Webinar

Thriving Retail Today: What are the Key Ingredients?

Date: March 15, 2023

00:01:14 --> 00:01:15: Yeah, we should get started.

00:01:29 --> 00:01:33: Good morning, everybody, and thanks for joining us as we

00:01:33 --> 00:01:38: explore what drives successful retail projects today. With all the

00:01:38 --> 00:01:43: challenges facing retail today, too often we focus on what's

00:01:43 --> 00:01:47: broken while ignoring all that's going right. That's the story

00:01:48 --> 00:01:50: we're here to tell you today.

00:01:50 --> 00:01:54: To highlight what's working and what lessons we can learn

00:01:54 --> 00:01:58: from the outperformers that can help owners improve their own

00:01:58 --> 00:02:03: retail centers or plan better ones, I'm Andrew Nelson with

00:02:03 --> 00:02:07: Nelson Economics and lead writer for the report that you

00:02:07 --> 00:02:11: and I released today called successful retail how 14 shopping

00:02:11 --> 00:02:16: centers are thriving today, which was made possible through the

00:02:16 --> 00:02:19: generous support of the Bucksbaum Family Foundation.

00:02:20 --> 00:02:24: The open air centers we profiled in the report span

00:02:24 --> 00:02:29: a wide range of types and markets and locations across

00:02:29 --> 00:02:30: the country.

00:02:31 --> 00:02:35: But what sets them apart is that they have been

00:02:36 --> 00:02:41: able to define and serve their markets to create thriving,

00:02:41 --> 00:02:46: dynamic retail centers. So I am thrilled to be moderating

00:02:46 --> 00:02:51: this webinar with a truly All Star panel of retail

00:02:51 --> 00:02:56: owners whom we had interviewed for this report. Jody McLean,

00:02:57 --> 00:03:01: CEO of Edens. Kathy Sloss Jones, president and CEO.

00:03:01 --> 00:03:03: Of Sluss real estate company.

00:03:04 --> 00:03:10: And Gavin Thomas, Vice president of Development, Hendricks commercial properties.

00:03:10 --> 00:03:13: To get started, I'm going to ask each of them

00:03:13 --> 00:03:17: to briefly describe their project, which will help set the
00:03:17 --> 00:03:18: context for our discussion.
00:03:20 --> 00:03:23: Which will then focus on the broader themes of the
00:03:23 --> 00:03:28: factors that help achieve retail success. After this introduction, I'll
00:03:28 --> 00:03:32: be asking the panelists a series of questions, but we'd
00:03:32 --> 00:03:35: also like to hear from you, what questions do you
00:03:35 --> 00:03:39: have? So please use the Q&A button on your screen
00:03:39 --> 00:03:41: and we'll get to as many as we can. Jody,
00:03:42 --> 00:03:45: let's start with you. Edens has two centers in our
00:03:45 --> 00:03:47: study. Tell us a bit about them.
00:03:48 --> 00:03:52: Thank you, Andrew and thank you, UL. This is a
00:03:52 --> 00:03:58: great and important study. Thank you for highlighting everything that
00:03:58 --> 00:04:03: is going on with retail right now. We were fortunate
00:04:03 --> 00:04:07: enough to have two centers in this. The first is
00:04:07 --> 00:04:11: rubber village which is located about 9 miles just north
00:04:12 --> 00:04:16: of Boston in a great fabulous in Woburn, MA. Long
00:04:16 --> 00:04:18: history of retail here at the.
00:04:18 --> 00:04:23: Intersection, we're very close to the intersection of I93 and
00:04:24 --> 00:04:28: I-94, but really what we perceived a little bit of
00:04:28 --> 00:04:32: being a hole in the doughnut when it came to
00:04:32 --> 00:04:37: community gathering, so when we acquired this in 2017 Market
00:04:37 --> 00:04:38: Basket.
00:04:38 --> 00:04:45: Was there doing tremendous volumes, is it well established grocer
00:04:45 --> 00:04:49: and other than that TJX, DSW were both there, but
00:04:49 --> 00:04:54: they were part of what what we referred to minimal.
00:04:54 --> 00:04:59: This had a functionally defunct mall that was a part
00:04:59 --> 00:05:04: of the center. So what we really saw was the
00:05:04 --> 00:05:08: opportunity to think about the trade area here.
00:05:08 --> 00:05:12: For evidence, we think about everything in a 17 minute
00:05:12 --> 00:05:15: trade time. We believe that's how long we have for
00:05:15 --> 00:05:19: somebody to get out of their seat wherever they are,
00:05:19 --> 00:05:23: sitting at home, sitting in the office, getting their car,
00:05:23 --> 00:05:26: get them transit or walked and inside the front door
00:05:26 --> 00:05:30: of one of our places. So we are hypersensitive to
00:05:30 --> 00:05:34: that, to convenience, but pairing convenience with a great sense
00:05:34 --> 00:05:37: of place so that if I bump into my neighbor,
00:05:37 --> 00:05:39: I bump into my friends.
00:05:39 --> 00:05:42: I I have an opportunity to, as we like to

00:05:42 --> 00:05:46: say, sit and linger longer. So we worked closely from
00:05:46 --> 00:05:50: the very beginning with the municipality here to be sure
00:05:50 --> 00:05:55: we were delivering both the municipality and the community members.
00:05:55 --> 00:05:58: What they felt like was a void and really turn
00:05:58 --> 00:06:02: this into what feels like a village. We densified the
00:06:02 --> 00:06:07: site with Avalon Bay, who have been tremendous partners to
00:06:07 --> 00:06:09: us in multiple projects with 350.
00:06:09 --> 00:06:14: Residential units here, 25% which are affordable, which is it
00:06:14 --> 00:06:18: really important to our overall ethos. We decided to put
00:06:18 --> 00:06:22: green space here, so it's about 1/2 acre of green
00:06:22 --> 00:06:27: space and park that's really engaged with the community. We
00:06:27 --> 00:06:30: spend a lot. We think of that as a mini
00:06:30 --> 00:06:34: anchor much like we think of Market Basket, TJ, DSW,
00:06:34 --> 00:06:38: HomeSense. So a lot of FMB was added there was
00:06:38 --> 00:06:39: missing before.
00:06:40 --> 00:06:44: And then the thought of how we merchandise here using
00:06:44 --> 00:06:48: the park as part of our merchandising thoughts as well
00:06:48 --> 00:06:51: as we have our daily goods that drive two to
00:06:51 --> 00:06:55: three trips per week and the food beverage that will
00:06:55 --> 00:07:00: drive and entertainment that will drive an additional one to
00:07:00 --> 00:07:01: two trips per week.
00:07:02 --> 00:07:07: On Moores Mill, which will go down to Atlanta, so
00:07:07 --> 00:07:12: Edens is a national platform and we're in 13 major
00:07:12 --> 00:07:17: markets, the East Coast from Boston to Miami through Texas
00:07:17 --> 00:07:22: and then up the West Coast in major markets there.
00:07:22 --> 00:07:26: But Morris Mill is in Atlanta. We are just South
00:07:26 --> 00:07:32: of Buckhead here again where intersection with Marietta Blvd.
00:07:33 --> 00:07:37: And then Bolton Rd. NW so when we acquired this
00:07:38 --> 00:07:38: center.
00:07:39 --> 00:07:42: Our thought was really what was happening to the north
00:07:42 --> 00:07:43: of us.
00:07:44 --> 00:07:50: It's very affluent, very established neighborhood. And what was happening
00:07:50 --> 00:07:56: around us was an emerging neighborhood and industrial. But again,
00:07:56 --> 00:07:59: the nearest grocer to this area was about 2 1/2
00:08:00 --> 00:08:04: miles away. And we knew that this was an emerging
00:08:04 --> 00:08:08: area. We saw the demographics that were here that wanted
00:08:08 --> 00:08:13: to be here. The affordability of this neighborhood was great.
00:08:13 --> 00:08:15: And so the thought.

00:08:15 --> 00:08:17: Yeah, but it was thought of as being a food
00:08:17 --> 00:08:17: desert.
00:08:18 --> 00:08:22: So it's extremely important to us that we could do
00:08:22 --> 00:08:26: something here that would serve community and really tie what
00:08:26 --> 00:08:31: was happening South of Marietta to what was happening north
00:08:31 --> 00:08:34: of Bolton Rd. So again the community was a key
00:08:34 --> 00:08:38: partner to us and what's not on here and I'll
00:08:38 --> 00:08:41: talk about in a little bit was more sort of
00:08:41 --> 00:08:44: Cornette way that is on here. We we also worked
00:08:45 --> 00:08:49: very closely with the Community to establish to reestablish.
00:08:49 --> 00:08:53: Park that was there, but really to bring that back
00:08:53 --> 00:08:56: to the community again to act as another anchor. We
00:08:56 --> 00:09:00: have densified this site as well with just over 300
00:09:00 --> 00:09:05: residential units. Again, important. Let me see there. You can
00:09:05 --> 00:09:09: see it right behind the Spiller Park coffee. You can
00:09:09 --> 00:09:12: see the parking for the residential and you can see
00:09:12 --> 00:09:14: the residential.
00:09:15 --> 00:09:19: I'm just behind it so that that densification on the
00:09:19 --> 00:09:22: site though, we will never be able to build enough
00:09:23 --> 00:09:27: residential on our sites to really make our retail successful,
00:09:27 --> 00:09:32: but adds an incredible dimension to our projects and what
00:09:32 --> 00:09:33: we're doing.
00:09:33 --> 00:09:36: And I think with that, Kathy, I'll turn it over
00:09:36 --> 00:09:37: to you.
00:09:37 --> 00:09:40: Thank you, Jody. Hello, everybody. It's so nice to be
00:09:40 --> 00:09:43: here. Andrew, thank you for including us in this and
00:09:43 --> 00:09:44: to be here with Jody and with Gavin.
00:09:46 --> 00:09:49: I think I'll start by saying that Pepper Place is
00:09:49 --> 00:09:55: a vibrant mixed-use entertainment district. We're an official entertainment district
00:09:55 --> 00:09:58: for the city of Birmingham and we are focused on
00:09:58 --> 00:10:02: really, we focus on creative design, food related businesses. We
00:10:02 --> 00:10:06: have retail, lots of great restaurants, shops, galleries and offices.
00:10:08 --> 00:10:11: Before COVID, we had a theater there for 30 years,
00:10:11 --> 00:10:13: so we've been doing this a long time.
00:10:14 --> 00:10:16: And all of these, as you can see are housed
00:10:16 --> 00:10:21: in beautiful historic warehouses and light industrial buildings that were
00:10:21 --> 00:10:25: developed overtime starting in 1988. That's when we bought our

00:10:25 --> 00:10:25: first building.
00:10:26 --> 00:10:29: It's a good example for me of Stuart brands how
00:10:29 --> 00:10:30: buildings learn.
00:10:32 --> 00:10:36: There's a rich history in the neighborhood, and we've built
00:10:36 --> 00:10:40: a number of outside rooms and connecting paths that knit
00:10:40 --> 00:10:41: it all together.
00:10:42 --> 00:10:45: We've over the years had many, many events, but most
00:10:45 --> 00:10:49: notably we have a wonderful 23 year old farmers market.
00:10:49 --> 00:10:52: Every Saturday morning from 7 to 12 we have. This
00:10:52 --> 00:10:54: will show you some of the things we do. But
00:10:54 --> 00:10:57: the farmers market I think is the thing that I'm
00:10:57 --> 00:11:01: most proud of and I believe it's really largely responsible
00:11:01 --> 00:11:04: for helping build the success of Pepper place over time.
00:11:06 --> 00:11:09: And we're in a beautiful city. Birmingham is a beautiful
00:11:09 --> 00:11:13: city that's fortunate to have an amazing collection of historic
00:11:13 --> 00:11:16: buildings, a simple grid system, lots of trees and beautiful
00:11:16 --> 00:11:19: topography. So this has been a long time project for
00:11:19 --> 00:11:21: us and one we're really proud of.
00:11:23 --> 00:11:25: And I'm going to hand it over to Gavin. That's
00:11:25 --> 00:11:25: me.
00:11:38 --> 00:11:39: Yeah. You might be on mute.
00:11:46 --> 00:11:47: Right now.
00:11:48 --> 00:11:48: That's better.
00:11:50 --> 00:11:51: Sorry about that.
00:11:52 --> 00:11:53: All right.
00:11:54 --> 00:11:58: Well, I'll start from the beginning. Again, thanks for the
00:11:58 --> 00:12:01: invite to this panel and happy to be here with
00:12:01 --> 00:12:06: my colleagues. I'm talking about Bottleworks District in downtown Indianapolis.
00:12:06 --> 00:12:09: I'll give a quick history of this area. Originally it
00:12:09 --> 00:12:12: was built in the incrementally starting in the 1930s as
00:12:13 --> 00:12:16: part of Coca Cola's presence in Indianapolis. The photo you
00:12:16 --> 00:12:19: see down on the right hand screen with the hotel,
00:12:19 --> 00:12:22: that was the first building that was built and it
00:12:22 --> 00:12:24: was a bottling plant for Indiana.
00:12:25 --> 00:12:28: And over the course of 20 to 30 years, they
00:12:28 --> 00:12:32: expanded this facility multiple times to a point in the
00:12:32 --> 00:12:36: 50s, we they were producing over 1,000,000 bottles a week
00:12:36 --> 00:12:38: out of this facility.
00:12:38 --> 00:12:43: And obviously highly successful they built the main facility which
00:12:43 --> 00:12:46: is now the hotel and then adjacent garages which were

00:12:46 --> 00:12:51: service garages for their delivery trucks that were delivering Coca-Cola

00:12:51 --> 00:12:56: products throughout central IN so started off as an industrial

00:12:56 --> 00:12:56: complex.

00:12:57 --> 00:13:01: In the advent of the aluminum can, um, glass bottles

00:13:01 --> 00:13:06: became functionally obsolete, and kind of at that same time,

00:13:06 --> 00:13:10: the factory was reconsidering what they wanted to do. The

00:13:10 --> 00:13:14: original owners decided to sell to Tony Coleman. Some people

00:13:14 --> 00:13:18: may be familiar with that name. He owned and operated

00:13:18 --> 00:13:23: the Indianapolis Speedway for decades, and he moved the bottling

00:13:23 --> 00:13:26: plant out to the Speedway, which is West of downtown

00:13:26 --> 00:13:27: Indianapolis.

00:13:28 --> 00:13:31: And for a few years, he stored his classic car

00:13:31 --> 00:13:35: collection here. Um. Realizing that probably wasn't the best use

00:13:35 --> 00:13:39: of this building, he ended up selling the facility to

00:13:39 --> 00:13:44: Indianapolis Public Schools, which operated as a maintenance and bus

00:13:44 --> 00:13:47: facility for decades until about 2014, 2015. The city, in

00:13:48 --> 00:13:52: conjunction with the Indianapolis Public Schools, put it out for

00:13:52 --> 00:13:55: a public RFP, and we were fortunate to to be

00:13:55 --> 00:13:58: the winner of that selection a little bit.

00:13:58 --> 00:14:02: About Hendricks, we're a national real estate group. We have

00:14:02 --> 00:14:08: properties across the country in different asset classes, retail, office,

00:14:08 --> 00:14:12: industrial. We have a a sister company that has the

00:14:12 --> 00:14:18: hospitality growing hospitality group with hotels and restaurants and lifestyle

00:14:18 --> 00:14:22: concepts. So we're we're unique organization and in that regard

00:14:22 --> 00:14:26: and I think having those components gave us a little

00:14:26 --> 00:14:28: bit of the edge on.

00:14:28 --> 00:14:32: Winning the the RFP because the city was really looking

00:14:32 --> 00:14:36: forward, dynamic you know environment and district to create here

00:14:36 --> 00:14:40: that everyone wanted to see the historic buildings restored and

00:14:40 --> 00:14:43: done in a unique way. We had 12 acres to

00:14:43 --> 00:14:46: work with so there was plenty of land for new

00:14:46 --> 00:14:50: construction as well. So we have a multi phase build

00:14:50 --> 00:14:53: out here. We just finished phase one a couple years

00:14:53 --> 00:14:57: ago. We're under construction on phase two and you know

00:14:57 --> 00:14:59: we have a couple more.
00:14:59 --> 00:15:03: Raises to go. Just as a brief overview, phase one
00:15:03 --> 00:15:08: was the historic buildings. The main production historic bottling plant
00:15:08 --> 00:15:13: production facility was converted to 139 key boutique hotel on
00:15:13 --> 00:15:18: the ground floor where the original loading docks were for
00:15:18 --> 00:15:23: loading. The Coca-Cola products were converted to St. Front retail.
00:15:23 --> 00:15:28: The garages, two of them were connected and turned into
00:15:28 --> 00:15:29: a food hall.
00:15:29 --> 00:15:33: And the other garage was turned into an entertainment venue.
00:15:33 --> 00:15:37: We also built a structured parking garage and two new
00:15:37 --> 00:15:41: structures, one which houses retail and a high tech venture
00:15:41 --> 00:15:44: fund and the other one houses a theater and a
00:15:44 --> 00:15:47: retail. So that was kind of the the core of
00:15:47 --> 00:15:50: the project. It was a historic tax credit deal as
00:15:50 --> 00:15:53: well. There's just a lot of things going on in
00:15:53 --> 00:15:56: the first phase and you know this is all in
00:15:56 --> 00:15:59: the midst of COVID as well. So lots of challenges.
00:15:59 --> 00:16:02: Getting it, getting it going. But I feel like the
00:16:02 --> 00:16:05: momentum is there and it was, it was really well
00:16:05 --> 00:16:08: received once we opened it up, I think the timing
00:16:08 --> 00:16:11: was coming out of COVID. People were just ready to
00:16:11 --> 00:16:15: get back out and you know interact in environments like
00:16:15 --> 00:16:17: this. So you can kind of see some of the
00:16:17 --> 00:16:20: images here. I mean we can do events on our,
00:16:20 --> 00:16:23: we have a couple private streets where we can do
00:16:23 --> 00:16:26: block parties and things like that. Farmers markets that Kathy
00:16:26 --> 00:16:29: was mentioning, we do similar things here, you know.
00:16:30 --> 00:16:33: Last year we had the NCAA in town about this
00:16:33 --> 00:16:37: time and we were doing final four events on Carrollton
00:16:38 --> 00:16:38: here as well.
00:16:40 --> 00:16:43: Is entertainment and um, you know, on the top right
00:16:44 --> 00:16:46: photo is our office retail, so.
00:16:46 --> 00:16:46: A little bit.
00:16:48 --> 00:16:51: I just jump right into the discussion. We have so
00:16:51 --> 00:16:54: much to do. As you see, you know there's quite
00:16:54 --> 00:16:58: a variety of centers of both that we'll be discussing
00:16:58 --> 00:17:01: today as well as in the larger report. So there's
00:17:01 --> 00:17:05: no single blueprint for success that's shared by all high
00:17:05 --> 00:17:08: performing centers. And so we have a lot to talk

00:17:08 --> 00:17:11: about. Why don't we start with location, which is, you
00:17:12 --> 00:17:15: know, it's hardly news that location is a key driver
00:17:15 --> 00:17:18: of retail success, but what does that mean?
00:17:19 --> 00:17:22: We all know of centers that fail to capitalize on
00:17:22 --> 00:17:27: great locations and centers that manage to succeed despite some
00:17:27 --> 00:17:30: locational drawbacks. So let's try to tease that out a
00:17:30 --> 00:17:34: little bit. Gavin and Kathy, both of your projects are
00:17:34 --> 00:17:40: located on sites that wouldn't be considered traditionally traditional retail
00:17:40 --> 00:17:43: sites. Tell us a bit more about how you assess
00:17:43 --> 00:17:46: the market and made it work for you. Gavin, why
00:17:46 --> 00:17:48: don't why don't you get started?
00:17:49 --> 00:17:49: With that.
00:17:50 --> 00:17:53: Sure, thanks. I think this is really getting into the
00:17:53 --> 00:17:57: markets and understanding what you're investing in. We, you know
00:17:57 --> 00:18:01: we could uncover underserved and emerging retail markets. In the
00:18:01 --> 00:18:04: case of bottle works, there was already an organic local
00:18:04 --> 00:18:07: retail and restaurant scene along Mass Ave. What made the
00:18:07 --> 00:18:10: site interesting for us was due to its size allowed
00:18:10 --> 00:18:13: us to do some unique place making while still being
00:18:13 --> 00:18:16: a part of the realization that was going on in
00:18:16 --> 00:18:20: that district and Bottleworks is supercharged redevelopment kind of all
00:18:20 --> 00:18:21: around.
00:18:21 --> 00:18:24: That's the other side of the coin was our central
00:18:24 --> 00:18:28: location and proximity to Interstates and other demand generators like
00:18:28 --> 00:18:32: the Convention Center, Lucas Oil and other corporate headquarters. So
00:18:32 --> 00:18:35: a little bit of both. During the pandemic Bottleworks became
00:18:35 --> 00:18:39: a mini vacation destination for locals and people just coming
00:18:39 --> 00:18:42: through and that was kind of an interesting, you know
00:18:42 --> 00:18:46: opportunity and it's kind of, it's been sticky. People still
00:18:46 --> 00:18:49: use it as a stopover as they're traveling through town
00:18:49 --> 00:18:51: or visiting for whatever reason, so.
00:18:51 --> 00:18:53: We get the local crowd and then we also get
00:18:53 --> 00:18:55: this regional and and visitor crowd as well.
00:18:55 --> 00:18:58: And Kathy, I mean you also have a heritage of
00:18:58 --> 00:19:01: a of a soda or pop manufacturing, but other than
00:19:01 --> 00:19:04: that again you know as we've given it, it wasn't

00:19:04 --> 00:19:08: a traditional retail site. How did you make sense of
00:19:08 --> 00:19:11: the site and you know why did you believe in
00:19:11 --> 00:19:11: it?
00:19:12 --> 00:19:15: A lot of the same things that Gavin has said,
00:19:15 --> 00:19:18: because I didn't mention we were the one of two
00:19:18 --> 00:19:22: doctor pepper syrup plants that manufactured all the doctor pepper
00:19:22 --> 00:19:25: syrup east of the Mississippi and it's a very historic
00:19:25 --> 00:19:27: area. It was designated as an area to redo to
00:19:27 --> 00:19:31: diversify our economy at time of the depression. So around
00:19:31 --> 00:19:35: the depression, Birmingham was considered the hardest hit city in
00:19:35 --> 00:19:38: America. The location is very central. We're located in a
00:19:38 --> 00:19:42: downtown adjacent neighborhood not far from our central business district.
00:19:42 --> 00:19:46: And the UAB campus, UAB occupies 100 square blocks of
00:19:46 --> 00:19:49: our city center. We have a big city center. And
00:19:49 --> 00:19:52: then we're also next to the Jones Valley Trail. All
00:19:52 --> 00:19:56: of this was envisioned when we started this over 30
00:19:56 --> 00:19:59: years ago to have a trail system, which we now
00:19:59 --> 00:20:02: do over 750 miles. The main central loop is adjacent
00:20:02 --> 00:20:05: to Pepper Place. So we kind of always believed in
00:20:05 --> 00:20:09: trails and building spaces that would honor the history of
00:20:09 --> 00:20:12: a place. And we're also right next to our rail
00:20:12 --> 00:20:12: line.
00:20:13 --> 00:20:16: Central rail line, which is really why the city was
00:20:16 --> 00:20:19: started and is there and and right across from Sloss
00:20:19 --> 00:20:23: furnaces which is a National Historic Landmark and connects into
00:20:23 --> 00:20:27: a railroad park system for Birmingham. So you know I
00:20:27 --> 00:20:30: sort of we together collectively a long time ago in
00:20:30 --> 00:20:33: the 80s. So at first we were trying to get
00:20:33 --> 00:20:36: people to move back downtown which was our central focus
00:20:37 --> 00:20:39: at that time and then we felt like this was
00:20:39 --> 00:20:43: a good location if we could have patience over time.
00:20:43 --> 00:20:45: To get there, and it's and it's proven to be
00:20:45 --> 00:20:45: true.
00:20:46 --> 00:20:49: And now Jody, you have a much different situation and
00:20:49 --> 00:20:52: but you took over for what two, what were I
00:20:52 --> 00:20:55: guess failing centers. So you had your own challenges about
00:20:55 --> 00:20:58: you know, how you figure out why is there a
00:20:58 --> 00:21:01: market there, why do the prior, you know centers not
00:21:01 --> 00:21:03: do it what how did you know better? So how

00:21:03 --> 00:21:05: did you think about that?

00:21:06 --> 00:21:11: Say either one was failing, particularly wooburn, we have one

00:21:11 --> 00:21:15: of the strongest Market Basket grocers, but I I would

00:21:16 --> 00:21:21: tell you it was clearly underperforming. Functionally it had functionally

00:21:21 --> 00:21:25: the mini mall was was not performing to its best

00:21:25 --> 00:21:29: standard. But I think what we saw was might have

00:21:29 --> 00:21:33: referred to this was really sort of this hole in

00:21:33 --> 00:21:37: the doughnut. We have exceptional demographics.

00:21:38 --> 00:21:41: 76% of our population had a four year has a

00:21:41 --> 00:21:45: four year degree or more. If we look at education

00:21:46 --> 00:21:49: a lot that that tracks to job growth that that

00:21:49 --> 00:21:55: household income growth we were relatively well densified. Edens likes

00:21:55 --> 00:22:00: to have 100,000 people within the three mile ring household

00:22:00 --> 00:22:01: incomes.

00:22:02 --> 00:22:06: Of about 100,000, but you had here just just slightly

00:22:06 --> 00:22:10: under that at the time. The population is really actually

00:22:10 --> 00:22:14: grown in this neighborhood and high household incomes. But there

00:22:14 --> 00:22:18: is no central gathering place. And that's what we focus

00:22:18 --> 00:22:21: on more than anything is how can we really think

00:22:21 --> 00:22:25: about a community and our role of course is commerce,

00:22:25 --> 00:22:29: but more important than that, we have this altruistic role

00:22:29 --> 00:22:32: and I think you heard it with everybody.

00:22:32 --> 00:22:36: I was talking as well. It's well understood that retail

00:22:36 --> 00:22:39: really serves as this community gathering. And if we saw

00:22:39 --> 00:22:44: anything during COVID, what we learned was how desperate people

00:22:44 --> 00:22:47: were to connect with other human beings. So when we

00:22:47 --> 00:22:50: think about our places, ecommerce is a huge part of

00:22:50 --> 00:22:53: all of our places. I'm not here to tell you

00:22:53 --> 00:22:57: that it's just about brick and mortar, because that's not

00:22:57 --> 00:22:57: true.

00:22:59 --> 00:23:03: Online. Just buy online. Pick up in store is continue

00:23:03 --> 00:23:07: to be strong post COVID, but it's really about creating

00:23:07 --> 00:23:12: places where community can come together on a routine basis.

00:23:12 --> 00:23:16: We think about it 3 1/2 trips per week, five

00:23:16 --> 00:23:19: hours to 12 time. Huge numbers. But the but what

00:23:20 --> 00:23:24: we find is that prosperity happens not only economically but

00:23:24 --> 00:23:30: it also happens socially, happens culturally. It happens so fully.

00:23:30 --> 00:23:33: In these neighborhoods, in these districts and we, we watched
00:23:33 --> 00:23:35: that and statistics so.
00:23:36 --> 00:23:39: For us, I think we love the transportation nodes that
00:23:39 --> 00:23:43: we're here. That's important to us. People have to have
00:23:43 --> 00:23:46: access. We love the demographics. But there was no place
00:23:47 --> 00:23:50: in the in the same with the Morris Mill. There
00:23:50 --> 00:23:53: was no place where people were coming together routinely.
00:23:54 --> 00:23:58: And really interesting, I mean three very different centers, but
00:23:58 --> 00:24:02: all function now as a community gathering place which is
00:24:02 --> 00:24:06: a one of the traditional, you know, functions of retail.
00:24:06 --> 00:24:10: You know, another I think surprising for me theme that
00:24:10 --> 00:24:13: came out of the study was the importance of creating
00:24:13 --> 00:24:18: community or or building community support when you are developing
00:24:18 --> 00:24:18: a center.
00:24:19 --> 00:24:20: Umm.
00:24:22 --> 00:24:25: You know, most of us, we interviewed they, they tell
00:24:25 --> 00:24:28: us how important it is to work with, you know,
00:24:28 --> 00:24:32: local residents and other stakeholders to, you know, to gauge
00:24:32 --> 00:24:36: and build community support. Jody, what steps does Eden's take
00:24:36 --> 00:24:40: to engage with the local community when you're when you're
00:24:40 --> 00:24:43: developing a center and how do you use that input
00:24:43 --> 00:24:44: for your center?
00:24:45 --> 00:24:50: It's incredibly, it's incredibly important to us. I'm sitting here
00:24:50 --> 00:24:54: during this webinar from from a project in DC called
00:24:54 --> 00:24:58: Union Market and for us we came into a part
00:24:58 --> 00:25:02: of DC, Northeast DC that really again was a food
00:25:02 --> 00:25:05: and retail desert and our start here was in the
00:25:05 --> 00:25:10: faith-based community that was the first community we went to
00:25:10 --> 00:25:14: to really understand, to talk to when you think about
00:25:14 --> 00:25:15: Morris Mill.
00:25:15 --> 00:25:19: We went more to the municipality to help us engage
00:25:19 --> 00:25:23: with what they had done, if they if what kind
00:25:23 --> 00:25:27: of overlaid they had put to place here and then
00:25:27 --> 00:25:32: ask them to engage us with their most engaged citizens,
00:25:32 --> 00:25:35: with the people we could talk to. So we do
00:25:35 --> 00:25:39: a lot of listening, we do a lot of interaction
00:25:39 --> 00:25:43: upfront with communities and then we come back typically.
00:25:44 --> 00:25:49: Was a plan that seems to resonate with what we've
00:25:49 --> 00:25:53: heard, but I think it depends on the community. It

00:25:53 --> 00:25:57: depends on sort of what is the anchor on socially
00:25:57 --> 00:26:02: in the communities or what the municipalities have already done
00:26:02 --> 00:26:06: in the case of Morris Mill where you have an
00:26:06 --> 00:26:08: overlay in place.
00:26:09 --> 00:26:12: Right. And now now, Kevin, you had a different challenge,
00:26:12 --> 00:26:14: which is that you were developing on a site that
00:26:14 --> 00:26:17: wasn't, you know, traditionally a retail. How did you go
00:26:17 --> 00:26:20: about defining what the community was and how did you
00:26:20 --> 00:26:21: gauge their support?
00:26:22 --> 00:26:25: Well, we were all about trying to move people back
00:26:25 --> 00:26:28: to the downtown, to the central core of the city.
00:26:28 --> 00:26:31: At that time it was really abandoned. All of the
00:26:31 --> 00:26:34: buildings that we worked in were empty for many years.
00:26:34 --> 00:26:38: The doctor pepper syrup plant had been empty since 1971
00:26:38 --> 00:26:40: when we bought it in 1988. So this was a
00:26:40 --> 00:26:44: fairly blighted abandoned area. But again, we knew that it
00:26:44 --> 00:26:47: had a central location. I worked with the Main Street
00:26:47 --> 00:26:50: program. You know, ULII was on the inner City Council.
00:26:50 --> 00:26:52: We got a lot of great information.
00:26:52 --> 00:26:55: Working with with the team there with the Inner City
00:26:56 --> 00:26:59: Council and looking at best practices. So we were about
00:26:59 --> 00:27:03: really trying to revitalize to bring back a neighborhood that
00:27:03 --> 00:27:06: had been abandoned to to you know suburban sprawl. So
00:27:06 --> 00:27:09: for us it was it was about following again. Main
00:27:09 --> 00:27:12: Street was a great formula for us that we used.
00:27:12 --> 00:27:15: I would echo again, but what Jody said it's about
00:27:15 --> 00:27:20: building community. We started a Business Association. We started having
00:27:20 --> 00:27:23: events. You know, we were trying to change a pattern.
00:27:23 --> 00:27:27: And really trailblazing to make something happen. And that was
00:27:27 --> 00:27:30: really the formula that worked for us was bringing people
00:27:30 --> 00:27:35: together, building community, listening to the history. The history of
00:27:35 --> 00:27:38: that place is pretty extraordinary. So we were able to
00:27:38 --> 00:27:41: just find these beautiful old buildings and bring.
00:27:41 --> 00:27:41: Life.
00:27:42 --> 00:27:44: Gavin, anything you'd want to add on that?
00:27:45 --> 00:27:48: No, I think my other panelists really kind of took
00:27:48 --> 00:27:51: the words out of my mouth here. And talking to
00:27:51 --> 00:27:54: talking to the Community, listening, still listening, feedback.
00:27:56 --> 00:28:00: You know, another thing that came up was the importance

00:28:00 --> 00:28:03: of branding and several of you have already, you know,
00:28:03 --> 00:28:07: mentioned the term Kathy, you, you built your tenant mix
00:28:07 --> 00:28:10: very, you know, slowly over time. How did you think
00:28:10 --> 00:28:14: about positioning your project when you know that when there
00:28:14 --> 00:28:17: was so much that was unknown how did you bring
00:28:17 --> 00:28:20: that vision about what tenants might work?
00:28:21 --> 00:28:24: Well, you know, I think it's at the time because
00:28:24 --> 00:28:27: we were really starting something new. I reached out to
00:28:28 --> 00:28:31: the arts community. You know, the neighborhood was one where
00:28:31 --> 00:28:35: there were a number, a few construction companies, there was
00:28:35 --> 00:28:38: one gallery that had been there for a long time,
00:28:38 --> 00:28:42: 5 paint stores, I think. So we really decided on
00:28:42 --> 00:28:45: trying to bring in arts and and creativity into the
00:28:45 --> 00:28:48: area because it was cheap, you know, we could, we
00:28:48 --> 00:28:51: could rent the space for almost nothing.
00:28:51 --> 00:28:54: And people use their creativity. So we worked with an
00:28:54 --> 00:28:58: arts group, we brought in started galleries, started there. There
00:28:58 --> 00:29:01: was an upholstery shop in the basement. So we really
00:29:01 --> 00:29:04: just sort of reached out and tried to build community
00:29:04 --> 00:29:07: around this, these beautiful buildings that had been abandoned for
00:29:08 --> 00:29:10: a long, long time. And I think that that was
00:29:10 --> 00:29:12: what got the thing started.
00:29:13 --> 00:29:16: Right. And and Jody, I think you, you already touched
00:29:16 --> 00:29:19: on this when you were talking about the doughnut, you
00:29:19 --> 00:29:23: know, like with Woburn. But you know again when you're
00:29:23 --> 00:29:26: approaching a project like this and trying to figure out,
00:29:26 --> 00:29:30: you know, the market orientation and maybe you're looking into
00:29:30 --> 00:29:33: what was either not working at all or not working
00:29:34 --> 00:29:35: as well as it could.
00:29:36 --> 00:29:39: Uh, what else goes into your, you know, figuring out
00:29:39 --> 00:29:42: what the kind of, you know, tenants you need or
00:29:42 --> 00:29:45: would that would work, you know, for a center?
00:29:46 --> 00:29:51: We are really focused simply on what will create an
00:29:51 --> 00:29:57: enriched community through through human relationships. So we really go
00:29:58 --> 00:30:03: back to this very simple formula of thinking about can
00:30:03 --> 00:30:07: we drive trips, can we drive 12 time? What is
00:30:07 --> 00:30:12: missing from the existing community already and a lot of

00:30:12 --> 00:30:16: times what we are finding is that and and.
00:30:16 --> 00:30:20: I think you mentioned this earlier, maybe not that the
00:30:20 --> 00:30:24: US is still over retailed and there's no question and
00:30:25 --> 00:30:28: we I I happen to be a staunch believer in
00:30:28 --> 00:30:31: that, but I think the US is also under retailed
00:30:32 --> 00:30:35: in in place that really served the soul.
00:30:36 --> 00:30:39: And so we start first and foremost by.
00:30:40 --> 00:30:44: What is there and what is missing? And we do
00:30:44 --> 00:30:47: this void study and so placemaking is a huge part
00:30:47 --> 00:30:51: of what we think about. And how can we drive
00:30:51 --> 00:30:54: 3 1/2 trips per week, five hours of dwell time.
00:30:54 --> 00:30:58: It keeps coming back to that. The grocer for us
00:30:58 --> 00:31:01: is a big part of that it. The grocer is
00:31:01 --> 00:31:05: still driving anywhere between two and three trips per week.
00:31:05 --> 00:31:09: FMB is a part of that. Daily services are part
00:31:09 --> 00:31:10: of that. But.
00:31:10 --> 00:31:14: If you can meet these different needs and think about
00:31:14 --> 00:31:18: a consumer sort of think about the the neighbors life
00:31:18 --> 00:31:22: cycle. Sometimes the trip you need is that which is
00:31:22 --> 00:31:26: most convenient in and out of bag, you know, bag
00:31:26 --> 00:31:30: of sugar and home. And sometimes you need date night
00:31:30 --> 00:31:33: or or a day with your daughter at a local
00:31:33 --> 00:31:37: place. And so we've got to feed all these different
00:31:37 --> 00:31:40: needs in our places. But if we design them.
00:31:40 --> 00:31:44: Right. I think those are the places that are most,
00:31:44 --> 00:31:49: most successful in communities and I think it's proven out
00:31:49 --> 00:31:52: over and over again in retail.
00:31:53 --> 00:31:56: Thanks and I'm going to have a couple more questions,
00:31:56 --> 00:31:59: but I want to encourage everybody listening in to submit
00:31:59 --> 00:32:02: any questions. If you have something we have a few
00:32:02 --> 00:32:05: came in, but let us know what your, what you'd
00:32:05 --> 00:32:08: like to know about, you know, Gavin, one of the
00:32:08 --> 00:32:11: really interesting aspects of your project.
00:32:11 --> 00:32:15: Is the mix of historic buildings and new construction and
00:32:15 --> 00:32:19: I think you had a really interesting story about how
00:32:19 --> 00:32:22: you played you know to that in in developing your
00:32:22 --> 00:32:27: tenant mix. The different tenants, you know we're looking for
00:32:27 --> 00:32:28: different things.
00:32:29 --> 00:32:32: Tell us a little bit more about that and you
00:32:32 --> 00:32:36: know the whole importance of, you know, being flexible as
00:32:36 --> 00:32:38: you as you go about leasing out a project.
00:32:39 --> 00:32:43: Sure. Thanks. Yeah, I mean the bottling plant historical

buildings
00:32:43 --> 00:32:46: are really spectacular. I think they're the largest terracotta facade
00:32:47 --> 00:32:50: certainly in Indiana, maybe in the in the Midwest. You
00:32:50 --> 00:32:53: know it made it more remarkable with these buildings were
00:32:53 --> 00:32:57: essentially industrial buildings in their day loading docks and you
00:32:57 --> 00:33:00: know they were never intended to be what they currently
00:33:00 --> 00:33:03: are with retail and you know people you know sleeping
00:33:03 --> 00:33:06: in hotel beds every night. It's hard to imagine putting
00:33:06 --> 00:33:09: that level of detail and quality into an industrial building.
00:33:09 --> 00:33:12: But it speaks to the pride, the original owners and
00:33:12 --> 00:33:15: the facility. It also speaks to how good the Coca-Cola
00:33:15 --> 00:33:18: business was for during that time. You know, for us
00:33:18 --> 00:33:22: it was an architectural gift and we just really wanted
00:33:22 --> 00:33:25: to be great stewards and restore these buildings to the
00:33:25 --> 00:33:28: best of our ability. You know, the equal challenge was
00:33:28 --> 00:33:32: building new buildings that would be compatible with these historic
00:33:32 --> 00:33:35: buildings. So the architecture of the new buildings was equally
00:33:36 --> 00:33:39: important and we really looked to the local neighborhood to
00:33:39 --> 00:33:39: get.
00:33:39 --> 00:33:43: Views on what should be, what the new building should
00:33:43 --> 00:33:47: look like in this particular area was an industrial part
00:33:47 --> 00:33:49: of town 100 years ago and had a lot of
00:33:49 --> 00:33:52: warehouses. So we kind of took the style of that
00:33:52 --> 00:33:57: with brick and oversized windows and it just felt compatible,
00:33:57 --> 00:34:00: it felt authentic, it felt like it fit historic buildings
00:34:00 --> 00:34:03: and we really kind of pivoted off of that to
00:34:03 --> 00:34:07: create our brand and district and and ultimately our leasing
00:34:07 --> 00:34:09: strategy and you know for us.
00:34:09 --> 00:34:13: There was a local first leasing strategy. You know inherently
00:34:13 --> 00:34:17: the built bottling plant were uniquely Indianapolis and we felt
00:34:17 --> 00:34:21: strongly that the occupants would also be uniquely Indianapolis. It's
00:34:21 --> 00:34:24: not to say that we don't consider regional or national
00:34:24 --> 00:34:28: chains, we do, but we're much more selective and patient
00:34:28 --> 00:34:31: and we feel long term the best strategy for this
00:34:31 --> 00:34:33: particular center was a local 1st.
00:34:34 --> 00:34:34: Leasing strategy.
00:34:36 --> 00:34:39: And I think I remember you, you know you you
00:34:39 --> 00:34:43: talking about how the local, the local businesses were little

00:34:44 --> 00:34:48: more flexible, little more willing to consider a different types
00:34:48 --> 00:34:53: of spaces, whereas the nationals or the regionals tended to
00:34:53 --> 00:34:56: have their own set designs and so they gravitated more
00:34:57 --> 00:35:00: towards the the newer construction, right.
00:35:00 --> 00:35:03: Correct, correct. Yeah. So I mean the national brands have
00:35:03 --> 00:35:05: a typical build out criteria.
00:35:06 --> 00:35:09: They're used to, you know, more of a suburban layout,
00:35:09 --> 00:35:13: more modern buildings. You know we had the good fortune
00:35:13 --> 00:35:15: of having historic and the new. So if if they
00:35:15 --> 00:35:18: wanted to do more something that was in line with
00:35:18 --> 00:35:21: their national standards, we had new spaces that had 20
00:35:21 --> 00:35:25: foot, 25 foot ceilings. They could do whatever they wanted
00:35:25 --> 00:35:28: in there. But some of these local concepts, they were
00:35:28 --> 00:35:32: still just establishing their brand. They didn't really know what,
00:35:32 --> 00:35:35: you know, maybe the first time they had a bricks
00:35:35 --> 00:35:35: and mortar.
00:35:36 --> 00:35:40: Storefront. So our design team worked closely with them to
00:35:40 --> 00:35:43: even help them create that brand which you know if
00:35:43 --> 00:35:46: to do that on their own, they may not have
00:35:46 --> 00:35:48: been able to do that or may it may not
00:35:48 --> 00:35:51: have been as well conceived if it was just left
00:35:52 --> 00:35:55: to their own devices. So we really kind of helped
00:35:55 --> 00:35:58: a lot of these local tenants elevate their branding to
00:35:58 --> 00:36:01: be at par in a lot of cases better than
00:36:01 --> 00:36:04: some of the regional and national brands.
00:36:04 --> 00:36:06: So this issue of flexibility.
00:36:06 --> 00:36:10: Adaptability came up a lot in our interviews and and.
00:36:11 --> 00:36:14: Kathy, your, your project has a bit of a history
00:36:14 --> 00:36:17: going back to the 1980s and you've gone through a
00:36:17 --> 00:36:20: few market cycles, a few changes in consumer taste. How
00:36:20 --> 00:36:24: did your thinking about the project and how you lease
00:36:24 --> 00:36:26: it up? I mean how did that evolve over time?
00:36:27 --> 00:36:30: Well, you know, it's so much fun to listen to
00:36:30 --> 00:36:33: Jody and Gavin talk about their projects because we are
00:36:33 --> 00:36:35: so similar in our approaches. You know, I think that
00:36:35 --> 00:36:38: we we thought about originally local has always been the
00:36:38 --> 00:36:41: most important to us because you know we weren't going
00:36:41 --> 00:36:44: to attract national brands to an empty neighborhood at that
00:36:45 --> 00:36:47: time. And so, and I mentioned the farmers market, which
00:36:47 --> 00:36:50: we've really been able to incubate a lot of wonderful
00:36:50 --> 00:36:53: local businesses. I mean I consider the market a low

00:36:53 --> 00:36:56: tech incubator. We have a great food in Birmingham, so
00:36:56 --> 00:36:57: we have 5 James Beard.
00:36:57 --> 00:37:01: Gifts as part of the Pepper Place neighborhood and several
00:37:01 --> 00:37:04: you know I will say four or five of our
00:37:04 --> 00:37:08: really great tenants now actually started in the market. So
00:37:08 --> 00:37:11: you know it evolved out of local and place to
00:37:11 --> 00:37:14: me today. Now the the trick and the balance is
00:37:15 --> 00:37:18: not letting it get too because now we have a
00:37:18 --> 00:37:22: couple of regional tenants there. They're very tuned into the
00:37:22 --> 00:37:26: place. Billy Reed is an Alabama designer and jennys ice
00:37:26 --> 00:37:29: cream. So we're starting to mix in a little bit.
00:37:29 --> 00:37:32: Regional and national tenants. But I think you know as
00:37:32 --> 00:37:35: you evolve these places you don't want to lose the
00:37:35 --> 00:37:38: heartbeat or the spirit of it. And for us it's
00:37:38 --> 00:37:41: all about local and honoring the history and and so
00:37:41 --> 00:37:43: I'm, I'm just so happy to hear everyone else saying
00:37:43 --> 00:37:47: the same thing because I think we're building better spaces
00:37:47 --> 00:37:49: across the country because of that.
00:37:50 --> 00:37:52: So some of the questions that are coming in now
00:37:52 --> 00:37:56: have to do with finance. No great surprise folks. Wondering
00:37:56 --> 00:37:59: about how how you get these projects financed or did
00:37:59 --> 00:38:03: you partner with local cities to make certain things happen?
00:38:03 --> 00:38:06: Anybody want to talk about that a little bit?
00:38:08 --> 00:38:11: I mean I could talk a little bit about bottle
00:38:11 --> 00:38:14: works. I mean we we use a variety of different
00:38:14 --> 00:38:17: things. I mean we we didn't have any partners, Equity
00:38:17 --> 00:38:20: Partners per se on the project, but we did submit
00:38:20 --> 00:38:24: for historic tax credits through the National Park Service for
00:38:24 --> 00:38:28: the Storage building. So there was a a tax component
00:38:28 --> 00:38:30: as part of the capital stack you know you know
00:38:31 --> 00:38:34: from it was really just kind of traditional financing for
00:38:34 --> 00:38:37: by and large the rest of it was local banks
00:38:37 --> 00:38:38: that syndicated you know.
00:38:39 --> 00:38:42: Different parts of it out, but you know our unique
00:38:42 --> 00:38:45: part I guess was just the the tax credits. There
00:38:45 --> 00:38:48: was also some tax credits that came in from the
00:38:48 --> 00:38:51: state of Indiana that was targeted for these types of
00:38:51 --> 00:38:56: industrial redevelopments. You know job creation, type of incentives and
00:38:56 --> 00:38:59: you know we took advantage of those things but you
00:38:59 --> 00:39:03: know relatively to the overall project costs those were important

00:39:03 --> 00:39:06: part but they it wasn't like a massive part of
00:39:06 --> 00:39:09: it everything it was, it was they were there.
00:39:09 --> 00:39:11: Could be used for projects like this and we applied
00:39:11 --> 00:39:13: for them and we're fortunate to to use them in
00:39:14 --> 00:39:14: this project.
00:39:17 --> 00:39:19: Gather Jodie, anything you want to add.
00:39:19 --> 00:39:22: We also used historic tax credits on two of our
00:39:22 --> 00:39:26: buildings which are designated historic. And you know I'm a
00:39:26 --> 00:39:30: big believer in public private partnership. We didn't engage in
00:39:30 --> 00:39:33: that early on but but more recently we partnered with
00:39:33 --> 00:39:36: the city to because now we need St. improvements and
00:39:36 --> 00:39:39: we're we have a program of pretty extensive program on
00:39:39 --> 00:39:43: complete streets in Birmingham. So we're trying to green our
00:39:43 --> 00:39:46: streets and create bike lanes across the city. So we've
00:39:46 --> 00:39:48: just worked with the city.
00:39:48 --> 00:39:50: To get some grants, tip and tap, and they'll be
00:39:50 --> 00:39:53: coming in and redoing all the streets around us. So
00:39:53 --> 00:39:56: public private partnership has been important today for us. I
00:39:56 --> 00:39:58: wish I'd known how to do it better back then
00:39:58 --> 00:40:00: because it would have helped a lot. We sort of
00:40:00 --> 00:40:02: had to dig in our pockets and scrape along one
00:40:03 --> 00:40:05: building at a time. But it's it's proved to work
00:40:05 --> 00:40:08: well. The tax credits really did help, actually. I think
00:40:08 --> 00:40:10: that made it happen for us on the front end.
00:40:12 --> 00:40:12: Right.
00:40:13 --> 00:40:17: We have, we did not wooburn use any in Morris
00:40:17 --> 00:40:22: Mill. We actually did use what's called Tad. So it
00:40:22 --> 00:40:27: looks like tip financing to help make sure the public
00:40:27 --> 00:40:32: was came originally and we've used in a couple other
00:40:32 --> 00:40:34: really major.
00:40:36 --> 00:40:40: In emerging markets centers that we've done, but I'm with
00:40:40 --> 00:40:44: Kathy, I believe in public private ships, I think they
00:40:44 --> 00:40:49: make better Community place oriented place, but we've probably done
00:40:49 --> 00:40:51: more limited work around that.
00:40:52 --> 00:40:55: But you would you would mentioned about the park in
00:40:55 --> 00:40:58: with Moores Mill that you partnered with the community on
00:40:58 --> 00:41:00: that, I mean how did that come about?
00:41:02 --> 00:41:05: This is Sarah Gonzalez Park. It is a park. Like
00:41:05 --> 00:41:08: I said, it's just adjacent to us. And I think
00:41:08 --> 00:41:12: one of the things we felt like was missing at
00:41:12 --> 00:41:16: Moores Mill, as we talked about the community was green

00:41:16 --> 00:41:19: space and we just didn't have the physical space on
00:41:19 --> 00:41:23: site. And this park was there. It was traditional, it
00:41:23 --> 00:41:27: represented a family. It was named after a family that
00:41:27 --> 00:41:31: really had deep roots in the community. And So what
00:41:31 --> 00:41:31: we did was.
00:41:32 --> 00:41:35: As we got to know this family better working in
00:41:35 --> 00:41:39: this area help set up an endowment that could take
00:41:39 --> 00:41:40: care of this.
00:41:40 --> 00:41:40: Park.
00:41:41 --> 00:41:44: And also do some matching funds so they could raise
00:41:44 --> 00:41:48: additional monies for the park and it really in it
00:41:48 --> 00:41:51: especially thinking what was going on South of us and
00:41:52 --> 00:41:55: a lot a lot of multifamily that was moving into
00:41:55 --> 00:41:59: this area. It felt like green space was important, was
00:41:59 --> 00:42:02: an important part of the fabric of the space so.
00:42:02 --> 00:42:05: For us, I was saying I know this is same
00:42:06 --> 00:42:09: as Kathy and Gavin. We think of our role as
00:42:09 --> 00:42:14: much bigger than just filling retail space. It's really about
00:42:14 --> 00:42:18: the community and being centered to community life.
00:42:19 --> 00:42:22: You know, Gavin, could I make one more thing real
00:42:22 --> 00:42:25: quickly about spacing greens because Jody, that's so important. I
00:42:25 --> 00:42:28: think also being close to trails, I don't know if
00:42:28 --> 00:42:31: you all have connecting trails there, but we are really
00:42:31 --> 00:42:35: excited about our trail system in Birmingham. People believed to
00:42:35 --> 00:42:38: be close to trails and they're bicyclist. And you know,
00:42:38 --> 00:42:41: the complete streets are great, but it's wonderful having these
00:42:41 --> 00:42:44: designated trails. So we're having a big celebrate Trails Day
00:42:44 --> 00:42:47: event with working with national rails to trails on that.
00:42:47 --> 00:42:50: So you know, I think the importance of trails.
00:42:50 --> 00:42:53: As well as parks close by because we've got to
00:42:53 --> 00:42:56: connect these spaces to nature in any way that we
00:42:56 --> 00:42:56: can.
00:42:57 --> 00:43:01: Agree with you Kathy. We are looking for our whole
00:43:01 --> 00:43:05: portfolio anywhere we can connect to trails. We want to
00:43:05 --> 00:43:08: be connected. We think people want to come but they
00:43:09 --> 00:43:12: want. This is a trend pre COVID, it's just been
00:43:12 --> 00:43:16: accelerated. People want to come to spaces by foot, they
00:43:16 --> 00:43:19: want to come by bike, so being connected to the
00:43:20 --> 00:43:20: broader.
00:43:20 --> 00:43:25: Community in ways other than just vehicular is extremely

important.
00:43:25 --> 00:43:29: That's another issue that's come up in the Q&A is
00:43:29 --> 00:43:33: is just generally access and changing ways of access, less
00:43:33 --> 00:43:37: dependence maybe on traditional just, you know, parking.
00:43:38 --> 00:43:42: Gavin, anybody you want to talk a little bit about
00:43:42 --> 00:43:43: how you got that access?
00:43:44 --> 00:43:47: I mean obviously we have traditional parking, we have a
00:43:47 --> 00:43:50: structured garage, we'll have more garages in the future. But
00:43:50 --> 00:43:52: you know I kind of echo what Kathy and Jody
00:43:52 --> 00:43:55: are saying. I mean we're, we're at kind of the
00:43:55 --> 00:43:58: the confluence of two major trails in Indianapolis, one the
00:43:58 --> 00:44:00: Monon Trail that goes basically due N up into the
00:44:00 --> 00:44:03: suburbs and then the the cultural trail that kind of
00:44:03 --> 00:44:06: pivots you know in the elbow and goes right downtown.
00:44:07 --> 00:44:10: I was pleasantly surprised how much people were biking and
00:44:10 --> 00:44:13: and walking to bottleworks. We put in bike racks. In
00:44:13 --> 00:44:17: the original development. I had to triple the amount of
00:44:17 --> 00:44:20: bike racks, you know, on a Saturday or an evening,
00:44:20 --> 00:44:23: especially when the weather is nice. People were where there
00:44:23 --> 00:44:27: were bikes everywhere. There are, you know, tying up bikes
00:44:27 --> 00:44:30: to everything that you know they could tie bikes up
00:44:30 --> 00:44:33: to, which was awesome and we thought that was great,
00:44:33 --> 00:44:36: a great way of of connecting it, but that's really
00:44:36 --> 00:44:38: the public. Private comes in.
00:44:38 --> 00:44:41: Because it's like how it requires the community to want
00:44:41 --> 00:44:44: those types of things. It requires local governments to help
00:44:44 --> 00:44:47: facilitate it and we're all, we're all ears on trying
00:44:47 --> 00:44:50: to make those connections. It's just that's where I think
00:44:50 --> 00:44:53: a lot of the public private partnerships come in of
00:44:53 --> 00:44:57: connecting those dots. Because a lot of times they're disconnected
00:44:57 --> 00:45:00: or the full plan hasn't been implemented yet and trying
00:45:00 --> 00:45:03: to push those things along because once they're in place
00:45:03 --> 00:45:06: it really makes a tremendous impact to to these projects
00:45:06 --> 00:45:08: and getting people here outside of.
00:45:08 --> 00:45:10: This vehicular transit.
00:45:11 --> 00:45:15: We're also getting a few questions of planning questions. All
00:45:15 --> 00:45:19: of you are involved in projects that involved adding new
00:45:19 --> 00:45:24: uses. Different uses probably required some rezoning. So there's questions
00:45:24 --> 00:45:27: about, you know, how you made that happen and then
00:45:27 --> 00:45:30: how you think about how much green space, how much

00:45:31 --> 00:45:34: open space to to incorporate into your projects.
00:45:35 --> 00:45:37: Anyone want to look at tackle that?
00:45:39 --> 00:45:42: Um, you know, I'll say real quickly we are we've
00:45:42 --> 00:45:45: done a lot of planning. We've been really lucky to
00:45:45 --> 00:45:48: have great urban planners in Birmingham. And so we built,
00:45:49 --> 00:45:52: built around an existing park system of emerging trail system.
00:45:52 --> 00:45:55: We have a new BRT. Our city is about to
00:45:55 --> 00:45:58: get rid of required parking which is a little scary
00:45:58 --> 00:46:02: but exciting that we were thinking in terms of integrated
00:46:02 --> 00:46:05: transportation systems and and again what I see is a
00:46:05 --> 00:46:08: lot of younger people, people really moving to be next
00:46:08 --> 00:46:09: to trails so.
00:46:09 --> 00:46:12: I think that that that would just I would add
00:46:12 --> 00:46:13: that into that conversation.
00:46:17 --> 00:46:20: I would say we have not been as formulaic as
00:46:21 --> 00:46:24: what our green base needs to look like. I think
00:46:24 --> 00:46:27: it is based on location, it's based on trips, it's
00:46:27 --> 00:46:31: based on what you know, what is around us. And
00:46:31 --> 00:46:35: it doesn't always have to be green space hardscape. We've
00:46:35 --> 00:46:39: we've done successful things with Hardscape and we've also done
00:46:39 --> 00:46:43: some really creative things, urban areas where we can't get
00:46:43 --> 00:46:47: to the green space, where we've turned our roofs into
00:46:47 --> 00:46:48: public parks.
00:46:48 --> 00:46:52: And and driven one of the hardest things to do
00:46:52 --> 00:46:55: in retail is to drive anybody up. So it's it
00:46:55 --> 00:46:59: takes some creativity to do that. But but I think
00:46:59 --> 00:47:03: what we're more focused on is gathering places and then
00:47:04 --> 00:47:08: how we program because I think the other thing that's
00:47:08 --> 00:47:08: a little.
00:47:10 --> 00:47:13: Shocking to me is I don't know the people people
00:47:13 --> 00:47:16: desirous. We hear this over and over again and we
00:47:16 --> 00:47:19: say what do you want us to put in our
00:47:19 --> 00:47:23: places? How do you. And the number one thing people
00:47:23 --> 00:47:26: say is maybe they want food if they're in a
00:47:26 --> 00:47:30: food desert or particular retailer, but they say I'd love
00:47:30 --> 00:47:33: to know, I'd love to be able to make friends
00:47:33 --> 00:47:36: there. And it's sort of like, OK, what do we
00:47:36 --> 00:47:39: do with that? We're real estate developers, but.
00:47:39 --> 00:47:43: People are really desperate to have places to come together
00:47:43 --> 00:47:47: and engage with other people in a safe and comfortable
00:47:47 --> 00:47:51: way. So learning how to program these spaces has become

00:47:51 --> 00:47:55: something that that is new to Edens. But just putting
00:47:55 --> 00:47:58: in a green space right now isn't enough for our
00:47:58 --> 00:48:01: community members who are doing a lot of outdoor.
00:48:03 --> 00:48:06: Yoga or boutique fitness or COVID. We did a lot
00:48:06 --> 00:48:11: of spinning out there. We're hosting run clubs starting here.
00:48:11 --> 00:48:15: We're doing Mommy and me baby stroller work, all sorts
00:48:16 --> 00:48:20: of things that just really help engage people almost on
00:48:20 --> 00:48:21: a daily basis.
00:48:22 --> 00:48:23: Like their neighbors.
00:48:24 --> 00:48:27: Right. You know, the other part of the question was
00:48:27 --> 00:48:31: just about some of the challenges of of implementing these
00:48:31 --> 00:48:35: changes and getting zoning changes and is that something that
00:48:35 --> 00:48:38: has occupied a lot of your time with any of
00:48:38 --> 00:48:38: these?
00:48:38 --> 00:48:39: Projects.
00:48:40 --> 00:48:43: Unfortunately, but I mean just got that, does that get
00:48:43 --> 00:48:46: back to the building community that we were discussing before?
00:48:47 --> 00:48:50: I think it depends on what community you're working in.
00:48:50 --> 00:48:52: I mean, some communities are much more.
00:48:53 --> 00:48:56: Enlightened in that regard they you know they are much
00:48:56 --> 00:48:59: more progressive and in kind of creating these environments and
00:48:59 --> 00:49:02: taking down those barriers that you know for years there
00:49:02 --> 00:49:04: may have been zoning regulations that it had to be
00:49:05 --> 00:49:08: suburban type retail. And I think people were thinking about
00:49:08 --> 00:49:10: it now saying it doesn't have to be suburban type
00:49:10 --> 00:49:13: retail. Suburban type retail can have apartments in it, it
00:49:13 --> 00:49:16: can have office in it and vice versa. Urban retail
00:49:16 --> 00:49:19: can have these mixes of use. Just because it's urban
00:49:19 --> 00:49:22: doesn't mean retail doesn't work there. It's just you've got
00:49:22 --> 00:49:22: to look at the.
00:49:23 --> 00:49:26: Individual circumstance and the individual place and most communities that
00:49:26 --> 00:49:29: want to see their communities grow and prosper, they they
00:49:29 --> 00:49:31: want to work with you on that and they want
00:49:31 --> 00:49:33: to take down those barriers. I have found. I mean,
00:49:33 --> 00:49:36: there's obviously exceptions and different communities, but the ones that
00:49:36 --> 00:49:39: are growing and the ones that where people want to
00:49:39 --> 00:49:41: be are finding ways to make those types of developments
00:49:41 --> 00:49:43: happen in their communities.

00:49:44 --> 00:49:47: I think the barriers are coming down pretty quickly now
00:49:47 --> 00:49:49: too, from my experience, and it's fun to see that
00:49:50 --> 00:49:52: finally happening. It's not as hard to try to change
00:49:52 --> 00:49:55: the zoning or work with the city. They they're they're
00:49:55 --> 00:49:57: helping and reaching out to us as well.
00:49:58 --> 00:50:00: And I would, I would add to that more so
00:50:00 --> 00:50:02: than just the city and zoning, I think the the
00:50:02 --> 00:50:05: bankers and lenders are coming around to this too because
00:50:06 --> 00:50:09: traditionally it was like you're a retail developer, you're an
00:50:09 --> 00:50:13: office developer, these things can't play together or either competing
00:50:13 --> 00:50:14: against certain things.
00:50:15 --> 00:50:18: Now everyone and everyone saying, hey, this might be a
00:50:18 --> 00:50:21: good idea to have all these mixes here. It's a
00:50:21 --> 00:50:24: hedge against one part of the real estate economy going
00:50:24 --> 00:50:27: down. And we saw that during COVID where, you know,
00:50:27 --> 00:50:30: restaurants were shut down, we had office, we had other
00:50:30 --> 00:50:33: things going on in the district that I'm not saying
00:50:33 --> 00:50:37: it was fantastic because it wasn't everyone was struggling, but
00:50:37 --> 00:50:40: we had a diversification of of uses on the site
00:50:40 --> 00:50:43: that can kind of moderate some of these unexpected, you
00:50:43 --> 00:50:45: know, impacts the economy.
00:50:45 --> 00:50:48: That nobody could foresee. So yeah, I think everyone's kind
00:50:48 --> 00:50:50: of coming around to and I think you know the
00:50:50 --> 00:50:53: the holdouts were really the lenders if they're not lending
00:50:53 --> 00:50:55: they don't like your project for whatever reason and you're
00:50:56 --> 00:50:58: you're not playing in your sandbox that was hard to
00:50:58 --> 00:51:01: overcome and I think that's changing now they're seeing the
00:51:01 --> 00:51:03: benefit of having these mixed-use places.
00:51:05 --> 00:51:09: Right. Um, one question we have is about new development
00:51:09 --> 00:51:12: and you know signing tenants a couple years out. When
00:51:12 --> 00:51:17: you have construction, you know your, your projects are going
00:51:17 --> 00:51:20: to take a couple years to build and you have
00:51:20 --> 00:51:23: rising construction costs and how do you get, you know
00:51:23 --> 00:51:27: tenants committed now and when you don't know what the
00:51:27 --> 00:51:32: construction, your ultimate construction cost will be and any thoughts
00:51:32 --> 00:51:33: about that?
00:51:38 --> 00:51:40: I mean for us it's always a moving target. I
00:51:41 --> 00:51:44: mean especially in the last couple years prices have been
00:51:44 --> 00:51:47: you know, they're only holding them for sometimes just a

00:51:47 --> 00:51:50: few days contractors and Subs. So it's like you really
00:51:50 --> 00:51:53: have to bake in inflation allowance. It seem to be
00:51:53 --> 00:51:57: moderating at least here in Indianapolis and some other markets
00:51:57 --> 00:51:59: I'm working in. But that just has to be part
00:51:59 --> 00:52:02: of your Performa assumptions that there's going to be some
00:52:03 --> 00:52:06: price variation there that that time between getting a tenant
00:52:06 --> 00:52:07: committed.
00:52:07 --> 00:52:11: And actually getting built can be fairly significant and especially
00:52:11 --> 00:52:14: in a inflation kind of volatile situation that we're in
00:52:14 --> 00:52:17: now adds another level of risk there. But it just
00:52:17 --> 00:52:20: needs to be planned for, especially in these types of
00:52:20 --> 00:52:23: environments. At least that's how we've dealt with it.
00:52:25 --> 00:52:28: So we have about 5 minutes left and turn to
00:52:28 --> 00:52:31: one more issue that came up a lot is just
00:52:31 --> 00:52:35: in our interviews which was the maybe this gets back
00:52:35 --> 00:52:39: to the adaptability issue, but you know a lot's been
00:52:39 --> 00:52:43: turned upside down during and since the pandemic about the
00:52:43 --> 00:52:48: competitive landscape. Jody any particular concerns you have out there
00:52:48 --> 00:52:52: that that keep you up, where they that you worry
00:52:52 --> 00:52:54: about and how you dealing with that?
00:52:56 --> 00:53:01: Sure, there are multiple things in particular this week that
00:53:01 --> 00:53:02: are keeping up.
00:53:04 --> 00:53:06: Actually go a whole hour without talking about the banking
00:53:06 --> 00:53:06: crisis.
00:53:06 --> 00:53:07: Yeah.
00:53:07 --> 00:53:08: That's good.
00:53:09 --> 00:53:12: But I would say I, I do not stay up.
00:53:12 --> 00:53:17: I don't waste any time worrying about ecommerce. For us
00:53:17 --> 00:53:22: ecommerce is our partner. It's been proven out over and
00:53:22 --> 00:53:26: over again the strength of the brick and mortar store
00:53:26 --> 00:53:31: to actually elevate ecommerce sales. So to us we see
00:53:31 --> 00:53:35: them integrated and partner aerial we want to deal with
00:53:35 --> 00:53:39: retailers who have strength in both areas and.
00:53:39 --> 00:53:44: Understand the real role of the store in in driving
00:53:44 --> 00:53:48: sales. So to us that's not something that keeps me
00:53:48 --> 00:53:53: awake at night. I'm watching foot traffic at our places
00:53:53 --> 00:53:57: you know weekly and and you can see that it
00:53:57 --> 00:54:01: is driving. People want to be in well located, well
00:54:01 --> 00:54:06: designed places. Obviously inflation is keeping me up at night

00:54:07 --> 00:54:10: this year, overall retail sales in 2020.
00:54:10 --> 00:54:14: To over 21 on average in our center, we're up
00:54:14 --> 00:54:18: about 9.2% across our portfolio. So that's huge jump. But
00:54:19 --> 00:54:25: we're not sitting here Pollyannaish really thinking that inflation wasn't
00:54:25 --> 00:54:29: a part of that and what's happening at the bottom
00:54:29 --> 00:54:33: line to our retail partners and to the consumer. So
00:54:33 --> 00:54:38: that that remains on our minds, just that it's important
00:54:38 --> 00:54:40: we are seeing our consumers.
00:54:41 --> 00:54:46: Very interactive and value what that means to them is
00:54:46 --> 00:54:52: different than low price typically, but they're very value oriented
00:54:52 --> 00:54:57: now in this economy. So yeah, so there's some macro,
00:54:57 --> 00:55:01: macro things that are keeping us up. But when I
00:55:01 --> 00:55:06: think about retail and truth, I think it's never been
00:55:06 --> 00:55:10: a better time to be in the retail that that
00:55:10 --> 00:55:11: Kathy.
00:55:11 --> 00:55:15: Gavin and I are in where it's really about community
00:55:15 --> 00:55:16: oriented.
00:55:17 --> 00:55:21: And bringing people together, I think this is a fantastic
00:55:21 --> 00:55:22: time.
00:55:23 --> 00:55:25: You know Jody, I think that's so right on. I
00:55:25 --> 00:55:28: think that we, we are all about having a place
00:55:28 --> 00:55:30: where full and you know we're nervous a little bit
00:55:31 --> 00:55:33: about this inflation as well. But I love hitting that
00:55:33 --> 00:55:37: both end note between e-commerce and retail. You know honoring
00:55:37 --> 00:55:39: the the history and the food and the taste and
00:55:39 --> 00:55:42: the smell of a place is an important part of
00:55:42 --> 00:55:44: all of this. So I think we're moving to it.
00:55:44 --> 00:55:47: We're kind of you know nurturers or villages I think
00:55:47 --> 00:55:50: and where we work and it's kind of you just
00:55:50 --> 00:55:53: have to keep the village healthy so that everybody's comfortable.
00:55:53 --> 00:55:54: Being there.
00:55:57 --> 00:56:01: You haven't, umm, you know, we've covered a lot of
00:56:01 --> 00:56:05: ground in this hour. We have not mentioned on a
00:56:05 --> 00:56:09: bunch of other factors that often go into a successful
00:56:09 --> 00:56:16: center, placemaking, design, marketing, operations, anything you care to comment
00:56:16 --> 00:56:19: on that that you think about as a success?
00:56:20 --> 00:56:21: For for our group, I mean we just, we have
00:56:22 --> 00:56:24: a, we have a bunch of different people focus on

00:56:24 --> 00:56:27: the different areas and we have such a multifaceted district
00:56:27 --> 00:56:27: that's.
00:56:27 --> 00:56:30: You know, 12 acres sounds like a lot. That's really
00:56:30 --> 00:56:32: not that big when you have all these things going
00:56:33 --> 00:56:36: on. You know we have somebody that focuses on entertainment
00:56:36 --> 00:56:39: and programming. Some of the things that Jody talked about
00:56:39 --> 00:56:42: and Kathy that's what their job is. It's it's one
00:56:42 --> 00:56:45: thing, it's not good enough just to create a place.
00:56:45 --> 00:56:48: You have to actively manage it. Somebody has to take
00:56:48 --> 00:56:51: ownership of it and get people excited about coming down
00:56:51 --> 00:56:53: there being that third place. You know when some so
00:56:54 --> 00:56:56: much on their phones and in the digital world there's
00:56:57 --> 00:56:58: a yearning to be in the reality and.
00:56:59 --> 00:57:02: Yearning for authenticity and I think you know the benefit
00:57:02 --> 00:57:05: of the projects that we're working on is kind of
00:57:05 --> 00:57:07: I think a reaction to kind of the the, you
00:57:07 --> 00:57:10: know, the decline of them all. You know, they just
00:57:10 --> 00:57:13: became such a commodity and and so formulaic and and
00:57:13 --> 00:57:17: I think this now this generation especially the consumer generation
00:57:17 --> 00:57:21: where they can order things online, they're looking for authenticity,
00:57:21 --> 00:57:24: they're looking for these places to go to the projects
00:57:24 --> 00:57:28: that we are hearing about today. Those are those places,
00:57:28 --> 00:57:29: you know, yeah.
00:57:29 --> 00:57:32: There is a necessity retail with going to the grocery
00:57:32 --> 00:57:34: store and you know some some other retail that kind
00:57:35 --> 00:57:37: of serves a purpose. But to get people excited about
00:57:37 --> 00:57:41: meeting and getting out and interacting, they're looking for places
00:57:41 --> 00:57:45: like bottleworks and the projects that we talked about today.
00:57:45 --> 00:57:47: Great. We're just about at the top of the hour.
00:57:49 --> 00:57:52: Kathy, Jody, any final thoughts?
00:57:54 --> 00:57:57: I've really enjoyed this conversation and it's so, you know,
00:57:57 --> 00:58:01: gratifying to hear on Kindred spirits come together to talk
00:58:01 --> 00:58:03: about place. So thank you for letting me be part
00:58:03 --> 00:58:04: of this. It's been great.
00:58:05 --> 00:58:09: Well, thank you all for for joining us and thanks
00:58:09 --> 00:58:12: for our great panel, Kevin, Kathy, Jody, we I think
00:58:12 --> 00:58:15: we all learned a lot. I hope you found it
00:58:15 --> 00:58:18: as informative as as we all did. Thanks again to
00:58:19 --> 00:58:23: the Bucksbaum Family Foundation for their generous

support.

00:58:23 --> 00:58:27: If you want to read the report, it is available

00:58:27 --> 00:58:31: at the ULI website, itsknowledge.uli.org and you type in the

00:58:32 --> 00:58:36: words successful retail. That's all the time we have for

00:58:36 --> 00:58:39: today. So thank you again and take care everybody.

00:58:40 --> 00:58:41: Thank you.

00:58:41 --> 00:58:43: Bye, bye, bye, bye.

00:58:43 --> 00:58:43: Bye.

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