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ESSAY

A Retrofit for America's Dying Malls

Communities are finding innovative ways to transform their abandoned malls and big-box stores into more useful spaces



The former parking lot of Seattle's Northgate Mall now has housing and a stream. PHOTO: MIGISVR

By *Richard Florida and Ellen Dunham-Jones*

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After Hickory Hollow Mall in Antioch, Tenn., closed in 2011, it became the home of a new satellite campus of Nashville State Community College and a practice rink for Nashville's professional hockey team. It still has stores, including an ethnic market filled with small immigrant businesses, but on a much smaller scale than before.

In East Austin, Texas, the abandoned Highland Mall was taken over in recent years by Austin Community College, which opened a state-of-the-art lab for teaching math on the second floor of the old J.C. Penney and is building housing for students and others on the old parking lots. With a new light rail stop, the development has also become a magnet for local employers.

As the Christmas shopping season reminds us, the traditional retail sector is undergoing profound change. While Amazon and its e-commerce rivals vie for ever-larger shares of the market, retailers such as RadioShack, The Limited, Payless and Toys 'R' Us have gone bankrupt. By 2022, according to an analysis by Credit Suisse, one of every four U.S. shopping malls may close. Just this week, Westfield Corp., which operates some of the country's glitziest malls, announced it was getting out of the business.

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The so-called “retail apocalypse” is hardly universal. Overall, the sector is still growing at a healthy rate of 3% a year. But the shift in retail has been especially hard on many suburbs and rural areas. Dying malls and shopping centers have meant job losses and a

shrinking tax base.

A striking number of these communities are taking matters into their own hands, however. They are developing innovative strategies to transform their abandoned malls and big box stores (and the acres upon acres of asphalt parking lots surrounding them) into more productive assets for future growth. Antioch and East Austin are part of a much larger trend.

One of us, Prof. Dunham-Jones, along with her colleague June Williamson of the City College of New York, has developed a database that includes information on 650 such retail properties across the nation. All of them are at some stage of being redeveloped, reused or regreened, and the actual total may be twice as high.

When the Villa Italia Mall in Lakewood, Colo., closed and defaulted to the city in 2001, the local government worked with a developer to raze most of the buildings, cut new roads and create a lively hub neighborhood of homes, offices and arts centers, with some new stores too. Belmar, as it is now called, is already generating four times the tax revenue that the old mall did. Eight of the 13 malls in the Denver metropolitan area are being similarly retrofitted and remade.

Derelict shopping centers in other places are being turned into much-needed parks and open space. In the 1960s, Meriden, Conn., allowed developers to pave over a creek and build a mall; the town was plagued with flooding as a result. The mall was recently demolished and the land transformed into a park that is both a catchment basin for stormwater runoff and an amenity that has catalyzed development of new mixed-income housing.

Outside of Seattle, the parking lot of the Northgate Mall was built atop a salmon stream. When the mall's owners applied for a permit to expand it, the city negotiated a land swap instead. The existing parking lot was demolished, the stream was restored and housing, much of it for seniors, was built alongside it.

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Too often, local economic development initiatives turn on massive tax giveaways to big companies. By working with private developers and thoughtfully using their powers to tax, rezone and invoke eminent domain, jurisdictions can strengthen their tax bases instead,

while rebuilding the quality of their communities in ways that can spur more sustainable growth.

—Prof. Florida teaches at the University of Toronto's Rotman School of Management and is a distinguished fellow at NYU's Shack Institute of Real Estate. Prof. Dunham-Jones is the director of the Urban Design Program at Georgia Tech and the author, with June Williamson, of "Retrofitting Suburbia."

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