



# Davenport Market Analysis and Use Strategy Presentation for City Council May 14, 2024

PREPARED FOR



May 2024

PREPARED BY

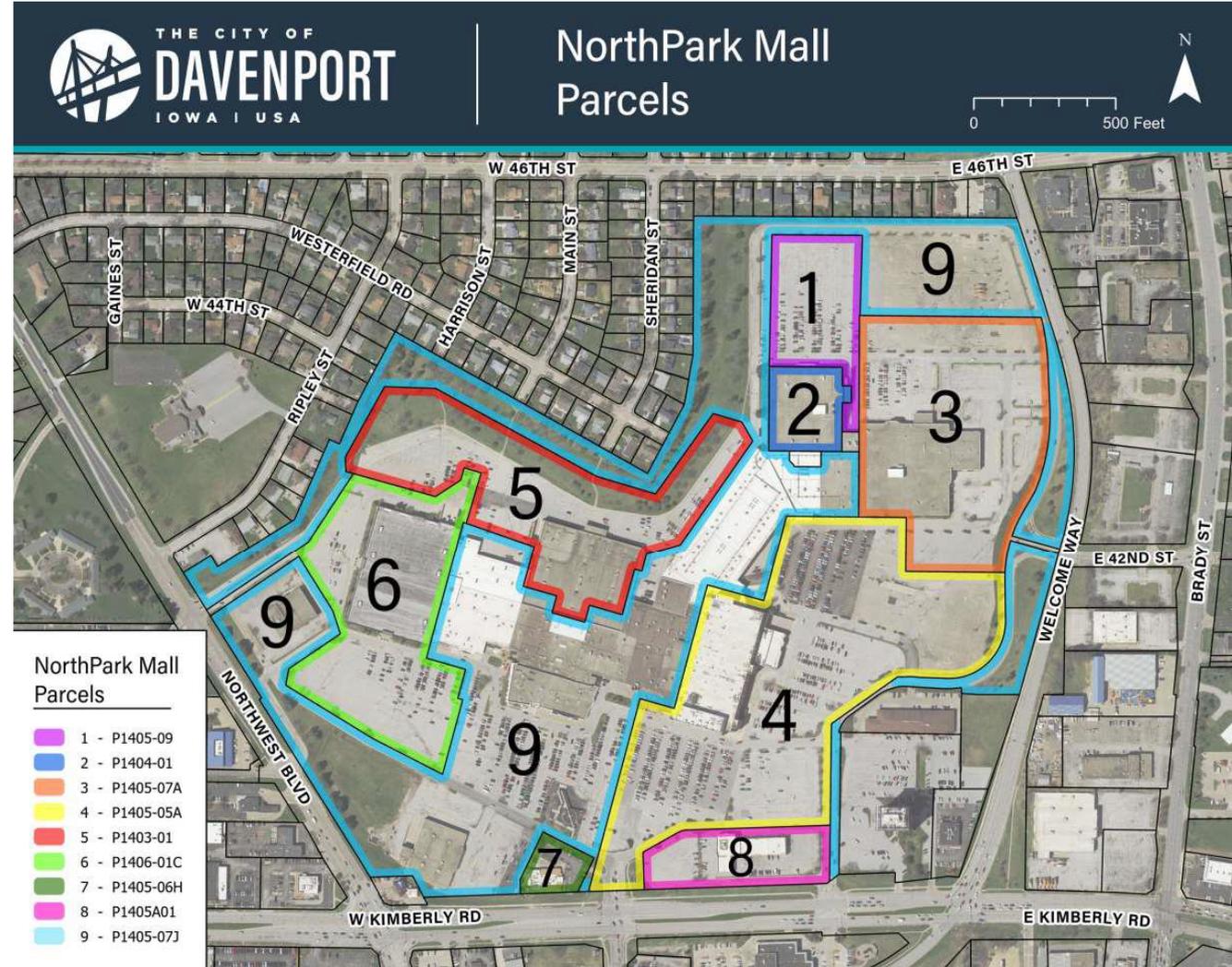


CONFLUENCE

# Purpose and Goals

A redevelopment strategy for a complex, multi-owner site to support a resilient and stable tax base for the City while providing viable shopping options in a thriving neighborhood context.

## NorthPark Mall Site



# Process



## Market Analysis

Review of Demographic, Economic and Development Trends



## Onsite Visits

to NorthPark Mall and Trade Area



## Stakeholder Engagement

Interviews with City Leaders, Mall Owners



## Case Study Research

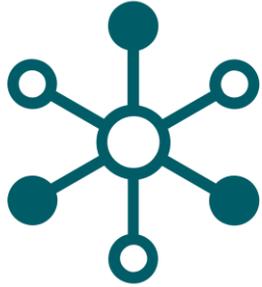
of Successful Mall Redevelopment



## Strategy Development

with Stakeholders, based on What We Learned

# Key Takeaways



NorthPark Mall remains a regional hub, but the retail decline is real.



Localized growth and new industries create opportunity.



Urgent need for redevelopment and a shared vision.

# How retail is organized in today's world

**Commodity goods and services** generally are the same regardless of the origin of purchase.

- For this reason they are purchased without emotional connection by the consumer, and with the trade off between price and convenience being the primary decision making function.

**Specialty goods and services** in contrast involve allocating discretionary income and discretionary time.

- The physical environment and a sense of place in which these emotional purchases are made becomes increasingly important.

Commodity and specialty **describe shopping behaviors** more than a given retailer or service provider.

- Think about the improvements and sense of place being created, as well as the larger location and context.
- We must assess whether a commodity, specialty, or hybrid focus is appropriate, and if demand exists for what is envisioned.



# Case Study: Diverse Public Funding Sources

## Lakeside Mall, Sterling Heights (Detroit area) MI



**Opened:** 1976  
**Closed:** 2024  
**Redeveloped:** 2025-  
**Acres:** 110

- \$1 Billion redevelopment plan for mixed-use town center
- Planning for 90% reduction in retail space, addition of 30 acres of public space, 2,800 housing units, hotel, office, retail and dining
- Received state funding to buy closed anchors; potential funding from city bonds, new TIF district, state brownfield fund

# Case Study: Non-Retail Anchor Partner

## Highland Mall, Austin TX



**Opened:** 1971

**Closed:** 2015

**Redeveloped:** 2020

**Acres:** 81

- Austin Community College (ACC) Campus, multifamily, office and retail
- Public-Private Partnership between ACC + developer RedLeaf Properties
- Use of voter-approved bonds, revenue bonds, private equity, bank loans
- Favorable zoning from prior planning helped with entitlements



# **Plan and Recommendations**

# Strategy Overview



**Right-Size the Mall.** Reduce square footage of retail in order to reduce risk of further tenant loss.



**Create the Place.** Capture larger share of growth that is occurring in the metro by redeveloping the site as THE place to live/shop.



**Activate the District.** Drive as many people to the district as possible, as frequently as possible, and for as long as possible.

# Right-Size the Mall



## *Proposed Retail Reduction*



- Proposed reduction: 300,000 square feet of retail.
- Once a mall gets to 25-30% vacant, retailers who remain begin to have self-help rights including rent reduction and potentially, the right to terminate their leases.
- NorthPark Mall is close to 30% vacant today.

# Right-Size the Mall



*Cost of Inaction:  
Belmar Case*

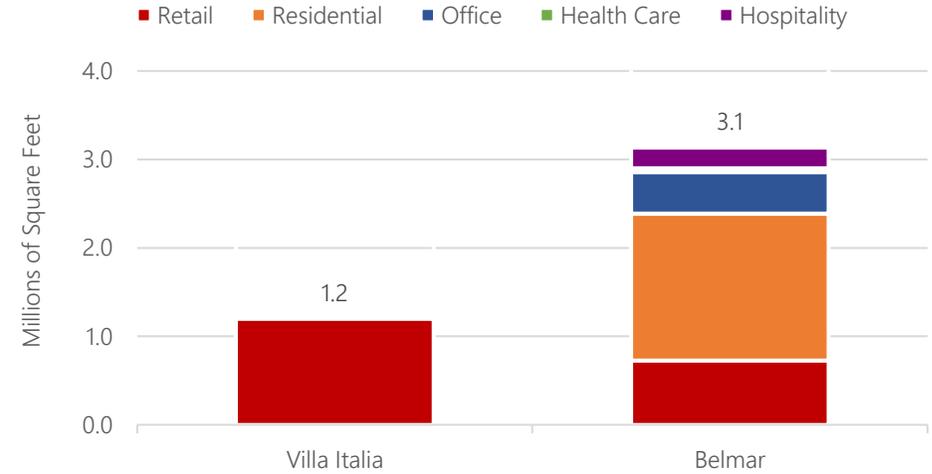


**Belmar** *BEFORE*

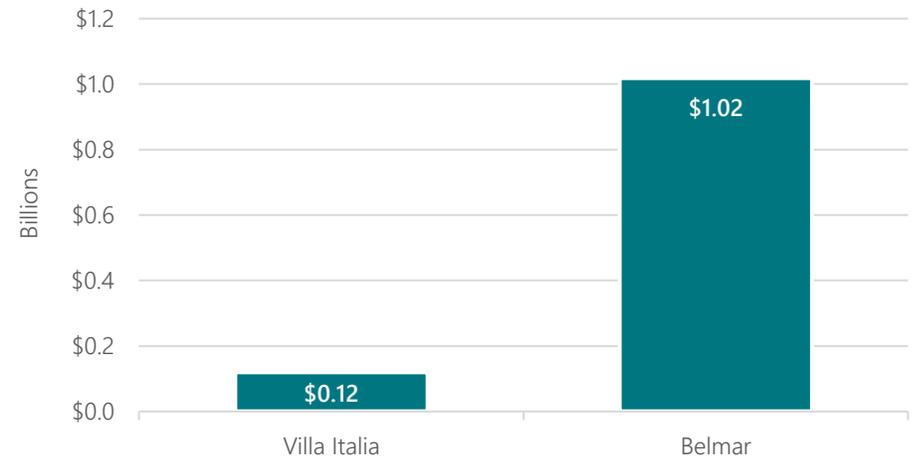


**Belmar** *AFTER*

## Square Feet of Development by Type:



## Estimated Total Property Value:



# Right-Size the Mall



## *Multiple Owners: Eastgate Mall*



- History: Dillard's transformation to clearance center 2015, Sears closure 2019, bank possession 2020
- 11 property owners, including developer Hull Property Group (main building, surrounding parcels) may mean that some portions develop before others
- Sears demolition began February 2024, bought by Kroger 2021 (plans for large format "marketplace")
- Community-informed Master Planning process conducted in 2023, includes two concepts



## NorthPark Mall "Town Center" Site Concept

*What could this look like for NorthPark Mall?*

- Single- and Multi-family Housing
- Celebration of Public Space





## NorthPark Mall "Main Street" Site Concept

### ALTERNATIVE Concept

- Small Lot Single-Family Housing
- Mixed-Use and Multi-family



# Create the Place



## Public Spaces

Mosaic District, Merrifield VA



## Nature Access

Northgate Mall, Seattle WA



## Signage, Public Art

Baybrook Mall, Friendswood TX



## Streetscape Improvements

First Colony Mall, Sugarland TX

## *On the Ground Placemaking*

- Outdoor community spaces, access to nature
- Street furniture and amenities
- Signage, public art to evoke “sense of place”
- Promotion as a destination



## PUBLIC-PRIVATE PARTNERSHIPS

- Mission-driven development
- Shared risk
- Public leverage 10:1

### Tools

- Joint master planning
- Development agreements
- Reentitlement
- Introduction of public uses
- Funding strategies (TIF, grants, infrastructure, special districts)

### Factors

- Time
- Public engagement
- Public and private sector roles
- Trust, transparency
- Champions and leadership

# Activate the District



## *Community Events and Programming*



### Lakeline Farmers Market

Lakeline Mall, Austin TX



### Community + Youth Events

Southdale Center, Edina MN

## *Community-Oriented Development*



### Adaptive Re-Use of Retail into Community Performing Arts Space

Lloyd Center, Portland OR



### Sports/Event Facility Development

Kraken Practice Facility, Northgate Mall, Seattle WA

# Activate the District



## NORTHPARK'S HOUSING DEMAND



1,894 net new households  
about 190 per year

Generating demand for:



2,016 net new housing units  
about 200 per year



Estimated NorthPark Capture:  
353 net new housing units

## Housing Types for Mall Redevelopments:

### TOWNHOMES



Birchwood Grove  
Davenport IA • *Built 2022*

Collin Creek Mall Townhomes  
Plano, TX • *Under Construction*



### MULTIFAMILY



Medina Highlands Apartments  
Austin, TX • *Built 2023*



One Southdale Place  
Edina, MN • *Built 2014*



# **What's Next**

# What's Next

## RIGHT-SIZE THE MALL

- Demolish underutilized space

## CREATE THE PLACE

- Create a Master Plan for redevelopment
- Begin planning for infrastructure, implementing regulatory actions, and exploring partnerships to promote housing development at NorthPark

## ACTIVATE THE DISTRICT

- Program with events and activities (farmer's markets, outdoor events)
- Adapt existing retail spaces into community performing arts venues
- Recruit experiential retail and dining



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