In Boston, Geller DeVellis, a landscape architecture firm, worked on the $65 million mixed use complex, The Metropolitan (left), in Chinatown and Brigham Circle (right), a mixed use project that includes a five-acre park. Today, suburbs are doing mixed use, too. Anaheim, California’s Platinum Triangle (opposite) is an 840-acre redevelopment project near Angel Stadium.

By Randy Jackson

The redevelopment of strip malls, light industry, and other underused parcels into mixed use infill projects has quickly become one of the hottest trends in the country. In the process, suburbs from Aurora, Illinois, to Brea, California, are updating their retail and commercial zones and changing the lives of their residents.

Mixed use infill offers a win-win situation. Municipalities can maximize available land by combining retail, commercial, and residential uses, while residents can enjoy a lifestyle free of long commutes—with shops, restaurants, and other conveniences just a short walk away. Most of the major national builders have formed teams to find communities where such projects are appropriate—and where the communities are receptive. In Aurora, Illinois, the Van Strand Group is building River Street Plaza, a $100 million development that will replace four retail and warehouse buildings, five single-family houses, and five vacant lots. The new development will include 170 condominiums, 80,000 square feet of restaurants, and a river walk. In California, the Lennar Corporation has replaced industrial development near Irvine’s business complex with Central Park West, which includes 1,380 residences plus shops and recreational uses on 42 acres.

Many of the new projects tilt toward new urbanism. The developments are walkable because housing is mixed with retail, commercial, and office elements. There is a great deal of variety in housing types and the layout promotes social interaction.

Of course, the trend toward mixed use redevelopment would be going nowhere if builders and developers were not convinced that it can be profitable. Conventional wisdom has long held that mixed use infill is far more expensive than ground-up greenfield development—and that the additional costs involved dwarf potential profits. However, with the ever-rising cost of land throughout the nation and a segment of the public eager to embrace urban-style, mixed use living, the advantages to this particular niche finally outweigh the costs.

With higher densities, a developer can triple or quadruple profit potential by building on 100 percent or even 125 percent of the buildable portion of a particular parcel. That significantly boosts a project’s bottom line.

“It’s been really exciting for us to see how the market has responded,” says Sheri Vander Dussen, AICP, planning director for the city of Anaheim, California. Anaheim’s 840-acre, mixed use redevelopment project, the Platinum Triangle, is being built near Angel Stadium and Arrowhead Pond.

Elements of the project are now under construction, and when complete this privately
funded redevelopment will transform 320 underused acres of light industrial space into a high-density urban environment that could include up to 9,175 dwelling units, five million square feet of office space, and more than two million square feet of commercial space.

"Our first application was filed even before we had developed zoning regulations. People were lining up at the door," says Vander Dussen. Now, whenever a property comes on the market, "I probably have 20 to 30 people coming through my office to talk about it before the bids are due," she adds. "There is a lot of excitement out there, and we're getting some really interesting and exciting projects."

Mixed use redevelopment also fills an ever-growing, critical need for housing. As suburbs rapidly build on every available parcel of land, redevelopment of some kind is probably in their future. Mixed use projects allow for greater density in certain areas while preserving the high quality of life that suburban residents have come to expect. The result: Portions of the traditional suburb are being reborn as more functional places where residents can live closer to jobs and save a few car trips by walking to their local coffee shop or newsstand.

In Fullerton, California, a three-acre downtown parcel is currently used as a parking lot for up to 350 cars. "We'll take that piece of land and park close to 1,000 cars on it, in addition to providing about 100 homes and 30,000 to 40,000 square feet of retail and office space," says John Tillotson, a managing member of Pelican Center, the entity spearheading the Vintage Square redevelopment project.

Tillotson says the project is expected to begin construction in late 2006 or early 2007 and should be completed by 2008. When completed it will include a mix of brownstones, townhouses, apartments, and penthouses ranging from 1,200 to 2,800 square feet—priced at about $500 per square foot.

Mixed use redevelopment not only increases density, it can also increase a community's affordable housing stock. Today, cities often require 15 to 20 percent of the units in a mixed use redevelopment project to be affordable.

In downtown Brea, California, affordable rental apartments have been built over new shops along the Birch Street Promenade, a main pedestrian thoroughfare. Although apartment tenants must walk 200 feet to a parking garage, the units still rented quickly. Twenty-five of the 62 apartments are affordable—with rents starting at $754 a month.

"It was so obvious, you wonder why nobody had thought of that before," says William Watt, president of Baywood Development Group, which built the residential component of the downtown Brea project, Ash Street Cottages.

"If they're getting a subsidized unit, who cares if they have to walk 200 feet past the Starbucks..."
Making the Most of Mixed Use

To planners who know history, the current interest in mixed use development may seem ironic. After all, American cities have been separating and buffering “incompatible” uses for nearly a century.

How did we suddenly get religion? The answer lies in our shifting demographics. Singles, empty nesters, and young couples may not want large houses and yards, and they have no particular reason to worry about the quality of local schools. In other words, they aren’t necessarily attracted to suburban living.

Instead, more and more of these households are seeking out mixed uses, whether downtown, in city neighborhoods, or even within a single building. Mixed use can be vertical or horizontal. Examples range from apartments or offices over shops and restaurants, with one level of parking at grade and one level below grade, to entire districts that mix office buildings, retail, and high-density housing.

In general, a successful mixed use development must balance the needs of different uses and users. It must be compatible with its surroundings. It must attract consumers and tenants, and it must answer to lenders and investors. But creating successful mixed use presents challenges in physical design, policy, and the market.

Design challenges
Residents value privacy, safety, and quiet, while the owner of the restaurant below may want to provide live entertainment. Design is one way to reconcile these challenges:

Noise. Buildings can be designed to be somewhat soundproof, but if structural solutions don’t work, residents may be asked to sign a waiver or disclosure document before they move in.

Parking. Residential parking spaces should be separated from commercial parking and secured by gates or separate entries. If shared parking is offered, the needs of different uses must be taken into account.

Loading areas. Walls or landscaping should be used to screen commercial loading and docking areas from residences.

Connectivity. To enhance walkability and transit use, it is important to take pedestrian and bicycle connections into account within the project, and between the project and surrounding uses.

Transition areas: Landscaping, screening, and building setbacks should all be used to separate uses when possible.

Density: Mixed use projects are often associated with high-density development, but the density of a project must take the surrounding neighborhood into account.

Policy challenges
Cities that want to attract mixed use projects should assess their policy documents to determine if they encourage or discourage mixed use, and developers who want to build mixed use projects should be aware of potential policy problems.

To encourage mixed use, general plans should be amended to clarify that single use districts may allow multiple uses in certain, defined circumstances. The plans should also highlight the transportation and economic benefits of mixed use. Zoning ordinances should be amended to allow high-density housing in commercial and office zones, and to allow for a flexible planned development process.

Design review for mixed use projects can be cumbersome, especially in cities that lack an established policy on mixed use projects. Cities that want to encourage mixed use should allow projects that meet certain code criteria to be administratively reviewed, or the cities may provide speedy permitting or reduced fees for mixed use projects.

Market challenges
Mixed use projects may face market challenges, both real and perceived. Real challenges include choosing the correct mix of uses and building only what the market will absorb. Perceived challenges may include investors’ skepticism about the marketability of mixed use projects.

Developers of mixed use projects must balance commercial and residential space, and include uses that are mutually supportive. Examples include high-density apartments and a grocery store. Just because a project is mixed use and includes housing doesn’t mean that the new households can support the retail component on their own.

Investors may be wary of an unfamiliar product type. Cities should combine forces with developers to build investor confidence. Sometimes that can be accomplished if the project is built in stages, assuring the investors that a resident population will be in place to support later commercial phases.

Nuts and bolts
Flexibility is vital when a mixed use redevelopment project is in the works. “It’s important that, as a developer, you stay creative and think outside the box,” says Watt. “Issues like privacy and access become vital. Even the most basic issues of how the streets work: Is it a pedestrian-oriented street, or is it just devoted to cars? You can’t assume you have nothing to learn.”

Practicality is key. Is the site located in an appropriate area for targeted buyers? Is the existing infrastructure suitable for more intense development? If not, what kind of adjustments or additions will be needed to make the project possible?

“Anaheim is an older city,” says Vander Dussen. “One of the biggest challenges is infrastructure. The first developers [of the Platinum Triangle] had to spend quite a bit of money on sewer improvements. We have initiated discussions with the Orange County Sanitation District to see what we can do cooperatively to increase capacity.”

It’s a juggling act, says Tillotson. The needs of the residential, commercial, retail, and office components must be reconciled. “Noise can be an issue,” he says. “For a mixed use project in Huntington Beach, California, we had retail office above, and penthouse units above them. The offices served as a buffer—at night, there’s no one in them, and any noise in the downstairs retail establishments is buffered by the office space above it.”

Although the profit can be considerable, mixed use redevelopment—whether rehab or
new construction—is still an expensive proposition. Retrofitting existing structures is usually more expensive than simply leveling the property and starting over. New buildings can be built to look like historic ones, but the added detail also raises expenses.

“There are added costs [in redeveloping], and you really have to think it out very carefully,” says Tillotson. “The residential parking must be separated from the commercial parking, with different access to both. Because we’re in an urban setting, we have to use different insulation and dual-pane windows. We need to make sure that the commercial infrastructure doesn’t interfere too much with the residential; we have big equipment running air conditioning systems, for example. These issues can be addressed, but the [extras] can drive your costs up.”

On the planning side, relationships between the developer and the community are crucial to success. City councils want to do what is best for the city at large—keep taxes and revenue in the community, and create active new areas for the residents to enjoy. Whatever the ultimate goals may be, the project’s plan must meet those needs.

“You don’t just drop a 22-acre shopping center in the corner of downtown and think you’ve done something,” says Watt. “You have to go back to the beginning and build consensus for the project.”

That happens through community outreach and education. Community residents may question or oppose mixed use projects because they are worried about an influx of new residents, an unwanted increase in traffic, or a reduction in land value. Although these concerns typically turn out to be red herrings or benefits in disguise, communication with area residents at the beginning will keep such objections in check.

“We tried our best to involve residents in the [Platinum Triangle] planning process, and we probably touched a couple of thousand residents through our outreach program when we were doing our general plan update,” says Vander Dussen. “We didn’t receive any negative feedback.”

She also notes that several landowners came to realize that a mixed use designation instead of an industrial one meant that “their property values would go up overnight.” The unsurprising result: “We had a lot of support from existing property owners.”

It’s very helpful to have a strong yet flexible development code when mixed use redevelopment is on the table, says Watt. “You do not have the same control as with a greenfield project. In an infill or brownfield situation, you have to give the politicians a reason to vote for your project. Community outreach is even more important, because if the community wants it, then the politicians will say yes. If the community doesn’t want it, you’ll be toast.”

Reinventing the suburbs

Mixed use redevelopment has many practical advantages, and its rationale is compelling. At a time when cities are facing the specter of a lack of buildable land, mixed use projects can help to reinvent the suburbs in a way that supports sustainability and meets residents’ changing needs.

The market for these projects includes young singles, married couples without children, and empty nesters who want a place they can leave for days or weeks at a time without worrying about who will mow the lawn or turn on the sprinklers. At their best, mixed use redevelopments offer a more open and sociable living environment as well.

“What’s happening is that the ‘downtown’ is returning,” says Watt, noting that many suburbs never truly had downtown cores. “Each town is unique, so you end up with different expressions of downtown. But the people want it, and if the developers deliver it, they come.”

With the creation of a new gathering place comes the chance to beautify the area and add amenities. “In Fullerton, we wanted to create an area that people would enjoy visiting—and that would have pedestrian traffic,” explains Tillotson. “We have Spanish steps going into this project, because that adds a nice little element. We plan on having fountains. We want to have all kinds of street furniture and kiosks and carts. That makes it user friendly.”

In transforming underused suburban sites into lively mixed use projects, developers can create a focal point for suburbs that never had one before. There are civic advantages as well. Mixed use redevelopments offer the ideal location for a satellite police department or fire station, for example. Most important, it presents an opportunity to create that most elusive of planning goals—a renewed sense of place.

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Resources

On the web. This fall, the Urban Land Institute announced a nationwide program to support mixed use redevelopments and other projects that embrace smart growth and new urbanism. See www.uli.org. Dozens of articles on smart growth appear on the APA website at www.planning.org/smartreader. APA’s policy guide on smart growth is at www.planning.org/policyguides.