

RESEARCH REPORT

The Prospect of North Prospect

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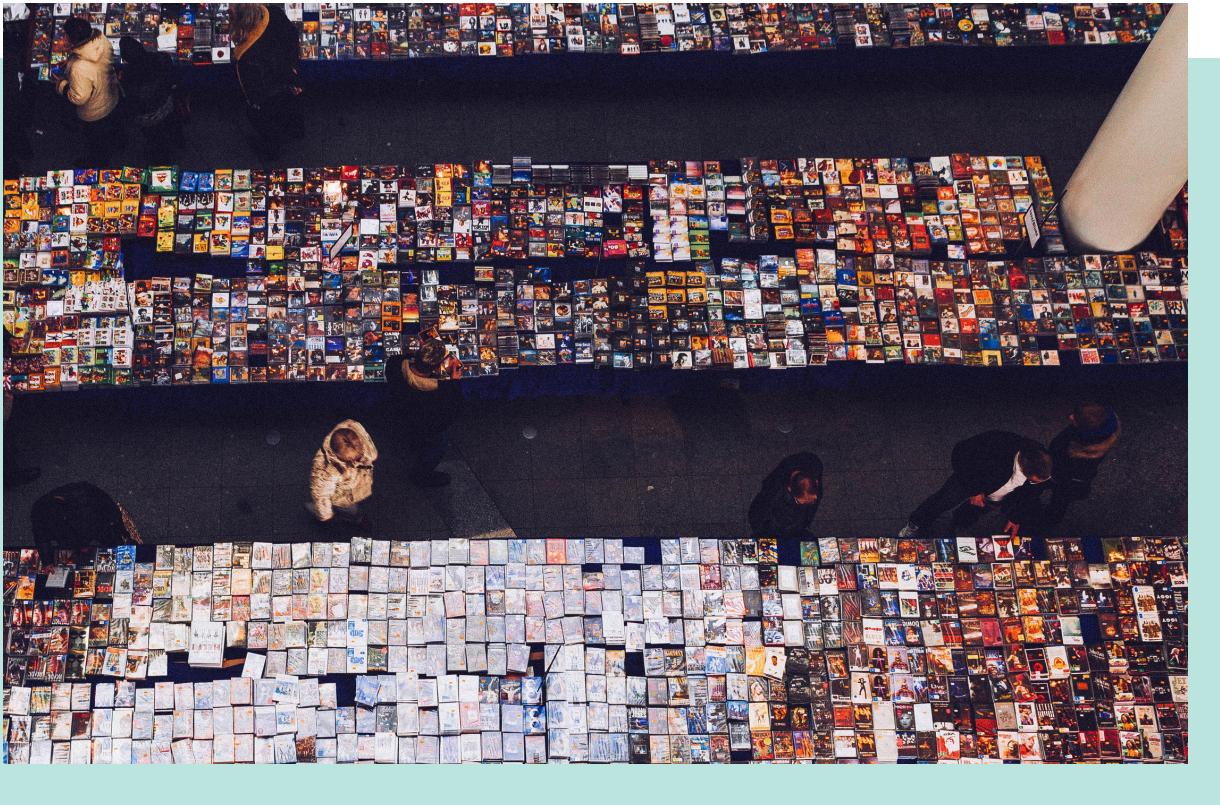
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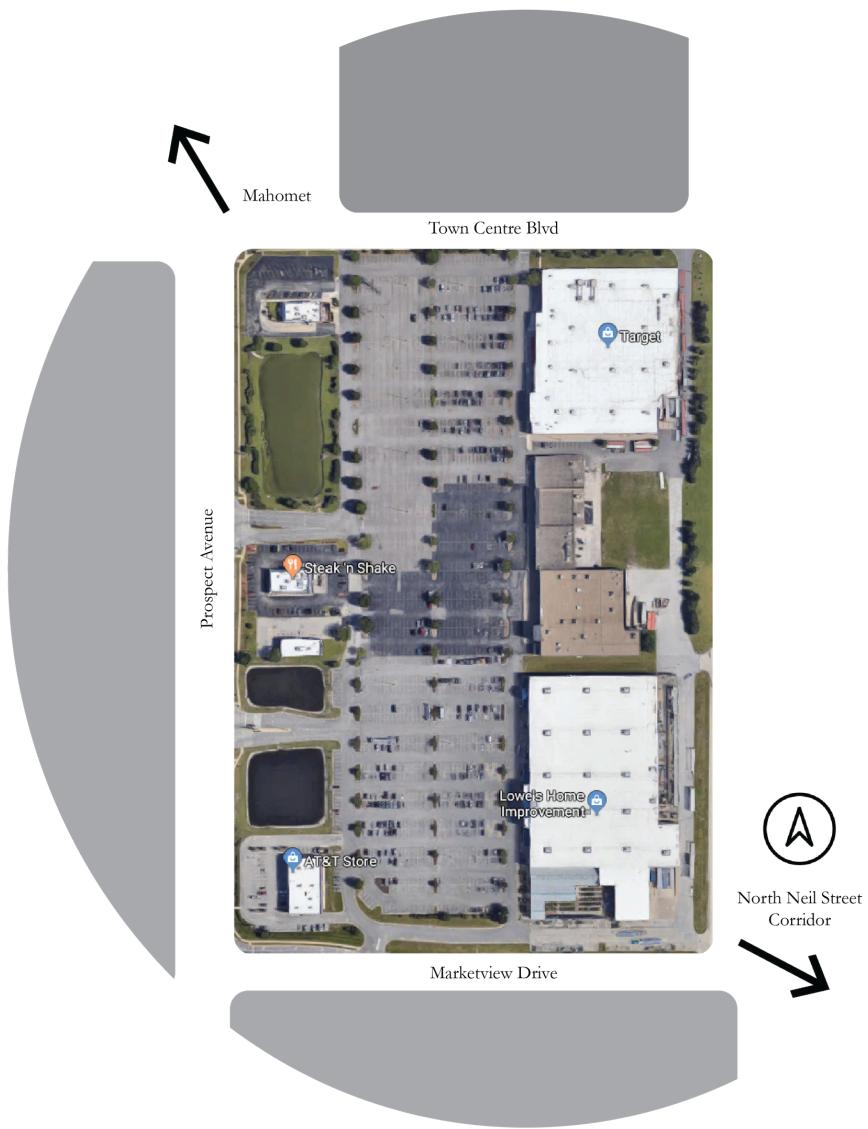


The fate of traditional brick and mortar retail companies has been challenged by the rise of e-commerce - which has led the nationwide downturn of big box retail. The shift in retail market trend is an issue that Champaign must be prepared to address eventually. As requested by the Planning and Development Department, the team studied the retail market, analyzed existing situation, and developed land use regulations where applicable. Our recommendations have been formulated based on the following focus areas, namely: business viability, equity, and urban design. With the appropriate changes, the team anticipates the site on North Prospect Avenue to become a focal point for the city and its surrounding area.

INTRODUCTION

Big boxes are identified for its large, free standing, cubic structure. It generally offers a large amount and great selection of merchandise.

Historically, the success of big boxes have been attributed to perceived economical savings as well as the availability of parking as compared to downtown retail. With the rise of e-commerce, traditional brick and mortar retail stores have begun to lose their advantages. The subsequent impact that this has on big box stores vary from place to place, depending on differing consumption patterns and conditions of community amenities. Our selected site currently holds two big boxes, Target and Lowes, and is located within a designated commercial and retail development center by Interstate-74. The U of I student population creates a stable flow of customers during the academic year.



With minor amendments, the team is confident that the site has the capability to adapt to market and community needs, overcoming the identified challenges. Overall, shifting trends in retail should be viewed as an investment opportunity and chance for adaptive reuse. Nationally, there has been several cases of successful transformations. Big box structures have been turned into cradles for service and experience oriented businesses. The updated environment is expected to become more inviting, provide enhanced accessibility, and increase visitor satisfaction. Improvements in employment opportunities, tax revenue, local business viability, and aesthetic factors are anticipated.

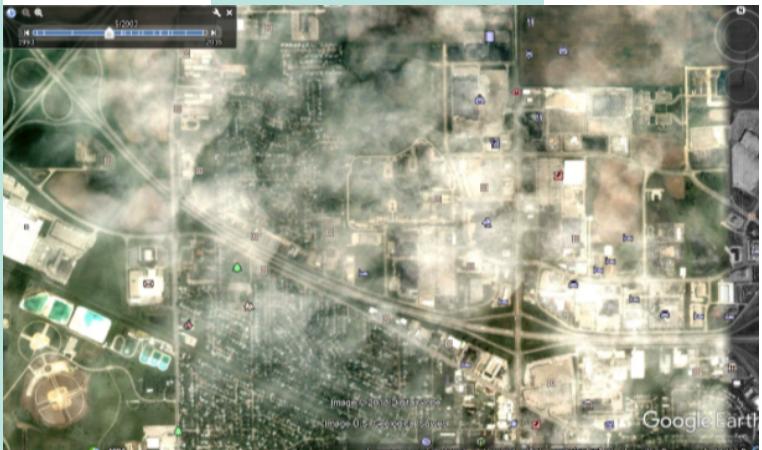
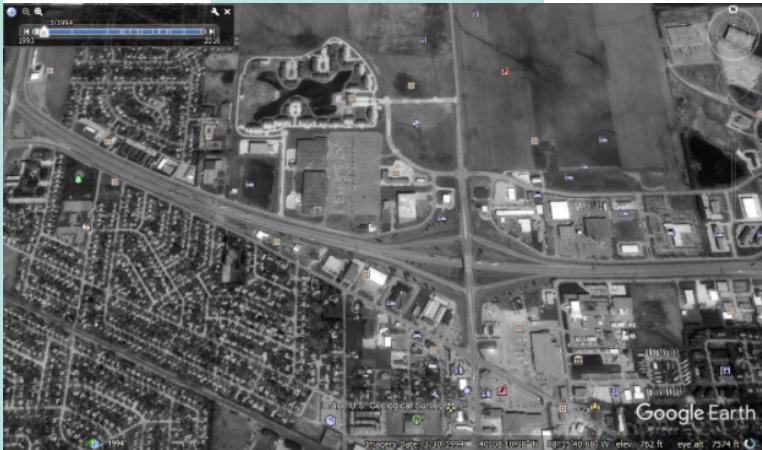
BACKGROUND

History of Big Box Retail

Big box stores were first established in 1962, with the opening of the first Walmart in Rogers, AR, the first Kmart in Garden City, MI, and the first Target in Minneapolis, MN (Smith, 2014). The concept for these stores became popular after World War II due to a desire by department stores to sell greater quantities of merchandise to more customers while purchasing the products as cheaply as they could, which was difficult due to set prices given out to mom-and-pop stores ("The Past And Future Of America's Biggest Retailers," 2012). The different big box chains quickly enticed suburban consumers with their large spaces and vast amounts of products, which resulted in the stores opening up along busy thoroughfares, thus allowing the increasing number of vehicle households to easily access the locations ("The Past And Future Of America's Biggest Retailers," 2012). In 1979, architect Robert Venturi was tasked with modifying a Pennsylvania furniture showroom known as BEST Products, and did so by installing porcelain panels, flowers, and steel frames, thereby connecting the store with home decoration trends and inspiring modern big box stores to use bright colors and vaulted ceilings(Smith, 2014). In 1988, Walmart opened the first Supercenter in Missouri, which in turn created a push to bring the hypermarket concept of general goods and groceries across every region of the country ("Timeline," 2004).

Throughout the 1990s, big box stores expanded into urban locations and small rural towns, thereby reaching every portion of the country. Simultaneously, Amazon.Com was created, which caused more consumers to transition to online shopping and many big box chains to downsize their locations (Sprague, 2012). In the late 2000s, the Great Recession occurred, causing reliance on online purchasing to increase by 7% and consumer spending to simultaneously decrease, resulting in several retailers like Circuit City and Linens N' Things to go out of business entirely and others like Toys "R" Us and Sears to struggle financially for years to come (Sprague, 2012).

At present, traditional retail chains are in the middle of integrating their websites with their stores so that consumers can look at the products at stores before purchasing them online, and vice-versa, indicating that while big box stores will always continue to exist, they will not have as much of a physical presence ("The Past And Future Of America's Biggest Retailers," 2012).



Retail in North Prospect

In March 1994, there were not many retail stores along Prospect Ave, except for a Walmart, a Sam's Club, a Kmart, and a wholesale furniture store. By 1996, however, a strip center with a Target and a Lowe's had opened up, and by 1998, this was joined by a big box facility across the street, as well as a Meijer, a Borders, an 18-screen movie theater, and chain restaurants like Chili's and Outback. By 2003, two more big box facilities had opened up, as well as a Menards, a Goodwill, and a rebuilt Super Kmart Center, which would close down that year and be replaced with a Home Depot. In 2006, a Walmart Supercenter opened at the northern edge of the corridor to replace the older Walmart, which would go on to become a Rural King, and single-family home developments were constructed along the northern portion of the corridor. By 2014, the 18-screen movie theater had been replaced with a newer 13-screen movie theater.

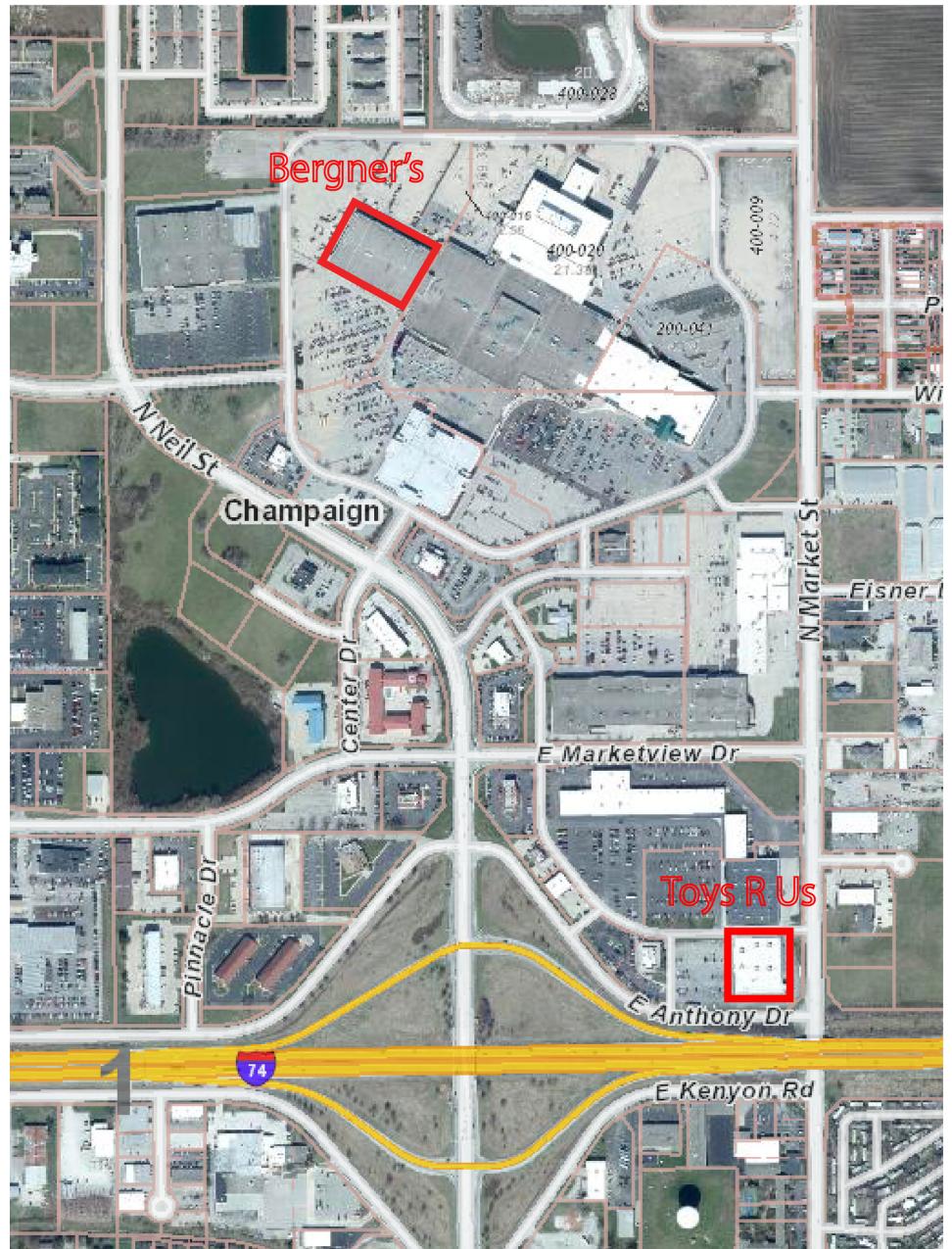


Retail in North Prospect

Major retailers are indeed leaving or have the possibilities of leaving Champaign, indicating a recessionary situation for NPRCC.

- Toys R Us and Bergner's were the first big boxes closing their doors in 2018. Hurt by online shopping, their parent companies filed for bankruptcy and thus the stores had left NPRCC.
- Another two anchor stores remaining in the Market Place Shopping Center (the mall) in NPRCC, Macy's and J.C. Penny, have avoided their chains' chopping block this year. But whether they will stay or not in the near future is unpredictable, since their chains have continued to shrink (Peterson, 2017).
- Another major retail company, Sears, had already left the mall in 2013, but the company is aiming to shut down more stores.
- Smaller retailers like the Limited and Eddie Bauer had closed in 2017 as well ("Retailer Closings Impact Champaign's Market Place Mall," 2017).

Map of Closed Down Big Box Retail Stores in NPRCC



Source: Champaign County GIS Consortium

Retail in North Prospect

New businesses have been refilling empty spaces in the mall quickly, despite the general perception that existing businesses have been negatively impacted by shifting retail preferences. (Zigterman, 2018) Two new retailers, Giordano's and Aerie, joined the mall's lineup in 2017 ("Retailer Closings Impact Champaign's Market Place Mall," 2017), and H&M has moved in recently. It is worth noting that smaller retailers are now filling up vacant commercial space left by former big box retailers. This turnover suggests a change in customers' preference from big box retail stores to smaller retail stores.

EXISTING CONDITIONS

Transportation Connectivity

Improved roadway and pathway connectivity typically increase accessibility and reduce vehicle travel distances between destinations which leads to supporting alternative modes, helping with public transit. The most ideal time to make plans for roadway and pathway connectivity is when the design is in the works. At that point in planning, based on the situation of the area, certain standards/goals could be set. Cars will be used less if the connectivity is successful. Aspects that can be added to help customers utilize their vehicles less are by requiring alleyways and pedestrian shortcuts. This can be completed by building new roads and paths connecting destinations, using short streets and small blocks.

By improving accessibility, giving a variety of route options, making it pedestrian friendly there is reduction in vehicle travel that provide many benefits:

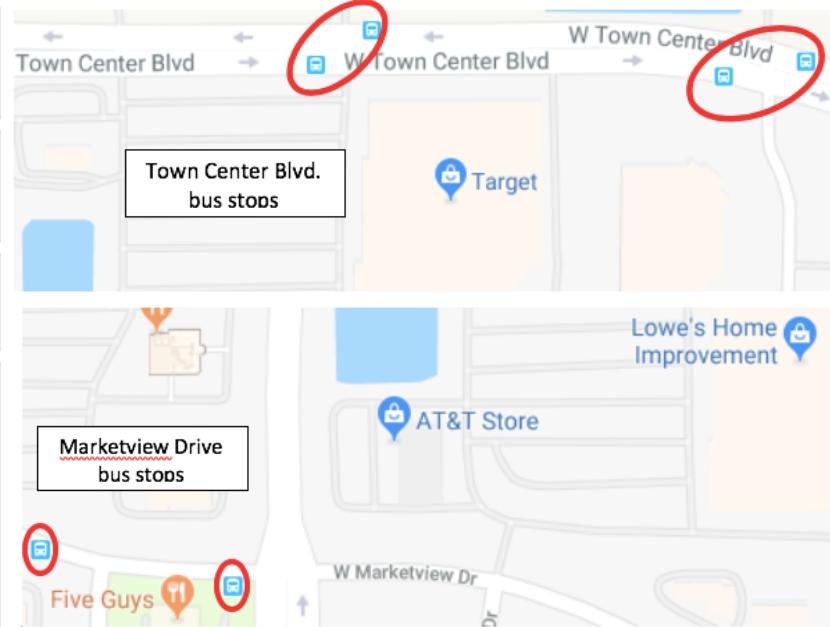
- Increase transportation system strength by increasing route options.
- Reducing problems when a particular link (i.e. arterial street) is closed.
- Emergency response time decreases by permitting emergency vehicles direct access
- Reduces the risk that an area will become inaccessible if a specific part of the roadway is blocked by an emergency incident.

Overall, this approach helps achieve equity impacts in the sense that it improves accessibility and travel options for people who are “transportation disadvantaged” (Victoria Transport Policy Institute, 2017).





Annual average daily traffic count (2016)



Bus stop locations

In respect to the Target/Lowe's lot, there are flaws in connectivity in the long distances from one side to the other, with no shortcut paths. There aren't any small streets on the inside, nor are there transit hubs located within the parking lot. The annual average daily traffic score for North Prospect Avenue next to this lot is between 15,200 to 17,700 vehicles (which can create traffic congestion).

The busses that run nearest to this location are 3/30 Lavender, 1/100 Yellow and the 20 Red. They run through West Town Center Boulevard and Marketview Drive. If there is a more central location instead of them being on the north and south sides it would be convenient for bus riders.

Status of Infrastructure

The infrastructure of this place is not in the best condition. There are poorly maintained sidewalks which serve as a threat to users because with that there is a higher chance of injuries occurring with cracks in hidden spots or unevenness. There is no coverage to natural elements such as a lack of shade from trees during the summer season or even the exposure to wind and snow in the winter. The long distance from one box retail to another is a cause for concern because it is unfeasible while carrying bags from one store while visiting another.

Nothing about this area allows for one to think they could take a walk or have some leisure time here, which in an area like this it should be a possibility. Turning the storm water basin into a consumer-friendly amenity, like a water fountain, could add a relaxed trait to a bustling area. The crosswalks do not appear to be safe as there is no painting on the floor. With so many cars passing through, this can be alarming for a pedestrian to use, because they could be unsure about where to walk.

Land Use

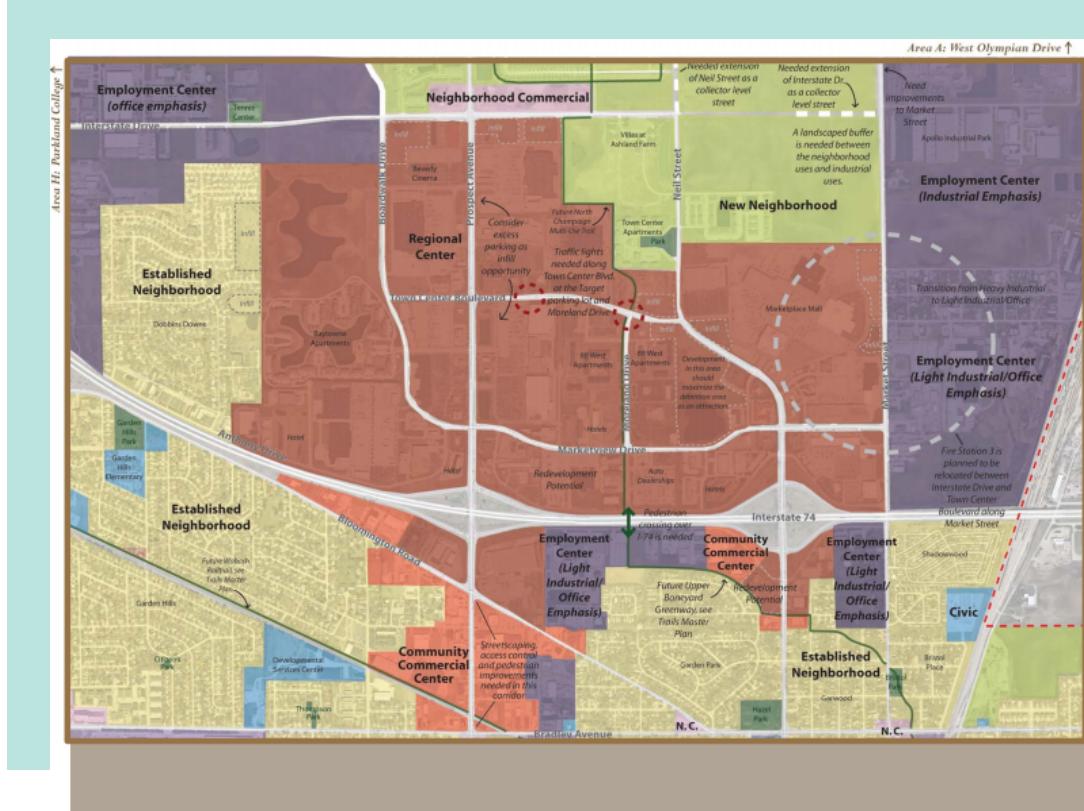
The land use pattern on North Prospect Avenue, specifically on the Target/Lowe's lot is focused on commercial and retail development. It is quite a long strip of stores, restaurants, and recreational activities along this major road. There are even more proposed developments coming to this area, for example, Green Street Realty has already claimed a part of the road with promises of bringing economic growth to the region (Pressey, 2017).

Functional Relationships

There are several people in Champaign-Urbana region that go to these locations because there is a mall nearby, Target, restaurants, and other amenities that fulfill their needs. Not everything that can be found here in this location is available on campus or in downtown. Prices are usually higher in both locations because they are located closer to where people live, and retailers are aware of the convenience of their store's site. From campus/downtown to this area, it is ideal to come in a vehicle or take a bus. Walking or biking is risky with the high traffic on North Prospect Avenue.

Miscellaneous Problems

To cross over to the other side for the bus stop, people have to use the traffic signal lights which require you to walk away from the bus stop and loop back around. The other intersections are open but can be dangerous to walk across without any indicator for the vehicle drivers to use to know there is a pedestrian crossing (i.e. a High-Intensity Activated crossWaLK or HAWK beacon).



Area G North Prospect Regional Center

Opportunities and Challenges

The North Prospect Regional Center is the major shopping destination for the surrounding area. It offers many national retailers, restaurants and hotels, as well as auto dealerships, services, employment and multi-family housing. Numerous infill and redevelopment parcels are available, primarily near Marketplace Mall, along Anthony Drive and in undeveloped parking areas. As a key gateway to the City, aesthetic improvements are an important consideration.

The neighborhoods and employment areas in this area and north of this area, coupled with the regional center provide a good jobs/housing balance. Pedestrian improvements through private parking lots and between developments are needed to better serve an increasing number of transit users. Detention areas provide an opportunity to create an amenity. The Town Center Boulevard Study recommends improvements for traffic flow at key intersections, though cooperation from private property owners is needed. The creation of a business improvement district in this area would provide funding for improvements to ensure that this area maintains its vibrancy and desirability in the future.

Access to the North Prospect Regional Center from areas south of I-74 is limited by the overpasses at Neil and Prospect, making Market Street a key thoroughfare for bicyclists, pedestrians and emergency responders. Improvements to Market Street and the construction of a pedestrian-only bridge over I-74 at Moreland Drive will help alleviate this issue. In high traffic areas, especially North Prospect and North Neil Streets, bicycle facilities will be located off-street rather than on-street bicycle lanes.

Neighborhood Overview

Shadowwood, Bristol Place and Garwood: These neighborhoods are part of the Bristol Park Neighborhood Plan that provides strategies for future improvement. These neighborhoods provide affordable housing options located near the North Prospect Regional Center and not far from Downtown. Residents desire expansion of park space to accompany the planned construction of Phase 5 of the Upper Boneyard Greenway. Complete Streets improvements along Market Street and pedestrian friendly railroad crossing improvements along Bradley Avenue will improve safety. See the 'Bristol Park Neighborhood Plan'.

Garden Park: The Garden Park neighborhood has curvilinear streets without sidewalks or streetlights. The development of the Upper Boneyard Greenway and a pedestrian crossing over I-74 would provide a safer pedestrian connection to the North Prospect Regional Center. Improvements to the sanitary sewer system have been completed in recent years.

Prevailing Land Use: Connections to Comprehensive Plan & Zoning

Adopted March 11, 2011, Champaign's comprehensive plan "Champaign Tomorrow" outlines goals, policies, and objectives that the City of Champaign's Planning Department recommends on implementing over a 20-year period to accommodate for future growth. The North Prospect area, currently zoned CG: Commercial General, is a high-intensity retail and service-oriented district. Serving as the predominant regional center for Champaign County, North Prospect is projected to see an enormous amount of growth and change.

CG: Commercial General, is allowed to provide for a wide variety of retail, service, commercial, and office uses. We are looking to retrofit and reuse this area in order to maintain its status as a regional center. Regional centers are defined as major commercial centers that are the focal of commerce, identity, and activity. Usually, they are located around interstates and arterial streets making them accessible for consumers up to 70 miles away. Our project group is planning to keep zoning as CG because it will be better suited for our design standards as well as new developments.

CG is best fitted for outer fringe development. Changing the zoning would not benefit this site, because its existing infrastructure and surrounding community will not be able to support a change in zoning or a development of higher density. This district's built environment is currently accommodated for the automobile, so the infrastructure must be able to support heavy traffic but also be retrofitted to provide accommodation for multi-modal connections.

Since we are maintaining zoning, a form-based code will help to utilize the current urban landscape and mold it to show integrity and a definite urban form. This will create a high-quality public corridor that will address the relationship between urban design and real estate demand. Lessors and commercial businesses are more likely to lease or buy in an attractive and vivacious area (Waters, Shari). Our redevelopment proposal will address architectural standards while questioning the form of the built environment in order to shape it for future growth. We are not implementing a form-based code, we are experimenting with and following the guidelines of a form-based code and gauging how it can help us plan for the future of this area.

As stated in the City of Champaign Comprehensive Plan, the North Prospect area acts as a gateway to the city. In our proposal, we are recommending major aesthetic improvements to the North Prospect area. We cannot solve the big-box epidemic with a development of higher density or a complete change in land use, we must retrofit it to adhere to its current community and work with its current landscape. This reuse is in hopes to potentially foster the development of a form-based code for this specific area.



RATIONALE

Real Estate Market Trends

There has been visible changes in US retail businesses for the past fifteen to twenty years, with previously competitive companies such as Sears, J.C.Penney, and Radio Shack. These businesses are suffering from critical blows and are in the process of adjusting to the challenge. Real estate market of shopping centers and retail stores reflect the behavior of big box retailers nationwide – urban/high-street retail, lifestyle/entertainment centers and mixed-use neighborhood/community shopping centers have been leading the investments. By comparing the behavior of the real estate market of Champaign to that of other cities, we as planners are able to justify the development plan for the site we are studying about.

The Comprehensive Plan describes regional centers as "major commercial areas with a variety of large format retailers, restaurants, offices and services". They are located along arterial streets near interstate interchanges and draw local residents as well as users from surrounding communities up to 70 miles away. Regional centers are primarily commercial in use, though they may include a mix of employment and residential uses as well. (Champaign City Council, 2011)"
Regional commercial centers serve not only local residents but also users from surrounding communities that does not have a commercial center readily available. Although support of automobile traffic is important, these centers should be retrofitted to provide connection and accessibility in the center through other transportation modes.

Year	Number of establishments	Value of sales, shipments, receipts, revenue, or business done (\$1,000)	Annual payroll (\$1,000)	Number of employees
2002	108	121313	21375	874
2007	116	242556	32344	1040
2012	108	307453	45408	1117

Source: U.S. Census Bureau, 2012 Economic Census

The cost of purchasing and developing specific kinds of retail property in Champaign is confidential and only available to real estate companies, therefore the data is not available in this research. However, referring to the published articles studying market trend nationwide, the commercial real estate market has not been performing its best but it is undergoing a prospectively successful transformation.

Ely Razin, published an article about “3 Commercial Real Estate Trends to Watch in 2018” on Forbes magazine in January (Razin, 2018) that summarized important statistics and analyzation for the market of commercial real estate. In the year of 2017, store closing announcements tripled to reach 7,000 according to Fung Global Retail and Technology. Over 600 bankruptcies in the retail sector were reported, among them have known companies like Sears, Kmart, J.C.Penney, Macy's, Toys R Us, Payless, The Limited and Hhgregg. Cushman & Wakefield, a commercial real estate firm, predicted that at least 33% of closings will happen in 2018. The article also suggested a trend of commercial real estate shifting to industrial real estate, as big stores have been popularly converted into e-commerce distribution centers. Yet there is not a “one size fit all” case for commercial retail development. Maybe some of the big box stores are hitting the bottom, but commercial real estate is not.

Urban Land Institute analyzed trends in retail real estate and published one report each year. For the year of 2018, it mentioned that while retail sales of the United States have continued a long-term 4 percent growth, retail real estate is at the point of downturn because of five major trends (Urban Land Institute, 2018). These trends, summarized by the ULI, are:

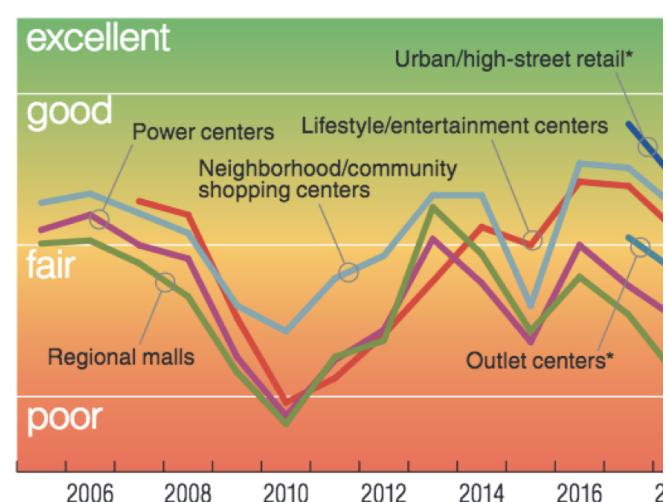
- Department store deconstruction and obsolescence;
- Retail industry maturity;
- Historic changes in apparel spending;
- Changing consumer demographics; and
- E-commerce and other changes in retail technology.

The format of stores in the commercial real estate market is changing to meet the taste of customers at different times. Therefore, e-commerce is not the only factor contributing to this shift in commercial real estate, and U.S. Census Bureau data suggest that e-commerce only accounts for 8.5 percent of retail sales (Urban Land Institute, 2018).

After all, owners and investors still see abundant capital available in retail real estate which is separated to “commodity” and “specialty” properties. “Commodity” properties stand for cheap and convenient stores that offer primary household needs whereas “specialty” properties emphasize on providing goods in specific categories. Commodity retail real estate, representing most of the brick-and-mortar retails, is the one being defeated by online shopping. Compared its traditional advantages including efficiency, convenience, and functionality to online shopping, commodity retail real estate inevitably loses its advantages. Specialty retail real estate specializing in service businesses which signifies smaller but merrier physical stores faces less competition with online shopping, because they are servicing customers with different consumption ideologies. The general preference of consumers has changed from spending in daily necessities to entertainment and dining out. Therefore, the market is shifting to proliferate at meeting the demand of experience-oriented businesses – the ones that cannot be replaced by an online service.

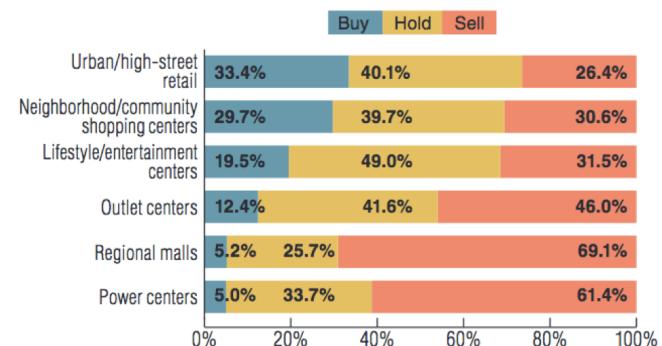
Specifically, ULI surveyed the performance of certain types of retail including Urban/High street retail, neighborhood/community shopping centers,

lifestyle/entertainment centers, outlet centers, regional malls and power centers (Urban Land Institute, 2018). Although all of them have been declining in performance since 2017, urban/high-street retail, neighborhood/community shopping centers, and lifestyle/entertainment centers have been leading the competition since 2004, as shown in the graph provided by ULI. Also, the business activities of them show a positive investment and operation interest in them.



Source: *Emerging Trends in Real Estate* surveys.

Retail Buy/Hold/Sell Recommendations

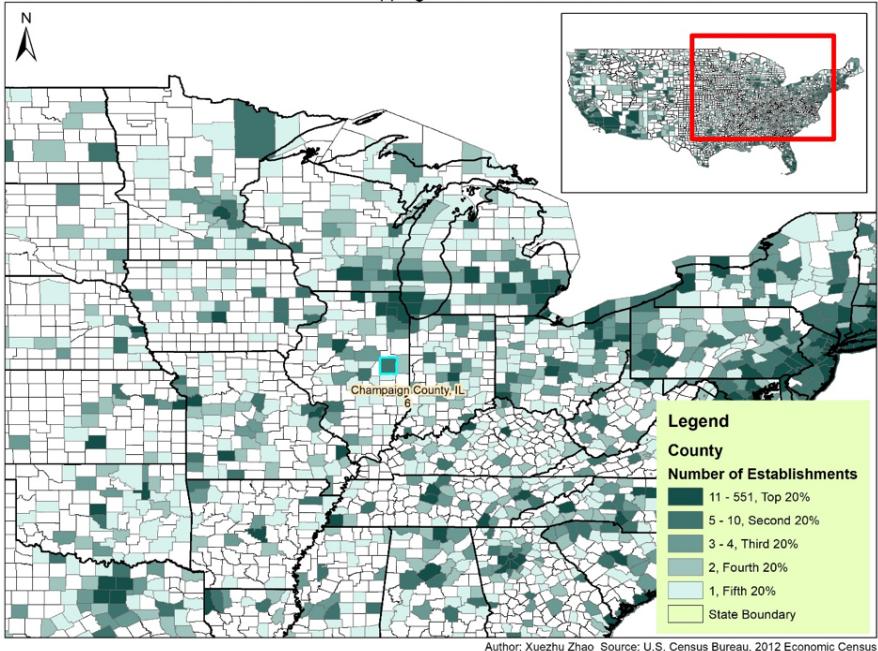


Source: *Emerging Trends in Real Estate 2018* survey.

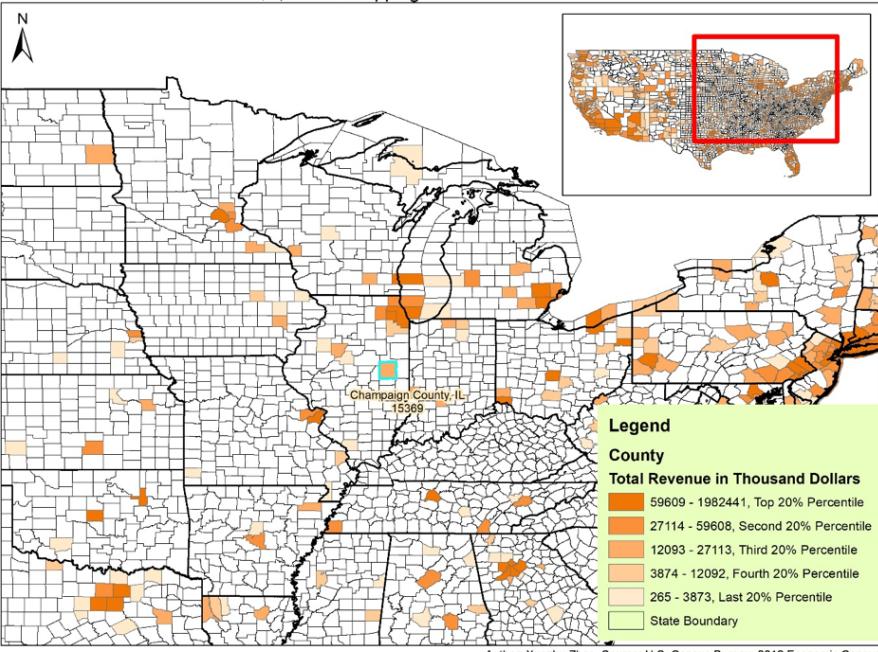
Note: Based on U.S. respondents only.

Needs of Champaign-Urbana: Commercial Real Estate Supply

Established Lessors of Shopping Centers and Retail Stores in 2012



Revenue in \$1,000 of Shopping Centers and Retail Stores in 2012

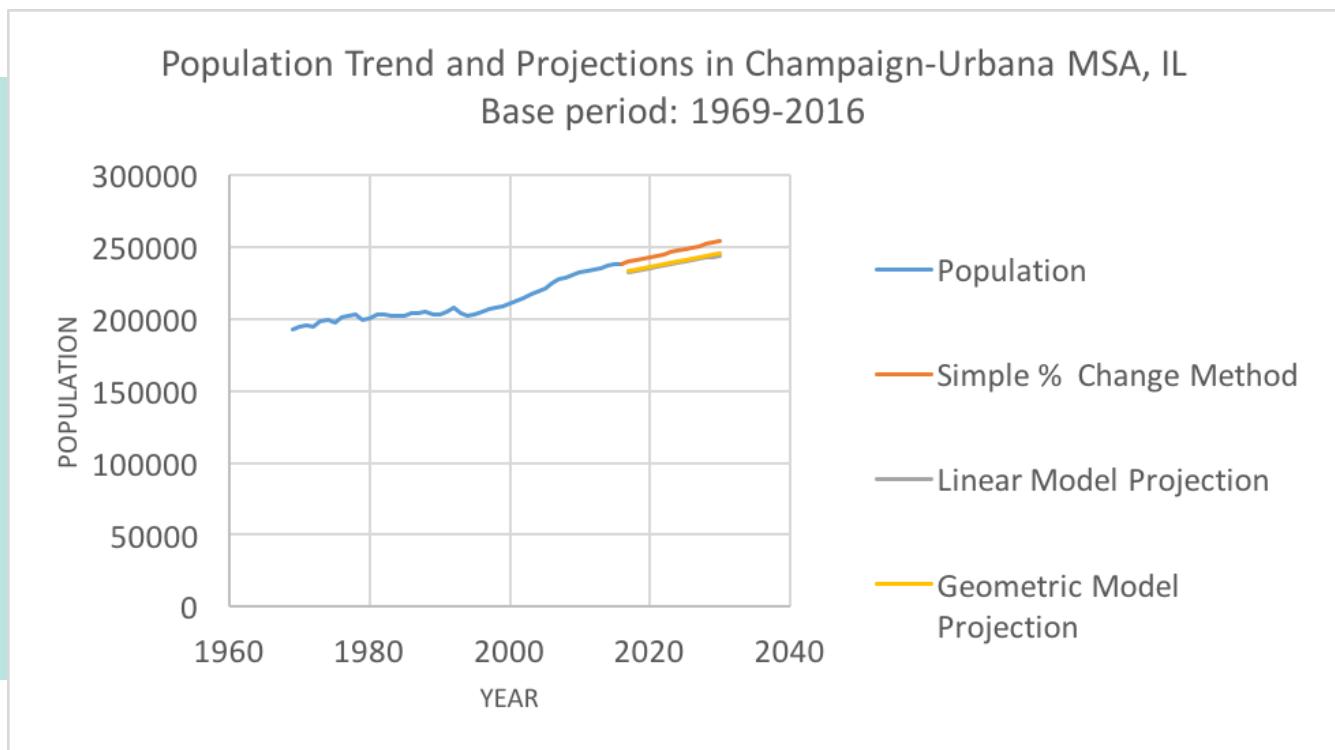


After studying the general market trend in real estate, we will take a close examination at the market specifically for shopping centers and retail stores in Champaign County. In 2012, which is the latest year that the data are available from U.S. Census Bureau's Economic Census, there are several interesting facts to learn about. First of all, the number of establishments of lessors of shopping centers and retail stores Champaign County is 6, listed at the second 20% among all counties whose data are available. In the state of Illinois, Champaign County is one of the counties that have more establishments besides Cook County. The revenue of shopping centers and retail stores in 2012 of Champaign County is \$15,369,000, ranking in the third 20 percentiles among all counties in the United States. Besides revenue, the annual payroll is \$1,233,000 which also stays in the third 20 percentiles.

Needs of Champaign-Urbana: Commercial Real Estate Demand

1. Population

From 1916 to 2016, the population of Champaign-Urbana MSA has seen steady growth, experiencing an acceleration during the 2000s. All Simple Percentage Method, Linear Model Projection, and Geometric Model Projection signify a growing population for the MSA, reaching about 250,000 at the year of 2030. Growing population is always a good signal for economic activities because it represents a positivity of residents toward the city that they are staying in the city while others are attracted to move in. Financial capital will accumulate alongside growing human capital.



2. Characteristics

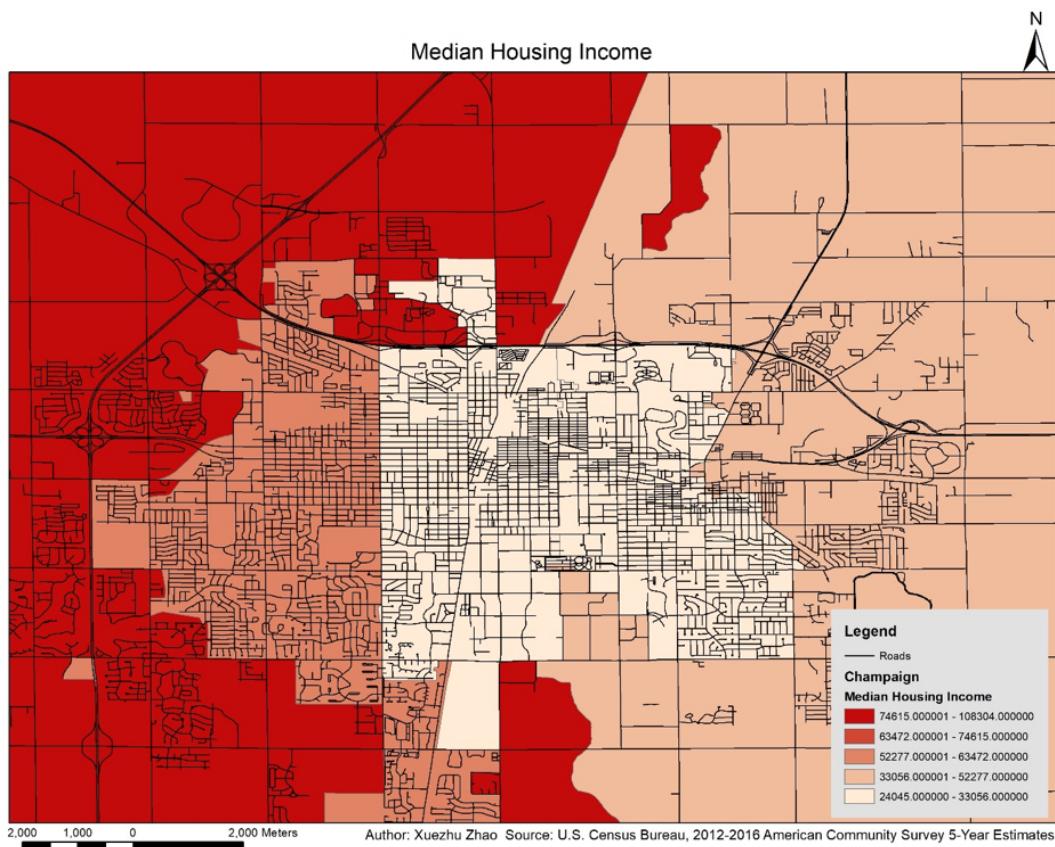
a. Demographics

As for Champaign-Urbana MSA's population in the most current year, 2017, the age distribution is significant in determining consumer's characteristics. Holding both University of Illinois at Urbana Champaign and Parkland College, Champaign-Urbana MSA have millennials more than any other generations. According to the 2017 American Community Survey 1-Year Estimates from U.S. Census Bureau, nearly fifteen percent of the population is between 20 to 24 years old, and the median age is 31.2 years old (Bureau, 2017). The amount of millennials is a lot bigger than the baby boomers, suggesting that they have the most influence on consumer characteristics.

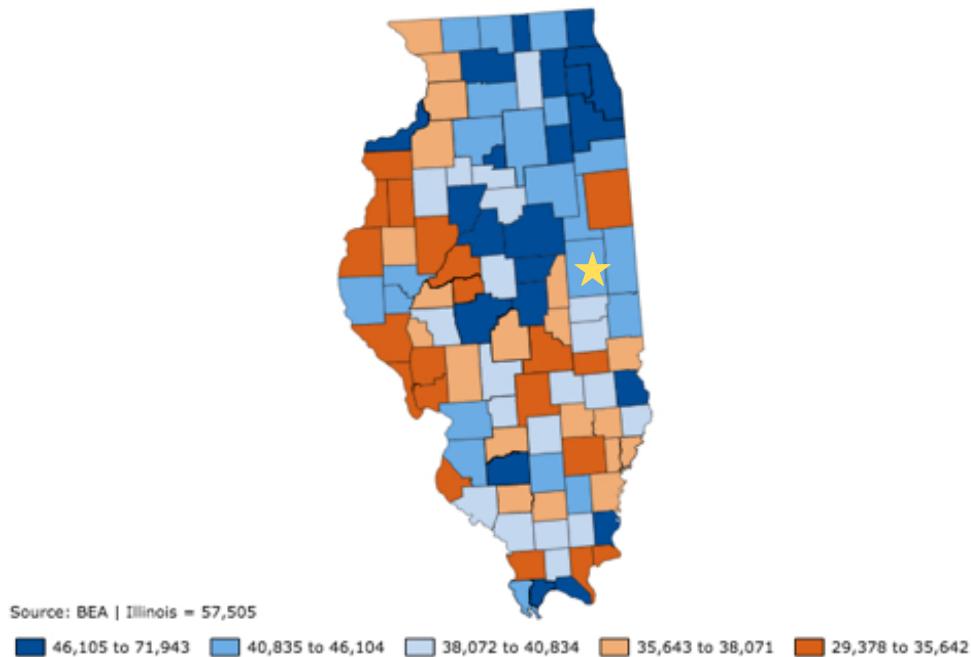
b. Income

Above research shows the successful commercial real estate market for different types of real estate property, but it is important to know that they have been successful because they are at the right place for the right group of people. For example, the urban/high-street retail are located at focal points of international cities – Rodeo Drive in Los Angeles, the Magnificent Mile in Chicago, Times Square in New York City, etc. The ability of tourist attraction and the general wealth of citizens are important. That is, putting a high-class shopping center in a low-income area will not only have no benefit for the local market but also create externality. Therefore, it is important to look at the economic behavior of the consumers.

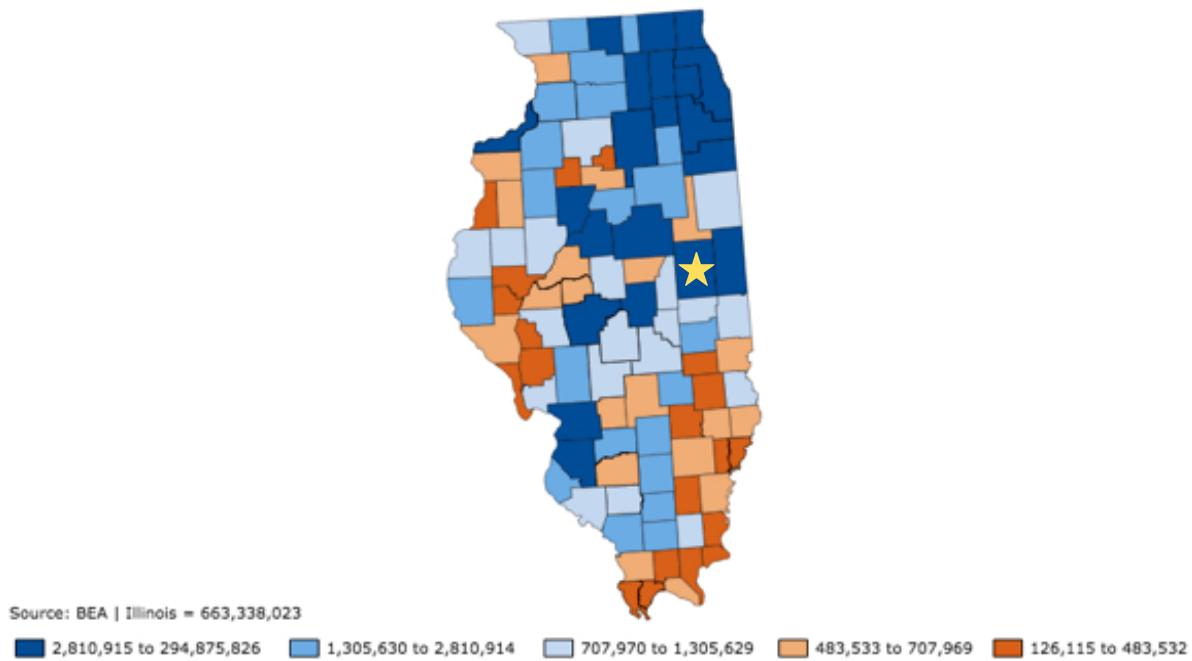
First of all, the median housing income of the site and its surrounding area is examined. Although the residents living close to the site are earning the highest housing income, those living in the surrounding area are not earning nearly as much, as shown in the map below. This is because students are paying towards education and are not eligible for full-time job yet, therefore receiving lower income. However, students still have high purchase power because some parents are supporting their expenses. According to stakeholders, a good amount of the students at the university are from suburbs of Chicago and have affluent parents. Their parents, directly and indirectly contribute to the local market by visiting and giving students money to spend.



Illinois, Average wages and salaries, 2016

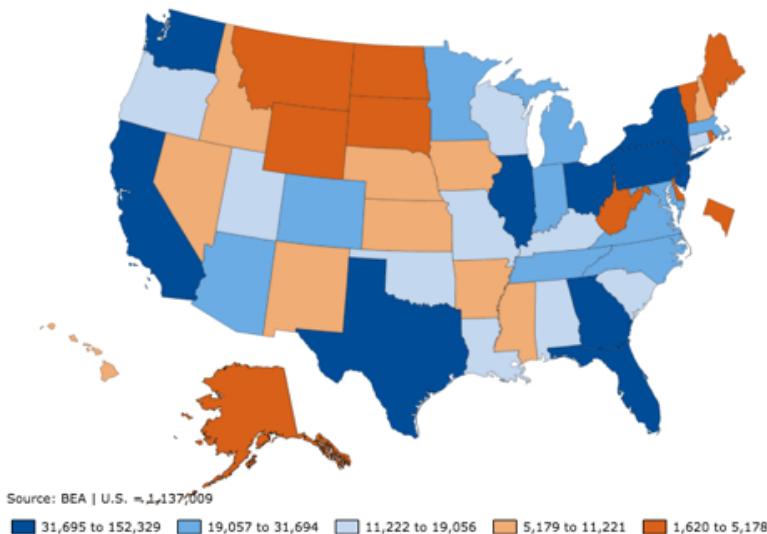


Illinois, Personal income, 2016



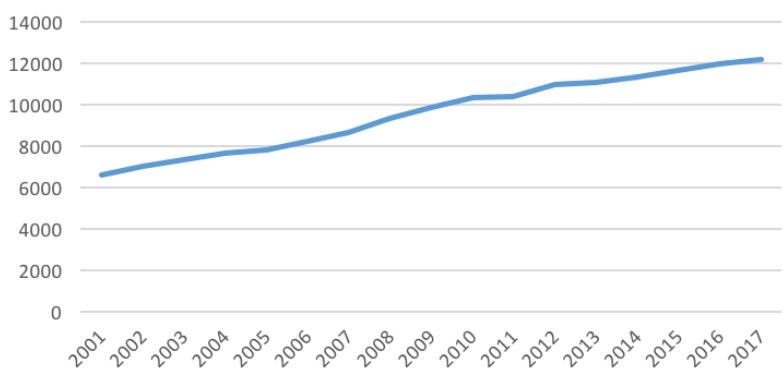
In addition, Champaign County has high personal income and average wages and salaries. Therefore, the supply of not only commodity goods but also selective goods will work well for the population. Furthermore, the close proximity to highway of the site attracts not only local but also traveling consumers. Our development aims at creating a focal point, which have a high potential of welcoming tourists from all nearby places.

Gross domestic product (GDP) by state (millions of current dollars) - Retail trade, 2017



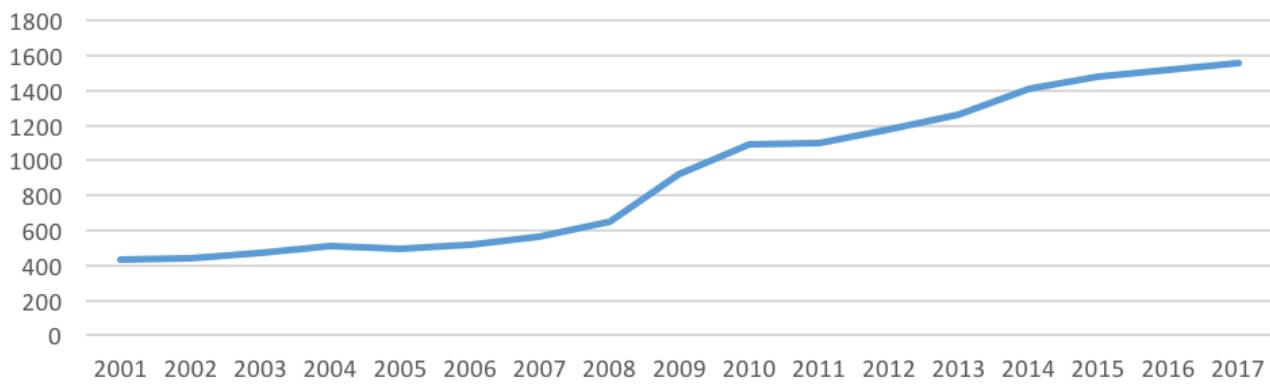
c. Gross Domestic Income
As shown in the graph, the total GDP of Champaign MSA has been performing fairly well as it is increasing from 2001 to 2017, according to Bureau of Economic Analysis. This indicate a well-performing economy, often supporting more jobs, good wages, and better profits. Therefore, the general economy of Champaign MSA is good for business development.

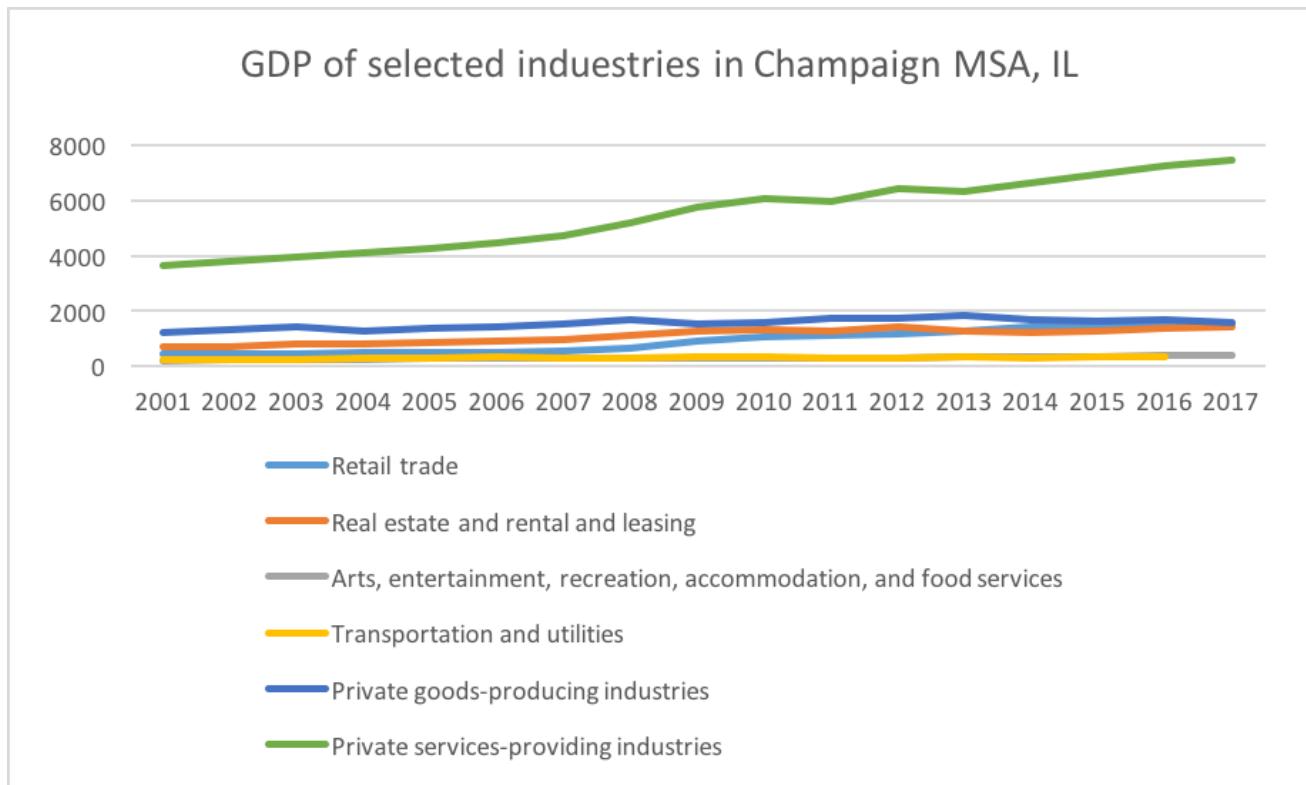
Total GDP (millions in current dollars) of Champaign MSA, IL



More specifically, the great economic performance in retail trade offers optimistic environment for retail businesses. GDP of retail trade of the state of Illinois is top among the country along with Washington, California, New York, Florida and Texas. That of Champaign MSA is still growing although not in a significant speed.

GDP of Retail Trade (millions of current dollars)of Champaign MSA, IL





Our development plan includes the retail trade, real estate, arts, entertainment, recreation, accommodation, and food services, transportation and utilities, private goods-producing industries and private service-providing industries. As they are all well-performing industries, the graph shows that private services-providing industries have been outperforming any other trending industries. Based on the overall study, we do not think commercial real estate will be wiped out in Champaign. Therefore, our plan's emphasis on economic viability, equity, and urban design fit into the market opportunity in experience-oriented, service-producing businesses.

Emerging Trends

Although the closing trends of big box stores are relatively new in Champaign, there have been precedent examples of transforming mal-performing retail spaces to more successful forms that are generally smaller, mixed-use, and have an inviting environment. There are also cases of long-lasting successful development that could provide insight for business viability.

Smaller-format target is an example of transformation of big box retail (Kumar, 2016). Near the University of Minnesota campus, the mini-Target store is loaded with student supplies. Only a sixth the size of a typical target, the mini-Target meet the students' need of quick, purposeful grocery trips rather than offering competitive choices and prices. According to Target's Chief Executive Brian Cornell, the sales per square foot in the mini-Targets are higher than those of traditional bigger Targets. Seeing growth in revenue, Target continued to establish these transformations in other college campuses, including University of California Berkeley, Boston University, Penn State University, University of Chicago and more. Although smaller format stores in key locations are beneficial, this trend does not apply to our site since our site is not in the campus town. However, the takeaway is that developments must meet the need of their targeted consumers.

Besides reducing sizes, developers have also been turning empty shopping centers into mixed-use lifestyle centers. Some of these transformations have been successful. According to Business Insider, there are plenty of malls that were lucky enough to be renovated with new uses including apartment complexes, medical facilities, and even churches (Garfield, 2017). Some of the examples include:

- Hickory Hollow Mall in Antioch, TN was rebuilt as the Global Mall at the Crossings, hosting a satellite campus of Nashville State Community College with retail spaces, a recreation center, classrooms, a library, and an ice rink.
- Mayfield Mall in Mountain View, CA, was converted into an office building after it was shut down.
- Tri-County Mall in Oliver Springs, TN was transformed into a church which department store was reused as classroom space.

Although some of the redevelopment worked out and others did not, introduction of multiple businesses to the former single business space has been a national trend for developers to reduce rental and developmental cost. Shared spaces of businesses also share the risk, reduce the risk taken by a single business owner. In addition, mixed-business development increase foot traffic for surrounding stores. Shopping centers like these avoid competition and complement each other.

Last but not least, changing consumer demographics and preferences lead the movement of retail reform. According to the report by Urban Land Institute (2017), as the contributor to retail has shifted from baby boomers to millennials, businesses that are favorable by the millennials have been outperforming the others. These businesses are mostly in the convenient, attractive, and emotional-pleasing industries that e-commerce cannot replace. One methodology that we have adopted is the new generation of food halls. “Going out to dinner is a 90-minute vacation for those with hectic schedules. (Urban Land Institute, 2017)” Indeed, real estate developers are seeing investment opportunities in food halls as more and more consumers are eating out more to satisfy their appetite (“Food halls are the next step in the evolution of food retail,” 2018). Building food hall is the new trend, but the establishments of food gathering place are not new. Known places like Pike Place Market in Seattle and Grand Central Market in Los Angeles all became a part of the local culture and tourist destination. It is considered to drive more consumer traffic, offer local products, and provide interactive elements. Targeted to have family-operated, smaller, start-up and local restaurants, craft, art and food suppliers, experience in each food hall cannot be duplicated, therefore creating a local focal point that enhances community culture and invite visitors to experience a trip to Champaign..



OUR APPROACH

Economic viability, equity, and urban design

Based on our research on background, site information, and potential changes, we have chosen to prioritize and address the following key issues to serve as the foundation of this project, namely: economic viability, equity, and urban design.

The project's emphasis on economic viability is a safeguard against job loss in the area. The department intends for the changes to either maintain or generate additional employment. Our proposal provides opportunities for local, small business owners through the redevelopment of big box structures into multiple, smaller store set-ups. Between 2011 and 2016, the immigrant population in Champaign increased by 15.2%. About 23% of population in Champaign County live in poverty. With equity in mind, the changes in the proposal seek to develop opportunities for entrepreneurship at the local level by providing avenues for setting up small businesses. The changes that are being made with urban design builds upon our plans for economic viability and equity.

The team proposes changes that would transform the site, adding features to the existing structure that would make visitors feel safer and more welcomed. Ultimately, all three focus areas align with the goals of Champaign Tomorrow Comprehensive Plan.



ANALYSIS

In anticipation of shifting retail trends and the potential decline of big box stores, our group conducted an analysis to determine the strengths, weaknesses, opportunities, and threats of the site as it currently stands. The goal of this analysis is to critically examine existing conditions and develop strategies based on what we have.

Strengths

The subject area benefits greatly from its location. It is located right off Interstate-74, providing easy access to nearby towns and cities. Additionally, it is in close proximity to the only bustling shopping mall in Champaign, Market Place Shopping Center. The shopping center is a 3-minute drive or 15-minute walk away from the site. Downtown Champaign is also a short, 7-minute drive away. This provides convenient automobile access and connection to various points of interest. A grand selection of retail options is available in the immediate area surrounding the site. The development is likely to experience positive spillover effects if the stores on North Prospect Avenue perform well.

Despite the reported decline of big box stores, North Prospect Avenue continues to see investments for development. In 2017, Green Street Realty announced new retail development shortly after the completion of Taco John's restaurant on the west side of the road. Additionally, Tartan Group, a developer based in Chicago, has announced plans for another strip center on a Wal-Mart outlet, which will house over 9,750 sq. ft. of gross leasable space and 98 parking spots. Overall, the scale of North Prospect Regional Commercial Center provides a great selection of retail service and ease of parking. In this sense, it satisfies a market need that Downtown Champaign is unable to provide. These are substantial factors that contribute to the strength of the site.

Weaknesses

Based on existing conditions, the site is limited by two main factors: the big box structures and automobile oriented design. Big box stores were designed and built with the maximisation of profit in mind. As such, the majority of these structures were cheaply built and not meant to last more than 25 or 30 years. The stores are not appealing to the eye, and its abnormally large format is difficult to retrofit. The bland environment does not reflect any identity or distinctive character as a moderately distant extension of Downtown Champaign.

Additionally, streets on-site and on North Prospect Avenue are strongly oriented to the needs of automobile users. A quick site visit easily demonstrates the lack of pedestrian infrastructures - sidewalks are poorly maintained, crosswalks are not indicated safely, vehicles are travelling at a rapid speed. While there are two bus stops at the north and south points of the site, neither provides shelter against natural elements. The Lavender, Yellow, and Red line buses serve the area, albeit infrequently. The stores are also located a fair distance from each other, one must rely on driving from one place to another in order to frequent other establishments. The points discussed above are among factors that may negatively impact visitor experience or deter visitors.

Opportunities

The site area has tremendous potential for new opportunities. The department has identified a few tangible key changes that can be made. The implementation of a new, form-based code may help propagate cohesive design and build character in the area. If successful, form-based code may provide many benefits for the surrounding area in the long run. It may reduce the time needed for plan revision or updates, reduce human resources needed for process support, create predictability for relevant individuals and groups in the community. This essentially streamlines the development process and helps build consistency. The inclusion of smaller-sized commercial space also allows for economic development opportunities while providing developers additional flexibility to create a project that fits market needs. The availability of smaller commercial space is intended to attract local and/or minority entrepreneurs who wish to start their business in a regional commercial corridor.

The site would also benefit from connectivity improvements. As mentioned previously, access from one store to the other leaves much to be desired. Design changes may be made to create paths or pedestrian infrastructure that would provide options for non-automobile users. Although it is unlikely that bicycle-pedestrian infrastructure on North Prospect will see dramatic improvements in the near future, the department remains optimistic that changes are possible, especially after witnessing the success of MCORE's Phase I development. These opportunities are further explored in our proposal.

Threats

While retail stores used to be the only place where a merchant could showcase a wide array of products, this service can now be offered online. At the root of the problem, this is what caused a rapid decline in big box stores all over the country. Of 870.7 million square feet of currently vacant retail space in the United States, almost 300 million square feet, nearly 35%, is empty big box space. Local examples include: Sears, Toys R' Us, and Bergner. The trend is particularly alarming as it would result in a loss of tax revenues and employment. Additionally, leftover structures are prone to blight and may reduce property values in its surroundings. This is a threat that the project should anticipate to address and adapt to in the coming years.

Viability and Impact

In summary, commercial real estate development has been leaning towards urban/high street, lifestyle/entertainment center, and mixed use shopping centers across cities nationally. Urban/high street usually happens in established national focal point such as Los Angeles and New York, with higher spending power. However, we can learn from the concept of these places to invest in aesthetics and quality of experiences, to attract not only local shoppers but also region wide visitors, so the site will support local businesses better and generate extra tax revenue for the city.

A lifestyle center is a shopping center with other leisure amenities that targets upscale consumers. Although Champaign has some wealthier class, we do not want the site to serve only one income group. Therefore, we geared towards mixed-use shopping centers.

Champaign can support mixed-use shopping centers because of its own characteristics. Based on the established lessors and revenue of big stores and shopping centers, Champaign has a relatively strong supply and demand for retail. Therefore, the team stands firm that there is no need to change the area into residential or industry use. Champaign has seen soaring service-producing industries over the years, that meet the demand of millennial customers. Given its growing population and residents' increasingly competitive income, our proposal is viable because it adapts to the trends of the retail and real estate market. The project is attainable without any financial aid from the city.

The tax collection – largely from sales tax – would go back to benefit local taxpayers and the city itself. If the focal point attracts visitors, they contribute their fair share by paying sales tax too, therefore is not a harassment for local residents. Furthermore, our proposal keeps the vulnerable groups in mind. We encourage local businesses in our market/food hall and keep them safe from chain stores and large corporations. The proposal supports the immigrant population to shop in the study area by providing public transportation. Public transportation is also beneficial for the environment and a healthy community.

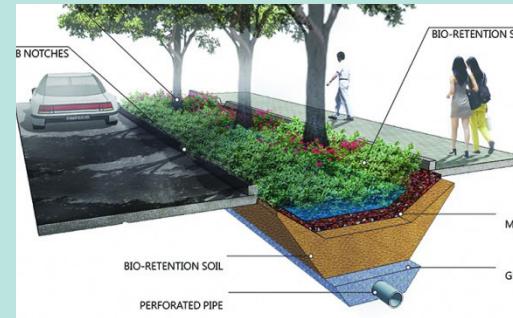
Although feasible, the development faces challenges like e-commerce, similar developments, and automobile-oriented traffic. In addition, the economy in Champaign is performing moderately. With this in mind, the city should use regulations and encourage further development on this site. For example, although pedestrian traffic is ideal, the site may lose automobile users after we reconstruct the road and the parking lot. Therefore, it is the city's responsibility to promote public transportation. Furthermore, we are not trying to create a second downtown but a local focal point distinct from downtown. As downtown serves as a host to nightlife and supports a vibrant community, our plans for N. Prospect Avenue focuses on the idea of a "daily getaway" and "welcoming to everyone" environment. The city needs to be wary and consideration of business applications to avoid competition between downtown and North Prospect.



PROPOSED FUTURE LAND USE MIX

Our project group's main objective is to create a case study model that can be used nationwide to retrofit the remnants of big boxes. We are designing for the future of retail, taking into consideration aesthetics, feasibility of development, and economic viability. Spatial configurations for our development proposal will be a slight reduction in the parking lot, which is currently around 12 acres, by implementing certain parking and safety interventions. These interventions, bioswales and pocket parks, will serve to connect the outlots to the anchor stores as well as connect both the North and South ends of the site. Open spaces will be designed in between the infill lots to establish a cohesive and coherent pattern throughout our site. We will be also be establishing amenities alongside the retention ponds to promote a more inviting environment for consumers.

Our goal is to better integrate the development into its current urban landscape and foster redesign of the entire North Prospect area. We will be working with what is available to us to troubleshoot the demise of big box. Our project group would like to emphasize accessibility through multi-modal connections but also while considering the constraint that the arterial streets (Prospect Avenue, Town Center Boulevard, Marketview Drive) as well as Interstate-74 poses on potential development. As we are hoping to reuse the Lowes and Gander Mountain parcels as an International Food Hall / Mini-Mall, we will plan to incentivize local businesses in order to promote entrepreneurship and establish relationships with small businesses in the Champaign-Urbana community.



Idea Board: Variety of stores, coherent design, and bioswale for drainage