

St. Louis Post-Dispatch

When it comes to mall redevelopment in St. Louis, standing out will be key

[By Brian Feldt St. Louis Post-Dispatch](#)

Apr 29, 2018

Shopping malls across the country are in a state of transition, and it doesn't take long to see the trend playing out here.

A wealth of recent headlines that include well-known names — Chesterfield Mall, Jamestown Mall, Taubman Prestige Outlets and Northwest Plaza — would have you believe St. Louis is at the epicenter of this movement.

Not the case, retail analysts say. “Every town in America that has a mall is talking about it,” said [Ron Friedman](#), a retail expert at advisory firm Marcum.

Still, the number of St. Louis malls changing identities does seem to be above average, said [Brad Koszuta](#), a senior associate with retail consulting firm McMillanDoolittle.

With Michael Staenberg now at the helm of redevelopment plans at Chesterfield Mall and the Taubman Prestige Outlets, more than half of St. Louis' traditional mall properties are in some stage of redevelopment. Many of them are destined for futures drastically different from their apparel-focused past.

Staenberg plans to spend hundreds of millions of dollars to turn Chesterfield Mall and Taubman into an open-air, upscale mixed-use destination and an entertainment, restaurant-heavy mecca, respectively. The outlet mall formerly known as St. Louis Mills in Hazelwood is being [eyed for a \\$92 million youth sports project](#) — one of the more unique reuse plans for a struggling mall. Developers turned Northwest Plaza into an office complex. And revived plans for [Alton Square mall call for targeting medical office tenants](#).

“There's around 900 malls in the United States today, and about 300 of them are closing up and disappearing,” Friedman said. “The rest of them are all in redevelopment stages. And if they're not, they're not going to survive.”

In the case of malls that will maintain some sort of retail presence, the key will be to drive foot traffic. “Anyone can shop from their couch in their PJs,” Koszuta said. “But what is that extra thing people are craving?”

In many cases, restaurants and other entertainment offerings are doing the trick.

In St. Louis, a prime example is developer [Steve Smith's \\$187 million City Foundry development in midtown](#), which will be anchored by an Alamo Drafthouse movie theater, a German-inspired beer hall called Fassler Hall and a Punch Bowl Social gaming and dining experience.

Housing such first-to-market concepts — and having them on an exclusive basis, at least on a regional basis — is vital for developers to sustain success, analysts say.

That means you're likely to see new entertainment and dining options at Taubman, where Staenberg seems to be [following a similar blueprint](#).

“We'll play on that entertainment theme and convert (Taubman Prestige) into an entertainment-restaurant lifestyle complex with lots of cool entertainment-type tenants that can tie in with Topgolf,” said Tim Lowe, the Staenberg Group's vice president of leasing and development. “With multiple food anchors and a food hall, we'll also fill in with some retail and other fun things that would make it a place where kids and families would feel comfortable both day and night.”

Staenberg's plans for Chesterfield Mall, which he hopes to buy this year after acquiring the Sears attached to the facility this month, are not too different. There, he plans to keep the AMC movie theater in place and bring in other unique retailers or restaurants that would incorporate well within a larger mixed-use campus that could include office space and apartments.

St. Louis County Executive Steve Stenger believes a developer should take the [same approach with Jamestown Mall](#), the 1.2 million-square-foot mall in north St. Louis County that closed in 2014. The county owns the land and is now reviewing proposals from potential redevelopers, though no specifics have been disclosed.

Converting Jamestown Mall, which was built in the 1970s during a time of expansion for north St. Louis County, into a mixed-use facility could prove difficult.

“A real problem some of these malls face is they're in an area that has changed or isn't what it used to be,” said [Alexander Goldfarb](#), a retail analyst with Sandler O'Neill. “Maybe they're in a part of town that never grew or people left and the mall was built in that part of town when it had the shopping demographics. Landlords need to keep current. The good ones are recapturing the big boxes and reusing that box to drive more uses out of the real estate.”

By that measure, developers should be pleased with the transformation of Northwest Plaza, which was rebuilt for \$106 million beginning in 2012 and turned into an office development called the Crossings at Northwest.

And while county government is being scrutinized for its agreement to rent space in the former mall — a 20-year lease announced in 2016 was touted as a win for taxpayers, but further analysis revealed the deal will cost taxpayers between \$69 million and \$77 million — the development is nearing capacity. Discount grocer Save-A-Lot and insurance group American Family Insurance [recently announced deals to move to the Crossings](#), which now counts dozens of tenants and 2,800 employees.

Meanwhile, county government is still searching for answers in south St. Louis County, where the now [demolished Crestwood Plaza remains a development quagmire](#).

Chicago-based Urban Street acquired the mall in 2014 and started tearing it down in 2016. Urban Street had planned to redevelop the property into a mixed-use facility similar to that of the Streets of St. Charles or the Boulevard in Brentwood.

But to date, the development firm has failed to attract any tenants to jump-start the project. More than \$25 million in tax incentives, approved in 2014, remain available for Urban Street should it get things going.

Stenger said those funds are needed to help turn such pressing economic development priorities around. “What we do with our malls is going to be important for the future and I think what we’ve found (with Northwest Plaza) is there can be this second life for failed malls,” he told the Post-Dispatch previously.

“They usually offer a large tract of land that in many cases can be bought at an affordable price. And they are usually right for mixed-use redevelopment.”