Reinventing the Eastland Mall
Special Thanks

- Mayor & City Council
- County Commission

- City Manager
- Chief of Police
- Director of Planning
- Director of Neighborhood Development
  - Tom Flynn
  - Giovanna Buyers

- Glimcher
- Fields
- Sears
- Belk

- Charlotte Chamber

- ULI - Charlotte

- More than 20 Community, Business and Neighborhood Leaders
The Panel

David Leininger (Chair)
Chief Financial Officer
City of Irving, TX

Tom Gardner
Senior Associate
EDAW
Denver, CO

Michael Beyard
Senior Resident Fellow for Retail and Entertainment
ULI-the Urban Land Institute
Washington, DC

Dr. Dennis Lord
Professor Emeritus
University of North Carolina at Charlotte
Greenwood, South Carolina
About ULI

• Established in 1936.
• Independent nonprofit education and research organization.
• The mission of the Urban Land Institute is to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide.
• More than 35,000 members worldwide.
• Representing the entire spectrum of land use and real estate development disciplines.
ULI Advisory Services

• Bring the finest expertise in real estate to bear on complex land use and development projects
• All volunteer panel
• Over 400 ULI-member teams assembled since 1947 to assist sponsors find creative and practical solutions
The Panel’s Assignment

- Alternative uses or reuses for the anchor stores, including other anchor retailers and non-retail uses
- The feasibility of creating a mixed-use center
- Civic uses that might be needed in the Eastland area and might be accommodated at Eastland.
- Options for public investment and public/private partnerships in the project
- Public infrastructure needs for the site and adjacent area
The Process

• Studied and discussed information provided by the sponsors
• Briefed by city staff
• Toured the project area
• Met with key stakeholders
• Heard a variety of perspectives from dozens of community members and discussed issues and concerns
• Debated the issues and framed recommendations
Today’s Presentation

- Introduction
- Situation Assessment
- The Market
- Development Scenarios
- Design and Planning
- Implementation
Situation Assessment

- Eastland Mall built 1975, remodeled in 1990
- Situated on 90 acres
- 1,031,746 square foot mall
  - Sears 191,000 sq ft.
  - Belk 180,000 sq ft.
  - Dillard’s 159,000 sq ft.
  - JC Penny 169,000 sq ft.
  - 5,762 Parking Space
- Located approximately 5 miles from downtown Charlotte
- Oldest Regional Mall in Charlotte
Situation Assessment

• The Mall has suffered from bad publicity / image
• Many National in-line retailers have left
• Penny’s has closed and been backfilled with discount retailers
• Belk has closed
• Dillard’s has changed to a discount format and will probably close
Size of Site

Eastland Property Superimposed on Downtown
Neighborhood Reinvestment is Progressing Toward the Eastland Mall along Central Avenue
The Market
Retail Market Analysis

- Reviewed Eastland Mall tenant operations statements
- Analyzed the Rose & Associates Southeast, Inc. retail market study
- Correlated market data with ULI Dollars & Cents of Shopping Centers tenant sales data
- Estimated space demand for the types of stores that are under-represented in the Eastland trade area
- Created a preliminary tenant mix for the new town center
Eastland Trade Area Retail Conditions

- Oversupply of retail
- Obsolete and deteriorated strips
- Public realm does not match consumer expectations
- Most desirable retail formats are locating elsewhere
- Newer Mall and Big Box Competition nearby
### Competing Retail

<table>
<thead>
<tr>
<th>Name</th>
<th>Distance</th>
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<tbody>
<tr>
<td>SouthPark Mall</td>
<td>6 miles</td>
</tr>
<tr>
<td>Concord Mills Mall</td>
<td>14 miles</td>
</tr>
<tr>
<td>Wal-Mart (Eastway Dr)</td>
<td>2.5 miles</td>
</tr>
<tr>
<td>Wal-Mart (Albemarle Rd)</td>
<td>4 miles</td>
</tr>
<tr>
<td>Wal-Mart (Sardis Rd N)</td>
<td>7 miles</td>
</tr>
<tr>
<td>Proposed Wal-Mart (Indep Blvd)</td>
<td>2 miles</td>
</tr>
<tr>
<td>Target (Albemarle Rd)</td>
<td>3 miles</td>
</tr>
<tr>
<td>Target (Under Construction/Midtown)</td>
<td>5 miles</td>
</tr>
</tbody>
</table>
Development Challenges

- Trade area has been cut off
- The Eastland Mall site is no longer a regional location
- Growth has passed by the area
- Incomes are growing only modestly
- Weak public realm along major arterials
- Perception of crime
- Multiple site ownership
Eastland Market Strengths

• It’s the center of the east side communities
• Strong community access, traffic, and visibility on major east-west and north-south corridors
• The population has increased from 105,000 to 110,000 people since 2000
• Average household income has increased from $45,000 to $56,000 since 2000
• Strong homeowner neighborhoods
• Re-investment is spreading east along the Central Avenue
Change is Required

• Crucial to the future of east side
• What happens on the mall site will determine what happens to the neighborhood in coming years
• Plan a comprehensive solution that creates a more sustainable real estate development and livable community
The New Town Center

- Not a regional shopping center
- An environmentally sustainable new town center
- Focused on community retail, dining and services
- Mixed with recreation and leisure amenities
- For-sale residential neighborhoods
- Civic facilities and
- A central gathering place
- In a high-quality, pedestrian-oriented environment
Create a New Identity

- The mall site should become the heart and soul of the east side communities
- Combine retail with a range of other activities
- Provide connectivity to surrounding neighborhoods and commercial streets
- Integrate uses in a convenient town-center configuration
- Brand the place to create a new identity
- The name “Eastland” must go!
Market-Responsive Retail Mix

- Restaurants 90,000 – 100,000 sf.
- General Merchandise 75,000 – 85,000 sf.
- Books and Music 40,000 – 45,000 sf.
- Electronics 20,000 – 30,000 sf.
- Home Furnishings and Accessories 10,000 – 15,000 sf.
- Specialty Food and Wine Stores 5,000 – 10,000 sf.
- Specialty Garden/Hardware 5,000 sf.
- Neighborhood Services 5,000 – 10,000 sf.
- Range total 250,000 – 300,000 sf.
## Illustrative Development Program

### Total Land Area

<table>
<thead>
<tr>
<th>Category</th>
<th>Acres</th>
<th>Units/acre</th>
<th>units/sf</th>
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</thead>
<tbody>
<tr>
<td>Retail</td>
<td>15.0</td>
<td></td>
<td>275,000</td>
</tr>
<tr>
<td>Residential</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Condos</td>
<td>7.5</td>
<td>40</td>
<td>300</td>
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<tr>
<td>Townhouses</td>
<td>15.0</td>
<td>15</td>
<td>225</td>
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<tr>
<td>Single family detached</td>
<td>7.5</td>
<td>8</td>
<td>60</td>
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<tr>
<td>Civic</td>
<td>10.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Open Space</td>
<td>15.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Streets, ROW</td>
<td>20.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>90.0</strong></td>
<td></td>
<td><strong>585</strong></td>
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</table>
Development Scenarios
Development Scenarios

• *Scenario 1: Status Quo*

• *Scenario 2: Adaptive Re-Use*

• *Scenario 3: Site Transformation*
Scenario 1: Status Quo

Re-model and re-tenant and position as a sub-regional retail mall

• Considerations
  – Current complex is three to four times square footage need determined by market
  – Vacant anchor facilities would need to be marketed to non-retail uses or demolished
  – Substantial amount of surplus land would remain
  – Does not respond well to community redevelopment goals

• Not a viable development scenario
Scenario 2: Adaptive Re-Use

*Selective demolition and general site redevelopment*

Considerations

- Sears stays, and clear in-line portion of complex
- Detach, remodel and re-tenant anchor buildings with either retail or non-retail uses
- Introduce mixture of residential and other uses to site

Possibly viable

- Retains much of the current character
- Limits ability to reposition and rebrand the site
- Inconsistent with Community Aspirations
Scenario 3: Site Transformation

New site development program, with new street layout and balance of civic, retail and residential uses

Considerations

- Total site redevelopment is most likely required to match changing market dynamics
- Mix of civic, retail and open space will still leave 30 - 40 acres available for cluster and attached residential units
- Requires reassembly of parcels under a common development program

Most viable development scenario
- will require public/private partnership to address infrastructure and civic use requirements
- Requires creativity and adroit development skills
- Consistent with Community aspirations
Design and Planning
½ mile frontage on Central Avenue

¼ mile depth
Scenario 3: Partial Transformation
Scenario 3: Full Transformation
Scenario 3: Full Transformation

Eastland Mall
Charlotte, NC
Advisory Services Panel

Central Avenue
The Public Realm

- Energized, high-quality, public environment
- Focused on a central gathering place, a new grid of streets, a re-opened stream, and an interactive fountain
- Programmed with farmers markets, antique shows, local events, civic meetings, street festivals and seasonal events
- Enlivened by a recreation center/YMCA combined with soccer fields, baseball field and
- A new ice rink if the community is willing to support it
- Linked to a regional bikeway/trail system
Place Making Character
Place Making Character
Implementation
Implementation

• General Observations
  – None of the current owners at the site are mixed use developers
  – A mixed use development program will require:
    • develop a master plan,
    • revise the zoning plan,
    • Create a city TIF financial plan
    • Determine city infrastructure support and civic uses requirements
Comparative Conversion Projects

- **Addison Circle**

- **Prestonwood Mall, Dallas, TX**

- **Addison, Texas**
  - Conversion of failed retail center to urban loft village center
  - City participation in traffic circle, iconic outdoor sculpture, public event lawn

- **Dallas, Texas**
  - Conversion of regional mall to Wal-Mart, big box and rental residential
  - Limited city participation
Comparative Conversion Projects

- Richardson Square Mall
  - Conversion underway of failed declining multi-anchor, off freeway mall
  - City participation under discussion to assist in transition to new market program
Public Investment Considerations

- Funding for general public infrastructure:
  - Arterial roadway improvements
  - Storm drainage and open space
- Funding for public realm:
  - Commons and streetscape
  - Public art
- Funding for parks, library and open space
  - Parks and playfields
  - Recreation center and ice hockey rinks
  - Trails and connector walk paths
  - Library branch
- Funding for public trolley/transit extension
### Estimated Private Market Value in Mixed Use Program

<table>
<thead>
<tr>
<th>Property Use</th>
<th>Sq.Footage</th>
<th>Avg SF</th>
<th>Valuation</th>
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<tbody>
<tr>
<td>Retail</td>
<td>300,000</td>
<td>$150</td>
<td>$45,000,000</td>
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<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condominium</td>
<td>300</td>
<td>1,200</td>
<td>$200,000</td>
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<tr>
<td>Townhomes</td>
<td>225</td>
<td>1,800</td>
<td>$250,000</td>
</tr>
<tr>
<td>Single family detached</td>
<td>60</td>
<td>2,400</td>
<td>$300,000</td>
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Total Estimated Private Investment Value: $179,250,000
Implementation

– The nature of this mixed use project suggests the likelihood that several builder/developer will ultimately be involved in the project

– The scope of the project will require that total build-out will occur over a series of phases

– Therefore, the first effort is to solicit third party master development partner acquainted with this style of development
Implementation

• Solicitation process
  – Secure joint agreement among the landowners and city to participate in a site master plan project
  – Retain planning, architecture, engineering, finance team to develop due diligence package that verifies physical facts, legal matters, viable develop alternatives
  – Develop and pursue solicitation RFQ to generate interest among qualified developers
Project Timeline

• Pre-Development Phase
  – City Designates a deal maker:
    • Secure joint agreement
    • Complete Due Diligence, Tiff Analysis, RFQ preparation etc.
    • Select Master Developer for exclusive negotiations
    • Negotiate and completes a participation agreement among the land owners and City.
    • Complete Master Planning and Rezoning
    • City continues to be the Champion until rezoning is complete

• Phase I – Town Center
• Future Phases 2-5
## Development Timeline

<table>
<thead>
<tr>
<th>Phase I</th>
<th>Square FT</th>
<th>Units</th>
<th>Completion Dates</th>
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<tbody>
<tr>
<td>Pre-Phase I</td>
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<tr>
<td>Landowner Participation</td>
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<td>April-June, 07</td>
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<tr>
<td>Due Diligence Completion</td>
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<td></td>
<td>Jul-Aug - December, 07</td>
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<tr>
<td>Developer solicitation</td>
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<td></td>
<td>January - June, 08</td>
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<tr>
<td>Master planning/Zoning</td>
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<td>Jul - June, 09</td>
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<tr>
<td>Phase I</td>
<td>100,000</td>
<td>150</td>
<td>July 2009 - July 2011</td>
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<tr>
<td>Retail</td>
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<tr>
<td>Residential</td>
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<tr>
<td>Condo</td>
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<tr>
<td>Public Realm</td>
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<tr>
<td>Phase II</td>
<td>75,000</td>
<td>150</td>
<td>July 2011 - July 2013</td>
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<tr>
<td>Retail</td>
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<tr>
<td>Residential</td>
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<tr>
<td>Condo</td>
<td></td>
<td>150</td>
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</tr>
<tr>
<td>Townhouse</td>
<td></td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Single family</td>
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<td>60</td>
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<td>Parks/Open Space</td>
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<td>Phase III</td>
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<td>Phase IV</td>
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<td>Townhouse</td>
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<tr>
<td>Phase V</td>
<td>50,000</td>
<td>50</td>
<td>July 2017 - July 2019</td>
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<tr>
<td>Residential</td>
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<tr>
<td>Townhouse</td>
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</tr>
<tr>
<td>Total</td>
<td>275,000</td>
<td>845</td>
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</table>
Long-term Management

- It’s not a shopping center: Being open 24/7 requires more intensive management
- Create a management assessment district to take care of maintenance, landscaping, security, events
- Streets should be private to ensure the highest standards possible
- Work with the retail management and homeowners association to address ongoing issues and problems
- Coordinate events and marketing efforts with an International theme
Final Issues

- Protect existing residential neighborhoods from encroachment
- Generate “value capture” at the major intersections through phasing
- Up-zone south side of Central and apply design controls to shape higher quality development
- Create opportunity for more options and amenities by building the Central Avenue trolley
- Change at Eastland will accelerate change in the international corridor: Be prepared!!
When a mall falters, the question that needs to be asked is not “How can we save the mall?” but “How can we use this opportunity to create a higher-value, more sustainable real estate development that helps build a more livable community?”

The Urban Land Institute’s *Ten Principles for Rethinking the Mall*