

Lancaster Comprehensive Plan

Planning and Zoning Commission / City Council Presentation

October 7, 2013



Agenda

- Study Background and Purpose
- State of the City
 - Project Planning Process
 - Market Potential
 - Physical Opportunities
 - Stakeholder Aspirations
 - Strategic Opportunity Areas
- Northwest Quadrant
- Discussion
- Next Steps

Study Background and Purpose

Study Background and Purpose

- Lancaster's Existing Comprehensive Plan, adopted in February 2002, established a solid framework for City Leadership to make land use, transportation and infrastructure decisions over the past decade
- Since the adoption of that plan:
 - Lancaster's population has increased by 40%
 - Real estate trends have changed significantly across the DFW Metroplex
 - The Southern Sector of Dallas County has become a major hub for logistics
 - The Dallas Campus of the University of North Texas has been established
- The City is in need of a new Comprehensive Plan that updates the community's vision and guides future infrastructure improvements in a manner that leverages private sector investment to create an improved tax base

Study Background and Purpose

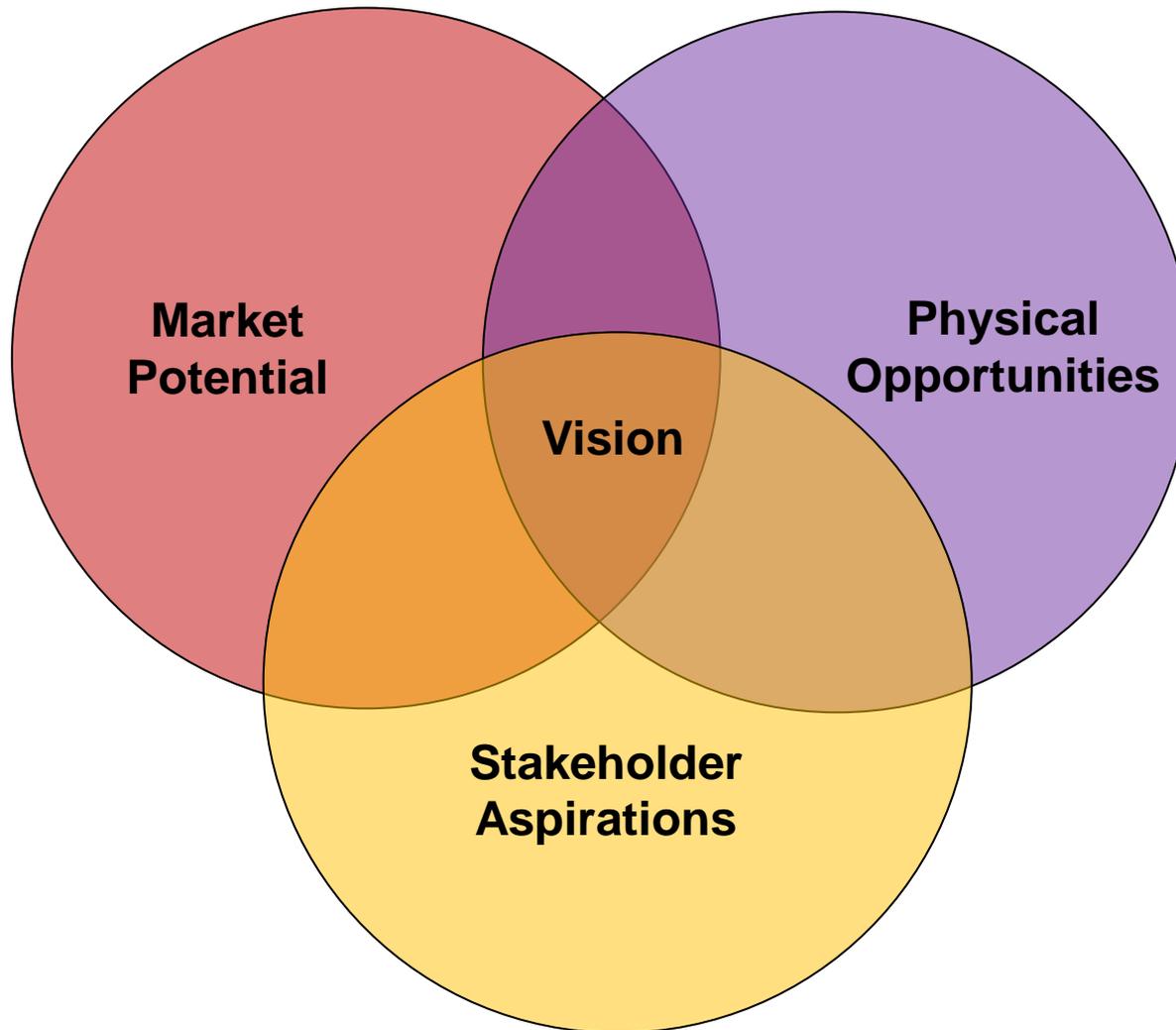
Lancaster's Comprehensive Plan is intended to be the "umbrella" document guiding every aspect of the City's future development and growth.

Study Background and Purpose – *Plan Components*

- Community Development / Future Land Use
- Transportation
- Infrastructure
- Economic Development
- Open Space and Recreation
- Community Character and Design
- Historic Preservation
- Public Facilities

Project Planning Process

Project Planning Process



Market Potential

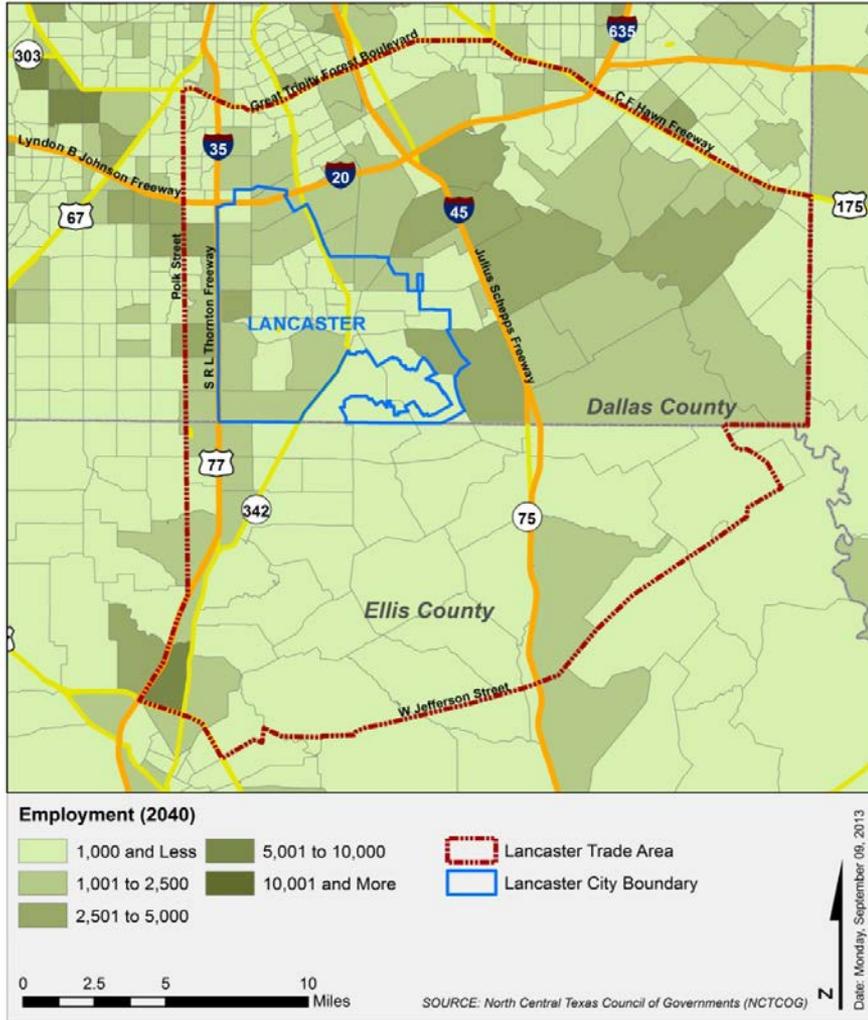
Trade Map

- Great Trinity Forest Blvd. (Loop 12) on the North
- SH 175 on the East
- West Jefferson on the South
- North Polk Street on the West

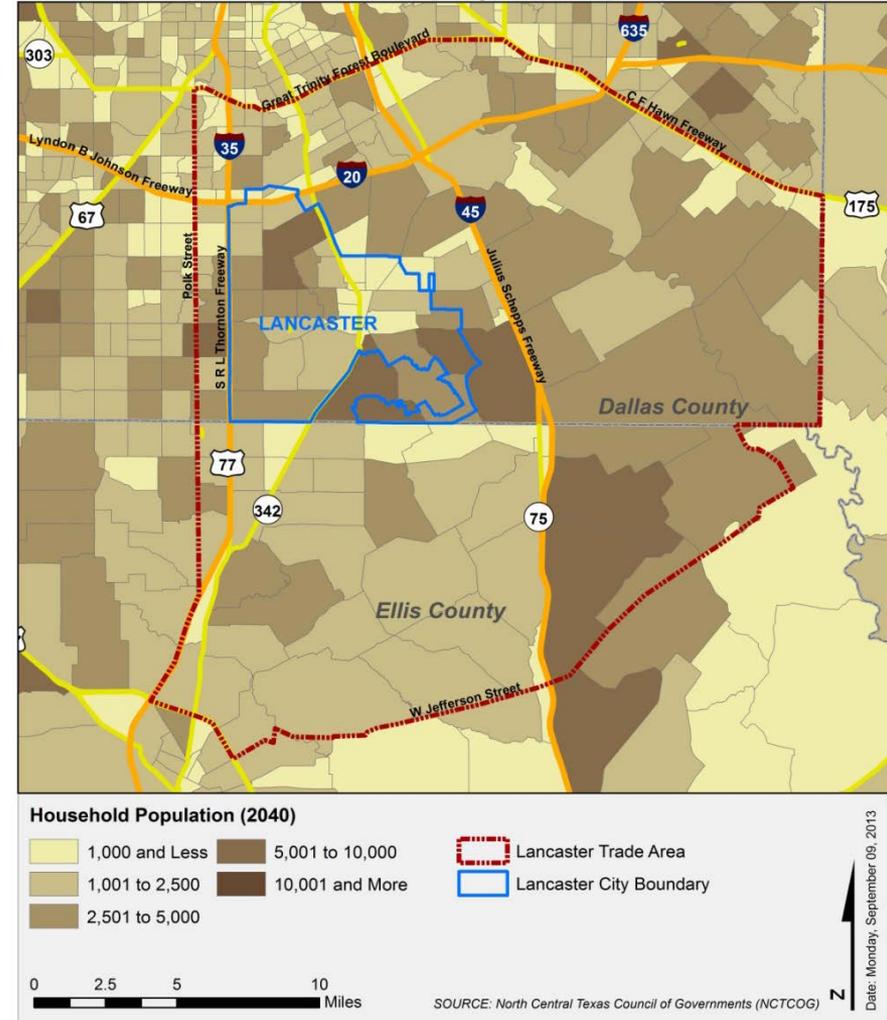


Employment and Households

2040 Employment (By TSZ)

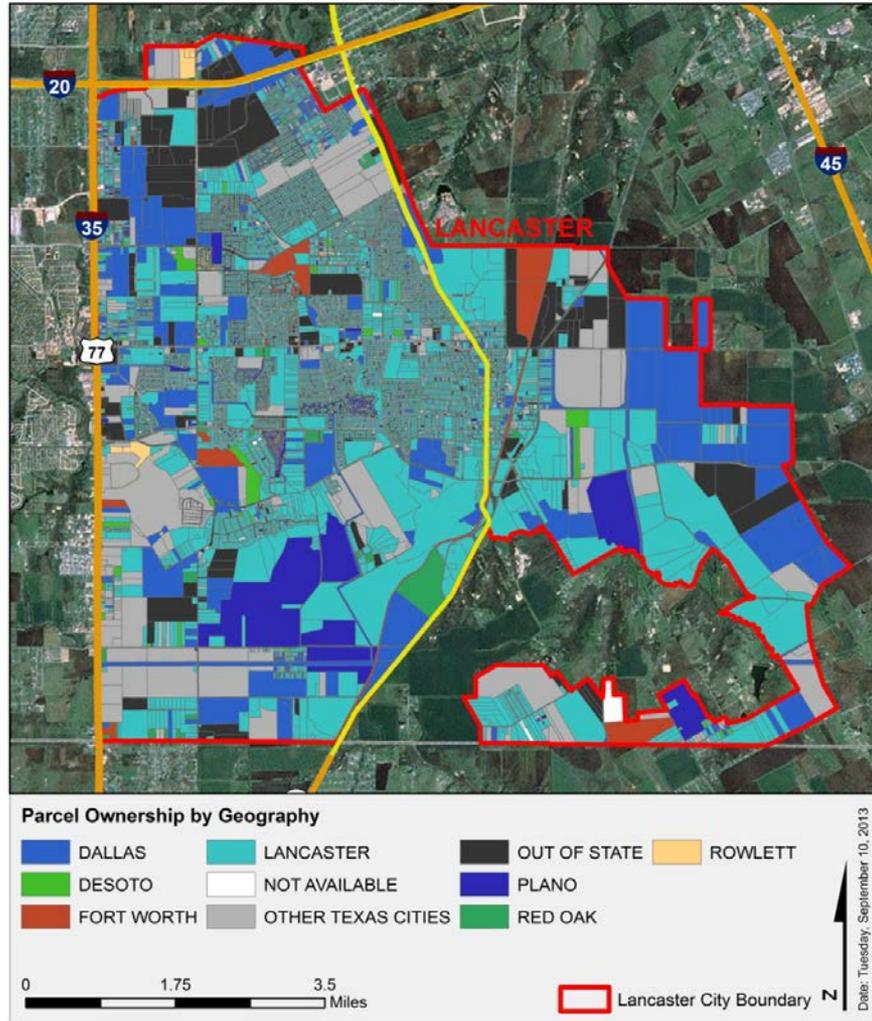


2040 Households (By TSZ)



Parcel Ownership

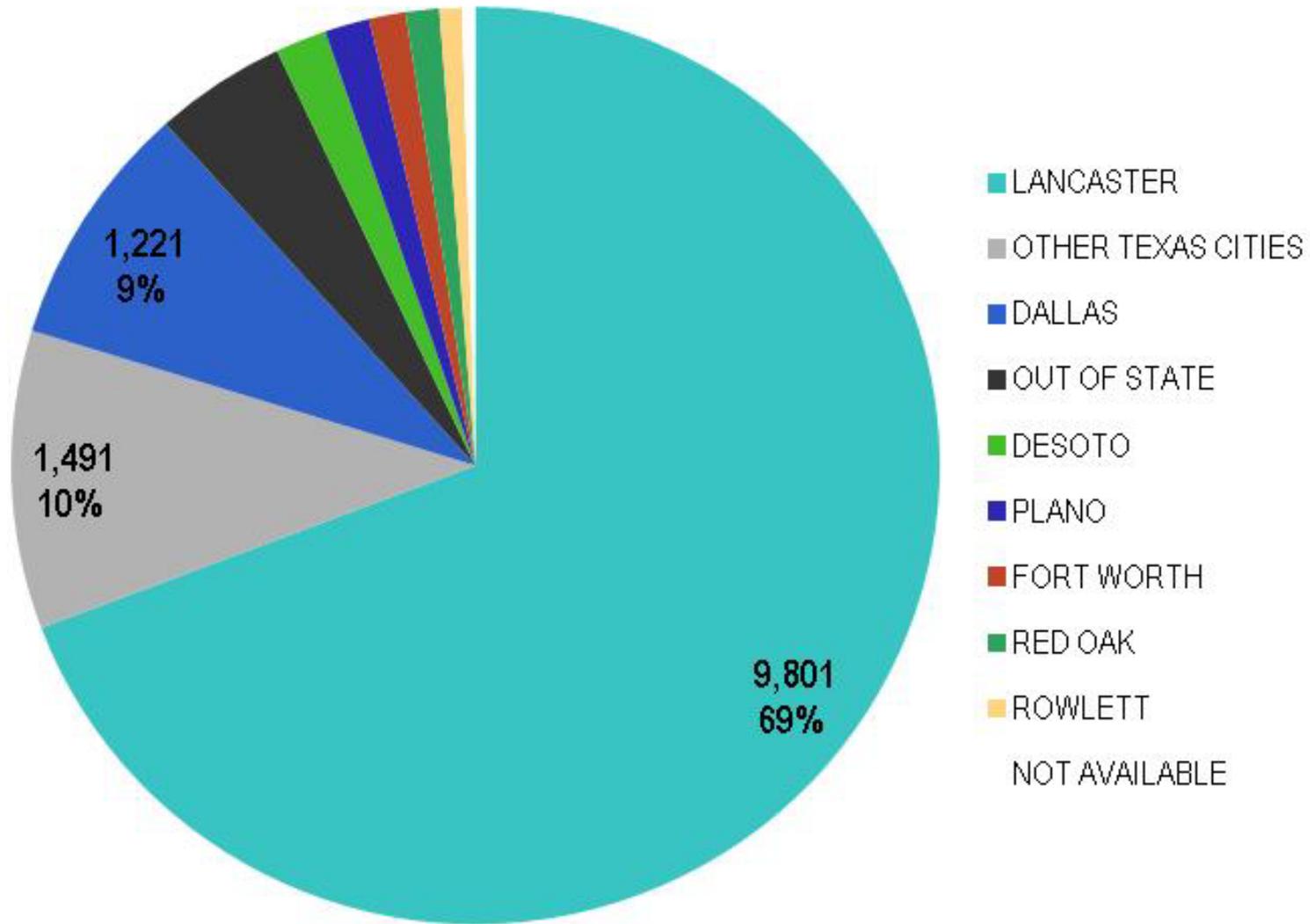
Parcel Ownership



Parcel Ownership (cont'd)

PARCEL OWNERSHIP BY GEOGRAPHY						
	PARCELS	ACRES	IMPROVEMENT VALUE	LAND ASSESSED VALUE	TOTAL ASSESSED VALUE	
LANCASTER	9,801	7,643	\$ 643,099,860	\$ 236,757,290	\$ 879,857,150	
OTHER TEXAS CITIES	1,491	3,611	\$ 64,923,290	\$ 60,540,660	\$ 125,463,950	
DALLAS	1,221	3,888	\$ 57,973,740	\$ 57,928,240	\$ 115,901,980	
OUT OF STATE	651	1,973	\$ 153,259,220	\$ 59,056,890	\$ 212,316,110	
DESOTO	252	227	\$ 11,643,810	\$ 5,873,400	\$ 17,517,210	
PLANO	221	1,113	\$ 5,709,910	\$ 8,810,580	\$ 14,520,490	
FORT WORTH	180	1,020	\$ 1,732,980	\$ 335,652,100	\$ 337,385,080	
RED OAK	164	252	\$ 5,515,640	\$ 4,755,110	\$ 10,270,750	
ROWLETT	111	83	\$ 1,065,310	\$ 1,346,410	\$ 2,411,720	
NOT AVAILABLE	65	70	\$ 4,217,170	\$ 1,502,190	\$ 5,719,360	
GRAND TOTAL ▶	14,157	19,880	\$ 949,140,930	\$ 772,222,870	\$ 1,721,363,800	

Parcel Ownership (cont'd)



Demographic Overview

- The Trade Area has a significantly lower degree of college-educated residents, as compared to the Metroplex overall.
- Incomes in the Trade Area are also considerably lower than those for the Metroplex.
- The Trade Area's ethnic profile shows a higher degree of African-American residents and a similar degree of Hispanic residents compared to the Metroplex.

Data for 2010 unless noted	Lancaster Trade Area	DFW Metroplex
Percent w 4-yr College Degree	18%	29%
Percent Self-Employed (16+)	4%	6%
Median Household Income	\$45,100	\$53,600
Per Capita Income	\$21,400	\$26,800
Percent with Income <\$25K	27%	21%
Percent with Income \$100K+	33%	23%
Percent Hispanic (of any race)	26%	27%
Percent African-American	44%	14%
Percent Asian	1%	5%

Source: U.S. Census Bureau; North Central Texas Council of Governments; Claritas, Inc.; & Ricker|Cunningham.

Psychographic Overview (cont'd)

- Psychographics is a term used to describe the characteristics of people and neighborhoods which, instead of being purely demographic, speak more to attitudes, interests, opinions and lifestyles. PRIZM (Claritas, Inc.) is a leading system for characterizing neighborhoods and the local workforce into one of 65 distinct market segments
- Commercial retail developers are interested in understanding a community's psychographic profile, as this is an indication of its resident's propensity to spend across select retail categories. Residential developers are also interested in understanding this profile as it tends to suggest preferences for certain housing product types
- The Lancaster Trade Area is dominated by middle class psychographic segments, indicating moderate retail/entertainment spending and preferences for more moderately-priced housing.

Lifestyle Segment	Area Households	% of Total Households	U.S. Index=100*
New Beginnings	3,694	4.63%	329.6
Country Casuals	2,272	2.85%	186.2
Mayberry-Ville	1,695	2.12%	91.2
Suburban Sprawl	1,482	1.86%	148.5
Up-and-Comers	1,446	1.81%	131.0
Younger Years Subtotal	10,589	13.3%	--
White Picket Fences	5,839	7.32%	513.8
Fast-Track Families	5,025	6.30%	376.6
Suburban Pioneers	4,098	5.14%	521.1
New Homesteaders	3,945	4.95%	278.7
Kid Country USA	3,526	4.42%	362.8
Family Life Subtotal	22,433	28.1%	--
American Classics	5,485	6.88%	710.9
Domestic Duos	3,693	4.63%	421.8
Old Glories	2,055	2.58%	282.1
Middleburg Managers	1,844	2.31%	110.2
Sunset City Blues	1,676	2.10%	110.0
Mature Years Subtotal	14,753	18.5%	--
Total Above Segments	47,775	59.9%	--
Total Trade Area	79,770	100.0%	--

* Indicates concentration of this segment relative to U.S. average. A segment index of 200 would mean that this group contains 2 times the concentration of households compared to the average U.S. neighborhood.

Source: Claritas, Inc. and Ricker | Cunningham.

Demand Overview

Lancaster Trade Area

- The Lancaster Trade Area is expected to grow significantly over the next 10 years, with ample support for new residential (all product types), retail, office and industrial development.

Land Use Type	Trade Area Demand (10 Year)
Residential (Units):	
Single Family Detached	16,500
Single Family Attached	8,900
Rental Apartments	9,300
Residential Total	34,700
Non-Residential (Sq Ft):	
Retail	4,200,000
Office	2,100,000
Industrial	4,100,000
Nonresidential Total	10,400,000
Total Project Area	

Source: Ricker | Cunningham.

Emerging Trends

Slower, Yet More Demand

- One of the most significant influences on the size and character of commercial and non-commercial real estate over the last few years has been the use of the internet for both commerce and industry. Specifically, tech advances and e-commerce have affected not only retail, but also industrial and office sectors, and to a less extent residential product types.
- More on-line stores will reduce the number of bricks-and-mortar stores, modifying distribution models and reducing warehouse needs - to-date, the impact has been smaller stores, with less inventory on-site.
- Telecom and computer innovations which have made going to an office superfluous for more workers and enabled domestic and offshore outsourcing to people operating from homes or at cheaper overseas locations will continue.

Emerging Trends

Slower, Yet More Demand (cont'd)

- While demand for commercial space going forward will be at a lower space per capita ratio, the growth of the U.S. population will increase overall demand for commercial and non-commercial units.
- The U.S. population will increase by 100 million over the next 30 years (3 million annually).
- Growth in real estate will be a product of numbers.
- An expanding population will (eventually) absorb the housing inventory and sustain growth in apartments.
- The Gen Y segment, individuals aged 15 to mid-30s, a larger group than Baby Boomers, are -- more frugal, comfortable in smaller spaces, and desiring of living units convenient to work, shopping and recreation / entertainment districts supporting continued growth in mixed-use environments.

Emerging Trends

Slower, Yet More Demand (cont'd)

- Generation “X” – now between 31 and 46 – are redefining the “givens” of the past several decades – they want equal parts traditionalism, work and leisure – but gravitating around the home – smaller, higher quality homes.
- This 49 m cohort (Gen X) is challenging the Baby Boom precedent that to spend is good and to spend more is better – something that will translate into a lower level of demand for commercial space per capita as this group enters its peak earning years.

★ *First time in history - there are now more people living alone in households than there are traditional families of a husband, wife and one child*

Generational Overview

- Generation “X” – now between 27 and 39 – are redefining the “givens” of the past several decades – they want equal parts traditionalism, work and leisure – but gravitating around the home;
- This 49 m cohort is challenging Baby Boom precedent that to spend is good and to spend more is better – important to acknowledge as they enter their peak earning years.

	Generation Y	Baby Boomers
2007 size	73.9 million	75.6 million
2010 size	74.8 million	74.6 million
Born	1977 to 1994	1946 to 1964
Age now	15 to 32	45 to 63
Pct. Hispanic	19%	10%
Dominant Housing Type	Renters (moving to owning??)	Owners (moving to renting??)
Neighborhood preferences (today)	Urban, walkable	Suburban, auto-oriented
Housing preferences (today)	Affordability, usability	Space, privacy
Mobility (Pct. Who moved in 2006-07)	23%	8%
Expect “never to retire”	10%	25%

Emerging Trends

Demand for Low Maintenance Housing

- Two age segments prefer low maintenance housing options including – downtown apartments and condos, townhomes and rowhouses, flats and co-ops – individuals and couples 18 to 32 and empty nester 55+. These two segments are expected to grow in the Trade Area by 5% and 32%, respectively over the next ten years.

★ *50+ empty nesters are abandoning sprawling suburbs for pedestrian-friendly cities, towns and planned communities where they can walk – not drive to offices and shops*

Emerging Trends

Core Investment Opportunities in 2012

The Urban Land Institute, the lead membership organization representing real estate professionals throughout the world issues a report on real estate prospects for investment and development each year. Following is a summary of expectations for 2012, based on a survey of practitioners throughout the United States.

- **Apartments** and industrial are considered the only property types that will “reliably cash-flow” in 2012.
- Other potential investment opportunities include – **Class A office** buildings in top gateway markets, recently developed malls that dominate in their respective market, and prime neighborhood shopping centers in stable infill neighborhoods.
- **Hotels**, while an acquisition (but not development) opportunity, will be highly speculative.

Emerging Trends

Green Development

- Sustainable building concepts will become standard in next-generation projects – existing buildings will need to increase efficiencies and retrofit new systems in order to compete.
- Whereas “green” is considered a right of entry into the market since many corporations and governments have established policies and regulations making it mandatory, markets will see more of this product type.
- With more than a decade of green building, it has been determined that the investment can be recouped in five to ten years – thus only appealing to specific investor groups.
- Greener speculative buildings and proximity to transport options will command higher rents (“people, planet and profit,” Forest City).
- On the residential side, investors and owners express more interest in reducing and managing energy costs than renters do.

Emerging Trends

Development Trends

- Profitable **mixed-use** opportunities in 2012 will involve mid- and high-rise residential products around established regional shopping centers, with office space and hotels.
- **Urbanity in the suburbs** (not just walkable new urbanist design, but active programming of space to encourage active lifestyles) will continue to be in demand as many consumers continue to be priced-out of inner-city locations.
- Beefed-up shared amenities including parks / trails / open space is becoming an increasingly palatable alternative to large yards.
- Constrained **apartment** development, pent-up demand, former homeowners and an expanding population base 32 years and younger will continue to drive down vacancies and increase rents.

Emerging Trends

Development Trends (cont'd)

- 2012 to 2015 will be known as the “Era of Less” driving demand for **apartments** – fed by couples marrying and starting families later and seniors who choose this lifestyle.
- Some Boomers will settle for **comfortable rental** as an empty-nest move-out option over condos.
- 24-hour metro areas will be the best environments for successful **apartment** development. The exception will be markets where condo overbuilding presents competition for conversions.
- Shipping and trade activity will show signs of improvement as business inventories rebuild and the market demands **industrial** space that doesn't exist because of subdued development.

Emerging Trends

Development Trends (cont'd)

- In the **lodging** industry – all key metrics – occupancies, room rates, and revenues – should improve.
- **Office** development opportunities will be largely limited to gateway communities with a healthy shipping trade. Non-gateway communities, yet downtown and infill locations with products offering green attributes might see some investment.
- **Retail** opportunities in 2012 will be classified as nearly non-existent. The good news from retail experts is expressed in the following statement, “We are now realistically confident we can get through this rough period.”
- **Ethnic retailing**, non-store click and mortar (smart phones) concepts, and **experience show rooms** will dominate the field.

Emerging Trends

Development Trends (cont'd)

- Multi-branding and cross-branding will be essential, and health and wellness connections will be emphasized – making **commercial centers** with hospital affiliations particularly valuable.
- Higher profits off smaller inventories will continue to be the trend in **retail** development.
- **Big box retailers** (Wal-mart) will continue to deliver new boutique stores, particularly in inner-city locations.
- **Outlet malls** will continue to be well-positioned to capitalize on the new value-proposition.
- **Malls** will continue to solicit increasingly non-retail uses such as artist studios, theaters, junior colleges, medical facilities, museums and training facilities.
- **Niche opportunities** that will continue to thrive for psychographic reasons include – senior housing, medical office, and student housing.

Northwest Quadrant

Sound Community Planning Principles

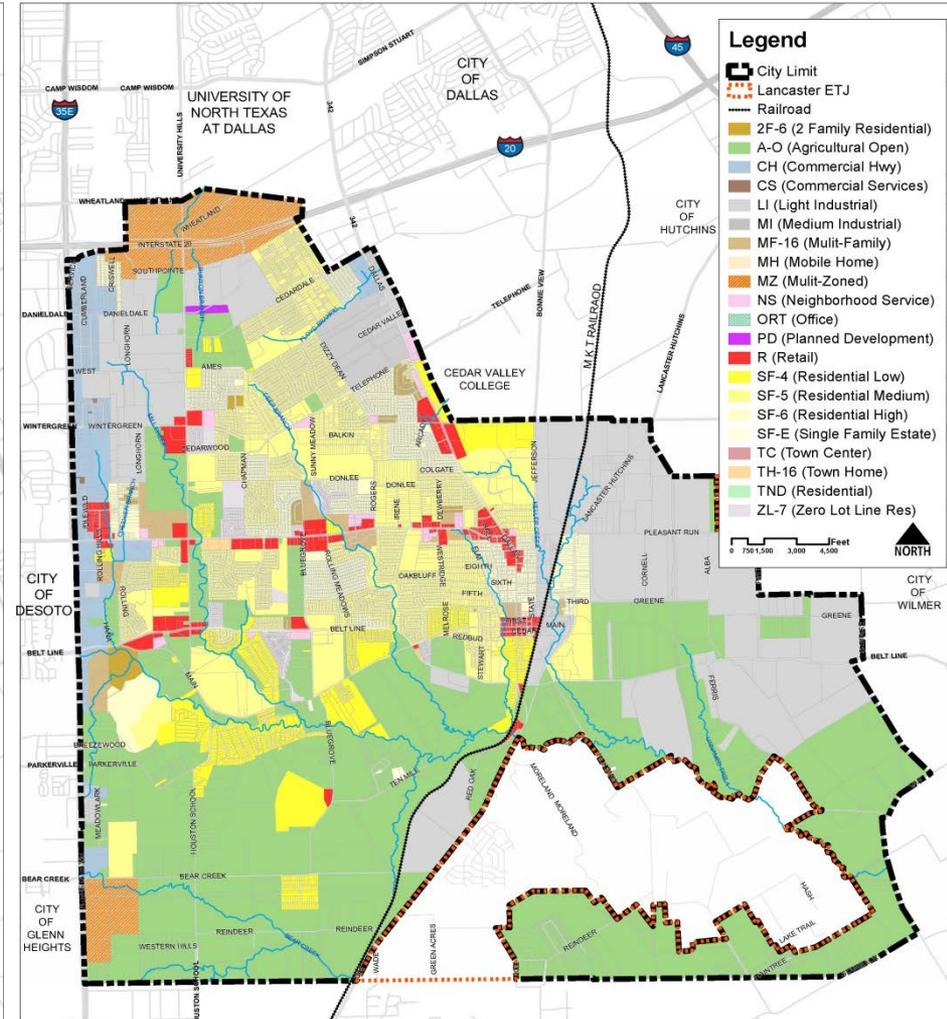
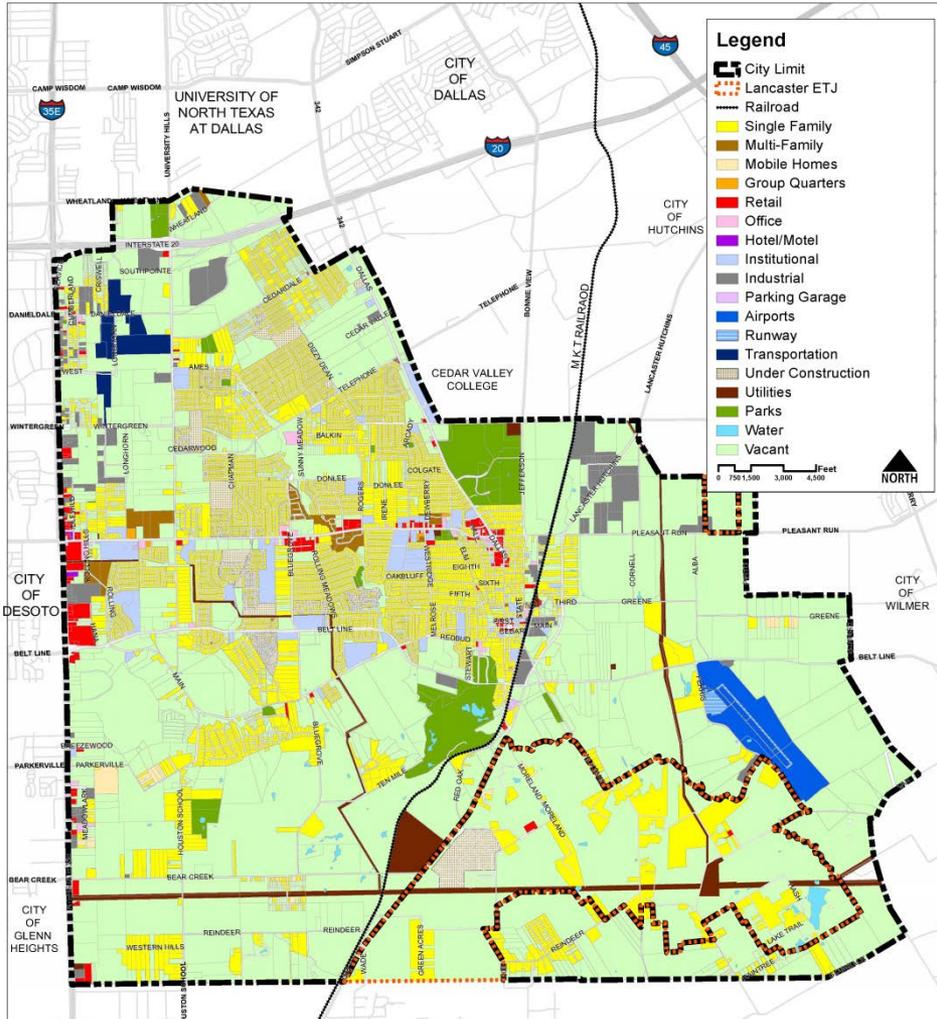
- The marketplace continues to Protect and Leverage Community Assets
- Gateways Should Define the “Place”
- If You Don’t Have a Core (“Heart”), Grow One
- Don’t Ignore the Obvious, but Don’t Be Subsumed by It
- Diversify
- Be Authentic

Physical Opportunities

Physical Opportunities

Existing Land Use

Existing Zoning



LANCASTER COMPREHENSIVE PLAN

Existing Land Use

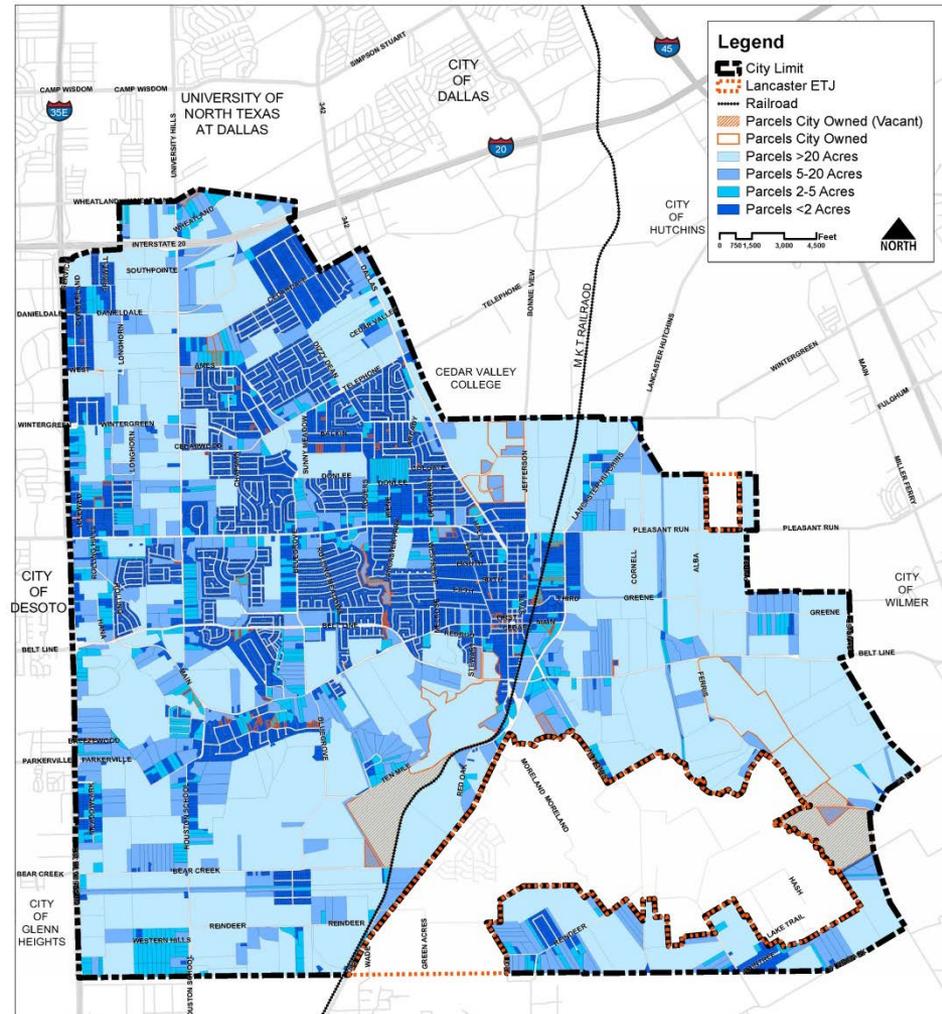
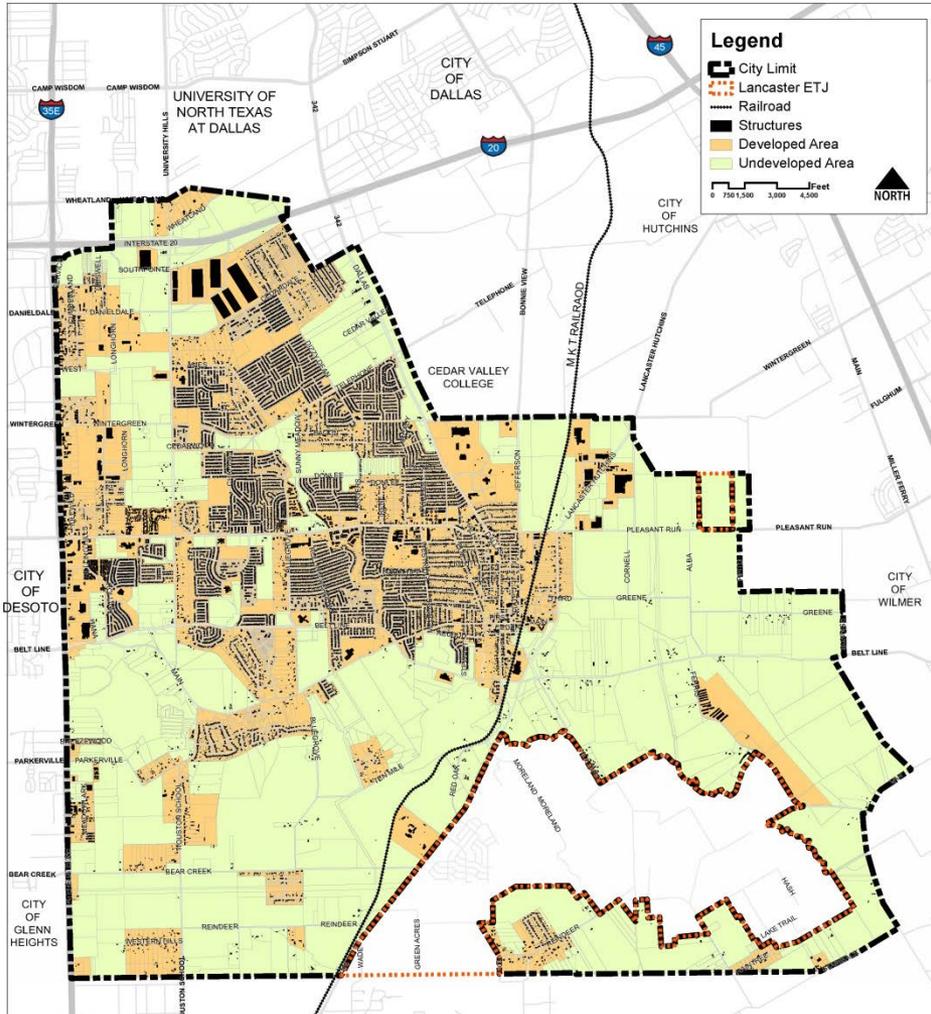


Lancaster, Texas

Physical Opportunities

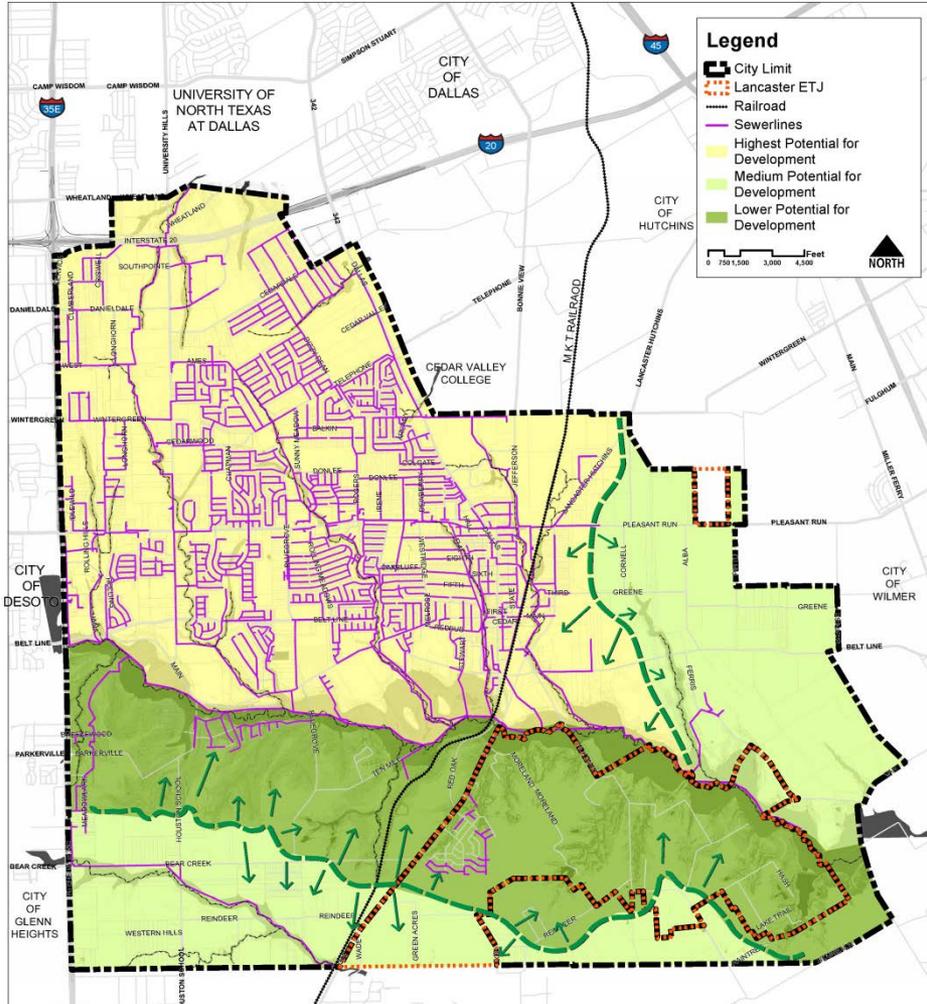
Existing Development

Existing Parcel Size

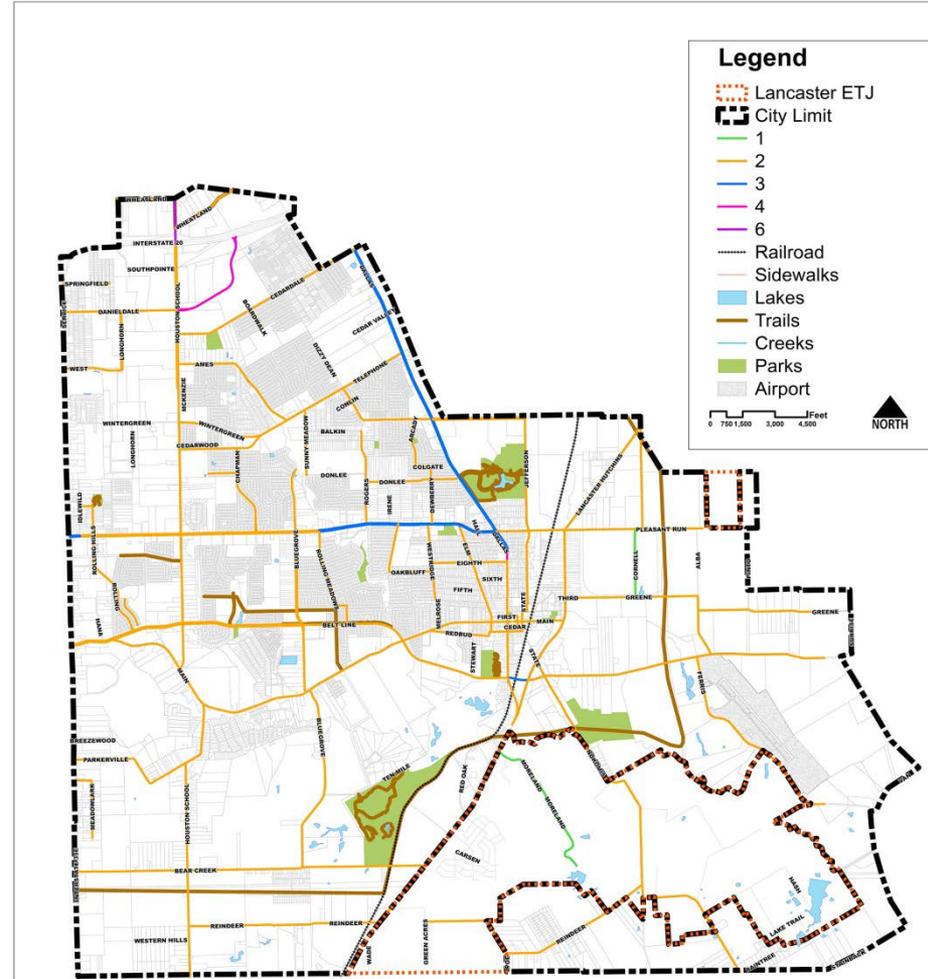


Physical Opportunities

Existing Sanitary Sewer



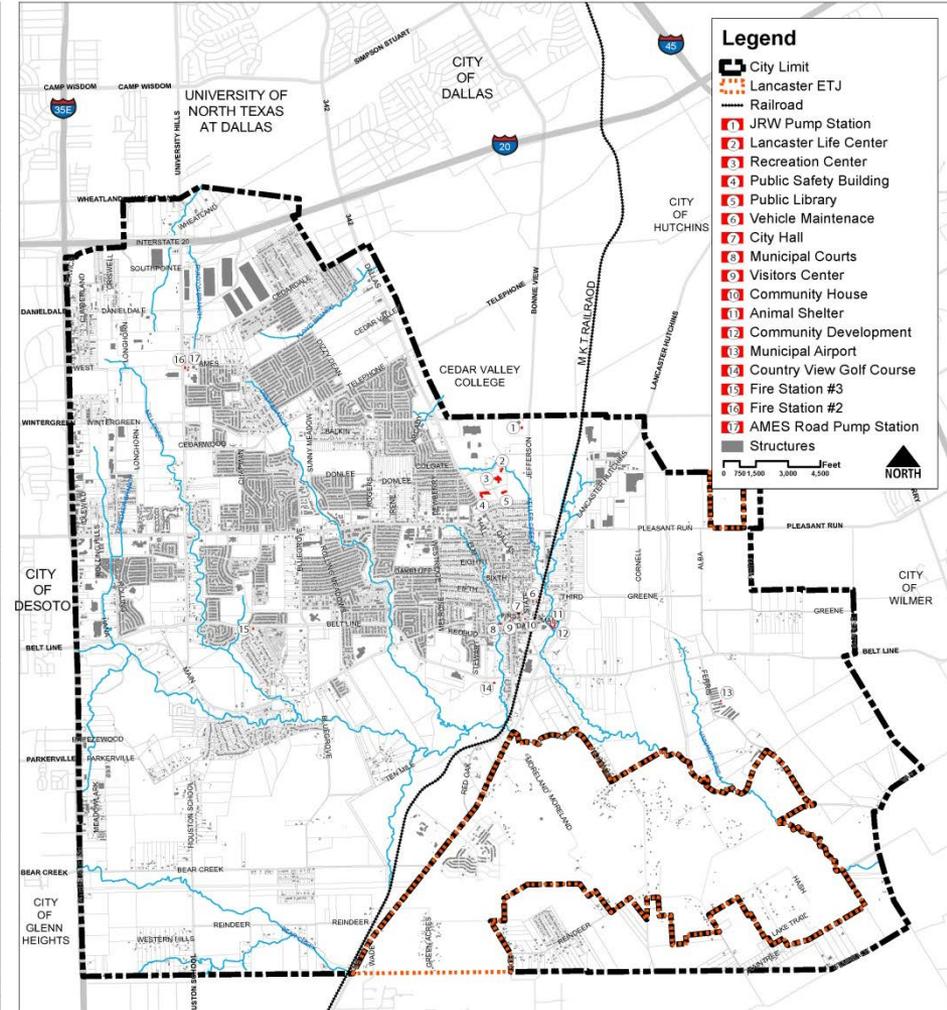
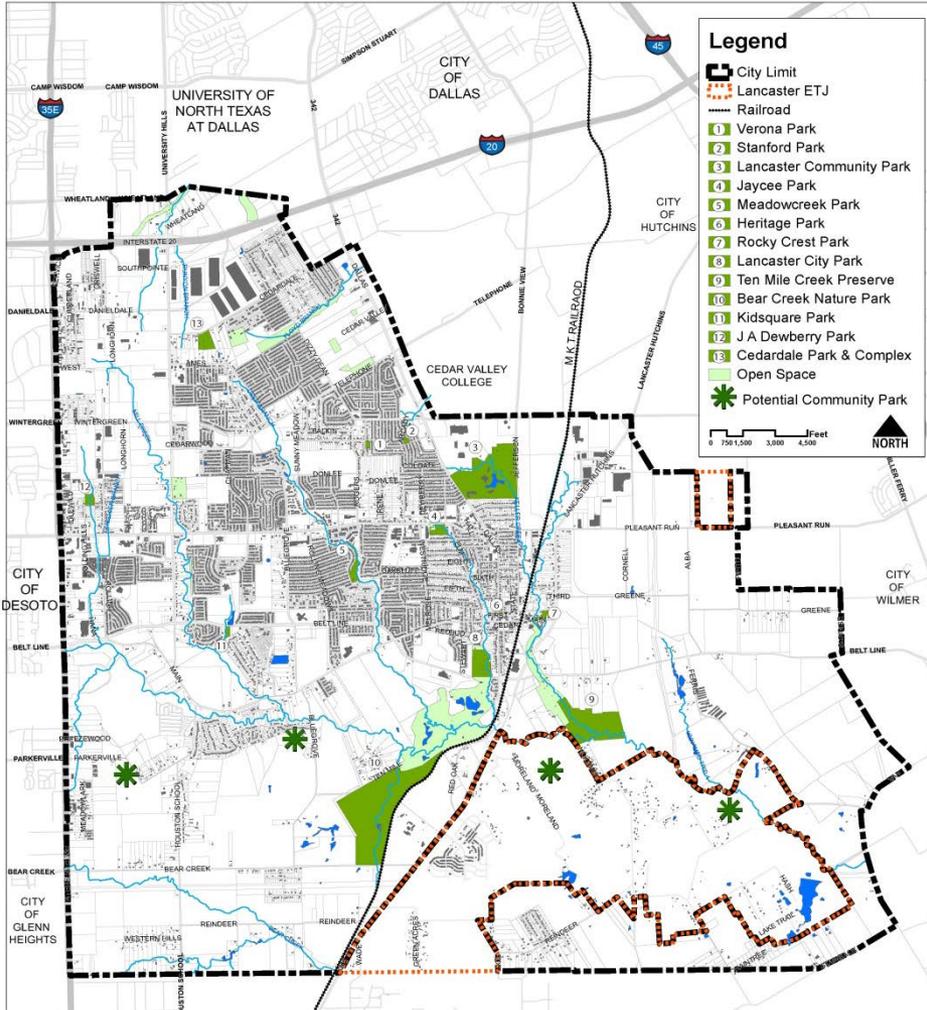
Existing Thoroughfares



Physical Opportunities

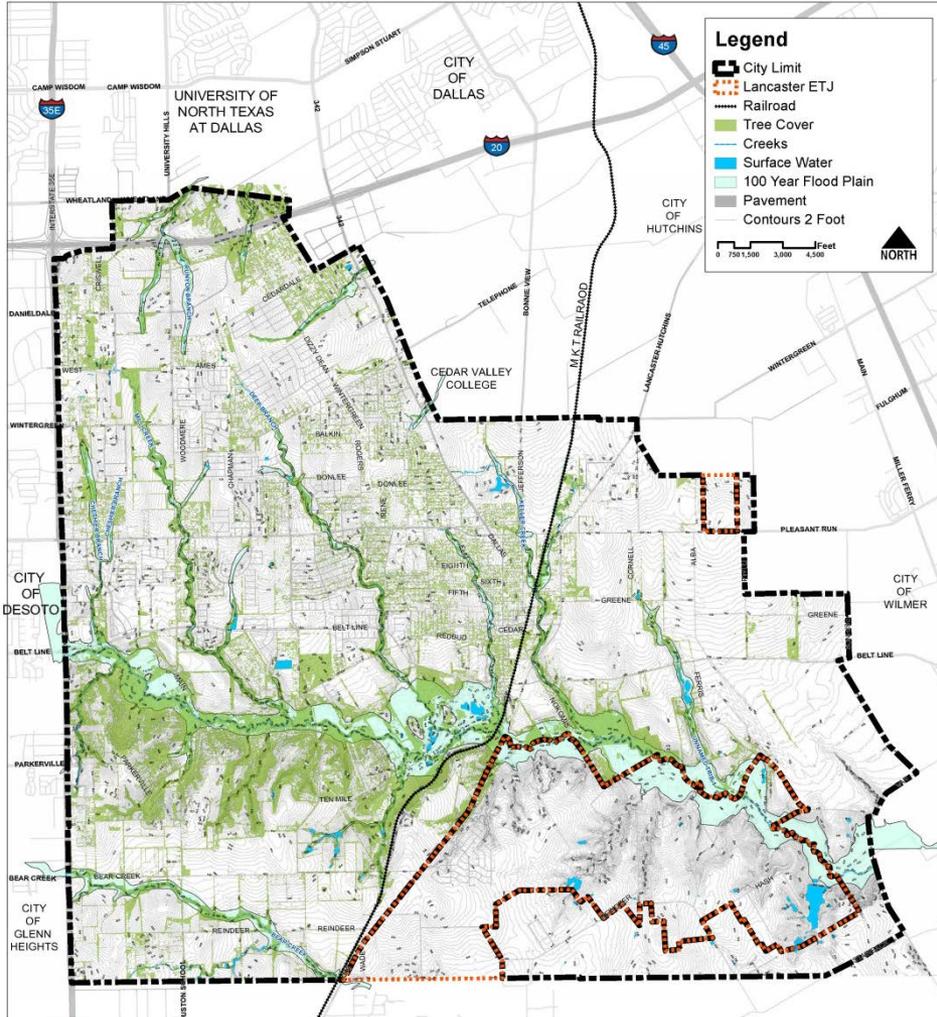
Existing Parks and Open Space

Existing Public Facilities

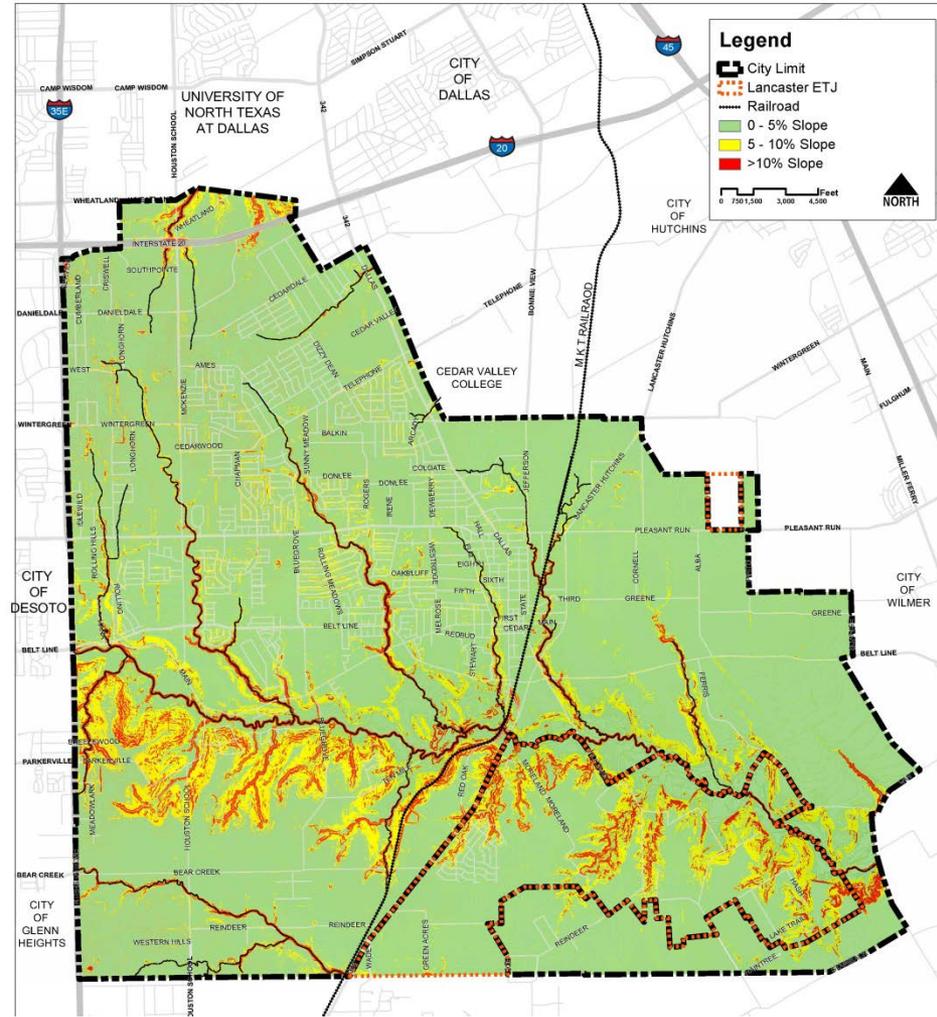


Physical Opportunities

Existing Natural Features

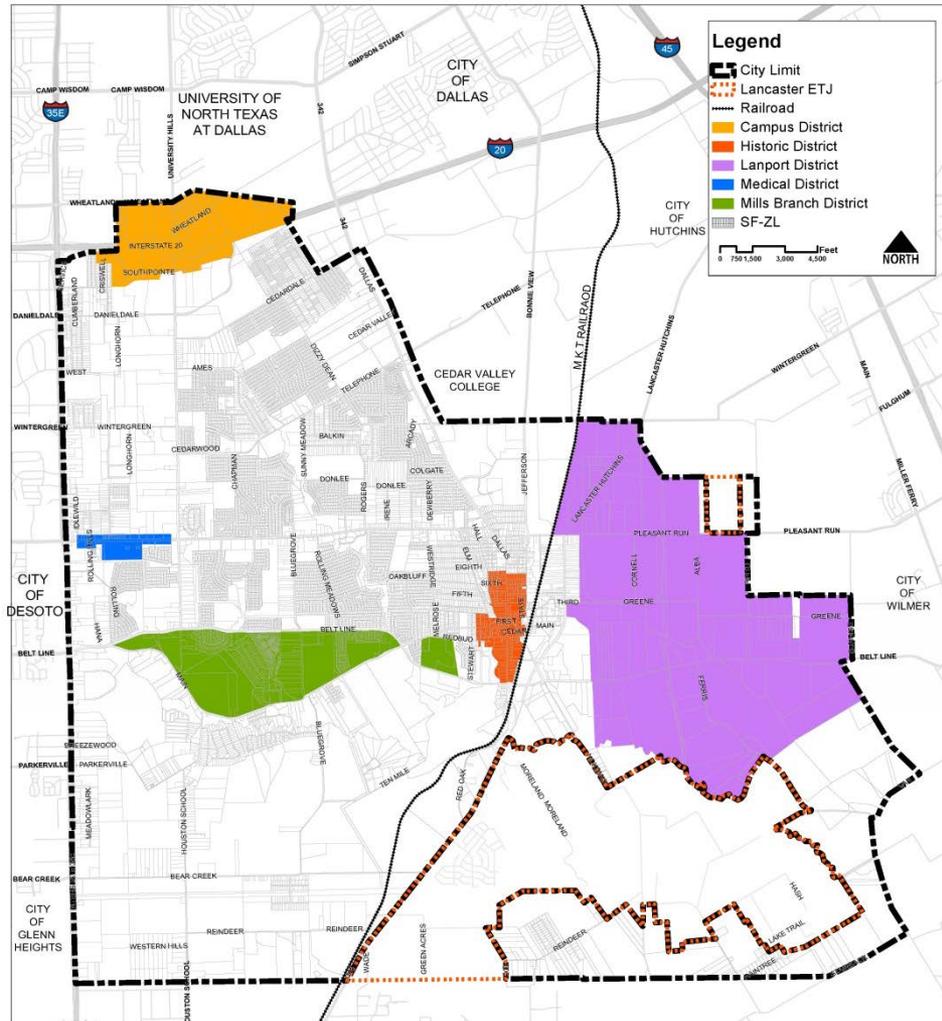


Existing Topography

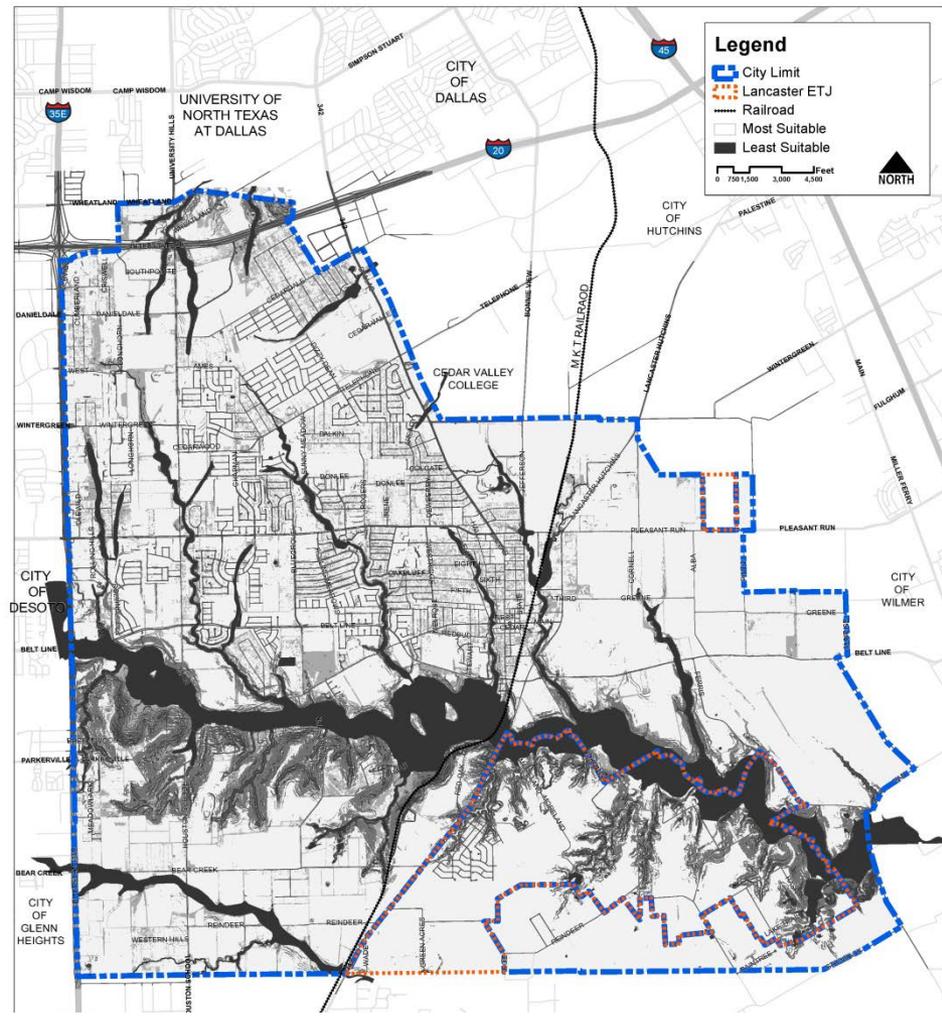


Physical Opportunities

Existing Special Districts

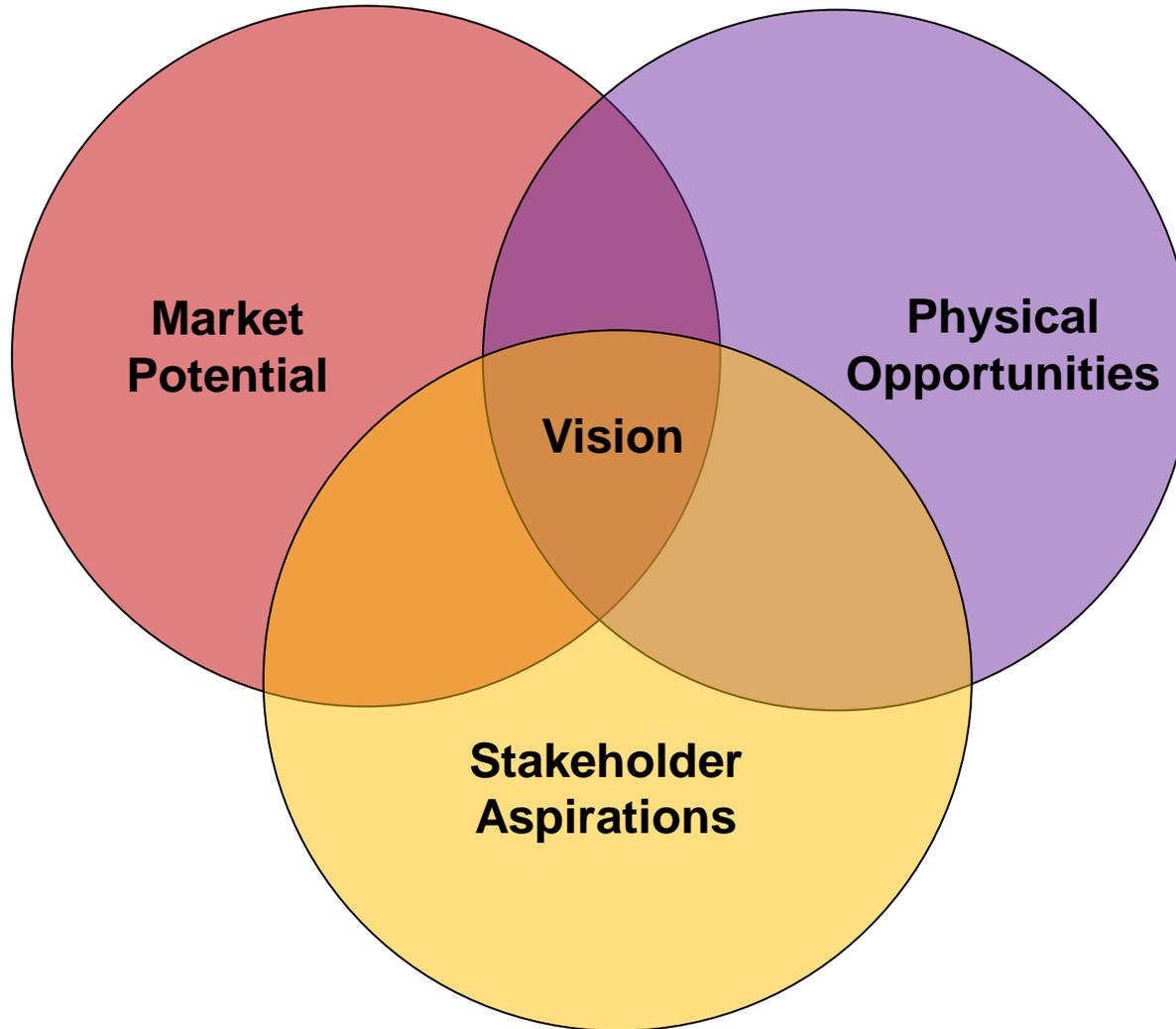


Composite Suitability



Stakeholder Aspirations

Project Planning Process



Stakeholder Aspirations

- Long-term success means understanding and taking advantages of Physical Opportunities and Market Potential.
- It must also reflect aspirations of stakeholders – what kind of a community do we want to be in the future?
- The answer is critical in shaping the vision and deciding how to use strategic opportunities.



Public and Stakeholder Involvement Plan

- Key Objectives
- On-Going Involvement
 - Web & Email
 - Social Media
 - Surveys & Questionnaires
- Events
 - Stakeholder Interviews
 - Community Charrette
 - Community Open House
- Representation
 - Steering Committee
 - Planning & Zoning Commission
 - City Council



Initial Stakeholder Aspirations

- These are initial possibilities only!
- Based on:
 - City Council Goals & Objectives
 - State of the City Session
 - Research – physical characteristics, market potential, existing plans, etc.
- These topics and questions will help us structure dialogue with stakeholders about what they want Lancaster's future to be.



Civic Assets – Downtown

- We already have the historic downtown that other communities are trying to create.



★ *How can the direction we establish in this plan build on the asset of our Historic District?*



Civic Assets – UNT Dallas

- The UNT-Dallas campus is an important investment in southern Dallas County. We have a Campus District in place to build on this asset.

★ *How can we get the best possible ROI through our decisions about uses, character and quality in the Campus District?*



Civic Assets – Lancaster City Investments

- We have public facilities, improvements and programs that set us apart
- Perceptions of Lancaster do not fully recognize the value of these assets and investments.



★ *How can our community's future image build on these existing assets?*

Existing Neighborhoods

- One City Council goal is ‘healthy, safe and vibrant neighborhoods’.
- Lancaster’s neighborhoods offer distinctive programs that give children the education they need to succeed (STEM, early childhood, arts, etc.).
- Perceptions don’t accurately capture our residents’ characteristics.



★ *How can we keep our existing neighborhoods healthy, safe and vibrant over time?*

New Neighborhoods

- One City Council goal is ‘healthy, safe and vibrant neighborhoods’.
- Our parks and trails support people who want healthy lifestyles.
- Our natural assets and stock of available land give us opportunities to create great new neighborhoods that appeal to people at all stages of their lives.

★ *What’s our best approach to adding new neighborhoods that increase choices for residents and make Lancaster even more distinctive and desirable?*



Economic Base – Logistics

- Transportation assets and location are a competitive advantage.
- Prologis 20/35 “has landed the largest chunk of the new industrial projects along I-20.”
- Development intensity (square feet per acre) and quality are drawing desirable tenants.
- But, similar projects are also underway or planned elsewhere.



- ★ *What investments should be made so we can continue to be competitive in the logistics market?*
- ★ *How can we avoid an oversupply of any one land use or product (competing against ourselves) and overemphasis (putting all our eggs in this one basket)?*

Economic Base – Airport

- The Airport Master Plan strengthens our appeal for logistics and distribution.
- It also appeals to other types of businesses.
- City Council’s objectives include ‘diversity of commercial businesses’.

★ *What are the top priorities as we implement the Airport Master Plan?*

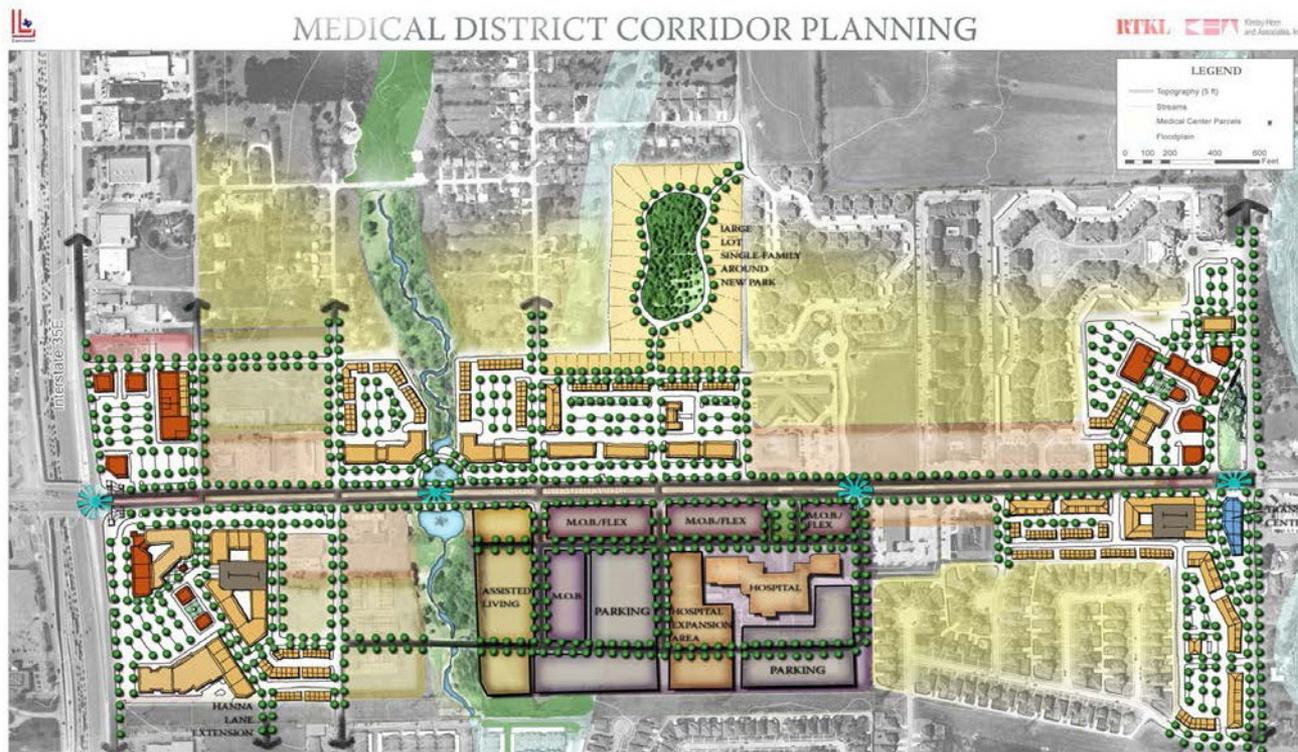
★ *What are the strategies so we have a diverse economic base over the long term?*



Economic Base – Medical

- Council's objectives include 'diversity of commercial businesses'.
- The Medical District should play a role in this economic diversity.

★ *What public policies and investments will help achieve the economic growth and community value reflected in the Medical District Plan?*



Stakeholder Aspirations

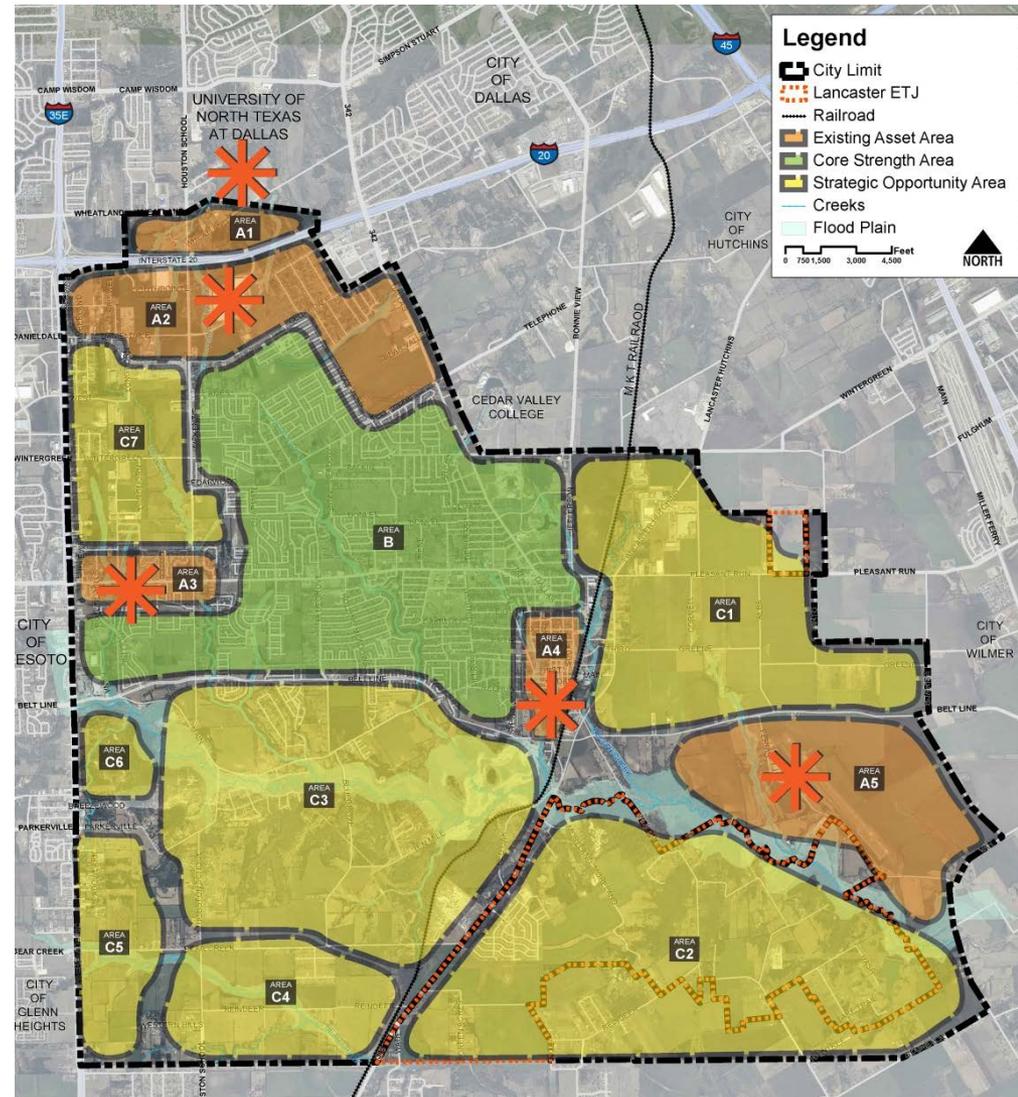
- What are the other realities about our situation today?
- What are the aspirations for tomorrow?
- Public and stakeholder involvement will help us answer these questions.
- The answers will direct our vision, strategic priorities, policy direction and implementation.



Strategic Opportunity Areas

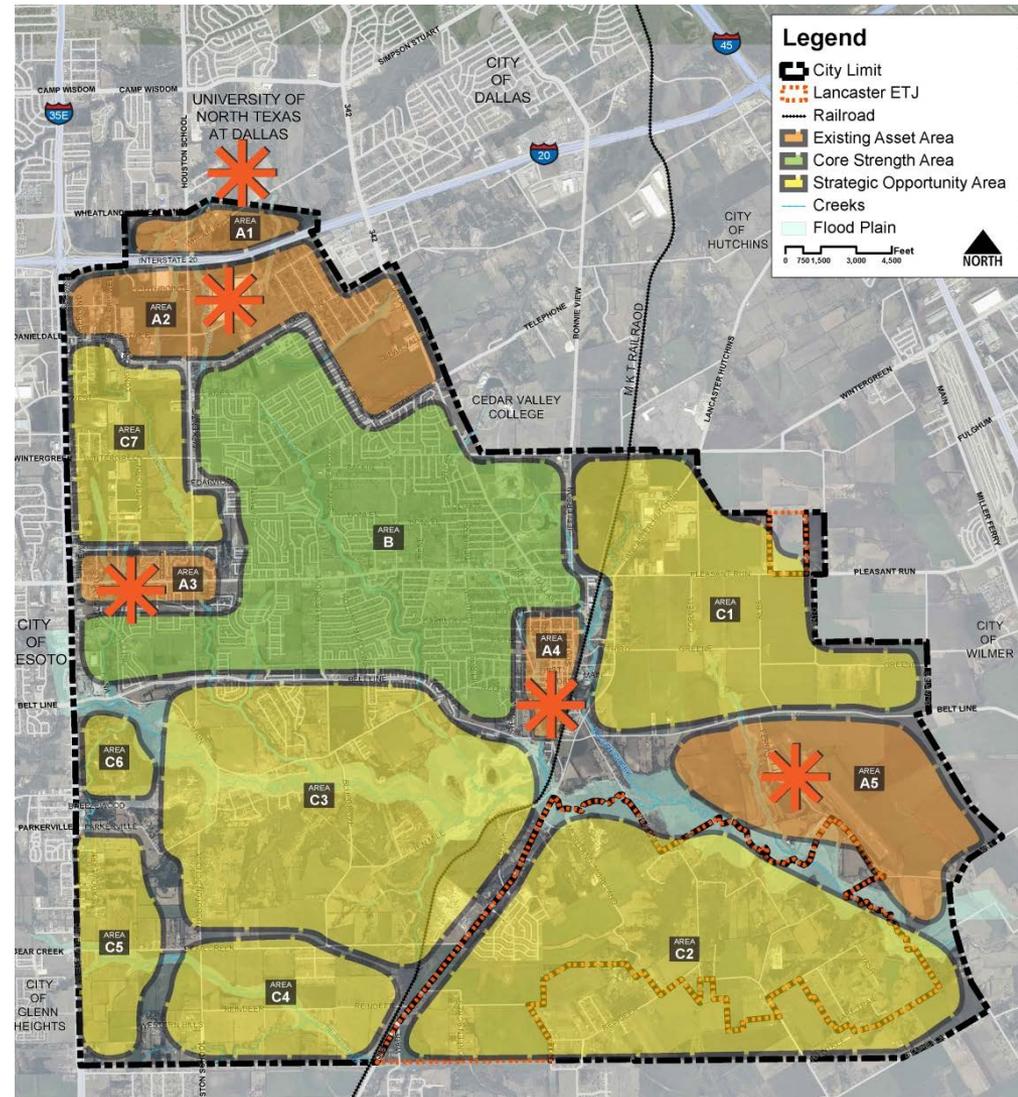
Strategic Opportunity Areas

- Existing Asset Areas
 - Build upon existing strategic assets creating unique opportunities for Lancaster
 - Existing assets include UNT Dallas, Downtown, Lancaster Airport
 - The comprehensive plan will focus on adding detail to the existing plans for these areas and looking for synergies between assets



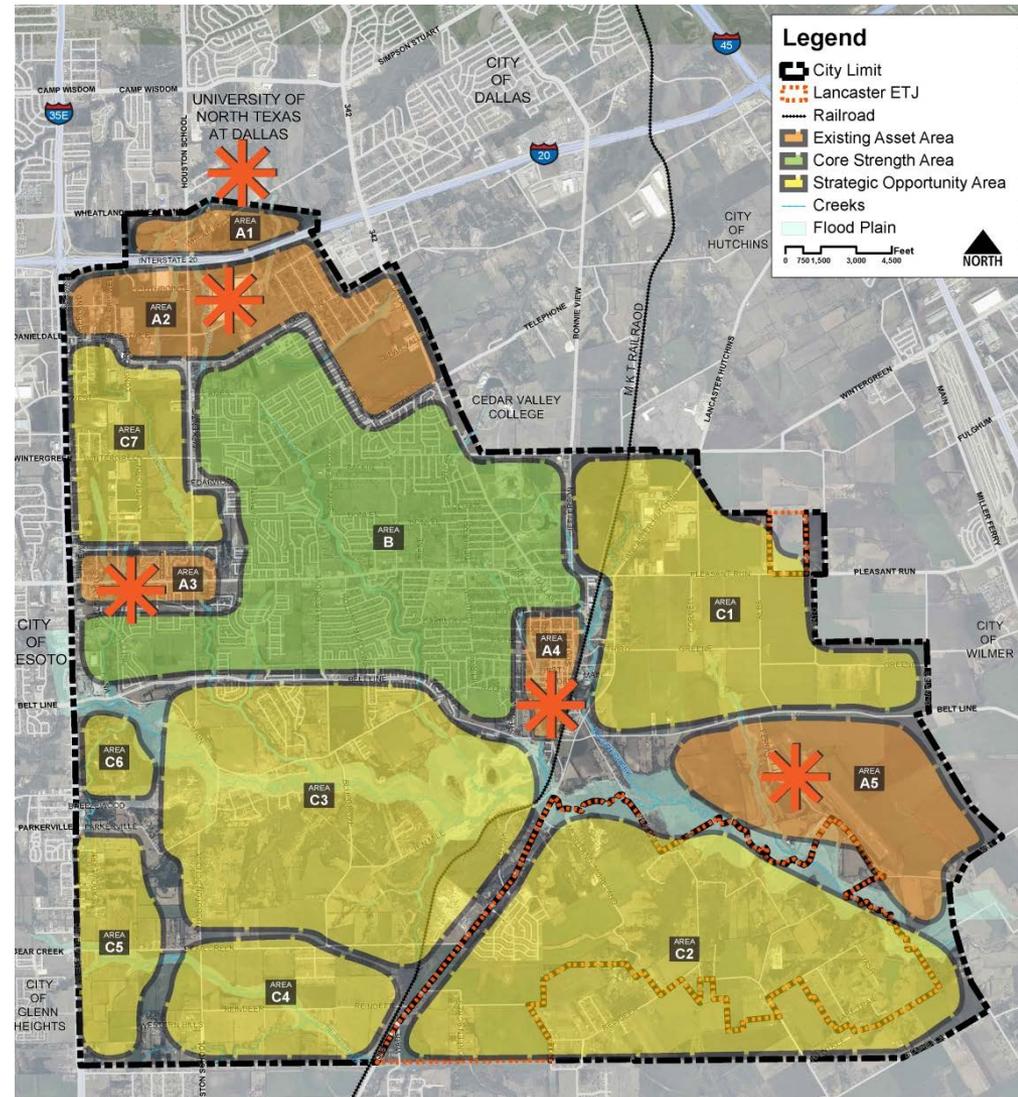
Strategic Opportunity Areas

- Core Strength Areas
 - Stable areas of the community that establish basic character and permanence
 - Existing core strength areas include many of the community's existing single family neighborhoods
 - The comprehensive plan will focus on identifying goals and policies that will ensure the permanence of these elements



Strategic Opportunity Areas

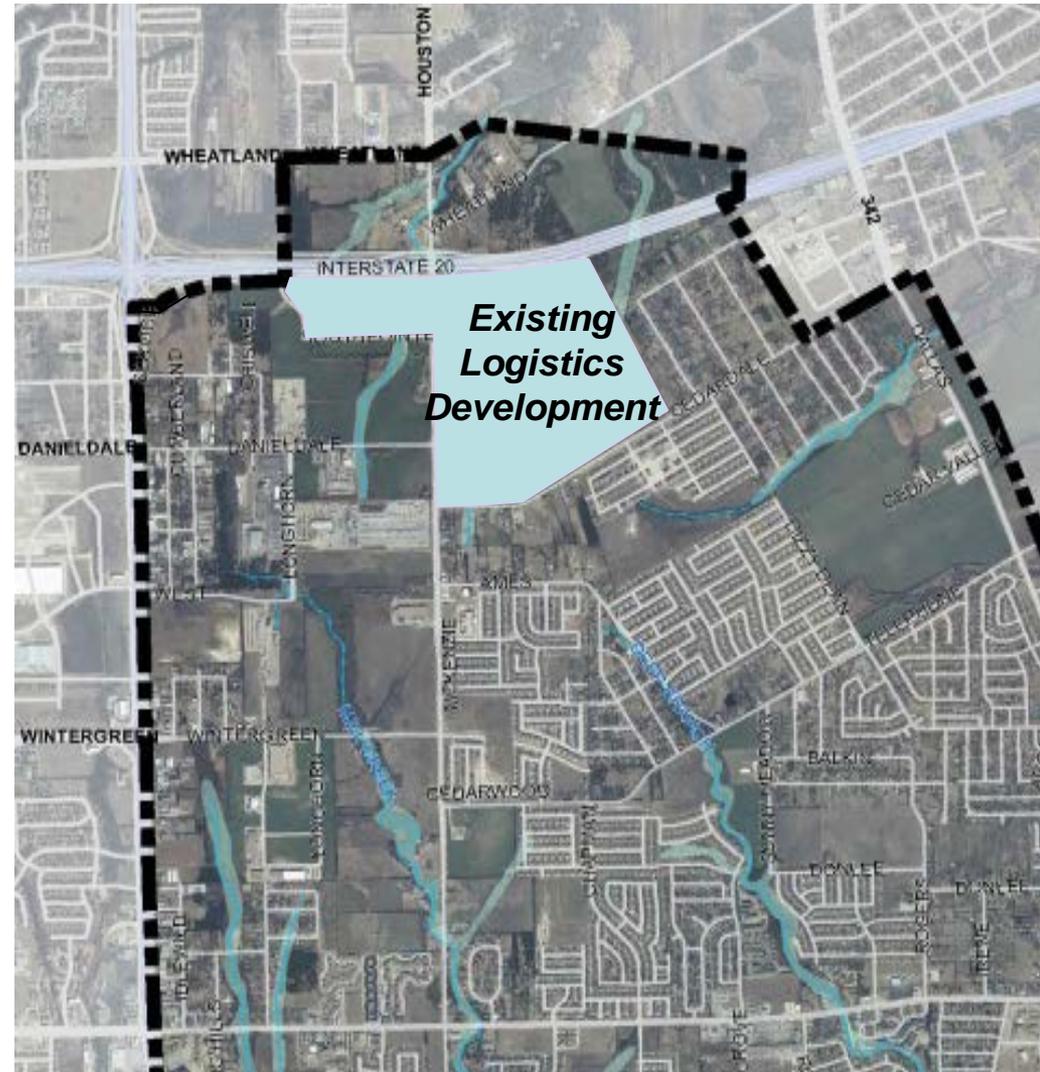
- Strategic Opportunity Areas
 - Provide opportunities for adding to the community's portfolio of assets
 - Include many of the areas of the community that are either undeveloped or ripe for re-investment
 - The study will focus on developing multiple scenarios for these areas along with potential tax base implications associated with each scenario



Northwest Quadrant

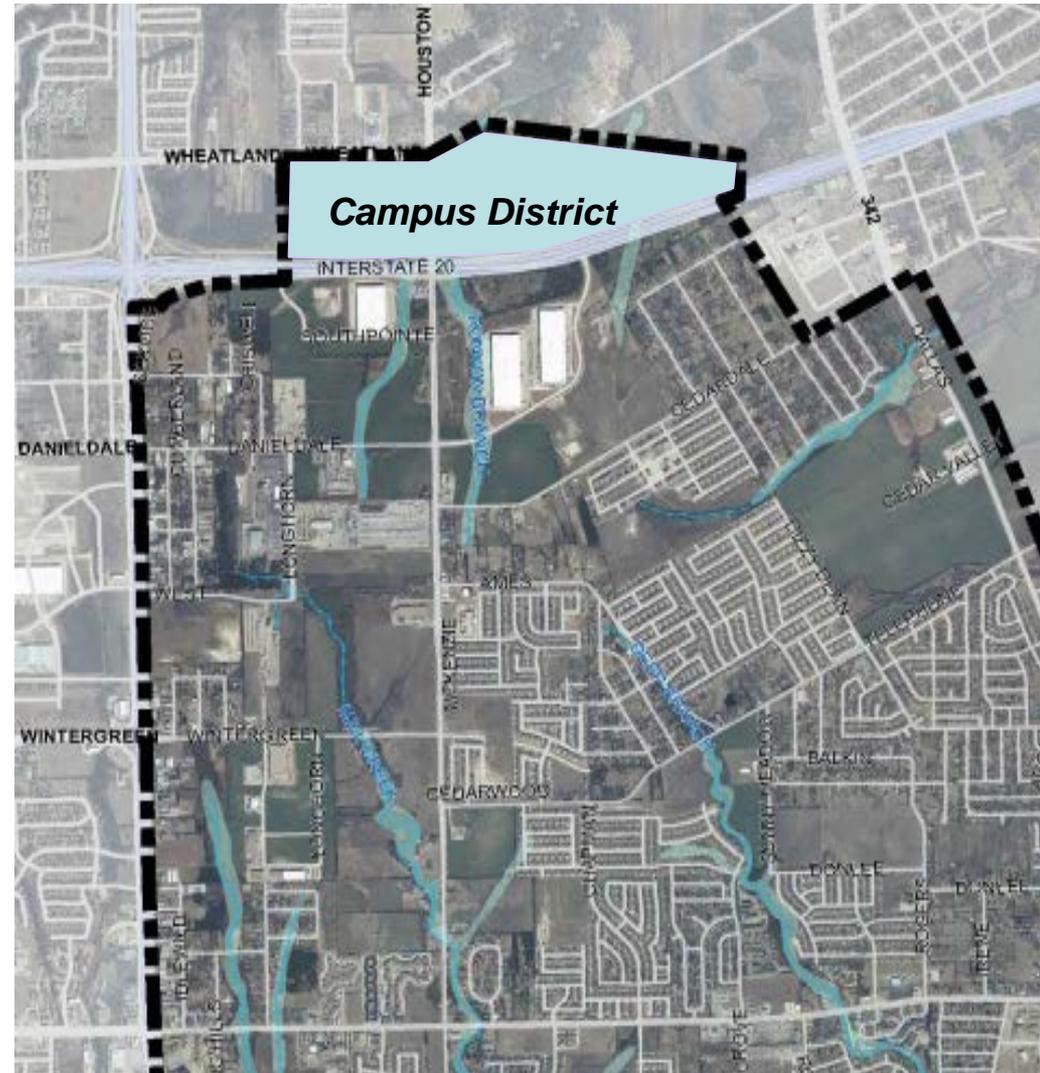
Northwest Quadrant

- Major opportunities exist in Lancaster today for the development of logistics sites
- The marketplace continues to demand “development ready” sites within the community
- The City is challenged with identifying sites that can capitalize on these short-term opportunities in a manner that is compatible with existing development, while not jeopardizing long-term opportunities



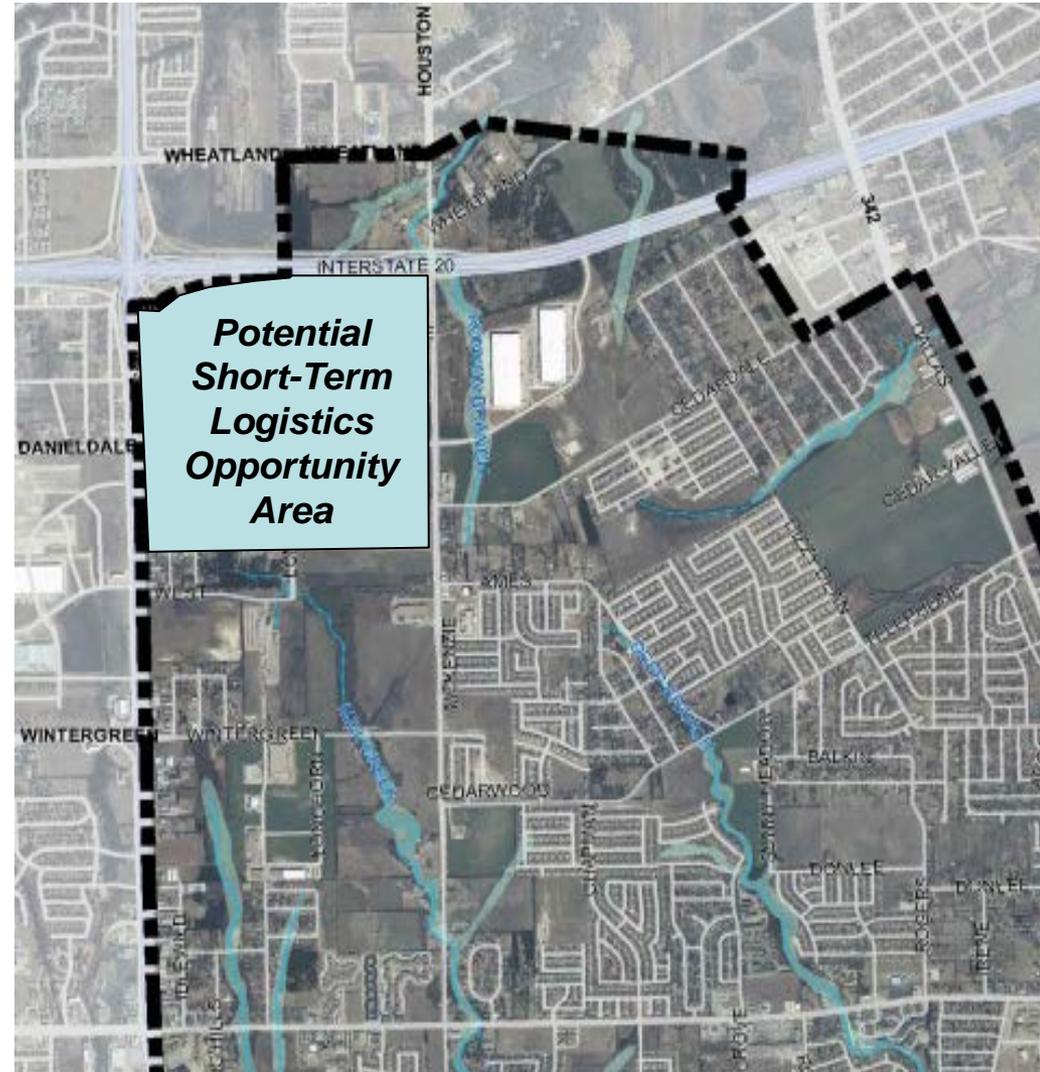
Northwest Quadrant

- Pressure exists to allow Logistics Development within the area designated as the Campus District
- The Campus District offers a unique opportunity for the City of Lancaster to attract types of development that will not be available in other parts of the community
- This development has the potential to significantly contribute to the City's future tax base



Northwest Quadrant

- The area bounded by IH 20, IH 35, Houston School Rd. and south of Danieldale is currently ripe for logistics development
 - The area has great access to both IH 20 and IH 35
 - Utilities already exist in the area
 - Danieldale is being upgraded to provide improved access
 - No existing land use compatibilities exist in this area



Northwest Quadrant

- As shown, alternative land uses on a moderately-sized parcel (15 acres) can have a significant impact on City revenues.
- A logistics land use has the potential to generate 5 times the annual revenue to the City as does a truck parking land use.
- Revenue generation is determined by density of land use, value of improvements and number of employees (spending).

Indicator	Total @ Build-Out	
	Truck Parking	Logistics
Estimated Development In Place:		
Project Land Area (Acres)	15	15
Building to Land Ratio	1%	46%
Building Square Feet	6,534	300,564
Estimated Number of Employees	33	60
Estimated Annual Property Tax:		
Land Value/Sq Ft	\$0.30	\$0.50
Building Value/Sq Ft	\$115.00	\$25.00
Total Property Value	\$947,430	\$7,840,800
Annual Property Tax	\$8,219	\$68,019
Estimated Annual Sales Tax:		
Estimated Number of Employees	33	60
Average Income Per Employee	\$50,000	\$50,000
% of Retail Spending Locally	20%	20%
Local Retail Spending Per Employee	\$10,000	\$10,000
Total Local Retail Spending	\$326,700	\$601,128
Annual Sales Tax	\$6,534	\$12,023
Total New Annual Revenues to City:	\$14,753	\$80,042

Sources: City of Lancaster; U.S. Bureau of Labor Statistics; and Ricker | Cunningham.

Discussion

Lancaster Comprehensive Plan

Planning and Zoning Commission / City Council Presentation

October 7, 2013

