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- **TO:** Madison Plan Commission
- FROM: Bradley J. Murphy, Planning Unit Director
- **DATE:** September 9, 2004

SUBJECT: Proposed Ordinance Regarding Large Retail Establishments

Introduction

In March 2003, an ordinance was introduced to the Madison Common Council establishing design guidelines for new retail establishments in excess of 50,000 square feet. This original proposed ordinance was based on a similar ordinance from Ft. Collins, Colorado. Over the last year and a half, the proposal has been discussed numerous times by the Economic Development Commission, Urban Design Commission, and Plan Commission. A significant amount of input has also been received from the development community. As a result, the sponsors of this ordinance have prepared a draft substitute ordinance that includes a number of substantive changes recommended by the sponsors. Attached is a copy of the draft substitute ordinance, as well as memos from the Economic Development Commission and Urban Design Commission describing their recommendations.

Origin of the Ordinance

The ordinance was originally proposed to address concerns regarding a variety of functional and aesthetic aspects of large format retail developments being constructed in Madison. These concerns related mainly to the scale of the developments, and the industry standard of siting multiple buildings and very large one-story buildings (usually with long, unarticulated facades with few windows) at the rear of the lot and the parking (often greatly exceeding the amount required by the Zoning Ordinance) between the buildings and the street. This results in a development pattern that, many times, does not relate well to its surroundings and creates a streetscape dominated by parking lots (i.e. strip commercial development). The impacts of this development style have become magnified by the trend towards larger and larger stores. While these developments are economically successful, and are designed to cater almost exclusively to automobile traffic, the sponsors of the ordinance and Planning Unit staff believe that Madison can do better. The ordinance is intended to ensure that such future development enhances and does not detract from Madison's character, scale, and sense of place.

Planning Unit Recommendation

The Planning Unit supports the adoption of the ordinance. The ordinance will establish a set of minimum development criteria that will be understood by developers, policymakers, and staff in advance of the project review. Staff also supports most of the changes that have been incorporated into the substitute ordinance and those recommended by the Urban Design Commission that allow for flexibility to deal with unique or unusual circumstances. Staff do not view this ordinance as a "one size fits all" approach, but rather the establishment of minimum standards which, when applied consistently, will raise the bar for large retail development projects throughout the City.

The Planning Unit recommends that the substitute ordinance be adopted with the amendments proposed by the Urban Design Commission, with the exception of a recommendation to require a second story for all retail development. While staff generally agree with the desire to encourage buildings to have more than one story, we do not believe that it is appropriate to require all development in excess of 40,000 square feet to have two stories in all situations.

The following paragraphs provide a brief commentary on the major changes that have been incorporated into the ordinance since it was first introduced in March of 2003. These changes, have significantly increased the flexibility of the proposed ordinance and have tailored it to address the needs of the Madison community and to address many of the concerns that have been expressed.

- <u>Maximum Building Footprint (Urban Design Commission Amendment C)</u>. If the Plan Commission wishes to limit the size of a single retail establishment, staff support limiting the size of the building footprint, as opposed to limiting the overall square footage of the building. The Urban Design Commission has recommended that the maximum building footprint of 100,000 square feet could be waived if the development includes a superior design solution, including environmentally sensitive and energy efficient design elements in excess of current regulations and may include multi-story development, mixed-use development or structured parking. The Planning Unit supports these recommendations.
- <u>Ability to Modify Guidelines and Waive Standards</u>. The Urban Design Commission's recommendation allows all of the standards in the ordinance to be modified or waived by a simple majority vote of both the Plan Commission and Urban Design Commission because of "unique or unusual circumstances that warrant special consideration to achieve a superior design solution". At the recommendation of ordinance sponsors, the Commission also recommended that the Commissions must make specific findings when standards are waived. The Planning Unit supports this amendment, which is a major concession from the proposed ordinance which required a 2/3 majority vote to modify only certain standards.
- <u>Applicability</u>. The original ordinance applied only to new retail establishments in excess of 50,000 square feet. The modified ordinance applies to all new retail development on a single zoning lot that has a total gross floor area of 40,000 square feet or more. This amendment increases the comprehensiveness of the proposed ordinance and its effectiveness. The Planning Unit supports this recommendation.

- <u>Alterations and Additions to Existing Buildings</u>. The proposed ordinance and the recommendations of the Urban Design Commission make it clear that proposed additions and exterior building alterations will only need to comply with the ordinance requirements to the extent feasible or possible given the constraints of the existing sites and structures. An example of how the ordinance will be applied is the Dick's Sporting Goods stores at East Towne and West Towne. The review of both stores by staff and the Commissions focused on the area of the malls affected, rather than requiring improvements throughout the entire mall properties. This ordinance will not hinder the redevelopment of underutilized properties, but will ensure that at least the new development that does occur complies with the standards to the extent possible.
- <u>Site Design</u>. Almost all of the developers commenting on the proposed ordinance indicated that, while they didn't see a need for the proposed architectural guidelines, they felt confident that they could bring projects to the City that would meet and exceed the requirements. Major concerns, however, were expressed with the site planning requirements, including the entrance locations and building locations in relationship to the parking lots and the public streets.

The Urban Design Commission has recommended a significant change to these ordinance requirements. The draft substitute ordinance recommended that, where a zoning lot directly abuts two or more public or private rights-of-way, that 50% of the street frontage shall be occupied by building façades with a maximum setback of 20-feet. The Urban Design Commission's recommendations change this requirement to apply to only one street frontage. Current right-of-way standards for commercial streets can range from roughly 80 to 120 feet or more. One of the most visually unappealing aspects to current commercial districts are the developments that have large expanses of parking in front of the buildings resulting in an unattractive landscape and streetscape. If, as many developers have proposed, a double row of parking were allowed along 100% of the street frontage, the potential distance between buildings across the street would increase by 80 to 90 feet per side, resulting in a distance of 240 to 280 feet between buildings. This is exactly the situation that the proposed ordinance is attempting to change.

This ordinance strives to create more urbanized site planning for our commercial developments. The Planning Unit supports a requirement for a maximum building setback over 50% of one street frontage as recommended by the Urban Design Commission, recognizing that even this standard can be waived by the commissions.

- <u>Building Entrances</u>. The other significant concern relates to the number of building entrances required by the ordinance. The original proposed ordinance required building entrances on each side of the building facing a public street. The ordinance also prohibited corner entrances (facing both the street and parking lot) from being considered in meeting this requirement. The Urban Design Commission has recommended that where a building abuts two or more public or private rights-of-way, the entrance requirement shall apply to only one side of the building that abuts a public right-of-way, and that corner entrances may be considered in meeting the requirement. This would allow building entrances to be placed on the corner to face both the public street and the parking lot. The Planning Unit believes that this goes a long way toward addressing the concerns that have been expressed.
- <u>Second Story Requirement</u>. While the Planning Unit supports the goals of the Urban Design Commission with respect to encouraging two story buildings wherever possible, Planning staff do not believe that it is appropriate to attempt to require all large scale retail development to be multi-story.

I would also like to comment on some of the statements that have been made concerning the physical constraints and limits on the peripheral or horizontal growth potential of the City. While it is true that the City will not continue to grow horizontally and at the periphery forever, it is also equally as likely that significant peripheral growth and development will continue for many decades into the future. While the City's primary growth opportunities are east and west, these opportunities are very significant and represent an opportunity to accommodate many well-designed neighborhood and community retail centers serving yet to be built neighborhoods. At the same time, the City of Madison can expect to see eventual infill development and redevelopment of many of its existing strip commercial streets (University Avenue, East Washington Avenue, Park Street, Odana Road, etc.) and its major retail shopping districts, including East Towne, West Towne, Westgate and Hilldale. For example, the new owners of the Hilldale Shopping Center, Joseph Freed and Associates, have already proposed a significant redevelopment plan for the shopping center which includes multi-story mixed-use development supported by structured parking. In the decades to come, as this type of development and redevelopment is proposed, the Planning Unit believes that the City of Madison will be better served by having a minimum set of building and site planning guidelines which can ensure a development standard far in excess of the standards that produced the City's older, existing centers. The Planning Unit supports the adoption of the ordinance with the changes noted above.

C: Madison Common Council Mayor David J. Cieslewicz