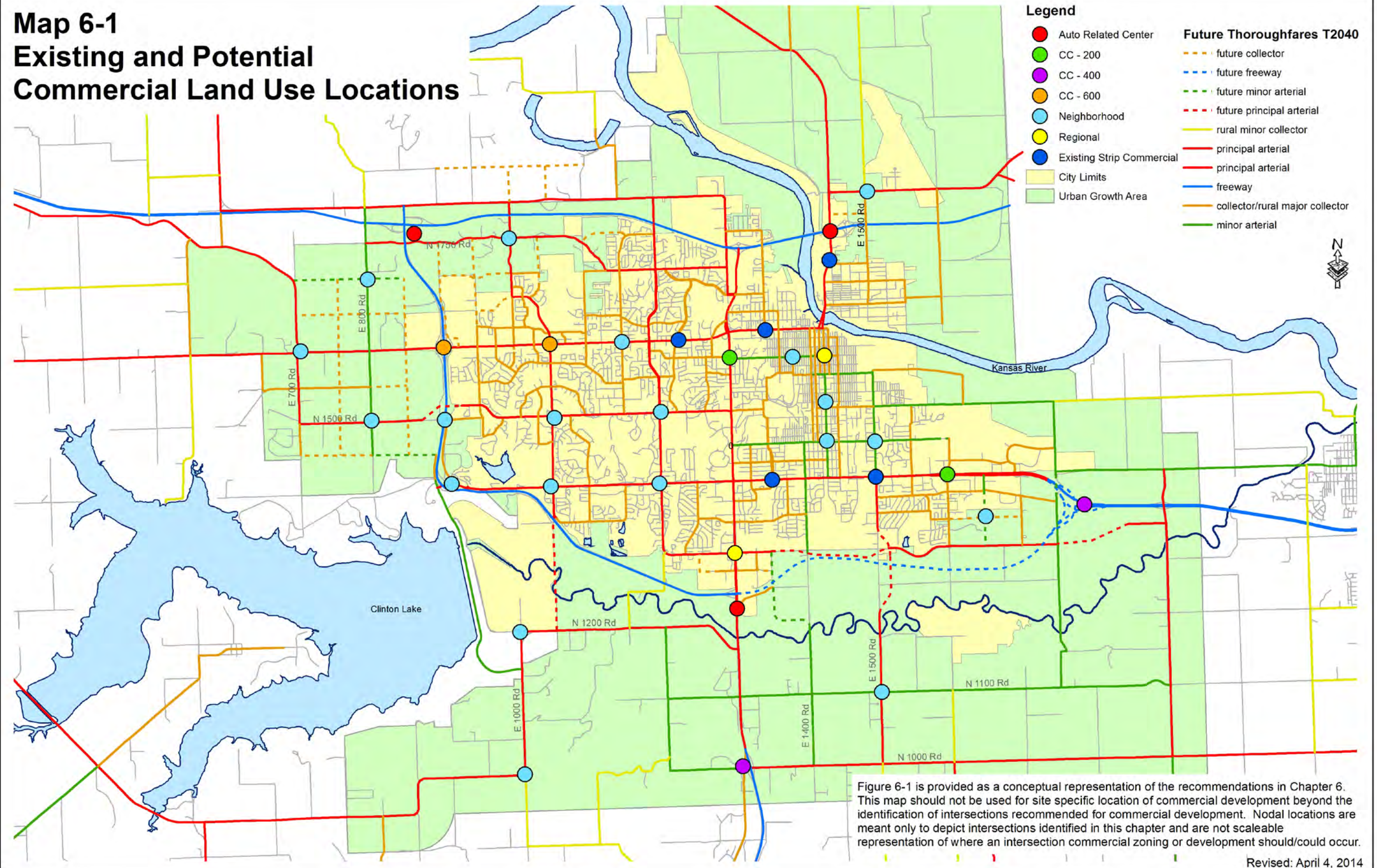
Figure 5: SLT/T-10 Transportation Corridor Overlay District

A number of existing design and development standards will be applicable to this property as it develops. Staff recommends approval of the proposed CR and CR-FP zoning.

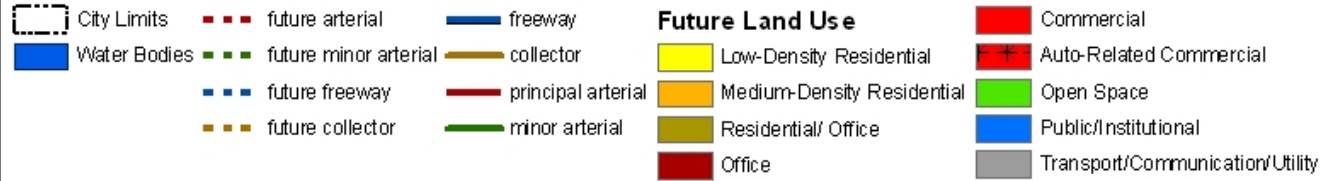
CONCLUSION

If CPA -14-00107 is found to be appropriate, then the findings in this report support the requested rezoning if CPA-14-00107 is not found approved then it would be appropriate to consider a reduced area for commercial development and consider use restrictions for this district consistent with an Auto-Related Commercial Center uses.

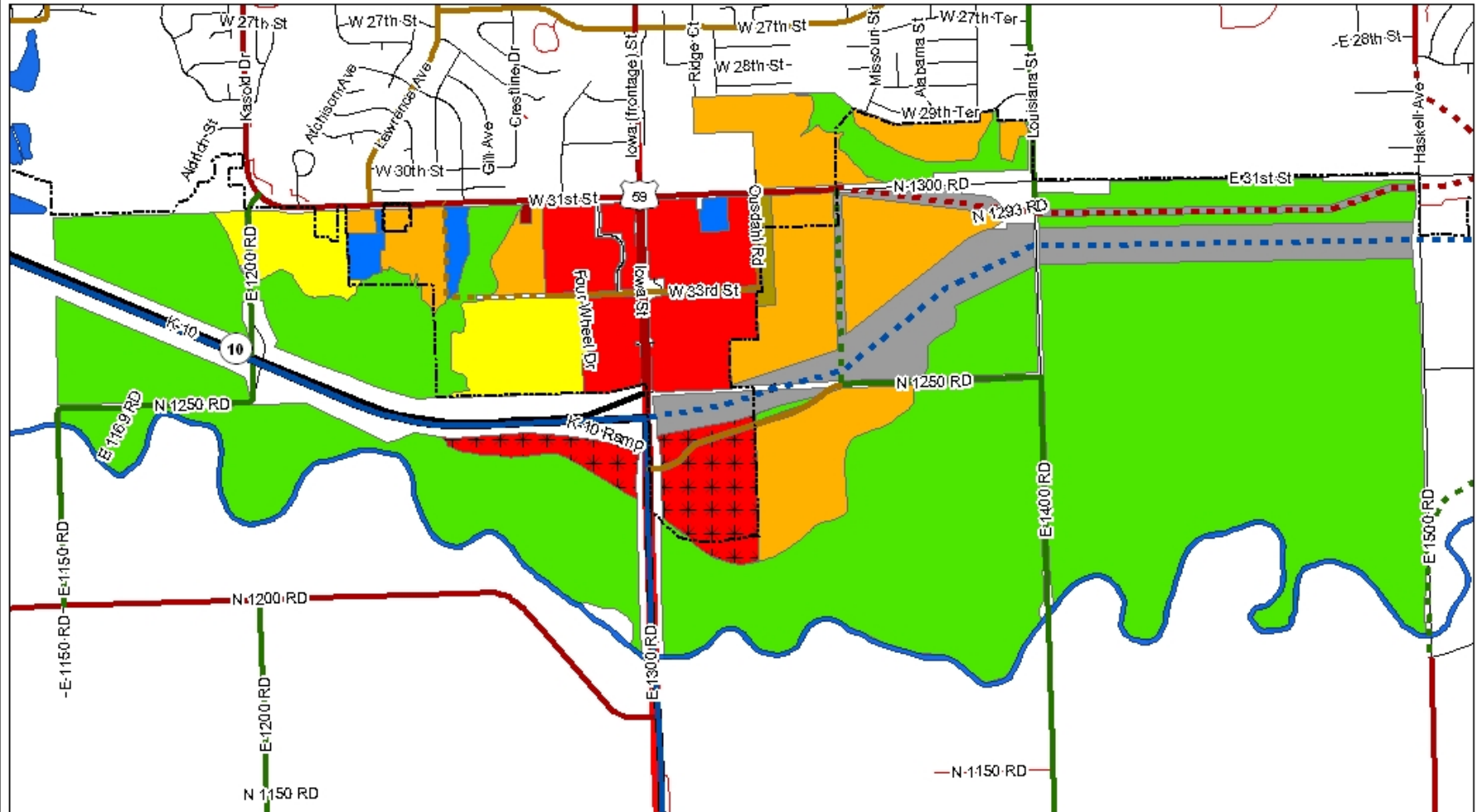
Map 6-1 Existing and Potential Commercial Land Use Locations



Legend

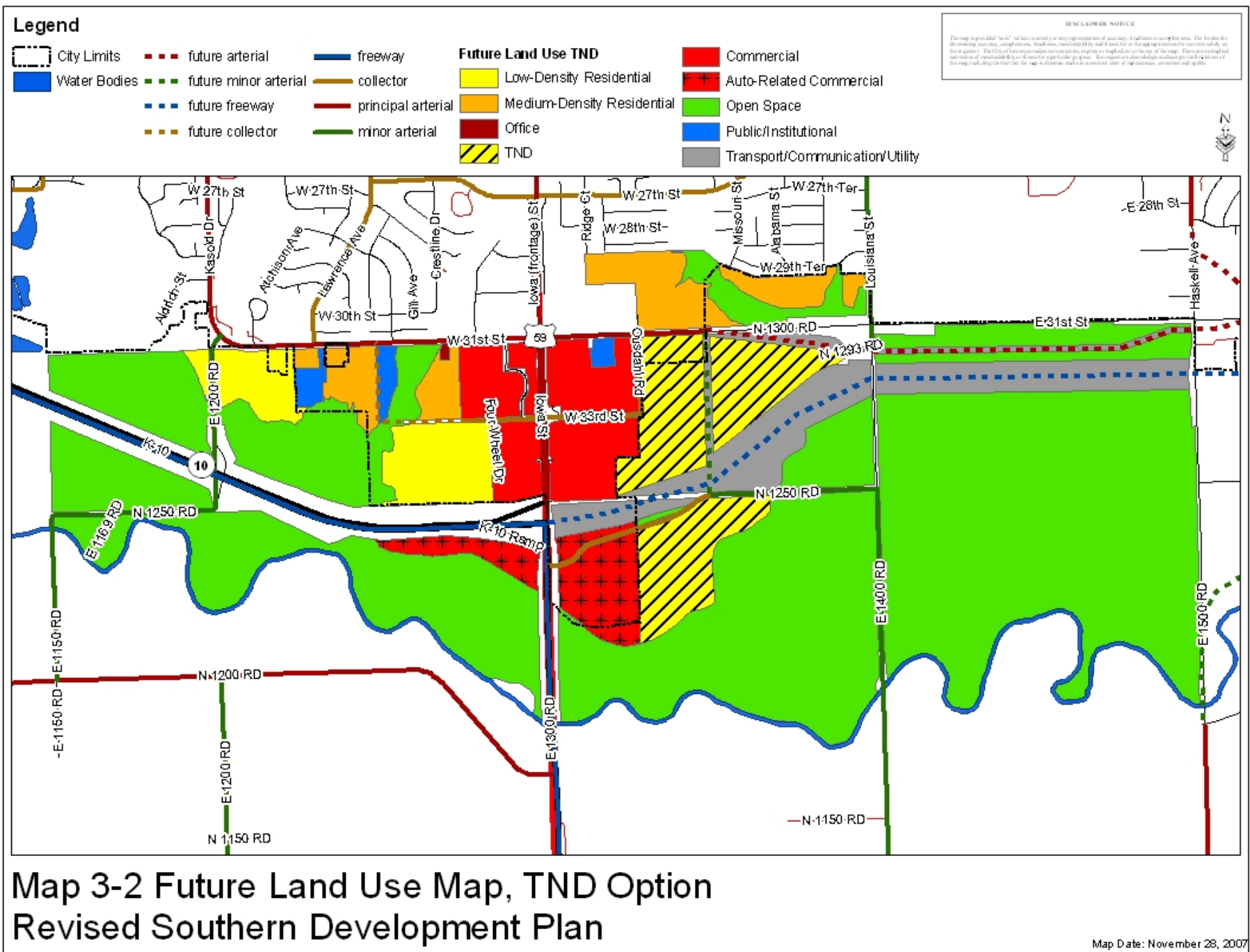


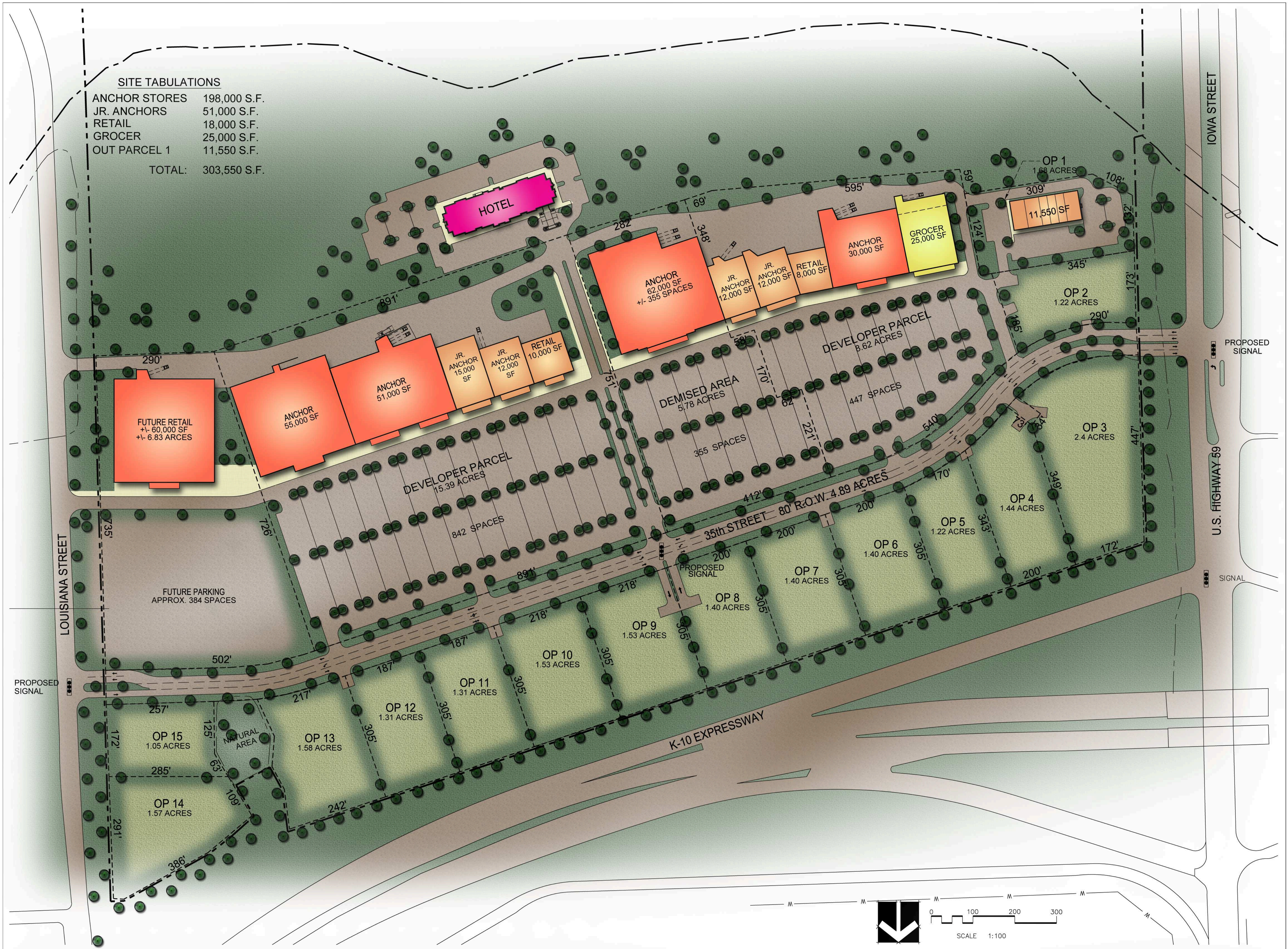
DISCLAIMER NOTICE
 The map is provided "as is" without warranty or any representation of accuracy, completeness or timeliness. The City of Southern Development Plan, Inc. is not responsible for any errors or omissions, or for any consequences arising from the use of the map. The City of Southern Development Plan, Inc. is not responsible for any errors or omissions, or for any consequences arising from the use of the map. The City of Southern Development Plan, Inc. is not responsible for any errors or omissions, or for any consequences arising from the use of the map.



Map 3-1 Future Land Use Map
Revised Southern Development Plan

Map Date: November 28, 2007





SITE TABULATIONS

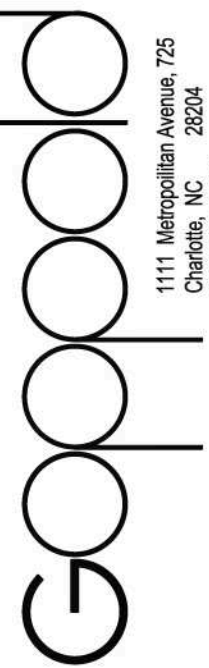
ANCHOR STORES	198,000 S.F.
JR. ANCHORS	51,000 S.F.
RETAIL	18,000 S.F.
GROCER	25,000 S.F.
OUT PARCEL 1	11,550 S.F.
TOTAL:	303,550 S.F.



SOONER
INVESTMENT

Commercial and Investment Real Estate
2301 West I-44 Service R. Suite 100 Oklahoma City, OK 73112
(405)842-0456 Fax (405)840-2386

architecture



1111 Metropolitan Avenue, 725
704.534.2787
goppoldarchitecture.com

THIS DRAWING AND THE DESIGN SHOWN ARE THE PROPERTY OF GOPPOLD ARCHITECTURE PC. THE REPRODUCTION, COPYING OR OTHER USE OF THIS DRAWING WITHOUT THEIR WRITTEN CONSENT IS PROHIBITED AND SUBJECT TO LEGAL ACTION.

© Goppold Architecture 2014

LAWRENCE, KANSAS

SCHEMATIC SITE PLAN

REV	DATE
-----	------

PROJECT NO.
13.001.00

DATE
05-01-14

SHEET
LP-1

20-201 THE DISTRICTS**(a) Base Districts**

The **Zoning Districts** presented in this chapter are referred to as “**Base Districts**” because they establish the basic zoning regulations that apply to all properties classified in, or shown on, the Official **Zoning District Map** as in that **Zoning District**. All land in the City has a **Base District** classification. **Base District** regulations control the types of uses allowed and the way in which uses and **Buildings** may be developed on a site. The **Base District** regulations are the default regulations—they always control unless expressly overridden by or pursuant to any applicable **Overlay Zoning District** regulations.

(b) Districts Established

The following **Base Districts** are included in this Development Code. The **Base Districts** established by this Development Code are intended to be applied in accordance with the **Comprehensive Plan**.

District Name	Map Symbol	Corresponding Comprehensive Plan Designation
RS, Single-Dwelling Residential Districts [square feet per Dwelling Unit]:		
Single-Dwelling Residential–40,000 sq. feet	RS40	Very Low-Density
Single-Dwelling Residential–20,000 sq. feet	RS20	Low-Density
Single-Dwelling Residential–10,000 sq. feet	RS10	Low-Density
Single-Dwelling Residential–7,000 sq. feet	RS7	Low-Density
Single-Dwelling Residential–5,000 sq. feet	RS5	Low- or Medium-Density
Single-Dwelling Residential–3,000 sq. feet	RS3	Medium-Density
RSO, Single-Dwelling Residential-Office District [square feet per Dwelling Unit]:		
Single-Dwelling Residential-Office -- 2,500 sq. feet.	RSO	Low or Medium-Density
RM, Multi-Dwelling Residential Districts [Dwelling Units per acre]:		
Multi-Dwelling Residential– 12 d.u. per acre	RM12/ RM12D	Medium-Density
Multi-Dwelling Residential -- 15 d.u. per acre	RM15	Medium-Density
Multi-Dwelling Residential– 24 d.u. per acre	RM24	High-Density
Multi-Dwelling Residential– 32 d.u. per acre	RM32	High-Density
RMG, Multi-Dwelling Residential-Greek Housing District:		
Multi-Dwelling Residential-Greek Housing	RMG	High-Density
RMO, Multi-Dwelling Residential-Office District [Dwelling Units per acre]:		
Multi-Dwelling Residential-Office–22 d.u. / acre	RMO	High-Density
C, Commercial Districts:		
Inner Neighborhood Commercial	CN1	NA
Office Commercial	CO	Office or Office/Research
Neighborhood Shopping Center	CN2	Neighborhood Commercial Center
Downtown Commercial	CD	Regional Commercial Center
Community Commercial	CC	Community Commercial Centers
Regional Commercial	CR	Regional Commercial Center
Strip Commercial	CS	NA

Use Group Table Per Section 20-402

<p>The following Use Groups are permitted in the CR District except as shown with a strike through.</p> <p>There are no proposed use restrictions by the applicant or staff for this application.</p>	
Use Groups	
RESIDENTIAL USE GROUP	
Household Living	
Group Living	
Not permitted in the CR district with the exception of Group Homes approved with a Special Use Permit.	
PUBLIC AND CIVIC USE GROUP	
Community Facilities	
Cemetery	
College/University	
Cultural Center/ Library	
Day Care Center	
Day Care Home Class A	
Day Care Home Class B	
Detention Facility	
Lodge, Fraternal and Civic Assembly	
Postal and Parcel Service	
Public Safety	
School	
Funeral and Internment	
Temporary Shelter (SUP)	
Social Service Agency	
Community Meal Program (SUP)	
Utility Minor (P or SUP)	
Utility Major (SUP)	
Medical Facilities	
Community Mental Health Facility	
Extended Care Facility, General	
Extended Care Facility, Limited	
Health Care Office/ Clinic	
Hospital	
Outpatient Care Facility	
Recreational Facilities	
Active Recreation	
Entertainment & Spectator sports, General	
Entertainment & spectator sports, Limited	
Participant Sports & Recreation, Indoor	
Participant Sports & Recreation, Outdoor	
Passive Recreation	
Nature Preserve/Undeveloped	
Passive Recreation	
Religious Assembly	
Campus or community Institution	
Neighborhood Institution	
COMMERCIAL USE GROUP	
Animal Services	
Kennel	
Live Stock Sale (SUP)	
Sales and Grooming	
Veterinary	
Eating and Drinking Establishments	
Accessory Bar	

Accessory Restaurant
Bar or Lounge
Brewpub
Fast Order Food
Fast Order food, Drive-In
Nightclub
Private Dining Establishments
Restaurant Quality
Office
Administrative and Professional
Financial, insurance & real Estate
Other
Parking Facilities
Accessory
Commercial
Retail Sales and Service
Building Maintenance
Business equipment
Business support
Construction Sales and Service
Food and Beverage
Mixed Media Store
Personal Convenience
Personal Improvement
Repair Service, Consumer
Retail Sales, General
Retail Establishment, Large
Retail Establishment, Medium
Retail Establishment, Specialty
Sexually Oriented Businesses
Sexually Oriented Media Store
Physical Sexually Oriented Business
Sex Shop
Sexually Oriented Theater
Transient Accommodations
Bed and Breakfast
Campground
Hotel, Motel, Extended Stay
Vehicle Sales & Service
Cleaning (Car Wash)
Fleet Storage
Gas and Fuels Sales
Truck Stop
Heavy Equipment Repair
Heavy Equipment Sales/Rental
Inoperable Vehicles Storage
Light Equipment Repair
Light Equipment Sales/Rental
RV and Boats Storage
INDUSTRIAL USE GROUP
Industrial Facilities
Explosive Storage
Industrial General
Industrial Intensive
Laundry Service
Manufacturing & Production, Limited (SUP)
Manufacturing & Production, Technical
Research Service
Scrap and Salvage Operation
Wholesale, Storage & Distribution

Use Group Table Per Section 20-402

Exterior Storage (Accessory)
Heavy (SUP)
Light
Mini-Warehouse
OTHER USE GROUP
Adaptive Reuse
Designated Historic Property
Greek Housing Unit
Agricultural
Agricultural Sales
Agricultural, Animal
Agriculture, Crop
Communications Facilities
Amateur & receive only antennas (Accessory)
Broadcasting Tower
Communications Service Establishment
Telecommunication antenna (Accessory)
Telecommunications Tower (SUP)
Satellite Dish (Accessory)
Mining
Mining Not permitted in the CR district
Recycling Facilities
Large collection
Small Collection

Mitigation Plans for Baker Wetlands

KDOT worked with the USACoE, FHWA, Baker University, and the public to develop wetland mitigation plans for this area. The mitigation agreement includes:

- More wetlands will be created. To replace approximately 58 acres of wetlands and habitat impacted, the state will create or restore 317 acres.
- Habitat restored. 37 acres of Upland Prairie and 16 acres of Riparian Habitats will be preserved, restored or created.
- Enhanced educational facilities. A wetland education and research center will be built dedicated to studying the role of wetlands in the environment. The facility will be run by Baker University.
- Enhanced access.
- Hike and bike trails from Iowa Street to Haskell Avenue.
- Camp site for educational use and parking areas within mitigation area.
- Preservation of the Baker Wetlands for future generations. To assist Baker University in its role as steward of the wetlands, the state will provide an endowment to cover the maintenance, operations and administration of wetlands enhancements.
- Provide a single transportation corridor through a sensitive area. 31st Street will be located closer to the South Lawrence Trafficway to reduce noise and light impacts in the Haskell Wetlands.
- Reduce noise and light impacts. Haskell Avenue and Louisiana Avenue will be relocated farther from the original Baker Wetlands.
- Noise walls will be constructed through the wetlands to minimize freeway noise impacts.
- Additional measures include:
 - A narrower median (46' wide) will be used through the wetlands (vs. a typical 60' wide median).
 - Limits on highway lighting through the wetlands.
 - No disturbance of the east-west historic berm (just south of existing 31st Street).
 - No grubbing in the wetlands.
 - Special construction procedures to minimize disturbance of existing soils in the wetlands.
 - All highway runoff will be diverted away from the wetlands.

Economic Benefits

This six-mile, four-lane freeway is projected to have a regional economic benefit of \$3.7 billion, the greatest of any project under the T-WORKS program. KDOT determines economic benefit through use of a computer-modeling tool called TREDIS, which analyzes transportation benefits, including:

- Congestion relief
- Travel time savings
- Market access expansion
- Safety impacts
- Contingent development
- New population markets

The completion of the South Lawrence Trafficway represents the “final piece” in an otherwise efficient transportation system serving Douglas, Johnson and Shawnee counties, and an important step toward improving safety, reducing congestion, and supporting regional industry.

CONTACT INFORMATION

Kimberly Qualls
NE Kansas KDOT Public Affairs Manager
785.296.3881
kqualls@ksdot.org

For additional information on the SLT visit www.ksdot.org/TWORKS



South Lawrence Trafficway



moving forward

Fall 2012

BY THE NUMBERS

- Location – Complete K-10 from South Junction of US 59/K-10 to East K-10
- Cost – \$150 Million Construction Cost Length – 6 Miles
- Economic Impact – \$3.7 Billion Benefit to the Kansas Economy
- Fall 2013 Begin Construction
- Fall 2016 Open to Traffic

As part of the 2010 T-WORKS transportation program, the South Lawrence Trafficway (SLT) was identified as the number one priority for the state of Kansas and has the highest economic benefit of all the projects in the T-WORKS program. After years of study, the SLT is moving forward.

K-10 and I-70 are vital links for the state - connecting Manhattan, Topeka, Lawrence and Johnson County. These corridors are paramount in supporting commerce, education and culture.



Study Goals

During the years of study, Kansas Department of Transportation (KDOT) examined in detail, twelve different alignment options including the option of doing nothing (“no build”). The detailed reviews evaluated each of the alternatives based on:

- Safety — projected crash rates
- Efficiency — congestion relief, volume of traffic diverted from city streets, length of alignment
- Environmental impacts — farmland impacts, visual and noise impacts, wetland impacts, cultural and historic

resource impacts (avoidance, minimization, and mitigation for impacts taken into account)

- Cost — construction, operation, and maintenance costs (“reasonable expenditure of public funds”)

Based on these criteria, two federal agencies, the Federal Highway Administration (FHWA) and the U.S. Army Corps of Engineers (USACoE) approved the preferred “32nd Street” alignment, which is shown above and in greater detail inside this brochure.

South Lawrence Trafficway Map

1. Complete diamond interchange at Iowa Street

2. Shared use path along north side of K-10

3. Relocate Louisiana Street south of 31st Street

4. Remove existing Louisiana Street

5. Relocated Louisiana Street goes over K-10

6. Relocated New Louisiana Street ties into existing Louisiana Street

7. Relocate Louisiana Street north of 31st Street, connects eastern sidewalk into new shared use path (under 31st Street and under K-10)

8. Remove existing 31st Street

9. Relocate 31st Street

10. Shared use path

11. Noise Walls (S. side of SLT and between SLT and relocated 31st Street)
12. Bridge over historic berm

13. Folded diamond interchange at Haskell Avenue

14. Eradicate existing Haskell Avenue

15. Relocate Haskell Avenue

16. K-10 over O'Connell Road

17. City 31st Street construction project/potential county 31st Street project

18. Fully directional interchange

19. K-10 over relocated E. 31st Street

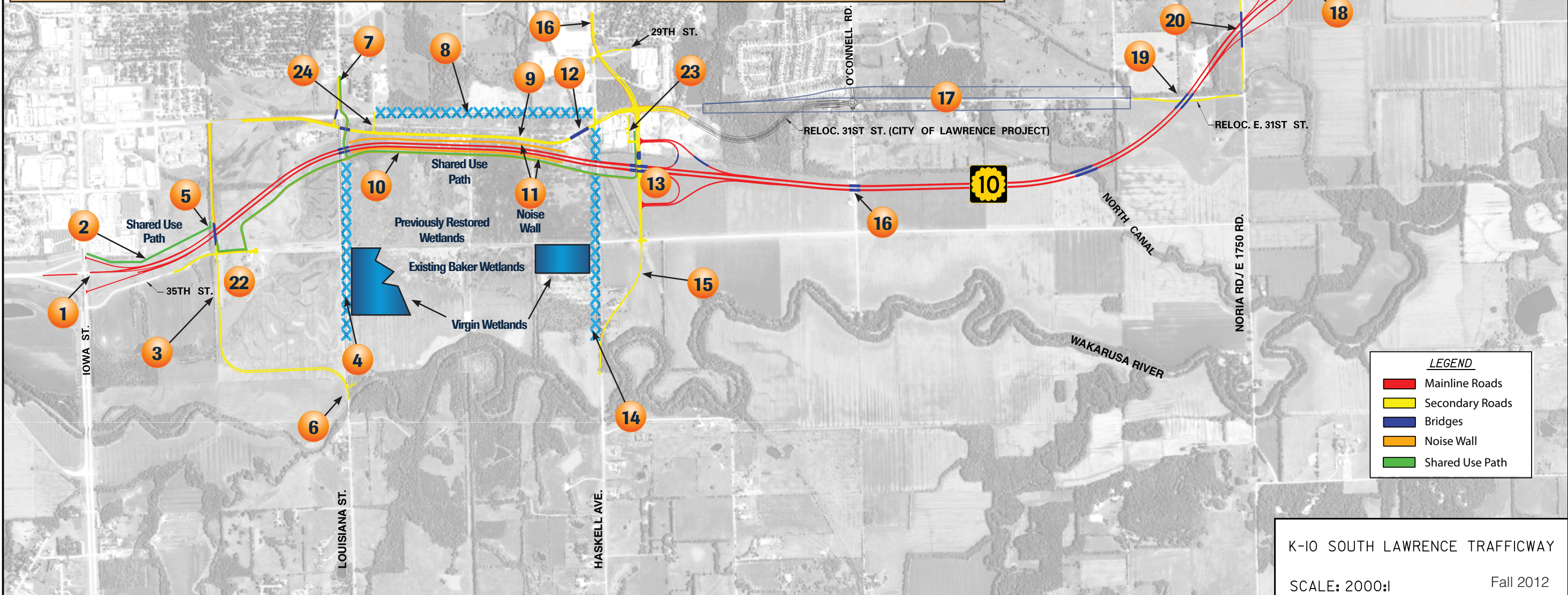
20. Noria Road/E. 1750 Road over K-10

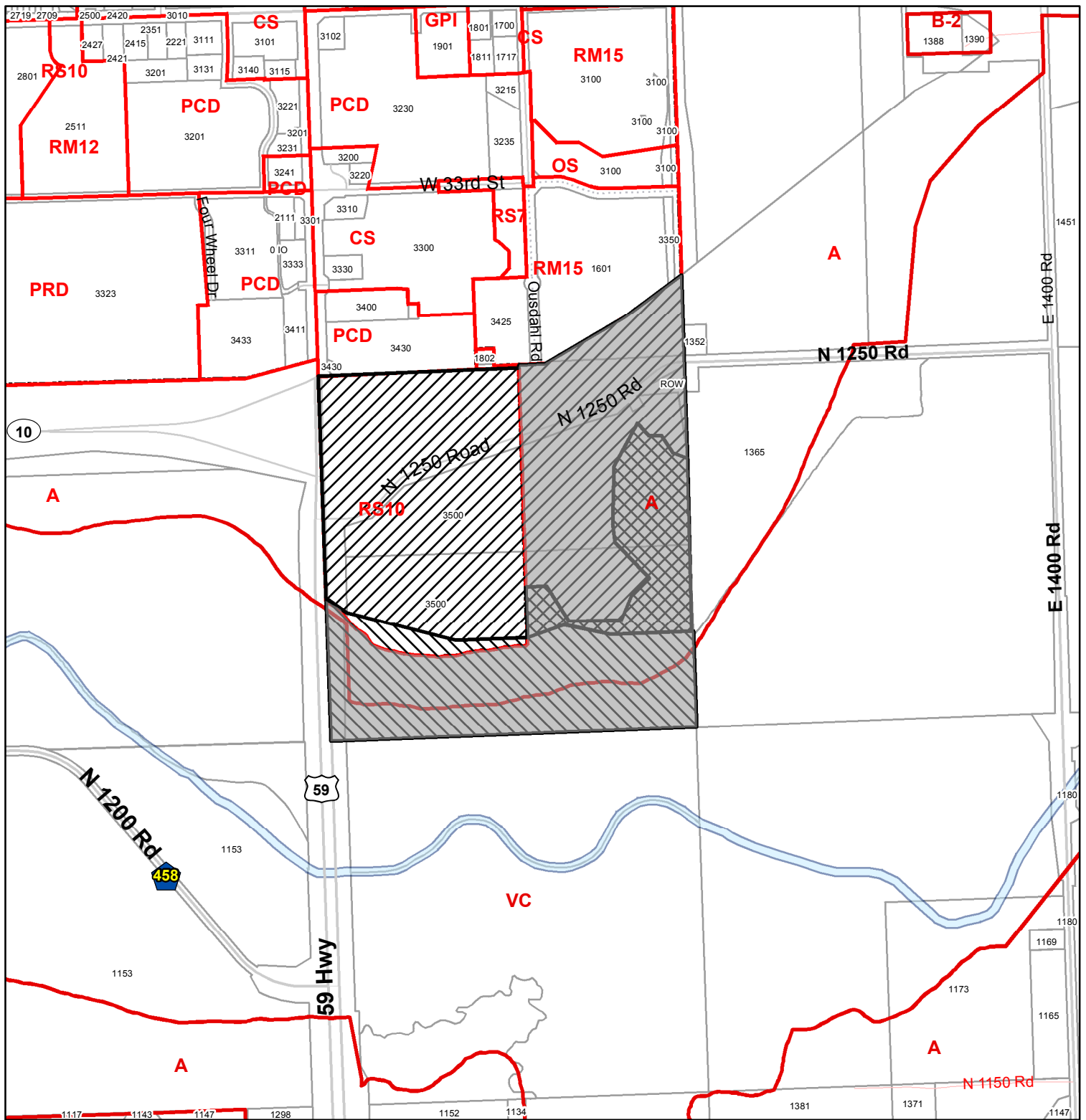
21. Noria Road/E. 1750 Road over 23rd Street

22. Wetlands education and research facility

23. Horizon Frontage Road

24. Firehouse entrance





A-14-00104: Annex approximately 102.64 acres

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

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

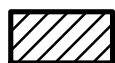
Located at Southeast Corner of US 59 Highway (Iowa Street) & East Leg of K 10 Highway



A-14-00104



Z-14-00105: A to CR-FP



Z-14-00105: RS10 & A to CR



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



Memorandum

City of Lawrence / Douglas County

Planning and Development Services

TO: Planning Commission

FROM: Jeff Crick, AICP, Planner II

CC: Scott McCullough, Planning and Development Services Director

Date: For the July 21, 2014 Planning Commission Meeting

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

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

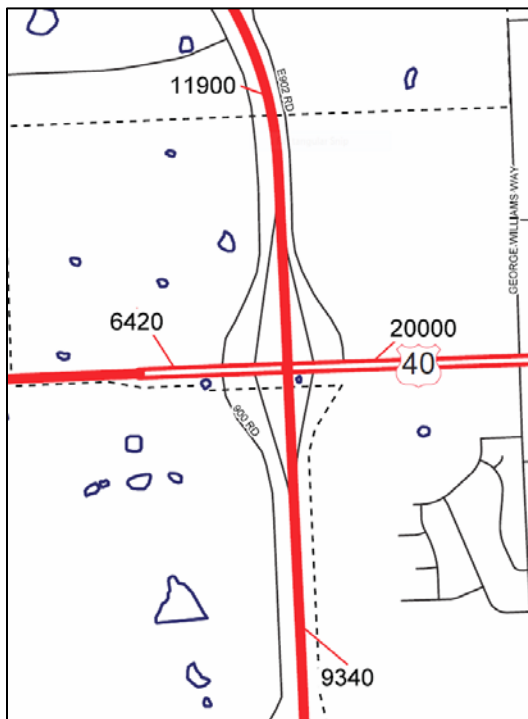


Figure 1: KDOT Traffic Counts (2013) for 6th St. at K-10

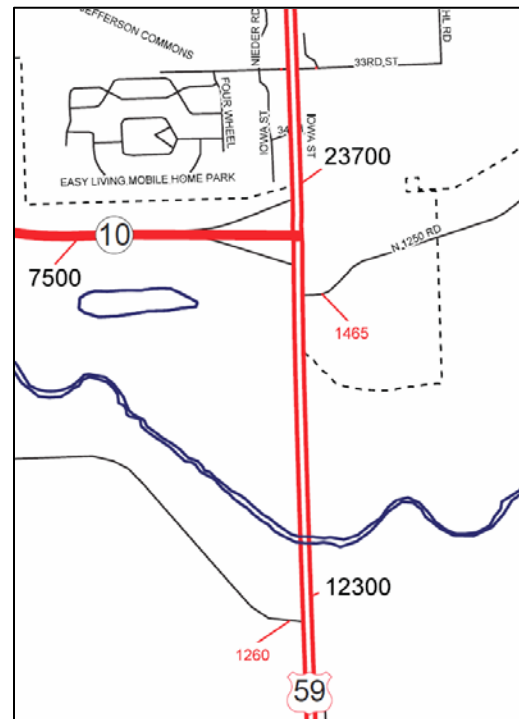


Figure 2: KDOT Traffic Counts (2013) for South Iowa St. at K-10

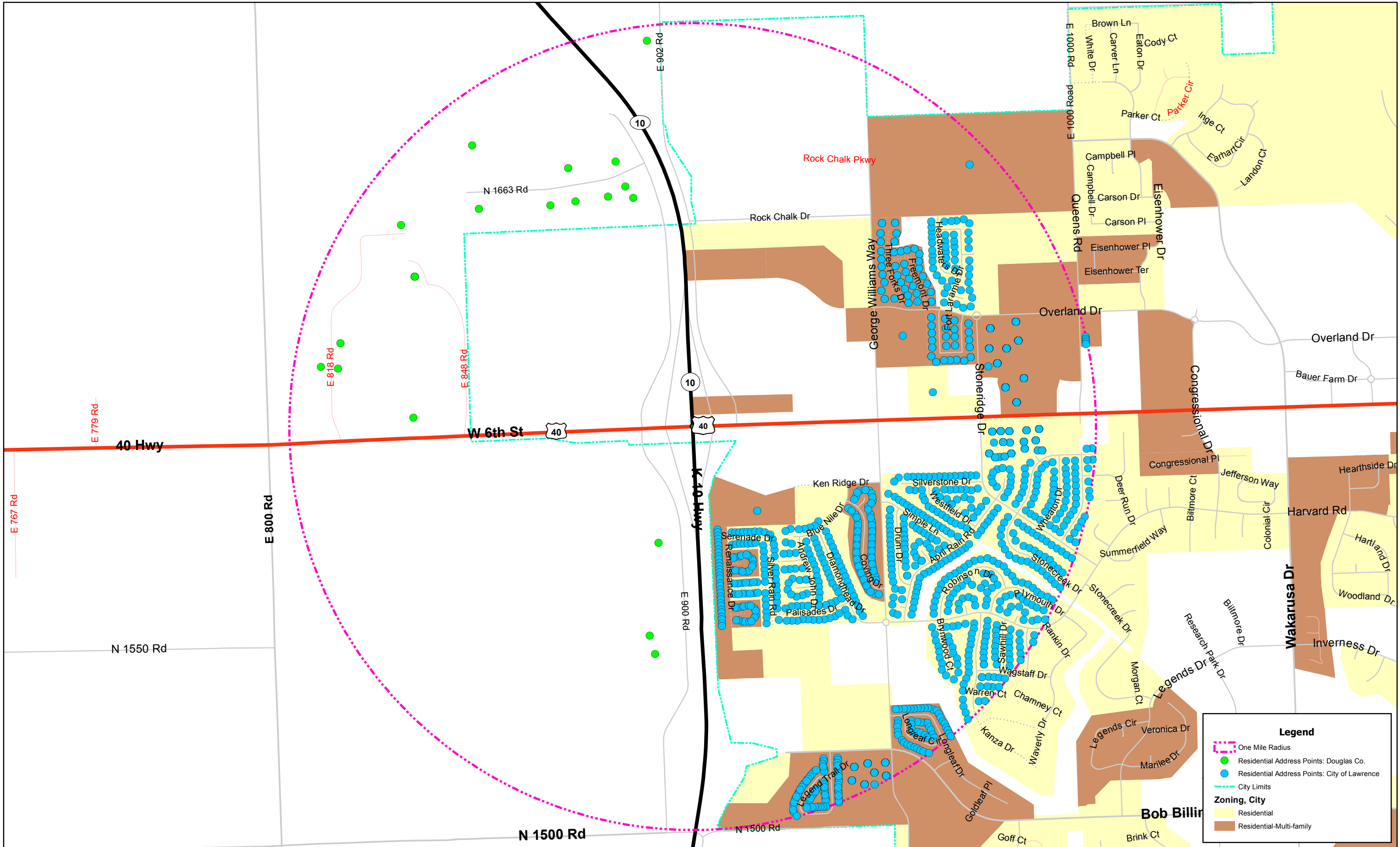
Staff was also asked to study the amounts of residentially zoned property within 1 mile of those intersections. Using the U.S. Census Bureau value for average household size (2.3 people per household) for the community, staff was able to approximate the populations living within a 1 mile radius of the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

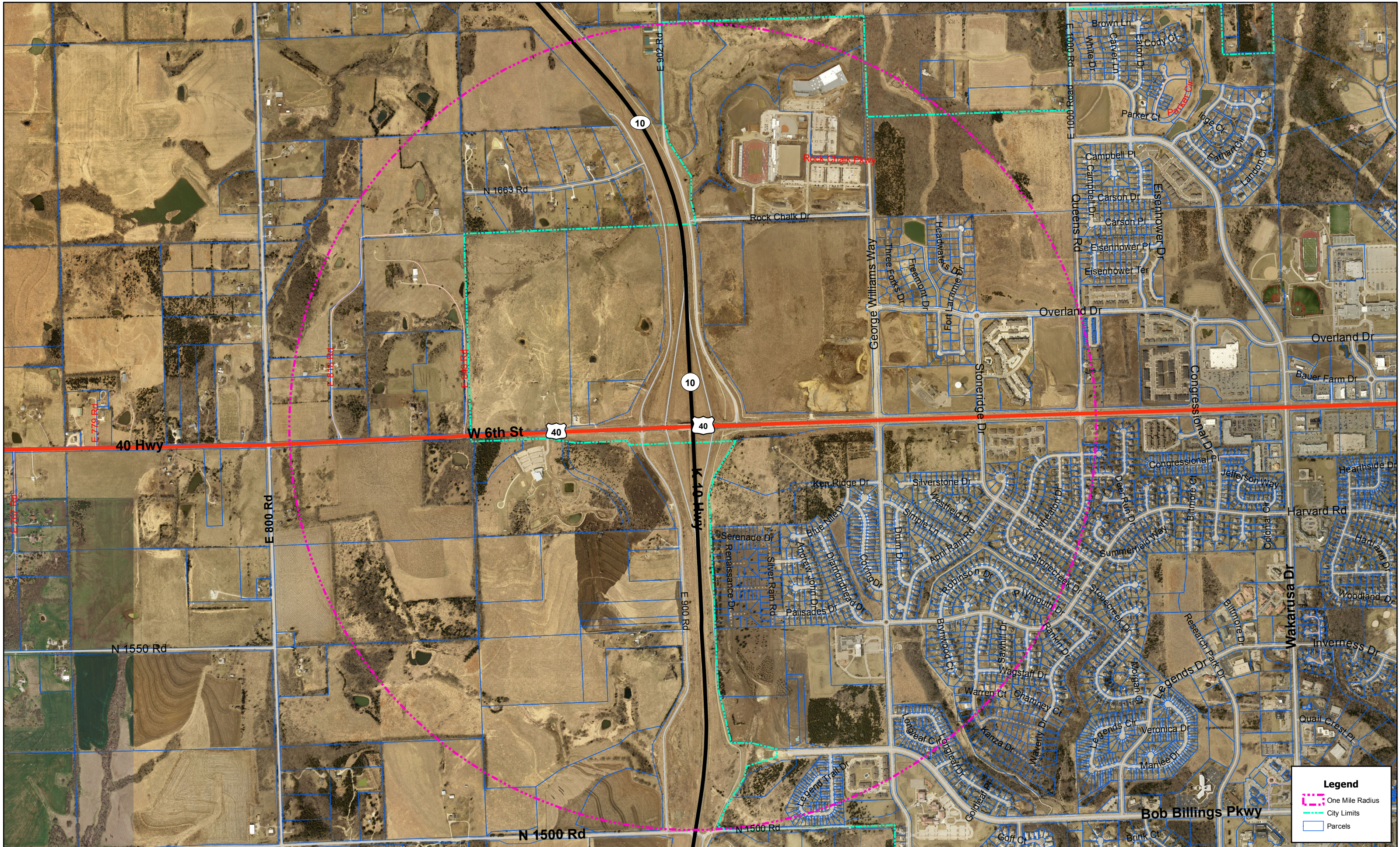
Location	Estimated Households		Total Households	Total Population (2.3 people per Household)
	City	County		
6th St. at K-10	1,472	21	1,493	3,434
S. Iowa St. at K-10	1,449	4	1,453	3,342

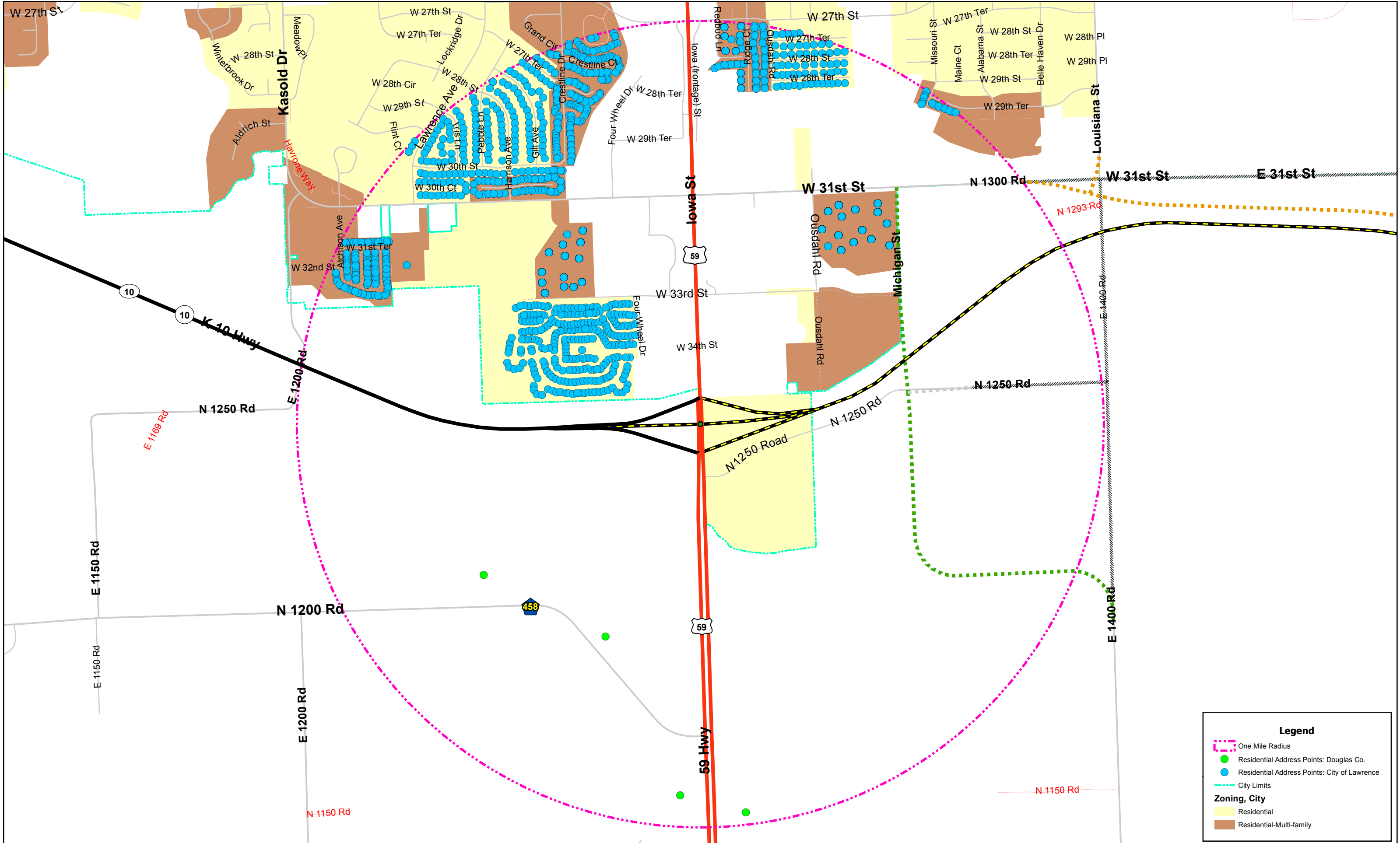
Attached are the maps from the study of the two locations.

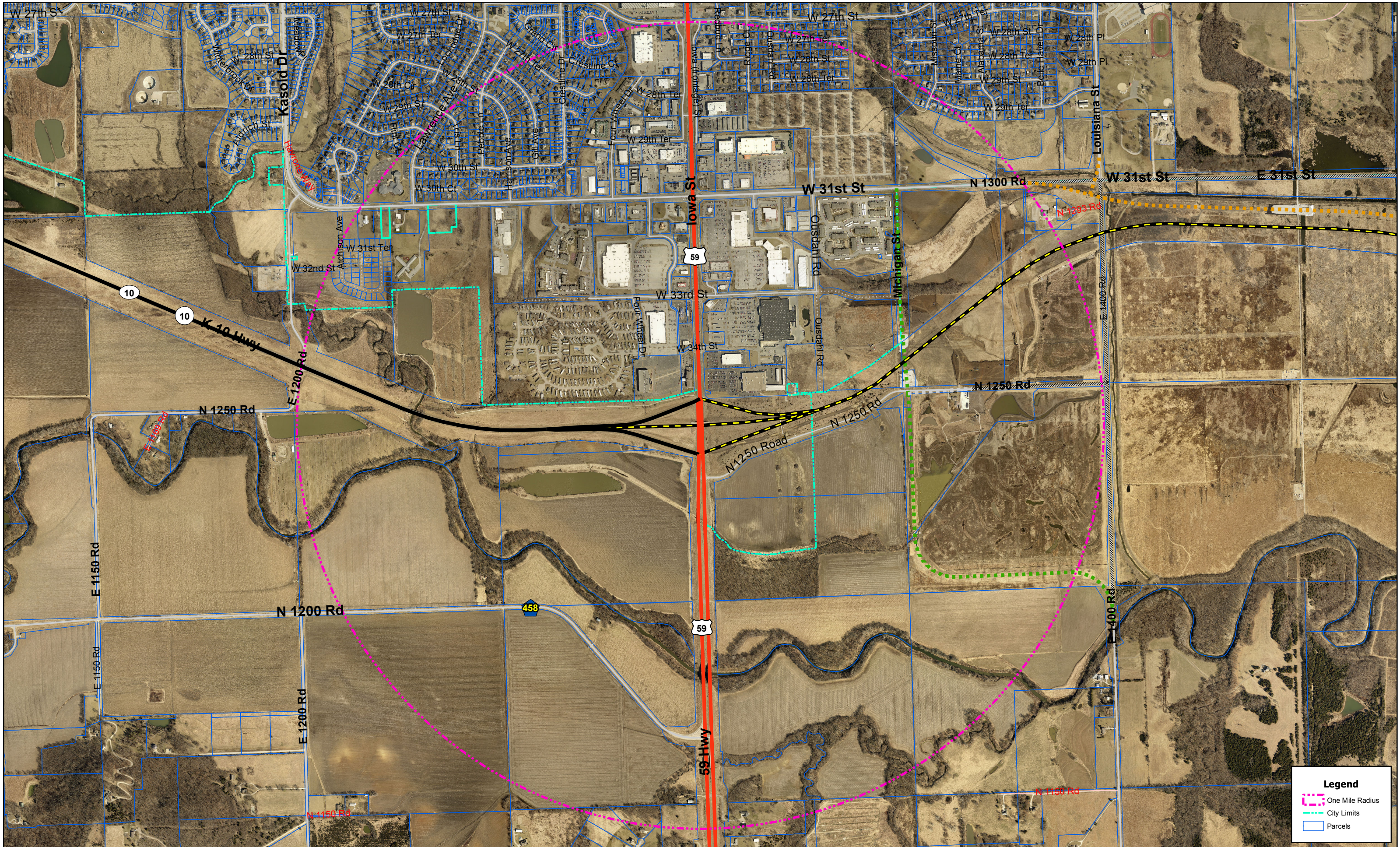
Some points on the maps are stacked and/or overlap, so they do not indicate amount/intensity of households (multi-family projects). Also, some points indicated on the maps are properties that are either currently under construction, or are anticipated to be constructed within 3 to 5 years.

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









Legend

- One Mile Radius
- City Limits
- Parcels

From: <Bolick>, Zak <Zak.Bolick@INTRUSTBANK.COM>

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

To: USD497 USD497 <pkelly@usd497.org>

Subject: Southpoint Retail Development

Good afternoon Patrick,

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

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

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

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

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

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

Best,

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

Please consider the environment before printing this email.

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

Stan,

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

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

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



DIAMOND REALTY INVESTMENTS, INC.

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

July 16th, 2014

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

Dear Planning Commission members:

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

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

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

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

Sincerely,

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

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

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

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

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

Claudia Jones

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

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

Thank you for your consideration on these issues.

Heather Brown
Closing Director, McGrew Real Estate

1501 Kasold Drive
Lawrence, KS 66047

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

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



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

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

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

Sales Tax Impact Estimate

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

Lawrence market upon completion.

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

Leakage Impact

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

Vacancy Impact

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

City Provided Financial Incentives

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

Our ask of you

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

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

Sincerely,
CadreLawrence

Hello Planning Commissioners,

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

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

Best,
Emily Hampton

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

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

To: amailia.graham@gmail.com; montanastan62@gmail.com; jonjosserand@gmail.com; pkelly@usd497.org; Bryan C. Culver

Cc: denny1@sunflower.com; squampva@aol.com; clay.britton@yahoo.com; bruce@kansascitysailing.com; eric.c.struckhoff@gmail.com

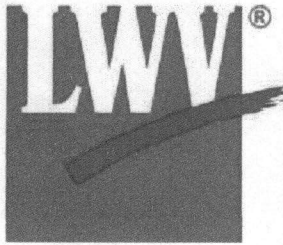
Subject: Please vote yes!

http://www2.ljworld.com/weblogs/town_talk/2014/jul/7/old-navy-academy-sports-others-announced/

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

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

Karen Lowder
947 New Hampshire
#302
Lawrence, KS 66044



LEAGUE OF WOMEN VOTERS®
OF LAWRENCE/DOUGLAS COUNTY

July 20, 2014

RECEIVED

JUL 21 2014

City County Planning Office
Lawrence, Kansas

President
Cille King

Vice President
Carrie Lindsey

Secretary
Caleb Morse

Treasurer
Marjorie Cole

Directors
Margaret Arnold

Caroljean Brune

Debra Duncan

James Dunn

Midge Grinstead

Marlene Merrill

Austin Turney

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

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

Dear Chairman Liese and Planning Commissioners:

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

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

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

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

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

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

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

LEAGUE OF WOMEN VOTERS®
OF LAWRENCE/DOUGLAS COUNTY

Page 2

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

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

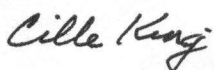
- a. The stores that Southpoint lists as being future occupants are the same stores that are found in other cities around Lawrence, so there would be no real reason to shop in Lawrence for out-of-town customers (the source of "pull.")
- b. The argument that the sales tax revenues will increase as a result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

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

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

Thank you for considering our concerns.

Sincerely yours,



Cille King
President



Alan Black, Chairman
Land Use Committee

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

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

To: Scott McCullough

Cc: David L. Corliss

Subject: Fwd: North Carolina retail proposal- letter

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

Dear Planning Commissioners,

7-19-14

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

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

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

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

Thank you for your thoughtful consideration, Candice Davis

Concerns/Questions

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

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

July 20, 2014

Amalia Graham
amalia.graham@gmail.com

Jim Denney
denney1@sunflower.com

Stan Rasmussen
montanastan62@gmail.com

Pennie von Achen
squampva@aol.com

Jon Josserand
jonjosserand@gmail.com

Clay Britton
clay.britton@yahoo.com

Patrick Kelly
pkelly@usd497.org

Bruce Liese (Chair)
bruce@kansascitysailing.com

Bryan Culver
bculver@bankingunusual.com

Erick Stuckhoff
Eric.c.struckhoff@gmail.com

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

Members of the Lawrence Douglas County Planning Commission,

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

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

Additional Hotel Space:

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

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

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

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

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

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

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

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

Additional Retail Space:

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

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

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

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

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

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

Table: Lawrence Retail Supply and Demand Conditions 1995 to 2012

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

Source: City of Lawrence 2012 Retail Market Report

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

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

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

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

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

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

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

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

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

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

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

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

Recommendation:

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

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

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

Yours truly,

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

Kirk McClure

July 21, 2014

VIA ELECTRONIC MAIL

Bruce Liese (bruce@kansascitysailing.com)
Clay Britton (clay.britton@yahoo.com)
Amalia Graham (amalia.graham@gmail.com)
Stan Rasmussen (montanastan62@gmail.com)
Jon Josserand (jonjosserand@gmail.com)
Patrick Kelly (pkelly@usd497.org)
Bryan Culver (bculver@bankingunusual.com)
Jim Denney (denney1@sunflower.com)
Pennie von Achen (squampva@aol.com)
Eric Struckhoff (eric.c.struckhoff@gmail.com)
Lawrence-Douglas County Metropolitan
Planning Commission
City of Lawrence, Kansas
City Hall
6 East 6th Street
Lawrence, KS 66044

Re: Southpoint Project

Dear Members of the Planning Commission:

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

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

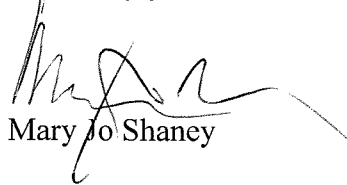
The Comprehensive Plan Amendment staff report includes some of Horizon 2020's goals and criteria for directing land use decisions, but certain policies warrant emphasis. Horizon 2020 does not contemplate the need for a new regional commercial center (Policy 3.13 at p. 15 of the staff report). While the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

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

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

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

Very truly yours,



Mary Jo Shaney

MJS:hkm

cc: Scott McCullough, Director, Planning and Development Services,
via e-mail smccullough@lawrenceks.org