

LEADING THE WAY THROUGH THE 21ST CENTURY

# SHOPPING CENTER BUSINESS

JULY 2019

## ARCHITECTS EMBRACE FLUIDITY, VERSATILITY

From office to fitness and food, today's shopping centers serve multiple uses, where everyone feels at home.



**PLUS:**

**Boston Sees New Retail  
Streets at Indian Lake Offers New Experience  
Capital Markets Review**

## The Next Stage of Development

U.S. Properties Group, known for “upcycling” its centers, has placed a concert-quality venue at the heart of a recent renovation project.

Lynn Peisner



A concert-quality lighting system helps activate center stage at the Streets of Indian Lake, regardless of whether performances are scheduled.

It was serendipitous that the city of Hendersonville, Tennessee, was celebrating its 50th anniversary this past June. That lined up with the date U.S. Properties Group, Inc., (USPG) unveiled the \$3 million upgrades to Streets of Indian Lake, a lifestyle center about 18 miles northeast of Nashville.

The renovations to the center, originally developed in 2007, included new wayfinding; permanent pathways; landscape, fountain and seating upgrades; and new signage. But the real impact came by way of Center Stage Plaza.

When USPG acquired the center, there was no real energy to the heart of the project — just a splash pad for kids, some seating and less-than-ideal lighting. The company knew that this unrealized square footage was the key

to jumpstarting Streets of Indian Lake. After USPG, along with RDL Architects, construction manager Impact Strategies and civil engineering firm Mannick and Smith completed their designs and construction, the courtyard sprang to life via a concert-quality, Nashville-worthy venue.

USPG views the stage not only as a major experiential draw to enhance its retail and dining offerings, but more importantly as an asset for the city of Hendersonville itself. “We wanted it to be the center of the town of Hendersonville, or more specifically the center stage of Hendersonville,” says Gord Wiebe, USPG managing director.

The Grand Reveal Extravaganza held June 13 took full advantage of the amenity’s potential by hosting musical

performances, kids’ entertainers, a catered reception and silent auction and remarks from several local and regional lawmakers including former Governor of Arkansas Mike Huckabee. A speech by Hendersonville Mayor Jamie Clary echoed Wiebe’s aspirations for the venue to be something to elevate the entire community, not just the center.

To complement the performance and event atmosphere created by the redevelopment, USPG has completed a deal with radio station WHIN, which opened July 13.

“It wasn’t an easy deal to do because radio stations have a limited budget,” says Wiebe. “But we wanted them to take space and show live radio broadcasts as they happen from their storefront in the center. It’s a big part of our

marketing strategy, and it's a lot of fun."

USPG looks for value-add acquisitions in secondary markets that sustain average yearly household incomes of at least \$70,000. To underscore its strategy, USPG trademarked the phrase "UpCycle" to describe its approach to repositioning retail. The company owns, develops and manages shopping centers in 10 states in the Southeast and Midwest.

Wiebe explains that robust residential growth is an important part of the acquisition strategy. Hendersonville fit that bill nicely. The Tennessean reported earlier this year that 5,000 homes are planned or are under construction in Sumner County. In an ideal acquisition, while some tenants may be struggling, USPG likes an anchor with proven credit and demand. Streets of Indian Lake checked that box with a popular 16-screen (including IMAX) Regal Cinemas.

Wiebe and his partners knew the time was right to put capital into Streets of Indian Lake for two reasons. One, the company feels that while there are some sites for potential new development, there's not a surplus. So with the population growth, it made sense to offer a higher-caliber retail-based experience to immediate neighbors. Secondly, USPG has been fortunate enough to avoid any Amazon-effect pain points, particularly among fashion retailers, until just the past year or two. For most companies, these are wake-up calls to invest in new experiences or become irrelevant in a marketplace.

In a region anchored by music culture, the stage upgrade made sense for the Hendersonville market. The center had been hosting events, such as farmer's markets, and concerts in the almost full acre of space in the courtyard prior to the event. "Although successful, you would never look at these events as anything permanent," says Wiebe. So USPG went the extra mile to ensure the finished product was built to commercial outdoor-amphitheater standards.

The design and construction team regraded the grounds so that the grassy and concrete seating areas slope downward toward the stage, creating a natural-environment version of stadium seat-



Streets of Indian Lake contains 176,112 square feet of GLA on 35.8 acres with the potential to add more square footage. The center was originally built in 2007. USPG acquired the center in 2016. It is located between Vietnam Veterans Boulevard and Indian Lake Boulevard in Hendersonville, Tennessee.

ing. Wiebe says it was also important the space help activate the center at night, so the company invested about \$350,000 in lighting, most of which is illuminated each night regardless of whether a concert is scheduled. The performance space can hold approximately 400 people but can expand to accommodate up to 2,000.

With the physical footprint in tune, USPG is now looking at fleshing out its tenant mix. "You can't just depend on national tenants anymore," Wiebe says. "You have to have a strong local base. You may not get the kind of credit you want, but Nashville has a lot of good retail tenants."

The lineup currently includes Victoria's Secret, Bink's Outfitters, Sam's Sports Grill, SkinWorks Wellness & Aesthetics, Chico's, LOFT and more. The team is looking to update the tenant mix with a fitness concept, as well as specialty grocers, beauty and lifestyle brands. And, of course, the most Amazon-resistant category of all, restaurants.

"The best brands currently are those that are creating unique experiences," says Cynthia Hicks, senior vice president of leasing and development for the Southeast. "If consumers, including Gen Z and Millennials feel connected to a brand, they'll continuously return. So in today's retail environment, consideration must be given to the experiential

components — shopping, entertainment and dining. These elements will certainly dictate the course we take as an owner/developer in shaping the best available retail mix at 'The Streets.'"

Streets of Indian Lake contains 176,112 square feet of GLA on 35.8 acres with the ability to add more square footage. The center's repositioning with center stage shows how an idea can form organically to support and complement its community — Hendersonville is the former home of Johnny Cash after all. But it also fits the direction of USPG itself.

"We're a very opportunistic company," says Hicks. "That's first and foremost. The improvements to 'The Streets' demonstrates the dedication we have to the asset and to the community of Hendersonville and is a prime example of USPG's upcycle mission: Renovating Real Estate, Revitalizing Communities." **SCB**

**Interested in having your new development or redevelopment featured? Email Associate Editor Katie Sloan at [ksloan@francemediainc.com](mailto:ksloan@francemediainc.com)**