Greyfield Site Redevelopment Analysis

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Abstract

The following report provides a framework for the research and analysis that will assist in understanding the issues leading to the decline of once successful shopping centers into greyfields. Inner-ring suburbs in the Dallas Fort Worth metroplex deal with this issue which is caused by aging centers and infrastructure coupled with increased competition from newer, faster growing suburbs offering increased financial incentives and newer shopping centers. Through an analysis of varying definitions of greyfields, a definition that represents the most typical greyfield sites affecting inner-ring suburbs will be chosen. Based on the chosen definition, this report focuses on two sites to study what issues caused the decline and what plans, policies, or guidelines could be implemented to provide a successful redevelopment or repurposing of the sites. Since my original proposal, my focus on Site A has changed due to a recent purchase and initial redevelopment plan proposal by Beck Ventures (Beck) in the spring of 2012. My focus on Site A will now include researching and determining why Site A provided a unique greyfield redevelopment opportunity and what factors led to the ultimate purchase and redevelopment plans for Valley View Center in Dallas, Texas.

Challenge

The North Texas region faces a critical issue stemming from high rates of growth leading to sprawl. The region, especially the Dallas/Fort Worth Metroplex consists of many cities making decisions on what best suits their individual communities. With limited growth management regulations at the regional level, these communities embrace the culture of growth and continue to expand further from the city center. According to a Dallas Morning News article, *When bigger isn't better: Expansion takes its toll,* "One simple premise sums up the cycle of North Texas' suburban growth: If you aren't growing, you just might be dying" (Young, 2012). The sprawling suburbs have and will likely continue to seek out opportunities that benefit their community without much focus on how it affects the surrounding communities and overall region.

The inner-ring suburbs of the Metroplex tend to be the victims of these sprawling patterns of growth. They are characterized as suburbs adjacent to the center city and typically experienced rapid growth in the years following World War II. These aging suburbs continue to experience the problems associated with older suburbs such as an aging housing stock, decaying commercial properties, and outdated infrastructure. The issue remains that retail shopping centers and malls developed several decades ago no longer meet the current needs of the retailers or the surrounding neighborhoods. Greyfield mall sites further suffer from competition from newer malls in sprawling suburbs, a decline in buying power from the surrounding community, and a lack of investment by property owners (Sobel, 2002). For example malls, which have created a monoculture, were built with an all-or-nothing approach to what a consumer wants; therefore, when consumer interest changes, malls have a difficult time changing due to the high investment in the infrastructure of a mall (Valley, 2002). According to the International Council of Shopping Centers, neighborhood shopping centers are typically anchored by a grocery store (ICSC website). They can become greyfields as grocers move to more profitable locations in newer shopping centers with more favorable demographics. As inner-ring suburbs become more racially and ethnically diverse, these retail sites tend to become vacant since the retailers no longer see the area as a viable location for their businesses and move outward (Kotkin, 2010). Furthermore, inner-ring suburbs become victims of their own development regulations, such as "over-zoning" every major intersection in their cities for retail. In a presentation to the Richardson City Plan Commission on October 16, 2012, John Webb, former Director of Development Services in Richardson and current Planning Manager for the City of Frisco, shared his research which showed that when all four corners of an intersection are zoned and developed as retail, usually one or two of those corners will ultimately lead to failed development.

Inner-ring suburbs must face the following challenge: they need to repurpose or redevelop these greyfield sites to provide a successful development that is profitable for a developer and retailers while being beneficial to the city and surrounding neighborhoods.

Question

With the issue of sprawl creating these concerns for inner-ring suburbs, how can a greyfield shopping center become a successful redevelopment? Will the development again be retail in nature, or will a complete change in use be necessary for the site to become something that is both beneficial to the surrounding neighborhoods and the overall community? Factors, including changing demographics, aging housing stock, decaying infrastructure, and lowering of household incomes, all need to be considered when analyzing which greyfield site can be successfully redeveloped and how such a project can be undertaken. Although a site may be analyzed and deemed a suitable greyfield redevelopment site, other issues must be considered such as the surrounding population, the political will within the city, and the financial viability of a redevelopment opportunity. A greyfield site may be redeveloped and ultimately become a successful venture; however, unintended consequences may also be associated with such a project. Many inner-ring suburbs have become the homes of immigrant populations who may have needs being met by the surrounding centers. However, the city and other neighbors may consider such sites as greyfield sites because they provide second and third generation uses that support the immigrant population (Dunham-Jones & Williams, 2009). Inner-ring suburban communities throughout Dallas/Fort Worth will have to address the problem of greyfield sites. The lingering question related to how these communities can transform an underutilized site into a development benefitting both the community and developer, while minimizing negative unintended consequences, is the biggest obstacle to successful greyfield redevelopment.

Hypothesis

Greyfield sites in the Dallas/Fort Worth metroplex are commonplace and range from small, neighborhood oriented shopping centers to large, regional shopping malls. These sites are characterized by large expansive sites, with vast seas of underutilized parking, and vacant anchor or department store spaces. While greyfield redevelopment is a difficult proposition, thorough research and analysis can provide a developer and community with opportunities for successful and financially viable redevelopments. This report seeks to examine greyfield sites, provide insight into how they can be successfully redeveloped, and what the nature of that development should be.

Literature Review

In an effort to establish appropriate sites for greyfield redevelopment, one must fully understand the definition(s) of a greyfield. Many scholarly resources provide varying definitions, so several definitions will be explored to determine which definition best fits the scope for this report. In studying these definitions, many common themes can be found; however, each of the definitions differs from one another in key areas as well. The following resources were helpful in creating a working definition of a greyfield for this report. These sources include the following: *Greyfields into Goldfields* by Lee Sobel, *Retrofitting Suburbia* by Ellen Dunham-Jones and June Williamson, *The Limitless City* by Oliver Gillham, *Greyfields: The New Horizon for Infill and Higher Density Regeneration* by Kenneth Chilton, and the Congress for the New Urbanism (CNU) (Congress for the New Urbanism, 2012) website.

In most of the resources reviewed, shopping malls were noted as sites that tend to be greyfield sites. *Greyfields into Goldfields* discuss how malls have become greyfield sites due to urban sprawl coupled with the rise of discounters such as Wal-Mart and Target. The competition stemming from these discounters and urban sprawl in conjunction with the lack of investment in inner-ring suburbs leads to these greyfields. *Greyfields: The New Horizon for Infill and Higher Density Regeneration* and the CNU website both discuss malls as greyfields and how the death of malls in a community represents both a representation of disinvestment in a community and an ultimate loss of revenue for the city. *The Limitless City* expands the scope of greyfield sites; as in other sources, it also notes that these greyfield sites are typically located in inner-ring suburban sites that are hampered by disinvestment and decaying infrastructure; but provide benefits such as center city proximity and access to major transportation routes that the greenfield sites located further from the center city cannot provide.

While these resources seemed to all consider older, dying malls as greyfield sites, there were varying opinions on what other types of developments could be greyfields. While *Greyfields into Goldfields* and the CNU website focused on dying malls as greyfields, *Retrofitting Suburbia* and *Greyfields: The New Horizon for Infill and Higher Density Regeneration* expanded the scope of greyfields to include smaller commercial shopping centers and even smaller neighborhood shopping center. *The Limitless City* further expanded the scope to include not only retail developments as greyfield sites, but also vacant institutional sites including municipal facilities, hospitals, and military installations.

In reviewing these sources and comparing and contrasting their definitions, a decision was made to apply the most appropriate and broadest definition of a greyfield without making the area of study so large that there would be too many factors to consider in conducting site analyses. Generally, greyfield sites are thought of as declining or vacant shopping malls. Characteristics associated with older, dying shopping mall developments include the following: vacant box or anchor spaces, large expanses of declining or failing asphalt parking lots, and buildings in a state of disrepair. Institutional sites like vacant hospitals and decommissioned military facilities were not included since they might detract from the typical greyfield problem existing in many inner-ring suburbs.

On the other hand, the definition of greyfield that only includes dying or vacant shopping malls does not account for a large number of inner-ring suburbs dealing with declining retail markets. For example, in the Dallas area, there are many inner-ring suburbs; however, not all of them contain shopping malls. In 2000, a study conducted by PricewaterhouseCoopers found 140 existing regional malls defined as greyfields (May, 2003), yet cities such as Richardson, Garland, Carrollton, and Farmers Branch represent inner-ring suburbs, all located on just the north side of Dallas, and do not have a traditional regional shopping mall. If one only considered shopping malls as greyfield sites, then these inner-ring suburbs would not be accounted for in studying greyfields. However, members and officials of such communities could probably very easily identify what they consider to be greyfield sites in their city. Therefore, for the purpose of this report, possible greyfield sites will be limited to shopping malls and community and neighborhood shopping centers.

Methodology

For the purpose of this report, two separate greyfield sites will be studied. The first will be an older regional shopping mall that has begun to decline as urban sprawl has taken away from its market while increasing regional mall competition. The second site will be a typical neighborhood shopping center. According to *Case Study Research,* case studies are either single case study or multiple case study formats. These two case studies will not represent comparative studies but rather similarly designed case studies for two different greyfield site contexts (Yin, 2009). Newer suburban sites tend to be more attractive to retailers because of the newness of the development and the rapid increase in buying power as many people move from the central city and inner-ring suburbs to these new suburbs. Inner-ring shopping malls and neighborhood shopping centers suffer further when competing with outer suburbs because many of these newer communities are able to provide much larger economic development incentives compared to the central city and inner-ring suburbs. For example, in the Dallas area, the City of Dallas and the surrounding inner-ring suburbs contribute their one-cent sales tax to Dallas Area Rapid Transit (DART). Cities not contributing to the DART system can use that one-cent sales tax for economic development purposes instead, which includes the creation of economic development corporations. These corporations primarily focus on attracting and retaining businesses in their community, and many times they woo companies by being very well equipped with large incentive packages. These communities offer hundreds of thousands of dollars to developers to assist in their development. Many developers find this too good to pass up. When given two similarly beneficial sites, the developer may choose the greenfield site that comes with a check attached to it as opposed to the existing greyfield site and all its associated issues (Johnson, 2010). Unfortunately, in the D/FW area, there is not much of a regional approach to economic development; therefore, beneficial programs that include tax base sharing and targeted employment centers for the region are not undertaken on a regional level which would be much more desirable than inter-city competition (Calthorpe & Fulton, 2001). For this reason, some consider sprawl to be subsidized. Although this subsidization of sprawl proves good for the suburban communities attracting the new growth, there are negative externalities associated with these choices. In *Perverse Cities,* the subsidized sprawl is compared to personal choices of an individual who chooses to live in an expensive house or wear an expensive suit. It is his right to make that choice, but he should not expect someone else to help pay for it (Blais, 2010).

Site A – Regional Shopping Mall

The obsolete form of a shopping mall includes a massive building set back hundreds of feet off the roadway and surrounded by an internal ring road that circumnavigates an expansive parking lot. The typical shopping mall is usually located along a major highway or interstate at the intersection with a major arterial. Although located at very prominent intersections within the region, they can sometimes be difficult to access. A consumer spends a large portion of his time getting into the site, finding a parking spot, and walking to the actual mall. This site becomes obsolete due to its typical suburban shopping mall format combined with the competition from newer, more attractive shopping malls in the outer suburbs. Even with these many issues related to form, the greyfield shopping mall site provides a very special opportunity for inner-ring suburbs. The site is located in an area where population, multi-modal transit routes, and infrastructure are already in place. Although most transportation routes are located off the subject site, they are a key factor because transportation and land use have a reciprocal relationship where one significantly affects the other (So & Getzels, 1988). Furthermore, it provides an opportunity many times reserved for greenfield development, which is a large parcel under the ownership of just one or a few entities. Many times developers opt to develop a greenfield site because they only have to negotiate with one property owner rather than several property owners, and they do not have to be concerned with aging or failing infrastructure. Properties in many inner-ring suburbs also tend to be more parcelized because properties have been developed and redeveloped over the years, but the typical shopping mall is usually located on sites that are under one or two ownerships and provide large sites generally greater than forty acres. For that reason, shopping mall sites located in inner-ring suburbs could possibly redevelop as a mix of uses with a certain level of density that could make the site a viable redevelopment opportunity over a greenfield located further out from the center city. As the typical shopping mall format seems to be falling by the wayside, and new large retail shopping centers take the form of town centers, inner-ring mall sites will provide opportunities to compete with outer ring suburbs and discount retailers that have been taking away the market share historically owned by the typical regional shopping mall.

Site Selection and Research Methodology

Valley View Center, a declining shopping mall, in the North Dallas area was chosen as a study site. The declining site is located at the northwest corner of Interstate Highway 635 (LBJ Freeway) and Preston Road. Although this traditional regional shopping mall, constructed in the 1970's, is technically located in the City of Dallas, the context of the mall compares closely to that of an inner-ring suburb. Located outside of the LBJ Freeway loop, the mall represents more of a suburban area than a center city area. Furthermore, the location of Valley View Center in North Dallas is sandwiched between many other inner-ring suburbs such as Richardson, Addison, and Farmers Branch. Based on general knowledge of the center, this site represents many of the characteristics of a greyfield, including vacant anchor spaces, low occupancy rates, and large vacant parking lots.

Figure 1. Aerial of Valley View Center, Dallas, TX.

Data collection is the initial step in conducting research for this case study (Yin, 2009). Rather than surveys or questionnaires, data collection was focused on interviews. The timing and responsiveness of surveys and questionnaires may not provide the detailed information required for such a study. Furthermore, the non-standardized information retrieval necessary for these case studies will be better suited for one-on-one interviews (So & Getzels, 1988). The first step was to conduct a visual site survey to collect data. A two-fold visual inspection of the site included the interior of the shopping mall and exterior elements of the site such as the building facades, parking lot, and any identifiable site amenities.

The interior visual inspection consisted of the following steps:

- Walking through the site and observe the number of vacant lease spaces in the center.
- Breaking down observed vacant lease spaces into interior mall lease spaces and anchor lease spaces.
- Observing anchor spaces occupied by non-traditional anchor users. For example, the typical mall anchors are retailers such as JCPenney, Dillard's, or Macy's; however as malls become greyfield sites, vacant anchor spaces may convert to non-traditional users typically not associated with successful shopping malls.
- Walk through the site and observe which of the internal mall lease spaces are vacant in the center. Although non-traditional retailers occupying interior mall lease spaces in declining greyfield malls may include the same sorts of retail uses, they tend to be lower credit tenants.

The interior visual inspection confirmed my initial perceptions of the mall. It appeared the mall was approximately half vacant. Two of the four department store anchor spaces (former Foley's/Macy's department store and Dillard's department store) were vacant. The remaining anchors are Sears, JCPenney, and an AMC Theatres located on the third level of the mall, constructed in 2003 (Dallas Central Appraisal District, 2012). It also appeared that a smaller interior two-level anchor space was now occupied by a market style retail store with several small convenience retailers. The site had previously been occupied by Steve and Barry's, a college themed apparel store. Although the space is not vacant, this type of retailer is not indicative of a successful shopping mall. It appears the user is similar to a flea market. Of the remaining tenants, very few were retailers that one would typically see in a successful shopping mall. Other than a few shoe stores and fast food restaurants, the remaining tenants were not chain tenants as typically found in malls. In fact, a very high number of the tenants located in the mall were service related, such as hair salons, nail salons, and jewelry repair shops. This reflects the lack of interest in the mall by successful national tenants and likely reflects the reduced rent, which allows the atypical mall tenants. Furthermore, the inspection uncovered two factors that seemed to reflect major problems for the mall. First, the inspection was conducted during the lunch hour; no more than eight or ten people were eating in the food court, yet it had at least eight operating restaurants and seating for over one-hundred people. Secondly, the mall only ran one set of escalators showing that the patronage of the mall is so low that it is not worth them spending the money on the electricity to operate both escalators.

Issues related to declining sales volume over the past couple decades have also led to Valley View Center turning into a greyfield site. In 2004, national average mall sales were $300-$325 per square foot; in contrast, Northpark Center, a Dallas mall typically considered as successful, was around $550 per square foot (Brown, 2004). In 2003, a Dallas Morning News article stated Valley View Center had sales of $274 per square foot; however, it was expected that sales in the following year would exceed $325 per square foot, which is considered an average sales volume for a mall (Halkias, 2003). Data was not available for the next few years, but a Halkias article in 2008 related to the pending closing of Macy's Department Store reported Valley View Center's sales volume in 2007 was $273 per square foot. The property was owned by an ownership group named Macerich at that time, and they reported Valley View Center was in the bottom quartile of their nationwide regional mall portfolio. The lack of increase in sales volume over that five-year period coupled with likely increase in retail prices may have foreshadowed the near future for Valley View Center. This sales volume was 10-16% lower than the average regional shopping mall (Halkias, 2008). Only five months later, Dillard's announced their closing at Valley View Center as well (Halkias, 2008). Although no data is available for sales volume after 2007, it could be assumed that sales volumes fell even further following the departure of two anchor department stores that comprised approximately 1/3 of the mall's leasable area. The two department stores left Valley View Center for greenfield development sites to the north representing the changing demographics and allure of new (age and style) development. Prior to Macy's closing, the mall was 96% leased. Only four years later, Beck purchased the property stating the mall occupancy was around 50%.

An exterior visual inspection entailed the following steps:

- Drive the site and inspect the parking areas to gauge the general patronage of the mall based on the number of cars in the parking lot. Although there may be some mall customers utilizing buses, it would seem this would only represent a small percentage of the mall's customers based on the number of people observed inside the mall.
- Note the conditions of the existing building exterior. Record issues such as dated or deteriorating facades that may make the site unattractive to retailers and consumers.
- Observe the surrounding transportation routes and modes of transportation. Catalog characteristics of the surrounding roadways, including roadway classifications (highways or

arterials) for roads surrounding the property, highway access, number of access points, and visibility from the highway. Issues as simple as whether or not the mall is visible or easy to access could play a role in the success in a mall and could contribute to its greyfield status (So & Getzels, 1988).

Figure 2: Valley View Center Photo (1982).

Figure 3: Valley View Center Photo (2012).

It was clear upon entering the mall that Valley View Center parking epitomizes a declining greyfield mall. On initial inspection of the parking lot, the parking lot was no more than 5% filled. The parking lot itself appeared to be in average condition is some places, but worse in others. The varying levels of maintenance could be attributed to the multiple ownerships in place at Valley View Center, which will be discussed in more detail later. On the north side of the shopping mall, there was a parking garage, which had been fenced off, likely due to low levels of mall patronage. The mall facades appeared to be the same as the original facades from when the mall was constructed in the 1970's. The style presented little architectural interest. The buildings appear to be large, flat concrete walls with textured materials such as stucco utilizing muted colors. Also, over the last several years, carnivals can be seen in the parking lot for two or three days at a time with greater frequency. Although this may not be directly attributed to a dying mall, it seems that a successful shopping mall would not want to sacrifice customer parking for this type of use, unless mall management felt the parking was not being used.

The areas immediately surrounding the mall property represent the similarly outdated character of Valley View Center. Although the immediate area appears to be declining, the Galleria Mall, located just to the west of the area Mall along the Dallas North Tollway, is extremely successful when compared to Valley View Center. Valley View Mall is the epitome of suburban shopping mall development. In contrast, the Galleria is a shopping mall served entirely by structured parking, set in the middle of high-rise office buildings and mid-rise and high-rise residential buildings, which provides an atmosphere where one could very easily live, work, and shop without ever having to get into their vehicle. This changing trend from sprawling suburban shopping malls to denser, mixed-use types of developments seems to represent the changing values of many Americans and seems to be more indicative of successful developments.

Valley View Center is surrounded by LBJ Freeway to the south, Preston Road to the east, Alpha Road to the north, and Montfort Drive to the west. The mall can be accessed from all four roads with the main access points to the mall along the freeway. Dallas Area Rapid Transit (DART) bus routes also serve the site along Alpha Road and Preston Road. The mall's location in relation to the roadway system is typical of suburban shopping mall development. Sitting several hundred feet back from LBJ Freeway, the mall is difficult to see if one is not paying attention. Along the other roads, there are outparcels located closer to the streets that further impede the visibility of the mall. Construction along the LBJ Freeway has also recently commenced and is not expected to be completed until 2016. The project will help to relieve congestion along the freeway with managed toll lanes (LBJ Express, 2012). However, at present time, the construction makes access and mobility around the Valley View Center much more difficult.

The combination of the declining interior aspects of the mall and the issues related to the mall exterior and surrounding area have led to the decline of Valley View Center to what can be categorized as a greyfield site.

In my initial proposal, the second step included interviewing key data sources, such as management staff and leasing agents for the mall. However, a recent purchase of a large portion of the shopping mall by Beck has changed the scope of my report. The group purchased the interior mall space, the JCPenney department store, and a portion of the existing parking lot. The vacant Dillard's property and its parking garage are under contract and Beck expects to close on the additional property by November 2012; however, the existing Sears, former Macy's department store space, and multiple pad sites are owned by different entities. Although Beck's purchase of the mall moves toward revitalizing this greyfield, the parcelized nature of the existing development may still hinder the revitalization efforts.

The focus of my interviews has now shifted to discussing Beck's proposed redevelopment plans for Valley View Center. Beck released a statement on their website regarding their future vision and strategy for how they will transform the declining regional mall. They plan to leverage one of Dallas' most prominent intersections which is being further assisted by the expansion and reconstruction of the LBJ Freeway. Beck hopes to initially increase the mall's occupancy, currently at 60%, by attracting locally owned retailers, including a variety of artists. Beck's ultimate vision for what is being called "Dallas Midtown" includes creating an "urban oasis" that will include mixed-use retail, a five-star hotel, high-rise office, luxury residential towers (Beck Ventures, 2012). Although this is Beck's ultimate vision for the property, many factors such as regulatory barriers, the economy, politics, and ever-changing demographics and customer preferences need to be identified and addressed. However, the process to address regulatory barriers in already underway and future study of the area will help to promote the vision of Dallas Midtown.

Figure 4: Dallas Midtown Rendering.

In an interview with Jan True, Director of Property Management and Operations for Beck Realty – Valley View Center at Dallas Midtown, additional information relating to Beck's redevelopment plans were discovered. The initial discussion was related to the existing conditions of the mall when it was originally purchased. Ms. True indicated that the occupancy in at the time of purchase, April 2012, was approximately 50%. She also confirmed their purchase of interior mall space including the AMC Theatre located on the third floor of the mall, the JCPenney department store, and the vacant Dillard's department store and parking garage. The occupancy rates have increased since the purchase, which is in part due to the artist community that has been started at the mall. On my interior site inspection of Valley View Center, I observed that some of the vacant upper floor spaces were being renovated and marketed to various artists to create a sort of adaptive reuse for vacant retail spaces into artist studios and galleries. Ms. True stated that along with retaining some of the current tenants as part of the redevelopment into Dallas Midtown, the infusion of the artist community will be added. The addition of these creative class uses to the project should help to further the vision of Dallas Midtown into a dynamic, vibrant, mixed-use development.

Ms. True stated that Beck's plans for the mall are to tear the mall down and ultimately redevelop the site into an urban village. In various television interviews with Dallas/Fort Worth news stations, it has been reported that although the ultimate plan is a total tear down, it may be several years until demolition occurs. In the meantime, Beck's immediate goal is to continue leasing space in the mall with quality tenants that would be transitioned from the existing mall into the redeveloped urban village once it is developed (Beck Ventures, 2012). Valley View Center was reported to be the oldest mall in Dallas. Ms. True stated a couple of the main reasons Valley View Center has become a dying "inner ring" suburban mall. First, the addition of the Galleria in the immediate area and secondly, the renovation of Northpark Center in Dallas, which is approximately five miles southeast of Valley View Center are two of the main reasons. These malls are the opposite of Valley View Center with high occupancy rates, department stores geared to the upper-middle class, and fine dining restaurants. Our interview concluded with discussing what the site offered compared to suburbs with greenfield development opportunities and large economic development incentives to offer. Ms. True stated that the largest positive is that the City of Dallas is in support of the project (True, 2012). The current zoning on the property allows various types of retail; however, the rezoning process has been undertaken to allow a mix of uses and design to be allowed on the subject property. In October 2012, the Dallas City Council approved a quarter million dollar grant through a 380 economic development agreement to begin the master planning process that evaluated approximately 400 acres of land on the north side of LBJ Freeway, including both Valley View Center and the Galleria (City of Dallas, 2012). This governmental support, along with a premier location in Dallas along a major freeway and much higher populations compared to outer suburbs, make Valley View Center an ideal site for redevelopment into a dense, multi-use urban village. Jeffrey Beck, founder of Beck Ventures, said the company is working with the City of Dallas to create a tax-increment finance district in the area. Linda Koop, Dallas City Council member, agreed that a TIF is a possibility to improve infrastructure in the area (Thompson, 2012).

Whereas the proposed research strategy was to discuss mall history and trends with mall management and discuss what types of tenants were showing interest in the center with leasing agents, the focus shifts to analyzing why the site presented a viable redevelopment opportunity. The interview with Ms. True provides insight into why this greyfield mall site presents a realistic opportunity to redevelop. Next, an interview was conducted with a planner in the City of Dallas Building Inspection Department, and the existing zoning which is zoned "RR" per the City of Dallas zoning map was discussed. The zoning district allows regionally serving retail, personal service, and office uses. Based on the uses currently located at Valley View Center, this zoning district allows typical mall uses. However, Beck's proposed plan for Dallas Midtown requires a change in zoning. The necessary change allows additional uses such as the residential and hotel components and possibly permits increased height, residential density, and floor area ratios. According to Peer Chacko, Assistant Director of the Strategic Planning Division for the City of Dallas, the recently approved area-wide study referenced above will be initiated in the near future and will be a joint study conducted by the City of Dallas and the North Dallas Chamber of Commerce. An area wide zoning change would possibly be initiated by the City pending the results of the area wide land use study (Chacko, 2012).

Based on inspections of the Valley View Center and interviews with property ownership and management and Dallas City staff, many reasons exist as to why the site was ultimately chosen as a viable option for a $2 billon redevelopment project of a greyfield mall.

One of the key reasons for choosing this site was due to the amount of people in the area and travelling in and around the site. As Beck states on their website, there will be upwards of 360,000 vehicles per day passing this site once the expansion of LBJ Freeway is complete. However, there are many sites along busy highways that are still greyfield sites with no redevelopment plans in the near future. The question remains: what makes Valley View Center any more desirable of a redevelopment effort than somewhere else in the area?

Along with the high number of vehicles in the area, the population in the area is extremely high as compared with suburbs located further from the city center. Also, Valley View Center lies on the fringe of the Dallas North Tollway corridor which runs from Dallas north up through Frisco and has some of the highest household incomes in the Dallas/Fort Worth metroplex. Within three miles of the site, over 125,000 estimated residents live throughout North Dallas and surrounding suburbs (Synergos Technologies, 2011). Furthermore, the median household income for this area is almost $80,000 with an average household income approaching $110,000. In addition to the 125,000 people living in a three-mile area, there is also a significant daytime population of over 140,000 employees within the same area (Synergos Technologies, 2011).

The following estimates provide a population and household income comparison between the three mile area surrounding Valley View Center with the City of Dallas and Dallas County (Comparisons based on data provided by Synergos Technologies, 4th Quarter, 2011 and Dallas City and County Quick Facts derived from 2010 Census):

- Population density within three miles of Valley View Center is approximately 63% higher than Dallas County.
- Population density within three miles of Valley View Center is approximately 26% higher than the City of Dallas.
- The median household income within three miles of Valley View Center is approximately 64% higher than the County of Dallas.
- The median household income within three miles of Valley View Center is approximately 88% higher than the City of Dallas.

Valley View Center's advantageous positioning includes the following characteristics: it is located in an area with a significant number of people living and working in the area, many of which have larger than average disposable incomes, and are travelling in close proximity to the site daily. The proposed project also seems to be positioned to create a synergy with the existing development of the Galleria mall and surrounding office and residential uses.

Even with the physical attributes being favorable for redevelopment at Valley View Center, political factors also play a part in determining whether a redevelopment plan will be successful or not. According to Beck, the proposed Dallas Midtown project has the support of the City of Dallas, and a zoning change request will be submitted for approval by the City Council to allow the dense, mixed-use development being proposed. Another positive indicator is the approval of a quarter million dollar grant already approved by the City of Dallas for a master planning study for this area including Valley View Center and the Galleria. It takes all physical, financial, and political factors to be aligned for a successful redevelopment project of the magnitude proposed for Dallas Midtown. At the present time, these factors are favorable for the developer and City of Dallas to achieve a quality, mixed-use development that will benefit the City of Dallas, surrounding cities, and the residents of the area.

Site B – Neighborhood Shopping Center

The second study site exemplifies a much more prevalent type of greyfield site: the neighborhood shopping center. The International Council of Shopping Centers (ICSC) defines neighborhood shopping centers as those designed to provide convenience shopping for the immediate neighborhood, half of which are typically anchored by a supermarket (ICSC Definition Sheet). These centers were typically constructed in the 1960's and 1970's in inner-ring suburbs and were anchored by one or two large anchor box retail spaces (one of which was usually a grocery store). When the anchor leaves a neighborhood shopping center, the center usually declines rapidly. The anchor in these centers tends to represent a large percentage of the square footage of the center, sometimes over 50%. The problem the owners of these centers faces is that when the anchor leaves, a large, steady revenue stream leaves along with them. This leads to disinvestment in the property which leads to less interest from quality tenants. Inevitably, rents go down which results in high vacancy rates or the location of tenants that may be considered undesirable by many of the surrounding neighborhoods. As the rents decrease, the amount of investment in the center decreases, and the process is hard to stop and reverse. This can begin to affect the surrounding neighborhoods and community. For instance, greyfield neighborhood shopping center sites tend to be located in middle class neighborhoods, but when the anchor leaves, the tenants that move in may provide services that are geared toward lower income populations that may be transitioning into the existing neighborhoods. Although these services are necessary, it can become an issue for the surrounding neighbors who feel like their neighborhood is in decline. Whether an actual or perceived decline, these greyfield sites can lead to the real or perceived lowering of property values, feeling of neighborhood decline, and the flight of many of the middle income residents. In time, the community may find the area has, in fact, begun to decline as the household income and property values begin to decline. There are definitely other factors that contribute to the lowering of property values in aging inner-ring suburbs, but the conversion of successful neighborhood shopping centers should be considered. These types of greyfield sites provide an opportunity just as shopping mall greyfield sites do. Although the size of these sites, which many times are as small as 10 to 15 acres, do not have the capability to provide large mixed-use projects like a shopping mall greyfield site might, they do provide the opportunity to "restore urbanism" (Dunham-Jones & Williams, 2009). This refers to their ability to provide adequate infill sites that can be woven into the fabric of the surrounding community rather than being a completely separate development.

Figure 5: Aerial of Belt Line Road and Plano Road, Richardson, TX.

Site Selection and Research Methodology

I have identified a shopping center located at the northwest corner of Belt Line Road and Plano Road in the City of Richardson. The site is a typical, suburban grocery-anchored shopping center, which included a 60,000-square foot anchor space plus an additional 30,000 square feet of in-line retail. However, in 2011, the longtime anchor, Albertsons, vacated the center, leaving the site approximately two-thirds vacant. The site was selected because of the vacant anchor space that represents a large portion of the center's leasable area. Other characteristics of the site that complicate the issue of reviving the center include the following: a large number of vacant in-line retail spaces, deteriorating appearance of the center, and a small number of vehicles in the parking lot. Additionally, the anchor space, in-line retail space, and pad sites located along the street frontage are all under different ownerships, further complicating the issues.

Again, the first step in the research phase includes visual surveys of the property. Although, an interior visual survey of a mall is necessary, an exterior visual survey would suffice for this center since all of the retail would be accessed from the exterior. The visual survey would include looking for many of the same things as I would for a mall including:

- Observe the type of tenants that are currently occupying the center.
- Observe the surrounding roadway classifications, access points, and visibility.
- Observe appearance of building facades.
- Observe the parking lot and determine level of shopping center patronage.

After visual inspection of the site, it appears that along with the vacant 60,000-square foot anchor grocer space, approximately 20% of the remaining strip retail space is vacant as well. The tenants occupying the spaces include a few restaurants, a large country & western bar, thrift store, and salons. None of the tenants are chain tenants and do not seem to be tenants that would typically be perceived as ones located in a highly leased, successful neighborhood shopping center. The facades are very typical of 1970’s retail development with flat, white stucco sign bands located above storefront glass retail spaces. There is nothing special or unique regarding the appearance of the facades and can be found in many inner-ring suburban retail settings. For the area of the shopping center adjacent to the leased strip retail space, it appeared that around one-third of the parking was occupied. The survey was conducted around the lunch hour on a weekday.

The site is located at the corner of two arterials in Richardson. Similar to Valley View Center, the center is located quite a distance back from the streets. In addition, there are multiple pad sites along both street frontages that further impede the visibility of the site from the roads. The shopping center is also served by DART bus service. Within the surrounding area, there are three existing grocery stores, with an additional two grocers located approximately one mile away. Other users at the intersection include a large home improvement store, large discount retailer, department store, health club, several fast food restaurants, and service oriented retailers.

The second step of research includes interviews similar to the mall study. Interviews with the property manager and leasing agents for the site were conducted to gain insight into the level of interest in the site over the last several years and will provide information on why the site has declined. Again, leasing agents would be able to provide information as to why retailers, especially large anchor tenants, choose to relocate elsewhere. Additional interviews with surrounding neighborhood groups would also be appropriate to identify issues the neighbors may have had with the site and what needs or services are lacking that the greyfield center may be able to provide.

An interview with Sue Walker, a representative from the City of Richardson's Economic Development Partnership and Chamber of Commerce, was conducted. Our discussion focused on the changing retail trends in the City of Richardson with a focus on the trends at the intersection of Belt Line Road and Plano Road. The intersection, once a destination for retail, has transformed to an intersection that is more neighborhood-oriented. Ms. Walker provided area rental rates for the area stating the average for a 1-mile radius of the intersection was $13.76 per square foot. This places this area in line with the D/FW average of $13.75 per square foot for 2010 according to DataVest, a Dallas-based commercial real estate advisor (DataVest, 2012). Based on the successful, occupied retail located in several centers within the area, it may be inferred that the northwest corner is a site bringing that average down based on its visual comparison with the surrounding, more highly occupied centers. With the demolition of Richardson Square Mall in 2006, the regional draw to the intersection was supplanted with a community center (International Council of Shopping Centers (ICSC), 1999) retail including Lowe's and Target. The subject site and overall intersection is further hindered by its proximity to US Highway 75. The intersection is more than two miles east of the highway, which makes it more difficult to draw non-neighborhood center types of retailers. Ms. Walker also stated the traffic counts have stayed stable in the 30,000-35,000 vehicles per day, but counts in excess of 40,000 vehicles per day are important to draw a different type of tenant.

As we began to focus more specifically on the subject site at the northwest corner of Belt Line and Plano Roads, it becomes apparent that the vacant Albertsons space may not be a grocery store again in the foreseeable future. Currently, three grocery stores are located at the intersection (Aldi, India Bazaar, and Super Target). Within three miles, there are other traditional grocers such as a different Albertsons, Fiesta, Kroger, Tom Thumb, and Wal-Mart Neighborhood Market. Based on the proximity of traditional grocers and the arrival of discount-type grocers such as Aldi in the area, it may not be a realistic choice for a grocer to locate in the vacant Albertsons space.

Ms. Walker explained that backfilling these sites is a difficult proposition, especially when competing with non-DART cities that can funnel money into economic development from sales tax revenue. In fact, she states that this may be the biggest challenge facing cities such as Richardson. At some point, it may be necessary to increase property taxes to create a funding source for economic development incentives. Redevelopment of greyfield sites proves more costly than greenfield development, and the cities with larger amounts of greenfield land are the same cities that can provide the large financial incentives generally speaking. Overall, Ms. Walker shares that she hears prospective tenants saying that the changing demographics of the area and its transitional nature remain factors that make them look elsewhere. Tenants want to see a clear direction for the area which is set out by the City prior to investing in the area (Walker, 2012).

With that said, the shopping center at the northeast corner of the intersection underwent redevelopment in 2006. Prior to 2006, this shopping center could have been seen as a greyfield also. The former grocery-anchored center was partially demolished, with the remaining buildings remodeled. A new stand-alone LA Fitness health club became the anchor of the center. The other large user in the center is the India Bazaar grocery store; however, it is only 12,000 square feet, which is much smaller than traditional large grocery stores. An interview was conducted with Chris LaMack, Gemini Managing Partners (ownership group), to discuss the history and process of redeveloping an outdated shopping center in this area.

He stated that one of the major hurdles to redevelopment was the extreme cost associated with repairing and replacing declining and failing infrastructure including utilities such as water and sewer lines. Along with the associated cost, the additional construction time associated with these replacements made redevelopment more difficult. He stated that financial assistance from the City was instrumental in offsetting some of these costs. Although the City was unable to directly provide economic development dollars, assistance in the repair and replacement of public utilities proves one way a city such as Richardson can provide assistance to a property owner reinvesting in a declining property (LaMack, 2012).

Mr. LaMack reiterated Ms. Walker's comments that US Highway 75's proximity has made it more difficult to acquire quality tenants at the Belt Line Road and Plano Road intersection. Also, he stated that the lack of economic development incentives compared to suburbs providing money from sales tax revenue is a hindrance. He did not feel that the City placed any regulations on his redevelopment plans that could be considered regulatory barriers to the process, but that redevelopment could definitely be jump started with more city participation. Possible participation may include the City purchase of greyfield properties and reuse or resale of the properties for alternative types of uses that could revitalize the area. Mr. LaMack felt that the immediate neighborhood was a stable, middle-class neighborhood, but he agreed that the transitional areas around the established neighborhood makes it difficult to repurpose or redevelop area retail sites in the same character as was previously there. Although his property could be seen as a successful example of greyfield redevelopment, it was achieved with a small ethnic grocer and health club as the anchors, not a large chain grocery store or retailer. The center still has several vacancies in the smaller lease spaces as well. Mr. LaMack concluded his interview stating that successful redevelopment in inner-ring suburbs is going to require the City to have a clear plan for what is a desired and alternative use and design. Synergy has to exist at the intersection, and the old model of a grocery-anchored shopping center with a large chain grocer on two or three corners can no longer be viewed as successful (LaMack, 2012).

My final interview related to Site B was with the HOA president, Diana Clawson, and another board member, Tom Maxwell, for the nearby Duck Creek neighborhood. They had very similar views on what the neighborhood expected and desired for retail at the intersection and specifically, the subject site. They were both adamant that the departure of Albertsons was not good, since many of the residents shopped there; furthermore, the vacant, outdated box further devalues the other retail in the area. It gives the appearance that this is a declining neighborhood which pushes investment and tenants away. Although there are other grocers in the immediate area, both were very concerned that the other grocers in the area cannot adequately provide all of the goods and services provided by Albertsons. While Mr. Maxwell felt that another major grocer would be ideal, he understood the reasons why this may never happen and stated some sort of convenience retail or restaurants may be a desirable use for the neighborhood. Other concerns from the neighborhood include the lack of sit down restaurants and lack of electronics and clothing stores. They would rather have stores specializing in these areas, not just a Super Target or the declining Sears leftover after the mall was demolished. Regarding the redevelopment of the LA Fitness site, they both feel the redevelopment was beneficial to the neighborhood since it has brought in a few other tenants, but they would like to see the trend continue in the area, mainly with the vacant Albertsons shopping center (Clawson, 2012).

Based on comments from City Economic Development staff, area property owners and neighborhood representatives, it is apparent that there is not an easy answer for what the northwest corner of Belt Line Road and Plano Road may become in the future. In a presentation to the Richardson City Plan

Commission on October 16, 2012, John Webb, former Director of Development Services in Richardson and current Planning Manager for the City of Frisco, presented on the topic of declining retail sites within the D/FW area. His overarching point was that many cities have “over-zoned” for retail in their cities, by zoning all four corners at the intersection of two major streets for retail uses. His research has shown that when this happens, there are generally one or two successful retail developments, but the third and fourth corners usually struggle, and many times, become a failed retail center over time. In the case of the intersection of Belt Line Road and Plano Road, one could contend that the southeast and northeast corners represent the two successful centers. The southeast corner contains a Super Target, Lowe’s, and Sears with multiple chain fast-food restaurants along the street frontage. The northeast corner has a newly redeveloped/remodeled shopping center with a new LA Fitness anchoring the center. The southwest corner is still a largely occupied center with many smaller tenants, Staples, and Conn’s. This leaves the subject site at the northwest corner representing the fourth retail corner that appears to be failing and in need of a change.

The easiest option would seem to be renovating the facades of the site to attract a large grocer to take the vacant Albertsons site; however, as the interview with Ms. Walker suggested, the chances of bringing a traditional grocer back to the site is unrealistic. That leaves some other choices which include changing the space to attract a different type of user, redeveloping the site to attract a different type of retail or other commercial use, or redeveloping the site into a completely different land use. While the first two choices may require fewer changes in terms of City regulations (zoning, subdivision regulations, comprehensive plan, and major changes to the infrastructure network), it may turn out that a complete change of land use is the most realistic choice to create a development that is successful and beneficial to the City.

As stated earlier, there are three retail corners at the intersection that seem to be achieving varying levels of success; however, two of the three corners still have a fair amount of vacant lease spaces. Even the southeast corner is saddled with a 133,000-square foot Sears store that seems to do little business outside of their appliance and automotive departments. With that said, it seems shortsighted to propose a redevelopment of the northwest corner into another retail shopping center. A redevelopment into some sort of office use may not be feasible due to the large concentration of vacant office/flex space in the immediate area. According to the Arapaho/Collins Redevelopment study, there is over 2 million vacant square feet out of 9.3 million square feet of office/flex space in a 615-acre area located just to the north of the subject site (City of Richardson, 2012). The City of Richardson is actively pursuing a market study to determine how to best repurpose this space into attractive office/industrial space; therefore, the addition of speculative office development within a mile of this district may not be something the City may see as a proper development. Also, the subject property is located very close to some established single family neighborhoods, so a fairly low intensity type of development may be expected by the neighborhood.

The third option could be redevelopment into a residential use. According to Vision North Texas, the population in North Texas is expected to increase from 5.3 million to 11.7 million people between 2000 and 2050. The trend appears to be accurate as the North Central Texas Council of Governments 2008 population estimate was 6.5 million people (North Central Texas Council of Governments (NCTCOG), 2010). This trend suggests that additional housing is going to be required to accommodate this growth. Further, typical sprawling large lot development may not be adequate to support such growth. Therefore, a possible change in land use at the northwest corner of Belt Line Road and Plano Road could be a change from retail development to a medium multi-family development.

Although City of Richardson apartment zoning districts allow a relatively low density when it comes to multi-family development (12 to 18 dwelling units per acre), a rezoning of the property to a Planned Unit Development allowing a higher density may be necessary to create a development that is financially viable. The question remains: what density of development would be required to provide a development that would be economically feasible and how would the City regulations need to be revised to accommodate such development?

The site provides amenities that may be attractive to a multi-family developer, including close proximity to major employment sectors (3-mile radius), retail and services to accommodate apartment residents, and close proximity to DART bus routes and the DART Light Rail. The site is also located very near the City of Richardson trail system and a City Recreation Center. Lastly, the site provides an opportunity to create an urban style development that would provide convenient access to all of these features. John Kirk, Executive Vice President for Embrey Partners Ltd., an apartment developer throughout Texas and the Southwest, stated all of these factors are considered amenities for a multi-family development. Apartment demand is currently high and still increasing. An article by Steve Brown, Dallas Morning News, states apartment occupancy rates have risen to over 94% and rents increased from 2011 to 2012 between 4% and 8% (Brown, 2012). Within the City of Richardson, newer “urban village” style apartment complexes are approximately 95% occupied according to their property management companies. Two of these are located at DART Light Rail stations, but the third is not.

However, there may be opposition from adjacent neighborhoods who oppose multi-family development located in close proximity to their neighborhoods. Many times single-family neighborhoods are hesitant to support this type of use next to their homes because their experience with apartments is what they have previously experienced with declining garden style apartments in their city. It is up to a developer and city staff to present a proposal that clearly explains the difference between a garden style apartment complex and a higher density, urban style apartment development that can be an asset to the community rather than a future eyesore. Furthermore, the developer should be charged with presenting a strong set of development regulations that ensures a high quality sustainable product that adds value to the neighborhood.

The next step is to analyze the economics of this type of redevelopment to determine if this type of development would be a reasonable venture for a developer. First, the site acquisition and site construction costs need to be considered. For the purpose of this report, the Dallas Central Appraisal District (DCAD) appraised market values will be used as the basis for acquisition costs. A more detailed analysis and research regarding the actual sales price for the properties would need to be undertaken to determine the most accurate acquisition costs. This process would likely include several weeks or months of negotiations with property owners and existing tenants. The proposed site acquisition costs based on the DCAD values is approximately $15 per square foot. Mr. Kirk explained that this might be a little high for multi-family site acquisition costs, and in this area, a cost around $12 per square foot might be more appropriate. However, the costs are increased due to the "performing assets" on the subject property including the shopping center already discussed as well as three other pad sites at the corner (Kirk, 2012). Other amenities including the proximity of a variety of retail, area parks, trails, and recreation centers along with access to DART would help to justify the $15 per square foot cost.

Next, construction costs must be considered. In a Dallas Morning News article, Steve Brown reports that the current construction costs for multi-family developments in the Dallas area are between $100 to $120 per square foot. In my discussion with John Kirk, he analyzed some of my proposed assumptions and expected a construction cost for a 4-story, 35 unit per acre development at the site and projected a per square foot cost of just under $110. He also explained that the per square foot cost is stated in terms of gross leasable area to allow for "apples to apples" comparisons between developments since one complex may have more area dedicated to common areas, leasing centers, and outdoor amenities

(Kirk, 2012). RSMeans, a construction cost estimation provider, projects that 4- to 7-story apartment developments in Dallas as of 2008 were anywhere between $105 and $115 per square foot depending on the structural materials (Reed Construction Data: RS Means Cost Estimating, 2012). Based on the similar construction costs, an assumed construction cost of $110 per square foot will be used for purposes of this report.

The next step is to determine the number of units and rental rate for the complex. Based on the location of the site, it would not be feasible to propose a high-rise/high-density development. The site is located in a typical suburban neighborhood and is not located along a highway or at a DART Light Rail station. However, due to Richardson's proximity to Dallas, the high number of jobs located in Richardson, and the need to accommodate future population growth, it is important to embrace a more sustainable type development. Therefore, it would be appropriate to develop a medium-density multi-family development.

A density of 35 dwelling units per acre in a 4-story building product is similar to other recently developed apartment complexes in Richardson, and a proposal analyzing the economic viability of such a development follows. For the purpose of this report, the proposed number of units is 335 units which is approximately 34.9 units/acre. The unit mix will be two-thirds 1-bedroom units and one-third 2-bedroom units with an average 1-bedroom unit size of 700 square feet and 2-bedroom unit size of 1,000 square feet. This would result in an overall average 800-square foot unit and a total rentable area of 268,000 square feet. Within Richardson, the new urban style apartments that have recently been developed have been renting for approximately $1.50 per square foot which includes amenities such as fitness centers, pools, covered and garage parking, upgraded unit amenities such as washers and dryers. Mr. Kirk provided a pro forma that justified this rent at this location.

The next step in determining the financial feasibility of the site is to determine the operating costs for the project. This information was not readily available through my research; however, as part of my interview with Mr. Kirk, he provided a preliminary report based on proprietary data used within his industry. Based on the type of development proposed, he stated that the operating expenses would be about $7 per square foot.

The following table provides a breakdown of the costs associated with the above described development. Information regarding proposed construction costs, gross income, operating expenses, and net operating income are derived from discussions with Mr. Kirk regarding current market calculations for these figures as well as other sources.

Site Acquisition Costs – includes land and existing improvements (based on DCAD values)	approximately $6,300,000 for about 9.6 acres (represents $15/sf cost)
Construction Costs per square foot of rentable area	Using assumed construction cost of $110 Total Construction Cost = $29,480,000
Total Rentable Area	268,000 square feet (based on 800-square foot average apartment)
Average Rent (based on $1.50/sf and 95% occupancy)	Annual Rental income of $4,582,800
Total Operating Expenses (based on	268,000 sf * $7/sf annually = $1,876,000 annually
Net Operating Income	$4,582,800 - $1,876,000 = $2,706,800
Total Development Cost	$6,300,000 + $29,480,000 = +$35,780,000
Multi-Family Cap Rate	5% to 6.5% (per Mr. Kirk's current market knowledge – assume 6% cap rate
Annual Return on Investment	$2,706,800 / $35,780,000 = 7.57%
Value (net annual income/cap rate)	$2,706,800 / 0.06 = $45,113,333
Revenue (value – Total development cost)	$45,113,333 - $35,780,000 = $9,333,333 (revenue approximately 26% of development cost)

The information in the above table provides two positive indicators related to the financial feasibility of the proposed redevelopment. First, according to Mr. Kirk, his company does not typically consider a project unless initial study shows a minimum annual return on investment of 7.5%. With a return of approximately 7.57%, it would be reasonable to assume that further study into the proposal would be warranted. Secondly, with the value of the project being approximately 26% higher than the development cost, it is likely that a lender would grant a loan for the project. The loan may only finance up to 80% of the cost, leaving the developer to provide the remaining 20% of the cost up front. However, based on the numbers provided above, it may be possible to obtain the required 20% from partners or grants from the City or other governmental agencies encouraging this type of development.

As presented, a rezoning of the northwest corner of Belt Line Road and Plano Road (including the entire shopping center and pad sites) to a Planned Development for a dense, urban style multi-family development is a possible option. The Planned Development would provide very detailed guidelines regarding building design, height and density requirements, along with strict guidelines regarding the relationship between the street and the buildings. Whereas typical apartment complexes are fenced off from the surrounding area, this development would provide regulations requiring connectivity to the surrounding streets and allow free flow of pedestrian movement throughout the development. A possible layout for the development is shown below in Figure 6.

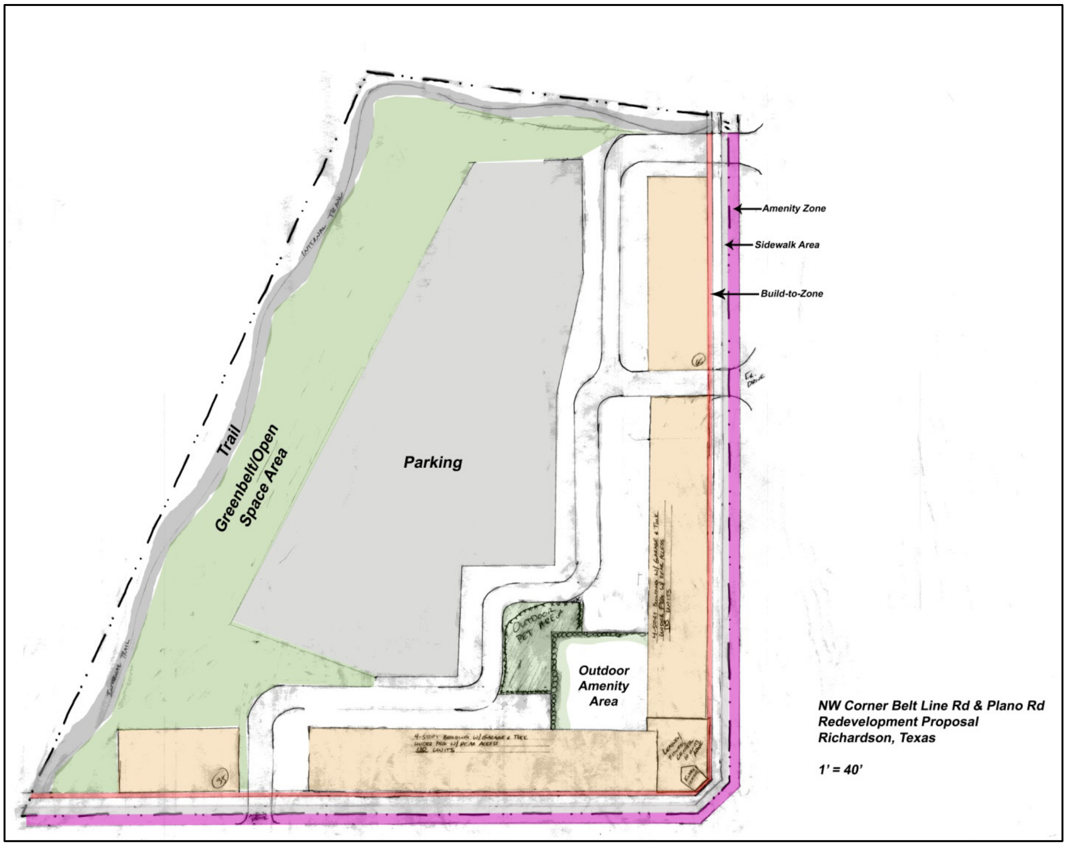

Figure 6: Possible Development Layout for Site B.

The following set of Planned Unit Development (PUD) regulations provides development regulations and design criteria that would dictate the type of desired development. A proposed plan that could be developed in accordance with the following guidelines is shown above in Figure 6.

NWC Belt Line and Plano Road Planned Unit Development

Intent: The following PUD shall be designed to provide a high quality multi-family development that provides opportunities for retail, restaurant and office uses along the street frontage when the market allows for it. The site shall be developed in a manner that provides and encourages pedestrian movement through and around the site and takes advantage of the surrounding natural and built recreational and service amenities. Further, the development shall provide a design that has an urban character and allows for an active pedestrian realm between the buildings and streets.

1. Uses – The following uses shall be allowed within the PUD.
    a. Apartments.
    b. Retail, restaurant and office uses (such uses limited to the ground floor of units with frontage along Belt Line Road and Plano Road).
2. Building Materials – The facades shall be constructed of the following materials:
    a. Masonry materials including brick, stone, decorative concrete block.
    b. Other materials including ventilated wall panel systems (metal panels), stucco (3-step process).
    c. Other materials shall be allowed as accent materials, not to exceed 10% of the overall façade materials.

    Building elevations shall be required to be submitted, reviewed, and approved by the City Plan Commission at the time of development plan approval.
3. Building Height –Building height shall be:
    a. 4 stories, not to exceed 60 feet. Additional height shall be allowed for parapets, entry features, and other architectural features that are in scale with the principal building.
    b. Accessory buildings, such as cabanas, maintenance buildings, and pool equipment buildings shall be limited to a maximum height of 15 feet, and shall not be visible from Belt Line Road or Plano Road.
4. Streetscape – The following features shall be provided between the main travel lanes and building frontage. Depending on the available right-of-way, the features may require placement within pedestrian easements on private property.

    a. 10’ Amenity zone area (measured from back of curb). The amenity zone shall provide a uniform paver area with approved canopy trees from the City’s Landscape Policy space 40 feet on center. The amenity zone may be wider at areas where additional parkway area within the right-of-way is available and will be within the public right-of-way.
    b. 8’ sidewalk that shall be constructed of scoured concrete and shall be located within a pedestrian easement on private property.
    c. 10’-15’ build-to-zone (BTZ). The area between the minimum build-to-line and back of sidewalk shall allow encroachment of awnings, canopies, and street furniture.
5. Density – A maximum density of 35 dwelling units per acre shall be allowed.
6. Unit Size – The minimum and average unit size shall be:
    a. 1-bedroom: Minimum 600 square feet / Average 700 square feet.
    b. 2-bedroom: Minimum 900 square feet / Average 1,000 square feet.
7. Parking – 1.5 spaces per unit. Total 502 spaces. (The typical city parking requirement would be 2 spaces per unit, but a reduction is justified based on the high percentage of 1-bedroom units).
    a. Parking shall be provided behind the front wall of the building and shall be screened from the public right-of-way.
    b. Parking shall be provided in surface parking lots (covered or uncovered), tuck under parking spaces underneath the building, and within garages with direct access to units (1-car garage and tandem garages allowed).
8. Building Design
    a. Buildings shall be designed with retail ready spaces on the ground floor for a depth of 40 feet along Belt Line Road and Plano Road. The spaces are allowed to be occupied by multi-family units but shall be constructed to allow seamless transition into commercial space when the market bears.
        i. Retail ready spaces shall be required a minimum 15-foot floor to ceiling height.
        ii. Such spaces shall be constructed with adequate plumbing, electrical, and venting services as required by the City’s adopted Building Code.
9. Landscaping, in addition to the amenity zone, shall be required and shall be provided at a minimum of 10% of the site area.

Final Conclusions

Dallas Midtown seeks leverage a critical mass of population, employment, and income that is present along the LBJ Freeway corridor and surrounding neighborhoods. The successful redevelopment of the site would be represented in the creation of a high-density, mixed-use product that creates a true urban village that allows for people to live, work, and play. However, through a successful master land use study of the subject site and surrounding area, including the Galleria and surrounding area (LBJ corridor between Preston and the Dallas North Tollway), it is possible for this area to transform into something even greater. The phrase that the sum is greater than the total of all the parts would be appropriate when describing the type of synergy that could be created between developments along LBJ Freeway. It is possible this synergy between Dallas Midtown and the Galleria, in conjunction with the improved roadway network, could create a new center of business and entertainment within the Dallas area. As downtown Dallas struggles with vacant office buildings and a lack of population after dark, the Dallas Midtown area could become a shifted "center" for Dallas. This may be further exacerbated by the fact that the area becomes more central as growth continues to increase to the north much more than to the south, thereby being a more convenient "city center" for a greater portion of the D/FW population.

The proposed redevelopment plan for the northwest corner of Belt Line and Plano Roads seeks to provide a viable redevelopment opportunity for a failing retail center located at an intersection already "over-retailed". Due to the large amount of retail and office/industrial space within the immediate area, a redevelopment plan that sought to provide a different type of development that could provide something the City and region could benefit from while providing design guidelines that help to ensure quality development that will be able to stand the test of time. Although political factors could lead to difficulty for approval of the proposed PUD, a well presented case extolling the benefits of quality, sustainable development types, and the removal of failing retail space may help to promote the project.

A project of this nature does not represent a type of development that would have as major of a regional impact as Dallas Midtown might have. However, the concept of identifying neighborhood shopping center greyfield developments is an imperative first step for inner-ring suburbs seeking to revitalize their city. Next, the identification of possible redevelopment opportunities will be a product of analyzing the specific site characteristics to determine what might be an appropriate reuse or redevelopment of the site. The factors influencing the type of redevelopment may be localized in nature or could be more regional. Greyfield redevelopment on this scale is difficult because there is no "one size fits all" solution for all neighborhood shopping center greyfield sites. The northwest corner of Belt Line and Plano appears to be a viable opportunity for a multi-family development based on the surrounding development and amenities, but it may not work for a greyfield site a mile down the road. The positive outcome regarding the site specific analysis and opportunities is the ability to create and implement a quality process that will help a city in moving forward in determining how they can deal with declining developments.

Greyfield neighborhood shopping centers remain an inevitable reality for center city and inner-ring suburban areas. As time passes, demographics change and newer, easier development opportunities present themselves on greenfield sites. Older shopping centers will be left behind. As centers age, they inevitably become outdated, and infrastructure begins to decline. Planning decisions made decades in the past can have major impacts on the success of current retail development. It requires city staff to work with local developers and neighborhood groups to devise creative ways to reuse properties or redevelop if the design is unable to be successfully converted.

Greyfield redevelopment, whether it is a regional mall or small neighborhood shopping center, is a much more difficult proposition compared to greenfield development. Many developers will choose the path of least resistance which will be rapidly growing communities looking to increase their tax base at the expense of quality development and sound planning principles. Greyfield sites will tend to be located in communities where the tax base is stable. The redevelopment of one site will not have a major impact on the tax base; therefore, the community will generally be much more interested or critical of the details of each and every redevelopment project.

This report has provided an analysis of two differing greyfield sites within the Dallas/Fort Worth metroplex. Valley View Center, a declining regional shopping mall, has already begun the process of reuse and redevelopment into a more urban style, mixed use village to provide a development style that appears to be more sustainable and able to adapt to future market changes. The northwest corner of Belt Line and Plano Road represents a different type of greyfield seen in inner-ring suburbs. The proposed multi-family development plan presented in this report provides a framework for the City of Richardson and a developer to replace a failing retail corner with a denser, higher quality development that will not only serve the immediate neighborhood but help to address the growing need for housing in the rapidly growing metroplex.

Not all greyfield sites will have easily identifiable options for how to fix the problem; however, thoughtful and detailed study of these sites can assist inner-ring communities in defining the future for problematic sites. Greyfield sites will always present more issues than greenfield sites, but their proximity to the center city and existing transportation and utility network are a key advantage that need to be noted and made a part of City's economic development programs seeking to encourage redevelopment.

Regardless of the size or context, greyfield sites inherently present more issues than greenfield sites. Not only is a well designed redevelopment plan necessary, but a solid public-private partnership between the developer and the city needs to be forged. The partnership with the public sector allows the developer to leverage the relationship to provide a beneficial situation for both parties. The developer achieves financial or regulatory assistance for public improvements related to the development, including repair and replacement of failing utility infrastructure or landscape and pedestrian realm upgrades. In turn, the public receives benefits in the form of a revitalized site that is more attractive to future businesses, provides an increase tax base, and begins to transform once declining sites into something positive. Within the context of the Dallas area, many of the inner-ring suburbs do not have tax money that can be directly dedicated to economic development since sales tax money may be dedicated elsewhere such as DART; therefore, they need to maximize their creativity when dealing with redevelopment. Instead, a team comprised of a creative developer and some open minded municipal officials, including planning professionals and elected officials, need to play a key role. Their charge should be to identify potential greyfield redevelopment sites and plan the best course of action that utilizes the assets of the developer and community to create a vibrant, successful development out of a once deteriorating greyfield.

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Image References

Figure 1: Aerial of Valley View Center, Dallas, TX; Source: Earthvision, LLC.

Figure 2: Photograph. Valley View Center Photo (1982). Dallasnews.com. Web. 26 Nov. 2012. <http://bizbeatblog.dallasnews.com/2012/05/lenders-lose-big-time-on-valle.html>

Figure 3: Photograph. Valley View Center Photo (2012). Wbap.com. Web. 26 Nov. 2012. <http://www.wbap.com/Article.asp?id=2442476&spid=>

Figure 4: Artist's Rendering of Dallas Midtown. Dallasmidtown.org. Web 27 Nov. 2012. <http://www.dallasmidtown.org>

Figure 5: Aerial of Belt Line Road and Plano Road, Richardson, TX; Source: Created by Christopher Shacklett using NCTCOG G.I.S. Data.

Figure 6: Possible Development Layout for Site B. Source: Drawn by Christopher Shacklett