



A Statement of Design and Programming Expectations for the Redevelopment of the University Mall



Prepared for the Midtown Redevelopment Advisory Board # 1
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Table of Contents

Preface

- 1 • *Building Blocks for a Midtown Vision*
 - 1 • *The ULI Study*
 - 2 • *Overlay District for Development Standards*
- 3 • *Expectations for the University Mall Site*
 - 3 • *Design & Aesthetics*
 - 4 • *Use Programming*
 - 7 • *Community Benefits & Outcomes*
- 8 • *A Special Note About Target*
- 9 • *Illustrative Examples of Mixed-Use Projects*
 - 10 • *Market Common, Clarendon*
 - 11 • *Birkdale Village*
 - 12 • *Pinnacle Hills Promenade*

Preface

The Midtown Redevelopment District No. 1 Advisory Board was established by the City of Little Rock Board of Directors by resolution in December 2003. Its purposes, set out in the resolution, were:

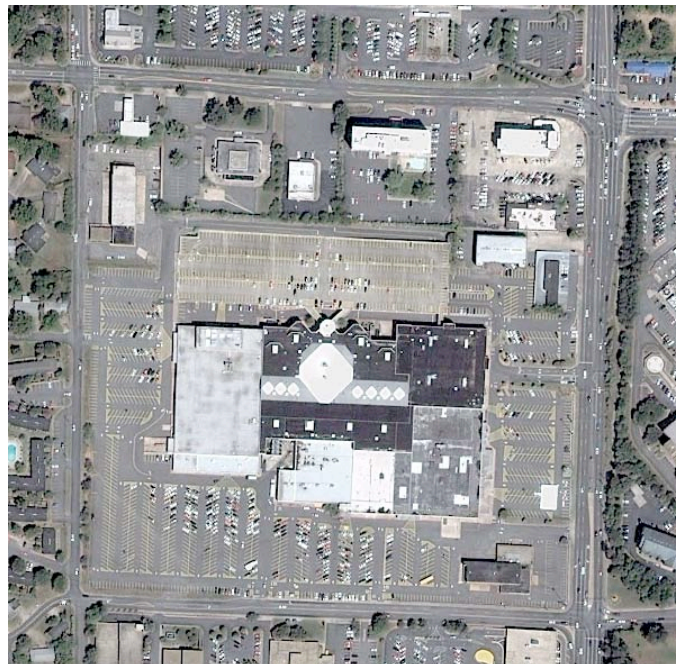
...to represent the District, its real property owners and the City in planning, developing, financing and effecting a plan of redevelopment for the area of the District by presentation and recommendation...

By the summer of 2006, the Advisory Board had concluded that the most significant opportunity to shape the future of the Midtown Redevelopment District was on the site occupied by the University Mall. Not only was this the largest single piece of commercial real estate in the District, but it was clear that it was likely to undergo a transition of some kind following the resolution of the legal dispute between the property owner and the mall's operator, Simon Property Group.

In anticipation that the property owner, either in cooperation with Simon or another developer, would eventually seek to redevelop the site, the Advisory Board asked its consultant, The Jamieson Group, to assemble from existing studies and the deliberations of the Board a summary of its vision for the University Mall site.

This "Statement of Expectations" is intended to be the Advisory Board's formal recommendations regarding the planning, design and use programming issues that will be important to the redevelopment of the the University Mall property. Although the project it describes is ambitious, it is consistent with other mixed-use developments occurring in similar markets across the country.

It is the Advisory Board's hope that the Statement of Expectations will be employed by the City, the property owner, prospective developers and the future tenants as a guide to how the community would like to see this real estate used in the future. It also provides a point of reference for other initiatives taking place in the Midtown area, including plans for War Memorial Park and the improvement of major public thoroughfares such as Markham Street and University Avenue. Finally, it is also the basis for the assembly of a redevelopment plan as envisioned by Arkansas statute (§14-168-305).



The Building Blocks for a Midtown Vision

A consensus view of what kind of development should take place in Midtown Little Rock did not burst forth, fully formed, in recent deliberations of the Advisory Board. Instead, many people have participated in a process that has stretched over five years to envision a future for this critical commercial neighborhood. Major contributions were made by the original Midtown Task Force, including the landmark Advisory Services Panel Report by the Urban Land Institute. The City's Planning Department and Planning Commission developed -- again, with considerable citizen input -- the "Overlay District" to provide special development standards for the Midtown area. More recently, the Midtown Redevelopment Advisory Board has worked to create the legal and financial tools necessary to implement a redevelopment program, and as part of doing so, has revisited and refined its concepts for the utilization of specific sites. This is the context for the work to be presented here regarding the future of the University Mall site.

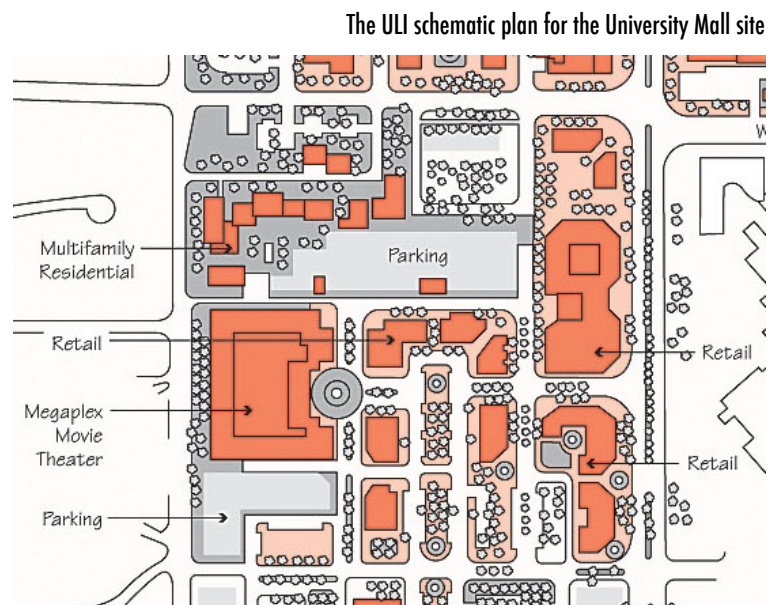
The ULI Study

Much of the current thinking regarding the future of the University Mall site is grounded in the market analysis, programming concepts and urban design recommendations made in the 2001 ULI study. The panel's analysis had many useful insights, but the three that clearly shaped the present vision are:

- **Market Quality:** The subject site is well-located with good access to a large and relatively affluent and well-educated market.
- **Unmet Needs:** Many basic retail and service needs of the adjacent neighborhoods are underserved or entirely unmet. Further, institutional users in Midtown -- primarily hospitals and higher education -- need office space and other facilities for the professionals who want to be located near them.
- **Urban Features:** Any new projects should be pedestrian-friendly and have midtown scale and density. Residential should be incorporated into new development.

ULI's site design was not highly detailed, but it did make clear that the panel saw little future for the existing mall. Among its character-defining elements:

- It was pedestrian oriented and included a generous amount of landscaped open space



- It put nearly all of the parking in structures
- Had a substantial residential component
- Had accessibility and visibility from Markham
- Used the University Avenue frontage for retail

The Overlay District for Development Standards

Another recommendation of the ULI study was to create a unique set of design and development standards for the Midtown District. The Planning Commission and the planning staff tackled this job in 2003 and crafted an ordinance whose purpose was to create in Midtown:

... a quality, vital atmosphere for businesses (commercial or office) and residents. Buildings, parking areas, signage, landscaping and street furnishings should all be designed to complement and encourage pedestrian use both day and evening.

Although the overlay standards are general in nature, they are crafted to encourage:

- Attractive and usable pedestrian routes in public right-of-ways
- Parking accommodated in small lots or in structures
- Underground utilities
- Shallow set-backs consistent with urban areas
- Buildings with interesting entries, wall articulations and roof lines -- in other words, no faceless big boxes
- Rich landscaping
- Signage and lighting controls

Summary

The work on the Midtown District by both citizen groups and planning professionals since 2001 has painted a consistent and continually more detailed vision of the community's expectations for new development in the area. Recent efforts by Hillcrest residents to be involved in shaping specific commercial developments, including one within the redevelopment district on Markham, provide additional evidence that the citizenry has strongly held views about the character and appearance of this part of Little Rock. The rejection of generic suburban forms is as clear as the promotion of strong place-making using development standards appropriate for a medium-density mixed-use neighborhood.

In the next section, these principles will be applied to the University Mall site.

Expectations for the University Mall Site

Any thoughtful declaration of expectations regarding the future of the University Mall site needs to divide the development issues into three categories:

- **Design & Aesthetics:** What will it look like and how will it function as part of a larger urban setting? Will this be a place that people will want to live, work or play in?
- **Use Programming:** What kinds of land uses, businesses, services and other activities will be there?
- **Community Benefits & Outcomes:** How will the redevelopment of this area make Little Rock a better place to live, work and play?

Before moving on to the exploration of each of these considerations, it may be valuable to state the obvious: The existing University Mall has become functionally obsolete. Broad changes in retail practices, consumer preferences and spending patterns in local markets have, across the country, driven many enclosed malls to failure. The University Mall is no different.

What does differ is how each community responds to the “death” of such a valuable piece of real estate. A recent ULI study entitled “Rethinking the Mall” had this to say about the challenges and opportunities created by a failing retail center:

...An obsolete or declining mall will undoubtedly be viewed as a serious problem for both the owner and the community, but it should also be seen as a long-term, once-in-a-generation opportunity. Through creative visioning, planning, and development, it may be possible to find an ingenious and comprehensive community-building solution that will have an impact far beyond the mall's parking lots. When a mall falters, the question that needs to be asked is not “How can we save the mall?” but “How can we use this opportunity to create a higher-value, more sustainable real estate development that helps build a more livable community?”

Design & Aesthetics

When contemplating what could one day replace the University Mall, many of the basic expectations seem obvious in light of the groundwork in the ULI report and in the overlay district standards. These include:

- **A strong sense of place.** The location and visibility of the subject property argues for a community-defining development. The design and aesthetics of the project should borrow from the rich architectural heritage of Little Rock, and especially from those neighboring areas such as Hillcrest that were originally developed in the early part of the 20th Century. That does not necessarily mean some kind of “historical village,” but it does imply respect for the materials, building forms and streetscapes that distinguish some of Little Rock’s most revered neighborhoods. Further, there should be a relationship between the design themes used in the site’s redevelopment and a master plan for creating a unique and compelling sense of identity for the Midtown District and the War Memorial Park area.

● **Pedestrian-friendly environment.** The term gets used so often it is nearly a cliché, but its actual realization happens only occasionally. In this case, it should mean real contemplation of how users will get around the space on foot, including those who are physically challenged, and what kind of experience they will have. It is about creating a place that is safe, attractive and interesting to walk through and sit in.

● **Public open space.** This is not an overly-large site, so a major public park is out of the question. But there should be open space that is carefully integrated into the design of the commercial and residential components. Many existing “town center” projects have used central squares (usually rendered as long rectangles) to create a kind of urban “living room” near the core of the project. This should be a comfortable space with high-quality amenities such as fountains and public art.

● **Parking in Midtown.** Correctly sited and designed parking is absolutely critical to the success of all developments. Any project at this site should take a clue from its long-time neighbors such as Park Plaza, St. Vincent’s Hospital and Doctor’s Hospital and accommodate the majority of the parking demand in structures. Large-scale parking fields are inconsistent with the goals that have been expressed for this site and make it very difficult to realize its full value. The clever use of “teaser” parking on-street or in small lots can address the need for patron convenience without a sea of asphalt.

● **Multistory forms.** Economics and aesthetics are likely to drive the need to create multistory commercial and residential buildings. There is a growing body of experience, especially in “town center” type projects, with the design of multi-story mixed-use structures so they do not overwhelm the pedestrian patrons.

● **Access and visibility from Markham; connectivity to the other side of the street.** The bi-directional traffic on Markham in the vicinity of the mall site is actually higher than it is on University. But University Mall has never had good visibility or access from Markham, which has probably been a contributing factor to its lack of success, especially when compared to Park Plaza. This needs to be addressed as part of the redevelopment of the site, as do pedestrian connections to Park Plaza, the adjacent hospitals and medical centers and to the new Midtowne Centre. It may also be useful to explore a tram or other transportation system that connects Midtown’s retail centers to nearby centers of employment such as UAMS.



These concept drawings from a proposed mixed-use project illustrate the creation of high-quality public spaces with attractive amenities (top), as well as a pedestrian oriented street with multistory mixed-use – residential over retail – buildings (bottom). Note the on-street “teaser” parking, as well as the performing arts facility at the end of the street.

Use Programming

Creating a use program for an urban site is not like compiling a wish-list. Some uses simply won't work on the property; other uses do not go together. However, there has been general agreement on the kinds of things that should be part of the mix. They are:

🕒 **Retail & Services.** What is not obvious about this choice is the kind of retail. ULI and others have long pointed out that retail at this location needs to avoid competing with regional shopping centers. Instead, retail here needs to be mostly neighborhood oriented. The tenants could include: grocery store, drug store, general merchandise department store (Target), domestic life retailers and services (video store, banks, cards, cleaners, books, pet-related, cellphone, etc.) and small/home office support such as Kinkos. A major fitness club should also be part of the mix and could potentially enjoy a relationship with one of the nearby medical centers.

🕒 **Restaurants and other food.** Normally this gets lumped together with the retail, but in this case it is worth noting what is most likely to work. Of course, there is the ubiquitous Starbucks, but other fast food that offers a chance to be a take-home meal replacement such as Panda Express will probably do well, especially with those who live in the on-site residential units. Sit-down restaurants and cafes that are priced in the middle of the market are also likely to be hits.

🕒 **Movie theater.** The 2001 ULI study strongly recommended a cinema and it is not hard to understand why. There are few if any movie-watching options east of I-430 (not counting Breckenridge); unique destinations such as the Heights and the Cinema 150 are now gone. The movie-going audience in Downtown, Hillcrest and the Heights must drive by this location to get to the existing theaters. A ten-to-fourteen screen theater with state-of-the-art seating and sound could potentially do very well. A cinema also allows the parking needed during the day for offices to be filled at night with movie-goers.



This is the movie theater at Birkdale Village, one of the illustrative projects described at the end of this report. Theaters create a draw that helps to fill restaurants on weeknights and weekends.

🕒 **Office space.** One of the best opportunities for shared parking -- which allows higher density use of the real estate -- is to combine office space with night and weekend entertainment such as a movie theater. The trick is locating the parking in such a way that it serves both uses while allowing the office space its own identity; generally speaking, Class A office users want to be near, but not connected, to retail and other services. The primary drivers for office space at this location are the hospitals and other medical services, as well as higher education, but some professionals might prefer this location to downtown.

Residential. In countless new commercial developments across the country, a mixed use formula including residential is becoming the norm rather than the exception. While sometimes in stand-alone buildings, the best projects are finding ways to comfortably and tightly integrate apartments and condos into the retail or office buildings. “Residential-over-retail” has multiple benefits for both the residents and the shopkeepers. It is not always easy or cheap to do, but it generally preferable to segregating the living units into isolated towers. Further, enough residential units need to be developed here -- at least 300 -- that there is a sense of community 24/7.

Schematic Use Program

Even in the absence of a specific architectural plan, it is possible to analyze the capacity of the University Mall site to accommodate the uses described in the previous pages. The following schematic use program identifies the principal tenants and uses, as well as their parking, circulation and open space requirements. Based on this analysis, it is apparent that the proposed use program -- which encompasses approximately 50% more developed space than the current improvements -- fits comfortably on the site.

	Footprint	Total SF		Parking
Anchor Retailer (Target)	80,000	150,000	2 stories	750
Movie Theater	60,000	70,000	2,300 seats	63 net parking after share w/ office bldg
Grocery, Specialty	35,000	35,000		175
Fitness Club	20,000	40,000	2 stories	200
Inline Retail/Restaurants & Pads	100,000	110,000		550
Offices, Class A Midrise	20,000	80,000	4 stories	320
Offices, Class A Midrise	20,000	80,000	4 stories	320
Offices, Over Retail	1,000	20,000		80 built in air-rights
Residential, Over Retail	20,000	270,000	300 units	510 built in air-rights
Total Constructed Area	356,000	855,000		2,968 gross parking 85% gross share factor 2,523 net parking requirement
	Footprint	Total SF	Spaces	
Parking, Structured (augmented existing)	120,000	360,000	1,200	
Parking, Structured (new)	40,000	240,000	700	
Parking, Convenience/Teaser on Surface	175,000	175,000	500	
Parking, On-street			100	
		Total Spaces On-Site	2,500	
Open Space, Central Square	100,000			
Sidewalks, landscaping, set-backs	175,000	(includes minor open space)		
Entries, circulation & service courts	200,000	(includes on-street parking area)		
Total Coverage Area	1,166,000	96% of 28± acres		

Community Benefits & Outcomes

The benefits that the community derives from the redevelopment of the University Mall -- aside from new and improved services -- tend to fall into two categories, tangible and intangible. Among the tangible outcomes are:

- **Enhanced property values.** The kind of uses described in this report, and the density at which they could be assembled on this site, will lead to significantly higher property values. If the underlying dirt today has a value in the vicinity of \$9 per square foot (based on rents), it would likely increase to \$15 and perhaps even \$20 a square foot if a medium density mixed-use project were successful at this site. Rising values like this, driven by new investment, are one of the most tangible signs of increasing community prosperity.
- **Increased tax revenues.** If the community's expectations are met by the new development on this site, the total assessed value is likely to increase by as much as \$120 million. This will lead to dramatically increased property tax revenues, particularly for the school district. Sales tax receipts should also increase -- an important consideration for the City -- even though the total amount of space devoted to retail will actually be less than what is there currently. A new and vital retail center is likely to witness per square foot sales that are several times higher than even the best of the existing stores.
- **Increased local employment.** The new development described here would employ many times the number of workers, including those in the professional office space, than are currently found on-site.
- **Improve synergy with neighbors.** The other nearby commercial developments such as Park Plaza and the Midtowne Center are likely to see improved sales with a strong set of land uses at the University Mall site. Even institutions such as St. Vincent's will benefit from the "halo effect" of a desirable destination next door.

Among the important intangibles are:

- **A strengthened sense of community identity.** A successful development that makes a clear architectural statement improves the whole city's self-image.
- **A catalyst for other investment.** Redevelopment project such as this often have a follow-on effect that spurs investment that is several times greater than the value of the initial undertaking.
- **Improved recreational and lifestyle choices.** A well-designed and programmed project will create new opportunities for local residents when it comes to spending their free time and will allow them to stay close to home, rather than having to travel to enjoy a similar experience.
- **New asset to help "sell" Little Rock.** In the never-ending quest to recruit businesses and institutions to the city, a new development at the University Mall site would be a good example of the community's vitality and could provide residential options similar to those newcomers had in the places they are coming from.

A Special Note About Target

As far back as 2001, a Target store has been publicly mentioned as a possible retail use that might be interested in locating at the University Mall site. Although various legal complications have kept that from happening, it has been widely agreed that Target would be welcomed addition to the neighborhood and would be a neat fit for the area's demographics and consumer preferences.



One of the challenges to accommodating Target as part of the redevelopment of this site is that its customary suburban store model is a low and wide, single-story building facing a very large field of surface parking. And while Target's most recent designs reflect an increasing concern for attractive architecture, the basic suburban format is poorly suited for the development expectations at this midtown location.

Although Target's strong preference is to stick with its standard box, it is important to know that the company has urban store designs that include two- and three-story variations. In some cases Target has gone to multi-level stores where it was able to acquire an existing department store building and renovate it for its purposes. Some of Target's largest stores are based on these conversions.

Consumer response to the multistory Target stores has been very positive. One of the features of these stores is the use of a unique escalator system that allows shopping carts to travel between floors. These escalators -- called Vermaports -- have become attractions at many of Target's locations and are always mentioned in news articles describing the opening of a new multistory Target store.

Target should be high on the City's list of prospective users at the University Mall site, but the City should also insist that the company respond to the community's expectations for a facility that fits into the urban character of the overall redevelopment. One possible incentive that could be offered for this approach would be the opportunity to use either the existing J.C. Penney or M.M. Cohn building shells as the basis for a new, multi-story Target store.

Target has a growing number of multistory locations in markets all across America. Many of these stores feature cart escalators that have become popular attractions.

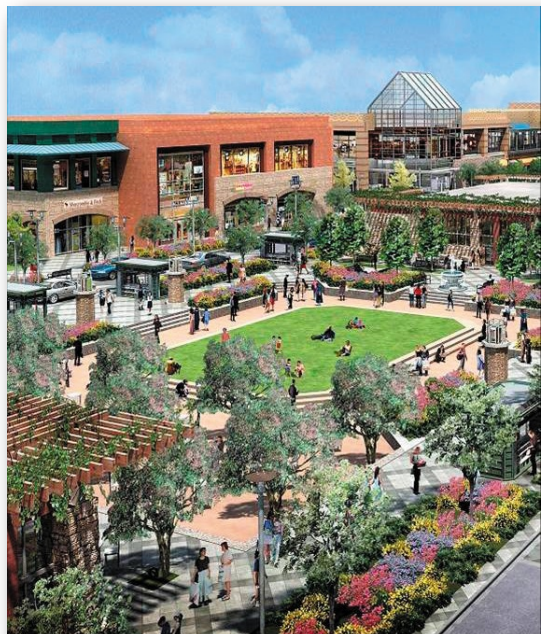


Illustrative Examples of Mixed-Use Developments

All across America, developers -- often working closely with community groups and local government -- are creating mixed-use projects that bring together retail, restaurants, cultural facilities, parks or open space, offices and residential in new and exciting ways. Most do not include an enclosed mall, although some interesting hybrids exist, including mixes that include elements of traditional power centers. These developments -- sometimes called "town centers" -- usually borrow architecturally from nearby neighborhoods or commercial districts, and help reinforce the sense of place in a community through both their buildings and in the streetscape.

The following projects were deliberately selected because they were **not** located in major urban markets. Instead, these developments are all located in secondary cities, all of them in the South -- one of them in Arkansas -- and all of them, in whole or in part, could be realized on a site similar in size to the University Mall property. All of them are also located in environments of moderate density or less, and are relatively close (sometimes immediately adjacent) to residential neighborhoods.

Although the illustrative projects are drawn from narrow universe of places, it is important to appreciate that projects such as these are being developed everywhere in the country, in cold weather climates as well as warm, and vary in size from ten acres up to 140 acres or more. A few of these other centers are shown here.



At top: The Grove in Los Angeles extends the Farmer's Market experience to a retail center built around a small lake with animated fountains.

Lower right: Ridge Hill Village Center is currently under development in Yonkers, New York and includes a richly landscaped central square.

Above: Victoria Gardens in Rancho Cucamonga, California, feels like a bustling small-scale downtown with storefronts and on-street parking.

Market Common, Clarendon

Market Common is an eighteen-acre development near Arlington, Virginia that melds retail, restaurants, residential (both rental and ownership) and office space in a U-shaped project that wraps around an open public square. The retail portion of Market Common is roughly 303,000 square feet; there are also over 300 residential units and 1,300 parking spaces (mostly in structures). The project recently sold to a pension fund for \$166 million dollars, making it (on a square foot basis) one of the most valuable mixed-use projects in America.

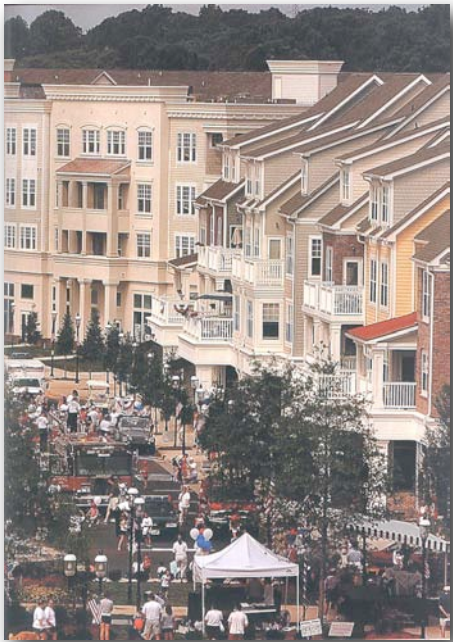
Illustrative Elements of the Project

- Excellent utilization of small site that was originally in a declining area
- Tight integration of residential with commercial elements
- First-class retail tenants, including Barnes & Noble, Crate & Barrel, Pottery Barn, Cheesecake Factory
- Attractive center “square” creates a park-like setting at the development’s core with some on-street parking
- Structured parking is well hidden
- Primary trade area (42,000) and secondary trade area (680,000) are comparable to Little Rock, but this project experiences a higher level of competition from nearby and regional shopping centers
- There are neighboring single-family residential areas
- An earlier plan called for a “big box” project; 40 meetings with the community led to the final design
- Market Common is often cited as the catalyst for over \$1 billion in other investments in the surrounding area



Birkdale Village

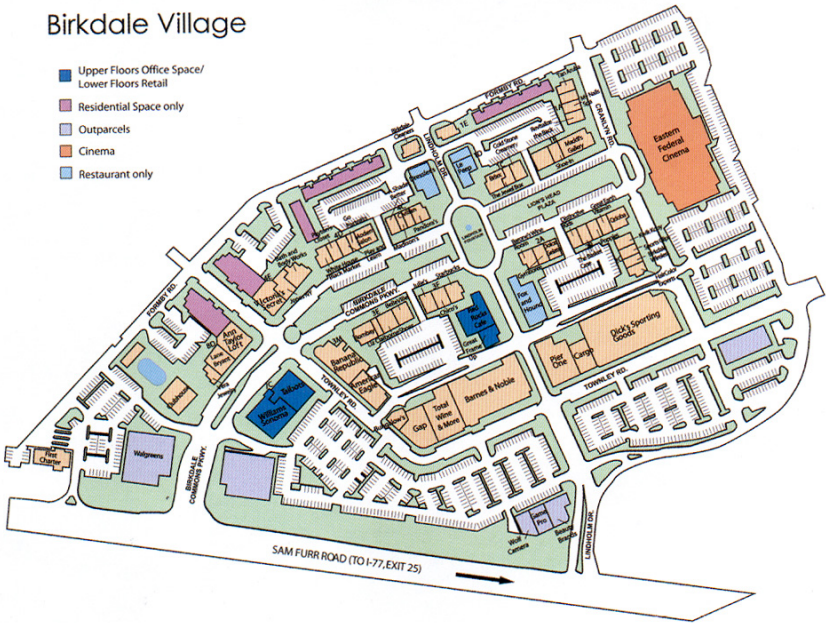
Birkdale Village, in Huntersville, North Carolina, is a 52-acre mixed-use community that combines 289,000 square feet of retail, 54,000 square feet of office space and 382,000 square feet of rental residential. Despite its generally suburban site, roughly half of the project's 2,100 parking spaces are in structures; the rest is in surface lots at the periphery. In some ways, Birkdale Village functions as a new "downtown" for the small city of Huntersville.



Illustrative Elements of the Project

- Although its site is larger than University Mall's, most of the additional land area is surface parking
- The Village includes a multiscreen stadium cinema and a Barnes & Noble. Pier 1 Imports, Dick's Sporting Goods and Victoria's Secret are also located there.
- Like Market Common, there is a central square or park around which the main retail and residential is organized
- Residential units are tightly integrated with retail and other commercial
- The primary (37,000) and the secondary (47,000) trading areas for Birkdale Village are significantly smaller than the same for University Mall
- Despite the small trade area, only 12% of the shoppers come from outside it, suggesting that the Village is fulfilling mostly neighborhood retail needs
- The Village utilizes a variety of compatible architectural styles to convey the sense that it was constructed in several different eras
- Single-family residential directly abuts the project

Birkdale Village



Pinnacle Hills Promenade

Pinnacle Hills Promenade opened in Rogers, Arkansas, on October 4, 2006. It is a one million square foot development that includes department stores, specialty retail and restaurants, a movie theater and Class A office space. It is an interesting hybrid between a lifestyle center and a power center, in that it also includes 250,000 square feet of “big box” retail. Although the main development does not include residential, townhouses and other home types are being constructed in its immediate vicinity.



Illustrative Elements of the Project

- This development occupies a site that is significantly larger than University Mall's (106 acres). However, the core lifestyle retail component is comparable in size.
- Approximately 275,000 of specialty retail is being constructed, most of it in the lifestyle core
- The entry to the development features a park-like extension to the sidewalk area
- The Promenade has freeway visibility and access from I-540
- This project is at a suburban -- almost rural -- location and, consequently, is entirely surface parked.

