

**ITEM NO. 4      COMPREHENSIVE PLAN AMENDMENT TO H2020 - CHP 6; NORTH MASS DEVELOPMENT (AAM)**

**CPA-11-8-11:** Consider a Comprehensive Plan Amendment to Chapter 6 of Horizon 2020 to expand the identified boundaries of Downtown Lawrence to accommodate a proposed mixed use project known as the *North Mass Development*. The request includes a proposal to exempt the proposed *North Mass Development* from the current requirement that individual stores in the Downtown Commercial Center have a maximum footprint of no more than 25,000 square feet. Proposed by Paul Werner Architects.

**STAFF PRESENTATION**

Ms. Amy Miller presented the item.

**APPLICANT PRESENTATION**

Mr. Paul Werner, Paul Werner Architects, said this was an exciting project and would be a long process. He thanked staff for their work and he agreed with the staff recommendation. He said regarding the vacancy rate it was all about timing. He said if it could get plated and rezoned this year that would be good progress. He said it took 1 ½ years for the Army Corps of Engineers to figure out where the levy was defined. He said the 25,000 sq ft was an opportunity to get it lifted. He felt it was arbitrary. He said a lot of grocery stores were 45,000 sq ft.

**PUBLIC HEARING**

Mr. Dan Hughes, Sunflower Outdoor and Bike Shop, said he was not against development along the river. He appreciated the efforts of Mr. Rick Renfro and his group to clean up and improve North Lawrence. He expressed concern about retail vacancies. He said in order to increase the pull factor of luring out of town shoppers to Lawrence there needed to be unique destinations that were not available elsewhere and provide a special experience. He said this project, as presented, did not fulfill those requirements. He said the proposal was being pitched as a compliment to downtown but he felt it was mostly a reproduction of the existing downtown. He said it would end up being a downtown A. and downtown B. He said it had the potential to further divide the retail pie to a point where nobody would operate a sustainable business. He said the one glaring addition would be allowing a 25,000+ sq ft 'big box' retailer, which had the potential to crush already established businesses downtown. He said Mr. Renfro told him he did not want a 'big box' retailer and all he wanted was a new Johnny's, some residential, possibly a movie theatre, hotel, and grocery store. He said the developer was asking for carte blanche to build anything they could. He did not feel now was the time to add more retail space. He urged Planning Commission to vote no to the Comprehensive Plan Amendment and rezonings at this time.

Mr. Rob Riley, Lawrence Jiu-Jitsu, supported what Mr. Hughes said. He expressed concern about vacancies downtown. He also expressed concern about the possibility of his business being pushed out.

Mr. Peter Zacharias, Downtown Lawrence Inc. Board of Directors, said he visited with the developers several times. He expressed concern about vacancies. He did not see how the North Mass Development could ever be part of downtown. He felt the North Mass Development would affect downtown negatively. He felt it should just be limited to residential development with moderate commercial but that was not what was proposed. He urged Planning Commission to vote against the project until there was more demand in Lawrence and less vacancies. He said he would like to see the use linked to the zoning before a decision was made.

Mr. Ted Boyle, North Lawrence Improvement Association, said this was an exciting project and felt it would be good for North Lawrence. He said regarding the vacancies mentioned by other speakers the uniqueness of the North Mass Development was the river. He felt it was about time to break the barrier of separating North Lawrence from the rest of the city. He said it would bring money to North Lawrence. He stated the stormwater would dictate what could be built there and define what could be developed. He said the developer would not be able to tie into the city stormwater project and would have to have another big pump, which could cost 5 million dollars. He felt the North Mass Development would benefit the entire community.

Mr. Kirk McClure, Old West Lawrence Association, discussed market conditions, the absence of development controls, and the process. He said Planning Commission did not have sufficient information to make a decision tonight. He stated Lawrence was horribly overbuilt and adding to it would only make the situation worse. He said the City of Lawrence allowed a retail bubble to be built from 1997-2005 and during that time period the stock of retail space grew 34%, adding 1.6 million square feet. During that time the demand for retail only grew 10%. He said the recession slowed the rate of absorption. He felt the North Mass Development, as proposed, would threaten the one unique destination shopping Lawrence has; downtown. He said new 'big boxes' on the other side of the river would not be complementary to downtown and would only compete with it. He said the developer should not be trusted to provide the market studies. He said if the market study was correct then the numbers show the city was more over built than his own numbers. He felt more should be asked of Planning staff since they were the only people who had the demand side data. He recommended the project be denied.

Mr. Chuck Magerl asked Planning Commission to look at the numbers associated with the project. He referenced Horizon 2020 where it states *'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 of greater than eight percent.'*

He said he didn't know how an estimated completion could be established to create a benchmark. He said the Land Development Code established a maximum threshold of 100 sq ft per resident to help maintain market health. He said right now the challenge was that the City was disputing the resident count with the Census Bureau. He said until there was a sense of confidence that the numbers were real, the guidelines of Horizon 2020 and the Land Development Code pose real questions about the merit of increasing additional retail and commercial development within the city. He asked them to make sure the numbers justified the idea of seeing something new and growing in the community.

### **APPLICANT CLOSING COMMENTS**

Mr. Werner said there was no development plan in front of them and that the Comprehensive Plan Amendment was about the boundary of the downtown commercial area. He said the amount of retail and residential needed to be talked about. He said currently the land was zoned industrial. He said he was currently working on four storefronts downtown and was aware of the vacancies downtown. He said he was currently working on a 36 room addition for the Eldridge Hotel and they were not concerned about competition. He said sometimes the private sector doesn't need other people to protect them or they would be present tonight at the meeting. He said residential would probably be the first thing built for the North Mass Development. He said 'big boxes' would not want to locate there.

### **COMMISSION DISCUSSION**

Commissioner Hird asked if staff was satisfied regarding the thoroughness and completeness of the retail market study.

Mr. McCullough said staff summarized on page 106 of the packet that the proposal does go past some of the indicators of supply and demand. He said what had changed since the indicators were established as indicators to review with any development proposal, was that staff was not seeing speculative building in the market right now, they are real projects. The economy has changed that for the most part in Lawrence. He said yes, in theory if everything was vacant, indicators would suggest that this should not be an approved project. He said the private sector was waiting for real tenants before bringing forth projects.

Commissioner Hird inquired about the limitation of 25,000 square feet on a building downtown.

Mr. McCullough said the applicant made some points regarding the dynamics of the pattern, street, ally, block, and lot size, that would be different with this development. He said there would perhaps be a little more room for a bigger project. He said staff did not want a 'big box' to compete with that market.

Commissioner Hird asked how the proposal prevented a 'big box' from competing.

Mr. McCullough said 'big boxes' were typically larger than 50,000 square feet.

Commissioner Hird asked how 'big box' was defined.

Mr. McCullough said an example of a small 'big box' would be Wal-Mart on 6<sup>th</sup> Street, which was approximately 99,000 square feet.

Commissioner Burger asked staff what the square footage of the former Borders building was.

Ms. Miller said it was roughly 20,000 square feet. She said regarding the 50,000 square feet staff was trying to accommodate the applicants proposed idea with the potential for a movie theatre.

Commissioner Hird said a grocery store was needed in North Lawrence and nobody would object to that but he was not interested in a 'big box' store on the edge of downtown.

Mr. McCullough said it would be a linear progression of approvals, starting with the umbrella policies and then getting down to the site plan and details. He said it was a unique enough area that when the zoning presentation was heard tonight they would see a recommendation for design guidelines to help guide the details of the aesthetics, physical development, ratios of residential to commercial, etc. He said there was a lot of work still to be done on the project.

Ms. Miller clarified that there was no definition of 'big box' in the Land Development Code but it is listed in the table and refers to Retail Establishment - Large, which is a store over 100,000 square feet.

Commissioner Burger referred to page 95 of packet where it states *'For Downtown Lawrence to remain economically stable and vital there is a need to expand the boundaries beyond the current configuration illustrated in the adopted Comprehensive Downtown Plan.'* She wondered if there was any history information to support that statement.

Ms. Miller said that was existing original language in the Comprehensive Plan from its conception in the mid 1990's so she could not provide history.

Commissioner Blaser said he was surprised that Downtown Lawrence Inc. sent a letter of support but then spoke in opposition tonight.

Mr. Zacharias said from the audience that Downtown Lawrence Inc. did not see the final plan until today.

Commissioner Blaser expressed concern regarding the pull factor. He said what Lawrence was doing was not working. He said the auto industry and 'big box' industry figured out that it may be better to have competition. If there is competition then it draws customers. He said Lawrence does not draw customers. He said he was not sure what the answer was. He said North Lawrence on 2<sup>nd</sup> Street was one of the entrances to the city and he was in favor of cleaning up that area. He thought the proposal was a great idea and would help downtown. He said there would be some logistics to be worked out for getting across the bridge. He said unless he heard strong arguments he would vote in favor of this because he felt something needed to be done.

Commissioner Singleton said she did not think most people were aware of the project since there were only five people present tonight. She felt that changing the boundaries of the heart of the community needed a much more comprehensive study than what they had. She said the proposal was nice but that the best waterfront property in Lawrence was now Abe and Jake's and the Marriott. She felt there would be more conversations if more people were aware of the topic. She was not comfortable changing the borders of downtown. She said the market study did not seem to be accurate with what she sees downtown. She said the economy and culture fundamentally changed with how businesses are developed and loans being granted,

as a result of the collapse of the economy. She said she was not comfortable changing the boundaries of the heart of the community based on the information received tonight.

Commissioner Burger said the plan was ambitious and creative. She said the language the Comprehensive Plan included was from a mid 1990's context. She said in the mid 1990's there was somewhat of a boom. She agreed with some of the speakers this evening on a few issues. She discussed a 'new to new' type of customer that goes to the newest area. She said when the newness wears off and there's another new area there's a lot of infrastructure that everyone is invested in. She said there was the potential for locally owned businesses to suffer and perhaps not make it through that wave. She had concerns regarding environmental issues. She wondered if the project had been put forth before insurance agents to see if it would work. She was concerned this wasn't the right time for a project like this that seemed to be driven by a boom market concept. She stated the former Borders building was still empty and that Sears and Old Navy had left as well. She did not think this was the right Comprehensive Plan. She said labeling it North Mass was a nice idea but with the river it may not be the best way to do something good for North Lawrence. She said a good Comprehensive Plan would include an increase in residential to bring more people into North Lawrence before the retail component. She said a theatre was a nice idea but a grocery store was a great idea. She would like to see more change in the Comprehensive Plan to be more specific in those areas. She appreciated the creative and ambitious thinking behind the project and thanked the developers for wanting to invest in North Lawrence. She said the retail component was too critical and she agreed that they may not have the right information to be able to make a decision. She did not think that was necessarily what the Comprehensive Plan indicated with the mid 1990's content. She appreciated the public comment. She said she could not support the plan at this point.

Commissioner Liese inquired about the rationale for a Comprehensive Plan Amendment. He asked about the parameters of what the developers could do in North Lawrence without the Comprehensive Plan Amendment.

Mr. McCullough said this was not in a neighborhood plan currently. He said with the proposed mixed-use type development staff looked to the Comprehensive Plan first which says that to do that kind of development pattern you need to look at expanding downtown. He said there may have been a different avenue to take with designating it for mixed-use but it was the most efficient and best path with the fact that the applicant wanted to use the CD zoning and mixed-use nature of it. He said the proximity of this to downtown led to looking at that section of the Comprehensive Plan which already talked about a need to expand downtown.

Ms. Miller said the current sites are zoned to a multitude of zoning categories. She said in looking at the Comprehensive Plan the only thing identified in the area were some heavy commercial uses. She said there were no other categories in the Comprehensive Plan that specifically talk about this piece directly north of the Kansas River.

Commissioner Culver had some concerns with the openness of establishing a policy amendment to extend downtown. He said there were a lot of things that were exciting, promising, and opportunistic about expanding downtown into North Lawrence. He agreed with Commissioner Blaser regarding the pull factor and bringing in retail dollars, which wouldn't change if they continued to do the same thing. He thought there was opportunity with this area to follow some of the guidelines within the Comprehensive Plan which seemed to fit. He said he had some difficulty when looking at a current snapshot of some of the vacant buildings discussed this evening. He said buildings may be sitting open today but that it was just a snapshot and they needed to look ahead and start somewhere. He said if plans were not put in place and moved forward the opportunity may diminish. He said the area was an underutilized area of the community with a lot of opportunity. He felt they would be rushed to discount the amendment to the Comprehensive Plan completely and felt they should do their due diligence in looking at it as an opportunity.

Commissioner Britton said he was struggling with this one. He was excited about the prospect of anything new. He agreed that Massachusetts Street and the historic downtown was the heart of the community and the number one priority needed to be protecting that. He did not know if this would be a threat to that or not. He said if there was better or more comprehensive information out there then they should take it slow and

know they are going in the right direction with the proper controls. He thought in general this was a great dream development to have but he did not feel like he had enough information and surety that Massachusetts Street would come out as healthy or healthier. He said he looked forward to being able to support something like this but could not support it tonight.

Commissioner Liese said he had all the confidence in the world that the businesses on Massachusetts Street would do fine with competition introduced. He said a really good development would bring in more business. He felt this project was great and he would support it 100%. He felt the pull factor would be great for Massachusetts Street. He wished Mr. Renfro and others from the community were present tonight for more input.

### **ACTION TAKEN**

Motioned by Commissioner Liese, seconded by Commissioner Belt, to defer and direct staff to provide more information to address issues raised.

Commissioner Hird said he would vote against the motion to defer. He said Mr. McClure's comments about vacancy rates were well taken. He said it was always a difficult decision process with this type of proposal. He said it would expand boundaries of downtown to accommodate a mixed-use project that nobody knows what will look like yet. He had great reservations about the square footage limitation and whether that should be doubled for this project. He felt the people from North Lawrence who want development in North Lawrence should be heard. He said it was an exciting proposal in terms of using the waterfront for a change as an asset to the city. He did not want to defer it because he wanted to get this in front of the City Commission so that the elected officials could weigh in and shape it.

Commissioner Liese felt the support Mr. Boyle claims existed in North Lawrence should be present at the meeting. He felt Mr. Boyle representing North Lawrence was inadequate. He wanted more input from the North Lawrence residents.

Commissioner Hird said Mr. Boyle representing the North Lawrence residents was entirely adequate and he didn't personally need ten more people saying the same thing.

Commissioner Singleton said she was not supportive of a deferral because 30 days would not necessarily give her the information she would need to vote to change the boundaries of downtown Lawrence. She said even if they vote it down that did not mean it would not be brought back. She wanted more information and a comprehensive understanding of what would be built.

Commissioner Blaser said he was not sure what kind of information Commissioner Singleton would need to be more confident. He said the Comprehensive Plan Amendment was only to extend the boundary of downtown. He said the plan was not set in stone. He said buildout would not occur until they had someone to pay the bill. He said he would like to move forward with it.

Motion failed 2-6. Commissioners Belt and Liese voted in favor of the motion. Commissioners Blaser, Britton, Burger, Culver, Hird, and Singleton voted in opposition.

Motioned by Commissioner Singleton, seconded by Commissioner Britton, to deny the Comprehensive Plan Amendment.

Commissioner Liese said he thought it was a good idea to extend the boundaries. He said as much as he loved Massachusetts Street and the business represented tonight there was something going on that was reducing the amount of pull Massachusetts Street has. He opposed the motion. He felt it was a mistake to overlook the residents of North Lawrence who want this project.

Commissioner Burger said she would vote in favor of the motion but would really like to see a project in North Lawrence with this density of residential and a grocery store. She said beyond that she would need a lot of convincing. She said it was an exciting project from a design standpoint. She hoped City Commission would give the public the opportunity to fully process this at their level.

Commissioner Hird asked if Planning Commission denies this would City Commission have to have a super majority to approve it.

Mr. McCullough said that was correct. He said City Commission's options would be to send it back to Planning Commission with further direction or override the Planning Commission decision with a 4/5 vote.

Commissioner Belt felt a lot of good could come from the project but he wanted more information and a lot more input from the public. He said downtown was currently expanding to Vermont Street and New Hampshire Street and that there was continued pressure for real estate on those streets because that's where people want to be, although that's not to say they wouldn't also be equally attracted to North Lawrence.

Commissioner Britton said he really liked the idea and wanted to be certain Massachusetts Street would be okay with assurances that the market could sustain that.

Commissioner Burger said Johnny's was a big component in the North Mass proposal and she had no objection to that.

Commissioner Hird felt it was an exciting project. He felt sending it to City Commission with a recommendation of denial would send the wrong message. He felt they should forward it to City Commission with a recommendation of approval and let the process take place at the City Commission level and then again at the Planning level for the proper platting and development of the project. He did not see what would be gained by saying no and hoping the developer would come back with a different proposal. He said he would vote against the motion.

Commissioner Liese said it looked like the vote would be an even split. He said if that was the case he would move for approval of the project.

Commissioner Blaser said he would vote against the motion and agreed with Commissioner Hird that sending it forward to City Commission with a recommendation of denial would send the wrong message since everybody was enthused about the project.

Commissioner Burger asked staff if the Comprehensive Plan Amendment was approved would it enable anybody at any level to reduce the amount of retail, or would this be giving by right the developer to do retail beyond 25,000 sq ft.

Mr. McCullough said the Comprehensive Plan Amendment only sets policy guidance in Horizon 2020. The next application would be where they would have a greater sense of control. He said the zoning would provide those uses by right, restrictions, conditions, etc. He said the Development Code requires a project be consistent with the Comprehensive Plan, which is why the amendment is required with the zoning when it's not consistent with the Comprehensive Plan. He said the Comprehensive Plan Amendment helps the zoning application to be in alignment with the Comprehensive Plan.

Commissioner Liese said in the Comprehensive Plan, Chapter 6, it states downtown Lawrence was expected to change over time. He said he viewed the Comprehensive Plan Amendment as an opportunity to preserve downtown. He did not see any data that it would detract from Massachusetts Street. He said the Comprehensive Plan Amendment would just support the concept of spreading downtown over the bridge.

Mr. McCullough said a Comprehensive Plan policy could be set as specific as they wanted.

Motion failed 4-4. Commissioners Belt, Britton, Burger, and Singleton voted in favor of the motion. Commissioners Blaser, Culver, Hird, and Liese voted in opposition.

Motioned by Commissioner Liese, seconded by Commissioner Blaser, to approve the Comprehensive Plan Amendment.

Commissioner Liese said this was just a Comprehensive Plan Amendment, not a zoning, plats, etc.

Commissioner Britton said the Comprehensive Plan was not law but was very important. He was not comfortable with this and did not support it. He said he was excited about the concept down the road if he could be assured that historic downtown Lawrence would not be negatively affected. He said he would oppose the motion.

Commissioner Burger said she would not support the motion. She said there was too much text in the document that they would be voting to send forward that she did not think had been proven. She said the project was unique and exciting but felt that by adopting the plan they would be indebted to a certain extent to approve future and pending rezonings that she did not want to be forced to vote for.

Motion failed 4-4. Commissioners Blaser, Culver, Hird, and Liese voted in favor of the motion. Commissioners Belt, Britton, Burger, and Singleton voted in opposition.