

PLANO CITY COUNCIL

WILL CONVENE INTO EXECUTIVE SESSION AT 5:00 P.M. ON OCTOBER 14, 2013, FOLLOWED BY THE PRELIMINARY OPEN MEETING IN THE PLANO MUNICIPAL BUILDING, 1520 K AVENUE, IN COMPLIANCE WITH VERNON'S TEXAS CODES ANNOTATED, GOVERNMENT CODE CHAPTER 551 (OPEN MEETINGS ACT), AS FOLLOWS:

Mission Statement: The City of Plano is a regional and national leader, providing outstanding services and facilities through cooperative efforts that engage our citizens and that contribute to the quality of life in our community.

EXECUTIVE SESSION

- | | | | |
|------|--|-----------|---------|
| I. | Legal Advice
Respond to questions and receive legal advice on agenda items | Wetherbee | 5 min. |
| II. | Economic Development
Discuss a financial offer or other incentive to a business prospect to locate, stay, or expand in Plano and consider any commercial and financial information from the business prospect | Bane | 10 min. |
| III. | Real Estate
Downtown Plano | Turner | 5 min. |
| IV. | Personnel
Collin County Central Appraisal District Board - Member | Council | 5 min. |

PRELIMINARY OPEN MEETING

- | | | | |
|-----|---|---------|--------|
| I. | Consideration and action resulting from Executive Session discussion: Personnel - Collin County Central Appraisal District Board - Member | Council | 5 min. |
| II. | Personnel:
Library Advisory Board - Member
Photographic Traffic Signal Advisory Committee - Members, Chair and Vice Chair
Self Sufficiency Committee - Members | Council | 5 min. |

III.	Discussion and Direction re Retail Report and Recommendation Prepared by Gibbs Planning Group	Jarrell	30 min.
IV.	Screening Wall Update	Cosgrove	20 min.
V.	Council items for discussion/action on future agendas	Council	5 min.
VI.	Consent and Regular Agendas	Council	5 min.

In accordance with the provisions of the Open Meetings Act, during Preliminary Open Meetings, agenda items will be discussed and votes may be taken where appropriate.

Municipal Center is wheelchair accessible. A sloped curb entry is available at the main entrance facing Municipal/L Avenue, with specially marked parking spaces nearby. Access and special parking are also available on the north side of building. The Senator Florence Shapiro Council Chambers is accessible by elevator to the lower level. Requests for sign interpreters or special services must be received forty-eight (48) hours prior to the meeting time by calling the City Secretary at 972-941-7120.



City of Plano
1520 K Avenue
Plano, TX 75074

P.O. Box 860358
Plano, TX 75086-0358
Tel: 972.941.7000
plano.gov

Date: October 10, 2013

To: Honorable Mayor and City Council
City Manager Glasscock
City Secretary Zucco

From: Alice Snyder, Assistant City Secretary

Subject: Personnel
Executive and Worksession Meetings

The following reappointments/appointments will be considered at the October 14, 2013 Council Meeting.

Executive Session

-Collin County Central Appraisal District Board

Worksession Meeting

-Library Advisory Board
-Photographic Traffic Signal Advisory Committee +
Chair and Vice Chair
-Self Sufficiency Committee



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Chair and Vice Chair
-Self Sufficiency Committee

October 7, 2013

MEMO

TO: Bruce D. Glasscock, City Manager
Frank F. Turner, Deputy City Manager

FROM: Phyllis M. Jarrell, Director of Planning

SUBJECT: Report on Plano's Retail Market by Gibbs Planning Group

Please find attached a report on Plano's retail market prepared by Robert Gibbs of Gibbs Planning Group. As you will recall, the city engaged Mr. Gibbs' firm to review the local retail market and provide recommendations on shopping center updating and redevelopment as a revitalization strategy for the city. Mr. Gibbs was also asked to recommend an approach for the city to use in developing a program for CIP expenditures from the \$15 million commercial revitalization fund approved by voters in May. Mr. Gibbs spent two days in late August touring Plano and neighboring cities' shopping centers and malls. During his visit he also met with a group of local retail brokers to gauge the health of Plano's retail market from their perspective.

As the summary report indicates, Plano's retail market overall is healthy, but has suffered from loss of market share as shopping center have been developed in neighboring communities. Many older centers need updated facades and improved landscaping and signage, and have non-traditional uses now occupying anchor spaces. Newer centers with vacancy problems may suffer from management or leasing challenges. Mr. Gibbs recommends that the city first conduct market studies to determine the actual trade area for Plano and its submarkets. Next, identify properties that would be most likely to benefit from renovation or redevelopment and develop a tool kit to facilitate and incentivize these activities. Property owners could be solicited through an RFQ process to participate in a demonstration project

The panel of local retail brokers provided many insights into the overall health of Plano's retail market, summarized below:

- Plano continues to be a strong retail market and companies want to debut new store and restaurant concepts here.
- There is room for more grocery stores and new grocery formats.
- A shopping center's ownership is key to revitalization strategies. The owners of many older shopping centers have no debt, are happy with the status quo, and have no incentive to invest in upgrades. The financing structure for many centers will not allow the buildings (assets) to be torn down and the property redeveloped.
- Poorly designed shopping centers that lack access and visibility are likely to struggle to maintain tenants.

- Shopping center owners are likely to be receptive to city revitalization programs such as façade improvements and additional landscaping, but may be concerned about losing parking spaces and the impact of construction on tenants.

Also attached is a summary of statistics and information about Plano's overall retail market.

With the City Council's concurrence, we would like to move forward with developing and testing a strategy to support and encourage property owners to reinvest, renovate and/or redevelop older and underperforming shopping centers.

Please let me know if you have any questions.

XC: Christina Day, Development Review Manager

City of Plano Shopping Center Review

1 October 2013



Figure 1: Plano has a wide range of shopping center types, from older neighborhood strips (above, left) to the Legacy Town Center (above, right).

1.0 Executive Summary

During the past several decades, the City of Plano has evolved from one of Dallas' most outer edge communities to an almost inner ring suburb. Its residential and commercial development has been planned per their various timeframes from the 1960's to the present, resulting in a spectrum of real estate ranging from dated to the most cutting edge. The city's surrounding communities, especially to the north and east, have recently exploded with new population and commercial growth, and most are implementing the latest building, signage and landscaping standards.

Presently, the city faces a conundrum. Demand for new residential development is almost unparalleled, but a handful of its shopping centers face large vacancies. City retail sales have been flat during the past economic upsurge. Plano has 16 million square feet (sf) of retail for its 265,000 population, or 65 sf per capita - three times the national average.

The city recognizes that the vitality of its neighborhoods and commercial are interrelated. Healthy retail centers are also necessary for the city to compete for major employers. This memorandum summarizes GPG's findings of a two-day initial review of Plano's commercial challenges.

2.0 General Observations

- 2.1 The city generally has three commercial geographical districts: east, west and far-west.
- 2.2 Regional markets include North Central Expressway/Collin Creek Mall, the Dallas North Tollway/Shops at Willow Bend and Legacy Town Center.
- 2.3 New shopping centers in Frisco and Allen offer attractive alternatives to Plano's older centers and are likely intercepting market share for these communities.
- 2.4 Most of the city's shopping centers are attractive and in good to excellent condition.
- 2.5 While very different in design and market segment, Plano's largest shopping centers - Collin Creek, Willow Bend and Legacy Town Center - serve as regional anchors for the city.



Figure 2: Some of Plano's roadway corridors (above, left) are unsightly and dated as compared to new sections of Plano and some surrounding communities' streetscapes (above, right).

- 2.6 All of the centers are surrounded by stable residential neighborhoods or multiple communities.
- 2.7 Regional commercial brokers report Plano is one of the Dallas region's most sought after locations to deploy new stores and restaurants.
- 2.8 The far-west locations, found along the Dallas North Tollway, are presently the most desirable for new retailers, employment centers and automotive dealers.
- 2.9 The city's central and eastern sectors have many of the most dated shopping centers.
- 2.10 Surprisingly, some of the attractive and well-located centers have the most vacancy, indicating a management or leasing challenge.
- 2.11 Many older and tired centers appear to have higher retail occupancy, albeit with low- to mid-price point retailers, churches, offices and other non-retailers.
- 2.12 Some of Plano's roadway corridors are unsightly and reflect poorly on the adjacent shopping centers and neighborhoods.
- 2.13 Centers developed prior to 2000 generally were planned with parking lots up to double the size required by most of today's retailers, creating an opportunity for infill with out-parcels of new hotels, offices, residential, restaurants and retailers.
- 2.14 Given the prime location of many of the targeted shopping centers, it is likely that some of their owners would consider a private-public approach to upgrading their site, building storefronts and the surrounding roadway corridors.
- 2.15 Some of the centers with the greatest potential for redevelopment are attractive, well designed and maintained, and may not appear distressed.



Figure 3: Many of Plano's older shopping centers are well maintained.

3.0 General Recommendations

- 3.1 Group the subject shopping centers into three to five categories based on their:
 - Market demographics
 - Building typology and condition
 - Location
 - Likelihood of successful renovation or adaptive reuse
- 3.2 In advance of executing a redevelopment project, construct an in-house economic and planning model to determine the various categories' feasibility for redevelopment or adaptive reuse. Refine the model with project implementation:
 - Most likely to succeed with minimal effort
 - Easiest to redevelop as an alternative landuse: residential, mixed-use, etc.
 - Most infill opportunities on the site and parking lot
 - Excellent physical and site characteristics, likely only needing a strong management and leasing team.
- 3.3 Based on the above modeling and analysis, define general characteristics of a center that could most likely successfully be renovated or redeveloped as an alternative landuse.
- 3.4 Prepare a Request for Qualifications to participate in a pilot or beta test program to renovate or redevelop an existing targeted shopping center.
 - Select the most qualified group and negotiate terms to implement a pilot/beta test case.
- 3.5 Plan and design corridor streetscape enhancements:
 - Landscaping
 - Signage: public and private
 - Lighting: paint poles, upgrade fixtures, etc.

4.0 Next Steps

GPG recommends the city research the following specific issues as a part of pilot or beta test program:

- 4.1 Why are some of the city's shopping centers underperforming the market, while others are exceeding industry standards? Is this a market, property management or locational issue?

Recommendation: Study the subject center's strengths, challenges and opportunities. Try to determine the cause of any center's decline.

- 4.2 Does the city have too much retail for its population? Plano has approximately 60 sf of retail per capita. This is three times the national average, but may not indicate an oversupply.
Recommendation: Conduct a general market study to determine Plano's actual retail trade areas for its primary shopping centers and the subject study centers.
- 4.3 Are the new shopping centers in the adjacent communities absorbing market share that formerly visited Plano? Have the new surrounding shopping centers modified Plano's commercial potential?
Recommendation: Conduct a targeted market study for the subject shopping centers and a general study for the city as a whole.
- 4.4 Do some of Plano's centers need updating to fill space and attract new shoppers? Will an upgrade in a center's exteriors, signage and landscaping increase their economic viability?
Recommendations: The above market studies will determine the subject centers' market potential. Building elevation improvement sketches will help the property owners and potential new businesses gain an understanding of the center's potential.
- 4.5 Should some of the older centers be razed and converted to mixed-use development? Some of the centers are surrounded by strong neighborhoods and located at prime roadway intersections. Many also have surplus parking and land areas.
Recommendations: Conduct various market studies to estimate the viability of alternative landuses such as residential or office. Meet with local real estate broker experts to discuss the subject center's potential. Prepare alternative sketch plans for redeveloping the subject sites with alternative landuses.
- 4.6 Refine typology of retail centers by character and performance: convenience, neighborhood, community, regional, etc.
Recommendation: Compare the center type with industry standards to assist in understanding its underperformance and with forecasting its potential for renovation. For example, is it a neighborhood center that has lost its grocery anchor?
- 4.7 Select up to six representative properties having a high potential for revitalization and redevelopment.
Recommendation: Include a cross section of properties: small, medium and large with a variety of location strengths and redevelopment potentials.
- 4.8 Identify tools that may be useful in facilitating and incentivizing redevelopment/revitalization of commercial properties: planning, public-private cooperation, zoning, planning and architectural design.
Recommendation: Research all potential tools for assisting the subject center's renovation; apply as appropriate.
- 4.9 Define their characteristics and develop a Request for Qualifications from developers and property owners for redevelopment/revitalization projects.
Recommendation: Meet with potential developers and centers to review qualifications prior to releasing the RFQ to discuss potential challenges and opportunities.

4.10 Select one center as a beta project.

Recommendation: Select a center with the most potential after reviewing the six potential centers as described above.

4.12 Select best proposal and negotiate a development agreement, including:

- Development plan
- Business plan
- Developer and City responsibilities
- Cost participation

Recommendation: Determine criteria to measure the effectiveness and success of the pilot-beta test program.

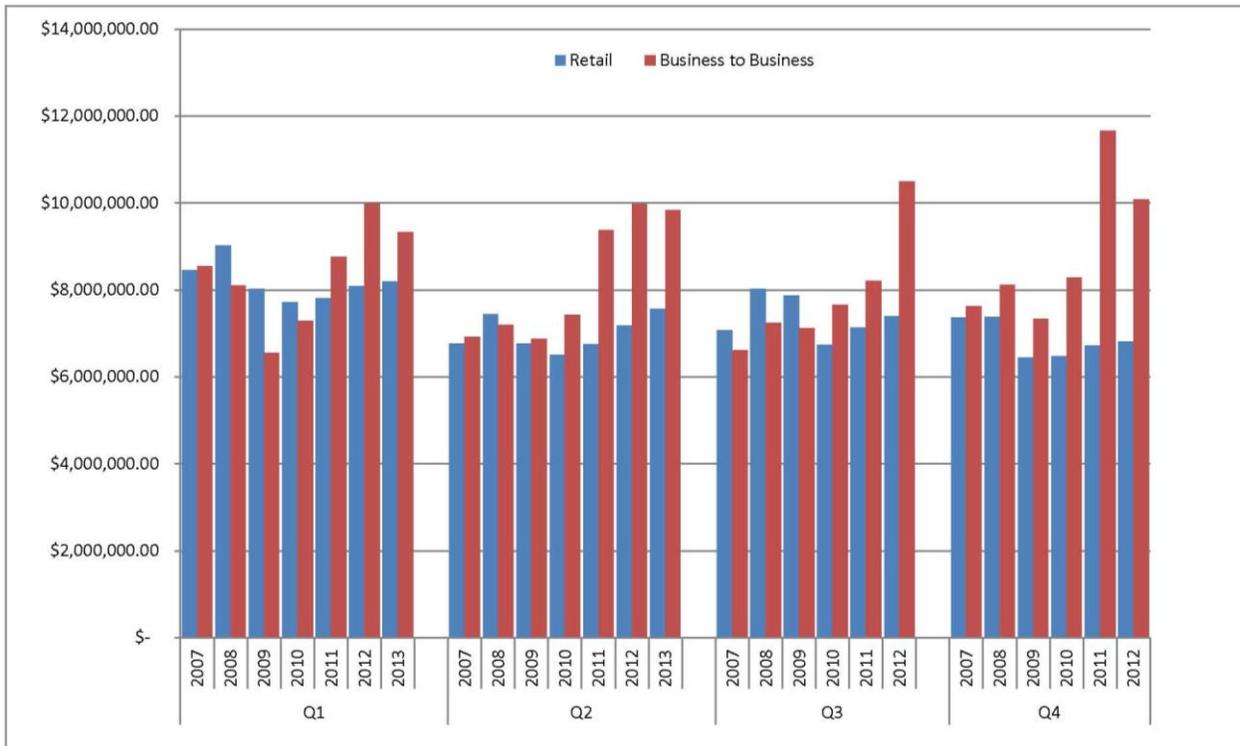


Figure 4: The City of Plano's August Sales Tax Receipts. Source: Plano Planning Department.

PLANO RETAIL

Plano has approximately 16 million square feet of retail development. This is approximately 60 square feet per capita compared to the national average of 46.6 square feet.

Plano has a vacancy rate of 10.32%, compared to a vacancy rate of 10.94% for the Metroplex.

In 2012 Plano had a net positive absorption of 271,317 square feet.

Plano's retail market area will shrink as retail centers develop in other portions of Collin County.

Plano's average rent rate for retail is \$16.65 per square foot, compared to \$15.40 per square foot for the Metroplex.

With some exceptions, vacancies are scattered and not a geographic problem.

The largest concentration of vacancy is primarily in newer shopping centers.

Vacant anchor stores are often absorbed by non-traditional uses such as schools and churches.

Plano's retail market area will shrink as retail centers continue to develop in other portions of Collin County.

Older shopping centers lack landscaping, and frequently have deteriorated parking lots and building facades.

Shopping centers often have fragmented ownership with the anchor space and pad sites independently owned.

Older shopping centers have lower rent rates and provide opportunity for locally start-up businesses.

During the last ten years a number of shopping centers have either been built or converted to ethnic retailing characteristic of Plano's demographic diversity.

Occupancy and sales have improved during the past three years at Collin Creek Mall.

Dillard's is the only anchor at Collin Creek Mall that leases space from Rouse; all of the anchor stores own the buildings and underlying property.

Voters approved \$15,000,000 in bond authority to support public infrastructure for redeveloping commercial properties.

Developers will not invest in redeveloping retail property unless the center is significantly underperforming and the return on investment is high.

Examples: NE corner of Park and Preston, SE and SW corners of Parker and Custer, SE corner of Spring Creek and Custer, NE corner of Spring Creek and K.

There is little that can be done to revitalize poorly located and configured shopping centers.

City of Plano Screening Walls



Subdivision Ordinance

5.3 Thoroughfare Screening

Where subdivisions or additions are platted so that the rear yards of residential lots are adjacent to a dedicated roadway or separated from a roadway by an alley or service road, the owner shall provide screening at his sole expense.



Screening Options

1. Living Screen
2. Living Screen with Screening Fence
3. Reinforced Masonry Wall
4. Wrought Iron & Brick Fence
5. Ornamental Fence with Landscaped Slope
6. Berm with Retaining Wall



Zoning Ordinance

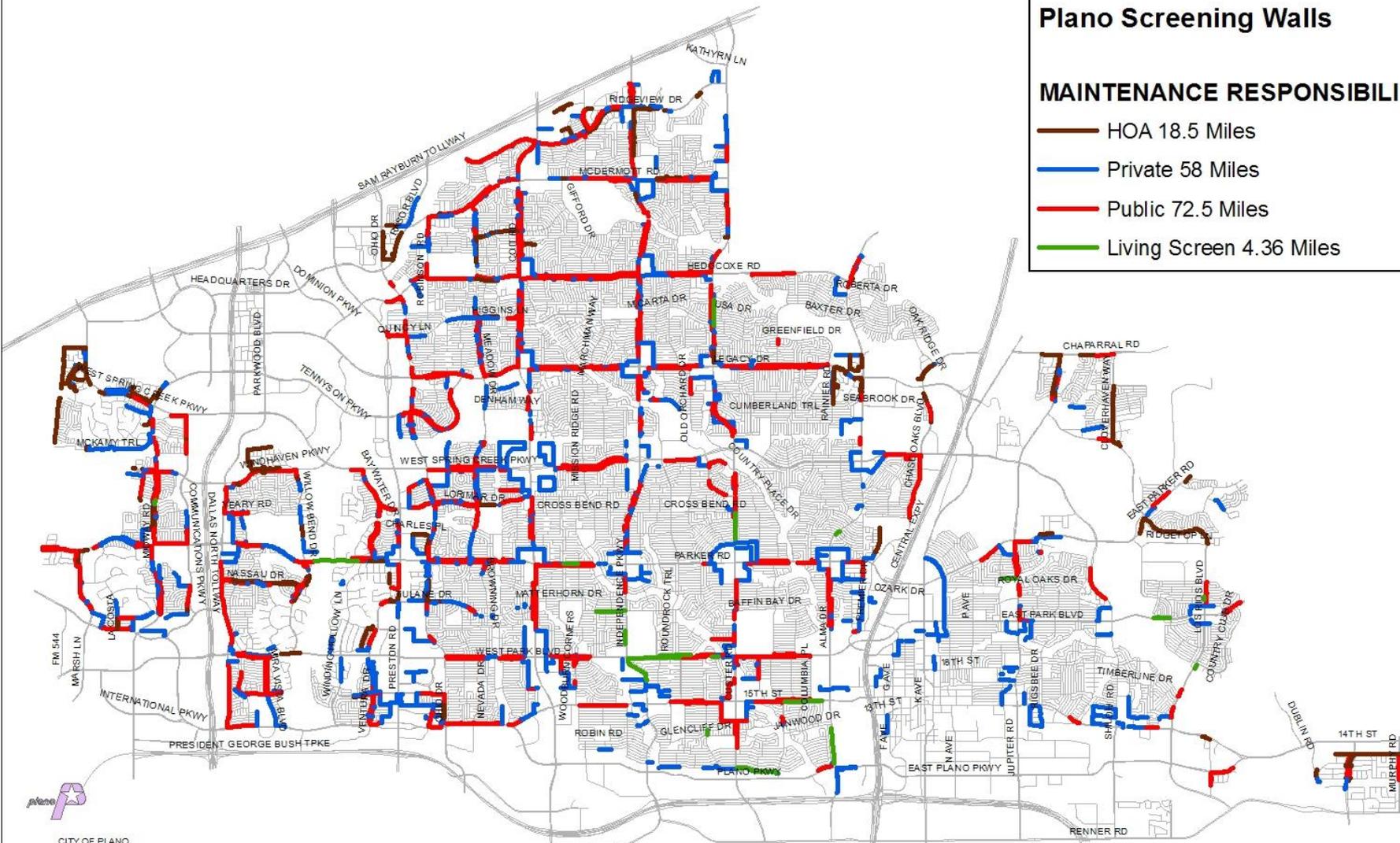
- Screening Walls Are Required Between Non-Residential and Residential Uses.



Plano Screening Walls

MAINTENANCE RESPONSIBILITY

- HOA 18.5 Miles
- Private 58 Miles
- Public 72.5 Miles
- Living Screen 4.36 Miles




 CITY OF PLANO
 PUBLIC WORKS DEPARTMENT

Disclaimer:
 This map and information contained in it were developed exclusively for use by the City of Plano. Any use or reliance on this map by anyone else is at that party's risk and without liability to the City of Plano, its officials or employees for any discrepancies, errors, or variances which may exist



Resolution – No. 74-12-4(R)

Living Screens

If residents backing to a major thoroughfare and along the same side of the thoroughfare and between two streets desire a living screen the City will install and maintain the screen at a cost to the abutting owners of \$3.50 per linear foot. The plant material shall be specified by the City.

Upon receipt of a valid petition signed by 90% of the real property owners abutting the proposed screen of record the City Council will hold a public hearing to consider installation of the living screen...



Resolution – No. 74-12-4(R)

Concrete Screens

If residents backing to a major thoroughfare and along the same side of the thoroughfare and between two streets desire a concrete screen the City will participate in the cost of the screen in an amount up to but not exceeding \$5.00 per linear foot

Upon receipt of a valid petition signed by 90% of the real property owners abutting the proposed screen of record the City Council will hold a public hearing to consider the kind and type of screen to be specified and to consider whether or not City funds are available.



Public Walls



Public Walls



HOA Walls



Private Walls



Private Walls



Living Screens



No Walls



No Walls



Issues

1. What to do with the 1974 Resolution?
2. What should we do with private walls owned by residential property owners or HOAs?
3. Should we continue to allow living screens?
4. Should we replace living screens with brick walls?
5. Should we build brick walls where there is no screen today and the lots back up to a road?
6. Should we build brick walls where there is no screen today and the lots side to a road?



Issues

7. What should we do with private walls/entry feature owned by an HOA if they wish to abandon the wall?
8. What is the standard for determining when painted city walls are repainted?
9. What is the standard for determining when painted private commercial walls are repainted?



Issues

10. Should the city no longer require or accept new residential screening walls? Either do without or make them a HOA responsibility?
11. Should we stop requiring screening walls and require ornamentals or some other requirement?



Action – Issue 1

What to do with the 1974 Resolution?

Resolution No. 2013-2-10(R) was approved by City Council on February 25, 2013 which repealed the 1974 Resolution.



Action – Issue 2

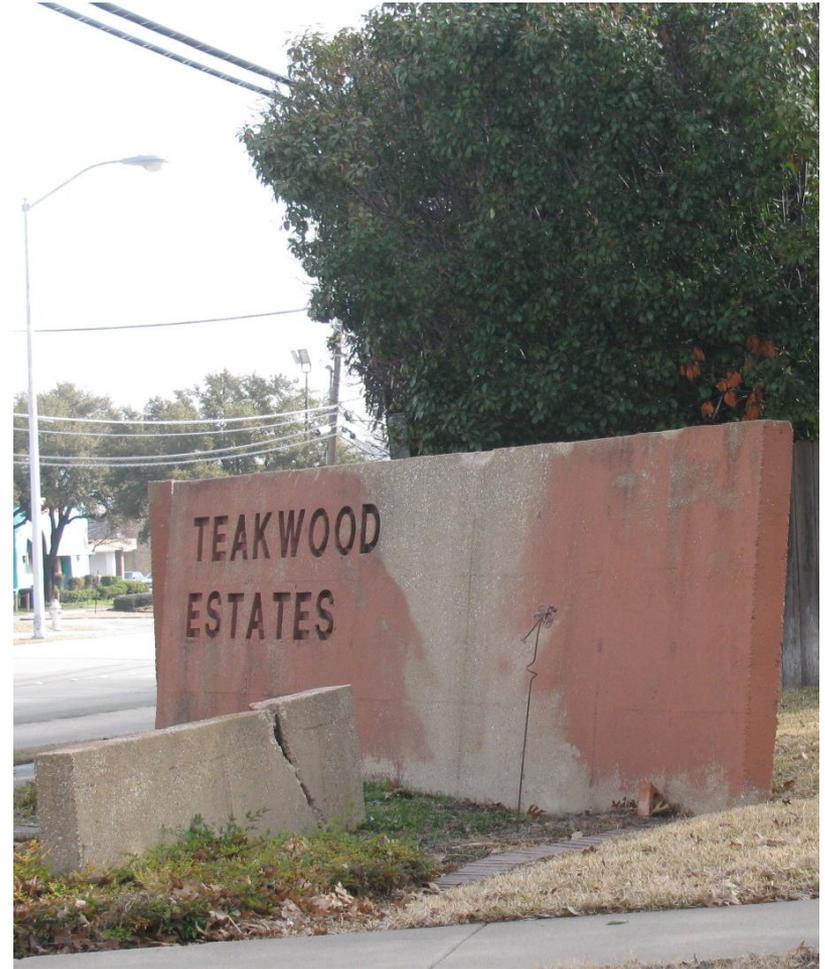
What should we do with private walls owned by residential property owners or HOAs?

For a single family lot, where there is a screening wall on the other side of the street, the City shall assume ownership and maintenance responsibility as long as the property owner dedicates the necessary easements.

For HOAs, we are proposing no change.



Private Walls



Action – Issue 3

Should we continue to allow living screens?

Living screens will be allowed as long as additional Right-of-Way is dedicated as outlined in the Subdivision Ordinance.



Action – Issue 4

1. Should we replace living screens with brick walls?

We will look at each situation on a case by case basis. We will see how much room is available, what the adjoining property owners would like and what conflicts exist that may impact each alternative.



Living Screens



Living Screens



Living Screens



Action – Issue 5

Should we build brick walls where there is no screen today and the lots back up to a road?

NO

Action – Issue 6

Should we build brick walls where there is no screen today and the lots side to a road?

NO

Action – Issue 7

What should we do with private walls/entry feature owned by an HOA if they wish to abandon the wall?

At this time we don't have an answer for the private walls. For landscaping our Parks & Recreation Department removes landscaping and irrigation and replaces it with turf.



Action – Issue 8

What is the standard for determining when painted city walls are repainted?

At this time, we have not developed a standard. We are inventorying our concrete walls and will selected the worse walls to be painted.



Action – Issue 9

What is the standard for determining when painted private commercial walls are repainted?

At this time, we have not developed a standard. We are working with our Property Standards Department to develop a standard. Most walls in the past were painted to remove graffiti.



Action – Issue 10

Should the city no longer require or accept new residential screening walls? Either do without or make them a HOA responsibility?

We should continue to require screening walls and they can still be dedicated to the City.



Action – Issue 11

Should we stop requiring screening walls and require ornamentals or some other requirement?

We should continue to require screening walls.



Discussion/Action Items for Future Council Agendas

October 19-22 - IACP Conference – Philadelphia, PA

October 25 – HOA President's Breakfast – TBD – 7:30 am

October 28

- Comprehensive Monthly Financial Report – September 2013
- DART Report
- **Zoning Case 2013-29** – Request to amend Heritage Resource Designation #1 (Ammie Wilson House) on one lot on 4.1± acres located at the southeast corner of Pitman Drive and 15th Street to allow a reduced front yard building setback from Gardengrove Court. Zoned Single-Family Residence-9 with Heritage Resource Designation #1.
- **Zoning Case 2013-13** - To amend Section 1.600 (Definitions) of Article 1 (General Regulations), Subsection 2.502 (Schedule of Permitted Uses) of Section 2.500 (Permitted Uses), Subsection 2.821 (Downtown Business Government) and Subsection 2.829 (UMU - Urban Mixed-Use) of Section 2.800 (District Charts) of Article 2 (Zoning Districts and Uses), Section 3.100 (Supplementary Regulations for Principal Permitted Uses and Specific Uses), and Section 3.1100 (Off-Street Parking and Loading) of Article 3 (Supplementary Regulations), and related sections of the Comprehensive Zoning Ordinance of the City, Ordinance No. 2006-4-24, as heretofore amended, to establish regulations for mid-rise multifamily residential development

November 11

November 12-16 – NLC Congress of Cities – Seattle, WA

November 21 – Town Hall Meeting – Municipal Center – 7-8 pm

November 25

November 28-29 – Thanksgiving Holidays

December 5 - Holiday Luncheon – Plano Centre – 11 am – 1 pm

December 7 (Saturday)– Council Retreat – 8:00 am – Training Room A

December 9

December 17 (Tuesday)

December 24 & 25 – Winter/Christmas Holidays

January 1, 2014 – New Year's Day

January 13

- *State of the City Presentation*
- DART Report

January 20 – Martin Luther King Day

January 22-24 – US Conference of Mayors – Washington, DC

January 27

- Comprehensive Monthly Financial Report – December 2013

February 7-9– TML Elected Officials Conference – Austin

February 10

February 24

March 7 – HOA President’s Breakfast –7:30 am

March 8-12 – National League of Cities, Washington D.C.

March 10-14 – PISD Spring Break

March 18 (Tuesday)

March 24