

5b. COMMERCIAL AREAS ELEMENT



Commercial development, including retail and office uses, is an important component in a community. Retail uses provide goods and services while providing tax revenue for public infrastructure improvements and services and jobs for residents. The availability of goods and services can also enhance the quality of life within a community. Office uses boost the tax base, provide jobs, and provide services such as insurance, real estate, and financial management.

Conversely, there may be drawbacks to commercial development within a community. Poorly planned or designed developments can detract from the unique character of an area. Increased traffic and noise can adversely impact residents, particularly those located near retail development. A community can mitigate adverse impacts from commercial development by planning for appropriately located commercial areas at a level commensurate with a community's goals, with consideration for aesthetic design, adequate infrastructure capacity, storm water management, and the like.

Given the variety of commercial developments, deciding which types of commercial uses a community wants to plan for can be challenging. Existing retail competition, development potential, community character, and availability of infrastructure all play a part in planning for commercial uses.

RETAIL SPENDING ANALYSIS

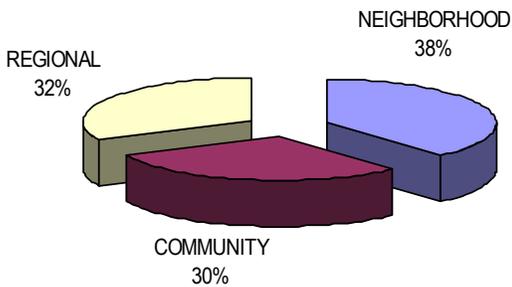
City of Adrian Spending Potential

In order to plan for commercial land in the City of Adrian, an analysis of the spending potential of City residents is appropriate. This approach will identify a base level of retail that Adrian residents could support. The analysis provides general statistics for the City's consideration during the planning process. It is based on information that is currently available and is not a statement of need, but rather a guide for analysis purposes.

Because the focus of the Comprehensive Plan is long-range, a detailed market study is not appropriate. For example, recommendations from a detailed market study would typically include tenant mix and the need for individual business types which is based on existing market conditions. However, these conditions will change from year to year depending upon many factors including competition, new retail stores, role of mail order and Internet shopping, and demographics. The analysis in this Comprehensive Plan is more general, focusing on total area support levels by major shopping category (neighborhood, community, regional).

After determining the amount of consumer expenditures from residents, the amount of retail that could be supported by those expenditures can be estimated and correlated with an estimate of land area needed to accommodate supportable retail within the City.

Figure 5-6
Consumer Spending by Category



Source: Bureau of Labor and Statistics
2001 Consumer Expenditure Survey

The U.S. Census Bureau for the Bureau of Labor and Statistics performs a Consumer Expenditure Survey. The purpose of this survey is to collect information on the buying habits of American consumers. Figure 5-6 uses data from the 2001 Survey to show the percentage of retail spending by category.

Table 5-4 represents the current and forecasted retail expenditures for City of Adrian residents. This anticipated retail expenditure can then be used to determine the amount of commercial area that can be supported by City residents based on the average sales per square foot for each retail category. Although the data used is specific to shopping centers, it is anticipated that stand-alone businesses would have similar sales and area requirements and is considered part of the overall projections.

Table 5-4
City of Adrian Retail Expenditures

	Total Household Income	Total Retail Expenditures ²	Neighborhood Shopping Expenditures ³	Community Shopping Expenditures ⁴	Regional Shopping Expenditures ⁵
Current (2005)	\$321,781,865 ¹	\$94,346,443	\$36,257,338	\$28,049,197	\$30,039,907
Forecast (2025)	\$776,084,432 ⁶	\$227,547,955	\$87,446,679	\$67,650,007	\$72,451,269

¹ Estimated 2004 total household income of \$312,106,562^a x 3.1% CPI (Nov. 2003 – Oct. 2004).
^a Estimated 2000 total household income of \$287,921,182^b x 8.4% CPI (April 2000 – March 2004).
^b Estimated 2000 household income of \$35,215^c x estimated 2000 household count of 8,176^d
^c 2000 Census reported 1999 household income of \$34,203 x 2.96% CPI (1999-2000).
^d 2000 Census reported household count of 7,908 + housing unit count of 268 from Census block missing from 2000 count.
² Assumes 29.32% of household income is spent on retail purchases (ESRI BIS Downtown Blueprint data).
³ Assumes 38.43% of retail expenditures are spent within Neighborhood Shopping Center category (Bureau of Labor and Statistics 2001 Consumer Expenditure Survey).
⁴ Assumes 29.73% of retail expenditures are spent within Community Shopping Center category (Bureau of Labor and Statistics 2001 Consumer Expenditure Survey).
⁵ Assumes 31.84% of retail expenditures are spent within Regional Shopping Center category (Bureau of Labor and Statistics 2001 Consumer Expenditure Survey).
⁶ Forecast 2025 household income of \$72,476^e x forecast 2025 household count of 10,708^g
^e Estimated 2004 household income of \$38,174^f adjusted for inflation.
^f Estimated 2000 household income of \$35,215^c x 8.4% CPI (April 2000 – March 2004).
^g Forecast 2025 population divided by estimated 2.45 persons per household (refer to Chapter A1 for 2025 population forecast information).

Table 5-5
Average Sales per Square Foot
2002 Dollars

	Average Sales per Square Foot
Neighborhood	\$213.17
Community	\$218.01
Regional	\$214.93

Source: Urban Land Institute, Dollars and Cents of Shopping Centers: 2002

The *Dollars and Cents of Shopping Centers: 2002*, produced and published by the Urban Land Institute (ULI), collects information from shopping centers throughout the United States through a survey conducted every two years. One product of this survey is an average sales per square foot for different shopping centers including neighborhood, community, and regional shopping centers. Table 5-5 summarizes average sales per square foot for shopping centers according to the ULI publication for Midwestern shopping centers.

Table 5-6
Supportable Retail Area

	2005 (Square Feet) ¹	2025 (Square Feet) ¹
Neighborhood	170,086	410,220
Community	128,660	310,307
Regional	139,766	337,092

¹ Current and forecast retail expenditures (Table 5-4) divided by average sales per square foot (Table 5-5).

Based on the average sales per square foot for Midwestern shopping centers and the current and projected retail expenditure analysis (Table 5-4), the supportable commercial area was determined. Table 5-6 shows that by the year 2025 City of Adrian residents have the potential of supporting 410,220 square feet of neighborhood commercial, 310,307 square feet of community commercial, and 337,092 square feet of regional commercial.

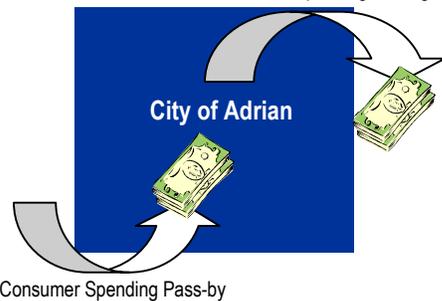
Table 5-7
Supportable Retail Acreage

	2005 (Acres) ¹	2025 (Acres) ¹
Neighborhood	20	47
Community	15	36
Regional	16	39
TOTAL	51	122

¹ Based on Birchler Arroyo Associates, Inc. assumption that a typical retail building in the City of Adrian will require land area that is five times the size of the building.

By applying an estimate for determining the amount of land required to accommodate commercial square footage, supportable commercial land acreage was calculated. These figures can serve as a guide in planning for the City's future commercial areas. As indicated in Table 5-7, Adrian residents have the potential of supporting 122 acres of commercial development; 47 acres of neighborhood commercial, 36 acres of community commercial, and 39 acres of regional commercial.

Figure 5-7
Consumer Spending Patterns
Consumer Spending Leakage



The actual amount of commercial development in the City is dependent on a number of variables including market characteristics such as consumer spending that occurs outside the City by residents (*consumer spending leakage*⁶) or sales attributable to consumers driving through the City (*pass-by sales*).

Adrian Market Area Spending Potential

In addition to meeting the commercial needs of its residents, the City of Adrian serves a much larger population. Adrian has a strong presence among other communities in Lenawee County and in the greater region. Residents of other cities, villages, and townships

⁶ Retail leakage describes sales generated by City residents that occur outside the City of Adrian.

come to Adrian to shop. Because of Adrian's regional role as the area's major commercial center, additional analysis is warranted in planning for future community and regional commercial areas. To account for the commercial needs of consumers outside of the City, forecasts must capture the future retail spending of those non-resident consumers. The following analysis will attempt to forecast Adrian's future community and regional commercial needs to meet the demand of both Adrian residents and residents of the City's greater trade area.

A trade area is that geographic area containing people who are likely to purchase a given class of goods or services from a particular shopping center or retail district. The size of the trade area varies based on the shopping center type and size, tenant categories, proximity of competitive centers, population density, and accessibility. For purposes of this analysis, the trade area identified in Adrian's Downtown Blueprint will be used.

Table 5-8 provides the forecasted retail demand of Adrian's trade area population. Using these forecasts and the same methodology as used in the City of Adrian Spending Potential section above, supportable community and regional commercial land acreage was calculated. It is important to note that the analysis in the previous section estimates the amount of commercial land that could potentially be supported by the City's future population alone. The purpose of the following analysis is to take into account the significant spending potential of the entire trade area's future population (including both Adrian and non-Adrian residents) within the City of Adrian.

The following trade area analysis relies upon several basic assumptions adapted from the Downtown Blueprint prepared by HyettPalma, Inc.:

- Within the trade area, the total household income is estimated to be \$2,529,354,690. This estimate is calculated by multiplying the estimated 2003 household count of 42,177 by the estimated 2003 average household income of \$59,970. (2003 estimates have been calculated by ESRI BIS using 2000 Census data. Refer to the Downtown Blueprint for additional explanation.)
- Within the trade area, the total retail demand is estimated to be \$741,562,516. The Downtown Blueprint cites the sources of this estimate as the U.S. Department of Labor Consumer Expenditure Survey, ESRI BIS, and HyettPalma, Inc. Refer to the Downtown Blueprint for additional explanation.)
- Businesses in the City of Adrian capture an estimated 80% of the total retail demand of the trade area. This estimate is based on a comparison of an ESRI BIS retail sales report for the City of Adrian with the Downtown Blueprint estimates for the trade area.

Table 5-8
Adrian Trade Area Retail Demand

	Trade Area's Total Household Income ¹	Trade Area's Total Retail Demand ²	Adrian's Share of Community Shopping Demand ³	Adrian's Share of Regional Shopping Demand ⁴
Forecast (2025)	\$4,900,511,793	\$1,436,744,269	\$344,023,284	\$368,499,249

¹ Forecast 2025 trade area household income of \$89,565^a x forecast 2025 trade area household count of 54,715^b

^a Estimated 2003 trade area household income of \$59,970^c increased at an average annual growth rate of 1.84%.

^b Estimated 2003 trade area household count of 42,177^c increased at an average annual growth rate of 1.19%.

^c ESRI BIS estimate.

² 29.32% of forecast 2025 trade area total household income (based on Downtown Blueprint estimate of current trade area retail demand as a percentage of current trade area total household income).

³ Assumes 29.73% of retail spending is spent within Community Shopping Center category (Bureau of Labor and Statistics 2001 Consumer Expenditure Survey). Note: First assumes that the City of Adrian captures 80.55% of the trade area's total retail demand.

⁴ Assumes 31.84% of retail spending is spent within Regional Shopping Center category (Bureau of Labor and Statistics 2001 Consumer Expenditure Survey). Note: First assumes that the City of Adrian captures 80.55% of the trade area's total retail demand.

Table 5-9 summarizes the total amount of community and regional commercial area within the City of Adrian that the trade area population could potentially support by 2025. By comparing the results shown in Table 5-9 with those shown in Table 5-7, the significance of planning for the future commercial needs of the larger trade area becomes clear.

Table 5-9
Adrian Trade Area Supportable Retail Supply

	2025 Building Area (Square Feet) ¹	2025 Land Area (Acres) ²
Community	1,578,016	181
Regional	1,714,508	197
		378

¹ Forecast retail demand (Table 5-8) divided by average sales per square foot (Table 5-5).

² Based on Birchler Arroyo Associates, Inc. assumption that a typical retail building in the City of Adrian will require land area that is five times the size of the building.

Note: This table results from an analysis of the spending potential of the City of Adrian's trade area future population (including both Adrian and non-Adrian residents).

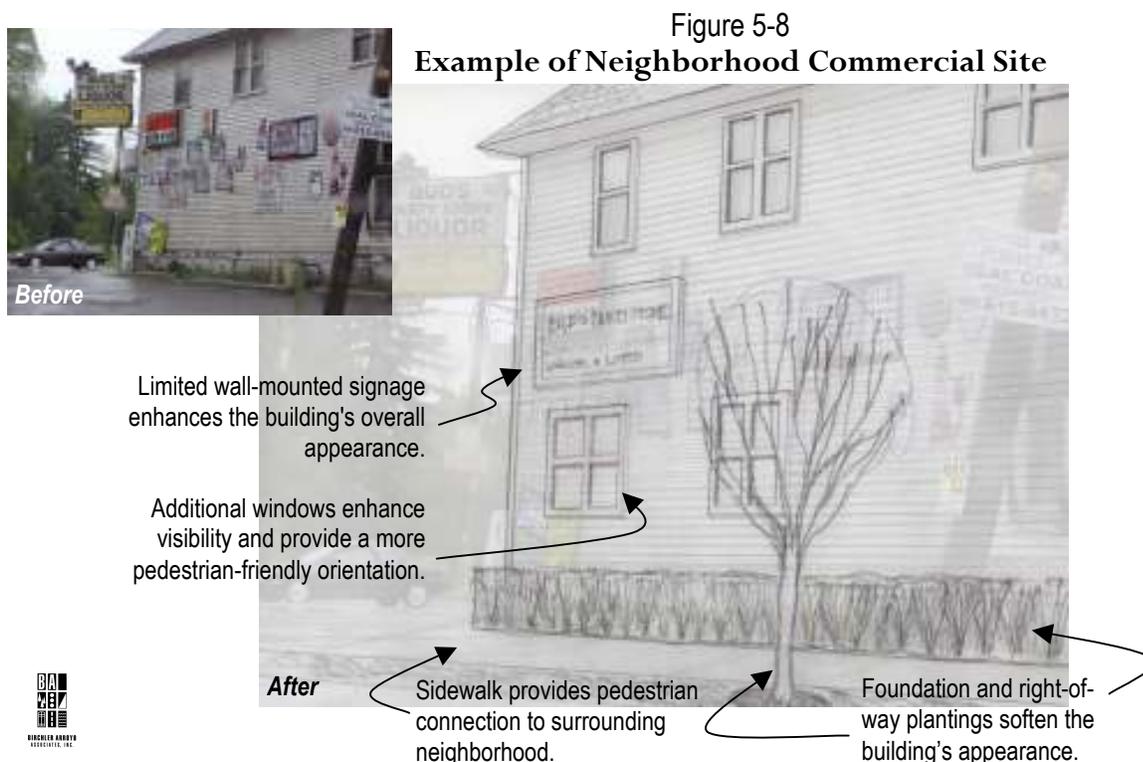
COMMERCIAL LAND USE RECOMMENDATIONS

Neighborhood Commercial

Neighborhood Commercial areas in the City of Adrian include neighborhood retail, service, and office uses. Neighborhood commercial uses are those business that sell basic goods and services that meet the day to day needs of local residents. These uses, also known as convenience commercial, would include businesses such as small grocery stores, pharmacies, dry cleaning, banking, and the like. As discussed in the Retail Spending Analysis, approximately 47 acres of neighborhood commercial property will be needed to meet the needs of the City of Adrian's future population. Areas planned for Neighborhood Commercial on the Future Land Use Plan (Map 5-1) account for 22 acres and are intended to address the following issues:

- Provide nodes of neighborhood commercial uses at concentrated locations while discouraging strip commercial development along roadways throughout the City.
- Provide neighborhood-oriented, pedestrian-friendly commercial developments to serve the immediate neighborhood in which they are located.
- Provide local commercial and small office uses sufficient in size and location to meet the current and future convenience needs of Adrian residents.

Neighborhood commercial uses should be scaled and designed to fit into a neighborhood setting through the use of appropriate lighting treatments, landscaping and plantings, screening of loading areas and trash enclosures, unobtrusive signage, pedestrian amenities, connections to adjacent neighborhoods, well-designed access points, and high quality building materials. Figure 5-8 provides examples of site improvements that could enhance the neighborhood character of an existing commercial business in the City.





Landscaping within parking areas breaks up large expanses of pavement and softens the overall appearance (above). Example of strip commercial center with limited front yard parking, right-of-way landscaping to screen parking area, and quality building materials (below).



Chain stores that depart from a typical “corporate look” for a design consistent with community character and vision can make these uses more context sensitive within the community (below).



General Commercial

General Commercial areas are intended to include both community and regional commercial centers and highway- or auto-oriented businesses. Included in this category are developments such as the Adrian Mall, Lowes, Meijer, fast food restaurants, and larger strip commercial centers throughout the City.

As discussed in the Retail Spending Analysis, approximately 36 acres of community commercial property and 39 acres of regional commercial property will be needed in the City of Adrian just to serve the City’s population. Approximately, 181 total acres of community commercial and 197 total acres of regional commercial will be needed to maintain the City’s share of the larger retail market area. Areas planned for General Commercial on the Future Land Use Plan (Map 5-1) account for 337 acres.

General commercial uses should be designed to minimize negative impacts on neighboring properties through the use of appropriate lighting treatments, landscaping and plantings, screening of loading areas and trash enclosures, unobtrusive signage, well-designed access points, and high quality building materials.

Parking areas should be screened from public streets by decorative walls and plantings. Shared access drives and parking lot connections should be encouraged where appropriate. Strong emphasis should be placed on quality building design and materials.

Big-box stores and chain retailers should be encouraged to develop sites that reflect Adrian’s future vision through the use of quality materials and unique architecture, design features and façade articulations that break up large blank walls, and parking area and perimeter landscaping that reduces the visual impact of big-box and strip commercial sites. Figure 5-9 provides a conceptual big-box design with variations in the building’s materials, height, and front façade in order to avoid expansive blank walls.

Figure 5-10 provides examples of site improvements that could enhance the appearance and character of general commercial areas in the City.

Figure 5-9
Conceptual Big-Box Design



Figure 5-10
Example of Commercial Area Improvements



Office and Live Work (Office/Residential)

Areas planned for office are intended to accommodate professional offices, medical offices, and personal services that are ancillary to an office use. Office uses are planned near the hospital and the Downtown, as well as other locations throughout the City where they serve as a transition between more intense commercial uses and residential neighborhoods. Smaller office uses may also be appropriate in neighborhood and general commercial areas.

**Figure 5-11
Conceptual
Live Work Development**

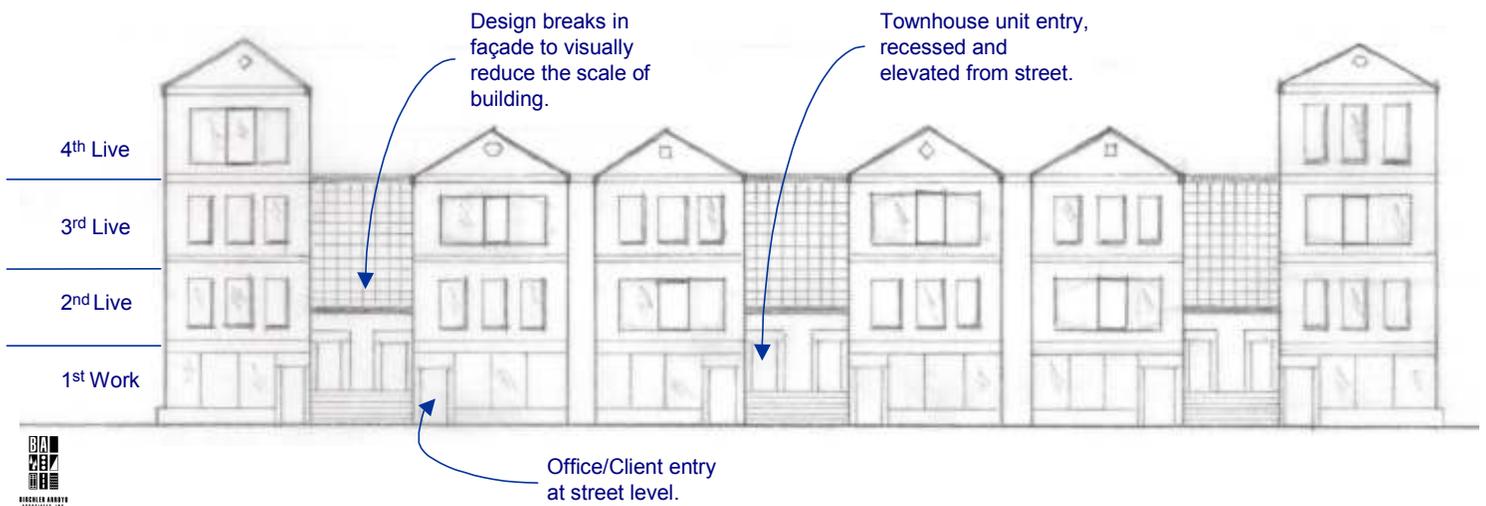


Areas planned for Live Work are intended to accommodate mixed use developments that afford residents the opportunity to live and work in the same building, but with an appropriate separation between their living quarters and their work space. Such a mix of functions can provide a unique opportunity for service professionals, artists and designers who are often comfortable “mixing” their living and working arrangements, or accommodating them in close proximity to one another.

Live Work developments would offer additional housing opportunities within and near the Downtown which would increase the Downtown’s support population. In addition, Live Work development would provide an alternative location for the many existing office uses that currently occupy prime first floor retail spaces in the Downtown. In addition to offering housing and office space near Downtown, areas planned for Live Work are located to take advantage of views of the River Raisin. Live Work developments should be designed to reinforce the Downtown’s urban character. Figures 5-11 and 5-12 provide a conceptual perspective and elevation of a Live Work development that would be compatible with Adrian’s Downtown. Refer to the Housing Plan chapter for additional detail and recommendations regarding the Live Work (Office/Residential) land use category.

➡ *Refer to the Housing Plan chapter for additional detail and recommendations regarding the Live Work (Office/Residential) land use category.*

**Figure 5-12
Conceptual Live Work Design Elements**



Action Items

- ☑ Establish design guidelines and sign and screening / landscaping standards that achieve quality commercial and office development, consistent with the City's future vision.
- ☑ Review and revise zoning ordinance standards and Zoning Map to permit development of attractive neighborhood shopping nodes of quality design and character at appropriate locations throughout the City, and prohibit typical big-box and auto-oriented developments, such as drive-through restaurants, in neighborhood commercial nodes.
- ☑ Zone appropriate areas for general commercial development at major intersections and near established industrial areas away from residential neighborhoods to permit auto-oriented and community and regional commercial uses to locate in concentrated locations to discourage strip commercial throughout the City and minimize negative impacts on residential areas.
- ☑ Design setback requirements that discourage large parking lots from being placed within front yards and permit buildings to be brought closer to the street.
- ☑ Update standards to ensure that parking is sufficient but not excessive. Allow land-banking of parking spaces.
- ☑ Require pedestrian connections with existing residential, where possible.
- ☑ Promote the use of the Planned Unit Development (PUD) for larger commercial projects to give the community quality development that is context-sensitive and unique.

Flexible Development Area

It is the intention of the Planning Commission that the designated flexible development area be developed as a Planned Unit Development (PUD) that incorporates usable open spaces, walkways, pathways, and a mix of residential, commercial, and office uses.

A portion of the frontage along M-52 could be developed as a mixture of commercial, office, and upper-story multiple-family residential. Behind these uses, low density multiple-family or attached single-family uses would be appropriate, decreasing in density to low density detached single family uses toward the back of the development.

Downtown Mixed Use

This category encompasses Adrian's traditional Downtown. Buildings within this area should be at least two stories and include retail uses on the first floor, with residential and limited office uses on the upper floors. Refer to Downtown Adrian Plan chapter for detailed recommendations of Downtown Mixed Use commercial areas.



Looking north on Main Street in Downtown Adrian.