Welcome to The Big Picture

This is the City of Huntsville's new comprehensive master plan — The BIG Picture — to help direct the future of economic growth, neighborhood redevelopment, parks and greenways, transportation, and quality of life for all of our citizens.
Economic Development
The BIG Picture

Growth Issue: Development and Redevelopment

Over the last six decades, Huntsville grew extraordinarily fast – it’s currently the 29th largest city in the US by land area, with populations over 100,000 – and that’s presenting both opportunities and challenges as our community plans for the future.

**Infrastructure.** Every square mile we expand is more infrastructure we have to not only build, but maintain. Police and fire coverage, water and sewer service, landscape maintenance, traffic lights and signage – each bears a cost. Meanwhile, are we getting everything out of the development we already have?

**Grayfields... and Blight.** As new growth occurs on our edges, some of what’s left behind has fallen into decay. Older shopping centers – ‘greyfields’ – represent a challenge. How do we breathe new life into old, and often obsolete, structures? Without attention, they can become sources of blight, spreading disinvestment to the neighborhoods around them.

**A Changing Market.** As our demographics shift – increasingly dominated by retiring Boomers and new-workforce Millennials – the demand for more variety in housing, shopping, working and transportation has increased. Placemaking has become an important tool, as the market looks not just at ‘product’ but also ‘experience’

**Placemaking Tomorrow.** A focus on creating unique, quality of life-oriented neighborhoods is not solely a consideration for Downtown. Mixed-use “new urbanist” projects are on the ground in northwest Huntsville and Jones Valley, and they illustrate the future of development throughout the city. By designing communities with an eye on livability – a characteristic driven by growing demand – future plans can encourage quality redevelopment throughout the city.

“Great cities are not static, they constantly change and take the world along with them.” – Edward Glaeser
“Greyfields... and Blight. As new growth occurs on our edges, some of what’s left behind has fallen into decay. Older shopping centers - ‘greyfields’ - represent a challenge. How do we breathe new life into old, and often obsolete, structures? Without attention, they can become sources of blight, spreading disinvestment to the neighborhoods around them.”
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Citizen Academy 2
Economic Development

The Future of Commercial Development

Tuesday, 16 September 2014

Citizens Academy 9.16.14 with Lakey Boyd and Dennis Madsen
90 views

huntsvillecity
Published on Oct 1, 2014
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Convenience retail is located throughout the City of Huntsville, but destination retail is clustered mainly in the southern and western areas. Dining options are underrepresented in the northern sections of the City.

Planned Retail

There are several retail projects planned in the City of Huntsville, as detailed below.

- In the East Central subarea, the Jones family plans to build a 400,000-square-foot shopping center at the northwest corner of Carl T. Jones Drive and Ledges Drive, directly across from the Target-anchored Valley Bend at Jones Farm. Renderings of the project show 19 retail storefronts, ranging from 6,000 to 104,000 square feet. Also in the East Central subarea, the Shops at Merchants’ Walk will be built at the northeast corner of Memorial Parkway and Bob Wallace Avenue. It will include a 42,000 square-foot Whole Foods grocery store along with 50,000 square feet of additional restaurant and retail space.
- In addition, the new Avenues apartment development in the Downtown subarea will include 20,000 square feet of retail and restaurant space.
- In 2015, Cabela’s, an outdoor gear and hunting store, will open an 80,000 square foot store at the new Parkside Town Centre development in the Southwest subarea.
- Also, Walmart has a new Supercenter under construction near Memorial Parkway in the East Central subarea.
- A new Walmart Neighborhood Market is planned at the intersection of Jordan Lane and Oakwood Avenue in the North subarea.

Retail Market Dynamics

Without intervention, developers will likely build more retail space than the local market can truly absorb. Existing tenants will move to these new or renovated centers and the landlords of older centers will have limited prospects for replacement tenants. Some of these older centers will be converted to alternate uses, while others will remain vacant or underutilized. Examples of this can already be seen in the area around Madison Square Mall.

City’s Potential Role

While many future retailers may require space of a type or quality not currently available, the City should encourage the reuse or redevelopment of existing retail sites whenever possible. Otherwise, the City will have to contend with a large number of vacant and blighted former retail properties. In downtown Huntsville, the City should also encourage the gradual replacement of first floor office tenants with retail uses to activate street vibrancy. In addition, new retail to serve neighborhoods should take the form of walkable urban nodes instead of a series of car-dependent strip shopping centers.
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**Summary: Future Direction**

The City of Huntsville faces a variety of questions as it prepares for the future in terms of real estate market performance. The answers to these questions will determine the character and quality of the built environment for decades to come.

**What is the role of downtown Huntsville?**

In the recent past, downtown Huntsville has functioned primarily as an employment and government center. While there have been efforts to bring back a retail component, most of these efforts have focused primarily on entertainment uses. With proper planning and guidance, the downtown could also serve as a central gathering place for the community and include destination retail and dining that attracts all age groups from throughout the metro area.

**Should some future growth be directed towards the core of the City instead of the fringes?**

Historically, the growth pattern of Huntsville has pushed most new development further and further from the core of the City. As a result, many of the closer-in areas are suffering from blight and disinvestment. If the City wants a certain proportion of growth to take the form of reinvestment in existing communities, it will likely require a concerted effort and possibly financial incentives.

**Does the City want to diversify development to recognize new trends in living and working?**

The City of Huntsville has largely been built in a suburban development pattern. For several decades, this type of development was well-tuned to consumer preferences. However, many people, especially those of the Millennial generation, are now looking for a different lifestyle. Some of these changes include a desire to live close to work, a preference for communities with a walkable mix of uses, and often a desire to rent their home instead of owning it. Because Huntsville does not have a lot of historic areas that naturally have these attributes, it will be more difficult for the City to satisfy these new consumer preferences without a great deal of new development with new product types.

**Will Huntsville actively pursue both small-scale and large-scale development?**

When looking at industrial and office development, the City of Huntsville has worked hard and been very fortunate to attract many prominent companies with large employment numbers. However, entrepreneurs and small businesses account for the majority of employment in the nation and are projected to continue to be the foundation of the American economy. The same indicators are evident in Huntsville. It will be crucial to recognize the importance of small enterprises in creating a vibrant and sustainable community.

**Will the City take the lead in creating smaller, neighborhood-scale commercial nodes with a “sense of place?”**

Huntsville lacks the historic, neighborhood-based commercial areas typically found in most cities because of the dominant suburban development pattern. These walkable nodes provide character for a neighborhood and help to build a sense of community and generally create deeper and longer investments. Because these areas do not currently exist in the City of Huntsville, it would take significant planning and effort to create them.
“Because Huntsville does not have a lot of historic areas that naturally have these attributes, it will be more difficult for the City to satisfy these new consumer preferences without a great deal of new development with new product types.”
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Summary: Retail Market

National Trends
Retailers were especially hard hit during the recent economic downturn. Even though the economy has returned to modest growth, retailers are feeling pressure from changing consumer habits and from online retailing. The result is that many retailers are trimming their store counts and/or moving to smaller prototypes. In addition, large regional malls have lost favor with consumers and many retailers are unable or unwilling to pay the very high rents to locate in an enclosed shopping center.

Most experts agree that the United States has had too much retail space for some time. As weaker retailers shrink or close completely, it is likely that a great deal of vacant retail space will be created with few viable tenants to fill that space.

Huntsville Trends
While the Huntsville retail market serves a fairly affluent trade area, it is not immune from the prevailing trends in retail. Overall, the retail market is healthy, and new entrants, such as Whole Foods, demonstrate this health. However, the City has several shopping centers that suffer from high vacancy. One can look at the current state of Madison Square Mall and its surrounding shopping centers to see a possible future for some of the City’s other retail nodes if too much new retail space is built.

Takeaways

Assets
- Per capita consumer expenditures for the City of Huntsville are almost 109% of the national figure. This makes the area attractive to a variety of national retailers.
- The City of Huntsville provides destination retail for the entire region through Parkway Place Mall, Bridge Street Town Centre, and a variety of big box retailers.
- It is expected that population growth will continue, which will allow for moderate growth of convenience retail.

Challenges
- It is unlikely that Madison Square Mall will continue to function as a regional shopping center and will likely ultimately shut down completely. The weakness of this center has already had a negative effect on the surrounding retail, with further deterioration likely.
- It is likely that the local retail market is reaching saturation. In general, retailers are opening fewer stores, and most retailers who want to be in the Huntsville market already have locations there.
- There is a lack of historic neighborhood commercial nodes with small-scale, neighborhood-serving retail uses.
- While the overall market is healthy, there are several areas with high vacancy and disinvestment.
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Retail

- Role/Purpose of store is different
  - experience, expertise, customer service
- Middle market retailers closing
  - online & small merchants squeezing big box
- Size & location of space
  - smaller, integrated, urban
- “Shopping” centers serving different purposes
  - office & community uses
Great Recession increased vacancies in all sectors

Not waiting for “back to normal,” this is “new normal”

Industry changes impact future built environments
  - have to rethink large proportion of retail as land use
  - have to integrate office -- even industrial -- into community

Technology important to all sectors

“Urban” demand is relevant to all cities
Economic Development

Place = Value

• Mixed-Use
  • “suburban neighborhood with a mix of houses, shops and businesses”
  • will give up other characteristics, still want SF detached
  • buyers pay 5%-15% more vs. conventional suburban development

• Walkability
  • higher commercial & residential values
  • commercial = +23% (pre) & +44% (post)
  • residential = +$700 to +$3,000 (per 1-point walk score)
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Place = Value

- Transit
  - “transit premium” - residential, retail, office (5% - 150%)
  - residential value & sales within transit shed (40%+)  

- Location Efficiency (transit & walkability)
  - less mortgage default
  - more stable tax base
  - recession resilient

Sources: National Association of Realtors, Real Estate Economics, American Public Transit Association, The Center for Neighborhood Technology
Hypothetical Financial Characteristics of Walkable (Blue) Versus Drivable Sub-urban (Red) Development

Source: The Brookings Institution, C. Leinberger
Economic Development

BIG Picture Principles

✓ Build a Live/Work/Connect Community
✓ Expand a Sustainable, Resilient Economy
✓ Design a Mobile and Sustainable Transportation Network
✓ Support Local Arts and Culture
✓ Develop Healthy and Active Neighborhoods
Economic Development

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The BIG Picture

**Vision**

The City of Huntsville has focused on “better retail” over “more retail” and has redeveloped blighted commercial centers throughout the city.

Major greyfield sites have been redeveloped as mixed-use centers, led by the following key sites: Madison Square Mall, Builders Square & Haysland Square.

Huntsville has a net reduction in net retail square footage in single-use, “strip center” formats.

**About**

During the latter half of the 20th century, many commercial shopping developments were built in Huntsville. Millions of square feet of retail came online in the metro area. However, new centers didn’t always bring new retail, often serving as relocation sites for existing shops and services. Older centers that were left behind searched for new tenants and struggled to maintain their viability. Helping these centers redevelop is one of the emerging challenges of the coming years.

Much of the strip center development along Huntsville’s major commercial corridors is ripe for redevelopment. It is important to make room for new businesses, just as it is important to make room for new residents. Retail pruning is going to be critically important, particularly along the Memorial Parkway and University Drive corridors, in the future. This basically means that having large quantities of low-quality space is actually worse than having less space, but of higher quality. Secondary and tertiary retail uses can overwhelm the marketplace and discourage the interest of developers and potential merchants. Developing a diversity of retail uses is important to the long-term success of Huntsville. Encouraging the redevelopment of key aging commercial centers will allow new commercial uses to serve as catalysts for City-wide reinvestment.

The Urban Land Institute (ULI) led the development of a process for dealing with these aging centers (sometimes called “greyfields”) and reversing the blight they can cause. The ULI approach forms the basis of a series of policy guidelines for repurposing these centers.

**Retail Redevelopment**

- Vision
- About
- Actions

Share & Print
“The Urban Land Institute (ULI) approach forms the basis of a series of policy guidelines for slowing and reversing the development of greyfield sites:

• **“Prune” the retail zoning**, and focus redevelopment at key intersections and nodes. Don’t try to fix everything at once; concentrate efforts on catalytic projects.

• **Place making** is important to creating a stable, lasting redevelopment. Mixing uses and improving aesthetics will make districts where people want to be.

• Leverage capital improvements and update regulations. If private sector investment is a goal, the public sector must demonstrate commitment to improvements.”
“Actions:
• Take a strong and proactive role in coordinating details and fully packaging sites and deals in key redevelopment areas that have aging assets.
• Limit retail zoning to key intersections and nodes, and focus redevelopment at these areas.
• Encourage “place making” of redeveloped areas with the mixing of uses and creation of design guidelines.”
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Mixed-Use Development

- Vision
- About
- Actions

Vision
Huntsville development patterns are sustainable and cost-effective because they integrate a mix of complementary uses at a variety of scales.

About
Huntsville was built largely in a classic suburban development pattern, the hallmarks of which are deference to cars and a strict separation of uses. This development pattern was the result of both public policy and consumer preferences. However, over the past two decades, the hidden costs of this development pattern have begun to be more clearly understood. These costs include both money and time as residents are forced to commute from their homes to work, school, and shopping. Thus, mixed-use developments that combine various components of housing, offices, and retail have become popular in the marketplace. These mixed-use developments have the potential to slow, and possibly reverse, the decline of aging suburban communities.

Because the existing major commercial corridors – Memorial Parkway and University Drive – already have a great deal of commercial development, mixed-use projects in Huntsville should be heavily weighted towards residential, with much smaller portions set aside for retail and office use.

Actions

☐ Study the viability of creating a city-wide Community Development Corporation (CDC) to acquire land to hold for development, or create a land banking system.
“[M]ixed-use developments that combine various components of housing, offices, and retail have become popular in the marketplace. These mixed-use developments have the potential to slow, and possibly reverse, the decline of aging suburban communities.”
“Actions:
• Provide incentives for large-scale mixed-use redevelopment projects, such as infrastructure investments or bond financing, among others.
• Select key sites for strategic mixed-use redevelopment projects in North Huntsville, South Huntsville, Hampton Cove, and the central core of the City.
• Seek outside developers in order to achieve transformative mixed-use redevelopment projects. These projects generally require complex financing and are fairly large, architecturally interesting, and pedestrian-focused...”