

# IN THE NEWS



## With big renovation, Broadway Plaza helps Walnut Creek shopping scene thrive

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WALNUT CREEK — The city’s evolution into the East Bay’s premier retail destination is about to take a new leap as the first phase of Broadway Plaza’s \$250 million renovation nears completion.

But the popular outdoor shopping district is not done with its bold evolution.

The project has added 20 new stores to date, restaurants, revamped walkways and 210,000 square feet of shopping space to the mall that sits parallel to South Main Street between Mt. Diablo Boulevard and Newell Avenue.

In addition to improving its position as a popular outdoor shopping corridor — a model that shoppers have come to favor over enclosed malls — the renovation has solidified Broadway Plaza’s growth into a regional shopping attraction, which some say puts it on par with shopping districts like Union Square in San Francisco and San Jose’s Santana Row.

“The remodel and expansion takes property that was already the No. 1 retail destination in the East Bay and solidifies its status,” said John Cumbelich, who owns a Walnut Creek-based real estate firm. “When it comes to lifestyle brands and fashion brands and luxury brands seeking a home in the East Bay, Broadway Plaza is always the first choice.”



People shop at Broadway Plaza in downtown Walnut Creek, Calif., on Wednesday, May 18, 2016. More parking, new stores and some stores have been remodeled in the area. (Susan Tripp Pollard/Bay Area News Group) (SUSAN TRIPP POLLARD)

Stores new to Walnut Creek, like Lush cosmetics, Madewell and Kit and Ace, have moved in, as well as retailers who moved from other spots in Walnut Creek into Broadway Plaza, such as the popular Lululemon Athletica. The second phase of the renovation is underway, transforming what was previously home to the Macy's men's department into a flagship two-level store for popular European retailer Zara, as well as several other tenants.

And the renovation will continue, said Garrett Newland, vice president of development for Broadway Plaza developer Macerich, if the company's plans are approved to renovate Broadway Promenade — the area of shop space between California Pizza Kitchen on South Main Street and the Broadway Plaza street stores.

The aesthetic change is dramatic. Where a row of small, one-story shops once stood are now taller storefronts and new walkways.

One shopper, Fari Bustamante, who recently moved to the Bay Area, was surprised by the outdoor mall experience, as well as the range in shopper demographics.

Originally from Ohio, Bustamante said most malls in her area were the traditional, enclosed type and filled with teenage shoppers. At Broadway Plaza, people of all ages roam the corridor to shop, drink coffee or hang out on their lunch breaks. "This isn't just a mall," she said.

Still, some shoppers expressed hesitation that the recent renovation was significant, saying Broadway Plaza was already a pleasant and upscale place to shop. Indeed, Macerich took much of what was already a successful shopping center, with retail sales of about \$700 per square foot, out of service for nearly two years, prompting some to call the move innovative, perhaps even risky.

"It's always high-risk when you shut down a mall and do what they did," said Helen Bulwik, a veteran in the retail industry and a partner at business advisory firm Newport Board Group.



People shop at the newly remodeled Broadway Plaza in downtown Walnut Creek, Calif., on Wednesday, May 18, 2016. (Susan Tripp Pollard/Bay Area News Group) (SUSAN TRIPP POLLARD)

But it was also necessary, Bulwik said, in an era when consumer habits have shifted to online shopping and it has become more necessary to create a full shopping experience, complete with restaurants and events in addition to pleasant places to shop. The expansion, which will bring Broadway Plaza's total footprint from 774,000 square feet to about 1 million, will allow for new restaurants and improved outdoor spaces.

It's also important, Bulwik said, to attract a diversity of retailers to draw in all age groups, something Broadway Plaza has been able to do with its expansion. By consolidating the Macy's buildings into one, the developer was able to make room for two-level flagship store formats, including the forthcoming Zara, as well as brands that are popular among the so-called millennial generation, like H&M, which will move from its current spot adjacent to Broadway Plaza.

The assortment of stores at Broadway Plaza now is "covering the 20-year-olds to up to 80-year-olds," Bulwik said. "And the two aren't going to compete."



On a warm spring morning, shoppers flock to Broadway Plaza in downtown Walnut Creek, Calif., on Tuesday, May 17, 2016. The mall has been going through renovations including a new Zara store currently under construction. (Susan Tripp Pollard/Bay Area News Group) (SUSAN TRIPP POLLARD)

It's a far cry from the 38 shops that opened in October 1951 as the first iteration of Broadway Plaza, back when Walnut Creek was what some would call sleepy. In addition to benefits like the expansion of the city's creek walk and improvements to Newell Avenue, Broadway Plaza is expected to generate anywhere from \$1.3 million to \$3 million in yearly sales tax revenue for the city.

"We've seen that our downtown has evolved into a regional shopping, dining and performing arts type center, and you have anchors in the form of the Leshner Center for the Arts and Broadway Plaza," said City Councilman Bob Simmons.

Still, the shopping center is not without its challenges. The corridor's central location in downtown Walnut Creek prompts traffic congestion around it, and parking has long been a complaint by shoppers and residents.

And while the center does provide an array of brands, Cumbelich said it remains to be seen whether people will regularly be attracted to the slew of high-end — sometimes costly — retail options.

The Broadway Plaza renovation has largely been met with support at the city level, in contrast to several years ago, when Macerich went through a high-profile fight with another mall company to build a 90,000-square-foot Neiman Marcus store near Broadway Plaza.

"It has allowed our downtown to become what it is," Councilwoman Cindy Silva said. "It's encouraging that the owners of Broadway Plaza wanted to reinvest in it."

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