



CITY OF CREVE COEUR

MEETING NOTICE

AGENDA

Creve Coeur Economic Development Commission

Wednesday, August 24, 2005

8:00 - 9:00 a.m.

City Council Chambers

Creve Coeur Government Center

(Use Front Entrance of the Government Center)

- 1) Update on the CBD Plan
- 2) Public/Private Partnerships
- 3) Ground Floor Retail
- 4) Economic Development Strategy – Marketing
- 5) Meeting Schedule:
 - Joint Meeting (City Council, P&Z, EDC) – August 29, 2005
 - Next EDC Meeting – September 15, 2005

cc: Mayor Harold Dielmann
Theresa Lynch, City Council Liaison
Mark Perkins, City Administrator
Matt Brandmeyer, AICP, Planning Director
Michael Hurlbert, AICP, City Planner

A member stated they would like to look at literature or other sources of information about these types of partnerships prior to the joint meeting. Staff said they would look into doing that.

Economic Development Strategy – Marketing

Staff stated that the Economic Development Strategy allotted \$15,000 for the purpose of marketing the city. The purpose of the topic being on the agenda was to begin a discussion about what would be the best way to market and the most effective use of that money. Should the city look at just hiring a consulting firm or is there a better way?

The Mayor stated he would like for the city to look into providing financial assistance toward subsidizing long-term leases.

A member stated that \$15,000 is not realistic for what needs to be done, and that 25 to 30 thousand would be better. Another member stated that we need to figure out what we want first. It was stated that at the next meeting of the EDC they go over the Economic Development Strategy and come up with 3 or more different goals.

Meeting Schedule

Member Susan Murphy announced that this would be her last meeting as the Chamber will select a new representative to replace her. She stated she has thoroughly enjoyed being a member of the Economic Development Commission and being part of some lively and informative discussions. Everyone present agreed that she would be missed and wished her well.

The next regularly scheduled meeting is Thursday August 18, 2005 at 8:00 a.m.

The joint meeting between the EDC, City Council, and the P&Z Commission is scheduled for August 29th.

RENAISSANCE PLACE

- ❑ 200,000 square feet
 - ❑ 115,000 square feet of retail space
 - ❑ 40,000 square feet of office space
 - ❑ 32 residential units
 - ❑ Underground and surface level parking
-

TIMELINE

- January 20, 1998 – First Public Hearing
 - September 25, 1998 – Ground Breaking
 - August 11, 2000 – Grand Opening
-

CURRENT TENANTS

- ☐ Ann Taylor
- ☐ Belly Dance
- ☐ Ben & Jerry's
- ☐ Board Gallery
- ☐ Caribu Kids
- ☐ Chico's
- ☐ Chipotle
- ☐ Dalaj
- ☐ Francesca's
- ☐ HomeMade Pizza
- ☐ Jamba Juice
- ☐ Jos A Bank
- ☐ Landmark Cinema
- ☐ M Salon
- ☐ Pottery Barn
- ☐ Restoration Hardware

- ☐ Rosebud
 - ☐ Saks 5th Avenue
 - ☐ Starbucks
 - ☐ Sunglass Hut
 - ☐ Talbots
 - ☐ Williams-Sonoma
 - ☐ Smith Barney
 - ☐ Associated Allergists
 - ☐ AEG
 - ☐ Gold Realty
 - ☐ Dick Blick
 - ☐ PIC
 - ☐ IAC
 - ☐ Bank Leumi
 - ☐ M Salon
 - ☐ Pot
 - ☐ Grosvenor Capital
-

FOCUS FOR DOWNTOWN DISTRICT

- Develop the downtown district in Highland Park to stimulate economic development.
 - City Survey in 1995 revealed that downtown district had a weak customer draw.
 - Primary customer draw was those living within 3 miles of the downtown district.
 - Limited customer draw limited the district's ability to increase sales volume.
-

PROJECT

□ Develop the downtown area bounded by Second Street, Elm Place, Central Avenue, and Green Bay Road into a Planned Unit Development. Prior to development, the area contained

- 7 residential structures
 - 2 commercial structures
 - several public and private parking lots
 - 1 funeral home,
 - Ameritech facility
-

COMMISSIONS

- Plan Commission
 - Design Review Commission
 - Traffic Commission
-

PUBLIC HEARINGS

- ☐ Is the project in accordance with the City's Master Plan?
 - ☐ Does the project result in a public benefit?
-

PUBLIC BENEFITS

- ☐ Property tax revenue
 - ☐ Increased Employment
 - ☐ Increased level of affordable housing
 - ☐ Met City need for certain types of businesses
 - ☐ Increased support for existing businesses and institutions
 - ☐ Provided new infrastructure
 - ☐ Provided amenities such as landscaping, streetscape improvements, and spaces for public events.
-

PUBLIC PRIVATE PARTNERSHIP

- Development of City owned land
- New underground parking facility
- Streetscape in accordance of Master Plan
- Expanded TIF District to offer an economic incentive making the project more economically viable

PUBLIC PRIVATE PARTNERSHIP

- The City of Highland Park contributed \$7.5 million of the \$9.8 million total cost for an under-ground parking facility.

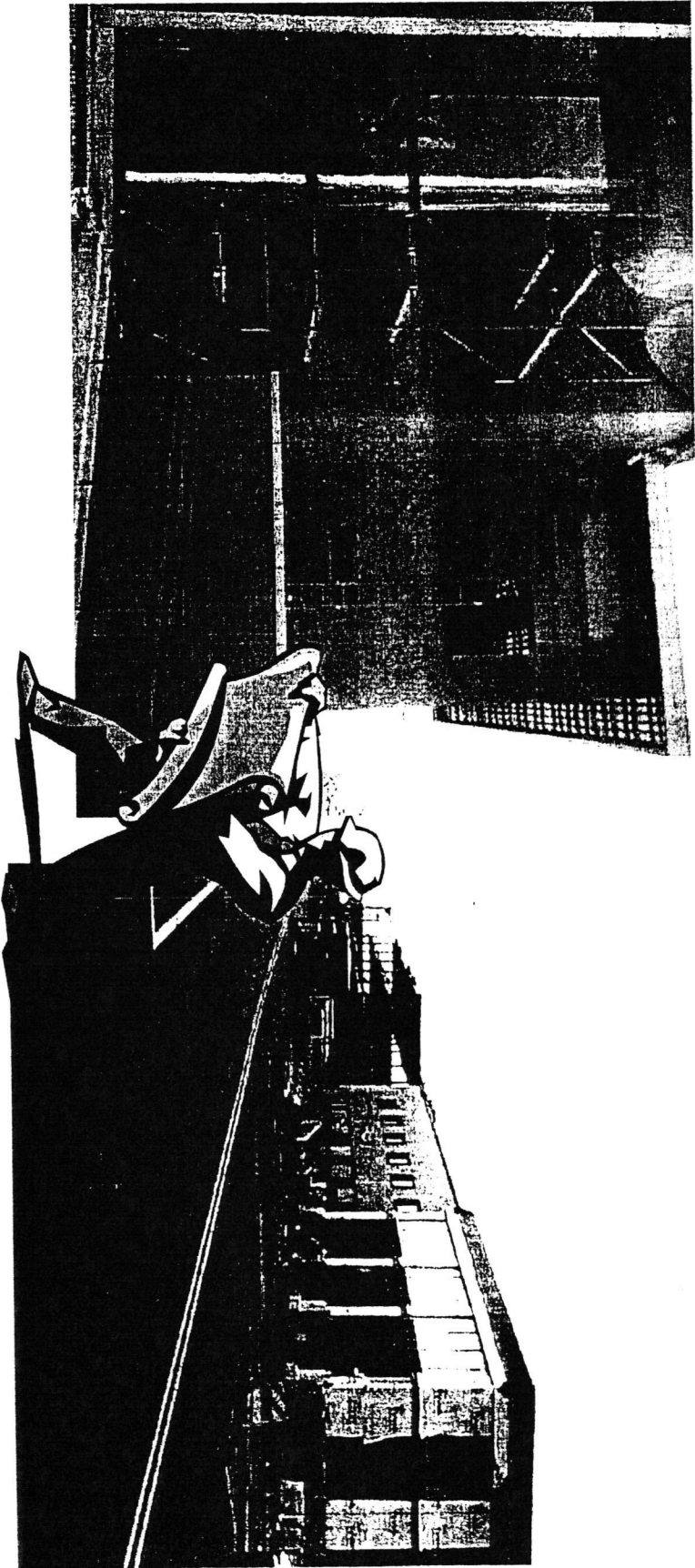
- The City of Highland Park contributed \$1 million of the \$1.9 million total cost for streetscape improvements.



CONSTRUCTION

- Construction consisted of 6 phases:
 - Preliminary Demolition
 - Site Preparation/ Mass Excavation
 - Garage Construction
 - Super-structure Construction
 - Tenant Improvements
 - Streetscape/ Landscape
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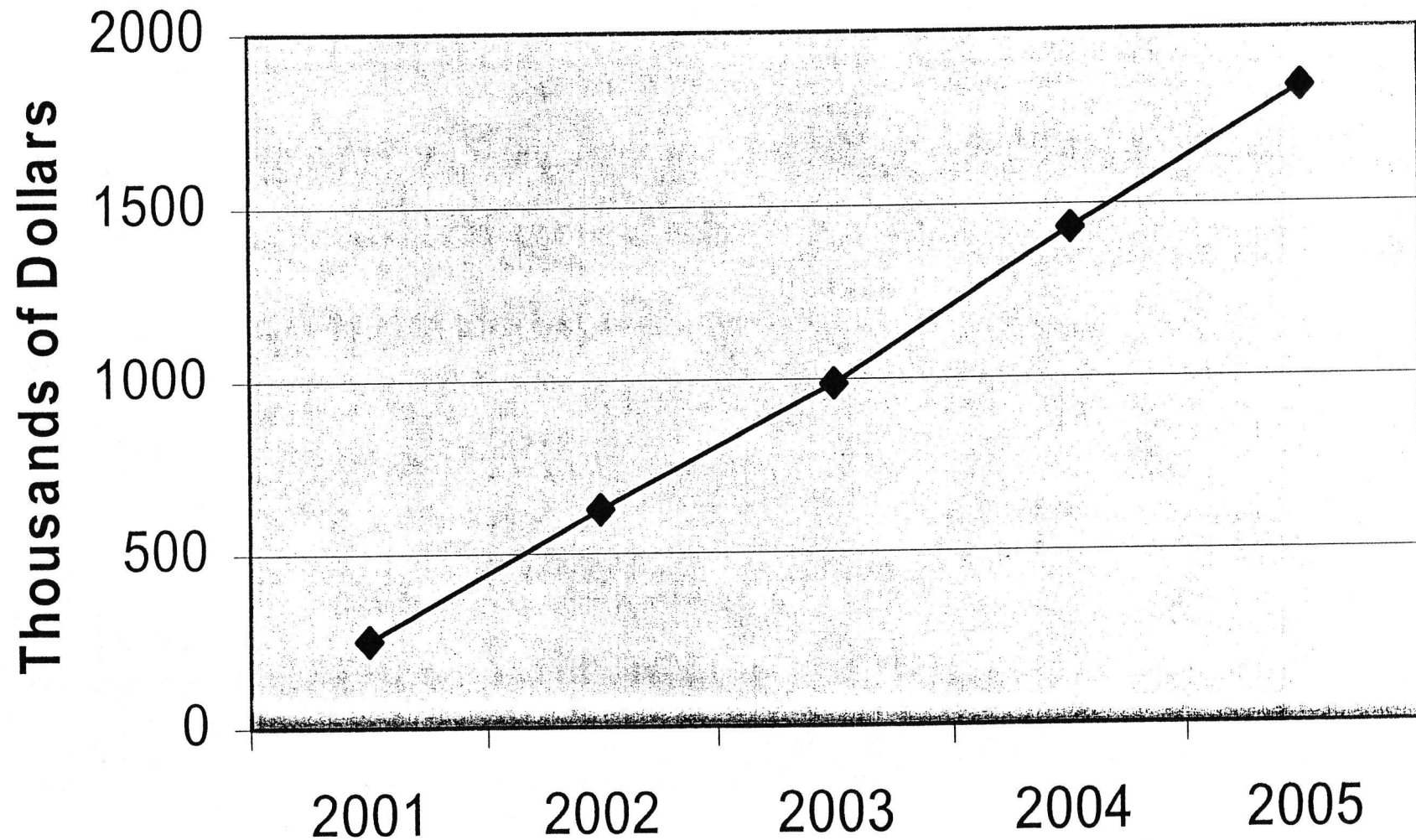
CONSTRUCTION



SALES TAX REVENUES

□ Revenues prior to 2000	~\$50,000
□ FY 2000-2001	\$255,783.31
□ FY 2001-2002	\$367,103.69
□ FY 2002-2003	\$361,957.28
□ FY 2003-2004	\$443,444.03
□ FY 2004-2005	\$403,240.63
□ Total	\$1,801,528.94

Total Sales Tax Revenues

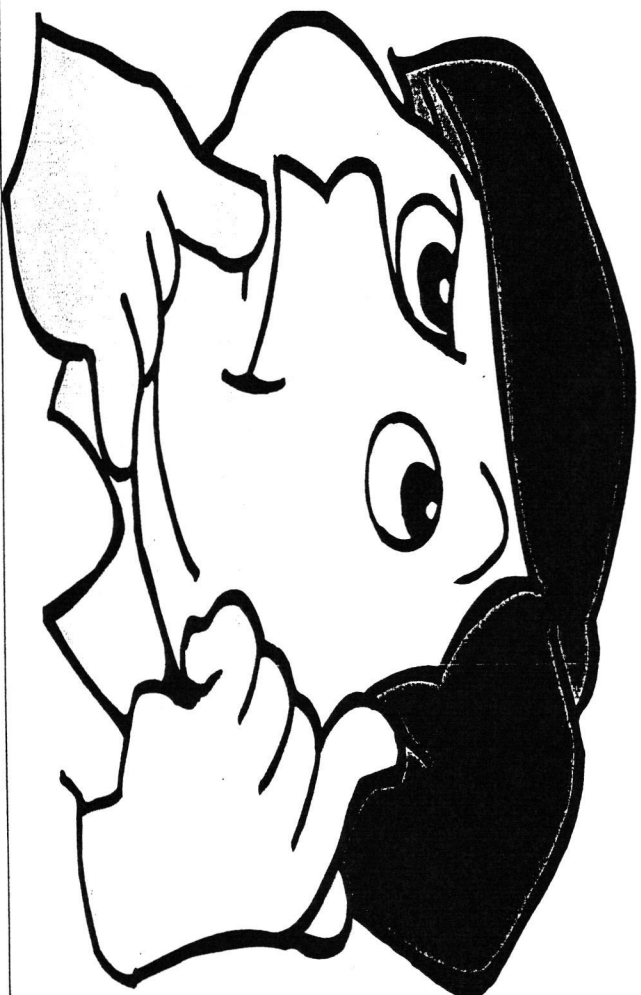
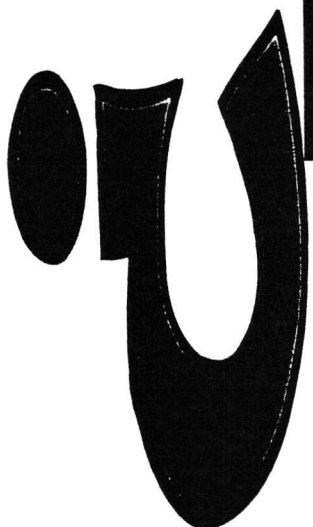


DEVELOPMENT AGREEMENT

- ☐ Incremental Sales Tax Rebate
 - ☐ Bust-Up Fee \$10,000/\$100,000
 - ☐ LOC / Guarantees
 - ☐ Indemnification
 - ☐ Retail Mix
 - ☐ Anchor
 - ☐ Cost Overruns/ Savings
 - ☐ General Contractor Selection
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- ☐ Policy Team
 - ☐ Project Implementation Team
 - ☐ Review and Approval
 - ☐ Construction
 - ☐ Operation
 - Project Executive
 - Project Management
 - Land Planning/ Architecture
 - Financial
 - ☐ Pro forma
 - ☐ Cost/Benefit
 - ☐ General Financing
 - Legal
 - Insurance
 - Public Infrastructure
 - Public Relations
-

QUESTIONS



**Proposed Zoning Code Text Amendment
to Encourage Occupancy of the First Floor
by Retail Sales Tax Generating Uses in the
B5 Central Business District**

**Highland Park City Council and Mayor
March 8, 2004**

Contents:

- Issues / Background
- Data and Analysis
- Regulatory Methods Considered by the Plan Commission
- Regulatory Methods for Further Plan Commission Consideration

Issues / Background

Issues / Background

- Issues
 - A trend for non-retail uses to locate in the Central Business District of Highland Park.
 - An appropriate balance of business uses is necessary to preserve the downtown pedestrian shopping core.
 - Poor use mix may affect Downtown's overall economic viability and reduce sales tax revenues.
- Background:
 - City Council passed a 130 day moratorium on non-retail uses on the first floor in the B5 zoning district.
 - The moratorium will expire on May 1, 2004.
 - Plan Commission held a pre-application discussion on February 3, 2004 and a Special Meeting on February 25, 2004

Master Plan Goals and Objectives

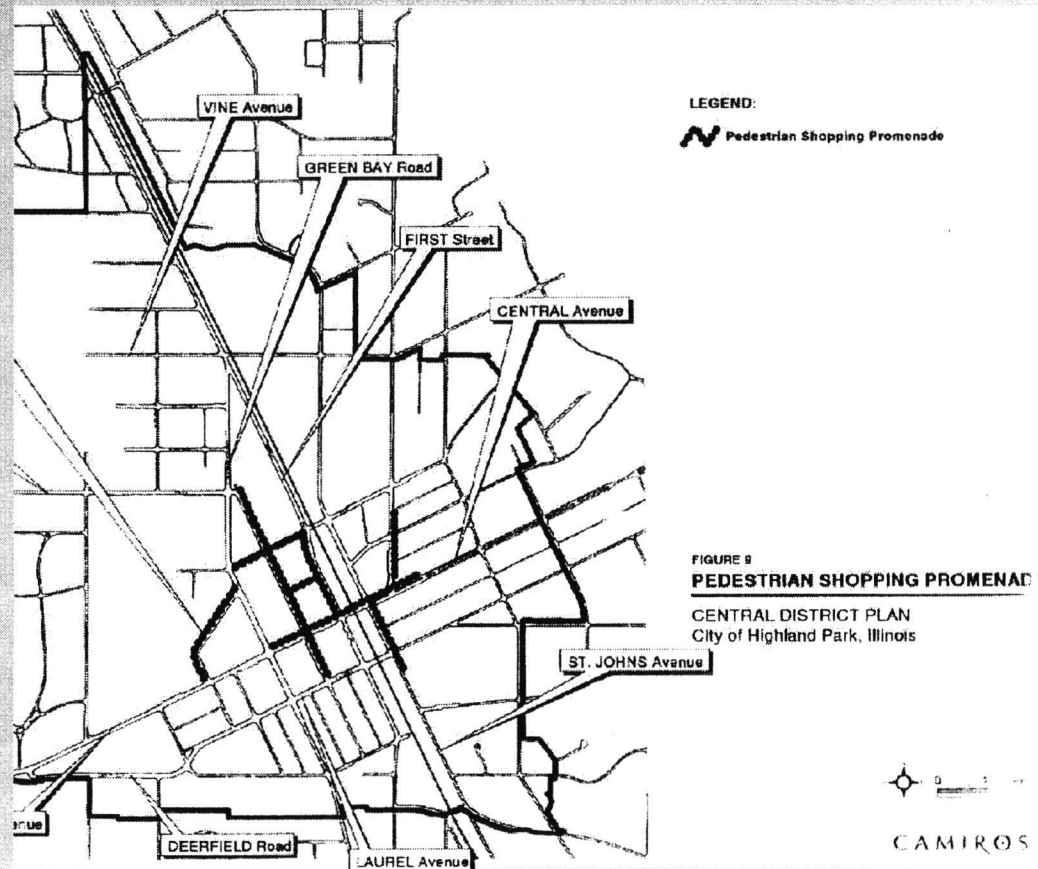
- Maintenance of a healthy local economy, accomplished by:
 - maintaining a strong and vibrant downtown,
 - supporting local businesses,
 - providing incentives to retain and attract businesses,
 - increasing the non-residential tax base.

Central District Plan

- Identified the B5 Zoning District as a Pedestrian Oriented Shopping District.
- First floor street frontages of the B5 Zoning District should remain retail with office and other non-retail uses located on the upper floors.
- Conservation of commercial street frontage on Central Avenue from Green Bay Road to Linden Avenue and on Sheridan Road from Central to Park Avenue.
- Continuation of a Pedestrian Shopping Promenade

Pedestrian Shopping Promenade

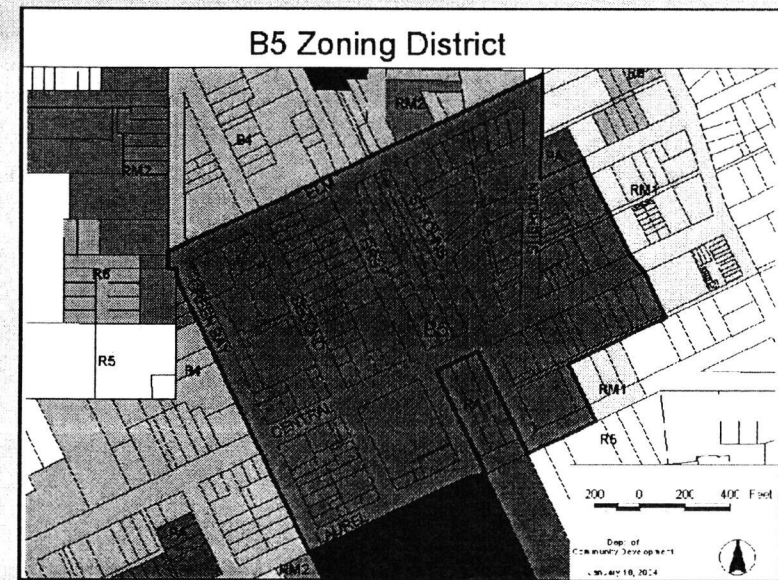
- Pedestrian Shopping Promenade along:
 - Central Green Bay to east end of commercial area
 - Second Street from Laurel Avenue to Green Bay Road
 - First Street from Central Avenue to Elm Street
 - East side of St. Johns from Central Avenue to Laurel Avenue
 - South side of Elm Street from Green Bay Road to Metra Tracks



Data and Analysis

Methods

- Focus Area on B5 area
- Gross Floor Area
 - building footprints from City GIS.
 - accurate to plus or minus 3 feet per building footprint (or 9 square feet).
- Linear Feet Street Frontage
 - building footprint from City GIS.
 - accurate to plus or minus 3 feet per building footprint.
- Land Use Analysis
 - field Study by Staff.



Land Use Analysis

- 164 different uses on the ground floor
 - 70% sales-tax generating.
 - 30% non-sales tax generating.

Use	# of Business Establishments in B5	Percentage of the Total Uses in B5
Retail	78	47.6%
Restaurant	36	21.9%
Service	18	10.9%
Office	17	10.3%
Financial Institution	6	3.7%
Vacant	5	3.0%
Community	4	2.4%
Sales Tax Producing	114	69.5%
Non-Sales Tax Producing	50	30.5%

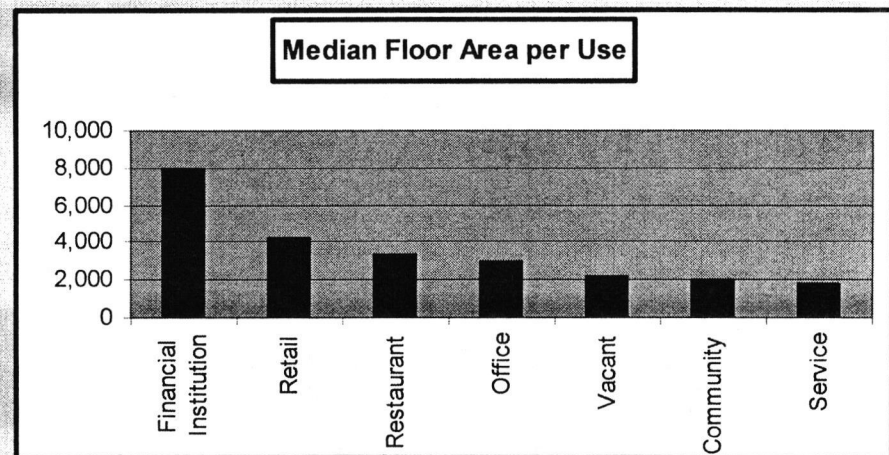
Floor Area

- 585,000 square feet of street level (1st floor) floor area in the B5 Zoning District.
 - 384,000 square feet (67%) is used by sales tax generating uses.
 - 191,000 square feet (33%) is used for non-sales tax generating uses.

Use	Gross Floor Area	Percentage of the Gross Floor Area in B5
Retail	262,567	45.6%
Restaurant	121,993	21.2%
Service	31,810	5.5%
Office	72,808	12.6%
Financial Institution	54,156	9.4%
Vacant	18,456	3.2%
Community	13,896	2.4%
Sales Tax Producing	384,560	66.8%
Non-Sales Tax Producing	191,126	33.2%

Floor Area: Financial Institutions

- Financial Institutions:
 - 9% of the total square footage.
 - 28% of the total non-sales tax generating square footage.
- Financial institutions have larger median ground floor areas, 8,017 sq/ft, than other non-sales tax generating uses.
 - 2,385 sq/ft median ground floor areas for sales tax generating uses.
 - 2,735 sq/ft medium ground floor areas for non-sales tax generating uses.



Linear Building Frontages

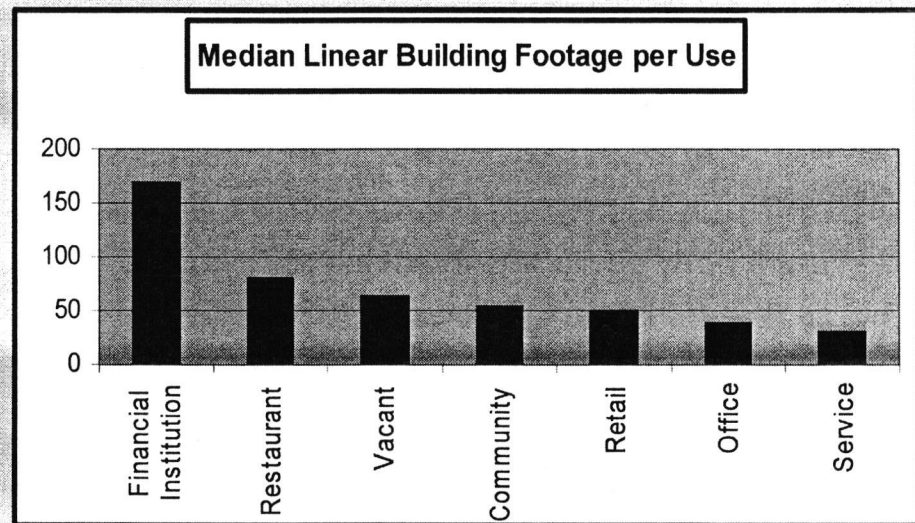
11,150 linear feet of building frontage:

- 65% sales-tax generating.
- 35% non-sales tax generating.

Use	Linear Building Footage	Percentage of the Total Linear Feet in B5
Retail	3,595	41.0%
Restaurant	2,104	24.0%
Service	398	4.5%
Office	895	10.2%
Financial Institution	1,184	13.5%
Vacant	320	3.7%
Community	266	3.0%
Sales Tax Producing	5,699	65.0%
Non-Sales Tax Producing	3,063	35.0%

Linear Building Frontage: Financial Institutions

- Financial Institutions account for only 28% of the total square footage of non-retail uses, however they account for 39% of linear building frontage.
- Financial Institutions:
 - Many of the financial institutions are located on corners which have a greater amount of building frontage per total square footage.



Summary

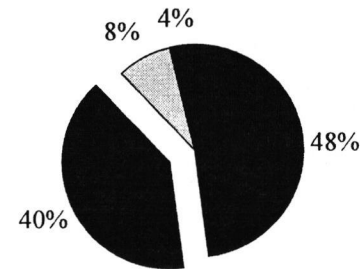
Use	Percentage of the Total Uses in B5	Percentage of the Gross Floor Area in B5	Percentage of the Total Linear Feet in B5
Sales Tax Producing	70%	67%	65%
Non-Sales Tax Producing	30%	33%	35%

Changes in Use

- 23 uses have changed in the past 3 years

- 40% changed from sales tax generating uses to non-sales tax generating uses.
- 4% changed from non-sales tax generating uses to sales tax generating uses.

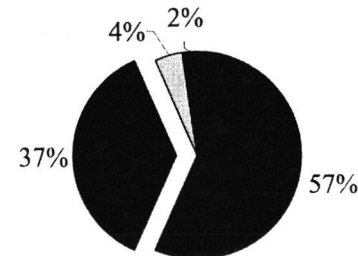
**Business Establishment Change
in the Past Three Years**



- Sales Tax Generating to Sales Tax Generating
- Sales Tax Generating to Non-Sales Tax Generating
- Non-Sales Tax Generating to Non-Sales Tax Generating
- Non-Sales Tax Generating to Sales Tax Generating

- Approximately 60,000 first floor building square feet in the B5 Zoning District has changed use in the past three years
 - Total net loss of 22,000 square feet of sales tax generating use in the past three years.

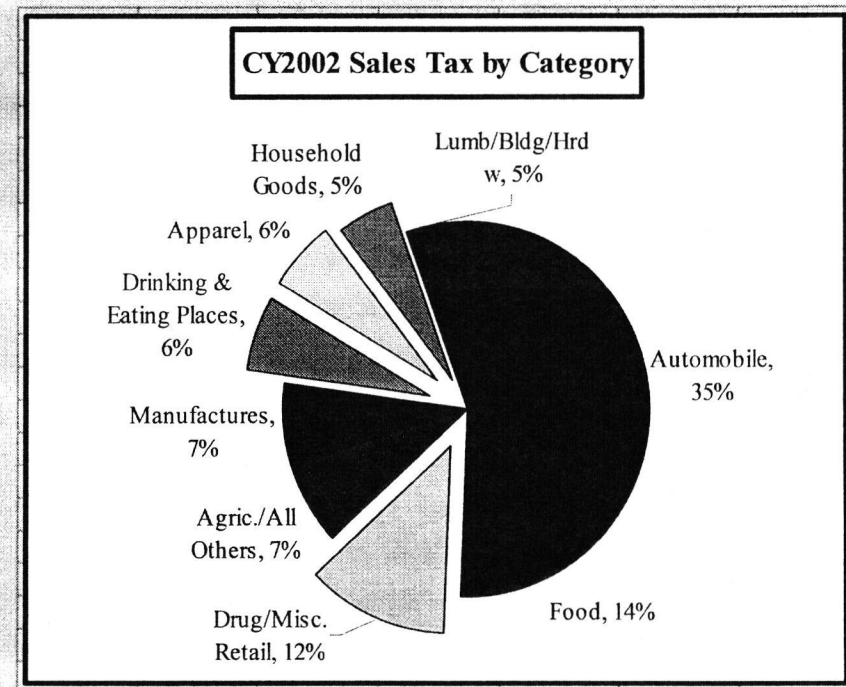
**Use Change by Square Footage
in the Past Three Years**



- Sales Tax Generating to Sales Tax Generating
- Sales Tax Generating to Non-Sales Tax Generating
- Non-Sales Tax Generating to Non-Sales Tax Generating
- Non-Sales Tax Generating to Sales Tax Generating

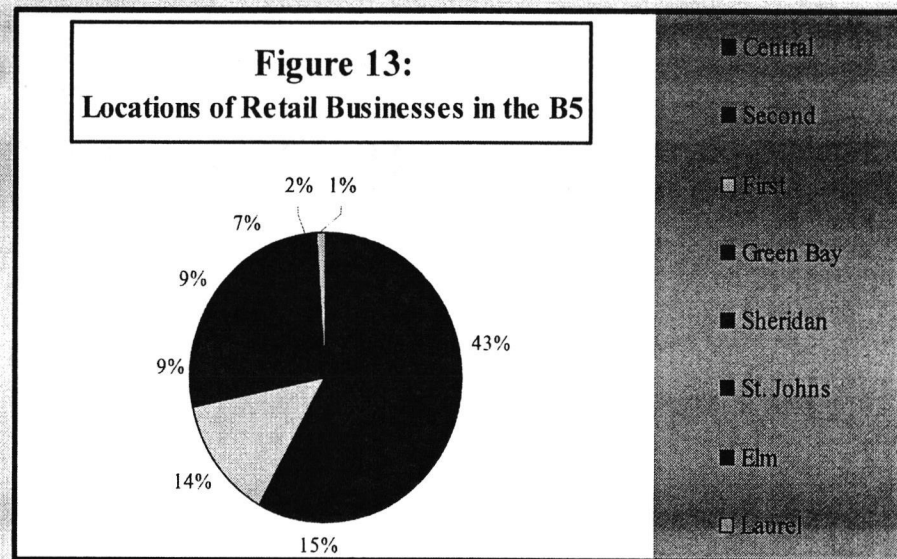
Sales Tax Generation

- \$11.5 million in sales tax for the 2003-2004 fiscal year.
 - 35% of revenue came from automobile sales.
 - 19.6% of revenue came from uses associated with the Downtown.
- Assuming an average per square foot sales volume of \$350 to \$700,
 - Loss of retail to non-retail use represents approximately \$155,200 to \$310,400 in sales tax revenue to the City.
 - This figure represents approximately 1.3 to 2.7 percent of total sales tax revenue projected for FY 2005.
 - City budget is approximately \$85 million



Geography: Street Frontages

- Central Avenue is the primary retail street
 - Accounts for over 40% of total retail uses.
- Important secondary streets:
 - Second Street,
 - First Street,
 - Green Bay Road,
 - St. Johns Avenue,
 - Sheridan Rd.



Drive-Thru Facilities

- Issues
 - Create safe pedestrian environment
 - Disruption of downtown “streetwall.”
- Eliminating drive-thru facilities from the B5 Zoning District would be consistent with the Master Plan policy of maintaining a pedestrian oriented shopping district in the Central Business District.

Regulatory Methods to be Considered

Regulatory Methods to Consider

- Create an Overlay District
 - Mapped Zone
- Exclusion of all non-sales tax generating uses
- Exclusion of some non-sales tax generating uses

Regulatory Methods to Consider

- Limitations by percentages
 - Set a percentage for total amount of square first floor gross building square footage and/or lineal building footage
- Limitations by thresholds
 - Set a maximum of square first floor gross building square footage and/or lineal building footage threshold
- Incentives/ Disincentives
 - Use off-street parking or payments in lieu of providing parking to encourage retail development

Regulatory Methods to Consider

- Square footage cap
 - Cap current non-sales generating uses to current first floor gross building square footage
- Special Use
 - Create special uses for some or all non-sales tax generating uses
- Spacing Requirement
 - Establish minimum distance separation requirement between non-sales tax generating uses
- Limit new drive-thru facilities
 - Not permitted in the B5 Zoning District
 - Special Use in the B4 Zoning District

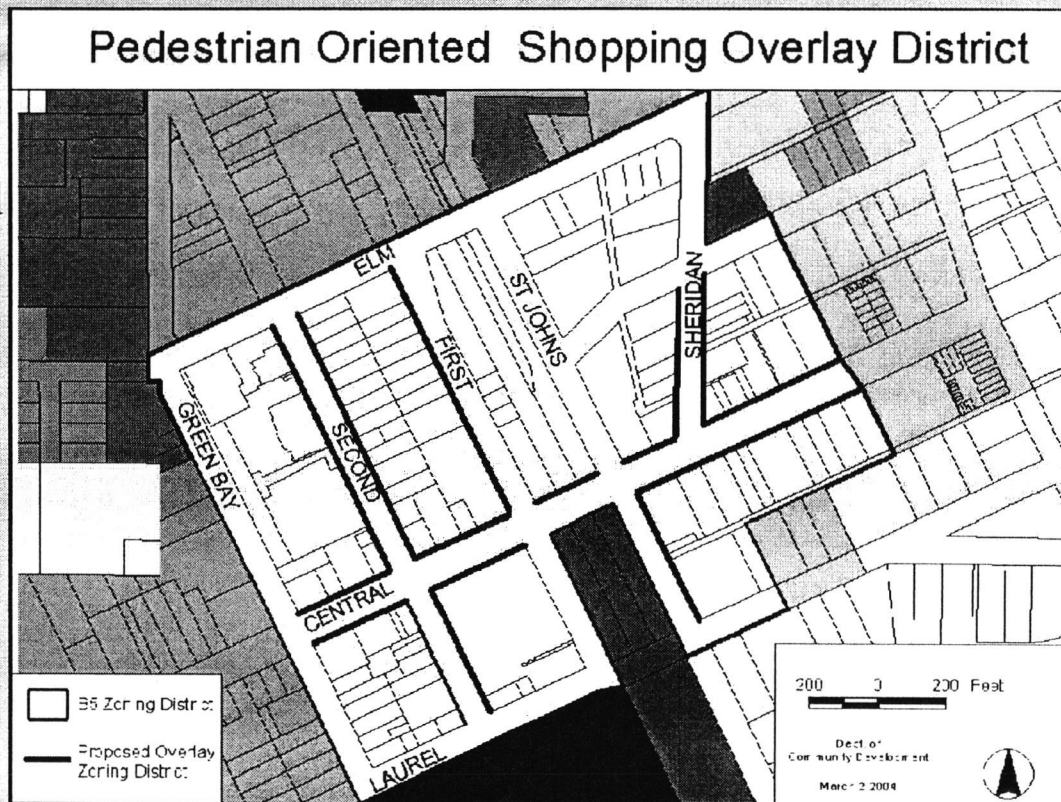
Regulatory Methods for Further Plan Commission Consideration

Limit new drive-thru facilities

- Prohibit in B5
- Special Use in B4

Pedestrian Oriented Shopping Overlay (POSO) District

- North and south side of Central Avenue from Green Bay Road to the eastern end of the B5 Zoning District.
- East and west side of Second Street from Laurel Avenue to Elm Place.
- West side of First Street from Central Avenue to Elm Place.
- East side of St. Johns from Central Avenue to Laurel Avenue
- East and west side of Sheridan Road from Central Avenue to Park Avenue.



Limitations upon some non-sales tax generating uses

- Regulations would apply on first floor only of overlay zone
- Regulated uses would include all the uses within the following use categories as outlined in Table of Uses in the Zoning Code:
 - Business Service Uses,
 - Office and Professional Uses,
 - Medical and Related Uses,
 - Financial Services Uses.

Use Categories Regulated by Zoning Overlay	Use Categories Not-Regulated by Zoning Overlay
Financial Uses	Personal Services Establishments and Custom Craft Uses
Business Service Use	General Retail Sales and Related Service Uses
Office and Professional Use	Food Product Uses
Medical and Related Use	Food and Beverage Service Uses
	Miscellaneous Uses

Regulation Through Thresholds

First Floor Gross Building Square Footage:

- All regulated uses that are over a predetermined total square footage would be prohibited
- Pros:
 - Maintains flexibility for property owners to rent to any use if under the predetermined threshold.
 - Maintains a diverse downtown while minimizing negative impacts of large non-sales tax generating uses.
 - Would help maintain the sales tax base by disallowing large buildings to convert to non-sales tax generating uses.
- Cons:
 - Limits owners ability to rent to use if over the predetermined threshold.
 - City must determine appropriate threshold
 - Must establish regulatory devices to prevent manipulation of space to get under threshold.

Regulation Through Thresholds

Linear Building Footage:

- All regulated uses that exceeds a predetermined linear building frontage would be prohibited
- Pros:
 - Maintains flexibility for property owners to rent to any use if under the predetermined threshold.
 - Maintains a diverse downtown while minimizing negative impacts of large non-sales tax generating uses.
 - Maintains the pedestrian oriented character of downtown.
- Cons:
 - Limits owners ability to rent to use if over the predetermined threshold.
 - City must determine appropriate threshold
 - Must establish regulatory devices to prevent manipulation of space to get under threshold.

Regulation Through Thresholds

Spacing Requirement:

- Establish a minimum distance separation requirement for all regulated uses:
 - 1) The distance requirements can be limited to the regulated uses on the same block
 - 2) The distance requirements can be all regulated within a certain distance; whether on the same or blocks or street frontages
 - 3) Spacing by storefronts: Regulated uses must be separated by a minimum number of storefronts.
- Pros:
 - Limits grouping of non-sales tax generating uses on the same block or same area of the B5 Zoning District.
 - Helps to preserve pedestrian character of downtown
- Cons:
 - Does not proactively regulate loss of sales tax revenue.
 - Limits the ability for property owners to rent space if they are within a predetermined distance of a regulated use.
 - Creates equity questions as a rental space is not allowed to rent to a regulated use because its neighbor or another property within a certain distance is also a regulated use.

Regulation Through Incentives or Disincentives

- Limit granting waivers from off-street parking requirements to uses in the Financial Uses, Business Service Use, Office and Professional Use or Medical and Related Use Categories.
- Pros:
 - Would help offset loss of sales tax revenue from buildings being converted to non-sales tax generating use.
- Cons:
 - Does not proactively exclude the uses which are not appropriate for the B5 Zoning District
 - May not deter those uses with the financial resources to opt out of the requirement for off-street parking.

Other Regulatory Controls

Conditions for a Change in Use:

- Regulated uses only to be replaced by other regulated uses in the same use categories.
- Once the spaces become a permitted use, they could not go back to being occupied by a regulated use.

Appeal Process:

- Create an appeal process for regulated uses to be considered.
 - Appeal process would be similar to Special Use Process
 - Regulated uses could go to Plan Commission and City Council to appeal that they are appropriate for the B5, similar to a Special Use application.
 - Plan Commission was against using a Special Use process
 - The Special Use process was considered to be a burden on City Council, Plan Commission, and users.

Meeting Follow-up

- Letter from Property Owners presented at Plan Commission Hearing
- Further focus of regulatory options by Plan Commission
- Public Hearing continued to March 16, 2004

Proposed Zoning Code Text Amendment to
Encourage Occupancy of the First Floor by Retail
Sales Tax Generating Uses in the B5 Central
Business District

Highland Park City Council and Mayor
March 8, 2004

