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## **MIXED-USE REDEVELOPMENT OPPORTUNITY – MALLS**

### **Description:**

Shopping mall development in the United States began in the early part of the 20<sup>th</sup> Century, with Jesse Nichols' 1923 Country Club Plaza in Kansas City, Missouri, and Don Castro's 1928 strip of seven shops (under common management) on Grandview Avenue in Columbus, Ohio. Just prior to WWII visionary entrepreneur Ward Melville achieved recognition when he built from scratch in Stony Brook, Long Island, the nation's first crescent-shaped business district mall designed specifically for automobiles. Major expansion of shopping malls started in the 1950's, in conjunction with the growth of suburbia and the strong preference for reliance on personal automobiles. Extensive development has continued across the country, with variation in size and design evolving to competitively attract a community's changing customer base.

Enclosed malls, open-air shopping centers, box stores, strip malls—all elicit strong sentiments from residents, ranging from one extreme to the other. Teenagers love to hang out and to shop at malls; adults like the efficiency of finding many stores and amenities in one place; families appreciate the comfort of all-enclosed, climate-controlled shopping centers. Others consider the mall a social experience and prefer the tactile aspect of mall shopping that is missing from on-line shopping. Older people like the weather-neutral indoor walking clubs available at malls. Advocates insist that box stores and strip malls respond to consumer demands for nearby convenience.

While some contend that malls perform the same functions that "downtowns" used to do—for example, social meeting places and venues to hold community events—others strongly argue that malls destroy downtowns, put owner-operated "home-town" stores out of business, and impede a home-town identity. Others disparage the monotony of malls, complaining that they are all impersonal clones of each other. Environmentalists decry the amount of paved-over land devoted to mall parking lots; nearby residents are critical of the traffic and pollution. The architecture of big-box, strip, and other types of malls are bemoaned as a blight on the landscape by those who advocate for maintaining community character and the aesthetics of a livable community.

Among both advocates and detractors, ubiquitous is the term applied to the profusion of malls across the country. The Census Bureau reported that there were 48,695 malls and shopping centers in the United States in 2005, an increase of 12,000 since 1990. Some industry analysts say that the United States is "over-retailed" and that the time of the mall is drawing to a close, while others insist that there will always be a market for malls and that developers will strategize to constantly re-invent malls to meet changing cultural norms and preferences. The prevalence of vacant, under-utilized, and distressed strip malls, box stores, and

shopping centers all across the country is one outcome of the huge number of malls, the development of new malls to capture shifting market characteristics, and volatile economic forces. The Edmonton Journal (April, 2009) reported that 148,000 stores in the U. S. closed in 2008. According to Marketplace (February 24, 2009), there were 176 million square feet of vacant space in strip malls in 2008, and this is expected to increase by 20 per cent by the end of 2009.

On the one hand, this situation can be a source of despair for local residents and leaders; on the other hand, as more communities are learning, this can be looked at as an opportunity for creative re-use and redevelopment in healthy ways. For example, in Gaithersburg, Maryland, a vacant CompUSA box store was converted into a veterinary specialty hospital. Oberlin Professor Julia Christensen describes an empty K-Mart building in Austin, Minnesota, that was successfully re-created as a Spam Museum and a vacant Wal-Mart that was renovated into an RPM Indoor Raceway go-kart track in Round Rock, Texas. As Georgia Institute of Technology Architects Ellen Dunham-Jones and June Williamson report, smaller distressed or vacant malls are increasingly housing nonconventional, community-serving tenants, including community college classrooms, branch libraries, spaces for arts groups, places of worship, immigrant "mom and pop" shops, public and private office space, and parking lots turned into green space. Abandoned malls have been turned into anything a community needs—restaurant, day care, education center, Internet café, indoor garden, film-making business, health clinics.

In diverse ways, housing for a variety of population groups is a growing use for vacant or underutilized malls; and, in some communities, local policies stress combining housing and retail space in any proposed new mall/shopping center development. Some examples include: In Falcon Heights, Minnesota, a 50-year-old mall was converted into townhouses, low-rise senior housing, and apartments above retail space. In Lakewood, Colorado, a failing shopping mall was replaced with 1,300 housing units in three- and four-story buildings. Four apartments were developed over a strip mall on Mack Street in Detroit Michigan. Six apartments for University of North Dakota student housing are located above a strip mall on 10<sup>th</sup> Avenue in Grand Forks, North Dakota. Six modern apartments (in two stories) are built over the historic (ca 1913) Sunset Grocery in Sunset Heights, Texas. An L-shaped strip mall in New Jersey is being redeveloped as a mixed-use "town center," including apartments, restaurant, supermarket, office space, fitness center, and retail space. A similar town center redevelopment project is replacing a strip mall in Durham, North Carolina. Zoning officials in Norwalk, Connecticut, approved zone changes to require a minimum of two stories along commercial corridors, to discourage one-story strip malls and to encourage mixed-use development of first-floor-retail with housing and other uses above. Across the country, small and large housing projects of high-end living units, affordable apartments, moderately-priced dwellings, senior housing, work-force housing, homeless housing, student housing, and transition housing are being built above malls, or in place of vacant malls, or as a component of new or redeveloped malls.

Like the rest of the country, New York State has an abundance of malls, many vacant or distressed and many prosperous—all of which present excellent

opportunities for addressing the housing and other community needs of the State's localities.

**Benefits:**

- For older adults and people with disabilities:
  - Mixed-use development that includes housing, shopping, amenities, and access to transportation and professional offices provides easy, often walkable, access to necessities for daily living and substantially reduces or eliminates use of personal cars—thereby, (1) helping non-driving older people and people with disabilities to remain independent for much longer periods of time, (2) keeping these individuals integrated with others in the community, and (3) significantly supporting the caregiving efforts of family members.
  - Subsidized housing in place of distressed or vacant strip malls, or developed above prosperous malls, helps address the State's significant need for additional affordable housing, thereby helping to keep seniors and people with disabilities living in their own communities instead of relocating.
  - Small numbers of affordable units above a box store or strip mall, or incorporated as a component of a mixed-income larger redevelopment of a shopping center furthers the integration of low- and moderate-income families and individuals into the wider community.
- For communities:
  - Under-utilized and vacant box stores and strip malls provide communities with good opportunities to develop needed housing for various populations or for needed community amenities, such as a library branch, a job-training site, and others.
  - "Over a strip mall" is a viable site opportunity for providing a small number of housing units: (1) in rural or suburban areas where the market does not accommodate a large-scale project, and (2) in areas where buildable land is scarce, unavailable, or too costly.
  - Creative re-use of distressed or vacant malls eliminates an unsightly eyesore and absorbs a previously isolated property into a community's "downtown" area.
  - Redevelopment puts a parcel back onto a community's active tax rolls and eliminates a target for crime and lower property values.
  - Creative re-use of a mall site allows a community to implement innovative planning and development principles and to create a green, healthy, energy-efficient project that meets the current and future needs of its residents.

**Impediments or barriers to development or implementation:**

- Local zoning law and ordinances might disallow mixing residential and commercial use, or restrict changes in height requirements, or might not address contracts preventing property owners from marketing vacant structures to others.

- Local development laws are often biased towards the use of private automobiles and the need for ample parking, arguing against pedestrian-friendly design of malls or redevelopment of existing mall sites.
- Natural reticence towards change of any sort impedes progressive retooling of existing designs or sites.
- Redevelopment using innovative ideas that have not been tried in a specific area, such as locating housing above a strip mall or box store, involves a certain amount of risk by a community or an investor, leading them to prefer to stay with tried-and-true, formulaic projects.
- Some planners and developers prefer the safety of a one-model-fits-all; however, every mall site is different and each community has its own priorities and preferences—thus, solutions for new development or redevelopment vary from place to place.
- For a developer, implementing an innovative or experimental concept may involve so many conflicting, obscure, awkward, bureaucratic rules and regulations (and, thus, too much time and effort) that moving forward is often discouraged.
- Financial incentives for developing progressive, innovative projects are limited.
- There may be community resistance to affordable high-density housing, making strip-mall conversions politically non-viable.
- In some communities, residents do not support *any* high-density projects, equating "good quality of life" with only single family homes and large personal spaces.

**Resource—examples:**

- Mixed-use, including housing and retail:
  - The Winnipeg, St. Paul, Minnesota: a mixed-use development, including 6,000 square feet of commercial space for small businesses and 56 apartments for families with a variety of incomes, including homeless. A coordinated effort among the City, Ramsey County, HUD, Minnesota housing and community developers Sparc, and Legacy Management & Development Corporation to bring affordable housing and retail space to a former blighted spot. Includes environmentally sustainable elements, including recycled construction materials, energy- and water-saving appliances and fixtures, and Saint Paul's first living, green roof that will reduce the building's temperature and lead to lower utility bills.  
[http://stpaul.granicus.com/MediaPlayer.php?publish\\_id=303](http://stpaul.granicus.com/MediaPlayer.php?publish_id=303).
  - Downtown Birch Street, Brea, California (Orange County), includes 62 loft-style apartments (with 33 units set aside for low- to moderate-income households) located over retail, entertainment uses, and office space, and is

anchored by two state-of-the-art theater complexes containing 22 stadium-style screens. This type of housing was chosen for the downtown area in order to create an "around-the-clock" downtown, with the vertical mixed-use of this project giving the downtown an energy level that is not achievable through commercial development alone. The Brea Redevelopment Agency's intent for this project and others is to identify underutilized, blighted, and economically challenged areas and find solutions to making them fiscally sound and structurally safe.

[http://www.ci.brea.ca.us/page.cfm?name=econ\\_dev\\_redev](http://www.ci.brea.ca.us/page.cfm?name=econ_dev_redev)

- Mixed-use redevelopment of a mall site:
  - Belmar Community, Lakewood, Colorado: a 22-block mixed-use development on the site of the former Villa Italia Mall. It was designed to be a walkable, city-center-style neighborhood with retail, dining, office, apartments, and townhouses— an intent was to reduce reliance on the automobile and to promote pedestrian and transit activity. Several mixed-use buildings in the development have received a Silver-level LEED certification. All on-site housing has been built with green-building, sustainable materials and energy-conservation technology. Town homes were built to exceed Energy Star requirements, and Courtyard Homes were built to conform to the requirements of the Environments for Living Program.  
<http://www.lakewood-colorado.org/PDFs/Belmar%20Kit.pdf>.  
<http://www.belmarcolorado.com/>.
  - Winter Park Village, Winter Park, Florida: a 525,000-square-foot mixed-use lifestyle center located on the site of a failed regional shopping mall in an affluent older suburb of Orlando. The project includes 350,000 square feet of retail space (including high-end national retailers, restaurants, and a 20-screen cinema); 115,000 square feet of offices; and 52 loft apartments. The primary objective was to establish an urban sense of place at a site where a typical 1960s-era shopping mall had been.  
<http://casestudies.uli.org/Profile.aspx?j=8061&p=1&c=8>.
    - (July, 2004), "This Was a Parking Lot?" *New Cities Foundation—Ideas*, Vol. 1, No. 1. Reclamation from "dead mall" to "main street Winter Park Village": [http://www.klc.org/u\\_publications/Ideas-July04.pdf](http://www.klc.org/u_publications/Ideas-July04.pdf).
- Housing built above retail space:
  - 2860 Tenth Avenue Apartments, part of Hamline Square Apartment Development, Grand Forks, ND: six units located above a retail strip mall— student housing for the University of North Dakota.  
<http://und.edu/student-life/housing/apartments/hamlinesquare.cfm>.  
<http://www.housing.und.nodak.edu/apartments/hamline.html>.
  - Vista Center, Costa Mesa, CA: added affordable housing and additional retail space to a functioning strip mall to create a mixed-use center for the neighborhood, including a central gathering space, and reflecting the ethnic diversity of the city and the Mexican and Mission influences.  
<http://www.vargasgreenan.com/Index.swf>.

- CityLine at Tenley, Tenleytown, in northern Washington, DC: a mixed-use transformation of an old retail space. A Sears store opened in 1941; it closed in 1993 and was converted into a giant hardware store, which closed in 1999; it sat abandoned, with historic landmark status, for several years; it is now a successful home to Best Buy and The Container Store, with 204 studio-to-three-bedroom luxury condominiums in the three floors over the old retail space, which was sturdy enough to serve as a foundation for the new housing.  
<http://www.roadsidedevelopment.com/portfolio.php?id=5>.  
<http://www.koitzgroup.com/cityline-at-tenley-condominiums-northwest-dc.php>
- The Mack Building, Corner of Mack and Devonshire Streets, Detroit, MI: four apartments above a strip mall and another apartment anchoring one end of the mall. <http://www.loopnet.com/Listing/16032948/16031-Mack-Detroit-MI/>.

#### **Resource—laws and ordinances:**

- New York Legislative Bill #A01717 (2009), sponsored by Assemblyman Steven Englebright. The bill authorizes cities, towns and villages to establish mixed-use, age-integrated communities by permitting the development of sites to combine residential units, commercial space, and/or services for a multi-age population, with 30 per cent of the residential units for persons aged 60 years or older, and at least 10 per cent for persons whose household income is at or below 60 per cent of the area median income. Cities, towns, and villages are authorized to grant incentives for the construction of such communities, and a real property tax exemption is granted for such housing. With this bill, owners of attached single-story commercial retail units, such as strip malls, could construct housing units, providing seniors and others with affordable housing that is readily accessible to needed services, while effectively utilizing space that would otherwise be needlessly unoccupied.  
<http://assembly.state.ny.us/leg/?bn=A01717>.
- El Paso, Texas: in 2007, the City Council adopted the Smart Code, allowing developers to employ "smart growth" principles and providing more flexibility than conventional codes and zoning regulations. "All About The Code," El Paso Development Services, Planning Division: "unified land development ordinance for planning and urban design, folding zoning, subdivision regulations, urban design, and optional architectural standards into one compact document":  
[http://www.elpasotexas.gov/development\\_services/meetings/cpc0103081330/Memo-CPC-SmartCode%20Workshop.pdf](http://www.elpasotexas.gov/development_services/meetings/cpc0103081330/Memo-CPC-SmartCode%20Workshop.pdf).  
<http://www.smartcodecentral.com/>.
- Norwalk, Connecticut: In 2009, the Zoning Commission changed the building zone regulations to prohibit one-story retail structures (strip malls) along the city's largest commercial corridors and to encourage first-floor retail with

housing or other uses above—intended to control sprawl, encourage mass transit use, and make more efficient land use by building up rather than out. "Norwalk Zoning Commission Expands Two-Story Minimum Regulation":  
<http://www.thehour.com/story/466796>.

**Resource—written and web:**

- E. Dunham-Jones and J. Williamson (2008). *Retrofitting Suburbia: Urban Design Solutions for Redesigning Suburbs*. Hoboken, NJ: Wiley Publishers.
- J. Christensen (2008). *Big Box Reuse*. Cambridge, MA: The MIT Press.
- Kai Ryssdal (February 24, 2009). "Vacant Retail Spaces Get Creative Re-Use," *Marketplace*, American Public Media: <http://www.marketplace.org/topics/your-money/fallout-financial-crisis>.
- The Editors (April 4, 2009). "101 Uses for a Deserted Mall," *The New York Times*, Opinion: <http://roomfordebate.blogs.nytimes.com/2009/04/04/101-uses-for-a-deserted-mall/?apage=6>. Information and suggestions from experts and many links to examples of malls that have been transformed into other uses.
- Bustler Web site (October 14, 2008). "Winners in 'Flip a Strip' Mall Redesign Contest Announced." To envision a new future for this lowly (yet overabundant) building stock, the Scottsdale, Arizona, Museum of Contemporary Art (SMoCA) initiated the national competition, "Flip a Strip," in late 2007 that resulted in 35 innovative proposals by architectural teams from around the country, for flipping local strip malls in Scottsdale, Tempe, and Phoenix, Arizona:  
[http://www.bustler.net/index.php/article/winners\\_in\\_flip\\_a\\_strip\\_mall\\_redesign\\_contest\\_announced/](http://www.bustler.net/index.php/article/winners_in_flip_a_strip_mall_redesign_contest_announced/).
- YIMBY, a project of the Long Island Progressive Coalition, is the local affiliate of Citizen Action of New York: "Long Island has hundreds of strip malls and many downtowns. By providing apartments above stores, affordable rental housing is created and the downtown or strip mall is revitalized."  
<http://www.yimbyli.com/>.  
<http://www.yimbyli.com/yimby-campaign-choices.php>.
- Congress for the New Urbanism: <http://www.cnu.org>.