

MANAGING COMMERCIAL AND INDUSTRIAL DEVELOPMENT

The development and growth of a community's commercial and industrial economy is influenced by several factors. Among these factors are:

- regional location,
- characteristics of the community population,
- existing commercial and industrial development pattern,
- availability of adequate sites, and
- the existing transportation system.

While private firms have various criteria when making their own facility location decisions, communities, too, must consider a number of things, including:

- the type of development that it wants to attract in light of community goals,
- how much land should be planned to accommodate future population,
- where such development should be located, and
- the development's physical qualities.

Upon determining the character of the desired development, the community must develop a means for carrying them forth. This chapter presents the tools that communities can use in managing commercial and industrial development.

KEEPING IT CONNECTED

Consider using buffering, screening, and landscaping techniques to lessen the degree of conflict between adjacent land uses. Encourage landscaping along nonresidential buildings to soften the visual impact. In mixed-use developments, shared parking should be encouraged as an effective method for increasing the efficiency of land use and controlling access to major roads.

Planning and Regulatory Considerations

Local government authority for planning comes from the following laws: Municipal Planning Act (PA 285 of 1931, as amended), Township Planning Act (PA 168 of 1959, as amended), and County Planning Act (PA 282 of 1945, as amended).

Local government power to zone comes from the following laws: City and Village Zoning Act (PA 207 of 1921, as amended), Township Zoning Act (PA 184 of 1983, as amended), and County Zoning Enabling Act (PA 183 of 1943, as amended). Condominium Act

(PA 59 of 1978, as amended) authorizes condominiums and site condominiums.

Tools for Managing Commercial and Industrial Development

Several tools for managing residential development are available to communities:

- Use the master plan to define future land development.
- Manage land use through zoning ordinances.
- Pattern community appearance with design guidelines and standards.
- Manage various planning tools and programs.

Each of these methods are highlighted below. However, many sections of this book provide detailed information that may be helpful when planning for commercial development.

Use the master plan to define future land development

As discussed in the Managing Residential Development section, the master plan should be the first tool consulted since it provides the blueprint — the vision for the future. (For more information on the master plan, see the Planning and Development Basic Terminology section.) The master plan should contain goals, objectives, and policies on how the community will manage its expected commercial and industrial growth. Here's one goal that you might consider including in your plan:

- Goal: Provide for a balance and variety of land uses including commercial, office, industrial, open space, and recreation uses in areas which will not adversely impact the living environment of existing and future



Commercial development in Wixom.

residential areas and which will provide for the needs of the residents of the community.

To accomplish this goal, consider incorporating a series of strategies, such as those provided below:

- Consider transitional land uses (multiple family, cluster housing, office, open space) between commercial and industrial land uses and existing or future single family residential uses. (Note: some communities may determine that mixing some of these land-uses is best for them — such as the mix of commercial retail and residential land uses found in neo-urbanism developments.)
- Recognize that unchecked “strip commercial” development that occurs in an unplanned fashion may lead to numerous curb cuts along thoroughfares resulting in traffic conflicts, unsightly conditions, and potential impairment of land values.
- Require the use of sound site planning principles, landscape development techniques, and coordinated sign systems for all new, expanded, or modified commercial, office, and industrial developments.
- Deny “spot zoning” of commercial, office, and industrial uses.

Source: Plymouth Township Master Plan, 1994.

Consider land capacity when determining the appropriate density of development. When assessing your community’s needs by industrial sector (including retail and industrial) try using comparisons and benchmarks. Do not overplan or overzone for commercial development. Institute and implement measures that protect the environment during and after development.

Manage land use through zoning ordinances

Zoning ordinances regulate the present allowable uses for land and protect public health, safety, and general welfare of a community. These regulations (e.g., lot sizes, and widths, setbacks, lot coverage, height, signs, and parking) can play an important part in managing commercial and industrial development. Some communities may wish to separate commercial activities from residential, while others may embrace a mix of residential and lighter commercial development, whether it be in a neo-traditional, neighborhood preservation, or downtown development setting.

In its zoning ordinance a community will specify the permitted uses and level of intensity for various land uses, including those that are commercial and industrial. Table 10 provides examples of various categories of zoning districts that you might want to consider for your community, along with a brief summary description of the intent for these zones.



Commercial development in Novi.

Manage strip development areas

Strip development areas are linear patterns of development, primarily commercial, found along major highways and roads. When developing a vision for these areas, consider conducting a corridor analysis to address the needs of businesses and adjacent residential neighborhoods. Such an analysis should include a look at the function the corridor serves, the relationship between the current land uses, the needs of the area residents for services, and the needs of the motoring public.

Here are some considerations for making land use decisions that will benefit all stakeholders:

- Cluster businesses into shopping districts near major intersections with adequate parking.
- Develop more intensive uses — mix of commercial, retail, office and higher density residential — to increase the potential for transit service.
- Revise local zoning ordinances to allow a mix of uses in older, multiple-story commercial buildings.
- Initiate appropriate zoning to encourage adaptive reuse of existing buildings where appropriate.
- Provide more off-street parking (e.g., parking between buildings or creating larger lot depths (300 feet) behind buildings).
- Provide for rear access drives linked to parking areas to get turning movements off the main thoroughfare and provide a safe place to travel.
- Selectively close adjoining residential streets to reduce traffic in residential neighborhoods and provide areas for off-street parking for businesses.

Table 10
Commercial and industrial zoning districts

| Zoned district | Intent of zone |
|---|--|
| O - Office District | Primarily for office buildings. Classification applied as a transitional use buffer between residential uses and uses which would be incompatible indirect contact with residential districts. |
| RE - Research District | Designed for research facilities to serve the needs of commerce, industry, business, and education. The prime characteristics of this district are the low intensity of land coverage by utilizing campus-like developments and preserving significant natural features, and the absence of nuisance factors such as excess noise, heat or glare, air pollution, or wastewater production. |
| ORL - Office/ Research/ Limited Industrial District | Designed to provide for a mixture of research, office, and light industrial uses whose external effects are restricted to the site and do not adversely impact surrounding districts. The preservation of significant natural features and the encouragement of low-density, campus-like developments are objectives for the establishment of such zones. |
| C1 - Local Business District | Business district designed solely to serve the needs of the surrounding residential neighborhood, providing goods that are day-to-day needs and are classed by merchants as convenience goods and services. The normal spacing between these shopping districts is approximately one mile, and the total land area averages two acres. Businesses which might tend to be a nuisance to the immediately surrounding residential development are excluded. |
| C2A - Central Business District | Designed to serve the central retail marketing function of the entire city trade area which extends at least halfway to surrounding cities of comparable size. A prime characteristic is a core of intense pedestrian activity, with most persons entering into the district coming by automobile and typically parking once to carry out several errands. Office building activities are compatible with the purpose of the district. Residential development above the street level is also an important component of the district's pedestrian orientation. |
| C2A/R - Commercial Residential District | Encourages the orderly clustering and placement of high-density residential and complementary commercial development within the Central Business District. |
| M1 - Limited Industrial District | Included lands are those suited for use primarily by industries characterized by low land coverage, the absence of objectionable external effects and the possibility of large setbacks, attractive building architecture and large, landscaped park-like areas. |
| M2 - Heavy Industrial District | Provide land for more intense types of industrial and manufacturing uses which are usually located deep within the industrial areas of the city and downwind from residential and business areas. Regulations to minimize their incompatibility with other districts are the minimum required for mutual protection of the industrial areas and to that end, the district should not be adjacent to any residential or business district if such abutment can possibly be avoided. |
| PUD - Planned Unit Development District | Provides flexibility in land development. Encourages innovation in land use and variety in design, layout, and types of structures constructed. Achieve economy and efficiency in the use of land, natural resources, energy, and the provision of public services and utilities. |

Source: City of Ann Arbor Zoning Ordinance, 1996.



Fountain Walk development in Novi encourages pedestrian activity by providing an attractive streetscape coupled with speciality and anchor stores.

- Implement inexpensive but visible physical changes that will improve the appearance of the area — scheduled clean-up, lighting, landscaping, facade and site improvements.
- Encourage pedestrian activity by providing street furniture, lighting, walkways.
- Address how to preserve the traffic-carrying capacity of the roadway while permitting safe pedestrian and vehicular access to abutting properties.
- Establish uniform signage for both businesses and neighborhood identity through an overlay sign ordinance.
- Step up code enforcement — use neighborhood group volunteers to serve as eyes and ears for code violations.
- Require site plan approval for new uses in existing buildings and for the construction of new buildings.
- Provide an announcement of site plan approval so that residents are aware of the proposed project for site plan approval.

While some existing strip development areas are wholly within a community, many of them, particularly on major arterials in the region, traverse several communities. Therefore, intergovernmental cooperation and coordination can be of critical importance in taking action to revitalize older strip development areas.

Pattern community appearance with design guidelines and standards

Your community can develop design guidelines and standards to influence its visual character. Design standards are mandatory — defined by the ordinance as the minimum requirements for development. Many communities have set standards by regulating signs, landscaping, and buffering between land uses. Design guidelines, which can be used in tandem with design standards, are advisory (i.e., not law), but are strong recommendations for development design.

There are several benefits to design guidelines that provide commercial, industrial, and other property owners with an illustration of how to develop their property in a manner consistent with your community's goals.

Design guidelines can:

- improve the quality of physical changes,
- protect the value of investment,
- protect existing architectural character,
- act as a base for objective decision-making,
- increase public awareness of architectural quality, and
- prevent incompatible new construction.

Design guidelines cannot:

- regulate growth,
- control non-exterior changes,
- guarantee good design, or
- be law.

Source: Pregliasco, Janice, *Developing Downtown Design Guidelines*, 1988.

Design guidelines for big box development

Design guidelines have the added benefit of being flexible in their application, which allows for tradeoffs based on the uniqueness of the given situation. Design guidelines can be used in a number of different settings, including downtown areas, historical preservation districts, and along corridors. For communities concerned with the impact of sprawling big-box developments (i.e., over 25,000 square feet), here are some suggested design guidelines:

- Discourage long blank walls that discourage pedestrian traffic; instead, break up building facades with recesses.
- Place arcades, display windows, awnings, or some other feature to ground-floor facades in order to add visual interest to the structure.
- Make stores accessible to pedestrians and bicyclists by creating several entrances to reduce walking distances from cars where stores border two or more public streets.
- Have stores provide amenities such as patio seating areas, kiosks, or fountains.
- Locate no more than half of the store's parking between the store's front facade and the abutting street.
- Link stores to transit stops, street crossings, and building entrances with landscaped sidewalks.
- Clearly define store entrances with canopies, porticos, or arches.

Source: Beaumont, Constance M. *Better Models for Superstores: Alternatives to Big-Box Sprawl*, 1997.

Also refer to the Enhancing Commercial and Industrial Development section for some suggested design guidelines for infill development.

Steps for developing and adopting design guidelines

Your community can develop design guidelines by following a series of steps leading to adoption. It is important along the way to involve all of the stakeholders including your community's residents and elected officials. These steps include:

1. **Issues identification.** Solicit public and business owner input to identify issues that related to the design, through survey or a public forum.
2. **Inventory of visual resources.** Determine sense of place characteristics and sites. These include historic structures, scenic views, cultural sites, pastoral scenes, vernacular architecture, and other visual resources important to the community.
3. **Identify preferred future visual character.** Guide residents through an exercise to identify qualities of their community that they want in the future — through a futuring session, citizen survey, or visual preference surveys. Target those qualities when developing the design guidelines.
4. **Document preferred future character.** Provide the preferred visual character in a report, including relevant sections of the comprehensive plan.
5. **Develop design guidelines.** Use professionals such as landscape architects, architects, historic preservation experts, sign designers, and engineers to assist in the process, exploring a wide range of alternatives.
6. **Public review.** Draw from public input throughout the process and before presenting the guidelines for final approval. Gaining public acceptance is key.
7. **Planning commission adopts.** Formal adoption by the planning commission after a review period and refinements. Note that the planning commission should be part of guideline development at all stages.

Source: Warbach, John. *Design Guidelines: Promoting Good Design in Your Community*. Planning and Zoning News, 2001.

While some communities prefer the flexibility that design guidelines offer, others may decide to use their design guidelines as a basis for developing mandatory design standards. Depending on the situation, this could become an extensive process. However, the community needs to determine which approach is best suited for its situation.

Some additional planning, zoning, and design considerations for commercial development:

- Rezone land for commercial development only when the infrastructure can support this use.
- Limit the number of commercial sites at major intersections and designate remaining sites for less intense uses (office, higher density residential).
- Revitalize older commercial areas and, where appropriate, provide for expansion of existing commercial uses. Concentrate new commercial development at or near existing shopping center locations before locating new ones.
- Control the number of small strip centers by eliminating commercial zoning on isolated small parcels.

Design considerations for strip development

If your community would like to have strip development, ensure adequate access and visual controls. Such requirements could include:

- Sufficient setbacks to allow for off-street parking and a parallel access road to reduce traffic conflicts.
- Screening between commercial development and residential neighborhoods to maintain neighborhood character.
- Buffering and landscaping along the major highway to soften the visual impact from the highway.
- Landscaping along and adjacent to commercial buildings to soften the view of buildings.
- Sign control to limit the amount, height, size and type of signage and to soften visual impact from the highway. Overlay zoning could be used on land along roadways to regulate building design, setbacks, signage, lighting, driveway access and landscaping.

Additional considerations for industrial development

Because of the intensity of development and the nuisances associated with industrial uses, siting of industrial development needs to be carefully considered. Industrial uses should be confined to well-defined geographic areas within the community to avoid conflicts with residential neighborhoods and commercial areas. Industrial uses should have direct access to major highways, rail lines, and airports to accommodate the unique types and volume of traffic they generate. Some additional considerations when planning for industrial development include:

- Provide sufficient infrastructure to support industrial uses.
- Encourage industrial uses to locate in industrial parks.
- Provide existing industrial uses with room to grow and expand.
- Prohibit residential uses from encroaching on existing and planned industrial areas.

Manage various planning tools and programs

Communities can utilize a number of tools and programs that can encourage commercial and industrial development. In many cases these tools can be used by older and new communities alike to manage and enhance their commercial and industrial development: Downtown Development Authorities (DDAs), Tax Increment Finance Authorities (TIFAs), and Local Development Finance Authorities (LDFAs). A summary of these and other tools can be found in Table 11, along with a brief description of authorized communities, limitations, requirements, eligible projects, and funding sources. Additionally, further descriptions of these programs have been provided in the Enhancing Older Commercial and Industrial Areas section of this report.



Technology Park in Plymouth Township.



CASE EXAMPLE

Haggerty Road Corridor Plan

Community: Northville Township

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Northville Township determined that it would be facing issues related to development and redevelopment in the years to come. The township determined that it must evaluate current land uses and zoning in order to make recommendations for the future. It developed the Haggerty Road Corridor Plan for development along its eastern border. This corridor plan has assisted the township in a number of planning issues, such as McDonald's wanting to paint their roof red and Sunoco wanting to remove its cedar shake roof for both its building and gas pump canopy, and replace it with a rainbow of colors. The Firestone at Eight Mile and Haggerty Road had to comply with these standards as well, and has since been using this store as a model for new stores.

One of the community's goals with the plan was to establish design standards that complement recent development along the Haggerty Road corridor. Actions identified included:

1. Require earth tone color brick as the predominant building material.
2. Require peaked roofs, not simply a pediment wall, with earth tone or subtle roof colors that complement the building.
3. Encourage vertical architectural features such as clock towers, copulas, and atriums.
4. Require architectural features to break up long building walls such as: bands, accent materials, windows and well-defined stepped facades.
5. Require that all roof-top equipment be screened from view.
6. Ensure that sign bases, screen walls, and other structures are the same material as the building.
7. Discourage or prevent reflective glass as a dominant design feature.
8. All lighting should be directed downward with shoe box type fixtures, except for ornamental lighting.



Firestone at Eight Mile and Haggerty in Northville Township.

Table 11
Summary of Economic Development Tools

| | DDAs | TIFAs | LDFAs | BRAs | EDCs | PSDs | BIDs |
|----------------------------------|---|-------------------------------------|--|-----------------------------------|--|---|--|
| Authorized municipalities | Cities, villages and townships | Cities | Cities, villages and urban townships | Cities, villages and townships | Cities, villages and townships | Cities with designated principal shopping district(s) | One or more cities with an urban design plan |
| Limitations | One per municipality | No new areas established after 1989 | One per municipality | Industrial or commercial property | Industrial area | Commercial area with at least 10 retail businesses | Commercial or industrial area with boundaries established by city resolution |
| Requirements | Deteriorating property values | Deteriorating property values | Industrial area | Environmental contamination | Industrial or 501(c)(3) nonprofit in master plan | Designated as a principal shopping area cities by resolution | Designated as a BID by one or more |
| Eligible projects | Located in DDA district with approved DDA/TIF plans | Within defined TIFA area | Public facility to benefit industrial park | Environmental cleanup | Issue bonds for private industrial development | Improve highways and walkways; promotion; parking, maintenance, security or operation | Improvement of highways and walkways; promotion; parking, maintenance, security or operation |
| Funding sources | TIF from District; | TIF from plan area | TIF on eligible property | TIF; Revenue Bonds | Tax exempt bonds | Bonds, special assessments | Bonds, special assessments, gifts, grants, city funds, other |

BIDs – Business Improvement Districts; DDAs – Downtown Development Authorities; PSDs – Principal Shopping Districts; BRAs – Brownfield Redevelopment Districts; LDFAs – Local Development Finance Authorities. For a summary comparison of these and Economic Development Corporations (EDCs) and Tax Increment Finance Districts (TIFAs), see the Michigan Municipal League’s Economic Development Tools, June 2000.

Source: Michigan Municipal League. *Economic Development Tool*. Ann Arbor, MI: Michigan Municipal League, 2000.

Additional Resources

Beaumont, Constance M. *Better Models for Superstores: Alternatives to Big-Box Sprawl*, 1997.

City of Ann Arbor Zoning Ordinance, Chapter 55 – Ann Arbor City Code, 1996.

Fleming, Ronald Lee. *Saving Face: How Corporate Franchise Design Can Respect Community Identity*. Chicago, IL: American Planning Association, 2002.

Plymouth Township Master Plan, 1994.

Pregliasco, Janice. *Developing Downtown Design Guidelines*, 1988.

Warbach, John. “Design Guidelines: Promoting Good Design in Your Community.” *Planning and Zoning News*, May 2001.