

Putting The Pieces Together

The Kenney Company combines old and new to rejuvenate Riverside Plaza.

From the beginning, the Riverside Plaza redevelopment project posed a unique challenge to its developer. The existing center had several tenants with long-term leases, a poor layout and a successful mall located nearby. In order for the redevelopment to work, a number of elements had to come together — and the Kenney Company was the group that made the pieces fit. “When we started, we knew we had a broken shopping center,” says Bill Kenney of Newport Beach, California-based Kenney Company. “But there were some parts that had to remain — pieces that were still successful.”

The original center was built in the 1950s and enclosed in the mid-1980s. Despite the upgrades, the center still wasn't flourishing. The plaza was purchased by Midwest-based Riverside Plaza Associates, with the help of Chicago-based Litchfield Advisors, in 1989. After joining the redevelopment team, the Kenney Company realized a drastic redevelopment was necessary, but was faced with an unusual set of circumstances. Riverside Plaza had existing Gottschalks and Montgomery Ward stores that were doing well and didn't want to leave. There was also a Vons supermarket that wanted to expand, as well as several stores, such as Trader Joe's and Sav-On, that were tied into long-term leases.

One of the first issues the Kenney Company had to address was how to redevelop an entire mall around a few stores, some of which also wanted to remain open during construction. To add to this difficulty, the stores were not sitting in the most convenient locations. “The two department stores weren't in the dumbbell position, that is, they weren't at the ends,” says Kenney. “They were kind of in the middle of it all.”

The Kenney Company had to incorporate these fragments into the redevelopment plan. “Basically, we created a plan around the retailers we knew were going to stay,” says Kenney. “Because of that, the plan we came up with is very unique.”

The design of the 35-acre center included taking the neighborhood shopping components, such as the new Vons, and the existing Trader Joe's and Sav-On stores, and moving all of them to the east side of the site. Around the standing department stores, the company placed mid-sized lifestyle retailers to create a power, or lifestyle, center. A Main Street area, with small shops, sidewalk cafés and restaurants such as Asian Grill, Chipotle Mexican Grill and Cold Stone Creamery, was then added to connect these two phases. “Essentially, we have three different projects all wound into one,” says Kenney.

However, in the midst of planning the center, and only a few weeks away from final city council approval, the Kenney Company was faced with a huge obstacle. Montgomery Ward announced it was closing its doors and pulling out of Riverside. This was especially distressing as Montgomery Ward was located right in the middle of the project and was an integral part of the redevelopment plan.

After the initial shock, the Kenney Company realized that this setback could actually end up being beneficial. “We had the chance to make our plan even better,” he says. But the company had to move quickly to obtain the store's leasehold interest before someone else did. “We had a very big investment in Riverside Plaza when



Montgomery Ward decided to close,” says Kenney. “Had someone else bought that piece of the shopping center, it would have had a very detrimental effect on the overall redevelopment of the plaza.”

So, the company purchased the Montgomery Ward store and changed its plan. The project was delayed significantly, however, as they had to go back through the entire entitlement process. And, during the wait, another issue arose. When the Kenney Company first decided to bring an entertainment component to Riverside Plaza, the theater business was strong and performing well. “However, by the time we got back on track, the theater industry was very weak and there were concerns about whether we would be able to finalize a theater deal,” says Kenney. “Or whether the theater industry would even be in business by the time we re-opened.”

The company decided to stick with its original plan and anchored the project with a 16-screen Signature Theater. This was done in part to distinguish Riverside Plaza from other centers in the area, including the Galleria at Tyler. CIGNA, owner of the Galleria at Tyler, had partnered with Donahue Schriber in 1991 to reposition the aging center. After the renovations, the old Riverside Plaza couldn't compete with the new 1.1 million-square-foot mall.

Because of this, the Kenney Company realized that its greatest chance

for success lay in making Riverside Plaza as unique as possible, in which the entertainment element played a crucial role. "When we purchased the center, we looked at the trade area and the existing center and realized it couldn't compete with the Galleria at Tyler," says Kenney. "So we didn't even try. Instead, our goal was to make Riverside Plaza the antithesis of the Galleria at Tyler — everything that Tyler was not."

To make Riverside Plaza a one-of-a-kind destination, the Kenney Company aimed to make the center a gathering place. "People were spending their dollars at Tyler, but not their time there," says Kenney. The Kenney Company wanted Riverside Plaza to be more than a shopping center — they wanted it to be a true downtown area. "Our goal is to have Riverside Plaza energized 24/7," says Kenney.

Kenney hopes that locals will visit the center in the mornings, perhaps for coffee and a bagel and some convenience retail errands. There is a large em-

ployment base nearby, which will bring in a steady lunch crowd. The theater, cafés and restaurants will attract people in the evenings and on weekends. "People can do their grocery shopping, take care of their pharmacy needs, dine and visit specialty shops — things that wouldn't typically be in a regional mall," says Kenney. "We have designed a place where people can gather throughout the day and on the weekends."

Architecturally, the plaza was also designed to emulate a downtown area, with the style varying from building to building and from property to property, says Kenney. The Kenney Company — along with Orange, California-based Architects Orange and the general contractor, Anaheim, California-based Lyle Parks, Jr. — identified eight different architectural styles and mixed those throughout the project. For example, one portion of a building will be in a mission style and another portion will be in a renaissance style. "Obviously, all of the architectural styles work to-

gether, but we are emulating a downtown feel, where all of the sections look a little different," says Kenney.

The first phase of the 500,000-square-foot center was recently completed, with the remainder to be finished this fall. Asian Grill, Chipotle Mexican Grill, Pick Up Stix, Quiznos Subs and Cold Stone Creamery have signed leases to join the 55,000-square-foot Vons supermarket and the 16,470-square-foot Sav-On store. Party America and Miry Collection will anchor the community retail section along with the 141,330-square-foot Harris/Gottschalks store. Islands, Fazoli's, Spoons Restaurant and Citibank have also committed to the freestanding retail pads fronting Central Avenue. "I believe this project is so distinct and unique because we faced so many hurdles," says Kenney. "But now there is no doubt that Riverside Plaza will be successful." **SCB**

— Lara Rauba

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