



# Retail Redevelopment

*A City Practice Brief*

May 2008

Abandoned or underutilized retail shopping centers contribute to economic and visual blight, and represent foregone opportunities for business and job creation, as well as income and tax revenue generation.<sup>1</sup> However, these properties also present cities and suburbs with opportunities to leverage public investment to meet community needs. Whether these properties are converted back into retail or revitalized into mixed-use developments, affordable housing or social service centers, successfully addressing them offers communities new ways to increase quality of life. This *City Practices Brief* offers examples of how cities and suburbs across the country have redeveloped their abandoned regional malls, poorly maintained strip centers, and other retail spaces into community assets.

For more examples, visit the City Practices Resources at [www.nlc.org](http://www.nlc.org) → Resources for Cities.

-----

Types of Retail Shopping Centers	Definition
<b>Regional Center</b>	This center type provides general merchandise (a large percentage of which is apparel) and services in full depth and variety. Its main attraction is the combination of anchors, which may be traditional, mass merchant, discount, or fashion department stores, with numerous fashion oriented specialty stores. A typical regional center is usually enclosed with an inward orientation of the stores connected by a common walkway. Parking surrounds the outside perimeter.
<b>Community Center</b>	A community center typically offers a wider range of apparel and other soft goods and is anchored by supermarkets, super drugstores, and discount department stores. Community center tenants sometimes include value-oriented big-box category-dominant retailers selling such items as apparel, home improvement/ furnishings, toys, electronics or sporting goods. Community centers encompass the widest range of formats.
<b>Neighborhood Center</b>	This center is designed to provide convenience shopping for the day-to-day needs of consumers in the immediate neighborhood. Roughly half of these centers are anchored by a supermarket, while about a third has a drugstore anchor. A neighborhood center is usually configured as a straight-line strip with no enclosed walkway or mall area and parking in the front. Centers may have a canopy or other façade treatment to provide shade and protection from inclement weather, or to tie the center together.
<b>Strip Center</b>	A strip center, most often a smaller neighborhood center, is an attached row of at least three retail stores, managed as a coherent retail entity, with on-site parking in front of the stores. Open canopies may connect the storefronts, but a strip center does not have enclosed walkways or malls linking the stores. A strip center may be configured in a straight line, or have an "L" or "U" shape.
<small>Source: International Council for Shopping Centers, "Shopping Center Definitions: Basic Configurations and Types for the United States" <a href="http://www.icsc.org/srch/lib/USDefinitions.pdf">http://www.icsc.org/srch/lib/USDefinitions.pdf</a></small>	

<sup>1</sup> Fitzgerald, Joan and Nancy Green Leigh. (2002). *Economic Revitalization: Cases and Strategies for City and Suburbs*. Thousand Oaks, CA, Sage Publications, Inc.

### **City Center Englewood**

City: **Englewood, Colorado**

Population: 31,727

For more information, contact: Allen White, Community Development Director  
(303) 762-2346  
awhite@englewoodgov.org

City Center Englewood is an open air, mixed-use, transit-oriented development which replaced an enclosed, regional shopping mall. The 55-acre project includes a light rail transit station, retail and office space, luxury apartments, an outdoor performance space and sculptures, and the Englewood Civic Center which houses city offices, the public library, municipal courts, and the Museum of Outdoor Arts. When the shopping mall closed in 1997, the owners transferred the property to the city, which held a series of community meetings to solicit citizen input on potential uses for the site. With the help of a group of local developers, landscape architects, planners, bankers, real estate executives, and attorneys, the city council examined the concept of transit-oriented development. A planned extension of the region's light rail line was scheduled to include Englewood. The prospect of a transit station at the site laid the tracks for a multi-modal, mixed-use project.

### **South Brea Lofts**

City: **Brea, California**

Population: 35,410

For more information, contact: Sean T. Brooks, Economic Development Manager  
(714) 671-4485  
seanb@ci.brea.ca.us

The South Brea Lofts are the outcome of a successful public-private partnership between CWI Development and the Brea Redevelopment Agency. Nearly three acres of obsolete commercial strip development was converted into a vibrant residential community of 47 units with home office space and retail in close proximity to parks, downtown, and transportation. From 2001 through 2005, the Brea Redevelopment Agency acquired 16 blighted commercial properties to consolidate ownership of the site for future development. The total site acquisition costs, relocation expenses, demolition, and interest on bond payments amounted to \$8,401,948. Zoning standards for the new Mixed-Use III zone were implemented for new development along South Brea Boulevard, allowing for up to 18 units per acre. After the Agency assembled the full site of 2.8 acres, the site was sold using the RFP process for its fair reuse value to CWI Development, Inc. for \$5,413,189. The Agency's net cost was \$2,988,759 to remove blight, provide economic viability to an obsolete commercial area, and to secure 10 affordable housing units within this new residential development.

### **Jackson Medical Mall**

City: **Jackson, Mississippi**

Population: 184,256

For more information, contact: Kelli Share, Director of PR and Marketing and  
Economic Development  
(601) 982-8467 ext. 17  
ksharepe@jacksonmedicalmall.org

Development of the Jackson Medical Mall was part of an inner city revitalization project that converted an ailing retail center into a modern medical complex. The Jackson Medical Mall is the only facility of its kind in the nation that provides quality healthcare, human services, and retail to the community. The Foundation's mission is to foster a holistic approach to health care for the underserved and to promote economic and community development in the Medical Mall area. The Mall Foundation's major source of revenue comes from the rental of the more than 900,000 square feet of leasing space. In one building, the Mall seamlessly provides access to appropriate specialty and primary care centers, an efficient distribution center of nutritionally appropriate foods, and a variety of Women, Infants and Children (WIC) services. The continued vision for the Jackson Medical Mall is of a well-planned, high quality community, integrating health care, community development and economic development with a stable, desirable residential neighborhood.

### **Village Square**

City: **Schaumburg, Illinois**

Population: 75,386

For more information, contact: Matt Frank, Economic Development Planner  
(847) 923-3853  
mfrank@ci.schaumburg.il.us

Schaumburg, a suburb of Chicago which historically has had no town center, built a new community center in a formerly blighted shopping center. The village square design includes more than 320,000 square feet of development consisting of a public library, food store, restaurants, retail shops, offices, and a Native American Museum and Gallery of architecture and design. The complex also features 3.5 acres of public open space, including a centrally-located plaza with pond, waterfalls, fountains, decorative pathways, amphitheater, Veteran Gateway Park and a landmark clock tower. The entire complex is surrounded by large surface parking lots. So that the design would not be dictated by one developer, the village acquired all the property that made up the downtown site, designed the complex itself, then sold parcels to various developers. Year-round programs and special events for the community are held at the space, including concerts, story-telling, farmer markets, a holiday market, and theatrical performances. Redevelopment of the site was financed with city funds, TIF funds, and private investment. The city spent over \$17.4 million in gross expenditures for acquisition, public and common improvements, and other costs. As a result of the redevelopment TIF, tax receipts jumped from \$285,000 in 1991 to over \$1,500,000 in 2002.

### **Adult Training Center**

City: **Pomona, California**

Population: 149,473

For more information, contact: Todd Snow  
(909) 397-4711 ext. 3727  
Todd.Snow@Pomona.k12.ca.us

The Pomona Unified School District leases more than half of a largely vacant, 600,000 square foot retail strip shopping mall, and houses a number of adult education and regional occupational programs there. Included are a technology training center, cosmetology and barbering schools, a professional development center, a media and staff development center, and a regional child care facility. The building is part of the District's high-speed fiber-optic network, allowing students to take full advantage of the District's technology and information resources. The school board subleases about 60 percent of its 350,000 square feet for commercial and retail purposes. The nonprofit Pomona Valley Educational Foundation, formed by the school board, manages the commercial property, with all rental profits funneled directly to capital improvements for the whole school district. The Pomona Unified School District was a "with distinction" winner of the 1998 Magna Award given by The American School Board Journal.

### **Jersey Gardens Mall**

City: **Elizabeth, New Jersey**

Population: 120,568

For more information, contact: William Reyes, Public Information Officer  
(908)-820-4124  
wreyes@elizabethnj.org

Jersey Gardens Mall successfully transformed "trash into cash" for the City of Elizabeth. The 170-acre former brownfield, which lay dormant for nearly two decades, was redeveloped with 200 stores, restaurants and a retail training center, replacing an eyesore, preserving open space, providing jobs, and attracting other development nearby. To begin the redevelopment process, the city performed a needs assessment, addressing environmental issues and how the project would directly benefit the community. The city then helped the site's original developer with the costs of remediation by making available a low-interest loan of \$250,000 and helping to secure another \$500,000 loan from the state. The city expedited the permitting process so that the 20 permits needed for the project were delivered in approximately twelve months. The mall's Retail Skills Center provides free industry training and assistance with job placement. Potential employees can train in customer service or inventory, and employers have access to a ready pool of talent. This program won the 2002 Howland Silver Award in the 50,001-150,000 population category.

## The Belmar Development

City: **Lakewood, Colorado**

Population: 144,126

For more information, contact: Rebecca Clark, Deputy Director of Community Planning & Development  
(303) 987-7731  
rebcla@lakewood.org

Currently a work in process, the Belmar development is at the site of the former Villa Italia Mall, a 1960s regional mall whose 1.4 million square feet had a 75 percent vacancy rate and was in a marginal state of repair. At full build out, the \$800 million development will have approximately 1.1 million square feet of retail space, 900,000 square feet of office space, a 250-room hotel, and 1,300 residential units. The development also incorporates nine acres of parks, plazas, and other public spaces. Plans to redevelop the area were complicated by multiple layers of ownership of the land, building and ground leases. A comprehensive plan was developed and the city was able to purchase all the buildings in the mall and surrounding area. The city was not as successful, however, in negotiating with the owner of the ground leases, and used eminent domain to acquire them. The public improvements cost of the project was \$160 million with \$120 million financed through bonds and the remaining \$40 million paid by the developer. The project also included environmental remediation and incorporates green design. During 2008, an 8,300 panel, 1.7 megawatt solar array will be installed on the roof of three parking garages.

This Brief was developed by William McGahan and Christiana McFarland of the National League of Cities.

City Practices Briefs contain examples from NLC's City Practices database, available at [www.nlc.org](http://www.nlc.org). Series editors: Bruce Calvin and Larry Foxman. For more information contact the NLC Municipal Reference Service at (202) 626-3130 or email [mrs@nlc.org](mailto:mrs@nlc.org).