

Introduction

Communities across the country ushered in this new century in a variety of ways. Some public entities, if not most, were focused on dealing with the unknowns of the “Y2K” computer issue while others focused on planning their own unique celebrations. Officials in Union and in Boone County, however, were busy working together to develop and approve a plan designed to re-invent the community and prepare for their future residents. In 2000, the City of Union, the Boone County Planning Commission and the Boone County Fiscal Court adopted the “Union Town Plan.” This plan, developed with assistance from the firm of Myers, Schmalenberger and Meisner, provided the community with a long-term plan that looked at future growth and the necessary regulatory elements to help manage and direct this growth. At the heart of the Union Town Plan is the Town Center Concept. Also referred to as Fowler’s Green, the town center concept was to be centered at the future junction of the U.S. 42 (reopened in 2004) and a relocated Highway 536 (Mt. Zion Road).

In an effort to further advance the plan, in 2007 the community hired the firm of KZF Design to create a conceptual design showing how the Union Town Center could look, could “feel” and could ultimately be developed. Officials hoped that the Union Downtown District development concept would foster economic growth in the area and provide the palette from which their vision could be painted. However, since the previous concept has not yielded any tangible development, County and City officials pursued a more proactive approach to energizing the Union Downtown District project. To that end, the Boone County Planning Commission engaged Pizzuti Solutions LLC of Columbus, Ohio, to complete an analytical review of that original concept. This review utilizes actual market data and also includes a critical look at several factors that could be impacting the proposed project.

To complete the analytic review requested by community leaders, Pizzuti Solutions LLC of Columbus, Ohio was formally engaged by the Boone County Planning Commission. Three separate tasks were authorized to complete the review of the existing Town Center concept plan.



This study also signals the community's further commitment to a developer or developers who may be interested in pursuing projects within the area. Developers tend to take more interest in a municipality when provided with concrete market information demonstrating the potential economic vitality of an area.

By also including information regarding affected property owners and specific development issues within the project area, the community enables potential development partners to generate a clear picture of potential opportunities and hopefully further ignite their interest.

To make the Town Center project even more attractive to potential partners, we believe it is critical that the County, together with the City of Union, continue to support the project and to work through the development issues noted within this report. Developers generally show more interest in communities that have planning concepts that are more fully explored and that provide a "head-start" to their projects.

It would be an understatement to say that the initiation of the Union Town Center concept is important to the City of Union, Boone County and the surrounding region. What isn't as widely accepted is the notion that despite past efforts, re-visiting the concept and refining the plan to spur investment is the logical next step. In fact, it should be considered a responsible course of action, as opposed to a contradiction of the original plan's many positive attributes.

Three separate tasks were authorized to complete the review of the existing Town Center concept plan. These tasks were assigned as follows:

Task One

- Provide a market analysis detailing the commercial and residential climate in Boone County and the surrounding area. This market report provides a commercial survey of existing developments in Union, approved developments, and proposed developments within the Union Downtown District. The report examines the residential market (both sales and rentals), retail space and office space. The market analysis offers recommendations for pursuing the uses most likely to achieve success in both the existing and future markets.

Task Two

- Survey the landowners within the Town Center district, outlining their support and concerns for the Town Center project. This review also highlights landowner objectives for their properties and provides detail of the development issues related to the proposed Town Center. Also, "best strategies" for promoting properties for development are offered.

Task Three

- Provide a profile of potential developers, both regional and national, who may have interest in investing in the Union Town Center. This list will be accompanied by information about each developer and what they may know about the project to date. Specific contact information will be provided, including their potential interest in the project.

The completion of these three tasks has led to a number of recommendations and a list of the most important next steps that we believe are necessary to advance the project. We feel all of the recommendations are important and that each should be fully considered for implementation by community leaders. Will following these recommendations and their implementation guarantee the success of the Town Center? Will developers flock to Union to begin investing in land and building new shops, new offices and new residences? While certainly that is all of our goals, the reality is that the current economic climate is unlike any faced in decades. Good projects cannot find financing, borderline projects are not getting serious consideration and speculative projects are an endangered species.

What this report will do, however, is help the community reload their tool-box and begin thinking as creatively as they can to meet the financial challenges of the next 12-18 months and the growing competition from those communities willing to attack similar challenges in a new and unique manner. Through examples included in Task 3, this report will also provide a glimpse of those creative and unique approaches that other communities are considering or implementing. We will also provide discussion about those more traditional efforts that we feel should be advanced as well.

Executive Summary

After completing an in-depth analysis of the local market and specifically addressing the market feasibility of retail, office, and multifamily housing (rental and for-sale) at the Union Town Center site, it is our opinion that retail, business services, and rental housing can be supported at the levels described in Task 1. The current demand drivers are strong and provide a compelling story to those interested in developing in the area. It is also our opinion that the Town Center Concept is a viable approach and, if done correctly, can meet the goals of the original plan.

It is important that in setting the framework for this study and the development itself, that we establish the primary premise of this report. Simply stated, our premise is that there is a very specific difference in the development of a **Town Center** and the development of a **Lifestyle Center** and that our review of the existing plan is based on the development of a true Town Center. To clarify the difference we contend that a Town Center, in its most basic form, is a recognized hub of activity – both public and private – that stimulates other development and activity to grow outward from its core. In contrast, a Lifestyle Center is a retail development that provides a mix of uses designed to keep customers and visitors engaged for an extended period of time. For purposes of this report, and generally speaking, we are assuming that *communities* want to develop Town Centers while *developers* want to develop Lifestyle Centers.

Keep in mind, there is nothing wrong with the development of a Lifestyle Center and several have been successfully incorporated into Town Center projects. In fact we realize that many community leaders would welcome the additional revenue and activity that accompanies either of these “Centers.” Based on our research and discussions, and our stakeholder interviews, however, we believe that a true Town Center development that is properly located and with a thoughtful mix of uses, is the most logical approach for the City of Union and this plan at this time.

It is also important for us to note that despite the current challenge in the economy, time is of the essence in regards to development of the retail center. Retail development is naturally occurring along US Highway 42 on the north side of Union and new retail development occurring in the immediate area may impact the ability of the site to later attract similar retailers to the community. Based on this understanding we believe that there are several key “next steps” that should be implemented over the next 60-90 days to “activate” the economic development climate of the community and to further advance the Town Center plan. These next steps include the following:

- Create a small economic development committee of three people with city, county and business community interests to oversee the economic development effort.
- Designate a person (outside of the review project steering committee) as the primary economic development official for the community.
- Work closely with all political jurisdictions to consider locating into the Town Center project. This should include opportunities with the city, county, state and federal (i.e. post office retail station, etc.) governments. The City should also encourage the location of those facilities that are supported or funded by public dollars including school administrative/ recreation facilities, YMCA recreation centers, libraries, and health centers.
- Create specific short- and long-term economic development goals with quantifiable benchmarks with specific tasks identified to meet these goals.
- Refine use concepts within the Town Center plan to reflect current and future market demands as identified in Task 1 of this report.
- Create formal City and County policies to create a programmed approach to economic development and improve and build upon the community’s assets.
- Create a marketing plan that includes a coordinated approach to print, electronic and personal exposure to potential developers, tenants and investors.
- Create a dedicated and “branded” project web-site that is a part of the marketing plan and approach.
- Create a general economic development hot-link on the city and county websites to provide summary information on the economic development efforts and available tools available to those interested in doing business with the Community.
- Further refine the Town Center concept that more specifically highlights the northwest quadrant and integrates the market feasibility report. This effort should also include an implementation strategy for such a revised plan.

In addition to those preceding key next steps we have identified and also recommend the community consider the following approach related to the Town Center Development. These activities should be undertaken over the next 3-6 months.

- Consider promoting a more manageable number of acres for a town center development to ignite a near-term achievable project.
- The City (or agent of the City such as a non-profit development agency) should strongly consider developing a land acquisition strategy for the Town Center project. This will protect the integrity of the plan, provide an additional “incentive” to assist interested developers, and to provide the land necessary for the development of any planned public facilities and open spaces in the most cost-effective manner. Later in this report we provide examples of land acquisition strategies utilized by other communities to encourage investment.

- Establish a phased approach to the overall development for each quadrant to reduce the number of initial involved property owners, take advantage of different topography, infrastructure, topographical conditions, and access to the main road systems that may encourage a variety of development concepts. By taking a phased approach to the project, the market is allowed to grow organically based on the local support and buying power, and the benefit of adjacent development and traffic.

Based on the completion of Task 1, this initial phase development could develop as summarized below:

- 260,000 to 320,000 Total Square Feet Of Retail/Business Services
- 50 to 70 Upscale Rental Units Above Retail
- 200 to 255 Upscale Rental Units– Mix Of Stand-Alone Product

This phased approach, with the recommended mix of uses, allows the site to begin creating a critical mass of activity necessary to set the tone of the development and to provide the framework of success that the remaining areas can build upon.

Our analysis suggests that once the overall economic climate improves that in addition to the “Phase 1” development, the local market could accommodate annual support for up to 40,000 square feet of Class A office space and for 36 condominium units priced at \$175,000 and higher. Market indicators also point to future commercial development of up to 320,000 square feet of retail at the site, with a general mix of up to 40% general merchandise or department stores, 22% high-end national retailers (including clothing, home furnishings, and furniture), 11% full-service restaurants, pubs, and specialty food stores, and the remaining 27% everyday shopping and business services.

More detailed information related to the overall economic climate of the project area – including a breakdown and summary description of the current local market – is included in Task 1.

In Task 2 and Task 3 the Pizzuti Team interacted with many of the affected land owners and other important stakeholders. Their views and opinions have been taken into consideration to the overall recommendations in this report and we encourage the community to work closely with these important partners in the development. The efforts in these two tasks also provided an opportunity for several qualified developers to be presented with a general overview of the project and to set the stage for future correspondence with a core group of proven developers.

Overall we believe that if the community continues to support the Town Center plan and implement the recommendations (both short and near term) included in this report, the opportunity for success is great.