

# RETAIL TRAFFIC

Where **real estate**, retail and development meet

## Root, Root, Root For Your Home Team

But if they don't win, developers better make sure their projects can stand on their own.

By Marc Hequet

**If you build it, they will come.** Or so a disembodied voice told Kevin Costner's character, Ray Kinsella, in *Field of Dreams*, encouraging him to create a baseball diamond in rural Iowa. In real life, however, it's far more complicated.

When developers hear mysterious voices, they would do well to be a bit more skeptical. True, sports arenas can draw tens of thousands of fans and beef up traffic in centers—but there are obvious problems.

For starters, sports seasons are by nature restricted. How do you fill the stadium when the home team isn't playing? Then there are the traffic and parking dilemmas.

"On race days, you see a little less traffic in Cabela's and the Nebraska Furniture Mart," says

RED Development LLC vice president Steve Graham, of the firm's initial retail endeavors at Village West next to the Kansas Speedway and the Kansas City T-Bones baseball field. "People just kind of stay away from the area because they're worried about traffic."

Nebraska Furniture Mart nevertheless likes having the Speedway as a neighbor. Its store—712,000 square feet of shopping and warehouse space—will grow to a combined 1 million square feet by year-end to accommodate customer demand. The Speedway provides "immediate identification for the area," says NFM marketing director Mark Hamilton. He doesn't mind the added traffic of big race weekends because it cuts both ways: "Some people think there's too much



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traffic during an event weekend,” says Hamilton. “Others come from a long way away and make a shopping stop on top of the stop for the event.”

NFM's demographic is a good match for NASCAR, but that isn't always the case in sports-retail matches. Pulling 18,000 hockey fans to a center seems guaranteed to pump up business, but are exuberant ticket-holders, who like watching fists fly and blood spurt likely to be in the market for women's shoes? Will the presence of raucous sports enthusiasts discourage more genteel shoppers? These are some of the questions that must be answered during the planning stages.

### Survival of the fittest

Fact is, a center has to be designed to survive on its own, not depend on flocks of fans to be customers. There must be the right mix of stores, restaurants and entertainment—and adequate parking for shoppers and sports fans. Also required is the right mix of sports and entertainment at the stadium so it's not vacant most of the year.

That's what Nationwide Realty Investors recognized in planning the Arena District in Columbus, Ohio. It couldn't use a standard mix of retail to draw tourists, downtown workers and residents just on the basis of the home side hockey team, the Blue Jackets. For one thing, two big malls already dominated the regional market.

“You have to respond to the specific market demand and whatever else is going on in your community,” says Brian Ellis, Nationwide Realty president. For Nationwide, that meant building the right entertainment mix. The Arena District's brick-paved alleys feature restaurants, bars and Arena Grand Theatre, an upscale first-run movie theater. Another draw is the PromoWest Pavilion, an indoor/outdoor music hall styled after the House of Blues.

Adjacent to Nationwide Arena, opened in 2000, the Arena District has attracted \$540 million in development, including 1 million square feet of office space and 500 residential units—even though the Jackets play only 40 regular-season home dates.

Such success stories fire the imagination of developers and a number of projects are being planned (for a partial list, see sidebar, page 54). San Diego's Petco Park, home of the Padres, is helping to revitalize its neighborhood. JMI, the development firm headed by Padres chairman John Moores, has invested \$1.8 billion in the recovering neighborhood next to the city's tourist haven, Gaslamp Quarter

In Wyandotte County, Kan., 12 million people per year visit a spread that includes the Kansas Speedway NASCAR track, the minor league Kansas City T-Bones, Cabela's, Nebraska Furniture Mart and the Great Wolf Lodge resort with indoor water park.

RED's adjacent 800,000-square-foot Village West mall plans a “soft opening” in time for the holidays this year, with a formal opening next spring. Jeff Boerger, president of Kansas Speedway, welcomes his new neighbor. “More eyeballs seeing our facility extends the brand,” says Boerger.

Another success story is in Baltimore. Development around the city's Inner Harbor and nearby Camden Yards where the baseball Orioles play has “helped us turn around our city,” says Blake Cordish, vice president at Cordish Co., a firm that has been developing in that neighborhood for decades. He calls the ball park “one of the



key catalytic anchors of the Inner Harbor revitalization” that enabled Cordish's Power Plant entertainment district.

The logistics of sports-retail mixed developments, however, are daunting. Many Brooklynites, for example, oppose the planned Atlantic Yards, which would become home to the current New Jersey Nets basketball team. They fear traffic, pollution and displaced residents and businesses. A proposed Minnesota Vikings football stadium development in suburban Minneapolis may be in trouble as state legislators—steamed at a player sex scandal—consider withholding sale of state bonds integral to the project.

### Road warriors

Of course behemoth sports developments come with their own difficulties, including parking, cars and foot traffic.

Parking and vehicular traffic was a concern for Nationwide in Columbus. “We built the first movie theater downtown in 70 years,” says Ellis, “and we couldn't have somebody stymied trying to go see the latest feature film” because of hockey. The developer worked with the city officials to upgrade access to the site, with about \$35 million

in improvements under a tax-increment financing agreement. What's more, office workers, who park during the day, vacate spaces at night and on weekends, when Blue Jacket matches are played.

But what about weekday baseball games? You might try turning a parking gap to your advantage. RED Development's Village West in Kansas City, Kan., will cross-park 500 spaces with its 4,800-seat baseball stadium. “We want people to go and shop,” explains RED's Graham. T-Bones fans who can't find parking at the stadium will park at Village West, he reasons, and do some shopping before or after the game.

Ballston Common Mall in Arlington, Va., however, doesn't know yet how parking will work. The 600,000-square-foot center has yet another spin on the arena angle: Topping its parking garage is an enclosed ice rink where the Washington Capitals pro hockey team will practice. When the facility opens in May 2006, you can lace on the blades yourself or watch the Caps drill. Ballston expects skaters and their rides to glide between rink and retail. When you drop someone off for hockey practice, would you rather sit in cold bleachers, or go shopping? Its 3,000-space ramp already serves shoppers and office workers. When

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will skaters show? “We’ll be keeping a close eye on parking,” says John Moore, vice president and general manager of the mall. “The question will be, ‘How do peak demands for hockey fit in?’”

Kansas Speedway manages traffic so well that it has done a big race during the day and an evening baseball game, Graham says. Randy Smiley manager of the Cabela’s store across the highway from the race track, lauds the Wyandotte County government for hosting monthly meetings with the Speedway, retailers and law enforcement to plan for big events. The only problem is the kind you can’t predict—say, rain interrupting the race and fans flooding the stores and restaurants.

Designers are learning to handle traffic at other sites as well. At Westgate in Glendale, Ariz., the mega venues—hockey arena and football stadium—are on one side of the site and retail on the other, each with its own access. And at any sports venue, adjoining restaurants and retail may soften the impact of thousands of vehicles arriving or leaving at the same time: Some fans will come early for dinner; others stay late.

Developments must also handle foot traffic deftly—50,000 football fans pouring through a lifestyle center may be worse than no traffic at all. How do you adapt? Do you require stores to stay open to serve departing throngs after night games? “That’s a nasty time to have your store open,” says John Siegfried, a Vanderbilt University economist who studies stadiums. “It doesn’t make much sense to me.”

And what about clashing demographics? Ballston Commons’ Moore found it noteworthy that the Capitals hockey team targets the same demographic as the mall: high-income families with kids, good access, large population base. But that’s not always the case. “The demographics you may have going to the event—whether it’s hockey or Britney Spears or the Eagles—may not necessarily be the demographic you’ve targeted for your retail,” acknowledges Jim Baeck, vice president with Development Design Group, an architecture

and planning firm in Baltimore.

### **Courting customers**

Last is the challenge of what to do when the facility is dark. After Nashville’s hockey franchise, the Predators, started playing, new bars opened—but then complained that they only did good business 40 nights a year. “Were they not supposed to read the schedule in advance?” asks Siegfried. “I really think entrepreneurs would be a little smarter than that.”

Developers with projects next to stadiums argue that the retail must stand on its own. “It’s all gotta work before you add the sports facility,” says Graham. “Is that a location where retailers would have gone before?” In St. Louis, “Ballpark Village needs to operate for the people who are using it on a day-to-day basis,” says designer Jim Chibnall, principal with HOK in Kansas City. “The key thing is to get it to work as a community for the 280 days the Cardinals aren’t playing.”

Venues try to maintain traffic by booking concerts, indoor beach volleyball, tractor pulls, you name it. In Glendale, Ariz., Westgate will have a smaller outdoor plaza seating 5,000 for acts that won’t fill the 18,000-seat arena—and to stage arena promotions. Beach volleyball in the arena? Set up a demo game outside.

In short, it’s complicated. Having one entity master-developing and then coordinating retail mix and promotion is essential, argues Cordish. At his firm’s Louisville, Ky., arena development, a Cordish unit sets up 150 to 180 events per year—concerts, street festivals and the like. The entertainment component, Cordish notes, “places a premium on the ability of the development community to think outside the traditional box.”

Where thousands gather, of course they’ll shop—but thousands on a few days and empty stores the rest of the year won’t do. Retail must stand on its own and ride the spikes, booking entertainment and other draws to keep the shops hopping when the team is out of town. This is a new game for mall managers—but they’re learning.