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The Next Generation of Retail Malls

Older malls will need to stay current with today's design trends to keep up with the consumer.

Noel Cupkovic

Since the clock struck midnight last December 31, the buzz has been about "the new millennium." Companies are telling everyone to prepare for Y2K while counting down the days to the new millennium. While the new millennium doesn't actually start until 2001, these forward-thinkers still have the right idea: it's about staying current, being on top of the trends while they're happening. Whether it's clothing or clothing stores, the answer is the same — follow the trends, not fads. Retail malls need to redevelop or reinvent themselves if they are going to give the ever-changing consumer what he or she needs.

"The dominant malls are surviving while the subordinate malls are going out of business," says Keeva J. Kekst, founder of KA Inc., Architecture. "Dominant malls that are strong in their markets follow the continuing trends. To keep that edge, they continue updating — keeping up with consumers' changing needs."

Kekst is one of the pioneer architects in the area of retail mall development. Shortly after founding his own firm, Kekst began working on retail mall projects during their conception in the 1960s. Prior to that time, store groupings with combined parking were virtually nonexistent. As a matter of fact, his first mall project, Richmond Mall in Richmond Heights, Ohio, is currently being redeveloped by KA Inc., Architecture some 30 years after Kekst's original project design.

Though the creation of what is called "the mall" is attributed to the



Gardens and arbors will be incorporated into the theme of Arbor Place Mall in Douglasville, Georgia.

'60s, according to ICSC research, many of the retail malls today were actually built during a market boom from a period of about 1976 to 1990 when the number of shopping centers in the United States more than doubled (number of centers in 1976, approximately 17,000; number of shopping centers in 1990, approximately 37,000). And, while it may seem like just yesterday, malls that were constructed during that boom may not, in today's rapidly changing, technology-oriented and electronically-driven age, be able to keep up with the needs of its newest generation of patrons.

As a matter of fact, even malls built in the latter part of this retail boom are likely facing some customer loss

to the big box or discount chains that are springing up in neighborhoods or to the catalog retailers and electronic sales markets.

Do not be discouraged. Even with discount stores and technology capturing a segment of the consumer sales market, there is and will always be a need for the mall environment. Consumers want a place to shop for quality soft goods that they can see up close, touch and try on. They want a participatory shopping experience that is more interactive than clicking a mouse. The key is to present the latest products in an interesting and innovative way, perhaps by adding an entertainment element prevalent in newly developed malls to bring the



Richmond Mall in Richmond Heights, Ohio, before (top) and after redesign (bottom).



patrons in and keep them coming back.

Though the update of a shopping center should include cosmetic replenishment, the need for redevelopment goes beyond mere aesthetics. Technological changes and systems are becoming outdated faster than ever before. Malls from the retail construction boom are aging and beginning to show the effects of gravity and the natural elements, both on the surface and structurally. Also over the years, smaller tenants have come and gone and left their mark on the facility. These too are reasons to redevelop an existing regional or neighborhood mall or shopping center.

With the reasons for redeveloping clear, going about the process begins with setting goals and making a plan. It may seem like an obvious or simplistic step, which is why it bears repeating.

Determine the goals that will be accomplished with the redevelopment of the facility. Those goals will need to be shared and discussed with any long-lease anchor tenants, and a common vision for the project will result. In addition to gaining the cooperation of the tenants, city government and the local community will become a part of the equation, especially if site expansion is a factor.

The next step of the process is surveying the market. A survey of the demographic area will determine the needs in the marketplace, and it can help determine which compatible merchants are not currently represented. "Try to find out just what it is that's going to motivate consumers to get in their cars and drive to your mall," advises Kekst.

This can be a formal or informal process involving straight statistics, questionnaires, town meetings and community focus groups. The more the surrounding community — current and potential patrons — are involved in determining the needs the facility will meet, the more likely they will be to partake of all the facility has to offer after the redevelopment is completed.

Implement the vision. At this point, conceptualization of the redesign can begin with inspired theoretical schematic designs — simple sketches used to formulate ideas for the shopping center. This vision leads to the development of a theme and

marketing strategy. Theming a mall is not exactly like selecting a theme for a child's birthday party, but it's not much more difficult. The idea behind selecting a theme is to give the design a place to go. It can be as simple as deciding that the mall will have a cartoonish character or that it will convey that Main Street feeling. A perfect example of mall theming is a new development project in Douglasville, Georgia: Arbor Place Mall, developed by Chattanooga, Tennessee-based CBL & Associates. The mall's theme takes its cue from the name and includes design features depicting gardens and arbors.

"A theme provides the architects and designers with a palette from which they can create a unique environment," says James Heller, president of KA Inc., Architecture, "thereby adding areas of interest to the mall that will invite shoppers in and give them a reason to linger."

That theme, which allows the designers to establish a mood and feel for the center, also assists the mall leasing agents who are developing a marketing strategy for the facility. This marketing strategy will determine how the information collected in the surveying process will impact the mall design. It is the owner's response to the demographic studies and focus groups. Formulate a strategy that meets those primary needs, then translate that strategy into an action plan.

Next, determine the project's budget based on what is available or desirable to expend in exchange for regenerating interest in the facility, for increasing consumer traffic, improving positive cash flow and retaining or obtaining new tenants. In other words, what will it cost to achieve a positive outcome from the marketing strategy?

From there, many of the steps to be followed are the same as those involved in a new development project. The project goes through schematic design development phases, working with graphic designers, architects, engineers and other consultants to cul-

minate in complete construction documents. The difference is that the work involved will be integrating the new concept for the mall into the existing building.

While the process for redevelopment shares some common ground with the initial development process, there are risks or pitfalls in redevelopment that are not encountered or at least are less frequently experienced in typical development projects. However, most of these pitfalls are not insurmountable. With proper planning and a team of seasoned professionals thinking ahead, not only can they be overcome, many can be avoided altogether.

The first and most obvious challenge and possible pitfall is one inherent in the nature of the project type. This is redevelopment, which means there is a previous development with which to contend. Preexisting materials and conditions can impact many decisions and may present unique problems or situations not generally experienced in new development projects.

"With a new project, you're setting the stage — everything is new and controllable," says Kekst. "With a redevelopment, the stage is set. You're working into what you have already, and there are many unknowns to be examined that may impact the final product." In addition to a talented design team, historical information about what the project looked like when first built will make the entire process smoother.

Surprises can be fun, but not when they involve a multi-million- or billion-dollar redevelopment project. An experienced professional can anticipate conflicts before they become problems — a code and regulatory expert can help steer a project through the necessary governmental approval process and make recommendations for upgrades to meet code requirements. Investigating code issues early can uncover tragic "hidden" preexisting conditions, which can be fatal to a project.

Extras — whether in time, materials or labor — can be a pitfall if a prop-

er system for determining equitable pricing isn't set in place ahead of time. "The danger is assuming there'll be no extras," says Kekst. "If you set a fixed number with the contractor for the work without specifying in the contract a system for determining unexpected costs, then when an extra does come along, the contractor is at liberty to charge you whatever he wants."

Again, this is where the advice and experience of an industry veteran, especially one with expertise in the art of negotiation, can make all the difference in determining a fair and equitable system for pricing those extras if and when they occur. Kekst stresses that this predetermined system should be set in the contract before construction begins.

The show must go on, or so they say. This edict carries over to retail — the store must stay open. "Once a retailer loses customers due to a shutdown, it's difficult to regain them," emphasizes Heller. Therefore, the goal is to stay open and operational throughout the entire renovation process. This can be accomplished in a few ways and, unfortunately, can add to the cost of the project in the area of labor as a result of after-hours work.

Work with the project architect to schedule an appropriate sequence of construction to allow business to remain open during redevelopment with minimal disturbance to store patrons. Planning intelligently from the start and factoring this into the project budget means one less surprise and fewer inconvenienced customers.

Knowing the process for redevelopment and avoiding potential pitfalls is half the battle; the other half is knowing what works — knowing what it is that makes this new generation of malls successful.

The idea of putting as many products as possible under one roof once met the needs of shoppers while making a profit for merchants and owners, but with big boxes and discount chains offering a large variety of products at discounted prices, this traditional concept of a mall has changed.

The push now is for more focused shopping — in particular a concentration in higher quality soft goods such as clothing and fashion accessories.

Still, don't rule out variety. "The latest wrinkle," explains Kekst, "is that regional malls are actually bringing the big boxes on site now — it's mutually beneficial." The big boxes, increasing variety at a reasonable price, can be included both on the property as peripherals to the mall or as a type of nontraditional anchor store. Either way, this brings the traffic back to the malls.

Today's consumers are looking for a bigger experience. They want to be entertained. What this means is that the newest generation of shopping mall includes, along with soft goods, more leisure activity goods and forums for entertaining their patrons such as movie theaters, book, video and software merchants as well as necessities such as food courts and comfortable resting stations.

Taking this experience a step further and hoping to appeal to an even larger segment, fine dining restaurants are moving into malls or onto mall properties with the anticipated result being the highly coveted consumer traffic.

When looking at merchandise, one should also evaluate the merchants distributing it. Most successful malls have a deliberate merchant mix. And, following the boost that redevelopment provides a mall, leasing agents may find the most desirable merchant tenants beating a path to their re-imaged door.

Whether modernizing a mall for aesthetic reasons or upgrading systems and replacing aging materials, a successful mall redevelopment begins and ends with a well-thought-out plan targeted at meeting the needs of its patrons for the next millennium.

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