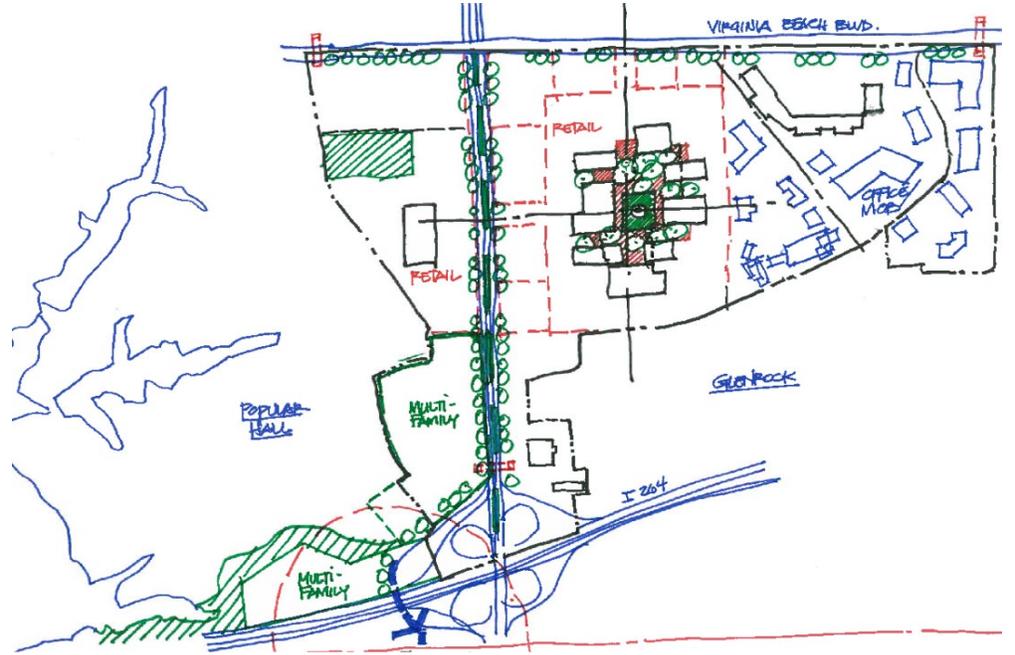




A Technical Assistance Panel (TAP) Report



Contents

About ULI	2
Acknowledgements	3
Executive Summary	5
Panel Focus Areas	6
Overview	7
Process	9
Recommendations	11
Panel Bios	26
Appendix: Demographic Comparison	33

About ULI

ULI - the Urban Land Institute - is an international nonprofit research and education organization that promotes responsible land use and responsible leadership to enhance and sustain communities worldwide. Founded in 1936, the institute now has more than 30,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service.

Part of ULI's community outreach program is to offer professional services to evaluate specific issues. One of those programs is ULI's Technical Assistance Program (TAP). A TAP session is usually a day and a half long and brings together experts in the real estate and development industry to deal with three to five well defined questions related to a land use issue. The TAP is staffed by local ULI members and Fellows with ULI. Expenses are covered by the sponsor or contracting entity requesting ULI's services. Briefing books are provided to the TAP panel members prior to the TAP and a written report of the finding follows a few months following the event.

The TAP for the Military Highway Corridor was requested by the City of Norfolk's Planning Department; supported by the Hampton Roads District Council of ULI, and coordinated by the Community Outreach Committee. For more information about the Technical Assistance Program or to explore how a formal request can be made, please contact E. Andrew Keeney, Chair of the Hampton Roads Community Outreach Committee:

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Executive Summary

THE MILITARY HIGHWAY CORRIDOR is one of the highest traffic volume areas of the City of Norfolk. Shoppers flock to this major retail corridor to visit stores such as Home Depot, Lowe's, Target, Old Navy, and Wal-Mart. However, directly to the south of this bustling shopping area lies the study area, where several under performing retail plazas and a deteriorating shopping mall exist. Empty storefronts, large expanses of pavement, and a lack of aesthetic cohesiveness and quality create an unwelcoming setting for shoppers.

This is especially true in the case of The Gallery at Military Circle, Norfolk's first indoor shopping mall, that once was the region's premier retail destination. Today, many of the storefronts in the mall lie vacant and the attached former Doubletree Hotel is an abandoned black eye on the property. The majority of the stores still open are independently owned and cater to a specific demographic, urban youth. The type of stores in the mall do not reflect the surrounding demographics and potential buying power of the area. This lack of retail variety and quality tenants forces shoppers who want something different to shop elsewhere.

Although the retail atmosphere in the study area is mostly grim, there are some bright spots, such as the thriving COSTCO, Sentara Medical Group, and other utilized office buildings near the Gallery at Military Circle. Additionally, the recent construction of the nearby Military Highway light rail station has the potential to attract shoppers from across Norfolk. The success of the JANAF Shopping Yard and other popular, big-box retailers to the north of the study site illustrates that it is not a question of if the Military Circle Area can attract retail dollars, it is a question of how.

The City of Norfolk commissioned the Urban Land Institute to perform a Technical Assistance Panel (TAP) to generate ideas as to how to revitalize the Military Highway Corridor. The TAP is comprised of a group of regional industry experts from a wide variety of development, real estate, and design fields. They were asked to address five tasks regarding the redevelopment of the study area. The tasks and the panel's recommendations are detailed in the following sections.



Traffic counts are high along Military Highway

Panel Focus Areas

THE TAP WAS INSTRUCTED TO MAKE THE FOLLOWING ASSUMPTIONS:

- Future development or redevelopment within the Corridor requires adequate parking, which currently exists
- The transportation infrastructure is satisfactory in the Study Area. However, access to commercially zoned parcels should be studied and analyzed

TASK 1: TRANSPORTATION

Even though the transportation in the Corridor appears adequate, there are several under performing properties that may require transportation enhancements. What scale and requirements might be recommended? Access to light rail is important, and if possible, should be incorporated in future development plans; how should this be accomplished?

TASK 2: CITY INVOLVEMENT

What role should the City play in the attraction or expansion of uses in the Study Area? As this question is considered, it is important to remember that all parcels in the Study Area are privately-owned.

TASK 3: STREETScape

The streetscape along the Military Highway Corridor is inconsistent and unattractive. What landscaping and gateway treatments would be recommended? To what degree are signage, the visibility of uses, and road access vital to the success of the area?

TASK 4: WHAT TYPE OF DEVELOPMENT IS APPROPRIATE TODAY?

Currently, Target, Wal-Mart, Lowes and JANAF are valuable and successful properties north of the study area, but what "type" or kind of uses will work within the study area? In your recommendations, please note the below requirements for implementation and phasing.

TASK 5: TIMING FOR THE IMPLEMENTATION OF THE RECOMMENDATIONS

The Panel should identify what immediate steps (0-2 Years) would be recommended to improve or enhance the Corridor and over time, (2-5 years & 5+ years), what efforts could be made to maintain the health and vitality of the area and expand and enhance it.

Overview

THE MILITARY HIGHWAY CORRIDOR is one of the highest traffic volume areas of the City of Norfolk. Shoppers flock to this major retail corridor to visit stores such as Home Depot, Lowes, Target, Old Navy, and Wal-Mart. However, directly to the south of this bustling shopping area lies the study area, where several under performing retail plazas and a deteriorating shopping mall exist. Empty storefronts, large expanses of pavement, and a lack of aesthetic cohesiveness and quality create an unwelcoming setting for shoppers.

This is especially true in the case of The Gallery at Military Circle, Norfolk's first indoor shopping mall, that once was the region's premier retail destination. Today, many of the storefronts in the mall lie vacant and the attached former Doubletree Hotel is an abandoned black eye on the property. The majority of the stores still open are independently owned and cater to a specific demographic, urban youth. The type of stores in the mall do not reflect the surrounding demographics and potential buying power of the area. This lack of retail variety and quality tenants forces shoppers who want something different to shop elsewhere.

Although retail is struggling everywhere these days the downward trend is more apparent at the Gallery at Military Circle.

From 2007 to 2011, retail sales at The Gallery at Military Circle and the immediate surrounding area dropped almost 24 percent, according to a report from the Norfolk Commissioner of the Revenue's Office.

By comparison, sales fell 10 percent at the neighboring JANAF Shopping Yard and 6 percent at MacArthur Center, the downtown Norfolk mall, during the same time frame¹. These numbers suggest that the poor economy is not the only reason the Gallery at Military Circle is failing.

The Gallery at Military Circle has three major anchors - Macy's, JCPenney, and a Cinemark movie theater. The fourth anchor, Sears, closed its doors in December 2011 due to under performing sales nationwide. Both JCPenney's and Macy's leases are up within the next two years.



The information desk at The Gallery at Military Circle sits empty and unattended

¹ Shapiro, Carolyn. "COSTCO Looking for Bigger Digs in the Region." *Virginian Pilot* 13 May 2012.

City officials and local residents would like to see improvements made to the mall before two of the three remaining anchors leave and it becomes even more difficult to save the shopping center.

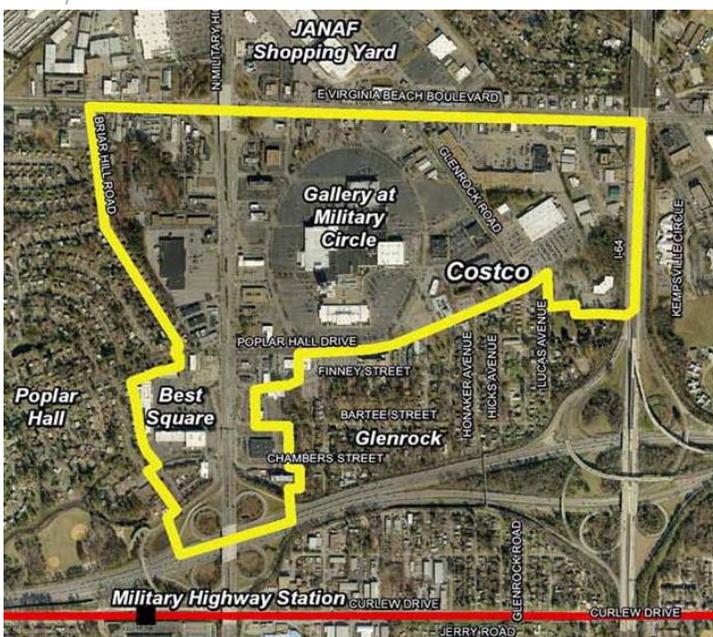
The Military Highway Corridor study area is also home to Best Square, where a 30,000 square foot retail space sits abandoned at the back of a large parking lot. Its adjacent store fronts include a nail salon, a jewelry store, and a uniform outfitter - none of which are popular, brand name stores or franchises. Neighboring Best Square to the north, is a shopping plaza that contains 'The Dump,' a discount furniture store, with a huge parking lot, that is only open on the weekends, and a second office furniture store. This strip mall is also bordered by a small motel.

Although the retail atmosphere in the study area is mostly grim, there are some bright spots, such as the thriving COSTCO, Sentara Medical Group, and other utilized office buildings near the Gallery at Military Circle.

Additionally, the recent construction of the nearby Military Highway light rail station has the potential to attract shoppers from across Norfolk. The success of the JANAF Shopping Yard and other popular, big-box retailers to the north of the study site illustrates that it is not a question of if the Military Circle Area can attract retail dollars, it is a question of how.

Signs like these dot the doors and windows of empty storefronts in The Gallery at Military Circle Mall

The study area, outlined in yellow, is bounded by Virginia Beach Boulevard to the north, I-64 to the east, Poplar Hall Drive to the south and Briar Hill Road to the west, including the commercially zoned properties on Military Highway south of Poplar to I-264.



Process

THE CITY OF NORFOLK

commissioned the Urban Land Institute to perform a Technical Assistance Panel (TAP) to generate ideas as to how to revitalize the Military Highway Corridor. The TAP is comprised of a group of regional industry experts from a wide variety of development, real estate, and design fields.

The panelists volunteer their time, and over a day and a half are immersed in the study area and its issues. Each panelist was given a binder prior to the first day of the TAP which included a map of the study area, the questions the panel was to focus on, background information regarding the site, the City of Norfolk's strategic plans, and demographic information of the surrounding area.

Day one consisted of an in depth tour of the study area, led by the City's Acting Director of Development, Chuck Rigney, and a discussion of the main issues regarding the site.

On the second day, panelists spent the morning interviewing stakeholders and city officials. At the conclusion of the interviews the panel began its evaluations and recommendations. Preliminary findings resulted from a large brainstorming session which focused on a variety of topics including retail and housing development, re-branding, and transportation and streetscape improvements.

TAP participants deliberate in front of an empty storefront in The Gallery at Military Circle



Next, the panel focused on each of the five tasks: transportation, city involvement, streetscape, development opportunities, and a phasing strategy for the implementation of the recommendations.

The team then compiled its research and recommendations into a Power Point format and presented its findings at a public forum attended by stakeholders and community members.



THE STAKEHOLDERS INCLUDED:

- Bill Berger & Lawrence Goldrich - Larrymore Organization, Best Square
- Councilwoman Angela Williams
- Councilman Paul Riddick
- Chuck Rigney - Norfolk Economic Development
- Kevin O'Keefe - Thalhimer, Military Crossing Shopping Center
- Lawrence Goldrich
- Lt. Jeff Balen and Officer Kim Cole - Norfolk Police Department
- Maggie Corbin of McKinley, owner of JANAF Shopping Yard
- Mark Rosenfeld and Kent Little - Poseidon Capital
- Paula Shea - Norfolk Planning Department
- Rob Brown - City of Norfolk Transportation

The panelists were also provided with e-mails from stakeholders:

- Mike Glenn - Thor Equities, The Gallery at Military Circle owner and
- David Hicks - President of the Glenrock Neighborhood Association

Recommendations

TASK 1: TRANSPORTATION

Even though the transportation in the Corridor appears adequate, there are several under performing properties that may require transportation enhancements. What scale and requirements might be recommended? Access to light rail is important, and if possible, should be incorporated in future development plans; how should this be accomplished?

RECOMMENDATION:

INCORPORATE THE MILITARY HIGHWAY LIGHT RAIL STATION INTO THE STUDY AREA

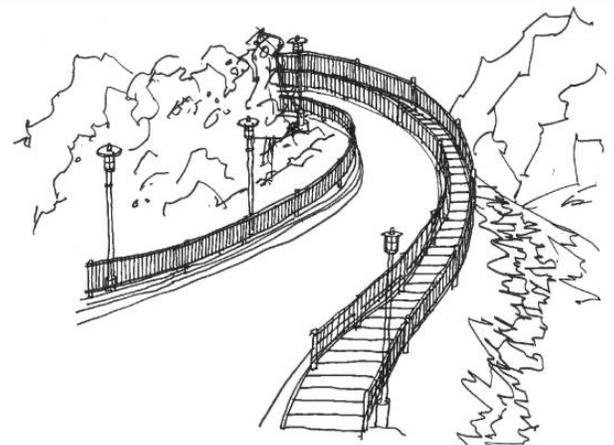
The light rail stop that lies just south of the study area has potential to be a great access point to bring more consumers to the Military Highway Corridor. As one panelist pointed out, there is great potential buying power within a five and seven mile radius of The Gallery at Military Circle that is not currently being utilized.

In fact, the areas within a five and seven mile radius of Military Circle rank third among the top eight retail nodes for number of average household incomes over \$100,000. These numbers are almost identical to the Pembroke/Town Center area in Virginia Beach and only 6% fewer than the number of households with an average income over \$100,000 in the area surrounding Lynnhaven Mall, also in Virginia Beach.

One way of enticing these dollars is to provide an easy access point to the mall. Currently, the light rail stop is



The existing bridge that connects the light rail station with Best Square is unsafe for pedestrians



Bob Miller's sketch of the same bridge with pedestrian friendly improvements including human scaled lighting and fencing



A bus picks up passengers at the Military Highway light rail station. Incorporating the light rail station into the study area is crucial for future development



A 'cow path' through the vegetation demonstrates the need for a pedestrian safe route towards the Military Highway Corridor

isolated from the Military Highway Corridor and the route a passenger must take to visit the Gallery at Military Circle is unsafe for pedestrians.

Light rail passengers must cross I-264 in order to get to the mall, and the bridge they take over I-264 is designed primarily for cars. Then, after crossing the bridge, pedestrians are faced with traversing feeder roads, large parking lots with little place for pedestrian refuge, and Military Highway itself. None of this is easy for older passengers, parents with small children, or people with disabilities. If unable to walk, these light rail passengers must take a bus to reach their final destination.

THE PANEL SUGGESTS:

- Removing the feeder road by Best Square, or closing it to cars and trucks to allow only bikes and pedestrian access.

- Redesigning the bridge over I-264 to allow easier and safer pedestrian access by incorporating human scale lighting, sidewalks on both sides of the bridge, and a fence that safely separates vehicles and people.
- Turn the abundance of unused parking lots into green space to provide a better sense of place for pedestrians, a more welcome atmosphere for shoppers, and to provide refuge points en route to the mall.
- Providing a trolley service to ferry light rail passengers to and from the light rail station and the JANAF Shopping Yard and The Gallery at Military Circle.

RECOMMENDATION:

SLOW VEHICULAR TRAFFIC & IMPROVE PEDESTRIAN ACCESSIBILITY

THE PANEL SUGGESTS:

- Performing a signalization study to determine how long pedestrians have to cross Military Highway while maintaining positive traffic flow.
- Linking both sides of Military Highway through some form of designated crosswalk. Some potential options include:
 - a painted crosswalk with lights to alert drivers
 - a raised crosswalk, which would increase pedestrian safety by slowing traffic
 - or possibly building a pedestrian bridge over Military Highway, which would have no impact on traffic flow.
- Widening the median in Military Highway to provide a place of refuge for pedestrians crossing Military Highway. This also creates a space to make major landscape improvements and slows traffic, improving way finding. It also provides land for a potential light rail spur to Virginia Beach Boulevard and Northampton Boulevard.

This image illustrates the over abundance of parking in the Best Square shopping center.



RECOMMENDATION:

IMPROVE VEHICULAR ACCESSIBILITY

The main issues with vehicular access in the study area are accessing the Best Square shopping plaza and the Gallery at Military Circle and slowing traffic to improve way finding.

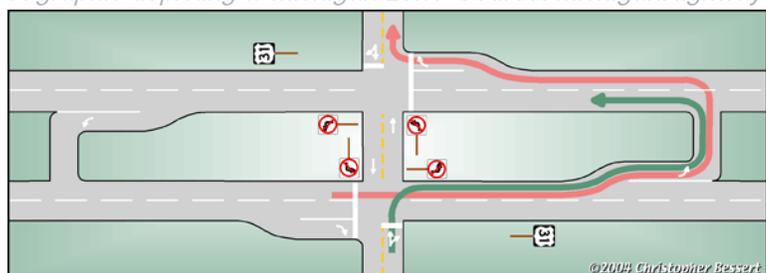
Some of the suggestions used to improve pedestrian accessibility will help to slow vehicular traffic and improve way finding such as widening the median or building a raised crosswalk.

Currently, it is difficult to access Best Square shopping plaza when entering the Military Highway Corridor from I-264. There is not enough time to get over into the left lane to make the turn, and often times drivers are beyond it before they even realize it is there. Access to The Gallery at Military Circle is also difficult due to poor visibility of the entrance.

THE PANEL SUGGESTS:

- Performing a signalization study to determine how long cars have the turning right of way into each shopping center.
- Creating what is known as a 'Michigan Left' or a 'Jug handle' turning lane to access Best Square.
- Completing the widening of Military Highway in this portion of the corridor.

A graphic depicting a 'Michigan Left'. Source: MichiganHighways.org



TASK 2: CITY INVOLVEMENT

What role should the City play in the attraction or expansion of uses in the Study Area? As this question is considered, it is important to remember that all parcels in the Study Area are privately-owned.

RECOMMENDATION:

PARTICIPATE IN THE RE-BRANDING OF THE STUDY AREA

There are several reasons why retail is failing in the study area, but one of the main reasons is due to a negative perception of the area. Security is lacking in the mall and several crime-related incidents in past years have helped to increase this negative perception, but upon visiting the mall one can understand why the negative perception exists.

The Gallery at Military Circle and the surrounding shopping plazas are not welcoming to shoppers. The parking lots are oversized and under lit with no pedestrian-scale lighting or landscaping to soften the expanse of pavement. During peak shopping hours on a weekday evening the mall's halls are deserted and many storefronts (including a major retail anchor) sit vacant. There are no 'eyes on the street' to create a feeling of safety.

One of the major hurdles in revitalizing this area is to overcome the negative connotations associated with it and create a brand new image. An image that exhibits a positive retail atmosphere, one that suggests a fresh start, and that will attract both developers and shoppers, alike. By changing the study area's name, retail



Panelists suggest a total re-branding of the Military Circle Area to improve the negative perception of the area and attract developers

model, and improving its appearance, the study area will begin to distance itself from the negative perceptions of the current 'Military Circle' branding.

RECOMMENDATION:

ESTABLISH INCENTIVES TO ENCOURAGE DEVELOPMENT

The majority of the stores inside the mall are independently owned and lack variety. These stores typically would be shut out of a successful mall, but have been able to secure floor space in The Gallery at Military Circle as the higher quality tenants have moved out and the mall's market value has dropped.

These independent stores cater to a specific demographic - urban youth. Shoppers who do not fall into that category, or who wish to shop at higher end retail stores, are forced to shop

elsewhere, often spending their money in nearby Chesapeake or Virginia Beach.

The same can be said for the stores in the Best Square shopping center, as well as the discount furniture store, The Dump. These stores do not reflect the potential buying power of the surrounding area, nor do they appeal to people living in those areas.

In order to attract new and additional private investment into the Military Highway Corridor, the City of Norfolk will likely need to offer some sort of public assistance through a public - private partnership. The panel suggests that the City issue a developer Request for Proposals (RFP) to the private sector asking for development proposals within the Corridor that follow the City's principles for development and redevelopment. The RFP will ask developers for their proposed development plan and will ask that they have their private construction financing in place as well as tenants in place for the project. In exchange, the City will indicate its willingness to provide public assistance through tax increment financing, a community development authority or a business improvement district to help finance needed public infrastructure for the development / redevelopment. The public assistance will be negotiated based on project specifics and will follow the City's guidelines for public-private partnerships.



There is an over abundance of parking in the study area. This image is taken from in front of the furniture discounter, The Dump.

Tax Increment Financing is dedicating future new taxes to pay for or finance capital improvements. A Community Development Authority is a geographic district and governmental entity established by City Council given the power to finance public infrastructure. CDA debt is repaid through special assessments levied upon landowners(s) within the District and can also include a tax increment financing overlay. A CDA and/or TIF can help the City obtain desired private development that may not occur on the same timetable and level if a public-private partnership is not available. A Business Improvement District is a special tax district where the City can levy and collect ad valorem taxes for certain public infrastructure improvements. A BID pays for improvements on an ongoing basis and typically does not pay for all needed infrastructure ahead of development.

RECOMMENDATION:

DEVELOP AN ARCHITECTURAL STANDARD FOR THE STUDY AREA

The study area lacks aesthetic appeal and quality. There is no architectural standard regarding building size, shape, material, color or signage. Signs of all different sizes, shapes, and colors dot the highway corridor. Overhead power lines detract from the surroundings and there is no consistent landscaping scheme. As a result, the Military Highway Corridor looks cluttered and visually fragmented. It does not entice shoppers to enter the shopping plazas.

Developing an architectural standard will improve the character of the Military Circle Area and ensures visual consistency now and into the future.

RECOMMENDATION:

DEVELOP A RFP FOR STREETScape & SIGNAGE ENHANCEMENT

Once an architectural standard for the study area is developed, a request for proposal should be created to improve the visual quality of the area. The panelists provided three examples of retail redevelopment for inspiration:

- Coliseum Mall
- Downtown Richmond CDA streetscape
- Midlothian Turnpike at Stonebridge



Maya Couture is a successful bridal salon in the Best Square shopping plaza.



Signs 'litter' the Military Highway Corridor

RECOMMENDATION:

ESTABLISH A BUSINESS ASSOCIATION AMONG MAJOR STAKEHOLDERS TO ESTABLISH CONSENSUS

The City must reach out to the major stakeholders to establish a consensus regarding future development in the study area. It will be easier to move forward if the current tenants feel included in the process. Establishing a monthly meeting creates a set time and place for open discussion.

It is especially important to communicate with The Gallery at Military Circle's owner regarding the future plans and goals for the mall. Likewise, the city must also encourage Thor Equities, the mall's

current land lord to take a more proactive approach by marketing the mall, attracting higher quality tenants, and achieving a good tenant mix.

RECOMMENDATION:

EVALUATE INCREASED ZONING DENSITY AND SHARED PARKING

The panel suggests that the City perform a market analysis to determine what type and density of development is appropriate for the study area. Based on the results, the City should examine its parking requirements and zoning densities to support future development.

TASK 3: STREETSCAPE

The streetscape along the Military Highway Corridor is inconsistent and unattractive. What landscaping and gateway treatments would be recommended? To what degree are signage, the visibility of uses and road access vital to the success of the area?

RECOMMENDATION: IMPROVE SIGNAGE

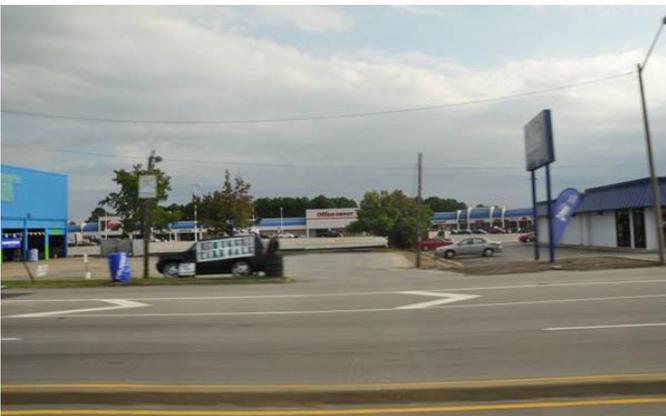
Similar to the recommendation to create an architectural standard, there must also be a graphic standard developed for signage. Currently, signs in the Military Circle area are of all colors, sizes, materials and heights. They clutter the area and actually make way finding more difficult. Implementing a graphic standard would reduce the visual clutter, improve the appearance of the corridor, and provide an opportunity to create a new identity for the study area.

A new set of way finding signs directed at both pedestrian and vehicular traffic must be placed at strategic locations to direct traffic flow and pedestrian crossings. These signs must be appropriately sized for the intended audience and consistent in their design so that shoppers learn to look for them.

RECOMMENDATION: IMPROVE THE LANDSCAPE AND HARDSCAPE BY DEVELOPING CORRIDOR OVERLAY GUIDELINES

Creating corridor overlay guidelines for landscape and hardscape is much like developing an architectural standard. It ensures a cohesive and consistent visual appearance in the corridor. One that is inviting and aesthetically pleasing. Overlay guidelines developed now will lay the groundwork for future development and ease future decision-making regarding the landscape in the corridor.

The landscape guidelines need to address plant species types, hardscape materials, site furniture and lighting.



This simulation illustrates what the Military Circle Area looks like now with cluttered signage and overhead power lines and what it could look like with some minor landscaping improvements and signage restrictions

A plant palette should be chosen that includes standard tree, shrub, and ground cover species that work well in an urban environment with minimal maintenance requirements. They must also provide visual relief and interest among retail buildings and parking lots.

Standard paver types and hardscape materials must be chosen to provide consistency on the ground plane and should complement both the plant palette and architectural standards being set.

Site furniture, including benches, litter receptacles, ash urns and lighting must also complement the visual scheme and be placed in locations where they will best serve the customer.

Last, lighting, both overhead and pedestrian scale must be chosen to complete the look and feel of the other elements in the corridor. Pedestrian scale lighting is an important element in the design as it improves safety and provides a sense of place to the pedestrian.

RECOMMENDATION:

RELOCATE ABOVE GROUND UTILITIES

Right now, utility lines crisscross the sky and their respective poles detract from the landscape. Although expensive, placing the utilities underground removes this visual clutter and allows the landscape and retail buildings to take center stage. Once again, providing the shopper with a more visually appealing atmosphere.



The current entrance to The Gallery at Military Circle needs improvement

RECOMMENDATION:

IMPROVE STREET ACCESS TO RETAIL AREAS

Retailer visibility in the study area is lacking. Entrances to the mall and the shopping plazas are hard to find and difficult to navigate in traffic. Creating uniform gateways at shopping center entrances makes a visual statement and improves accessibility.

The panel suggests creating gateways through improved landscaping, new signage, or possibly a vertical structure or element, or some combination, thereof.

In addition to improving access points to retail areas, the panel also suggested creating a large gateway statement when entering the study area. Something that signals to both drivers and pedestrians that you are now entering the Military Circle Area.

TASK 4: WHAT TYPE OF DEVELOPMENT IS APPROPRIATE TODAY?

Currently, Target, Wal-Mart, Lowes and JANAF are valuable and successful properties north of the study area, but what "type" or kind of uses will work within the study area? In your recommendations, please note the requirements for implementation and phasing.

RECOMMENDATION:

THE STUDY AREA IS A GREAT MULTI-USE OPPORTUNITY

The panel sees the study area as a great opportunity for a variety of uses, including an open air lifestyle center where The Gallery at Military Circle now sits. Also suggested was increasing the office and medical office buildings that are currently doing well in the area. Other potential uses include multi-family residential, especially located near the light rail station, and transit oriented design.

RECOMMENDATION:

THE CITY SHOULD PERFORM A MARKET STUDY

Before any development begins, the panel recommends that a market analysis be conducted to determine the best type of development for the area based on the demographics, infrastructure and area demand.

RECOMMENDATION:

THE GALLERY AT MILITARY CIRCLE SHOULD BE DE-MALLED

There has been a shift over time in mall development. Indoor shopping malls became popular in the 1960s but have slowly declined in popularity over the years. Since the late nineties the

development trend in shopping centers has turned to what is known as lifestyle centers and mixed use development. In these building schemes, the typical mall is turned inside out with storefronts facing the street.

Shoppers are drawn to these retail centers due to convenience and their aesthetic appeal. Both lifestyle centers and mixed use development usually have on street parking directly in front of the stores so shoppers can get in and out quickly without having to enter a mall. In addition, these retail centers create a nice experience - often an urban experience.

They typically have nice landscaping and/or open lawn areas, are pedestrian friendly with sidewalks and crosswalks, and people enjoy being outside between stores.

In the case of a mixed use shopping center, where residential use meets retail use, people can live above their favorite restaurant, walk down the corner to their gym and pick up their dry cleaning all in the same block. It is a lifestyle of convenience, which is one of the reasons it has become so popular in the last decade.



The panel suggests that the City perform a market analysis to determine the study area's development needs.

The panelists recommend tearing down the Gallery and redeveloping it as a lifestyle center based around the three remaining anchor stores: Macy's, JCPenney, and the Cinemark movie theater. Also suggested was the possibility of attracting a supermarket as a fourth retail anchor in the former Sears space. Smaller, junior box tenants will fill in the remaining space between the anchors making sure to provide a variety of retail. This congregation of boxes should be laid out in a circular, or oval, shape providing adequate space for an open-air lawn in the middle with patio spaces and landscaped areas around the edges.

RECOMMENDATION:

INCLUDE OPEN-AIR GREEN SPACE WITHIN DEVELOPMENT

The open lawn in the mall redevelopment will serve as a space for community gathering and interaction. It can be used for events such as festivals, farmers markets, antique car shows, and running events. It is important to include green space in other parts of the study area, too, as it provides a better sense of place for pedestrians and offers an outdoor site for local residents to enjoy.

**RECOMMENDATION:
OUTPARCEL CREATION**

It is important to create outparcels that surround the new living center in a sensible fashion. Right now the outparcels are small and under-utilized and give a cluttered appearance to the shopping area. The new outparcels must be designed to attract quality retailers.

**RECOMMENDATION:
THE CITY MUST WORK WITH
COSTCO TO FIND A SUITABLE
RELOCATION SITE**

Possibly relocation sites within the study area include:

- The DUMP
- Best Square
- Outparcel at Gallery at Military Circle

**RECOMMENDATION:
RE-DEVELOPMENT OF THE
ELEMENTARY SCHOOL**

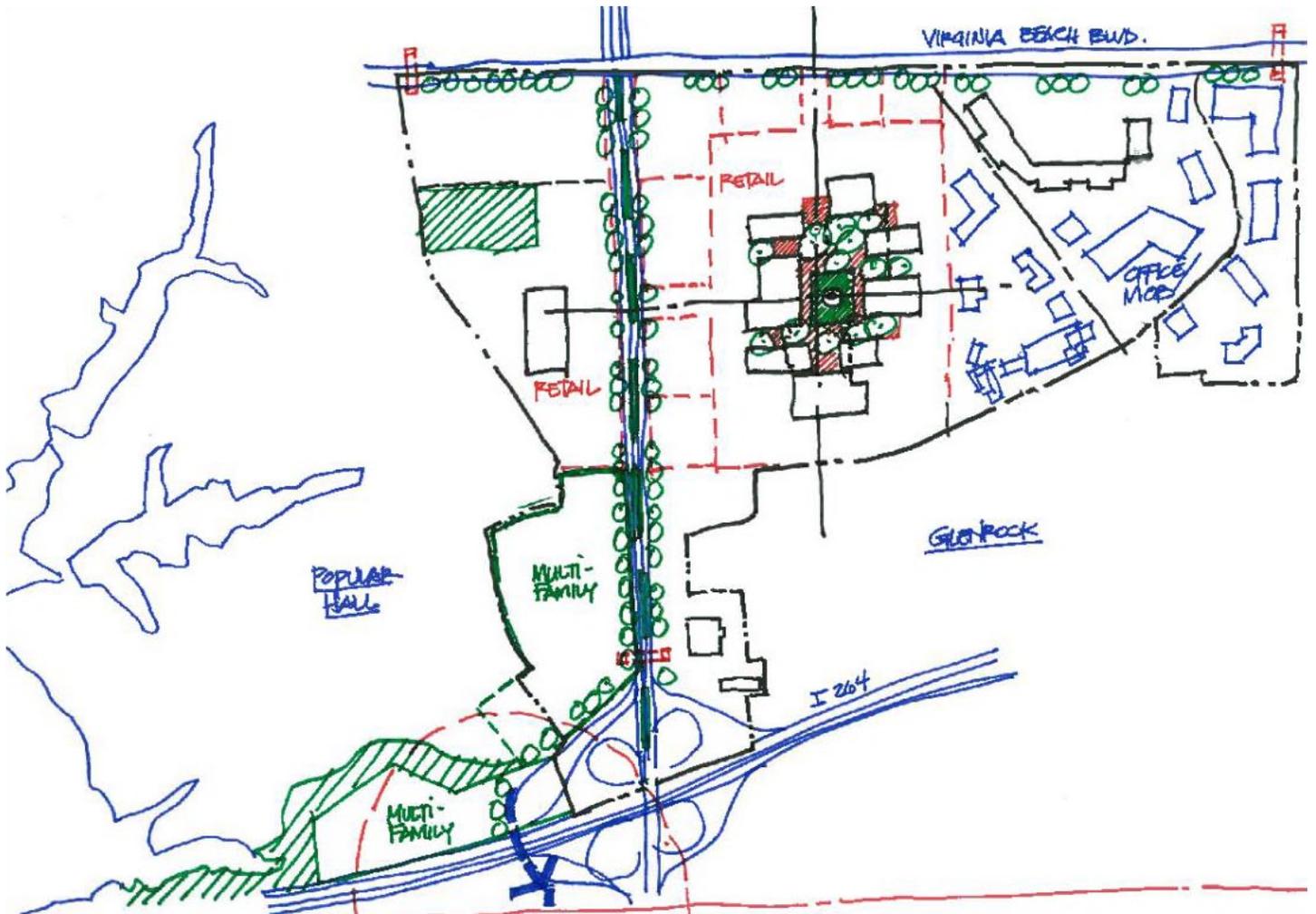
The elementary school in the Poplar Hall neighborhood is old and outdated. Renovating it may attract young families into the area, which will begin to help with the revitalization of the Military Circle Area.

**RECOMMENDATION:
RELOCATION OF PARK**

Like the nearby elementary school, the park that resides behind Best Square is run down and its location is isolated from the road. It does not feel safe. The panel suggests redesigning the park to include it in a new, multi-family residential complex and moving it closer to Military Highway.

The mall could transition from looking more like the image on the left to the image on the right. Which one do you think would attract consumers?





The BIG IDEA: Panelists' concept plan for the study area

RECOMMENDATION:

EXAMINE INFRASTRUCTURE FOR INCREASED DENSITY

One type of future development that the panel suggests is multi-family residential located near the light rail stop. In order for the residential development, or any new development, to succeed, the necessary infrastructure must be in place. The panel suggests examining the capacity of the existing infrastructure to accommodate an increase in density for multiple types of development.

RECOMMENDATION:

CREATE AN RFP FOR DEVELOPERS

Once the market analysis has been completed, the architectural standard and landscape corridor guidelines have been developed, and a well-defined redevelopment plan exists, the city should work with existing property owners to develop request for proposals for the Best Square and The Dump retail areas to attract new development.

TASK 5: TIMING FOR THE IMPLEMENTATION OF THE RECOMMENDATIONS

RECOMMENDATION: IMMEDIATE STEPS, 0-2 YEARS

- City to communicate with the current owner and land lord, Thor Equities, regarding future plans and goals for The Gallery at Military Circle
- Establish a business association with local business owners and encourage monthly or periodic meetings
- City to continue discussions with COSTCO to develop a solution for their needs
- Conduct a market analysis to determine the needs of the Military Circle Area
- City to develop RFP for design construction of streetscape and corridor enhancements to include architectural and signage standards
- Perform traffic study to address transportation needs including signalization
- Work with existing property owners to develop RFP for the Best Square and The Dump retail areas
- Evaluate expanding light rail line down Military Highway

RECOMMENDATION: MIDTERM STEPS, 2-5 YEARS

- Big Idea/Vision: Centrally located lifestyle center
- Re-branding
- Redevelopment of Best Square/The Dump Area
- Identify viable sites for COSTCO relocation
- Eliminate feeder roads
- Attract private investment alternatives for Military Circle Mall Area
- Create more access points to development with light rail/public transit

**RECOMMENDATION:
LONG-TERM STEPS, 5+ YEARS**

- The Gallery at Military Circle becomes a major destination
- Density increases due to multi-family housing
- Increase in property values
- Light rail laterals
- Continuation and encouragement of private investment in and around corridor
- City begins to benefit from expanded tax base in the study area
- Consideration of study area being expanded north of Virginia Beach Boulevard and south of I-264
- Consideration of pedestrian crossings of Military Highway

Panelist Bios

TARA F. SAUNDERS, PANEL CHAIR

Executive Director, Old Dominion University Real Estate Foundation

Tara F. Saunders is the Executive Director of the Old Dominion University Real Estate Foundation. In her position, she is responsible for acquiring, managing and developing real estate projects to benefit the University. The ODU Real Estate Foundation is the largest in the Commonwealth of Virginia with assets over \$90 Million.

Previously, Saunders served over 18 years in local economic development departments as the Deputy Director for the City of Portsmouth, the Assistant Director for the City of Suffolk and Senior Business Development Manager for the City of Chesapeake. Her primary responsibilities were in the areas of national and international business attraction, property development, and property re-development.

A lifelong resident of Norfolk, Virginia, Saunders serves on the Executive Boards of the Hampton Roads District of Urban Land Institute, the Tidewater Business Financing Corporation, and the Portsmouth Museums Foundation. She is a member of the Association of University Real Estate Officials (AUREO), the Virginia Association of University Real Estate Officials (VAUREO) the International Council of Shopping Centers (ICSC), the Virginia Economic Development Association (VEDA), the International Economic Development Council (IEDC), the Hampton Roads Chapter of Commercial Real Estate for Women (CREW), and the Hampton Roads Association for Commercial Real Estate (HRACRE).

Saunders is a graduate of the Leading, Educating, and Developing (LEAD) Program at the University of Virginia and earned both a BS in business administration in 1985 and a MBA in 1992 from Old Dominion University.

MARK CUNNINGHAM

Hampton Roads Area Manager, Gilbane

Mr. Mark Cunningham is area manager for the Metropolitan Statistical Area (MSA) of Hampton Roads (formerly known as Tidewater, Virginia). In this position, Mark leads the effort to increase Gilbane Building Company's presence throughout southeastern Virginia and portions of North Carolina, focusing on governmental, higher education, utilities, and K-12 markets.

Mark, a construction industry veteran and a member of the Gilbane team for 32 years, was appointed vice president December 2010 and served as regional support operations manager in Columbus, OH, before relocating to the Mid-Atlantic area last fall. At the beginning of Mark's Gilbane career, he spent six years in the Mid-Atlantic region working on several projects including a three year assignment on one of the largest pharmaceutical complexes in the country -- GlaxoSmith-Kline in North Carolina.

While in Gilbane's Central Region, Mark helped achieve outstanding customer satisfaction working with a wide range of clients including Grange Mutual Insurance Corporate Headquarters, multiple labs for the Battelle Memorial Institute, and the Franklin County Courthouse.

An award-winning construction professional, Mark is the recipient of such honors as the 2008 Construction Waste Management Award; Gilbane's 2001, 2006, 2007, and 2012 Iver Johnson Builders of the Year Regional Award; and Gilbane's 2006 Paul J. Choquette Safety Excellence Award.

Mark is recognized in the industry for his honesty, ethics, leadership, technical and communications abilities. He has a hard earned reputation as a good listener, a 'universal translator' of client expectations, and an excellent organizer, facilitator and leader of teams on large, complex projects. With his impressive experience and innovative mindset, Mark is a valuable resource to both the area and its clients.

H. BLOUNT HUNTER

H. Blount Hunter Retail & Real Estate

Blount Hunter began his retail research career in 1977 and founded his advisory firm in 1996 after twelve years as Senior Analyst at The Rouse Company in its corporate headquarters in Columbia, MD. Prior to working for The Rouse Company, Hunter was Director of Research and Communications at Goodman Segar Hogan, Inc. in Norfolk, VA. Over his 30+ year career, Hunter has performed retail development feasibility studies and provided leasing support for retail projects in more than 40 states, Canada, and Puerto Rico. Hunter has prepared pre-development feasibility studies for numerous shopping centers across the country and has conducted consumer research and trade area analyses in more than 100 regional shopping centers for developers (Macerich, The Irvine Company, Steadfast Properties, General Growth Properties, Thor Equities, and Cushman & Wakefield). Many of Hunter's assignments have involved high-profile shopping centers including Tysons Corner Center (McLean, VA), Fashion Island (Newport Beach, CA) North Park Center (Dallas, TX), and Scottsdale Fashion Square (Scottsdale, AZ). Hunter has evaluated under-performing assets for institutional owners including Mutual of Omaha, AEW Capital Management, and The Rouse Company. Hunter's consulting practice is national in scope, yet he has completed numerous assignments in Southeastern Virginia.

Hunter served two terms on the Board of Directors of the International Downtown Association in Washington, DC, and he currently serves on the IDA's Research Committee. His publications include chapters on 'Main Street Retail Market Analysis' in two textbooks published by the Urban Land Institute, a chapter on retail fundamentals in IDA's 'Making Business Districts Work,' and 'Developing Successful Retail in Underserved and Secondary Markets' published by ICSC and the National Association of Counties.

JOHN MARKOWITZ

Public Finance Banker, Stifel, Nicolaus & Company

John Markowitz is a Public Finance banker in the Richmond office of Stifel, Nicolaus & Company, specializing in the issuance of Tax Increment Finance and land secured bonds to finance infrastructure for real estate development. He is involved in the expansion of TIF and special assessment district (Community Development Authorities in Virginia) usage in a number of states helping to make Stifel Nicolaus the national leading underwriter in TIF and land secured financing. Mr. Markowitz is an active conference and webinar speaker on this topic. He earned a Bachelor of Arts degree in Political Science from the University of Virginia, and holds NASD Series 53 and 62 licenses.

L. ELIZABETH MCCOURY

Executive Director, Coliseum Central

Elizabeth McCoury has served as Executive Director of Coliseum Central Business Improvement District, Inc. since 2007.

As Executive Director, she is responsible for implementing a multi-faceted neighborhood improvement program designed to improve Coliseum Central's image in the community. This program includes the promotion of neighborhood safety and cleanliness; neighborhood beautification and physical improvements; business retention; and customer attraction through marketing, promotion and the staging of family-oriented events.

Prior to joining Coliseum Central, Elizabeth served as Assistant to the City Manager for Downtown and Village Development for the City of Suffolk and was responsible for implementation of the Downtown Suffolk Initiatives Plan. In addition to her nine years of service with the City of Suffolk, she worked in Economic Development for the City of Portsmouth for 14 years and coordinated the Vision 2005 initiative.

In 2004, she was awarded Virginia Downtown Development Association's state-wide Award of Excellence for Individual Commitment.

She is a graduate of Old Dominion University and a graduate of the Leading, Educating and Developing (LEAD) Program at the University of Virginia.

ROBERT S. MILLS, AIA, CID, NCARB

Principal, Commonwealth Architects

Robert Mills is one of the founding principals of Commonwealth Architects. With more than 33 years of experience, he is involved in all aspects of the firm's practice in the areas of architecture, historic architecture, interior architecture, planning and management. Throughout his career, Bob has provided a full range of design services for a wide variety of corporate, government and commercial clients. He has served on the boards of professional and civic organizations, most recently as Chairman of the City of Richmond's Planning Commission. He has lectured on architectural and urban planning issues, including historic investment tax credit utilization and urban revitalization. His commitment to the rehabilitation of existing structures across the region is a hallmark of Commonwealth Architect's services.

CARA OECHSLEIN
Land Planner, MSA, P.C.

Cara received her Masters in Landscape Architecture from the University of Michigan in 2009. After graduating, she worked for the Landscape Architecture Foundation in Washington, D.C., and later as a landscape designer for AECOM (formerly EDAW) in their Alexandria, Virginia office. Cara currently works as a landscape designer for MSA, PC, an engineering, landscape architecture and environmental firm. She has experience working on a variety of projects including streetscape design, garden design, campus & city master planning, anti-terrorism force protection projects, and LID/LEED projects for both public and private clients. Before attending the University of Michigan, Cara obtained her bachelors degree in environmental science from the University of Pittsburgh, and worked as an environmental specialist for Reliant Energy, an electric generating company in Pittsburgh, Pennsylvania.

DAVE PASKO, SVP
Senior Vice President, Old Point National Bank

Dave is a Senior Vice President and Senior Commercial Account Manager for Old Point National Bank. Dave has been with Old Point National Bank for 23 years and commercial banking for 29 years.

Dave is a graduate of Christopher Newport College with a Bachelor of Science in Accounting. Dave likes being involved in the community. Dave serves as a member of the Virginia Beach Visions, Inc. and Light Rail Now committee. Dave previously served as board member for the Better Business Bureau, capital campaign member for the Sandler Center for Performing Arts, and treasurer for both Make-A-Wish of Southeastern Virginia and Sarah Bonwell Hudgins Foundation, Inc.

JEFFREY L. STAUB, L.A.
Project Manager, AES

Mr. Staub began his land development consulting career in 1994 and joined AES Consulting Engineers (AES) in 2011. Mr. Staub has managed teams that provide residential and commercial site and landscape design for private sector clients. He has proven abilities in managing multiple projects from concept, through design, to construction. Integral to his approach, is being directly responsible to the client and ensuring quality control of AES service.

Featured projects include:

Kingsmill, Hampton Roads, Virginia

New Town, Hampton Roads, Virginia

Ferguson Warehouse, Southside, Virginia

Yankee Candle Flagship Store, Hampton Roads, Virginia,

Home Depot Stores, Hampton Roads, Virginia & Central Virginia

Sentara Williamsburg Regional Medical Center, Hampton Roads, Virginia

JUNIE WEST
Principal, Timmons Group

Junie West is a Principal with Timmons Group and leads the firm's Private Land Development group. Mr. West is responsible for all aspects of mixed-use, commercial, industrial, motorsport and multi-family land development projects. His 'hands-on' involvement in the firm ranges from implementing effective foresight at project inception through certification of construction completion. His capabilities relate to all phases of land development, including master planning, site development, design of sanitary sewer systems, water distribution, creative stormwater management solutions, grading, traffic circulation and infrastructure design.

Mr. West is on the Board of Directors for the Urban Land Development, Richmond and has been a longstanding member with the International Council of Shopping Centers. He has substantial experience with strategic land planning for multi-use sites including three of the Richmond region's more prominent developments: West Broad Village, Westchester Commons and Stonebridge. His market understanding of mixed use, retail and office projects combined with 35 years of design experience offers clients a valuable addition to their design team.

JIM WOFFORD
General Manager, MacArthur Center

Jim Wofford of the Taubman Company, an S&P mid-cap 400 Real Estate Investment Trust engaged in the Ownership, Management and/or Leasing of 28 Regional, Super Regional, and Outlet Shopping Centers in the U.S. and Asia, is currently the General Manager of MacArthur Center a one million sq. ft. multi-level retail, dining and entertainment venue, consisting of more than 140 stores with several unique to the market retailers, located in Norfolk, Va.

Prior to joining the Taubman company, Jim spent over twenty-eight years in the Hospitality Industry as a Regional Vice-President of hotel operations and as a general manager.

Jim is very active in the community, serving on the boards of the Retail Alliance, Greater Norfolk Council, the Downtown Norfolk Council, Hampton Roads Chamber of Commerce, Visit Norfolk, Opportunity Inc, and others.

Appendix - Demographic Comparison



2011 DEMOGRAPHIC COMPARISON--8 MAJOR MALL RETAIL NODES

2011 POPULATION	<u>3 MI</u>	<u>5 MI</u>	<u>7 MI</u>	2011 PCT HH \$75,000+	<u>3 MI</u>	<u>5 MI</u>	<u>7 MI</u>
CENTER A	95,246	291,693	551,862	CENTER A	22%	25%	28%
CENTER B	91,102	197,156	415,676	CENTER B	33%	34%	33%
CENTER C	54,397	130,367	207,120	CENTER C	35%	32%	31%
CENTER D	93,005	232,960	382,281	CENTER D	27%	34%	34%
CENTER E	124,017	280,899	440,722	CENTER E	30%	33%	33%
CENTER F	78,737	193,667	270,034	CENTER F	22%	23%	27%
CENTER G	76,126	163,617	227,987	CENTER G	29%	32%	34%
CENTER H	133,100	272,373	465,524	CENTER H	17%	14%	23%
2011 HOUSEHOLDS	3 MI	5 MI	7 MI	2011 PCT HH \$100,000+	3 MI	5 MI	7 MI
CENTER A	35,793	112,995	204,626	CENTER A	11%	13%	15%
CENTER B	35,956	73,671	152,236	CENTER B	16%	19%	18%
CENTER C	20,315	48,771	70,031	CENTER C	21%	18%	18%
CENTER D	34,685	87,884	146,030	CENTER D	13%	19%	19%
CENTER E	49,252	107,796	167,148	CENTER E	16%	18%	19%
CENTER F	33,958	79,107	108,748	CENTER F	10%	12%	15%
CENTER G	31,368	64,217	89,037	CENTER G	16%	18%	19%
CENTER H	41,097	97,210	169,703	CENTER H	19%	11%	12%
2011 PCT. CAUCASIAN	3 MI	5 MI	7 MI	2011 # HH \$100,000+	3 MI	5 MI	7 MI
CENTER A	43%	47%	53%	CENTER A	3,904	14,744	30,752
CENTER B	53%	55%	52%	CENTER B	5,930	13,694	27,867
CENTER C	61%	49%	51%	CENTER C	4,280	8,965	12,292
CENTER D	60%	67%	68%	CENTER D	4,362	16,442	32,500
CENTER E	64%	62%	60%	CENTER E	7,941	19,784	31,113
CENTER F	43%	45%	50%	CENTER F	3,408	9,579	16,077
CENTER G	57%	60%	60%	CENTER G	5,195	11,672	16,846
CENTER H	35%	42%	46%	CENTER H	3,972	10,354	20,554
2011 AVG. HH INCOME	3 MI	5 MI	7 MI				
CENTER A	\$52,712	\$56,193	\$60,593				
CENTER B	\$62,469	\$63,919	\$63,831				
CENTER C	\$69,086	\$64,343	\$63,380				
CENTER D	\$58,585	\$70,156	\$74,634				
CENTER E	\$65,263	\$68,161	\$67,638				
CENTER F	\$52,057	\$53,871	\$58,449				
CENTER G	\$62,370	\$65,187	\$67,264				
CENTER H	\$48,488	\$51,544	\$55,129				