

first to enact a hillside development ordinance a decade ago that prevented residential development from eroding hillsides, polluting nearby rivers, and blocking natural views.

"We in Blaine County are extraordinarily blessed to have very progressive planning," he says. "We've been very supportive of the Blaine County commission's effort to move ahead with an overhaul of the codes," noting that a "wide-open question" remains about whether the plan recommended by Clarion Associates strikes a balance between development and smart growth.

"Smart growth spans the entire economic spectrum. It involves a bundle of issues that range from transportation to walkability and from natural habitat to the loss of mom-and-pop businesses," he explains.

Affordable housing also plays a role in the debate. For example, studies found that without making significant changes, Blaine County would lose its middle class because a growing number of people must commute, some from as far away as 60 miles (96 km), Simms says.

At the same time, the construction of vacation homes generated 290 jobs and \$8.4 million in 2000 for Blaine County, according to an economic analysis compiled in 2001 for the Sun Valley/Ketchum chamber of commerce. The report from Portland's Dean Runyan Associates showed that total visitor spending supported 5,980 jobs and generated \$120 million that year—37 percent of the county's total employment and 29 percent of its earnings.

The growth issues that Deschutes, Kittitas, and Blaine counties face are similar to those dealt with in Jackson Hole and Teton, Wyoming; Park City, Utah; and Steamboat Springs, Colorado, as they became popular resort towns, remarks Christopher Duerksen, principal with Clarion Associates.

"It's happening in every resort town, and the issues are almost always the same: 'What's it going to cost the county to provide services? How is this going to [affect] wildlife? What is this going to do to our rural way of life?' They're all struggling with these issues," Duerksen emphasizes. **U**

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The Mall as Resort

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Retail centers take cues from resorts.

The best results of the demalling of shopping centers occurs when residential and office uses are introduced above a newly unenclosed retail "street." An example of this is the Streets at Southglenn in Denver, which kept two of its original four department stores, created a grid street layout with another 700,000 square feet (65,116 sq m) of retail uses at grade, and added 300 condominium units above, along with 150,000 square feet (13,953 sq m) of office space.



AS SINGLE-PURPOSE, ENCLOSED MALLS continue to struggle, many are recognizing the opportunity of diversification and densification. By adding hotels and residential, and creating an external streetscape, visitors become more emotionally connected. Consequently, they extend their "dwell times"—a common experience in resorts. Already a small number of malls are marketing themselves as resorts, with commensurate slogans:

▷ South Coast Plaza in Costa Mesa, California, uses the slogan, "The World's Ultimate Shopping Resort"; and

▷ Bellevue Square in Bellevue, Washington, is promoting itself with the slogan: "Discover the Northwest's Best Shopping Resort Destination—the Bellevue Collection."

What intrinsic qualities do these places have to create such magnetism? The cornerstone of what they have is retail, which plays a vital role in creating the mystical "sense of place." It is the glue that holds together all the separate uses.

Resorts have long realized the importance of place making. With changing lifestyles, people are taking more vacations—but of shorter duration. And what is the biggest pastime in any resort? Shopping. For example, the Forum Shops have changed how people perceive the city of Las Vegas. Visitors appear drawn to the casual, alfresco environment of this amenity-rich village—the community's

gathering place for interaction and socializing—with retail space at grade level, seamlessly linked to the casino with the hotel above. The overall atmosphere of such places plays an active role in transforming shopping into an experience—one for which visitors seem ready to pay a premium.

A resort can, therefore, be a microcosm of something bigger—something more urban. The resort village is the town center of its respective community. Developers now recognize the inherent framework that resorts provide in establishing their own town centers. The key to attracting new and repeat customers lies in the creation of these organic, multipurpose environments where the trip visitation time gets substantially extended, a phenomenon that emerges today from the blurring of leisure, recreation, entertainment, and dining pursuits that are integral to the magnetic appeal of shopping. In essence, people embrace such blurring of uses in multipurpose environments that provide diverse opportunities, and offer activities for each member of the family.

Retail development is a constantly evolving format—from the unenclosed mall framed around two streets with one street anchored by department stores and the other by a megaplex theater, to retail uses overlaid with residential space, with offices and hotels above or adjacent to them.

In a state of flux, the mall industry realized that consumers were being turned off by the mind-numbing homogeneity and sterility of most malls and were in search of something new. Several valiant attempts were made to revise center formats, including “demalling,” building urban entertainment centers, and adding an outdoor “tail” to a traditional enclosed mall. However, the initiative that eventually gained widespread acceptance is the lifestyle center, which adopts the format of a Main Street or town square.

The result is that starting with this decade, the industry is developing new projects that possess an intrinsic sense of place—projects that have the appeal and quality of resorts. The lifestyle center has taken many of its cues from resorts to create shopping environments that consumers can connect with once again. As part of their ongoing evolution, shopping malls are taking note of the following key principles:

▷ **Provide High-Amenity Environments.** Resorts have long recognized the importance of providing a strong sense of place within an appealing, high-quality environment. Malls that are adopting this principle are doing well. For example, Bellevue Square’s “The Lodge” offers a fireplace and comfortable seating in a distinctively Pacific Northwest setting as one of its primary gateways. Santana Row offers European features such as al fresco sidewalk dining, a piazza, and a wine bar with a historic chapel facade located on a traffic median. Malls are recognizing that people will pay more for an experience that transcends the dutiful shopping trip to accomplish their chores.

▷ **Capitalize on the Natural and Historic Setting.** The best resorts are an extension of their natural environments. Likewise, some of the most profitable regional malls, such as Flatiron Crossing and Park Meadows in the Denver area, have created immersive environments that reflect the unique natural and historic aspects of the local setting.

▷ **Extend the Offering to Nightlife and Entertainment.** Unlike the urban entertainment center concept of the 1990s (which relied on an overly narrow target demographic), retail centers today are attempting to provide a more mature destination for recreation and entertainment, in many ways similar to the offering at a resort. Restaurants, brew pubs, piano bars, and other entertainment are increasingly prominent in regional malls. The added benefit is that retail centers can avoid the seasonality of traditional resorts and become year-round destinations.

▷ **Offer an Indoor/Outdoor Experience.** Visitors to a resort pay a premium to immerse themselves in an outdoor setting. New retail developments are recognizing in their designs the value that people place on being outdoors. The demalling of traditional enclosed malls has had mixed results—the best of which has occurred when a demalled shopping center has introduced residential and office uses

Bellevue Square in Bellevue, Washington, is one of a small number of malls that are marketing themselves as resorts, with commensurate slogans: “Discover the Northwest’s Best Shopping Resort Destination—the Bellevue Collection.”

above the newly unenclosed retail “street,” such as the Streets at Southglenn in Denver, undertaken by Alberta Development Partners. By keeping two of its original four department stores and creating a grid street layout with another 700,000 square feet (65,116 sq m) of retail uses at grade and adding 300 condominiums above together with 150,000 square feet (13,953 sq m) of office space, the project has delivered an environment reminiscent of the fabled local Colorado resorts, and achieved dramatic preleasing success. Southglenn is demonstrating how a derelict mall can become the center of community life.

▷ **Focus on Health, Wellness, and Longevity.** The rapid growth in resorts in recent years has been driven largely by baby boomers who are focusing on quality of life, particularly on their health and wellness. The concept of malls as resorts increasingly is capitalizing on this trend in the mall’s merchandise mix—which can include day spas, medical/wellness facilities, yoga studios, yoga clothing and accessories, and specialty organic food and restaurants. Such uses resonate with today’s market, and increase the sense that the retail center reflects its lifestyle.

▷ **Target Affluent Markets.** Recent growth in resort popularity has been driven largely by the most affluent market segments. Similarly, the best performing malls increasingly are focusing on households with the highest discretionary income. As the retail market becomes ever more polarized, this trend will likely become more pronounced in the future. Although resorts and the mall-as-resort con-





By incorporating nonretail uses like hotels and housing, retail centers are becoming increasingly resortlike; the Mall of the Emirates in Dubai, for example, has even added a ski hill to its resort village, which includes retail space at grade level and office, residential, and hotel uses above.

cept target the most affluent customers, the atmosphere they try to create is “upscale but not exclusive.” Visitors want to see a diversity of people and feel they are part of a community that is an authentic gathering place.

▷ **Increase the Identity of the Center.** Resorts provide a unique and compelling environment. Likewise, retail centers more and more are providing a strong theme and cohesive image through the extensive use of landscaping, art, icons, water features, and attractive storefronts. Lifestyle centers were the pioneers of this movement toward a more resortlike setting, but regional malls also have taken a page from this trend. Similarly, traditional enclosed malls are being influenced by the mall as resort and are making efforts to relate to their environments and the wider urban fabric.

▷ **Focus on the Sequence of Experiences.** Resorts provide much of their charm through well-planned design. Likewise, the mall-as-resort concept focuses on choreographing visitors’ experience in order to maximize the feeling of discovery and sense of immersion on their shopping trip. This concept recognizes that the experience is as important as the goods or services purchased in terms of encouraging repeat visits. It is the deft orchestration of uses, amenities, attractions, and placement of buildings and public spaces that cumulatively creates a framework for success. Furthermore, it is not just the buildings and their juxtaposition but rather the articulation and animation of the spaces between buildings that become the backbone of public spaces. The ultimate objective is that the visitor connect emotionally to the place, whether it is a resort or a shopping center with a resort atmosphere.

▷ **Provide a Great Public Space.** With the decline of traditional anchors such as department stores, malls have had to rethink their anchoring functions. One of the most popular attractions at the Grove in Los Angeles is its public park, within which many families regularly picnic. Such public spaces provide a kind of miniature resort, where visitors are not pressured to buy anything, although ultimately they likely will. Retail developments recognize that to provide bustling environments with numerous opportunities to people watch simply helps to attract more people.

▷ **Introduce Nontraditional Uses.** By incorporating nonretail uses—most notably, hotels and housing—retail centers are becoming increasingly resortlike. The Mall of the Emirates in Dubai (UAE) has taken this a step further by bringing a primary resort amenity, a ski hill, into a shopping mall, which was recently named “The World’s Leading New Shopping Mall” at the World Travel Awards in London. Yet, part of the resort village’s charm also stems from its pedestrian scale and proportion, with a retail armature at grade and office, residential, and hotel uses above. Increasingly, retail projects are demonstrating the same mixed-use complexity of resorts and extending potential uses to include public libraries, civic centers, and senior citizens’ homes, as well as educational, cultural, and civic facilities. Such multipurpose environments allow for multitasking opportunities, provide something for every member of the family, and result in extended visits. But best of all, they provide the all-important sense of place that today’s consumer responds to so well.

The acid test of the mall as a resort is its acceptance by the marketplace. Already the response from retailers and shoppers is overwhelmingly favorable. Leading-edge retailers are jumping on the bandwagon as they find an eager new generation of resort-influenced retail centers. Consequently, Wall Street also sees the benefits of such community development and is encouraging REITs and others to intensify their assets by adding uses and building real places.

The term “regional mall” is starting to fade into oblivion. The mall-as-resort movement has played a significant role in this trend. A new description has emerged within the retail development lexicon—“regional center”—the common term used to describe large-scale, mixed-use, and open-air projects. The most successful of these regional centers will provide some of the amenities and experiences of a resort.

The era of the enclosed mall lasted about half a century. The morphing of the mall into a resort is part of the urban renaissance that is a growing trend around the world. By recognizing the commonalities of successful resorts and the great places that have resulted, retail developers are rounding out the appeal of their retail offerings with urban places overlaid with new attractions and amenities. In so doing, they offer places that people want to visit over and over. **U**

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