City of Rowlett

Joint Work Session Agenda

City Council
Planning and Zoning Commission

4000 Main Street
Rowlett, TX 75088
www.rowlett.com

City of Rowlett City Council meetings are available to all persons regardless of disability. If you require special assistance, please contact the City Secretary at 972-412-6109 or write 4000, Main Street, Rowlett, Texas, 75088, at least 48 hours in advance of the meeting.

Wednesday, February 12, 2014 | **6:30 P.M.** | **Council Conference Room – 4000 Main Street**

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purpose of seeking confidential legal advice from the City Attorney on any agenda item herein.

The City of Rowlett reserves the right to reconvene, recess or realign the Regular Session or called Executive Session or order of business at any time prior to adjournment.

1. CALL TO ORDER

1A. City Council

1B. Planning and Zoning Commission

2. WORK SESSION ITEM

2A. Staff and the consultant team led by Jacobs will provide the City Council and Planning and Zoning Commission with an update regarding the Realize Rowlett 2020 – North Shore Master Plan Process.

3. ADJOURNMENT

3A. City Council

3B. Planning and Zoning Commission

Laura Hallmark

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Laura Hallmark, City Secretary

I certify that the above notice of meeting was posted on the bulletin boards located inside and outside the doors of the Municipal Center, 4000 Main Street, Rowlett, Texas, as well as on the City's website (www.rowlett.com) on the 3rd day of February 2014, by 5:00 p.m.

City of Rowlett

Staff Report

4000 Main Street
P.O. Box 99
Rowlett, TX 75030-0099
www.rowlett.com

AGENDA DATE: 02/06/14 **AGENDA ITEM**: 2A

TITLE

Staff and the consultant team led by Jacobs will provide the City Council and the Planning and Zoning Commission with an update regarding the Realize Rowlett 2020 – North Shore Master Plan Process.

STAFF REPRESENTATIVE

Erin Jones, Director of Development Services

SUMMARY

The City Council approved a detailed scope, fees, and schedule, as well as appointed an Advisory Committee on November 5, 2013, for the North Shore Master Plan Initiative. Since that time, Staff and the Consultant Team have conducted two rounds of advisory committee, property owner, and adjacent property owners meetings in order to present concepts and receive feedback. This is the second of three Joint City Council/Planning and Zoning Commission Meetings. The purpose of this meeting is to update the Council and Commission regarding the process to date and receive feedback. Specifically, the Council and Commission will be presented with market data, a draft framework plan incorporating the feedback received from property owners and adjacent property owners, as well as an overview of proposed development types to be incorporated in the Form Based Code.

BACKGROUND INFORMATION

On September 20, 2011, the Rowlett City Council unanimously adopted the Realize Rowlett 2020 Vision Plan as the City's Comprehensive Plan. This approval followed an aggressive six month visioning process wherein community stakeholders were engaged at every step. As staff noted at the time of the adoption, the Realize Rowlett 2020 Vision Plan was just the beginning. It is a high level overview that establishes a vision and provides implementation strategies that are used to create zoning regulations and boundaries in the future. The Realize Rowlett 2020 Plan provides a measure of predictability and clarity in the primary step of the development process. It is the first step in proactively planning for the next phase of the City's future.

After the adoption of the comprehensive plan, City staff was keenly aware that the City had a limited time frame to prepare for potential development opportunities as the City moved closer to the completion of the President George Bush Turnpike Eastern Extension and the DART Light Rail Blue Line Extension. To that end, staff moved quickly into Phase II of the Realize Rowlett Initiative in order to protect the vision established under the Comprehensive Plan. On September 6, 2013, the City Council adopted the City's Form Based Code and subsequently rezoned four of the 13 opportunity areas highlighted in the Comprehensive Plan to be regulated under the newly adopted Form Based Code.

At the time of adoption, it was made clear that the Form Based Code was intended to be a living, breathing document that would be added to in the future. While the two development types that exist today - “New Neighborhood” and “Urban Village” were sufficient for the four priority areas rezoned last year, they were never intended to be the only product types utilized City-wide. It is anticipated that at the end of the North Shore Planning Initiative there will be an additional nine to ten development types that will be incorporated into the Code. This is due to the large land area included in the North Shore and the number of pedestrian sheds that will have to be addressed. It is also important to note that with the addition of the new development types, staff will largely consider the Form Based Code complete. To date, when developers throughout the City approach staff about rezoning to a Form Based District, staff does not have adequate “tools” in the “tool box” to accommodate a full range of development types, as it is not appropriate to apply the two existing districts City-wide. With the completion of the North Shore study and subsequent Form Based Code amendment, there will likely be a wide enough range of development types to allow the development community and/or City to allocate them City-wide as the market demands in the future. Thus, while the North Shore Initiative is primarily intended to address a specific area of the City, it also has overarching implications for future implementation of the Form Based Code City-wide. As previously noted, the Comprehensive Plan identified 13 opportunity areas. With the completion of the North Shore Initiative, only six of those areas will be addressed, leaving seven additional areas to be addressed in the future. Without the addition of a full range of development types, it will not be possible to implement the Form Based Code outside of the four areas rezoned in 2012.

Funding for the North Shore Iniative had been earmarked in the Innovation Fund since fiscal year 2013, and was further reconfirmed with the adoption of the fiscal year 2014 budget. Staff originally intended to begin the North Shore Initiative in January 2013, immediately following the Realize Rowlett 2020 Phase II adoption. However, based on the interest in the Form Based Code and the amount of projects submitted immediately following adoption, the North Shore Initiative was delayed in order to allow Staff to focus on the current workload and implementing the plans that were adopted in November 2012. Considering that many cities adopt plans and wait years to see implementation happen, this was and still is a good problem to have. However, after delaying the North Shore Initiative for nearly a year, Staff continued to see development pressure mounting in this area and believed that it was critical that the City take the initiative to implement the vision established in the Comprehensive Plan at this time. If not, it will become increasingly more difficult to discourage the rezoning of this area for conventional single family subdivisions as that is the majority of the interest received. As Council is aware, the City’s lack of diversity in housing types is directly linked to the lack of diversity in commercial tax base. To sit back and allow the largest area of commercially zoned land in the City to be incrementally rezoned with no master plan is not in the City’s best interest and will very likely lead to an undesirable outcome as it relates to the City’s fiscal sustainability. The City Council approved a detailed scope, fees, and schedule, as well as appointed an Advisory Committee on November 5, 2013, for the Master Plan Initiative.

Based on the aggressive schedule adopted by the City Council, staff knew it was imperative to have the first round of Advisory and Property Owner Meetings prior to the December Holidays as not to delay the process. The full meeting schedule is as follows:

Round 1:

- Advisory Committee Meeting December 2, 2013 - Complete
- Property Owner Meetings December 9-10, 2013 - Complete
- Joint P&Z/CC Meeting December 19, 2013 - Complete
- Adjacent property owner meeting January 9, 2014- Complete

Round 2:

- Advisory Committee Meeting January 13, 2014 - Complete
- Property Owner Meetings December January 21-22, 2014 - Complete
- Adjacent property owner meetings January 30, 2014 - Complete
- Joint P&Z/CC Meeting February 6, 2014

Round 3:

- Advisory Committee Meeting March 10, 2014
- Final Joint P&Z/CC Meeting March 27, 2014

City staff and the consultant team will be coming back to the City Council and Planning and Zoning Commission following each stage of the process to provide an update and receive feedback. This will be the second of three updates.

DISCUSSION

At the December 19th Joint Meeting, Staff and the Consultant Team presented preliminary market information, as well as feedback received from the advisory committee and property owners. Since that time, the team has finalized the detailed market data, which has been used to formulate appropriate development types that can be absorbed throughout the North Shore study area. Those development types have been proportionally distributed throughout a draft framework plan taking into consideration the property owners' and adjacent property owners' input and concerns.

At this Joint Meeting the Consultant Team will present a summary of the detailed market analysis (Market Data – Attachment 1), present the draft framework plan and proposed development types in light of property owner feedback and market study, and outline the remaining process as we proceed towards adoption in April. The feedback received at this meeting is critical in determining how the plan will proceed, thus there will be ample opportunity for discussion at the meeting.

FINANCIAL/BUDGET IMPLICATIONS

This is a discussion item only.

RECOMMENDED ACTION

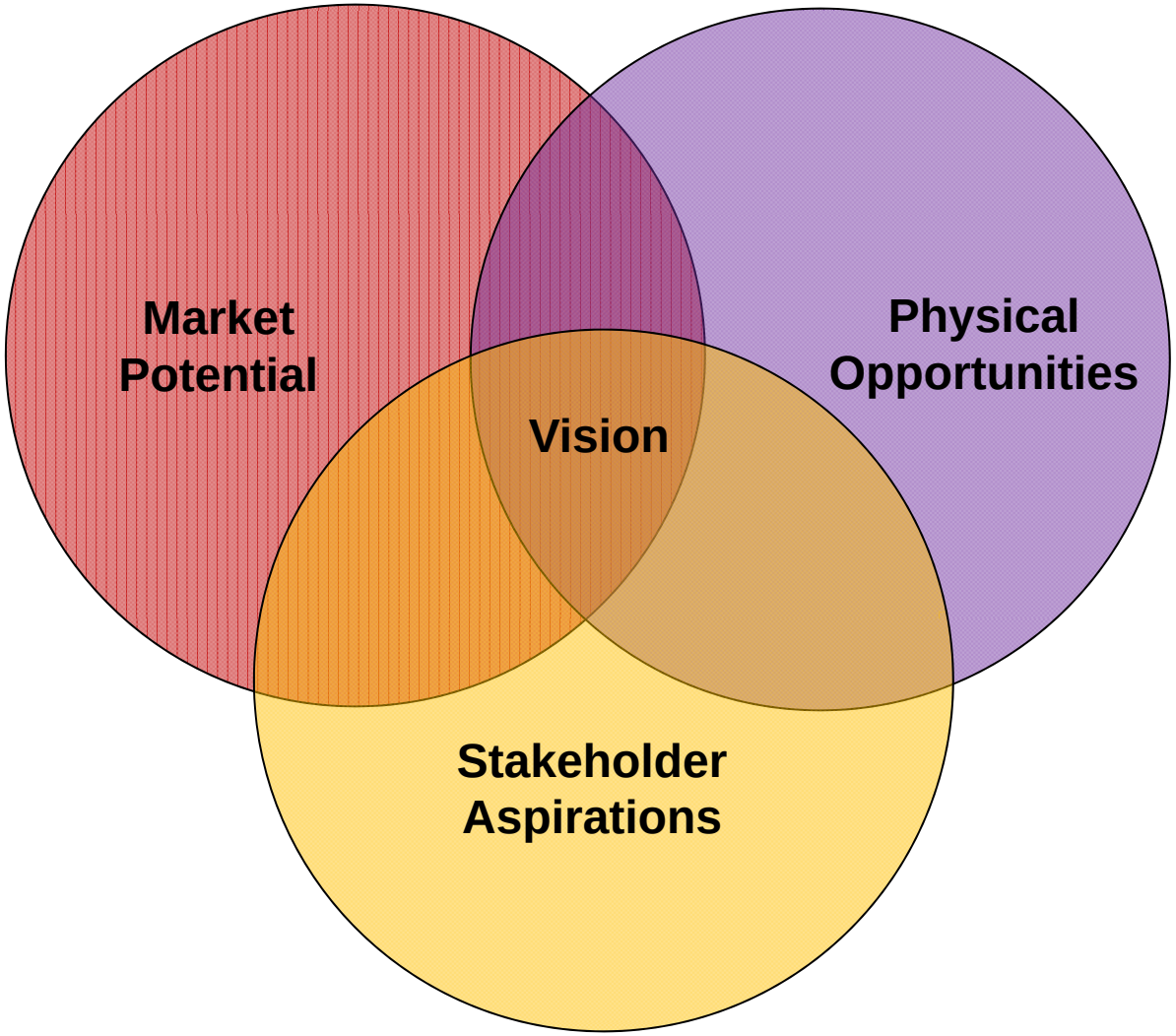
This is a discussion item only. Staff and the Consultant Team will provide the Council and Planning and Zoning Commission with an update following the second round of Advisory and Property Owner Meetings and receive feedback.

ATTACHMENT

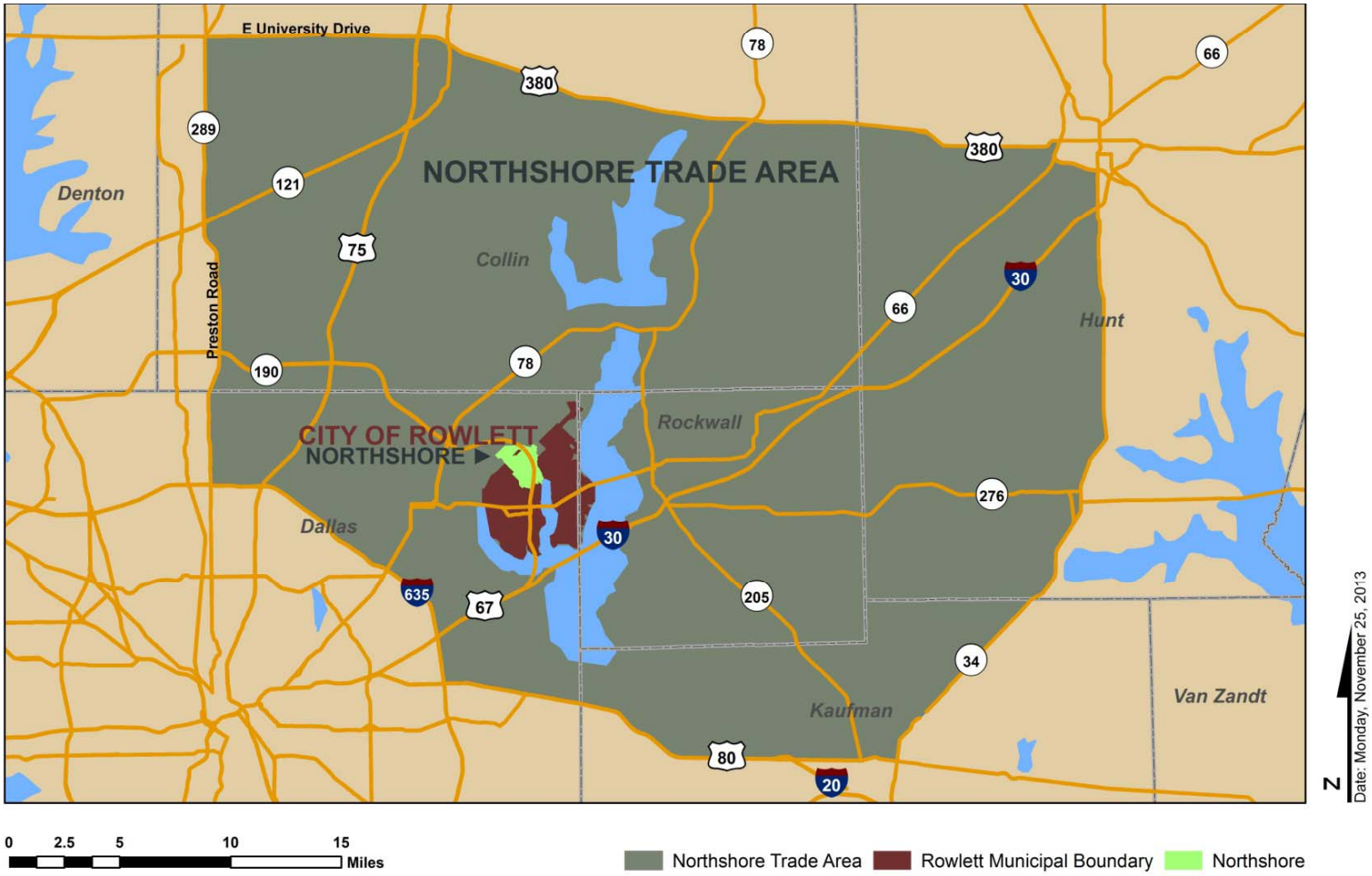
Attachment 1 – Market Data

Market Potential

Project Planning Process



North Shore Trade Area



RICKER | CUNNINGHAM (303) 458-5800 www.rickercunningham.com
8200 South Quebec Street, Suite A3-104 - Centennial, CO 80112-4411

Trade Area Market Opportunity

Market Demand by Land Use

Land Use Type	Trade Area Demand (20 Year)
Residential (Units):	
Single Family Detached	28,500
Single Family Attached	15,300
Rental Apartments	14,700
Residential Total	**58,500**
Non-Residential (Sq Ft):	
Retail	15,258,500
Office	15,096,500
Industrial	24,232,400
Nonresidential Total	**54,587,400**
Total All Land Uses	

Source: Ricker | Cunningham.

- **Large Trade Area due to:**
  - Access to regional and interstate transportation network and transit (PGBT, I-30, DART)
  - Land inventory both available and diminishing along major transportation corridors (US 75)
  - Untapped market niches relative to demographics, psychographics and supply
  - Development response to completion of PGBT – Rowlett now "eastern gateway to Metroplex" rather than "back door"

Market Forces – Office Development

Opportunity

- New State Farm development at PGBT and US 75 "moved the line southern line for new development"
- Limited inventory of available land under either a single or few owners, 50+ acres and zoned for something other than residential and / or retail
- Disconnect between demand for retail space (given industry needs) and municipal inventories of commercially-zoned land

Trends

- "Green" LEED credentials no longer an amenity, rather an expectation
- Finish and adaptability of flex office (industrial product) making this a more desirable product than Class B office for users
- Desire by corporate users to offer environment of co-uses for employees (e.g., State Farm)
- Hospital presence and limited inventory of developable lots in close proximity

Challenges

- "Changing face of office space" – ULI forecast that within the decade 100 psf per employee vs. 180 psf in 2014
- Much of available inventory is already obsolete given evolving needs of work space setting challenging perceptions of demand given supply
- Most development activity among build-to-suit users given limited availability of capital and extraordinary underwriting criteria
- Availability of capital for residential development

North Shore Offerings

- Limited number of owners allowing for significant assemblages
- Leadership commitment to long-term vision
- Fiscal challenges which require a larger inventory of income-producing and higher-value products
- Access and visibility along a major transportation corridor with access to transit and interstate system
- Market-supported vision

Market Forces – Office Images

Market Forces – Industrial Development

Opportunity

- Industrial products considered best development opportunity in 2014 (replacing apartments)
- Limited inventory of available land under either a single or few owners, 50+ acres and zoned for something other than residential and / or retail
- Expectation that manufacturing will keep Dallas / Fort Worth economy expanding – benefiting from high concentrations of technology, corporate headquarters operations, excellent distribution infrastructure and above-average population gains

Challenges

- Vacant land with visibility and access, yet unimproved (infrastructure)
- Availability of capital for residential development
- Ensuring high quality sustainable products compatible with surrounding uses and priced appropriately for the market and product
- Balancing demand with long-term vision and diversity of product types

Trends

- Growth of Generation Y's impact on real estate sectors – collaborative office space, close-in warehousing to ensure same-day delivery from on-line retailers (Enrichment Centers)
- Finish and adaptability of flex office (industrial product) making this a more desirable product than Class B office for users
- Desire by corporate users to offer environment of co-uses for employees (e.g., State Farm)

North Shore Offerings

- Acreage (once assembled) to support development of a business park (120+ acres)
- Leadership commitment to long-term vision (competitive communities giving into to "bird in the hand" opportunities)
- Fiscal challenges which require a larger inventory of income-producing and higher-value products
- Opportunity to be "eastern gateway to Metroplex" rather than "back door"

Market Forces – Industrial Images

Market Forces – Industrial Flex Images

Market Forces – Retail Development

Opportunity

- High population growth in Texas markets – a rate more than double the national average at 78,000 new residents each year
- Local experience with packaging complex incentive agreements
- Adaptability of vacant land versus retrofit or infill sites

Trends

- Growth of Generation Y's impact on real estate sectors – close-in warehousing to ensure same-day delivery from on-line retailers (Enrichment Centers)
- Retailers' desire for more urban formats
- Greater involvement by retail tenants in types and terms of incentives
- Shorter bay-depths (given limited if any on-site inventory), more display space

Challenges

- Vacant land with visibility and access, yet unimproved (infrastructure)
- Availability of capital for residential development
- Much of available inventory is already obsolete given industry trends challenging perceptions of demand given supply
- Preserving visible and accessible uses for primary job users and supporting and smaller scale retail, rather than larger "boxes" with "limited shelf-life"
- "Clouds" left on retail leases which limit later phases
- Avoiding users and uses which could compete with other commercial concentrations within city

North Shore Offerings

- Parcels with access and visibility (5 minute drive from Merritt Road to US 75)
- Retail spending, yet revenue leakage
- Expanding daytime population
- Fiscal challenges which require a larger inventory of income-producing and higher-value products

Market Forces – Retail Images

Market Forces – Residential Development

Opportunity

- High population growth in Texas markets – a rate more than double the national average at 78,000 new residents each year
- Market analysis that shows less than one-quarter of existing residents residing in a residential product type that is their first choice
- Ample locations for traditional products in other locations of the city
- Mix of school districts – marginal and favorable

Challenges

- Availability of capital for residential development
- Pressure by merchant builders to deliver products, rather than market-supported neighborhoods
- Lag time between new neighborhood approvals and building which will serve to "prove up" market support for new and different housing types
- Familiarity with the "sins of the past" and fear of negative impacts
- Mix of school districts – marginal and favorable

Trends

- Growth of Generation Y's impact on real estate sectors – more urban and less suburban, but less driving
- Demand / desire for smaller spaces (micro housing)
- Investment and development support for transit-accessible housing
- Corporate users desiring co-uses in the same environment (e.g., State Farm)

North Shore Offerings

- Expressed vision for co-uses in the same setting
- Existing uses which will require transitional uses between established neighborhoods and non-residential uses
- Fiscal challenges which require a larger inventory of income-producing and higher-value products

Transitions Between Land Uses

Transitions Between Land Uses

Transitions Between Land Uses

Transitions Between Land Uses