

Commercial Corridor Study

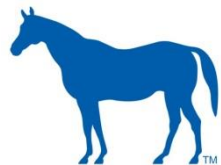
Euclid Avenue & South Limestone

Council Work Session

November 10, 2015

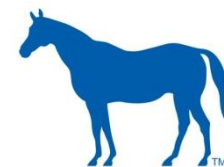
Background

- Study was commissioned in 2014 by the Department of Planning, Preservation, and Development at a cost of \$75,000.
- The project team included LFUCG, the Downtown Development Authority, and the University of Kentucky.
- The consultant team included MKSK, Development Strategies, and EHI.



Background

- This is not a small area plan.
 - No zoning recommendations.
 - Not adopted into the Comprehensive Plan.
- Identify market and data-driven opportunities to fully realize the potential of these corridors.
- Create an actionable plan for implementation.
- Create a vibrant gateway between downtown, campus, and established close-in neighborhoods.



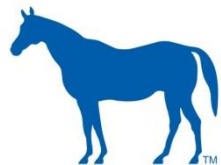
Study Area

- Euclid Avenue and Avenue of Champions
 - High Street to Upper Street
- South Limestone
 - Avenue of Champions to High Street



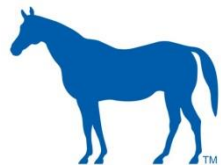
Study Outline

- Existing Conditions Analysis
 - Land and building use, infrastructure, retail and residential inventory.
- Opportunities Analysis
 - Market study, potential retail and residential opportunities, market strategies.
- Implementation Strategy
 - Key opportunities, implementation roles, and timeline.



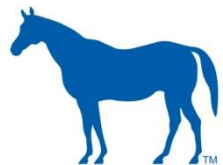
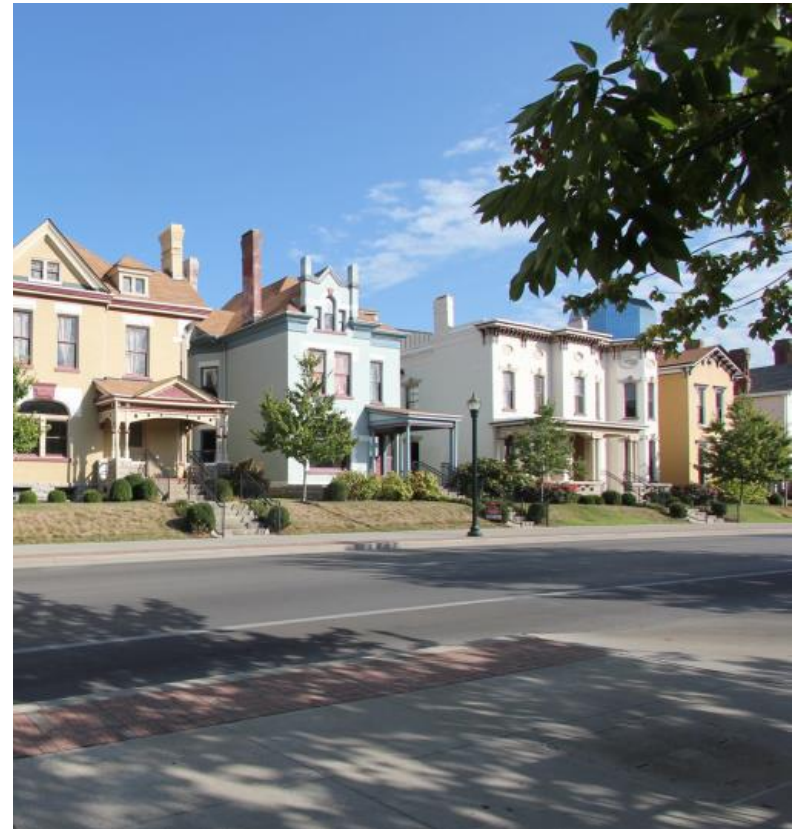
Public Engagement

- Met with neighborhoods, students, business owners, and commercial brokers.
- Highlights:
 - Protect neighborhood character from conversion to student housing.
 - Create diverse housing options for young professionals, graduate students, and other groups.
 - Create shopping, neighborhood services, and dining destinations that serve neighborhoods and students.
 - Improve pedestrian experience on Euclid, viewed as unsafe.
 - Create parking options that prevent encroachment into neighborhoods.
 - Preserve space for local business.
 - Concern about the disruption of major construction.



Market Analysis

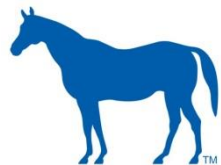
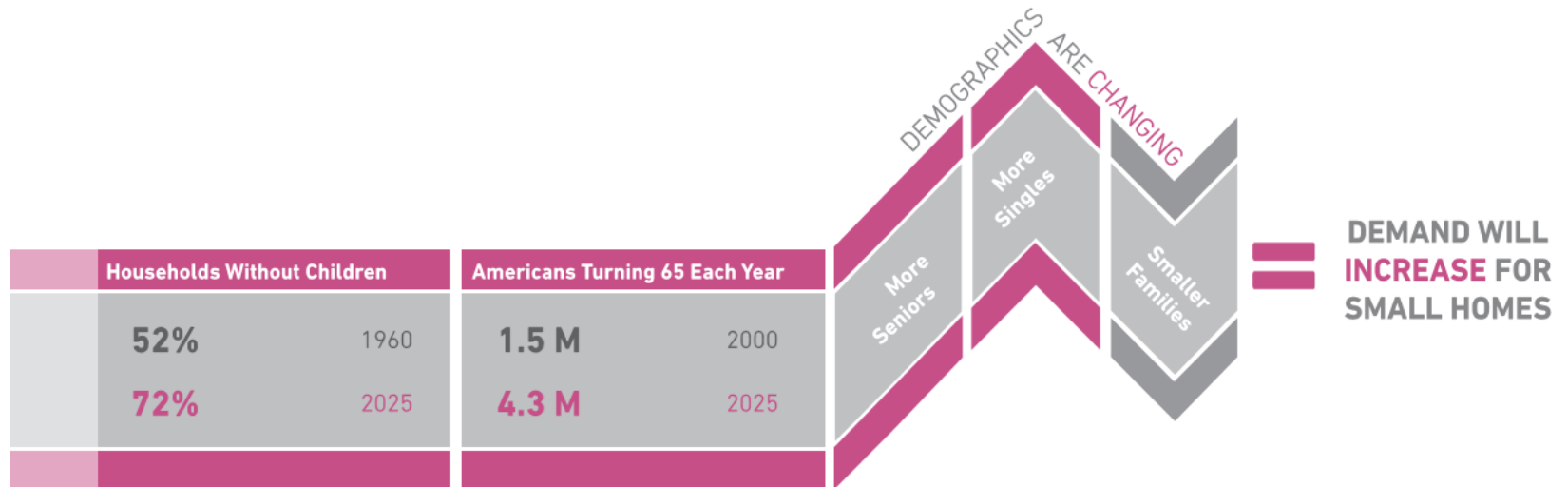
- Residential and Retail Market Study
 - Supply and Demand
 - Demographics
 - Site constraints
 - Consider primary area and other local options
- Strategies
 - Development typologies and feasibility testing.



Market Analysis

Demographics

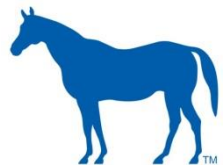
- Demographics are changing housing preferences.



Market Analysis

Residential Opportunities

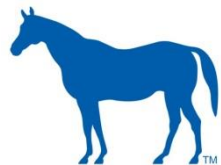
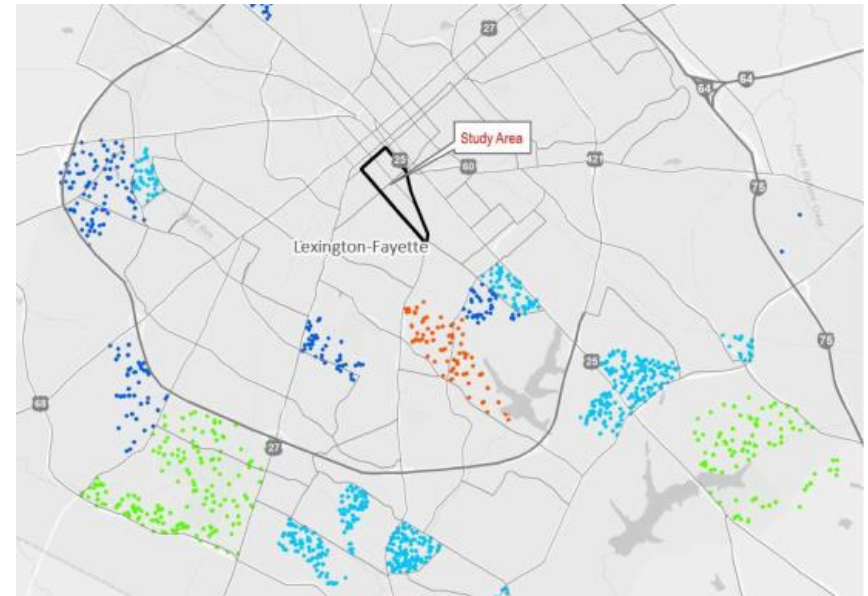
- **Established Households**
 - Reinvestment could create a more affordable alternative to nearby, highly sought after neighborhoods
- **Young professionals**
 - Owner-occupied condos
 - Rental units
- **Undergraduate and graduate students**
 - Quality housing options on or near campus



Market Analysis

Demographics

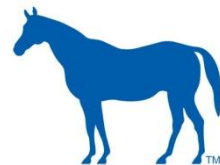
- Demographics are changing shopping preferences.
 - One-Third of suburban residents would prefer to live somewhere walkable.
 - 88% of millennials want to be in an urban setting



Market Analysis

Retail Opportunities

- Retail needs are being met by suburban shopping centers, opportunities exist to create urban shopping closer to home
- Competitive opportunities exist for an urban grocer specializing in fresh foods, apparel, and fast casual restaurants
- Near campus pharmacy and art supply stores are unmet needs



Market Strategies

Residential Development Types



**Market Rate
Undergraduate Housing**

Rent/ Square Foot:

\$1.50

Avg. Unit Size (SF)

825

Units/Acre

45-70

Parking Spaces/Unit

2.0

Development Costs/Sq. Ft.
With Structure

\$150

With Surface Parking

\$120



**Graduate/Professional
Housing**

Rent/ Square Foot:

\$1.45

Avg. Unit Size (SF)

600

Units/Acre

40-70

Parking Spaces/Unit

1.25

Development Costs/Sq. Ft.
With Structure

\$150

With Surface Parking

\$120



**Off-Campus University
Housing**

Rent/ Square Foot:

\$3.20

Avg. Unit Size (SF)

560

Units/Acre

40

Parking Spaces/Unit

2.0

Development Costs/Sq. Ft.
With Structure

\$230



**Young Professional
Condo**

Sale Price/ Square Foot:

\$190

Avg. Unit Size (SF)

1,150

Units/Acre

25-45

Parking Spaces/Unit

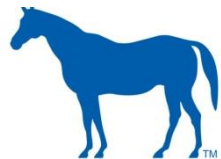
2.0

Development Costs/Sq. Ft.
With Structure

\$160

With Surface Parking

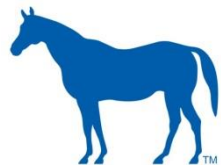
\$130



Market Strategies

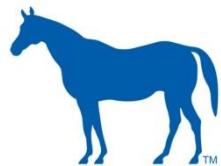
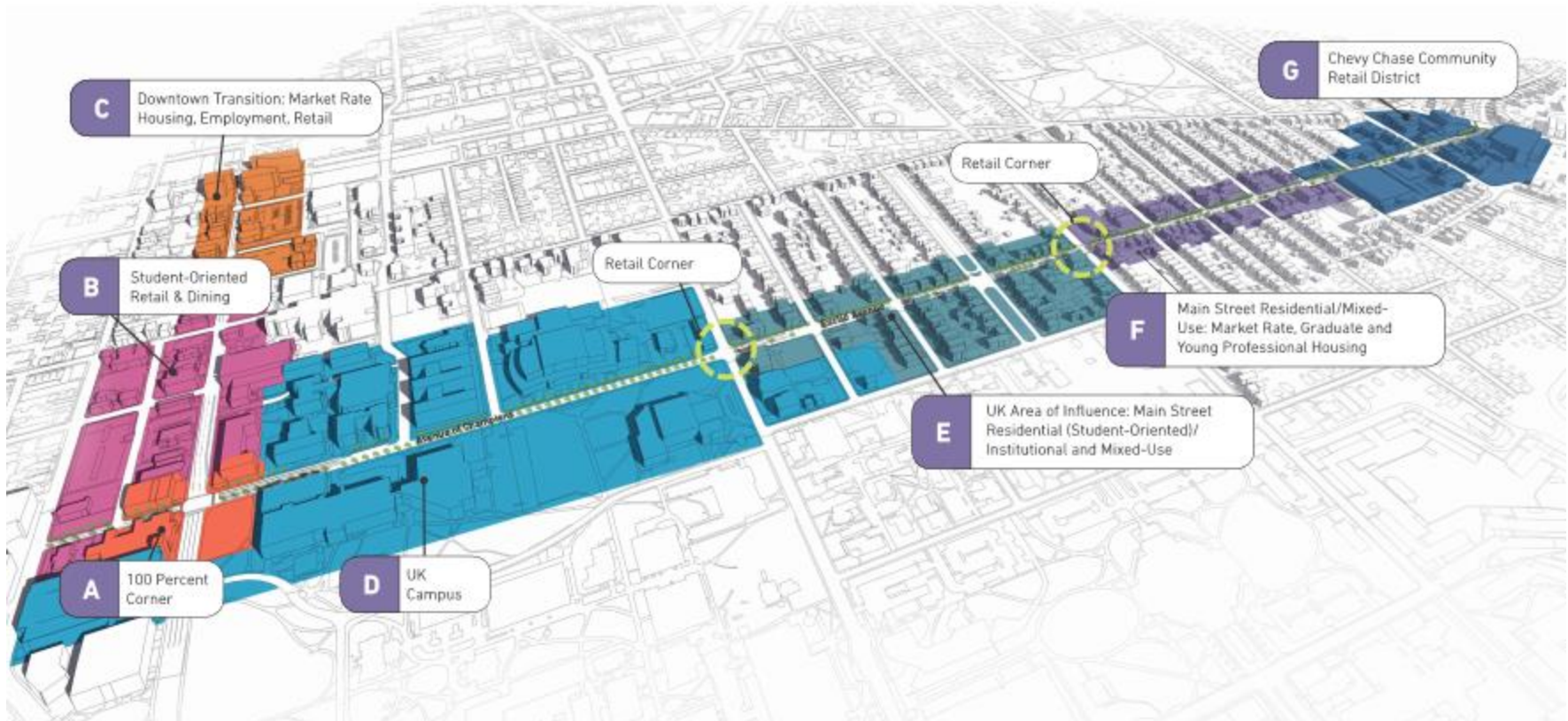
Retail Development Types

		
Anchor Retail/Garage	Boutique Hotel	Retail
Monthly Revenue/ Space:	Room Rate/Night:	Lease Rate/s.f. Chain
\$120-\$240	\$150	\$20-\$25
Parking Spaces/s.f.	Occupancy Rate	Lease Rate/s.f. Local
4/1,000 s.f. GLA	70%	\$12-\$16
Development Costs/Space With Structure	Development Costs/ s.f. With Structure	Development Costs/s.f.
\$15,000 - \$20,000	\$195	\$120-\$150
		Spaces/1,000 s.f. GLA
		2.0



Market Strategies

Corridor Segments



Market Strategies

Development Testing Example



Summary of Inputs & Break-Even Analysis

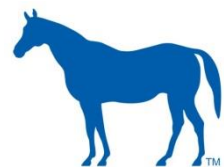


Value to Cost Summary

P	Structured	\$20.2 M	\$3.9 M Surplus 124% Value/Cost
	Parking	\$16.3 M	

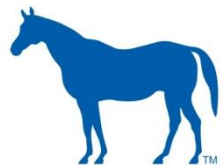
■ Building Costs ■ Development Value
■ Acquisition Costs*

*Acquisition Cost Not Factored



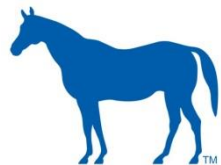
Implementation Recommendations

- Invest in Place
- Support Neighborhood Investment
- Create Strategic Development Opportunities



Implementation Partners

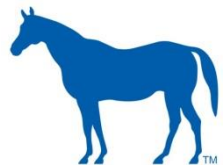
- Invest in Place
 - University of Kentucky
 - LFUCG
- Support Neighborhood Investment
 - University of Kentucky
 - LFUCG
- Create Strategic Development Opportunities
 - University of Kentucky
 - Downtown Development Authority



Invest in Place

Key Projects

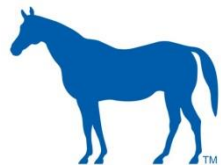
- UK is developing a new student center and residence halls on Avenue of Champions
- Total investment of \$325 million.



Invest in Place

Key Projects

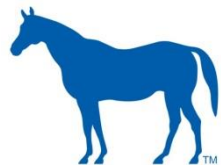
- Streetscape design is underway:
 - Scope of work includes public engagement, design of new streetscape, utility burial analysis, corridor branding and amenities packages.
- Sanitary sewer improvements planned for 2019.



Support Neighborhood Investment

Key Projects

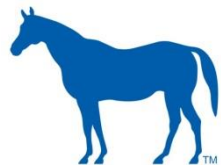
- UK is examining faculty, staff, and graduate student housing programs.
- LFUCG is examining a commercial design overlay based on the ND-1 framework.



Strategic Development Opportunities

Key Projects

- DDA is leading a strategic working group to create leasing strategies and carry out implementation of the study.
- UK and DDA are identifying strategic development opportunities near campus.
- UK and DDA are recruiting private sector development partners



Questions?