

PLAN COMMISSION MEETING MEMORANDUM

TO: David Valentine, Chairman
Plan Commission & Town Board
FROM: Eric Ryer, Asst. Administrator/Clerk
MEMO WRITTEN: December 9, 2015
SUBJECT: Agenda Item # 4a: Discussion on updating the Five Corners Master Plan*

BACKGROUND

Like most long-range planning documents, municipal master plans don't always age well. The economy, market forces, transportation issues, and development trends can dramatically change over time. As such, it's important the plan for the Five Corners area reflects the realities of today. Drafting of the Five Corners Master Plan (FCMP) began in August 2005 and was completed in 2006. Since then, the Great Recession has made its mark on all levels of the economy. Locally, much has changed over the past nine years. Average daily traffic at Five Corners has grown by 67%. Business development and planning by neighboring communities have already directly impacted the Five Corners area. The FCMP didn't consider these factors, analyze the residential and commercial markets, or assess the Town's competitive position.

UPDATE OUTLINE

More than any other area in the Town, the Five Corners Business District will pose a myriad of questions in the years to come. Some of these questions include (**Plan Commission responses shown in red**):

- Should residential development be considered? If so, what type(s) and how dense? **Yes, pedestrian friendly in the form of mixed-use, senior, and traditional housing as options.**
- How can Town-owned properties be leveraged for the greater good?
- What type of businesses should be pursued? **Focus on new business development.**
- What role should cultural/recreational attractions and pedestrian facilities play? **Incorporate the Sports Complex.**
- Are public improvements needed to facilitate development?
- Are there public finance tools/public-private partnerships the Town could pursue that could assist the Town with its goals? **Continue relationship with PWSB loan program.**

Town decision-makers will be better equipped to answer these and other questions by updating the Five Corners Master Plan.

PLAN COMMISSION DISCUSSIONS IN MAY/JUNE

The Plan Commission took up this discussion at their May 20th meeting, deciding to address the plan update internally. The first step in this deliberate and thorough process was a discussion on the purpose of the plan at the June meeting. Staff presented four questions to the Commission regarding this. Those questions, along with Commission responses (**in red**) are below.

- Should future development of Five Corners focus primarily on tax base growth? **Yes.**
- Or accommodating certain types of new businesses/services (i.e. Recreation hub/Sports Complex)? **Yes, bring in new business and continue to strive for realization of the Sports Complex.**
- Or drawing more customers for existing businesses? Or some sort of a combination? **Growth of new business is priority over focusing on current businesses.**
- Or perhaps some other role? **Attempt to attract restaurants connected to public spaces such as compact parks or gathering areas.**

The Commission directed staff to take into consideration their comments and update the statement for review at the July meeting. The recommended updated statement is shown below.

Old statement: “to create a vibrant and pedestrian-friendly “town center,” featuring mixed-use development and providing a focal point and gathering place for the town”.

New statement: “to create a vibrant and pedestrian-friendly “town center,” attracting new business, generating tax base growth, and realizing the construction of a Sports Complex”.

JULY MEETING

The next logical step was to begin updating the “Introduction and Background” section of the plan. While only three pages in length, updates to this section set the stage for the remainder of the plan update. Topics addressed within this section of the existing plan, associated questions, **and Commission responses** include:

- Incorporate the updated purpose statement as confirmed by the Plan Commission (**seen above**)
- Review the area to which the Five Corners Master Plan applies. **The Commission directed Administrator Culotta to contact the Grob family to see if they are interested in adding their Airport Fields properties to the Five Corners Business District & Town Center Overlay area.**
- Public input. Staff presented business and resident surveys that could be circulated with the fall Town newsletter. **The Commission directed staff to issue surveys (including a question regarding senior housing as an option in the Five Corners area and Town as a whole). The resident survey went out with the fall newsletter, and the business survey was available to those on the Town business list.** *Of note is the original Master Plan was drafted with the assistance of a steering committee, stakeholder and property owner interviews/workshop, and concluded with a Joint Steering Committee/Plan Commission meeting.*

SEPTEMBER MEETING

Cody Gunstenson, a representative with Buxton, gave a presentation to the Commission regarding retail recruitment noting a partnership with Buxton would cost \$50,000 annually. Although the Commission appreciated the presentation, it was a general agreement of the Commission this was not a good fit due to the Town’s characteristics. The Commission also noted the Design Guidelines and Standards approved by the Board in August of 2014 and Design Preference Survey contained within the current Five Corners Master Plan did not need any updates at this time.

OCTOBER MEETING

The business and resident Annual survey results were discussed at this meeting. Preferred residential development in the Five Corners area was single-family (70%), independent living (57%), and senior retirement community (50%). Also, 50% said the Town should be prioritizing for a sports complex, and 45% supported mixed use residential and commercial development. The Commission reviewed the project goals in the current version of the Plan and did not see a need to change any of the current goals in the Plan. The also answered the two questions below:

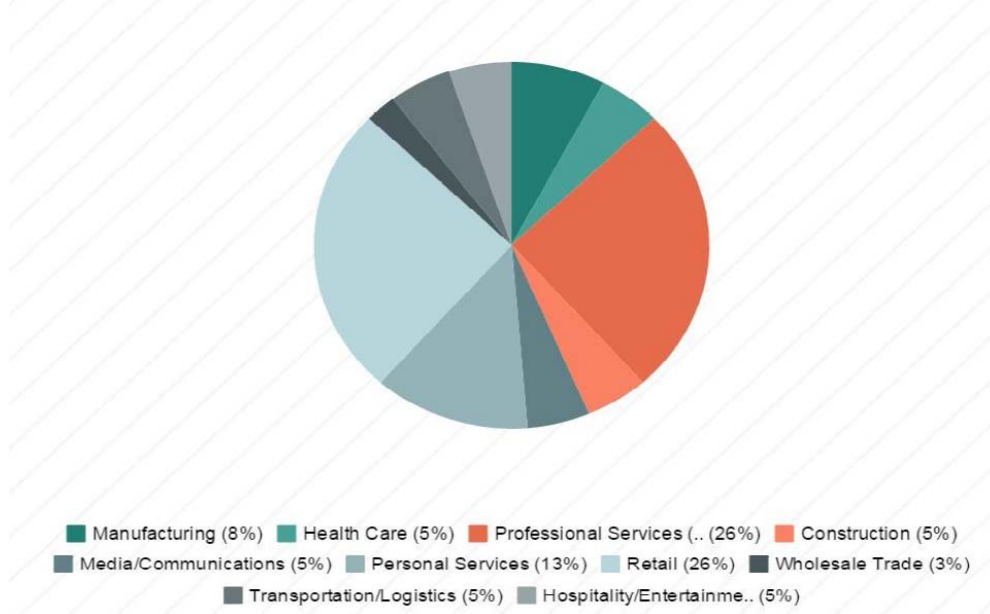
- How does the current data align with the goals found in the current version of the Master Plan? **Chairman Valentine noted the survey data supports the current Master Plan.**
- Does this data influence the Commission’s vision for the Master Plan moving forward? **Chairman Valentine noted the survey data encouraged the Commission and Town to continue the current Plan update path.**

NOVEMBER MEETING

The Plan Commission reviewed a new draft Chapter 4 regarding a comparison to neighboring communities and how they compete with the Town. The Commission recommended the chapter be included in its proposed form.

CURRENT MEETING: PROPOSED NEW CHAPTER 5***NEW CHAPTER 5: PUBLIC INPUT AND MARKET ANALYSIS'
TO BE INSERTED******TOWN BUSINESS SURVEY***

The Town issued a survey to the business community in 2015 to gather input and feedback on various issues. The response was 39 out of 79 businesses, or a 49% response rate. This chapter includes a summary of several of the questions, assisting decision makers in understanding how businesses view the community and their future in the Town.

What type of industry is your business involved in?

Source:
Town Business Survey

The Town business community has a mix of old and new, as 38% have been in the Town for over 20 years, while 35% have been here for 5 years or less. The typical size of a Town of Cedarburg business is less than 10 employees, as 74% of the respondents fall within this group. When asked why their business located in the Town, 41% answered they were originally founded here, while 35% answered it was proximity to customers that drew them here. When asked how their employee count is anticipated to change over the next five years, 61% answered they expected to increase hiring, indicating growth and investment. When asked how they anticipate sales and revenue to change over the next five years, 82% answered they anticipate it to increase, also indicating growth and investment. When asked as to their level of satisfaction with a local business climate, 86% answered they were very satisfied/satisfied, while only 12% answered they were dissatisfied. Business leaders have noted to staff they appreciate the business-friendly approach the Town takes to regulations and taxes. Finally, when asked which best describes the primary customer base, 64% answered local residents, 23% answered business-to-business, 10% answered Internet, and 2% answered seasonal or short-term visitor. The overall impression of this survey indicates Town businesses are poised for growth in a business-friendly community, where a majority of their products are purchased locally.

ANNUAL TOWN PERFORMANCE SURVEY DATA

Staff included a series of questions in the Annual Performance Survey regarding businesses and development within the Five Corners Master Plan area. A majority of respondents (86%) were very satisfied/satisfied with the mix of Town businesses. Residents were given a variety of development options to see which they would most prefer; the top two responses were 66% for a sit-down restaurant, and 39% for a grocery store. When asked if residents would support national or local retailers, 95% indicated they would support local retailers, while only 38% indicated they would support national retailers.

¹ (Buxton & Census Area Projections and Estimates, 2015)

In a very comprehensive question regarding where residents do their shopping, the results showed a vast majority of residents predictably shopping in the Village of Grafton and City of Cedarburg versus all other local options, including the Town of Cedarburg. This is a direct results of shopping options and proximity. When asked how satisfied residents were with the variety and location of housing opportunities in the Town, 92% were very satisfied/somewhat satisfied, demonstrating the strength of attractive housing the Town provides. Respondents were also asked what types of housing the Town should allow or encourage to develop in the future in the Five Corners area. The most popular option was single-family housing, with 71% strongly agreeing/agreeing. Next was senior housing with 57% strongly agreeing/agreeing. Support was mixed for a variety of other options including townhouse/condo, mixed use, assisted living and continued care. Duplex housing was least well received, with 57% strongly disagreeing/disagreeing with this option. Finally, respondents were asked to identify which development opportunities the Town should prioritize in the Five Corners area within the next five years. The responses ranked as follows: 50% favoring a sports complex, 45% favoring mixed-use development, 36% favoring commercial development, 27% favoring residential development, and 13% favoring industrial development. Residents are indeed hoping the long-planned sports complex comes to fruition for the betterment of the community and surround areas.

RETAIL ANALYSIS

A retail leakage and surplus analysis formally examines a community's retail opportunities. This is also sometimes referred to as a "gap analysis" or a "supply and demand analysis." The goal of this exercise is to determine if retail needs are being met, identify shopping that is occurring outside of the community, and determine what opportunity there is for additional retail within the community.

What is Retail Leakage?

Retail leakage occurs when residents are leaving the community to spend money on products. They may be doing so because there are few options within the community, or because there are better options outside of the community. In the case of the Town of Cedarburg, there are retail options in the City of Cedarburg and Village of Grafton not offered within the Town that pull residents away. The most significant draw is the growing retail complex in the Village of Grafton along Port Washington Road and adjacent areas.

What is Retail Surplus?

Retail surplus occurs when the community's trade area is capturing retail dollars from local residents, while also pulling in non-locals shoppers. Such an example would again be the shopping complex in Grafton. This successfully draws residents from all over Ozaukee County and further reaches. It supports primarily national/regional stores, while the older downtown area in Grafton and main-street in the City of Cedarburg support local businesses.

BUXTON ANALYSIS

The following is a summary of the results of the "Retail Leakage and Surplus Analysis" conducted for the Town of Cedarburg by Buxton in 2015. When looking at the results, the "Leakage Index" can be interpreted as follows:

- 1.0 = equilibrium, meaning that demand and sales in the area being analyzed are in balance.
- .80 = demand exceeds sales by 20%, meaning that consumers are leaving the area being analyzed.
- 1.2 = sales exceed demand by 20%, meaning that consumers are coming from outside the area being analyzed.

The store types and their index score for the Town, rated from highest to lowest are seen below:

Store Type	Potential	Estimated Sales	Surplus/Leakage
Motor Vehicle Parts & Dealers	37,154,063	48,288,959	1.3
Furniture & Home Furnishing Stores	3,944,090	3,572,192	0.9
Electronics & Appliance Stores	4,395,407	791,548	0.2
Building Material & Garden Equipment & Supply Dealers	15,379,404	6,717,091	0.4
Food & Beverage Stores	27,291,646	21,840,441	0.8
Health & Personal Care Stores	13,263,300	18,388,184	1.4
Clothing & Clothing Accessories Stores	9,320,608	8,624,151	0.9
Sporting Goods, Hobby, Book, & Music Stores	4,225,384	3,355,850	0.8
General Merchandise Stores	7,926,962	148,816	0.0
Miscellaneous Store Retailers	5,713,801	7,651,262	1.3
Foodservice & Drinking Places	11,471,980	11,995,118	1.0
Total	140,086,645	131,373,612	0.9

Four out of the eleven store types resulted in a surplus, while seven out of the eleven resulted in leakage, or residents traveling outside of the Town to shop for the products. Speaking on the whole for all store types examined, the Town was just on the short side of a leakage at .09, with 1.0 being an equilibrium. The analysis demonstrates the unmet demand particularly speaking to electronics and appliance stores, building material and garden equipment and supply dealers, and general merchandise stores. While this could suggest retailers the Town could pursue to bring to the area, it is also important to note these stores are provided in Grafton via Best Buy, Costco, Home Depot, Target, Meier, and Kohl's among other stores. The close proximity makes the chances of similar retailers locating in the Town unlikely, seeing the demand is being met there or in other locations.

The Town could be better served working to:

- shift the focus to developing the Sports Complex, supporting commercial development (restaurants, hotel)
- attract local business that provides products and services not adequately being provided for at the Grafton shopping complex. These could include personal services like dentist, orthodontist, law office, accountant, physical therapy, beauty/hair services, insurance office, consultants (environmental, engineering etc.), doggy day care, pet grooming, and realtor etc.
- provide products and services that meets needs of people traveling to/through Cedarburg (complementary) such as antique shops, coffee shops, sandwich shops, art gallery, bike shop etc.
- provide commercial/industrial developments that would add to the current business district. These would focus on manufacturing, technology, auto, and warehousing/wholesaling etc.
- shift the focus to residential/senior housing/mixed use.

SUMMARY: While the Business Survey, Annual Performance Survey, and Buxton Retail Leakage and Surplus Analysis are all valuable individual pieces of information, their strength comes when the information is combined together to paint a complete picture. It is also very important to look at your neighboring communities and what they offer. The result is a blueprint for decision-makers and how they can approach future development in the Five Corners area.

THIS MEETING

This month, staff would ask the Commission review the above proposed new Chapter 5 for insertion into the Plan. More tables could be added for further detail (or included as appendices). Staff would envision continuing with remaining chapters at the next meeting.