

Changing Face

Mixed-Use Success Demands Internal, External Communication

By Russ Colchamiro

Mixed-use projects continue to proliferate, and they are taking on a growing variety of shapes, sizes and combinations, according to speakers at CPN's Mixed-Use Summit, held in Dallas in mid-December. Succeeding, though, requires strong communication and a solid niche.

The development team should start by listening to the local community and understanding its needs, according to Trademark Property Co. president & CEO Terry Montesi. "It's different for every community, so you have to build in accordance with what suits them best," he said during the opening panel.

Speakers agreed that compiling market data is essential to the decisionmaking process, although Steve Janeway, senior vice president & director of design for Hellmuth, Obata + Kassabaum, added that statistics alone are not enough. "You need to have an intu-

itive sense of what makes a (mixed-use project) go," he said.

During the first case-study panel, Frank Beck, chief development officer for Centra Properties, discussed some of the challenges he has faced with the 1.7 million-square-foot Town Center in Las Vegas. In particular, he noted a "strong commitment" to avoiding gaming, instead creating a destination for locals and tourists seeking an alternative to the Strip. The project includes a children's park and a 125,000-square-foot movie theater. "Right now, there's nothing like this in Las Vegas," he said, noting the importance of providing a unique destination that does not feel like "a glorified power center."

Beck also noted that construction costs have doubled in the past year, one reason a hotel planned for the center was scrapped in favor of more office space. As a result, the center is now set

to include 350,000 square feet of office space at full buildout, and Beck admitted that he is concerned that the area may not be able to handle that much new office product.

Meanwhile, Kelly Osburn, principal & vice president of Humphreys & Partners Architects L.P., noted that a mixed-use project that his firm designed in Cincinnati included office product that had to match the existing neighborhood's aesthetics. That project caused him to ask, "How do you make an office building not look like an office building?" Rather than building standard vertical product, he split the office component into separate, smaller units with community-friendly, housing-like facades.

Throughout the day, panelists called

retail a crucial component of mixed-use projects because it drives business and contributes to the developments' vitality. And Jay Spears, principal for NewQuest Properties, explained that retail within transit-oriented developments must serve more than rush-hour shoppers. "(Projects) can't survive on those two (groups)," he said. "We have to make (retail) available to other shoppers as well."

Two of the later panels addressed the importance of team synergy in develop-

ing mixed-use projects. Several architects noted that they had learned many lessons from working with developers and lenders. Mike Maurer, an associate for Lucien Lagrange Architects Ltd., said architects best serve clients by helping demonstrate costs and revenues to banks. "Traditional schematics don't mean much to our clients' lenders," he said, adding that architects have to understand the various components of a mixed-use project and how to make the entire development work. "Our role has changed. We do much more marketing now."

Along those lines, 360 Architecture principal Bill Johnson added that architects need to be able to convey ideas quickly, often through sketches, to

enable the developer to conceptualize the project easily.

Noting the complexity and nuance of mixed-use partnerships, Morgan Stanley global capital markets division associate Ricardo Rodriguez said finding the right partner is "95 percent" of the work. "Finding a partner is easy," he said. "Finding the right partner is difficult (and) ... daunting, especially when you have at stake your job or the reputation of your firm."

Not surprisingly, his fellow panelists trumpeted the importance of frequent and clear communication among the various development partners involved in a

project. "You want to meet on a regular basis, especially in the early stages," said Chuck Armstrong, design director for Corgan Associates Inc. "It's a constant process of making value judgments about how to proceed. It's important to be clear about goals, values and expectations upfront."

Panelists were particularly concerned about personality clashes among partners, which they said can kill any project. "(When it comes to picking partners), it depends on the project, the client and the place," said EDAA Inc. principal Ken

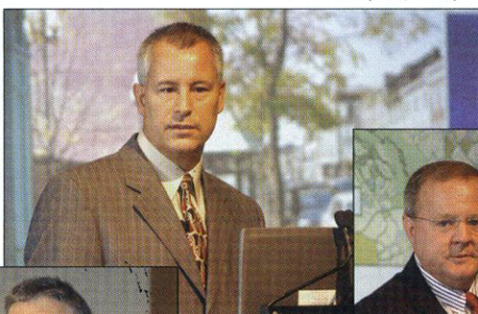
Ryan. "It needs to be a group that you know will work well together personalitywise."

But when troubles

do arise—and they will, panelists said—skilled legal representation is vital. "The sooner I can get involved, the more helpful I can be," explained Phil Weller, a partner in law firm DLA Piper. He noted that the lawyer's role is to figure out how to help make a mixed-use project work on a day-to-day basis. Weller also stressed the importance of local expertise. "Real estate law is unique," he said. "In most states, you should definitely get local representation. You need a team (on the ground) that knows what they're doing."



"New Markets, New Methods: Leaders Look Forward" moderator Randy Morton (at right) and panelists Phil Brosseau (at left) and (above, l. to r.) Dary Stone, Steve Janeway and Terry Montesi



"What Mixed-Use Developers Want from Architects" panelist Rick Mercer (below) and moderator Mike Maurer (inset, at right)



"What Mixed-Use Developers Want from Architects" panelists Mark Dellana (below), Bill Johnson (at right) and Dan Leverett (inset, below)



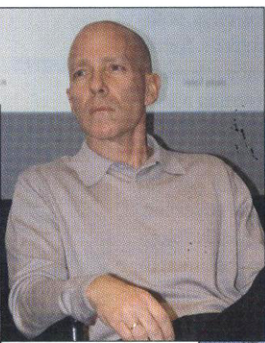
"Finding the Right Partners" moderator Carl Powell (above) and panelists (below, l. to r.) Ken Ryan, Phil Weller, Chuck Armstrong and Ricardo Rodriguez



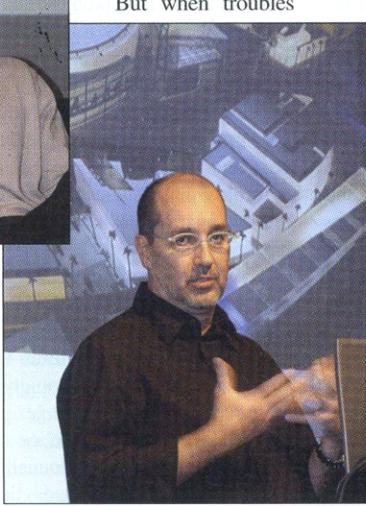
"Victory! A Case Study" speaker Jonas Woods (above) and Lunch Presentation speaker David Seewald (below)



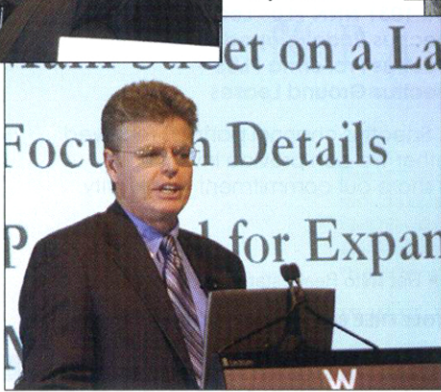
"Transit-Oriented Development" moderator Bill Caldwell (above) and panelists (below, l. to r.) Jay Sears, Richard Barge and Richard Brownjohn



"Case Studies in Master-Planned Development" panelists Dan Meis (above), Harold Thompson (inset, above left) and Jeff Miller (inset, above right)



"Adaptive Reuse" moderator Cliff Booth (inset, above left) and panelists Jim Truitt (inset, above right) and (above, l. to r.) Henry Miller III, Mark Hornberger and Ted Hamilton



"Case Studies in Mixed-Use Development" panelists Frank Beck (at left) and Kelly Osburn (above)



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