

America's Top Redevelopers

Chain Store Age's fifth annual survey ranks the country's top 10

By Katherine Field

Ground-up developments have all but come to a screeching halt, compliments of a nasty economic downturn. Redevelopment, on the other hand, has emerged as the new black, with shopping center owners pouring their efforts — and their resources — into maximizing existing assets.

So it wasn't a huge surprise that the response to this year's "Top Redevelopers" survey — which measured 2008 redeveloped square footage (including renovated and expanded space), investment figures as available and total number of projects completed by year's end — was particularly hearty.

In our fifth annual ranking of the country's top redevelopers, *Chain Store Age* once again tried to make the selection process as objective as possible. It was not easy. As has been the case over the last four years, not enough information is available to formulate a totally foolproof ranking system.

Only a handful of developers report financial investments in redeveloped projects, and many tally redevelopment square footage in differing ways.

To be fair, we have listed our top 10 in alphabetical order, sending a message to the retail community

that these developers share an active, and admirable, commitment to redevelopment — and no one company can really be objectively ranked higher than the next.

Editor's note: For the first time, we have added two "honorable mentions," based solely on the significance of the restored projects. Both are described on the next page.



The Shoppes of Kildaire, in Cary, N.C., was reinvented when a former Winn-Dixie space was rehabbed and replaced by the state's first Trader Joe's and the area's second Staples.

CBL & Associates Properties Chattanooga, Tenn.

CBL is no stranger to the top redevelopers list. In 2007, the company redeveloped 2.5 million sq. ft., and its 2008 numbers came close. Of CBL's 1.8 million sq. ft. of redeveloped

Top Redevelopers of 2008, an alphabetical listing

Developer	Headquarters	2008 Sq. Ft. Redeveloped	2008 Redevelopment Investment	Total Projects Redeveloped
CBL & Associates Properties	Chattanooga, Tenn.	1,835,483 sq. ft.	NA	4
Centro Properties Group	New York City	5,708,023 sq. ft.	\$293,417,269	28
General Growth Properties	Chicago	2,195,667 sq. ft.	NA	25
Glimcher Realty Trust	Columbus, Ohio	487,500 sq. ft.	NA	4
Kite Realty Group	Indianapolis	685,827 sq. ft.	\$32,000,000	1
Macerich Co.	Santa Monica, Calif.	2,872,208 sq. ft.	NA	6
Phillips Edison & Co.	Cincinnati	1,200,000 sq. ft.	NA	23
Regency Centers	Jacksonville, Fla.	810,137 sq. ft.	\$9,280,191	6
Stirling Properties	Covington, La.	406,990 sq. ft.	\$40,885,000	3
Westfield Group	Los Angeles	(total sq. ft.) 7,170,000 sq. ft.	\$1,650,000,000	7

NA: Not Available

Source: Chain Store Age research and completed company surveys

oped space in 2008, it cites the Brookfield Square renovation as the year's most significant. The 1 million-sq.-ft. Brookfield (Milwaukee), Wis., regional mall received a multi-million-dollar transformation that introduced contemporary design improvements, such as remodeled entrances, enhanced interior lighting, new interior decor,

Italian tile flooring and a modern graphics package. The renovation went hand-in-hand with a collection of enhancements that included restaurant additions as well as an upscale specialty grocer.

Centro Properties Group New York City

Centro invested \$293 million in its 28 redevelopment projects in 2008, but even with all of the redevelopment activity, the company calls out South Towne Centre, in Dayton, Ohio, as its most noteworthy. The center, then 66% leased, underwent a redevelopment that included rehabbing a former Kmart space into a multi-tenant retail building anchored by Jo-Ann Fabric and Crafts. Burlington Coat Factory expanded to a 69,000-sq.-ft. prototype store, and Centro invested additional capital in upgrades that included a new facade, lighting, paving and roofing. The total outlay was \$15.4 million — and today the 329,003-sq.-ft. center is 94% leased.

General Growth Properties Chicago

General Growth has been busy beefing up its third-party management division, but that doesn't mean the developer hasn't put its resources toward redevelopment. Of the 25 properties that were renovated and/or expanded in 2008, Towson Town Center, in Towson, Md., was the year's most significant. The project launched two-and-a-half years ago with what GGP describes as three main areas of concentration — renovation of the food court, reconstructing and remerchandising levels 1 and 2 of the existing center, and building an expansion wing and streetscape.

Glimcher Realty Trust Columbus, Ohio

New to the list this year, Glimcher had a landmark redevelopment in 2008, with

the \$52.8 million revampment of Polaris Fashion Place in Columbus, Ohio. Already a successful high-end retail shopping center, Glimcher opted to make the lifestyle expansion when Federated bought The May Co. and its Kaufmann's stores. With successful mall anchors already in place, Glimcher used the vacant space as a lifestyle expansion to complete its entertainment and restaurant offerings. The property generates approximately \$400 million in sales, and stores average more than \$400 per square foot. The new 167,000-sq.-ft. expansion is expected to net additional sales of approximately \$50 million.

Kite Realty Group Indianapolis

Another newcomer to the top redevelopers list, Kite redeveloped 685,827 sq. ft. in 2008 — all in one project. Glendale Town Center, in Indianapolis, was repurposed from an indoor mall to an outdoor community center, to the tune of a \$32 million investment. Kite acquired the mall in 2000, and razed the main portion of the mall to accommodate a new parking lot and a Target. In addition to retail, office space was added to include medical and educational service providers. Today, the center is home to, besides Target, Macy's, Lowe's, Kerasotes Theaters, Staples and the Indianapolis-Marion County Public Library.

(Honorable Mention)

Cafaro Co. Youngstown, Ohio

In 2008, Cafaro Co. redeveloped 215,000 sq. ft. and two projects — Millcreek Mall, in Millcreek Township, Pa., and Kennedy Mall, in Dubuque, Iowa. In Millcreek Mall, the company found a community eager for an updated gathering place. Cafaro invested nearly \$12 million, completing a transformation that involved renovating a segment of the mall structure into a hybrid lifestyle center with open-air facades and entrance doors, but attached to the mall proper to shelter shoppers from the harsh local winters. The soaring atrium of an all-new 350-seat food court, along with new skylights, ceilings and flooring, filled the concourses with brightness and energy.

(Honorable Mention)

The Sembler Co. Atlanta

The Sembler Co. stayed close to home with its 2008 redevelopment project — a revival of a 36-year-old landmark shopping center, the Prado in Sandy Springs (Atlanta), Ga. The 250,000-sq.-ft. project combined two tracts of land developed in the early '70s as apartment and office/retail complexes. These tracts are a local rarity — sizeable enough for several big-box retailers, small-shop buildings and parking inside the I-285 perimeter in metro Atlanta. There is 115 ft. of vertical elevation change from one end of the parcel to the other. An existing 73,000-sq.-ft. retail/office building was partially redeveloped; existing tenants remained open while most of the surrounding land was redeveloped for the new shopping center.

Macerich Co. Santa Monica, Calif.

Macerich tackled six redevelopment projects in 2008, but spotlights The Oaks, in Thousand Oaks, Calif., as its most significant. The multi-phased renovation and expansion transformed the center into an upscale retail destination that blends an enclosed mall with an open-air lifestyle center. The project introduced a two-level, 138,000-sq.-ft. Nordstrom,

two levels of open-air specialty shops, a multi-level parking deck and a new upscale dining and entertainment venue. At the same time, the two-level enclosed shopping center was completely renovated and reconfigured. The open-air retail venue is positioned around a piazza complete with valet parking, restaurants and a luxurious theater venue.

**Phillips Edison & Co.
Cincinnati**

The most significant of Phillips Edison's redevelopment efforts in 2008 was, according to the company, Pablo Plaza in Jacksonville Beach, Fla. Through the developer's efforts, the center was improved from an occupancy rate of 50% to 95% today. Phillips Edison leveled out the floor of an old theater, expanded the space and relocated several smaller tenants in order to execute deals with both Marshalls and Home Goods. Both retailers signed 10-year leases, and both deals have dramatically affected the property's net operating income. When another local tenant defaulted on its lease, Phillips Edison was able to backfill the space, receiving significantly higher rents.

**Regency Centers
Jacksonville, Fla.**

Regency Centers spent more than \$9 million revamping six of its assets in 2008, and the company points to The Shoppes of Kildaire, in Cary, N.C., as its most notable. When Regency acquired the 25-year-old center in 2005, the company reinvented it by adding the state's first Trader Joe's and the area's second Staples in what was once a Winn-Dixie footprint. With the improved draw of the two new anchors, the center's merchandising was upgraded with nine new tenants over the past three years. In addition, it underwent a full remodel, including new canopies, exterior facade, sidewalks, lighting, landscaping and fabric awnings. Total project cost was \$3.2 million.

**Stirling Properties
Covington, La.**

When a historic funeral home is reborn as a bookstore, it is a significant redevelopment. Stirling Properties almost single-handedly revitalized a deteriorating Garden District intersection in New Orleans when it gutted the iconic Bultman Funeral Home on St. Charles Avenue and converted it into a 24,000-sq.-ft. Borders. The mansion-like exterior was retained, while

improvements such as an elevator, increased parking, and a cafe with outdoor seating brought in modern-day standards and amenities. Stirling worked with the New Orleans Preservation Resource Center and the city's Historic Districts Landmark Commission in planning the \$9 million project.

**Westfield Group
Los Angeles**

Last year, Westfield redeveloped seven projects for a whopping \$1.65 billion investment. Westfield Doncaster — in Melbourne, Australia — is the year's most noteworthy because, said Westfield, it is the largest project as well as one of the longest held in the company's portfolio. Westfield built the mall in 1969, and, although several improvements and expansions occurred over the years, a new day in center design and amenities prompted the owner to revisit the center. The \$580 million redevelopment more than doubled the size of the center to 1.4 million sq. ft. with the addition of 178 specialty stores, bringing the total number of stores to 420. ■
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