

Planning Matters

Red Tape Tips for Avoiding Zoning Surprises Along the Way

Zoning is the single-most important tool communities use to achieve the goals and objectives of its long-range plan, to shape the pattern of development, and to protect people and their property. Of the decisions that the Planning Commission makes, there are few that equal zoning in terms of the day-to-day impact on the health, safety, and welfare of ordinary people. However, most individuals are unaware of zoning regulations, and the impact of these regulations can seem all too real to the unwary buyer and owner.

Zoning is a tool to avoid or minimize disruptive land use patterns involving incompatible land uses. Zoning recognizes that some uses are not compatible and that certain uses may be appropriate next to or even unsafe near other activities. One example is a heavy industrial use with obnoxious or detrimental impacts is not an appropriate use adjacent to a residential development.

Zoning also provides landowners and the marketplace with predictability and certainty. Being familiar with the current zoning and future land use plans will eliminate future surprises. Informed buyers and owners will have an indication of what may be developed on their property and next door to them. For example, the adjoining property may be used for pasture land now but it may already be zoned or have the potential to be zoned for commercial or industrial development in the future. Another example is a family finds the property of their dreams but never checks the current zoning and future land use plans for adjoining property. The family buys the property but later finds out that they can't build their

dream home or operate their family business on the property due to zoning restrictions.

While these are obvious examples, they are not always the most important in the mind of a buyer or owner. Buyers and owners should do their homework and become educated to avoid future surprises and potential zoning horrors. Whether you are buying property for residential or commercial use or for personal or investment purposes, the following is a list of key questions you should ask.

- What are the community's future land use plans for adjacent properties and immediate area? Are the future land use plans compatible with your goals?
- Where are the community facilities, such as schools, hospitals, parks and recreational facilities, etc., in relation to your property? Are there any plans to relocate or construct facilities?
- What is the current zoning of your property? Will the current zoning allow the activities you have planned (for example, building a house, setting up a home-based business, building a storage shed or garage, renting a portion of your home as an apartment)? Will the house or building fit on the lot given the zoning restrictions? Can the zoning be changed and what are the procedures for the zone change?
- What are adjoining properties currently zoned and are there any plans to change the zoning? Are there plans for nearby open space,

such as farmland or vacant property? Are the zoning and future land use plans compatible with your goals, and if the vacant field next door is developed, will you have the same view from your home?

- Is the property you are buying in fact the property you are being shown? Do you have a copy of the current deed or plat and are you familiar with the property's boundaries, shape, and sitting and location of driveways, existing structures, etc.?
- If the property has existing structures, do they meet current zoning regulations? Was there a zoning compliance permit issued for the existing building or structure?
- Does the property have any drainage, access, utility or other easements that would restrict its use?

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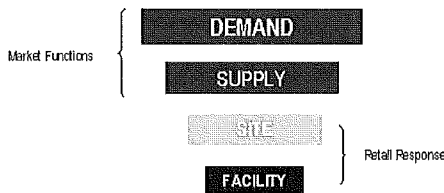
Retail Site Selection: How Retailers Choose Your Community

Reprinted from article written by Katie Bullard, *AngelouEconomics*, July 2005 (www.angeloueconomics.com)

Major retailers are continuously looking for new opportunities to relocate in existing markets or expand into new markets due to relentless pressure from increased competition, evolving shopping patterns, and more sophisticated customer demands. These firms are always searching for improved and additional real estate. Communities seeking to expand their tax base with additional retail development need to understand retailers' approach to the site selection process.

Although specific criteria vary from retailer to retailer depending on the target customer, there are fundamental similarities in retail site analysis. A retail site's viability is evaluated through four primary drivers:

Driver #1: Demand



The building block of retail sales is the demand within any given store's primary trade area. A retail trade area is the geographic area from which a retail unit generates its sales. The primary trade area is the area that can be expected to generate 60-70% of total sales. Primary trade areas are not consistent five or ten-mile rings around a site. They can vary greatly in size and are determined by assessing numerous factors, including household density, travel patterns, natural boundaries (mountains or rivers), social and economic demographics, and the scope of the retail center itself.

For instance, an expansive, regional lifestyle center on the outskirts of a major city, like Short Pump Town Center in Richmond would be expected to have a much larger

geographic trade area than a stand-alone retail unit in Manhattan. However, after factoring density and spending power, sales from the two sites may be expected to be equal. As the first factor in determining the viability of a location, most retailers have minimum requirements for trade areas, whether those are minimum household counts, population counts, or calculated spending potential.

Destination retailers like Bass Pro Shops, Cabela's, or IKEA attract customers from a much wider area than a convenience retailer, like Circuit City or Staples. Although they may locate on the outskirts of a market, their trade area encompasses the whole market.

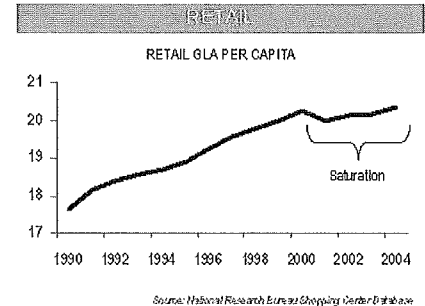
Within a trade area, demand is further refined through demographics. Most retailers have target customers that regularly shop at their stores. For example, Kohl's looks for a high percentage of females within the 25-54 age group that have a home and family. Lowe's and Home Depot are more interested in household counts and home ownership rates. The more closely the demographic characteristics within a trade area match these customer targets, the higher the anticipated demand.

Driver #2: Supply

Retail supply refers to the number of nearby competitors, the amount of space they occupy, and their potential impact on the relocating company. Within trade areas of the same size, a retail unit may be viable in an area that has only one small competitor, but not viable with two or three large competitors.

Often, supply is driven, not only by the number and size of competitors, but the degree to which the competitor affects sales. For example, Kmart and Wal-Mart are both major competitors of Target, but Wal-Mart's negative sales impact on Target is

much greater than Kmart's. As the next piece of the site analysis, most retailers will quantify and weigh the competitive intensity of each competitor.



Over the past several years, lack of supply has become the major issue in retail expansion. In fact, retail construction has grown more than twice as fast as the population rate over the past 15 years. As existing markets face their saturation point, retailers have been forced to reach out to previously underserved markets for expansion opportunities and to find those locations before competitors.

Driver #3: Site

Once criteria for demand and supply have been met, a retailer considers many aspects of the proposed site itself, including the size of center, existing and future retail shopping patterns, co-tenants, highway access, visibility, and traffic counts. Many retailers choose to co-locate with other companies that have similar storing strategies and customer targets. For example, sporting goods retailers that target male customers 18-54 may locate with office supply and electronics retailers. These retail synergies will often drive traffic, sales, and ultimately profitability.

Driver #4: Facility

Facility refers to the actual format of the retail unit itself. Most retailers have a standard prototype that has

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- Is the property served by adequate public or private services, such as water, sewer, or septic system? If served by an existing septic system, what is its condition?
- Are there any plans to widen the roads or streets by or near your property? If yes, what impact will the road improvements have on your property and future land use patterns in the area?
- Does the property have public or private access? Do not be fooled by what is on the ground. Do you have a plat showing whether the property abuts and has access onto a public roadway, platted private road, or easement? If it is a private road or easement, who is responsible for maintenance?
- Does your property adjoin any commercial use or zoning? Are there plans to build new businesses or expand? What are the hours of operation and the typical lighting, traffic, and noise levels? Are there private covenants, deed restrictions, homeowners associations, etc. that may be imposed on your property?
- What permits are required if I want to build, add onto, alter, or demolish a building or structure?
- Is your property within a designated flood plain, and if so, can you build in the flood plain?
- Is your property located within the Bardstown historic district?
- If your property is located within a rural area, are the sights, smells, and sounds of agricultural activities acceptable?
- Will zoning and subdivision regulations allow the subdividing of your property?

This list is not all-inclusive and not all of the questions will apply to your particular situation. But hopefully this list will provide you with a starting point.

The Planning Commission and other local agencies are tremendous resources. Don't be afraid to ask questions and request information. While it may take some homework for the staff to research your request or you may be referred to another office, the inquiries may help you avoid problems and disappointments later. Neighborhoods and communities change. You should know as much as possible about potential changes before buying or developing your land.

Foster Heights 3rd Graders Learn About Planning & Zoning

Third graders in Ms. Mattingly's and Ms. Beck's classes at Foster Heights Elementary School recently participated in the Junior Achievement Our City® program. Under the direction of LeAnn Hilton, school's Guidance Counselor, the students completed a series of five activities studying careers, the skills people need to work in specific careers, and how businesses contribute to a city. The five activities were: (1) Inside Cities, (2) Building a City, (3) Dining Out, (4) Making Headlines, and (5) You Can Bank on It.

On April 19 and 20, the Planning Commission Director assisted with 2 activities. The first activity was "Inside Cities." Students learned about cities as places where people live, work, play, and go to school, the different zones used in city planning, and the job of a planner. The second activity was "Building a City." The students learned about the importance of the construction business to a city's economy; the skills a builder needs, and how the builder's job relates to the job of the city planner.



Students show off their new buildings as part of the JA "Building a City" activity. Front: Hyleigh Fenwick and Katie Price. Back: Mallorie Lether.

Dave Cook has resigned from the Development Review Board. Dave was appointed by Nelson County Fiscal Court in November 2005 to serve an unexpired term. He was reappointed in January 2006 for a 3-year term.

News

If you are interested in serving on the Planning Commission, Boards of Adjustment, Historical Review Board, or Development Review Board, please contact the appropriate legislative bodies for information on vacancies and appointment procedures.

Retail Site Selection (continued from page 2)

proven to work well within typical markets and sites. Lowe's standard-prototype is 115,000 square feet, a Wal-Mart Super Center is 185,000 square feet, and a standard Best Buy is 45,000 square feet.

However, in response to the supply problem, retailers are seeking to expand into underserved markets, and their solution has been to adapt the standard retail format. Lower demand in these smaller trade areas means lower sales projections, so costs can only be supported if the store's footprint is smaller. For example, Best Buy has introduced a 20,000 square foot prototype that is less than 50% the size of its standard 45,000 square foot store and is targeted at markets with populations of less than 100,000.

Lowe's, Home Depot, Circuit City, and Wal-Mart have also introduced similar, smaller formats. Industry analyst David Campbell, of Davenport and Company, notes that Lowe's smaller format aimed at rural communities "will open up another 150 to 300 new markets for them."

In some cases, these formats are also used in urban settings, where space and cost constraints have limited retail expansion. Today's

revitalization of downtowns has enticed people to move closer to work and back to the city. Developers and retailers are realizing the potential of urban in-fill locations. According to the U.S. Department of Commerce, inner cities will account for about 40% of the total increase in U.S. purchasing power between 2000 and 2045, from \$1.3 trillion to \$4.3 trillion.

What This Means for Your Community

Retailers are adapting their site selection techniques to expand into markets that have not previously captured their attention. Demand and supply will continue to be the key market factors in evaluating a location, but retailers have become more flexible with their site and facility response to these drivers.

The economic viability of a retail unit in a small or urban market faces more hurdles than those in typical suburban markets: smaller trade areas, lower sales, or higher costs. Incentives offered to retail developers, including low-interest loans, infrastructure upgrades, or tax incentives, will lessen these burdens and make your community more attractive for additional development.

Kohl's Site Selection Criteria

Reprinted from Kohl's website,
www.kohlsrealstate.com/newcriteria.htm

Population

- Metropolitan suburban growth area with 190,000 people in the trade area
- Infill locations in urbanized areas with generally 250,000 people in the trade area
- Single-store, mid-size communities with generally 100,000 people in the trade area

Location Type

- Preferred locations in power, life-style, or neighborhood strip centers, regionally accessible shopping areas or freestanding units located in close proximity to retail shopping and major business areas.
- Large population of families
- Strong visibility, access and significant traffic counts.

Household Income

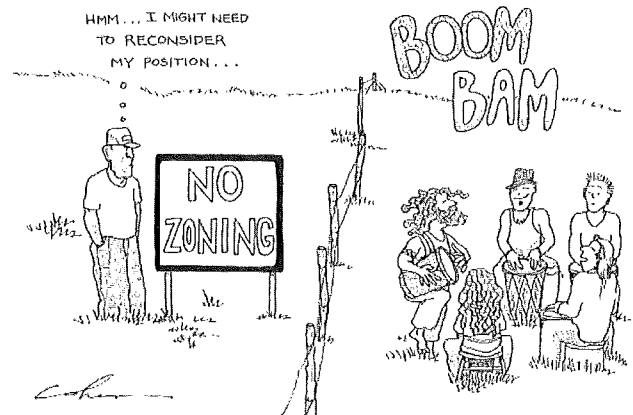
- Median household income in excess of \$40,000

Deal Types

- Prefer to purchase and own

Retail Synergy

- Proximity to national and regional



Zoning Compliance Permit Analysis

January—March 2010

	City of Bardstown		Nelson County		Total	
	Permits	Est. Cost (\$)	Permits	Est. Cost (\$)	Permits	Est. Cost (\$)
Agricultural Structure Demolitions	0	\$0	0	\$0	0	\$0
Agricultural Structures	0	\$0	11	\$160,100	11	\$160,100
Agricultural Additions	0	\$0	2	\$10,000	2	\$10,000
<i>Agricultural Subtotal</i>	0	\$0	13	\$170,100	13	\$170,100
Accessory Structure Additions	0	\$0	0	\$0	0	\$0
Accessory Structure Demolitions	1	\$0	1	\$0	2	\$0
Accessory Structures	14	\$41,697	38	\$258,139	52	\$299,836
Manufactured Homes, Double-Wide	0	\$0	3	\$165,500	3	\$165,500
Manufactured Homes, Single-Wide	0	\$0	0	\$0	0	\$0
Manufactured Home Additions	0	\$0	0	\$0	0	\$0
Mobile Home Park Replacements	0	\$0	0	\$0	0	\$0
Multi-Family Structure (0 units)	0	\$0	0	\$0	0	\$0
Multi-Family Addition	1	\$399,534	0	\$0	1	\$399,534
Recreational Vehicle, Temporary	0	\$0	0	\$0	0	\$0
Single-Family Additions	7	\$72,750	13	\$139,321	20	\$212,071
Single-Family Demolitions	0	\$0	0	\$0	0	\$0
Single-Family Dwellings	11	\$1,029,000	29	\$4,057,850	40	\$5,086,850
Single-Family Relocations	0	\$0	0	\$0	0	\$0
Single-Family Alteration/Remodeling	4	\$162,000	6	\$146,514	10	\$308,514
Townhouses/Condominiums (2 units)	1	\$180,000	0	\$0	1	\$180,000
<i>Residential Subtotal</i>	39	\$1,884,981	90	\$4,767,324	129	\$6,652,305
Commercial Accessory Structures	1	\$5,000	0	\$0	1	\$5,000
Commercial Additions	4	\$34,000	1	\$1,000,000	5	\$1,034,000
Commercial Alterations	8	\$496,250	0	\$0	8	\$496,250
Commercial Demolitions	1	\$0	0	\$0	1	\$0
Commercial Structures	1	\$240,000	0	\$0	1	\$240,000
Commercial Tenant Fit-Ups	2	\$56,000	0	\$0	2	\$56,000
<i>Commercial Subtotal</i>	17	\$831,250	1	\$1,000,000	18	\$1,831,250
Industrial Accessory	0	\$0	0	\$0	0	\$0
Industrial Additions	0	\$0	0	\$0	0	\$0
Industrial Alterations	1	\$47,000	1	\$14,000	2	\$61,000
Industrial Structures	0	\$0	0	\$0	0	\$0
<i>Industrial Subtotal</i>	1	\$47,000	1	\$14,000	2	\$61,000
Public Structures	0	\$0	0	\$0	0	\$0
Public Structure Additions	0	\$0	0	\$0	0	\$0
Telecom. Accessory Structures	2	\$30,000	2	\$30,000	4	\$60,000
Telecommunications Structures	0	\$0	0	\$0	0	\$0
<i>Public Subtotal</i>	2	\$30,000	2	\$30,000	4	\$60,000
<i>Total Permits Issued</i>	59	\$2,793,231	107	\$5,981,424	166	\$8,774,655

Joint City-County Planning Commission of Nelson County

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 Phyllis Horne, Receptionist/Clerk
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 Mike Coen, Legal Counsel
 Alicia Brown, Court Reporter

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 Cities of Bardstown,
 Bloomfield, Fairfield,
 & New Haven
 &
 Nelson County**

1st Quarter (January—March) Comparison Zoning Compliance Permits for New Construction 2007—2010

Permit Type	2007		2008		2009		2010	
	# Permits (Units)	Est. Cost	# Permits (Units)	Est. Cost	# Permits (Units)	Est. Cost	# Permits (Units)	Est. Cost
Duplexes	1 (2)	\$82,000	0	\$0	0	\$0	0	\$0
Multi-Family Structures	1 (3)	\$110,000	0	\$0	0	\$0	0	\$0
Townhouses/Condos	1 (16)	\$480,000	1 (3)	\$160,000	1 (2)	\$120,000	1 (2)	\$180,000
Single-Family Dwellings	55	\$7,271,914	33	\$3,669,344	29	\$3,330,000	40	\$5,086,850
Commercial Structures	5	\$846,000	5	\$641,200	3	\$322,000	1	\$240,000
Industrial Structures	1	\$42,750	1	\$65,000	3	\$270,000	0	\$0
Public Structures	1	\$250,000	0	\$0	0	\$0	0	\$0
Total Permits	209	\$11,117,611	155	\$7,041,559	141	\$5,980,884	155	\$8,774,655