

ZONING + REGULATIONS FOR 21ST CENTURY RETAIL

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AGENDA

1

RETAIL EVOLUTION IN THE 21ST CENTURY

- Growth in omni-channel shopping
- Growth in experiential retail

2

CHALLENGES FACED BY RETAILERS

- Zoning codes
- Business/ Building Permits
- Lease structures
- Retail space availability

3

ZONING & REGULATORY SOLUTIONS TO THE NEW RETAIL ECONOMY

**Remember what it was like shopping on Main Street in
the 20th century?**



And then this happened...





So we gave our public realm away to cars

And this also happened...



Head

.....
The Newtype Original Bulletin Board System
Located in Berkeley, New York

Operating 24 Hours A Day @ 510-724-0072 @ 300 & 1200 Baud
Featuring NLS, the Little 100-40 That Could
With your Name, Frank LaRosa and Michael Elson

Enter your name, or type NLS
@

Radio Shack

Teletype Model 15-C

Serial to
Microcomputer

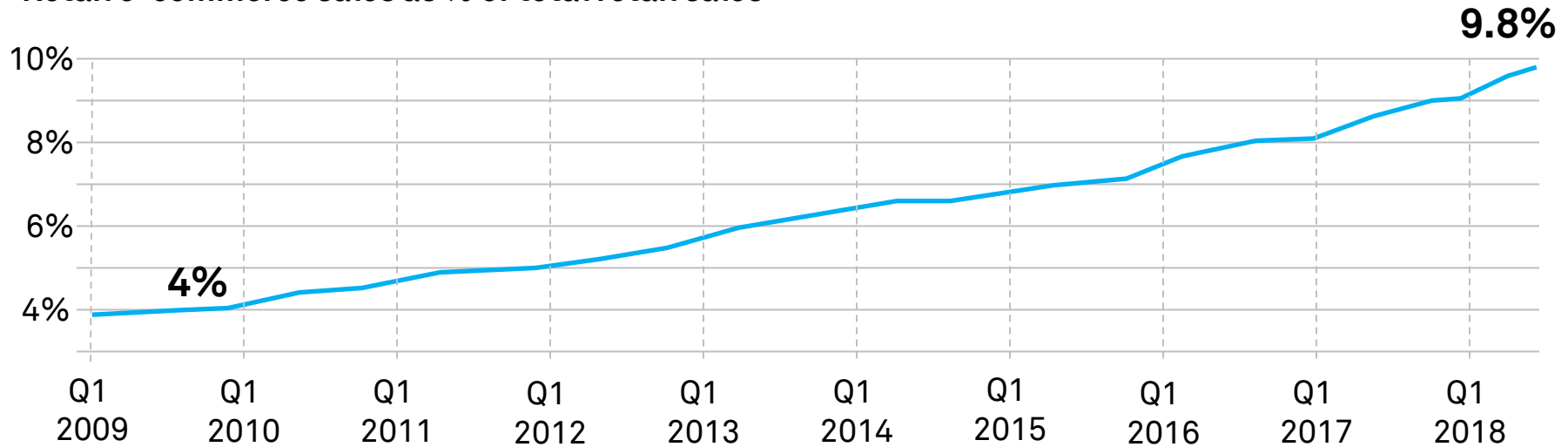
READ THE ARMS BACK
STOP THE MURDER PAPER



So we slowly reduced
our trips into stores



Retail e-commerce sales as % of total retail sales



Source: US Census Bureau 2019

Of \$1,345.2 billion in total retail sales in Q4 2018, **9.8% was e-commerce sales**. This reflected an **increase in 12.1% from the previous year**.

	Shop In-Store	Shop Online	Shop on Both	Neither
Millennials	25%	23%	47%	20%
Gen X	42%	32%	35%	33%
Boomers	33%	45%	17%	47%

Millennials are the largest omni-channel shoppers.

Who is making purchases online?

**As a result, major retailers have had to take steps to
course-correct.**

Many are right-sizing into smaller formats.

Sephora Is Experimenting With A Boutique Format To Prepare For The Retail Apocalypse

The makeup retailer's large-scale stores are still thriving, but a new intimate location in Boston shows that it's thinking about its next act.



Small Is The New Black: Nordstrom 'Micro-Concept' Edition

Target's small-format stores are turning into a big win for the retailer

Published: Aug 19, 2017 4:15 p.m. ET



Target, Kohl's and Sephora are among the retailers opening smaller stores



By
TONYA



Kohl's downsizing more stores in retrofitting push

Will lease unused space to non-competing retailers

Small is beautiful: Ikea downsizes with high street store



To continue to attract customers to shop in brick-and-mortar stores, retailers have to get innovative and use their physical spaces to create unique customer experiences and personal services

“Ambient entertainment”

Type of Retailer	Experience
Sporting goods stores	<u>Rock climbing walls</u> , equipment testing, exercise classes
Café, restaurants	<u>Social gatherings</u> , <u>outdoor dining</u> , <u>live performance nights</u>
Electronics	Live games, competitions



“Educational takeaways”

Type of Retailer	Experience
Home improvement stores; arts & crafts stores	DIY home décor and arts/craft classes
Home goods; appliance stores	<u>Cooking classes and demonstrations</u> , model kitchens
Wine store	<u>Cheese and wine pairing classes</u>



Fiber Arts in the Glen— Knitting classes



High St Wine Co.— Wine pairing classes

“Made-in-town experience”

Type of Retailer	Experience
Clothing & accessories	Personalization services
Specialty food	<u>Small batch manufacturing</u>
Miscellaneous goods	<u>Cosmetic making</u>



“The Personal Touch”

Type of Retailer	Experience
Clothing & Accessories	Style & fit guides, Free alteration services, <u>Personal shoppers</u>
Health & Personal care, Beauty	<u>High-tech apps</u> , Tailored guides for health & beauty, in-person assistance



“The *Shareable* moments”



But our city's regulatory processes and codes, and building stock, have not enabled small, local retailers to keep up with these industry-wide changes...

Zoning codes can impact the types of retail concepts that can open in your commercial districts

Honeycomb Creamery

- Triggered a manufacturing use change
- Variance required, resulting in higher cost to business



Starbucks Roastery

- Manufacturing use allowed in Meatpacking district (including small batch roasting)
- No variance required



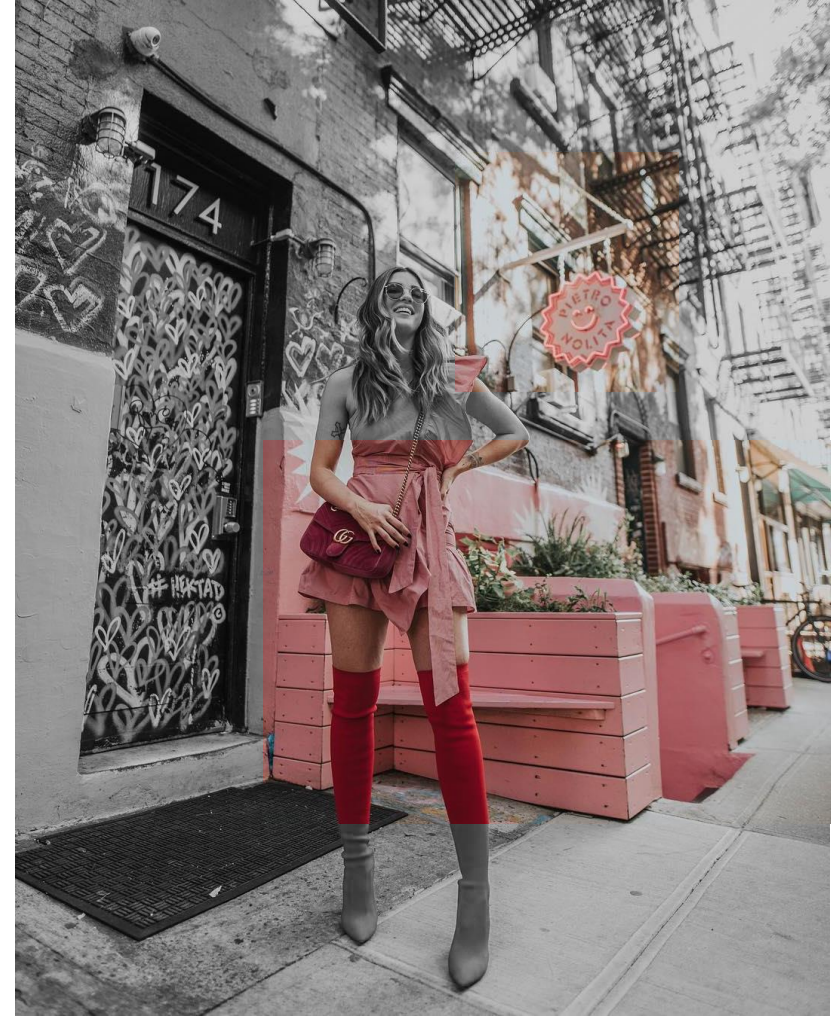
Permitting/ licensing processes takes time and money on the part of businesses

BLADE SIGNAGE ◀

Often, additional permits are required for blade signs and fees are charged based on the dimensions of the sign.

OUTDOOR SEATING ◀

In NYC, for example, the Sidewalk Café License is required for any type of table and chairs and/or umbrellas.



Traditional lease structures and floor plates are no longer attractive to retailers



▲
Lululemon Athletica
New York, NY
1-year lease, with an option to extend



▲
Clinton Street Mercantile
Schenectady, NY
12 vendors – average rent: \$300/ month,
space ranging in size between 40SF -150 SF

**Introducing flexible regulations and codes can help small
and mid-sized businesses stay competitive**



Introduce flexible, user-friendly commercial land use classification codes to allow for flexible retail formats and business models

The new Providence, RI Zoning Ordinance uses the ***“Generic Use Approach”*** to group specific uses like “clothing store,” “record store,” and “shoe store,” into generic categories, such as “retail goods establishment.”





DIY Terrarium At UWS Shop
Monday, March 25th \$68



DIY Terrarium At WeHo Shop
Thursday, March 28th \$68



The Sill Plant Shop— West Hollywood

Allow for a greater percentage of accessory use (with restrictions for frontage)

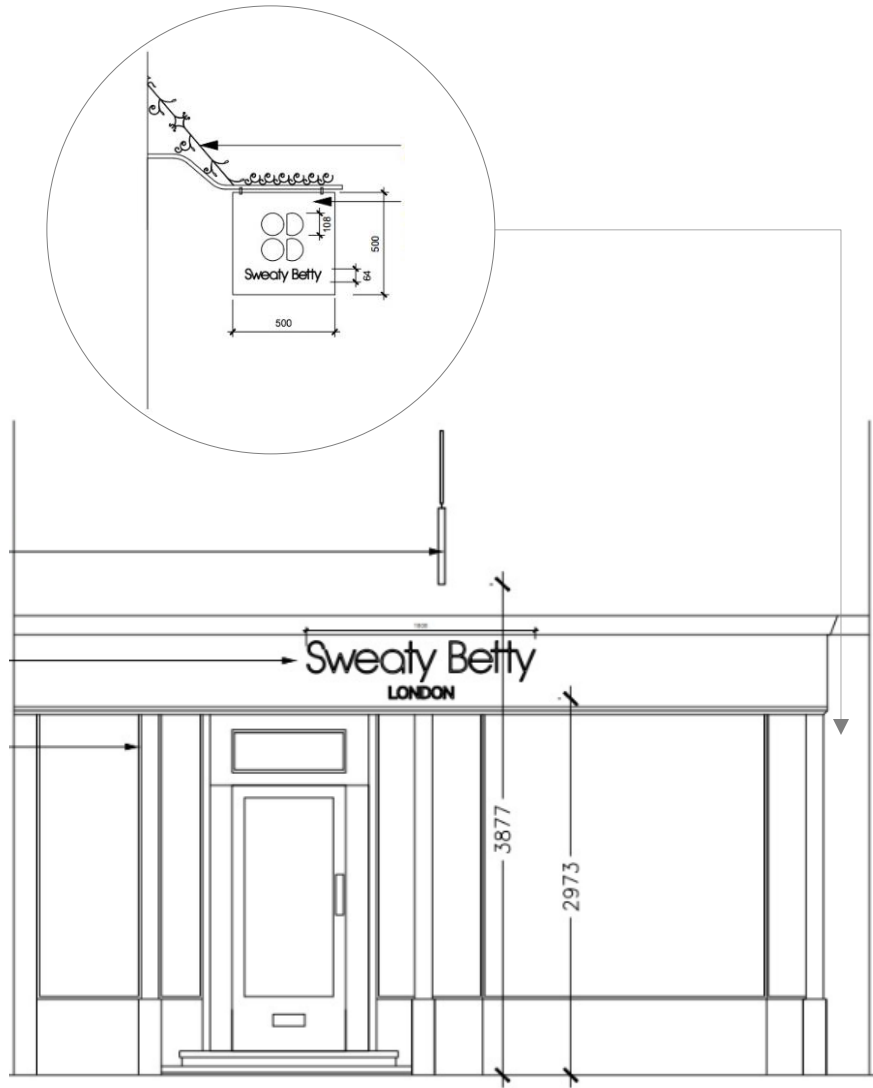
In West Hollywood CA, light assembly and manufacturing is allowed in commercially-zoned districts for the creation/ manufacture of small-batch clothing, art and craft products as an accessory to on-site retail sales and allowable incidental business activities may be allowed in a legally established commercial business.

Revise or remove parking minimums

Downtown/ City	Minimum parking req. for retail (per 1,000 SF)	Minimum parking req. for restaurants (per 1,000 SF)
Smithtown, NY	10	10
Yonkers, NY	2.8	6.7
Downtown Englewood, NJ	2.5	3.3
Downtown Providence, RI	2.0	2.0
Hartford, CT	No Min	No Min

Parking requirements often don't reflect a shared parking environment that often exists in dense, mixed-use downtowns.

Furthermore, they may pose challenges to business owners who can't afford to pay for additional off-street parking.

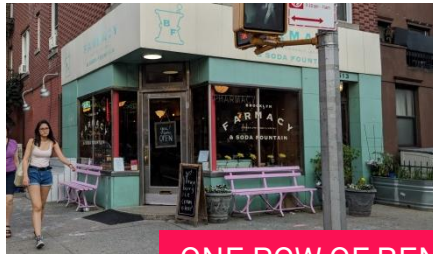


Ease signage regulations and permitting processes

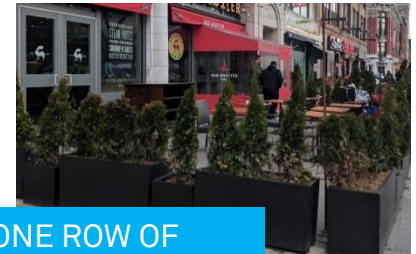
- When crafting language around sign regulations, think about **how best to market storefronts**
- Make sure **process is not onerous and cost-prohibitive** to smaller business owners
- Provide **technical assistance** for permit applicants to level the playing field

Ease outdoor seating and dining restrictions

Should the rules and permits governing these different types of outdoor seating be the same?



ONE ROW OF BENCHES/ SEATING/
NO OUTDOOR SERVICE



MORE THAN ONE ROW OF
TABLES/ CHAIRS + BARRICADE +
OUTDOOR SERVICE

If we don't adapt to consumer habits and lifestyle preferences...



Our downtowns and commercial districts may be challenged by increasing storefront vacancy

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