Restaurant/Retail Changes in the Post COVID World

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Agenda

• Retail
• Restaurants
• Legal
• Q&A
Retail in the Post COVID World
The “Retail Apocalypse”
The Prophecy of the Numbers

According to the US Census Bureau - 2020 saw 8,000 retail stores closings, and 2021 is on pace for 10,000 additional store closings.

2020 – 150 million new shoppers migrated on-line.

79% of shoppers indicated they will continue to shop on-line.

88% of all retailers sell online.

66% of retail revenue comes from online sales.

According to the US Dept of Commerce – during the depths of the pandemic in 2020 – 10 years of projected online retail growth occurred in 3 months.

Amazon’s 2020 4th quarter sales were $125.6 billion – the first time in history that a company exceeded $100 billion on quarterly sales.
The Other Side of the Coin

US Census Bureau is projecting **3,000 new store openings in 2021.**

While retail sales did decline by 10.5% from 2020, they still account for $4.89 trillion in annual sales.

The **retail industry remains the largest private sector employer.**

While “The Amazon Effect” is profoundly impacting the retail industry, Amazon also currently employs 500,000 “last mile” delivery contractors – replacing retail sales jobs with retail delivery jobs.
What we are experiencing is not a Retail Apocalypse

But Rather...

*Digital Darwinism*
Digital Darwinism:

Digital Darwinism is the evolution of consumer behavior when society and technology evolve faster than some companies’ ability to adapt. The point of natural selection is that only some businesses will survive.

“It is not the strongest or the most intelligent who will survive but those who can best manage change.”

- Charles Darwin
What do we need to do to avoid brick and mortar retail extinction?
Customer Experience

• Retail success is directly related to a positive customer experience – nothing new here.

• Municipalities can facilitate and accommodate the way retailers are enhancing the customer experience through:
  
  • Conveniently accessible public parking (...Isn't it always about parking...).
  
  • Accommodating enhanced broadband digital connectivity.
  
  • Merge the boundary between indoor and outdoor spaces.
  
  • Address the curb-side pick-up challenge.
  
  • Vacant store camouflage.
  
  • Increased building heights to accommodate taller 1st floor retail spaces.
  
  • Tailor signage regulations and municipal street furniture to retail themes.
  
  • Public safety – alleys, lighting, eyes on the street.

Image Credit: White Plains BID, Art in Public Places. Resilience by David Martens
Placemaking !!!

Placemaking and enhancing the public realm are essential to creating spaces where retail can flourish – these are our “Third Spaces”

First Space – Home
Second Space – Work
Third Space – Areas that enhance ones quality of life.

✓ Places vs. Spaces.
✓ Identity & theme creates a sense of place (history, design, activity, uses).
✓ Mobility and Safety – focus on complete street principles where pedestrians, bicyclists and motorists share the space.
✓ Visual identifiers (gateways, signage, design standards).
✓ Amenities.
✓ Sociability and Equity – Bring people together with public spaces and programing.
✓ Proximity – Focus on a core.
✓ Flexibility – Experiment, Observe, Repeat
Permitted Uses:

The Retail Apocalypse and the aftermath of the Pandemic are forcing us to rethink our dependence on traditional Euclidian “use first” zoning. Form-based and hybrid codes offer the type of flexibility necessary to keep pace with new and evolving uses.

New uses will invariably fall through the cracks of our prescriptive zoning codes.

Some uses to think about...
Experiential Retail

Retail spaces that offer experiences linked to the retail brand, to demonstrate and stimulate purchasing goods on-site.
Antiquated zoning definitions need to address the realities of current retail needs.
Dark Stores (Micro-Fulfillment Centers)

A retail space resembling a conventional store, but not open to the public, used to fulfill orders placed online.
Restaurants

A new reality. Will we go back to the way things were?
Maker Zones

Some codes are identifying quasi-manufacturing uses as “maker zones” where innovations such as 3D printing create retail/manufacturing operations in a single space.
Mixed-Uses

Does your code accommodate mixed-uses, particularly unconventional or unanticipated mixes?
Live-Work Spaces
(The new normal?)

How does your code address live-work spaces (if at all)?
Phygital Spaces

Phygital – A term coined to describe “omni-channel” retailing where there is a seamless integration between the in-store and digital online shopping experience.
Pop Ups

Temporary use permits?
Streamline approval
Time duration
Maximum size
Noise limits
Insurance
Electric/Building Permit – Code Issues
Retail Square Footage

All of these trends point to a reduction in the physical space necessary for retail stores. What do we do with that extra space?
Temporary Uses

- Etsy selling station
- Food pantry
- Farmer’s market
- Performance space
- Indoor recreation space
- Planning space
- Medical clinic
- Retail incubator
- Pet adoption/daycare
Undesirable Uses

Take on undesirable uses head-on. Undesirable uses can be defined and properly zoned, or in some cases prohibited.

- Adult Entertainment
- Vape Shops
- Tattoo Parlors
- Pawn Shops
- Cannabis Dispensaries
- Chain Stores
- Massage Parlors
- Gun Shops
Density:

Covid alerted us to the public health issues of density.

But after we return to normal, density in our Central Business Districts is key to the success of our downtowns. Strive for justifiably higher mixed-use density.
The Last Mile Problem:

Do we facilitate the retailers last mile delivery to the home...
The Last Mile Problem:

...or do we bring the shopper the last mile to the Central Business District.

Back to placemaking – if more people are working from home, at least some of the time – but not confined to the home as during the pandemic, getting out and about will become increasingly important. Creating a desirable, interesting, multi-purpose, multi-functional downtown is key.
Restaurants and Food Service in the Post COVID World
Post-Pandemic Restaurant Trends

- Outdoor dining
- Plan spaces for people— not cars
  - Streateries
  - Parklets
  - Convert parking lots to outdoor dining areas
- Encourage outdoor dining
  - Streamline the review process
  - Reduce parking minimums
Public Streets and Sidewalks

• Things to consider:
  • Establish hours of operation
  • Provide for ADA accessibility
  • Separation of vehicles and pedestrians/patrons
  • Clean-up and maintenance

Photo Credit: The Tap House
Private Property

- Things to consider:
  - Does the existing business have adequate parking?
  - Would addition outdoor seating violate the approved site plan?
  - Is there adequate space for patron safety?
  - Is this a one-time or recurring event?
Takeaways for Encouraging Outdoor Dining

- Streamline the review process
- Reduce parking minimums
- Create a “destination”
- Look for symbiotic opportunities:
  - Street Festivals
  - Farmer’s Markets
  - Food Truck Fridays
  - Arts/Music Events
Drive-Thrus

- The drive-thru is back (or maybe more appreciated by planners)
- The “new” drive-thru
- Curb-side pick-up
Takeaways for Drive-Thrus

- Review your Code for conflicts/prohibitions
- Check for outdated definitions
- Consider new criteria:
  - Minimum queue lengths
  - Requirement for a traffic study
  - Differentiate between a pick-up window/curbside pick-up and traditional drive-thru
Ghost Kitchens

- Ghost kitchens are delivery only restaurants – they are professional food preparation facilities that may house more than one virtual brand.
- There are no dine-in areas.
- Capitalize on growth of meal delivery services and apps.
- Good start-up opportunity, but not great for downtown foot traffic
Takeaways for Ghost Kitchens

• Think about where they could work in your community:
  • Industrial/manufacturing zones
  • Office parks
  • Hotel kitchens
  • Malls
• Does your code need a new definition?
Future Regulations in the Post COVID World
Step 1: What do you as a municipality want to do about the uses (i.e., outdoor restaurants, outdoor retail) that expanded during COVID into the public right of ways or otherwise outside its permitted area?
Step 2: Considerations—is the use beneficial to the community or not?

- Reach out to building department, fire department, and police to see if there are any issues with the use.

- Some items for consideration:
  - ADA Compliance
  - Fire Code
  - Noise
  - Lighting
  - Public Complaints
Step 3: What code changes are required?

- Minor amendment to site plan?
- Should this be done administratively by permit application to the building inspector or involve the Planning Board?
Step 4: How do we accommodate future uses under the code?

Is your code flexible or restrictive?
Step 5: Parking—how do we work to make parking more flexible?

- Consider allowing “Shared Parking” rather than each use having a required number of parking spaces
- Consider allowing land banked parking
Questions?

"We usually do our long-range planning at the last minute."