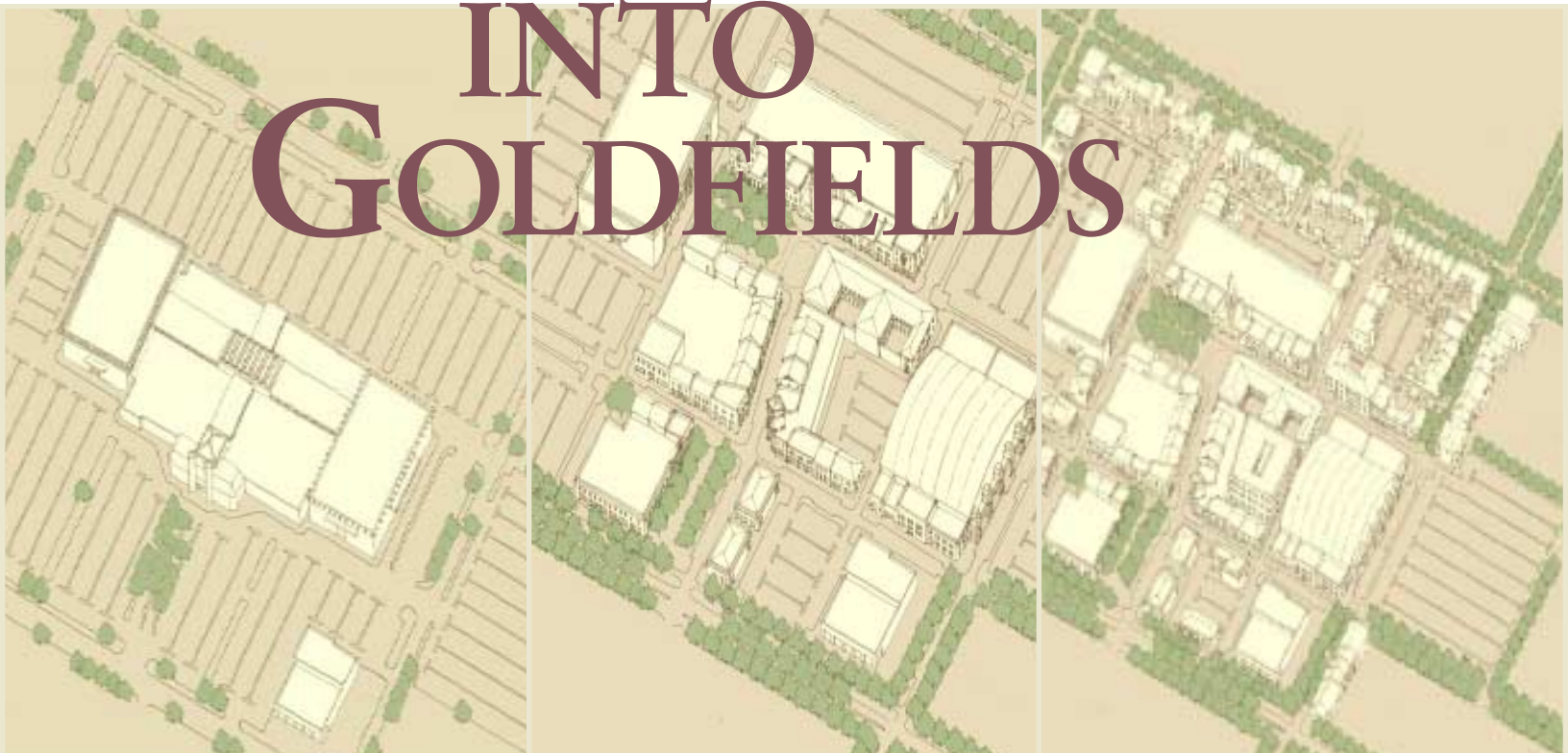


GREYFIELDS INTO GOLDFIELDS



*from failing shopping centers
to great neighborhoods*

A STUDY BY CONGRESS FOR THE NEW URBANISM
AND PRICEWATERHOUSECOOPERS

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The goal, put simply, is to turn greyfields into goldfields.

GREYFIELD MALLS: A NATIONAL PROBLEM

Obsolete shopping malls dot the American cityscape. Finding them doesn't require much expertise. Fenced-in parking areas are a dead give-away. Weekend used car sales give a strong hint. Storefronts converted into centers for community policing and health clinics are telling signs. Property owners, tenants and investors know about their decline. Neighbors, former shoppers, and erstwhile employees know. City managers and community leaders know. But just because they know the problem doesn't mean they know the solution.

The Congress for the New Urbanism (CNU) sees many of these shopping centers as ideal sites for transit-oriented, mixed-use development. Some of them are no longer suitable for regional retail. But many are well suited as the sites of new urbanist development that may include housing, retail, office, services, and public space.

Will Fleissig, a developer with Continuum Partners in Denver, recently converted the greyfield Villa Italia mall in Lakewood, Colorado. Fleissig says, "We hear so much about infill, smart growth, first tier suburbs, transit-oriented development, and sprawl. If you look at the larger picture, this is the biggest issue facing America today. We need to build better neighborhoods in existing communities, near transit. These greyfield sites are the first wave of large landholdings that are in existing communities, near transit, with existing utilities and transportation systems, with potential for significant densification."

This report uses the term *greyfield malls* to describe retail properties that require significant public and private-sector intervention to stem decline. More familiar are brownfields (contaminated urban development sites) and greenfields (undeveloped rural land). By contrast, greyfields are developed sites that are economically and physically ripe for major redevelopment.

Absent successful revitalization efforts, the value of greyfield mall sites will be reduced to land value less the cost of building demolition. There are sites that have already reached that point, with harsh community and economic impacts, in every region of the country. For a local community, a greyfield is more than just visual blight. It means lost tax base, lost job opportunities, and valuable land sitting unused. The severity of such blight in one community was highlighted when the Boulder, Colorado *Daily Camera* proclaimed its "story of the year" for 2000: The decline of the city's Crossroads Mall.

Local efforts to revive vulnerable and dying retail sites are common. Some have been successful, others have not. CNU is conducting a national examination of how to revitalize these sites so they can again provide value to their communities and their owners. The goal, put simply, is to turn greyfields into goldfields.



Mizner Park, in Boca Raton, Florida, was once a greyfield mall. Today, it is a popular mixed-use neighborhood, combining offices, retail, residences, and public space.

Cooper Carry



In 1997, before redevelopment, Eastgate Mall in Chattanooga, Tennessee was nearly empty. Parking lots surrounded a cloistered shopping center.



Today, the mall has turned inside-out to face the street. Plans call for a town square to replace part of the parking lot.



A generation of growth will eventually reclaim empty spaces with buildings and public places.

Dover Kohl & Partners

NEW URBANISM AND MALLS

The Congress for the New Urbanism has long had an interest in greyfield malls.

From 1989 to 1996, new urbanists helped the long-decaying Mizner Park mall in Boca Raton, Florida bloom into a popular, financially successful mixed-use development. In the mid-1990s, another team created the new urbanist plan for Eastgate Mall in Chattanooga, Tennessee. It is now being built out, and has become one of Chattanooga’s proudest achievements.

In the past year, regional malls across the country have gotten the new urbanist treatment: Cinderella City in Englewood, Colorado; Plaza Pasadena in Pasadena, California; and Town and Country in San Jose, California. Others where new urbanist solutions have been suggested include Parole Plaza near Annapolis, Maryland; Bannister Mall in Kansas City, Missouri; and South Square Mall in Durham, North Carolina.

More opportunities await. PricewaterhouseCoopers (PWC) conservatively estimates that there are as many as 140 regional malls in the United States that are already greyfields, with another 200 to 250 such malls approaching greyfield status. Together, these two categories represent 18 percent of all regional malls nationally.

THE STUDY

CNU began this study of greyfield malls in early 2000. The study had several elements:

- The Graduate School of Design at Harvard University held a design studio, led by CNU member Will Fleissig and Professor Richard Peiser. The studio first designed conversions of actual greyfield malls, and then conducted economic feasibility analyses to determine whether new urbanism “penciled out.”
- PWC worked with CNU to examine the retail landscape. The PWC findings comprise the report, “Greyfield Regional Mall Study,” available from CNU.
- The International Council of Shopping Centers critiqued PWC’s work, leading to refinements in the study’s methodology.

The PWC study focuses on regional malls, and does not examine the many other types of retail properties that pose similar redevelopment challenges. CNU is focusing on regional malls because these sites — with at least 350,000 square feet of leasable space and a minimum of 35 store spaces — inflict particularly severe impacts when in decline, while at the same time offering unique opportunities for reuse.

The full study is available at <http://www.cnu.org/malls>.



Moule & Polyzoides

Plaza Pasadena was a regional mall that interrupted the traditional urban street grid of Pasadena, California. After years of decline, the mall was demolished in 2000. It will be replaced by Paseo Colorado, a traditional urban streetscape combining retail and residences.

CHARACTERISTICS OF GREYFIELDS

The characteristics of greyfield malls cited here are based on data analysis by PWC. (See full report for details.) PWC found that greyfields have an average site size just over 45 acres. Notably, these sites are both smaller and less connected to the regional transportation system than those housing the nation’s best-performing malls, which average over 70 acres in size, with freeway visibility and direct ramp access. Many greyfields are located in established neighborhoods and shopping districts. Will Fleissig, a developer who recently converted a Colorado greyfield into a mixed-use town center, says, “These malls tend to be on suburban arterials with bus service. Many are already bus hubs.”

PWC found that mall obsolescence is associated with formidable competition. On average, greyfield malls have 2.3 million square feet of competing retail space in 22 other centers (including neighborhood and community centers and other regional malls) within five miles. Many are in trade areas dominated by newer retail formats and higher-end retailers. They are often older and smaller than the most successful malls in their region.

Mark Eppli, a retail researcher at George Washington University in Washington, DC, says that conventional renovations will not be sufficient to breathe new life into many properties. “A face-lift isn’t going to do much to help. A new anchor store, depending on the center’s position in the market, may not do much either.”

New models for reuse are needed — models that go beyond face-lifts and conventional regional retail.

New Urbanism for Greyfields

Failed mall sites are helping reverse urban sprawl

Shopping malls epitomize the car-dominated landscape. Stores surrounded by parking, rather than neighborhoods, were inconceivable before automobile use became widespread. Now, these sites that helped spawn car culture are coming full-circle, offering unique opportunities to reverse urban sprawl by creating real neighborhoods amidst spread-out suburbs and gap-toothed cities.

Greyfields are among America’s best opportunities for developing transit-oriented infill neighborhoods. Unlike typical suburban development, new urbanist neighborhoods are flexible enough to provide for many community needs. They can include mixed-income housing, jobs, retail, and public space, and other activities essential to a high quality of life.

Big enough sites. Most development sites available in existing cities and towns are too small to justify the increased costs and risks of infill development. They are also too small to accommodate development projects of sufficient scale to offer real community benefits. Larger properties such as greyfield mall sites spread site development costs and enable projects that embrace the full range of new urbanist principles.

Transit accessibility. Civic leaders and neighbors are interested in the development of transit-oriented communities that include housing, stores, jobs, and schools. Many greyfields are on transit lines, and some even have existing bus hubs on site. More fundamentally, the development of new activity centers on greyfield sites concentrates origins and destinations built at densities high enough to support transit service.

Mixed-income housing. Housing affordability is a major problem in many metropolitan areas. However, developing higher density mixed-income housing in existing neighborhoods is often difficult, as neighbors resist projects and sites are usually too small for significant construction. Greyfield sites are large enough to accommodate a neighborhood built from the ground up — providing an opportunity to develop quality mixed-income housing that benefits its surroundings.

Civic space. Accommodating, attractive public space is sadly missing from many suburbs. New urbanist development provides public space for those important times when people are neither at home nor at work. These spaces help give new urbanism its reputation as “the architecture of community.”



Federal Realty Investment Trust

Town & Country Mall in San Jose, California, was all but abandoned (left) before Federal Realty Investment Trust began rebuilding it as a mixed-use town center. When completed (right), it will add much-needed housing and open space to central San Jose.

MODELS FOR REUSE

While typical greyfield malls may be inadequate by current shopping center industry standards, they generally offer the acreage needed to create unified development projects implementing new urbanist principles. As mall sites, these properties might suffer from being too far off the freeways. But such locations may be advantages for new urbanist reuse. They offer the possibility of integrating site activities into neighborhood contexts.

Victor Dover, an architect who has worked on several new urbanist revitalizations of greyfield sites, says that new urbanism is often the best solution. “Sometimes a mall goes out of business because it has lost its economic reason for being. But almost every community needs something. Stop thinking about these as failed shopping center properties and start thinking about them as potential mixed-use properties.”

Forward-looking communities with greyfields are creating and testing new models for reuse. These models will be sorely needed, as mall failure is a growing trend — PWC identifies over 200 malls as vulnerable to becoming greyfields. While many well managed older malls are thriving, others will not escape obsolescence. Greyfields will be a perpetual problem associated with the contemporary practice of retail mall development. As each new retail trend emerges, and the standards for new sites again get “upgraded,” vulnerable sites are pushed into decline. Successful renovation of one mall may cause the decline of multiple older sites within a trade area.

Mall owners have come up with many techniques for reviving the financial performance of their properties. Most malls simply expand, redecorate, or attract a new anchor. Some malls have been converted to back

offices or data centers. In such cases, host communities lose what civic function the mall once provided. Most importantly, neither expansion nor office conversion results in the site providing the combination of housing, retail, office, and public space that citizens and civic leaders desire.

The death of a mall does not have to be bad news. Careful redevelopment can be the recipe for an economic rebound.

Principles for creating new urbanist neighborhoods include:

- Reorient activity on the site to face the street.
- Reestablish a street pattern that connects with the streets of the surrounding community.
- Use site planning and architectural elements to make the redeveloped mall site fully a part of its community.
- Integrate multiple uses (ideally including employment and/or housing) on the site
- Emphasize public space for shared activity.
- Provide a range of housing types, to provide homes for people of all ages and incomes.

These principles of new urbanism offer the chance for greyfield sites to provide enduring economic and social values to their host communities.



Chuck Bohl

Participants sketch ideas at a charrette for the South Square Mall in Durham, North Carolina. The mall is threatened by a new shopping center nearby; local residents are helping envision a new future for the site.



Federal Realty Investment Trust

Town & Country Mall becomes Santana Row: What was a dreary, outdated shopping center will soon become a vibrant mixed-use neighborhood.

FURTHER STUDY

CNU is moving forward with additional greyfield mall research. We will continue to solicit participation of both researchers and industry experts who will improve the quality and relevance of our work. CNU is the only research organization dedicated to improving greyfield malls both financially and in their ability to address wider social goals.

CNU's next publication on greyfield malls will catalog successful new urbanist retail revitalization projects. We will also continue our efforts to analyze the causes of mall decline and catalysts for revitalization.

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Front cover: Dover, Kohl & Partners' plan for the transformation of Winter Park Mall in Winter Park, Florida. Courtesy of Dover, Kohl & Partners.