

Repositioning Declining Shopping Centers Executive Summary



Philadelphia
City Planning Commission
CITY OF PHILADELPHIA

October 2020



How Retail is Changing

As stores close, what becomes of the spaces? How do shopping centers adapt to evolving consumer trends? The Philadelphia Department of Planning and Development composed a report titled *Repositioning Declining Shopping Centers in Philadelphia*. This report analyzes shopping and strip centers in Philadelphia and trends in the commercial market. It also takes examples from case studies around the country. The report recommends ways these centers can evolve to meet 21st century consumer needs.



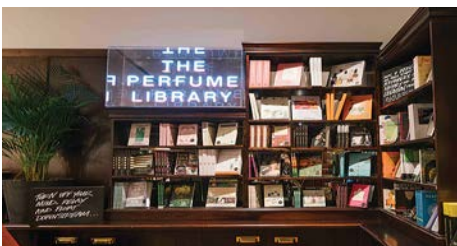
Closures of National Chains

Major chains that were once household names have closed stores nationwide. Vacant big-boxes send ripple effects throughout entire shopping centers. Shopping center managers lose revenue when stores remain vacant. This makes it more challenging for shopping center owners to maintain and improve their properties.



The Rise in E-Commerce

E-commerce has grown from nine percent of the \$5.1 trillion retail market in 2017 to an anticipated 17 percent by 2022. Flexible return policies, in-app purchasing, and two-day delivery have made online shopping more convenient. As shopping online gets easier and more prevalent, trips to the store decline.



Experiential Retail

Retail stores have to provide more than inventory to compete with e-commerce. They are rethinking their store space to focus on the customer experience. Some examples of “retailtainment” are apparel stores where stylists help pick out your ensemble or grocery and cookware stores teaching cooking classes.



Immigrant-Owned Businesses

Some shopping centers are sustained by immigrants and first-generation Americans. These residents are shopping at and opening stores selling products geared towards people of specific nationalities and ethnic backgrounds. Many of these stores are thriving with sales, but they are not as well capitalized as national chain. Rising rents can price out these businesses.



Lifestyle Centers

Lifestyle centers mix apartments and entertainment alongside retail stores. They are like a mall, but with smaller buildings along a “Main Street” or around a central green. Amenities like fountains, benches, street lights, and trees make the browsing experience pleasant.

Existing Challenges



Large Parking Lots

Many large shopping centers have vast parking lots that are hard to navigate on foot. These parking lots typically:

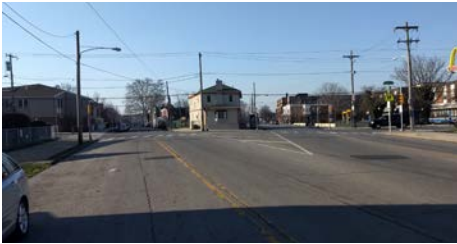
- are underused on most days that are not major shopping holidays
- have minimal pedestrian pathways to stores
- lack amenities such as benches, greenery, trash cans, or canopies
- do not have enough stormwater management
- become unmaintained when rents drop and stores become vacant



Unwelcoming Entrances to Storefronts

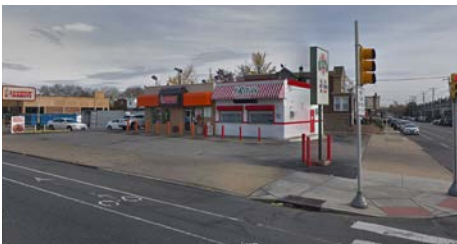
Many shopping centers place their drive aisle right up against the main building. The separation between the parking lot and the stores contributes to these issues:

- conflict points between pedestrians and cars
- reduced visibility of storefronts, especially corner lots
- a drive aisle that is an inefficient use of space and that could otherwise include outdoor displays and public amenities



Wide Surrounding Streets

Wide streets make it harder for neighbors, even those living next door, to safely access the shopping center. These streets should be redesigned so neighbors who live, learn, play, and worship nearby can walk to stores.



Fragmented Parking

One of the challenges of a neighborhood commercial street is the number of property owners. Each owner has their own parking solution with their own curb cut and striped lot. This can lead to underused parking lots and blocks covered with asphalt and concrete. There is less room for landscaping when none of the automobile access is shared.



Long Blocks, Few Crossings, Fewer Trees

Auto-oriented strips along commercial streets create challenges for pedestrians. Long blocks with few marked crosswalks force people to walk long distances or unsafely cross the street mid-block. Those who walk out of their way to the next intersection navigate frequent curb cuts. This journey can get hot without shade and unsafe without street lighting.



Threat of Commercial Displacement

Struggling shopping centers lack revenue to maintain buildings and parking lots. But they also may offer affordable rents to local and small businesses. Rising rents from improvements or increased property values can price out these businesses. A growing residential market may entice developers to turn shopping centers into higher-end homes.

Shopping Center Types

Regional Shopping Centers

A Regional Shopping Center is a large shopping center with big-box stores. These include department, outlet, or specialty stores such as a home improvement store. Some other characteristics include:

- large parking lots that are generally underused
- locations next to a highway or major road
- a mix of large chain stores and smaller retail
- structures built in the last half of the 20th century

Neighborhood Shopping Centers

A Neighborhood Shopping Center is smaller than a regional shopping center. They generally have one or two anchor stores and smaller convenience stores. They include supermarkets, variety stores, post offices, or a laundromat. Some characteristics are:

- locations within neighborhoods;
- centers sometimes created by combining properties and removing through-streets
- centers that sometimes compete with stores along nearby commercial streets.



*Morrell Plaza
Neighborhood Shopping Center*



*Cluster of Regional Shopping Centers in
Northeast Philadelphia*

Philadelphia has 39 shopping centers and 110 streets with strip centers. There are four malls with over 1 million square feet of commercial space.

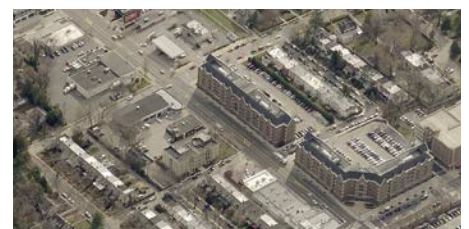
Community Shopping Centers

Community Shopping Centers function like bigger neighborhood shopping centers. They serve a greater market area and may include larger and more stores and national chains.

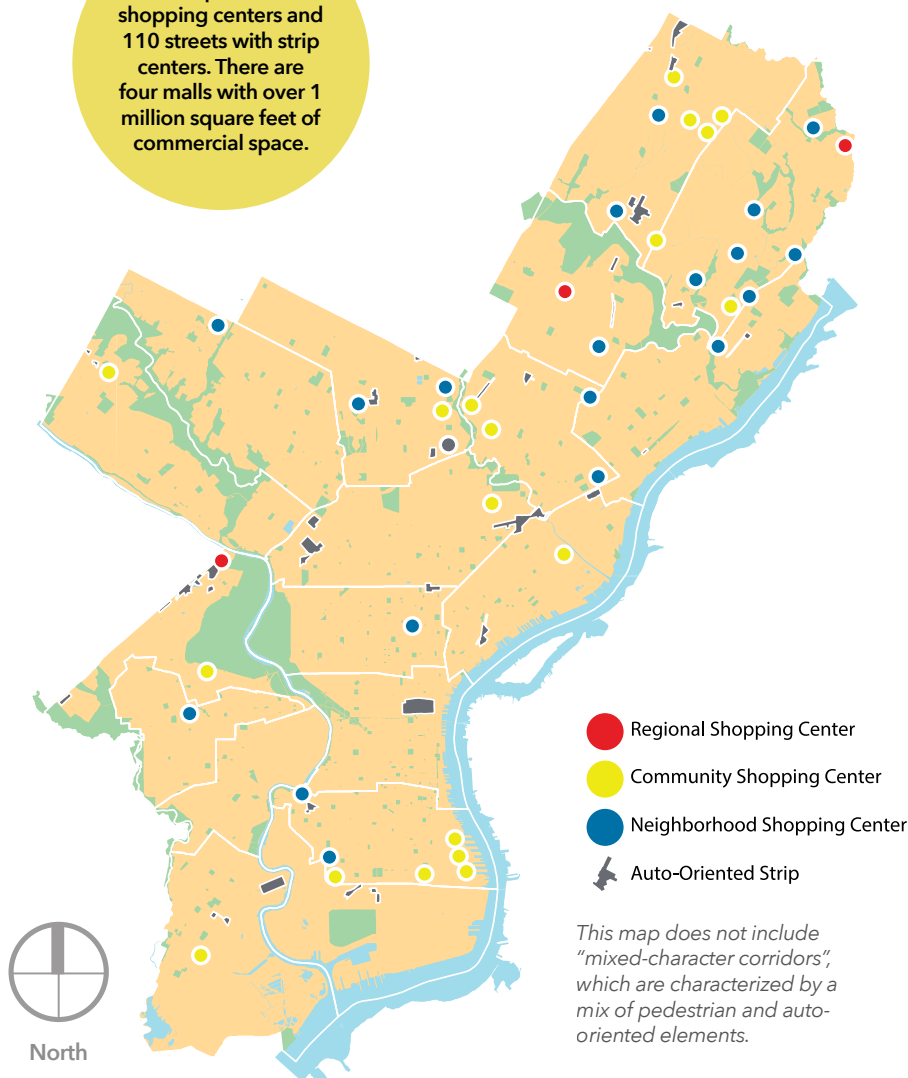
Auto-Oriented Strips

Auto-Oriented Strips are streets with a series of smaller strip centers or stores with free parking in front. These strips are sometimes on a street where some buildings are oriented towards pedestrians. Some other characteristics include:

- piecemeal development and ownership
- frequent curb cuts from the street
- stores with drive-through service, such as fast-food restaurants and banks.



Mixed Character Corridor along City Ave



Design Proposals

Pedestrian Friendly Parking Plaza

- Picture the parking lot as a public open space that is a welcoming place of arrival and a connection between stores and the street.
- Focus on traffic calming and pedestrian access and protection.
- Buffer pedestrian from vehicular traffic with landscaping.
- Amenities could include lighting, rain gardens, canopies, and seating.



Protected, raised pedestrian path through parking in Seattle

Parklets/Shuttle Stops

- Parklets are social spaces usually carved from parking spaces.
- They usually have plantings, seating, and can be accessed from pedestrian pathways.
- They can also be next to or components of shuttle or bus stops.
- A shuttle could bring shoppers to stores and connect to transportation.

Streetscape/Roadway Improvements

- Main drive aisles could be converted to Main Streets lined by stores.
- Street trees, lighting, and signs provide shade, security, and wayfinding to pedestrians.
- Safer crossings and clearer road markings create welcoming routes for shoppers arriving from nearby.



Mashpee Commons, MA

Policy Proposals

Update Parking Standards

- Lower parking minimums.
- Establish parking maximums for shopping centers.
- Enforce standards in the Complete Streets Handbook.
- Update standards for pedestrian pathways.
- Add drive-through review for new projects.
- Encourage use of shared parking bonuses.

Update Zoning Code

- Allow housing and some light industry at shopping centers.
- Regulate building layout to encourage browsing over grab-and-go. For instance:
 - main entrances that face pathways and sidewalks
 - complete pedestrian circulation within the site
 - active windows without blank walls

Zoning Bonuses

Zoning bonuses are currently unavailable in shopping center zoning districts. If extended, these incentives should be paired with programs that help local businesses.

Bonuses could be for:

- public amenities like those described above
- bonuses that are available for other zoning districts, such as green roofs

Capital Investments

- Improve streets and City facilities near shopping centers or along auto-oriented strips.
- Include property owners in the visioning and planning process.

Business Development

Business Improvement Districts (BIDs) can help shopping centers in many ways. BIDS collect fees from businesses and property owners to carry out programs such as:

- sidewalk and street cleaning
- security guards and cameras
- marketing for special events and initiatives
- attracting tenants with complementary uses
- marketing City programs to tenants
- shopping Center branding and planning for improvements.

Integrate and Automate Data

- Evaluate data needs and gaps and create a digital tool to measure the health of commercial areas.
- It should be integrated, automated, frequently updated, and accessible to the public.

Repositioning Declining Shopping Centers Executive Summary

Staff Contact:
Greg Waldman
215.683.4666
gregory.waldman@phila.gov



Philadelphia
City Planning Commission
CITY OF PHILADELPHIA

October 2020