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Planning Commission Staff Report

Meeting Date: March 12, 2018

From: Jessica Henry, Senior Planner

Location: City of Chesterfield

RE: Chesterfield Village/Chesterfield Mall Report

Summary

Staff was directed by the Planning and Public Works Committee to prepare an informational report on Chesterfield Village, with a focus on the Chesterfield Mall and surrounding areas. The resulting report was presented at the February 22, 2018 Planning and Public Works Committee meeting at which time Staff was directed to forward the report to the Planning Commission for informational and discussion purposes.

Attached, please find the copy of the report along with an addendum requested by the Planning and Public Works Committee.

Respectfully Submitted,

Jessica Henry, AICP

Senior Planner

Attachments

1. Chesterfield Village/Chesterfield Mall Report with Addendum

cc: Justin Wyse, Director of Planning and Development Services

Developme

Memorandum

Department of Planning & Development Services

To:

Michael O. Geisel, City Administrator

From:

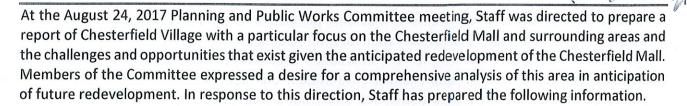
Justin Wyse, Director of Planning and Development Services

Date:

February 15, 2018

RE:

Chesterfield Village/Chesterfield Mall Report



The area known as Chesterfield Village is approximately 1,500 acres and is the historic core of modern-day Chesterfield. Chesterfield Village is an early example of large-scale planned development. The core vision of the Chesterfield Village remains intact today, with specific zoning entitlements in place to guide the development of the remaining 300 or so acres in accordance with the original vision. However, Chesterfield Village is facing unprecedented challenges in the modern age. Namely, Chesterfield Mall, the heart of Chesterfield Village, has aged beyond its useful life—both in terms of economic productivity and infrastructure integrity. The purpose of this report is to provide a comprehensive view of Chesterfield Village, with a particular focus on Chesterfield Mall. Ultimately, this report will provide a framework for understanding the history, existing conditions, and challenges of Chesterfield Village / Chesterfield Mall. In order to orient readers, the limits of Chesterfield Village as of 2013 are depicted below.

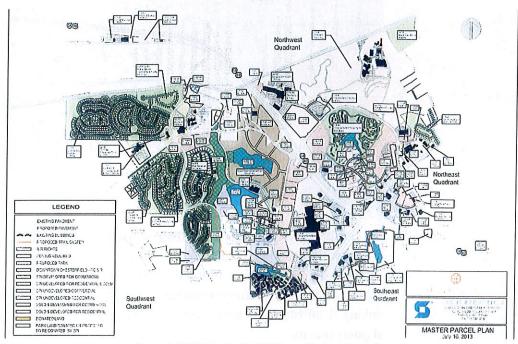


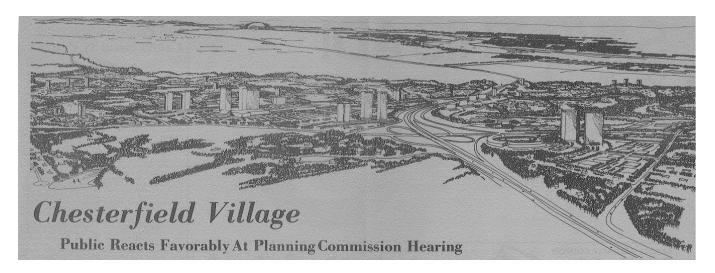
Figure 1--2013 Chesterfield Village Master Parcel Plan

History

Following the master zoning of St. Louis County in 1965, much of the present-day area around Chesterfield Parkway had been zoned non-urban and low-density residential with limited highway-oriented commercial along old U.S. 40 and Old Olive Street. The community that is visible today as Chesterfield Village can trace its formation back to the late 1960s. Louis Sachs had long taken over his family's electrical contracting business but then only recently had he ventured into real estate. Sachs started by building and leasing strip-malls in the greater St. Louis area. Still, the entrepreneur desired to develop more than just individual commercial properties, rather a community of multiple uses integrated in their design.

Sachs realized the infrastructure improvements that were planned for realigning and improving Olive / Clarkson and Highway 40 presented an ideal location for future development. In 1967, Sachs Properties, Inc. began land assembly and planning for the envisioned community. In 1971, Sachs Properties submitted fifteen separate rezoning and Planned Environment Unit petitions for the southwest and northwest quadrants of relocated State Route 340 and limited-access Highway 40. So sure of this intersection as a future metropolitan center of activity, Sachs persuaded a mall developer to reconsider their proposed Manchester location.

These petitions served to formally present the Chesterfield Village concept to the public and to the St. Louis County Planning Commission. The excerpt below from the October 20, 1971 issue of the West County Journal shows the vision presented by Sachs. The vision included dense nodes of development surrounded by a connected system of open spaces. Height was envisioned as a key element as the taller buildings allowed for less disturbance of natural landscapes and allowed for open spaces to be connected rather than isolated on individual properties.



The rezoning of quiet, wooded hills on the bluffs of the Missouri River valley would not have been appealing to St. Louis County if not for the planned road system and open space management that were integral to the planned community. Central to the proposed community, a regional shopping center and offices were placed close to the new highway interchange surrounded by nearby multi-family dwellings and attached single-family homes. Linking it all together was a new circumferential parkway and a network of bike paths, trails, lakes, and open spaces.

The sudden wave of petitions initially led the St. Louis County Planning Commission to focus exclusively on the southwest quadrant, the largest, first acquired, and location of the proposed mall. Jointly with Shands and Richman, four residential rezonings and subsequent Planned Environment Units were approved. Additionally in light of the plan for the community, four planned commercial districts were approved including a regional shopping center surrounded by offices, restaurants, and retail as well as three separate neighborhood centers.

It was with this first major rezoning that the plan became more publicly visible. Sachs' dedication to his plan was such that he kept a scaled physical model of Chesterfield Village in his office, as shown in the adjacent photo.¹

While acquiring property, parcel numbers were assigned to subsections of properties to be included in the master plan for Chesterfield Village. These three-digit numbers correlate with both existing and future uses in Chesterfield Village. The following is a breakdown of the Sachs Parcel numbers:

C-100s: Southwest quadrant commercial C-200s: Southwest quadrant residential C-300s: Northwest quadrant commercial C-400s: Northwest quadrant residential

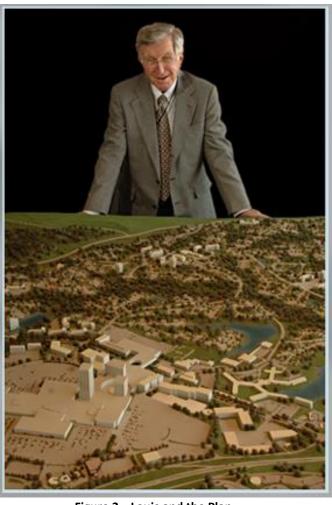


Figure 2—Louis and the Plan

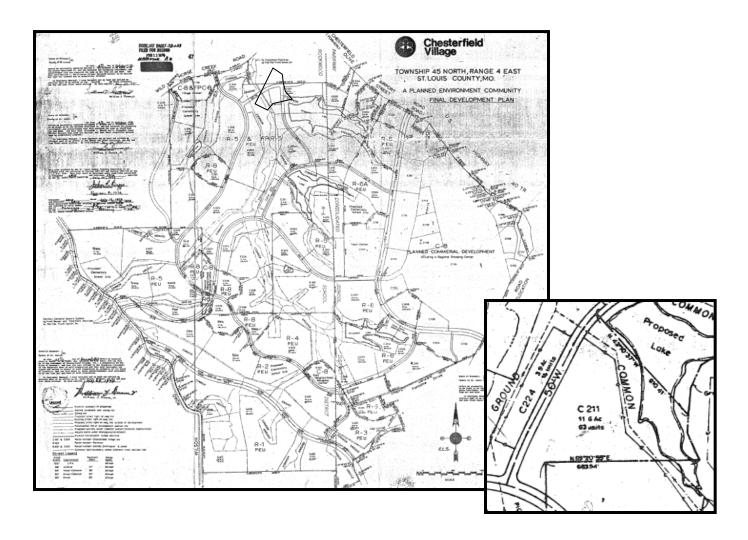
C-500s: Northeast quadrant commercial

C-600s: not used

C-700s: Southeast quadrant commercial C-800s: Valley commercial / light-industrial

Essentially, the numbers start in the southwest quadrant of the intersection of Highway 40 and Olive / Clarkson, the first area acquired, then move clockwise about the quadrants with the first of three digits corresponding to existing or intended uses (odd = commercial, even = residential). This pattern is visible in that today, all Sachs parcels follow in existing zoning for built or approved uses. The exceptions are "NU" Non-Urban District zoned properties and Parcel C-160A, the latter being recently renumbered by Sachs Properties, Inc. and all probable sites for future "PC" rezoning petitions. The use of this parcel identification system began with the first development plan approved in 1974 and shown below. As an example, Parcel C211, which we'll examine more closely later in this report, is shown.

¹ http://www.sachsproperties.com/news.asp



Following rezoning of the southwest quadrant in the mid-1970s, Sachs built Chesterfield Mall, Chesterfield Center, and Oak and Sycamore subdivisions. By 1979 with past rezonings finally resulting in development, Sachs submitted five new petitions for the northwest quadrant, the area on which the St. Louis County Planning Commission originally had held off. As a result, Hilltown Village Center and future office sites on Swingley Ridge Road and Chesterfield Parkway were rezoned.

Following these early successes, development began in earnest. The following timeline uses green text to list major development milestones listed on Sachs Properties' website², with some additional important achievements added into the timeline with the year in blue.

1967: Louis Sachs acquires 37 acres at Hwy. 40 and Olive Blvd.

² http://www.sachsproperties.com/history.asp



Figure 3--The site of Chesterfield Village in the 1960's. (above)
Louis Sachs reviews plans for the village with a design from Team Four in 1969. (right)

http://www.sachsproperties.com/founder.asp

<u>1977</u>: Sachs completes a 40,000 SF office building, Chesterfield Parkway I.

1978: Sachs completes a 30,000 SF office building, Fontaine.

<u>1970</u>: Sachs assembles an 87-acre tract for Chesterfield Mall.

1974: Sachs Properties completes its first building in Chesterfield Village, a 30,000 SF warehouse on Chesterfield Airport Rd. It also purchases a retail building adjacent to Chesterfield Mall.

1975: Sachs completes a 30,000 SF office building - its first - at Justus Post Rd.

1976: Sachs completes a 20,000 SF office building, 300 Chesterfield Center.





Figure 4— Site of Chesterfield Mall in 1976 (stlcommercemagazine.com)

1979: Sachs sells 210 acres to Monsanto for its Life Science Center. Sachs also completes three new office buildings totaling 70,500 SF – 333 Chesterfield Center, 444 Chesterfield Center, and 1415 Elbridge Payne – as well as a 7,000 SF restaurant (*Bishop's Post*).

<u>1980</u>: Sachs advances Elbridge Payne Office Park with two new buildings, totaling 60,000 SF and develops a car wash on Olive Street Rd.

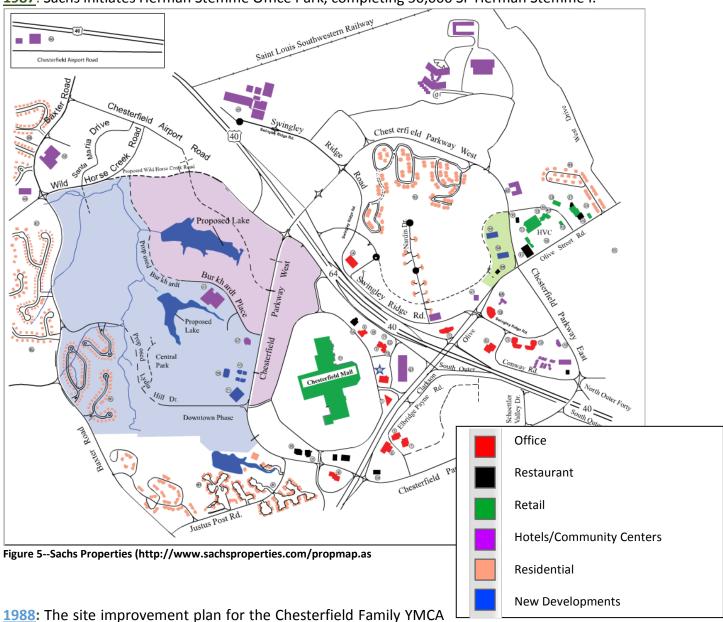
1981: Sachs opens 102,000 SF Hilltown Village Center and a small office building.

<u>1982</u>: The DoubleTree Hotel, located just off of Chesterfield Parkway, is approved. It consists of 36,000 SF of conference and event space which can accommodate up to 1,000 guests. The hotel contains tennis courts, deluxe pools, and a 21,000 SF IACC-approved Executive Conference Center.

<u>1984</u>: Sachs completes its largest office building to date – 400 Chesterfield Center with 90,000 SF. Sachs also completes 500 Chesterfield Center, with 40,000 SF.

1986: Sachs completes a 4,000 SF service building on Chesterfield Airport Rd.

1987: Sachs initiates Herman Stemme Office Park, completing 50,000 SF Herman Stemme I.



is approved. Today, it boasts a large eight-lane pool, an expanded fitness center, an Early Childhood Education Center, and a 370-seat Chesterfield Community Theatre.

<u>1988</u>: Sachs completes two office buildings, 50,000 SF Herman Stemme II and 23,000 SF Olive/Forty, plus a 15,000 SF retail building and a daycare facility at Hilltown Village Center.

1989: Sachs completes 50,000 SF Herman Stemme III.

1990: Sachs develops a 6,500 SF restaurant. (Charlie Gitto's)

1991: Sachs develops an 8,000 SF restaurant. (Restaurant currently vacant; former Bacana Brazil).

1993: Sachs expands Chesterfield Parkway I by 10,000 SF.

1998: Sachs acquires the 120,000 SF Roosevelt office building and completes the 154,000 SF Chesterfield

Ridge Office Building.

<u>1999</u>: Sachs develops a 7,000 SF restaurant. (*Yia Yia's*)

2000: The present-day Chesterfield City Hall is approved, located between Swingley Ridge Road and Chesterfield Parkway West.

2001: Sachs sells two office buildings and land for a hotel. This becomes the Drury Suites and Hyatt Place hotels.



Figure 6--The Awakening and HOK building (Photo by Jason Hoffman)

2003: Sachs co-develops a 7,000 SF restaurant. (P.F. Chang's)

2007: Sachs begins construction of Phase I of Downtown Chesterfield.

2008: Sachs completes 100,000 SF Central Park Square I office building in Downtown Chesterfield.

2009: Sculpture Garden and Awakening comes to Downtown Chesterfield.



Figure 7--The Amphitheatre

2010: The newly renovated Central Park is approved, and now includes a variety of amenities such as trails, an aquatic center, public art, and an amphitheater. City enters into a Parkland Donation agreement with Chesterfield Village Inc. to obtain 13.2 acres in exchange for establishing three accounts for greenspace, floor area ratio, and tree preservation development credits. The agreement allows for additions to the roadway, trail, and park systems.

<u>2011</u>: The Chesterfield Amphitheater, which seats up to 4,000 patrons, opens in Central Park. It is set to host a variety of theatrical, musical, educational and corporate events.

<u>2012</u>: The site development plan for the Reinsurance Group of America (RGA) Headquarters is approved. Located on Swingley Ridge Road, the 16.48-acre headquarters contains offices, outdoor walking paths, and a two-story fitness facility.

<u>2015</u>: The four-story, 125,000 SF Mercy Virtual Care Center opens on South Outer 40 Road. The building serves as a hub for telemedicine, allowing providers to deliver care to patients through remote technology. The building is part of a future health campus for the 43 acres of land located north of Chesterfield Parkway East.

<u>2016</u>: Renovations for the Samuel C. Sachs Branch of St. Louis County Library, located on Burkhardt Road, are completed. The renovations include an enhanced children's area, private study rooms, a business center, and a revamped community meeting room.

2016: The groundbreaking ceremony for the Veterans Honor Park, located on Veterans Place Drive, is held. The 16,000 SF park dedicated to honor and recognize veterans includes a granite star monument and fountain, military seals and threshold pavers, paved sidewalks, and inner ring benches and flagpoles.

2017: The groundbreaking for the new Pfizer research facility located at 875 West Chesterfield Parkway occurs. The 295,000 SF



Figure 8—Veterans Honor Park

of laboratory and office space will be used to hone development of medicine and vaccines, and is projected to be completed in mid-2019.

In addition to leading the construction of Chesterfield Parkway and the numerous developments listed above, Sachs was also a philanthropist who recognized the value of civic, cultural, and religious institutions in shaping a community. As part of his overall vision for Chesterfield, Sachs made financial and/or land contributions to the YMCA, JCC, Faust Park, St. Louis County Library, STAGES St. Louis, Junior Chambers International, Seventh Day Adventist Church, Kol Am Temple, Ascension Catholic Church, Antioch Baptist Church cemetery, and the Kemp Auto Museum. Sachs also donated land to the City of Chesterfield for the development of a parks and trail system and created the Chesterfield Arts non-profit organization, resulting in the placement of numerous public art installations throughout Chesterfield, including the now-iconic Awakening sculpture in Central Park.³ Louis Sachs passed away in 2011, leaving

³ West Newsmagazine, Vol. 16. No. 15 June 8, 2011

his many accomplishments and vision for Chesterfield Village in the hands of his family-controlled business, Sachs Properties.

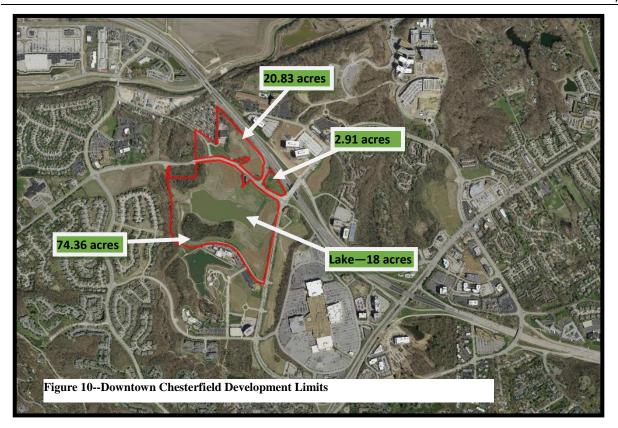
While much of the vision for Chesterfield Village was achieved in Sachs' lifetime, significant areas of the Village remain undeveloped. The next areas of this report will focus on the Southwest Quadrant of Chesterfield Village and will examine the largest components of Chesterfield Village that present the most pressing challenges for the elected officials of the City of Chesterfield today. Two of these—Downtown Chesterfield and Central Park Condominiums, have not yet been developed. The third, Central Park Square, is partially developed. Finally, 40 years after opening its doors and putting Chesterfield on the map, Chesterfield Mall is facing the well-documented challenges faced by once-iconic shopping malls throughout the country.



Figure 9 - SW Quadrant of Chesterfield Village

Downtown Chesterfield

The area known as Downtown Chesterfield is comprised of 98.10 acres situated within the southwest quadrant of Chesterfield Village and formed by the intersection of I-64/U.S. 40 and Chesterfield Parkway West. This area was zoned by <u>Ordinance 2449</u> in 2008 and established a new "PC & R" Planned Commercial and Residential District in the place of the multiple previously existing commercial and residential districts. The general limits of Downtown Chesterfield and acreage breakdown are shown in red below.



As evidenced by the design and development criteria established in Ordinance 2449, Downtown Chesterfield is intended to have an urban form unlike any that currently exists in Chesterfield. Given the geographic separation of the 98.10 acres comprising Downtown Chesterfield, ultimate development density is assigned by area. In addition to the seven use groups, Downtown Chesterfield strives to achieve a specific urban form by establishing development standards for three specific streetscapes, identified as Category A, B, and C. These three categories each have a name—Urban Main Street Development Pattern (A), Urban Mixed Use Development Pattern (B), and Highway Frontage Outlots (C). These categories are also assigned to a geographic area within Downtown Chesterfield. The table and aerial image below show the ultimate density and geograpical development categories.

Use Categories	Maximum Density
Total Retail Commercial, Office Commercial, Civic, & Lodging	1,700,00 square feet
Area 1 (Urban Form Category A & B)	1,025,00 square feet
Area 2 (Urban Form Category C)	580,000 square feet
Area 3 (Urban Form Category C)	95,000 square feet
Residential	1,000 units
Parking, Parks & Recreational	None assigned



The Ordinance breaks down the permitted uses into the following seven use groups with specific uses listed for each use group on the following pages.

1. Retail Commercial:

- Barber Shops/Beauty Parlors
- Bookstores
- Financial Institutions
- Restaurants, fast food & sit down (no drive-thru)
- Rental & leasing of new & used automobiles & outdoor storage of said vehicles
- Service facilities, studios, or work areas for antique salespersons, artists, candy makers, craftpersons, dressmakers, tailors, music teachers, dance teachers, typists, and stenographers, including cabinet makers, film processors, fishing tackle and bait shops, and souvenir shops. Goods and services associated with these uses may be sold or provided directly to the public on the premises.
- Souvenir shops & stands, not including any zoological displays or permanent open storage and display of manufacturing goods.

 Stores, shops, markets, service facilities in which goods or services of any kind, including indoor sales of motor vehicles, are being offered for sale or hire to the general public on the premises.
 Service Facilities to include establishments providing services, as opposed to products, to the general public for personal, business, or household use, including finance, real estate and insurance, personal service, educational, and social services.

2. Office Commerical

- Animal hospitals & veterinary clinics
- Broadcasting studios
- Hospitals
- Medical, dental, and general office

3. Residential Uses

- Dwellings, single-family
- Dwellings, two-family
- Dwellings, multiple-family, row houses, and other group-house arrangements of attached or detached buildings.

4. Civic Uses

- Auditoriums, religious facilities, clubs, lodges, meeting rooms, libraries, reading rooms, theaters, or any other facility for public assembly.
- Child care centers, nursery schools, and day nurseries.
- Colleges and universities
- Museums
- Police, fire, and postal stations
- Schools for business, professional, or technical training, but not including outdoor areas for driving or heavy equipment training.
- Schools, public or private kindergarten, elementary, secondary, and collegiate.

5. Lodging

Hotels

6. Parking

 Parking areas, including garages, for automobiles but not including any sales of autmobiles or the storage of wrecked or otherwise damaged and immobilized authomotive vehicles for a period in excess of 72 hours.

7. Park & Recreational Uses

- Recreational facilities, indoor and illuminated outdoor facilities, including swimming pools, tennis courts, gymnasiums and indoor theaters.
- Parks, parkways, and playgrounds, public or private not-for-profit.

Finally, the Ordinance includes specific requirements for landscaping, signage, lighting, and architecture of the Downtown Chesterfield development. A brief overview is provided below:

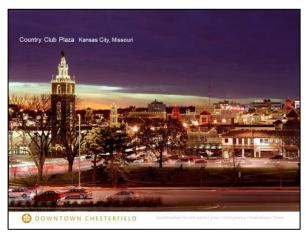
- **1. Landscaping:** Master landscape concept required with individual landscape plans adhering to overall concept. Landscaping should enhance pedestrian experience, complement architectural features, provide shade, and screen utility areas.
- **2. Signage:** Master signage concept required with individual sign packages reviewed and approved by Planning Commission.
- **3. Lighting**: Overall lighting fixture plan required to provide for consistent and complementary designs and styles throughout Downtown Chesterfield and already established in Chesterfield Village.
- **4. Architecture**: Design package required to create visually appealing development pattern consistent with intent of district.



Figure 12—Downtown Chesterfield rendering from Sachs Properties 2007 presentation

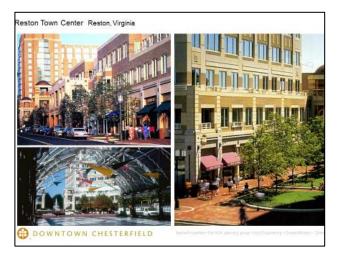
Building on the desired architectural aesthetic, the Petitioner behind Ordinance 2449 showed a number of example developments during the Planning Commission review of the rezoning request. The following images are from the Petitioner's presentation.⁴













⁴ 2007 Sachs Properties Presentation to City of Chesterfield City Council

Central Park Square

As discussed in the previous section, Central Park Square is an approximately 16 acre tract of land located to the east of Central Park. While this tract was originally called Downtown Chesterfield, it was not rezoned as part of the 2008 "PC&R" petition and thus retained its "C-8" Planned Commercial District zoning designation. While only the HOK building and Sachs' branch of the St. Louis County Library have been constructed to date, an approved development plan provides for the development of the remaining vacant areas of the site. It should be noted that this rezoning and development plan predated the construction of Veterans Place Drive, the Amphitheater and the linear park at Central Park. As such, the development potential and character of this site has different potential than originally conceived. The following images show the current developments on the site and the full build-out potential, which includes office, retail, and restaurant space.⁵





Figure 13—Central Park Square Development Limits & Plan



⁵ Phase I Site Plan from http://www.sachsproperties.com/prop_downtown.asp

Central Park Condominiums

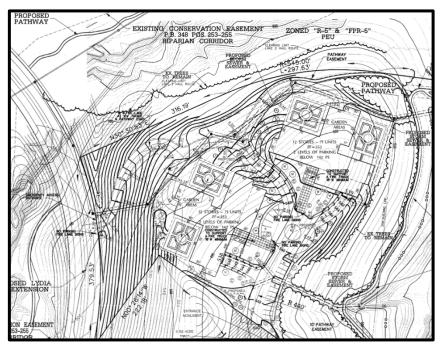
In 2002, the Planning Commission approved a Final Development Plan for the Central Park Condominiums project site which is shown in the aerial image below. This site forms the western perimeter of the remaining undeveloped area of Chesterfield Village and is sandwiched between Downtown Chesterfield to the east and The Reserve at Chesterfield Village residential subdivision to the west. This site is important not only because of the existing development entitlements, which will be discussed in the following paragraphs, but also because it will serve as a transition between the dense, mixed-use land pattern of Downtown Chesterfield and the single-family, suburban residential pattern of The Reserve. This land use transition is buffered by the conservation easement located on the Central

Park Condominiums site which provides a continuous 100' + corridor for the extension of the City's riparian trail.

The approved Final Development Plan for Central Park Condominiums permits two, 12-story multifamily buildings to be constructed on the 15.76 acre site. Each building is to contain 71 units, for a total of 142 units approved.



Figure 14—Central Park Condominiums Development Limits & Plan



The Planning Commission's approval of the Final Development Plan provided that a grading permit not be issued until it comes back before the Planning Commission for review of the landscape plan and architectural elevations. The adjacent excerpt from the Final Development Plan shows the location of the two residential towers on the site.

Significance of Downtown Chesterfield, Central Park Square, and Central Park Condominiums

The importance of Downtown Chesterfield, Central Park Square, and Central Park Condominiums is highlighted in the following exhibit from 2011 which represents a portrayal of what this area might look like if fully-developed under the current zoning entitlements. Whether this area develops before, in conjunction with, or after large-scale redevelopment of the Chesterfield Mall site, the importance of ensuring cohesive, compatible, well-planned development of these areas is critical as this entire area has the potential to serve as the heartbeat of Chesterfield for the next 50 or more years, just as Chesterfield Mall has done for the last 40.

These areas have already been granted zoning entitlements for the highest commerical and residential density within the entire City and are collectively intended to provide Chesterfield with a true downtown. Ultimately transforming Chesterfield from a low-density suburban community to a suburban node along the I-64/US 40 corridor. Development of Downtown Chesterfield in accordance with the original vision and current zoning entitlements would place Chesterfield as a logical continuation of urban nodes, commencing with St. Louis City and continuing to downtown Clayton. However, given the existing zoning entitlements, which permit for over 1,100 residential units and a couple million square feet of commercial development, integrated development plans will be necessary to achieve a dense, viable mixed-use urban center. It is imperative that future development proposals and any resulting ordinance updates be reviewed and considered with the necessary care and attention to ensure that the integrity of Chesterfield Village is preserved, resulting in a development of lasting architectural, cultural, and civic value.



Chesterfield Mall

Chesterfield Mall opened on September 20, 1976. Comprised of more than one million square feet of retail space within three anchor tenants and over 150 other stores, the mall was tremendously successful and a fourth anchor tenant was added. The photo below was published in a local newspaper written in 1988 titled "Success of mall disproves skeptics." The photo was captioned "The parking lot at Chesterfield Mall was jammed after its opening." While Chesterfield Mall undeniably served as a catalyst for the emergence of the City of Chesterfield as we know it today, the mall has not been immune to the sweeping paradigm shifts in the retail industry that have resulted in the decline of great American malls across the country. The plight of shopping malls is well-documented, with blunt headlines such as the following two published on CNN.com this year:

Malls are doomed: 25% will be gone in 5 years

(http://money.cnn.com/2017/06/02/news/economy/doomed-malls/index.html?iid=EL)

America's malls are rotting away

(http://money.cnn.com/2017/12/12/news/companies/mall-closing/index.html)

A quick read of these and any of the other numerous reports on this topic reveals that the headlines are not mere hyperbole; of the 1,211 enclosed shopping malls in the Unites States, analysts are predicting that 300 will cease operations within 5 years. On the other hand, online sales will grow from 17% of retail sales as of June 2017 to 35% by 2030 according to the first article cited above; this trend already has a name—the Amazon Effect. In the St. Louis Region, nine shopping malls were constructed between the mid-1950's and 2003; just three of these are economically viable today according to a February 2017 Westnews Magazine article.⁶



Figure 15— "Success of mall disproves skeptics."

⁶ https://westnewsmagazine.com/2017/02/20/76712/four-decades-after-opening-chesterfield-mall-awaits-its-fate

When faced with a declining shopping mall, one of the most obvious questions facing cities is "where do we go from here"?

Behind this simple question is a complex web of factors that span multiple sectors and is subject to both private market and public political forces. The following sections of this report will provide information about the current status of the mall and existing zoning framework.

Chesterfield Mall Status and Future

Chesterfield Mall was built by Richard Jacobs and was sold to the Westfield Group in 2002. CBL & Associates acquired the mall in 2007 and owned the mall until it was placed into receivership in August of 2016, and control of the mall was granted to Madison Marquette. Dillard's, one of the original three anchor tenants, experienced a substantial flood after a water main broke in late 2016. Dillard's has remained closed since the flood. The mall foreclosure was finalized in June of 2017, at which time C-III Capital Partners was named the temporary owner. During the last decade of operation, the valuation of Chesterfield Mall decreased from \$286 million in 2006 to just \$55.1 million in 2017. Given the current status and overall trendline, it is anticipated that the mall will be sold in 2018 and that the site will ultimately be redeveloped.

While the Chesterfield Mall is routinely referred to as a single entity, the property is actually owned by multiple different owners. The image below shows properties lines on the Chesterfield Mall property. The multiple property owners complicates redevelopment as more parties are involved in the process, each representing the interests of a different constituency.

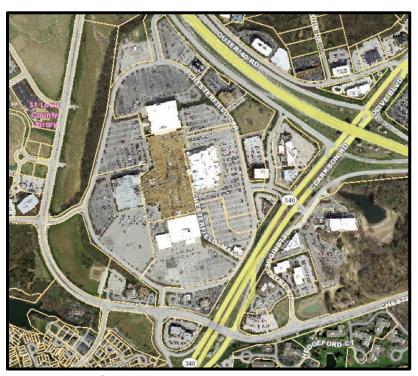
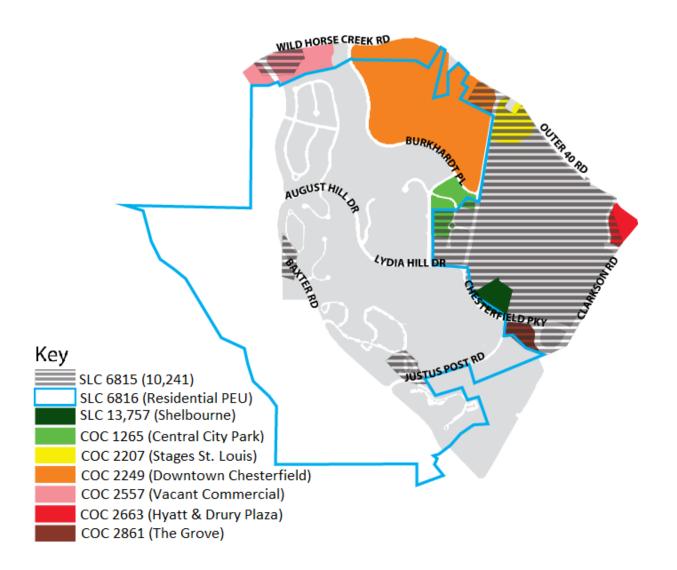


Figure 16—Chesterfield Mall 2017

 $^{^7 \} St. \ Louis \ Post \ Dispatch \ July \ 2017 \ \underline{http://www.stltoday.com/business/local/chesterfield-mall-facing-another-change-inowners-and-uncertain-future/article_af8a2f23-0a18-56b4-9d0f-cf7862d48f2d.html$

Chesterfield Mall Zoning History and Entitlements

Chesterfield Mall is permitted an extremely broad range of commercial uses through St. Louis County governing ordinance 10,241 which refers to the mall and outparcels as the Regional Shopping Center. However, some parcels have "zoned out" of the original governing Ordinance over the years in order to establish independent governing ordinances with different restrictions and development criteria. While this section will primarily focus on the mall and remaining outlots tied to the mall through zoning, the image below provides a reference for distinguishing between these "mall" parcels and adjacent developments that are governed under different zoning ordinances.



Given the focus on the mall, the following information pertains only to the gray striped area portrayed in the previous map image and which is governed by Ordinances 6815 and 10,241, which established most of the specific development criteria, which is summarized in the following pages.

The following are the uses permitted in the Regional Shopping Center, broken up roughly by land use type:

1. Residential

Apartment dwelling unit in buildings primarily designed for occupancy by one or more of the
commercial uses permitted in this subsection, wherein occupancy of the dwelling unit shall be
limited to the owner, manager, or employee of the permitted use or uses and their respective
families. A minimum of 800 square feet of contiguous open space for the dwelling unit,
protectively screened from commercial activities directly accessible to the dwelling unit, shall be
provided on the premises for the exclusive use of the occupants of such apartment.

2. Food & Restaurants

- Restaurants.
- Employee dining facilities for the specific use of a designated office or research building or group of office or research buildings under the same ownership or management.

3. Office

- Offices or office buildings.
- Business and professional services wholly accessory to office operations and activities.
- Offices or office buildings. No more than ten (10) percent of the gross floor area of a building may be used for retail and personal services.

4. Education & Research

- Colleges and universities.
- Research facilities, professional and scientific laboratories, including photographic processing laboratories used in conjunction therewith. No retail or wholesale sales shall be made from these facilities or laboratories.
- Schools for business, professional, or technical training, but not including outdoor areas for driving or heavy equipment training.

5. Public/Semi-Public

- Public utility facilities.
- Local public utility facilities, provided that any installation, other than poles and equipment attached to the poles, shall be:
 - Adequately screened with landscaping, fencing or walls, or any combination thereof, or
 - Placed underground, or
 - Enclosed in a structure in such a manner so as to blend with and complement the character of the surrounding area.

All plans for screening these facilities shall be submitted to the Department of Planning for review. No building permit or installation permit shall be issued until these plans have been approved by the Department of Planning.

Police, fire, and postal stations.

- Auditoriums and other facilities for public assembly.
- Churches.
- Clubs, lodges, and meeting rooms.
- Libraries and meeting rooms.
- Mortuaries.
- Recreational facilities, including indoor theaters, but not including drive-in theaters, golf practice driving ranges, and outdoor swimming pools.

6. Retail

- Barber shops and beauty parlors.
- Stores and shops in which food stuff, beverages, pharmaceutical, household supplies, and personal use items are sold directly to the public for consumption elsewhere than on the premises. Drive-through facilities or restaurants are not permitted.
- Stores, shops, markets, service facilities, and automatic vending facilities in which goods or services of any kind, including indoor sale of motor vehicles, are offered for sale or hire to the general public on the premises.
- Automatic vending facilities for (a) ice and solid carbon dioxide (dry ice); (b) beverages; (c) confections.
- Bookstores.
- Welding, sheet metal, and blacksmith shops.

7. Service

- Child care centers, nursery schools, and day nurseries.
- Dry cleaning drop-off and pick-up stations, not including drive-through facilities.
- Film drop-off and pick-up stations, not including drive through facilities.
- Service facilities, studios, or work areas for artists, candy makers, dressmakers, tailors, music teachers, dance teachers, typists, and stenographers. Goods and services associated with these uses may be sold or provided directly to the public on the premises.
- Financial institutions, not including drive-through facilities.
- Medical and dental offices.
- Laundries and dry cleaning plants, but not including personal and individual drop-off and pick-up service.
- Plumbing, electrical, air conditioning, and heating equipment sales, warehousing and repair facilities.

8. Vehicle/Auto

- Parking areas, including garages, for automobiles, but not including any sales of automobiles, or the storage of wrecked or otherwise damaged and immobilized automotive vehicles for a period in excess of seventy-two (72) hours.
- Car washes for automobiles.
- Vehicle washing facilities.
- Filling stations, including emergency towing and repair services, provided that no automobile, truck, or other vehicle may be parked or stored in the open on the premises for longer than

twenty-four (24) hours. A service kiosk, limited in size to 400 square feet of gross retail sale of convenience items. Permitted size of kiosk shall be in addition to area occupied by restrooms, mechanical areas, and storage areas for petroleum products.

- Vehicle service centers.
- Sales, servicing, repairing, cleaning, renting, leasing, and necessary outdoor storage
 equipment and vehicles used by business, industry, and agriculture, including leasing of
 automobiles and sales of automobiles affiliated with automobile leasing businesses on the
 same premises.
- Sales, rental, and leasing of new and used vehicles, including automobiles, trucks, trailers, construction equipment, agricultural equipment, and boats, as well as associated repairs and necessary outdoor storage of said vehicles.
- Terminals for trucks, buses, railroads, and watercraft.

9. Storage & Warehousing

- Storage yards for lumber, coal, and construction materials.
- Warehousing and wholesaling of goods or materials other than live animals, explosives, flammable gases, or liquids.
- Mail order sale warehouses.

10. Others

- Signs (advertising). *Per Ordinance 6815, no outdoor advertising signs shall be permitted within any commercial area, except that upon parcel C-102 one double-faced advertising sign identifying Chesterfield Mall shall be permitted, per section IV.4 as amended by SLC ordinance 10,241.
- Hotels and motels.
- Broadcasting studios for radio and television.
- Animal hospitals, veterinary clinics, and kennels.
- Railroad switching yards.

Other Development Requirements

The Chesterfield Mall was approved via a Final Development Plan and subsequent amendments over the decades. Unlike many other developments, the governing ordinance does not prescribe a maximum density, but rather the density was established through the Final Development Plans. The most recently approved Final Development Plan from 2006 shows just over 1.3 million square feet of gross leaseable area (GLA) between the mall and the Chili's and Twin Peaks restaurant spaces. Parking is provided at a fixed ratio based on this GLA, which binds the mall and outlots together and restricts vacant or underutilized outlots from achieving certain types of dense development opportunties.

Similarly, the maximum height, setbacks, and other development criteria are based on the underlying C-1 through C-7 zoning district regulations for any given use, as shown by the excerpt on the next page from Ordinance 10,241:

Commercial Type

Regional Commercial/Town Center Village Center Neighborhood Centers

Permitted Uses

C-1 through C-7 C-2 and Service Station C-1, Service Station, Community Centers

2. The height limitations for structures, lot areas, and yard requirements, parking requirements, off-street loading requirements, and sign regulations shall be regulated by that district in which the use is permitted except as otherwise specified by the Planning Commission. However, the

The C-1 through C-7 Districts permit heights ranging from 20 to 200 feet. In combination with the broad array of permitted uses, the Chesterfield Mall and outparcels are clearly zoned in order to allow a great degree of flexibility in developing and redeveloping the mall. However, while this degree of flexibility has served the mall well over the years, the extremely complicated zoning framework will be a challenge to large-scale future redevelopment, as detailed later in this report.

Redevelopment Impacts

Throughout this report, the importance of the Chesterfield Mall within the context of the greater Southwest Quadrant of Chesterfield Village has been demonstrated. While the tremendous vision for an integrated, planned, mixed-use development has been developed and implemented over the last 50 years, many of the properties that are key to achieving this vision remain undeveloped, even as significant infrastructure, civic and cultural institutions and amenities, and parklands and wetlands necessary to support and bolster this vision have been achieved. All of these existing achievements will be tangibly impacted by large-scale redevelopment of the mall, just as the undeveloped but planned areas discussed earlier in this report will be impacted in an intangible manner. Thus, the great challenge before the City now to is to protect not only the vision of greater downtown Chesterfield and all of the existing amenities, but to ensure that redevelopment of the mall emerges as the synergistic catalyst that drives the future of the Southwest Quadrant.

As redevelopment proposals move forward, it is critical that the City be aware of the significant challenges to redevelopment, many of which will require collaboration and coordination with the City of Chesterfield and other jurisdictional authorities to overcome. The following paragraphs present some of these challenges.

<u>Mall Utility Infrastructure</u>: As demonstrated by the water main break which caused the closure of Dillard's and the recent twelve inch water main break on August 10, 2017, the utility infrastructure at the mall is aging. While the City does not have maintenance records, the inability of the plumber to close valves during the most recent break indicates that this utility infrastructure is not being maintained properly. This will be a factor as part of any redevelopment, in that the developer may experience increased costs due to the inability to re-use the existing utility infrastructure.

The Southwest Quadrant of the Chesterfield Village is also covered by a master stormwater management plan. This plan created three lakes to provide detention, runoff reduction, and water quality improvements for areas throughout the quadrant. Approximately 2/3 of the Chesterfield Mall site is credited to Lake III as the site is tributary to the improvement. This represents a significant advantage for redevelopment opportunities as significant improvements have already been installed and treated as amenities to future development. However, standards have changed over the years and ensuring that future development does not negatively impact the lakes will need to be a priority.

<u>Roads and Signals:</u> The ultimate use of the Chesterfield Mall parcel, as well as the potential development of Chesterfield Village, could have a substantial impact on area traffic. If additional roads are constructed which would become public, there will be additional maintenance costs to the City. One of these roads would be Burkhardt Place. Of larger concern would be the likelihood that these roads would require traffic signals. The City of Chesterfield currently does not maintain any traffic signals, and the addition of such signals would require maintenance staff designated for that purpose, or an agreement with a contractor to perform this maintenance and emergency response work.

Continued infrastructure improvements will also impact existing land uses. For example, the extension of Burkhardt Place will have an impact on the operation and use of the YMCA facility. This facility has benefited from the use of a dead end street; however, once Burkhardt Place is extending, use of the public roadway for private use will no longer be permitted. The existing zoning conditions for the YMCA specifically prohibits on-street parking on Burkhardt Place.

<u>Traffic:</u> The addition of traffic could negatively impact the functionality of area County and State roadways. Additionally, the development of Chesterfield Village could cause St. Louis County to re-assess the classification of Chesterfield Parkway. If St. Louis County would divest its interest in Chesterfield Parkway, that road would be turned over to the City of Chesterfield as a local road. This would add a number of traffic signals and a large annual maintenance and repair expense. The cost was estimated at \$405,000 annually in 2011. Current estimates would be greater due to inflation.

<u>City Facilities:</u> The City's aquatic facility and amphitheater attract large crowds during peak event times. While these amenities have quickly become beloved by residents of Chesterfield and the greater region since their development, the City does not own parking facilities that have the capacity to accommodate attendees of even modest events. However, this has not posed a problem as the City has an arrangement with the mall that permits individuals to utilize mall parking during event times. Like the other mall infrastructure, the parking areas are in disrepair and no longer meet the minimum City standards for the provision of landscaping and lighting. Large-scale redevelopment of the mall would require completely new and reconfigured parking areas that meet current standards. Additionally, the amount of parking provided is driven by the intensity of the land use with the assumption that only the parking needed to support that land use is permitted. Based on this, the City will need to reevaluate the parking demands generated by the aquatic center and amphitheater and work both internally and with future developers to secure long-term parking for these amenities.

<u>Multimodal Connectivity:</u> Achieving cohesive, comprehensive multimodal connectivity is critical to supporting dense, mixed-use development. To this end, substantial investments have been made in developing the Pathway on the Parkway, riparian trail, and securing sidewalk installations. Additionally, the area is served by a Metro bus line which has stops at the mall and The Sheridan senior living facility. Close coordination with Metro and the future developer will be necessary to adjust and relocate routes and stops as necessary. Additionally, depending on the density, form, and nature of future large-scale development in the SW Quadrant, it may be appropriate to investigate other transit options, such as dedicated bike lanes, Park n Ride facilities, or a transit hub.

<u>Demographic Impacts:</u> Mixed-use development could substantially increase the residential population of this area, which is summarized below. A mixed use development focusing on high end condos with a high purchase price may tend to increase median age and income while more emphasis on office uses would not directly impact demographics.

- o 9,323 people in a one-mile radius; 41,332 in 3 miles and 103,478 in 5 miles
- Median Age of 48 and a slightly larger female to male ratio with the largest segment being 55-59 year olds
- High Average Households Incomes: \$81, 172 within 1 mile, \$111,926 within 3 miles, and \$105,527 within 5 miles.

Such a demographic shift would impact various areas of City operations, particularly in terms of public safety needs and parks programming and maintenance.

<u>Financing / Incentives:</u> A variety of incentives are available for use for redevelopment projects in Missouri; however, many of these are dependent upon City Council approval. Economic development incentive programs include Tax Increment Financing (TIF), Community Improvement District (CID), Transportation Development District (TDD), and Chapter 100 Bond financing for qualifying projects. Additionally the State of Missouri Department of Economic Development has job creation incentives and training funding for qualifying tenants.

The gradual decline of the mall has already impacted sales tax revenues, and a shift to a mixed-use development will have long-term impacts. Mixed-use development often drives job creation, which results in long-term gain in terms of higher assessed values and increased population which drives spending for shopping, dining, and entertainment.

Any participation from the City of Chesterfield in approval of any public funds should be directly related to costs that further integration and reduce negative impacts on adjacent property owners, as well as supplement public amenities within the area.

<u>City Revenues and Expenses:</u> All development increases the cost associated with providing municipal services. The City has been actively reviewing revenue and expense streams. Sales tax collection at the mall has decreased over the years and redevelopment of the area will almost

certainly result in less retail space than is built today. Reduction in area, combined with general declines in sales tax, will impact one of the principal sources of revenue for the City. However, as the City witnessed with the investment in the Chesterfield Valley following the flood in 1993, property values can increase significantly due to redevelopment and targeted investment. As of September 2016, the assessed valuation of the Chesterfield Valley was \$1.8 billion. While several public agencies (e.g. school districts, St. Louis County) may benefit from a sharp increase in the valuation of property, Chesterfield does not currently benefit as the City does not collect property tax to offset municipal operations.

Zoning Implications: The City currently has just three districts that are able to accommodate large, mixed-use, planned development: The "UC" Urban Core District, the "MXD" Mixed Use District, and the "PC&R" Planned Commercial and Residential District. While the Department of Planning and Development Services would work closely with potential redevelopers to identify and pursue the optimal zoning designation, dismantling the existing zoning framework will be a tedious and potentially lengthy process, particularly if the various parcels of the mall remain under numerous separate ownerships. Further, Planning Staff will need to work closely with the Planning Commission, Mayor, and City Council to ensure that any new Planned District Ordinance provides for development that conforms to the City's vision and goals for this important area.

Chesterfield Village Inc. (Sachs Properties) which created three development credit accounts in exchange for a donation of 13.2 acres of land. This land allowed for further development of the riparian trail and parklands as well as the Lydia Hill – August Hill connection. The three development accounts serve as a land bank, allowing Sachs Properties to receive credit for greenspace, floor area ratio (F.A.R.), and tree preservation requirements on properties they own. None of the credits increased the number of residential units or commercial square footage already approved by existing zoning entitlements; these credits were offered in order to ensure larger, interconnected spaces would be retained. This is significant because, in addition to the land that comprises Downtown Chesterfield and Central Park Condominiums, Sachs Properties / Chesterfield Village Inc. owns a substantial portion of the ground around Chesterfield Mall.

Prospective Review of Zoning Regulations

In an effort to be anticipate opportunities within the City's zoning framework, Staff has reviewed the Unified Development Code. Based on this review, Staff believes that the existing framework and regulations within the UDC create a positive starting point to facilitate a redevelopment while safeguarding key elements to the community. Specifically, the "UC" Urban Core District was created in 2009 in order to implement the vision of the area designated in the Comprehensive Plan as being located within the Urban Core. The district regulations include several key elements that staff believes will be critical in reviewing any future proposals.

<u>Uses:</u> The "UC" District permits vertical and horizontal mixed use developments. This will allow the City to consider any redevelopment as a single project instead of regulation that requires submission of each use type to be submitted individually. Allowing and encouraging fewer submissions allows for interconnected development that promotes multi-modal networks and promotion of integrated green spaces.

<u>Density</u>: The maximum density within the "UC" Urban Core District is set at a Floor Area Ratio (F.A.R.) of 0.55. There is a very high likelihood that any redevelopment of the Chesterfield Mall will exceed this requirement. However, the district regulations do provide a mechanism where the Planning Commission and City Council can modify these requirements. Any modification should be considered in the pursuing items in the purpose statement (including the Comprehensive Plan) and the site design features section of the UDC.

<u>Height:</u> Similar to the discussion on density above, the "UC" Urban Core District includes a maximum height of eight stories. There may, depending on the redevelopment team, be a desire to construct structures in excess of this requirement. However, the City can consider these requests to ensure the purpose and design characteristics of the Comprehensive Plan and UDC are fully integrated into the development proposal. Under the "UC" regulations, structures greater than eight stories can be presented to the Planning Commission, who can recommend approval of the modification with a 2/3 vote. Final approval of the modification is granted by a majority vote of City Council.

The planned district, linear process of development review is a logical and reasonable method to consider a very large redevelopment such as the Chesterfield Mall. Integration of the Preliminary Plan will be a valuable tool in conveying key information on how the property will operate into the future.

As a whole, the "UC" District is well suited to handle any redevelopment proposal. The existing regulations create a framework to provide guidance on items that are considered critical design elements. Coupled with the approved policy of the Comprehensive Plan, Staff does not believe changes are necessary to the code.

Conclusion

As one of the earliest planned communities in the region, Chesterfield has inherited a grand and sweeping vision for a vibrant, dense, mixed-use, Urban Core. While the integrity of this vision remains intact, the City will soon be faced with reconciling the original vision of Chesterfield Village with modern day development forces. The redevelopment of the Chesterfield Mall will require the City to answer the fundamental question of whether Chesterfield is the next suburb along I-64 in western St. Louis County, or whether Chesterfield is the next node of higher density development as envisioned by the Chesterfield Village concept and the City's Comprehensive Plan.

The City's Comprehensive Plan states:

The Urban Core was defined as the area known as Chesterfield Village, centered at the intersection of I-64/US 40 and Clarkson Road/Olive Boulevard and primarily served by the Chesterfield Parkway. Land uses for the Urban Core include a mixture of high density residential, retail, and office uses containing the highest density development in Chesterfield.

And Plan Policy 1.8 states:

The Urban Core should be developed to contain the highest density of mixed-use development in Chesterfield. It should serve as the physical and visual focus for the City and include both residential and commercial developments with parks, municipal services, and preservation of historic structures and areas, with cultural, entertainment and pedestrian amenities for its residents.

While not meant to be a prescriptive set of answers, this report should serve as an informative resource as the City considers the future of this important area and raise awareness of the decisions forthcoming that will need to be addressed. The offering of a portion of the Chesterfield Mall is anticipated to occur imminently.

Addendum

