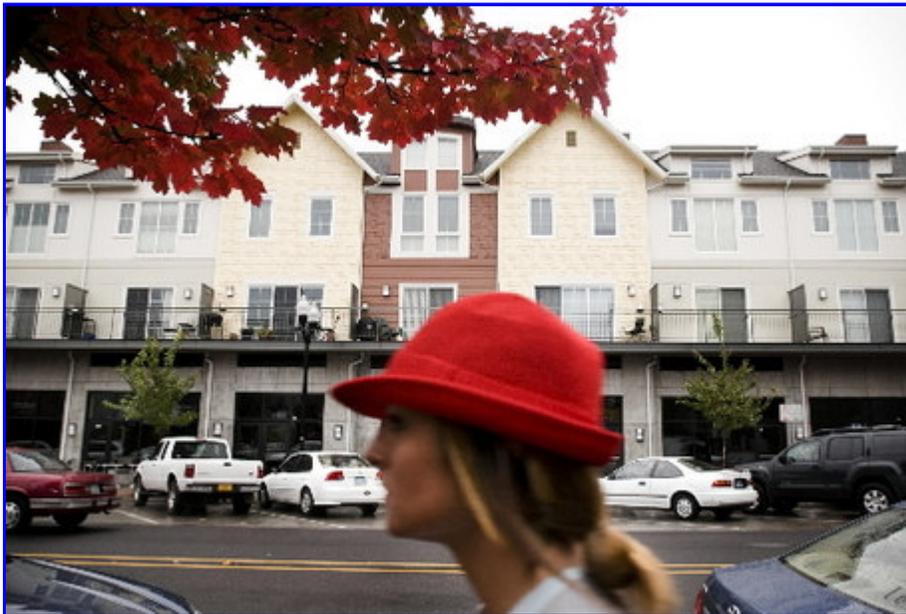


Tired strip malls present opportunities to reshape the landscape

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Leah NashThe city of Milwaukie bought property that held a vacant Safeway store and worked with a developer to turn it into condos, apartments, offices and shops now known as North Main Village. Amy Slotte (foreground) works nearby. Planners say decaying strip malls are prime targets for redevelopment and can accommodate much of the metro area's future growth.

It's an aging strip mall: Hair salons, a video poker outlet, coin laundry, four businesses closed on a Monday morning and a series of empty storefronts with "For Lease" signs in the windows. Fourteen lonely cars dot the vast parking lot.

Urban planner Arthur "Chris" Nelson would survey the scene and proclaim it a "new Promised Land."

Nelson -- a University of Utah professor who grew up in the Portland area -- is dead serious. Dried-up commercial centers, or at least the space they occupy, offer a national rebuilding opportunity that Nelson believes could accommodate two-thirds of the nation's population growth projected for 2040 and 75 percent of the job growth.

He told a recent Metro conference in Portland that half the nation's non-residential buildings that existed in 2000 will be torn down by 2030. "What an opportunity to recast and reshape" the urban landscape into something more sustainable, he said.

Strip malls offer a particularly keen opportunity. Look past the big box stores, Nelson said, and you have large, flat, well-drained, developable space linked to existing infrastructure. Broad rights-of-way allow easy access. There is space enough to bring in tracks for light-rail trains or streetcars. They are perfect for much denser, mixed-use developments in which people can live, work, shop and eat, he said.

Such developments hinge on public transit "to take the edge off the parking demand," Nelson said.

In other cities, developers would simply replace a decrepit strip mall with one built even farther from the city core. The Portland metro area's urban growth boundary doesn't allow such leapfrog sprawl, Nelson said, so there is a better opportunity to rebuild quicker.

Milwaukie's North Main Village just off Highway 99E is a case in point. The site, with a dead Safeway store and a huge parking lot, sat empty for about 10 years before the city bought it with money borrowed from the state, Mayor Jim Bernard said. Developer Tom Kemper came up with a design featuring 64 affordable apartments and 33 market-rate townhomes and condos and 8,000 square feet of retail space. Milwaukie's bus transit center is within two blocks and a new light-rail station will be built about five blocks away.

"It spurred new development in our downtown," Bernard said. "The key is, people need to live here."

Nelson, the Utah professor, said there's no great loss in tearing down strip malls. They often were quickly assembled with unadorned, tilt-up concrete walls and were intended as short-term investments of 20 years or so. After that, investors have recouped their money, markets and tastes have changed and the malls need to be retooled, he said.

Cities can encourage and speed the rebirth of stale commercial sites by establishing development "templates" for elements such as the height, bulk and street setback of buildings, and for parking ratios and landscaping.

"The template is based more on the physical building than on its use, because it's assumed over time the use will change," Nelson said. "But the structure will maintain its integrity."

Developer Jerry Kolve, who built the Canterbury Square center along Highway 99W in Tigard in 1971, cautioned that Nelson's proclamations are "not coming from someone who's in the game."

Kolve said older commercial centers should be granted some flexibility on parking requirements. As for redevelopment, he said the market is "unbelievably efficient" at determining when that should happen. His Canterbury Square, although it has vacancies, is not at that point, he said.

Even in a slow economy, investors have offered to buy and redevelop Canterbury Square, Kolve said. But they want to snap it up at a low price, and Kolve said he isn't interested.

Nelson's redevelopment ideas have local believers in commercial real estate developers such as Fred Bruning, whose mall projects include Bridgeport Village and Gresham Station; and Roy Kim, of Central Bethany Development.

Bruning said the Portland area is full of 10- to 20-acre "pocket projects" from the 1960s and 1970s. Drive down Northeast Stark Street or 82nd Avenue and "within an hour you'll find 10 examples that within the next decade should or will be redeveloped," he said.

"That's one of the reasons I've been a fan of the UGB (urban growth boundary) -- it forces you to re-look at those things and not throw them away," Bruning said.

Strip malls often sit on "sea of parking" that resulted from standards requiring seven parking spaces per 1,000 square feet of store. Newer projects have about four spaces per 1,000 square feet, he said.

Similar to Nelson's view, Bruning estimated that 70 to 80 percent of the region's residential and industrial growth can be accommodated by redeveloping urban space. Encouraging redevelopment, perhaps by offering tax credits, would be a far cheaper public investment than the cost of extending infrastructure to newly developing areas such as Happy Valley, Bruning said.

Kim, developer of the Bethany Village mixed-use project north of Beaverton, said strip malls are usually well-located on major traffic arterials, but are functionally or practically obsolete. "They're not laid out in an urban way, they're not very dense, they have too many parking spaces," he said.

A couple problems hinder redevelopment, Kim said. An owner has to weigh the considerable construction cost against the rent such space will command, he noted.

And longtime owners, because they are nearing retirement or have sentimental allegiance to tenants, may be reluctant to take on redevelopment or to sell to someone who will convert the property, Kim said.

"The owners of strip malls have to want to do it," he said.

But the future of strip malls appears to be conversion to mixed-use developments with transit, Kim said.

"I would like to see that," he said. "As it gets more difficult for cars to move around, people are going to catch on."

-- *Eric Mortenson*

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