Five phases of Market East

In the late 19th century, trolleys...

And trains brought volumes of workers & shoppers downtown provided the critical mass for the era of great department stores.
Market Street: prime shopping street in region

In the era when people dressed up to go downtown

Phase 2: the automobile becomes king

Post WW 2: mass production of housing: Levittown

Middle class moves to the suburbs
Suburban population explosion
Retail follows population

17 regional centers surround Center City

1960 Market Street goes into decline
Losing market share to suburban malls

Deteriorated storefronts & facades; stores close
Phase 3: 1963: comprehensive plan for renewal
Multi-block shopping mall with interconnecting skywalks

Linked to transit & parking garages
Bus terminal

Public tools: condemnation & federal redevelopment subsidies

Redevelopment Authority “compulsory purchase”

Demolition & clearance began in early 1970s

1977: The Gallery was a national first
1955-1977:
15,000 regional shopping centers built in suburbs
First downtown shopping center in post-war years
Anchored by Gimbels & Strawbridges

1977: A focus for a major celebration

Same celebration, same location: 42 years later

Directly connected to Market East Station

But while well-linked to transit;
Urban design values: disconnected from the street

Compared to street-level articulation in 1920s
Largely inward facing orientation with a lot of blank walls

No focus on preservation

Partially because it looked like this

Model was the suburban shopping center: that’s what was succeeding

It didn’t generate large foot-traffic on the street, despite impressive sales volumes inside

Phase 4: 1993 Hospitality era: Convention Center
Converted the Reading train shed

Gateway to Pennsylvania Convention Center

Prompted investment in old & vacant buildings
Transforming them into hotels

New 1,200 room Marriott Hotel

Renovation of Lits

Remaking of Independence Mall
2001: New Independence Visitors Center

New home for Liberty Bell

New Constitution Center
Diversifying the hospitality industry

National Museum of American Jewish History

President’s House

Convention Center expansion
Planning for Growth in Center City Philadelphia 2007

MSE Goal: Stimulate movement between major destinations at either end of the street: 1.1 million + 3.5 million

8 City Blocks          3500 Feet          2/3 of a Mile

But major gaps remain that diminish retail vitality

1999 Rendell seeks to attract Disney Quest

Obsolete low-rise structures

Gaps in quality retail & pedestrian experience
Goal: fill in the gaps & link Convention district to historic area

Redevelop 800 block

Extend convention district eastward

Historic area westward to City Hall

2005: Activate corner of Rohm & Haas
Take down wall; convert to retail use

Add an outdoor café
But nothing happened

Stairs get built & La Colombe opens

Independence Beer Garden

Deteriorated garage: subsequently purchased by Brandywine

Recommended a façade renewal
New façade or total redevelopment

Combine with connections to north & south

Significant population: Society Hill & Wash West

Substantial new development around Washington Square

New condo development along Arch Street

Very high concentration of educated workers

57.7% of all downtown residents have at least BA
30% have advanced degrees
Very high percent who walk & take transit to work

Market East surrounded by strong purchasing power

Making these connections largest challenge
“I don’t see my customer on the street”

Transformation of Market East started on 1100 block

Former Snellenburg’s department store

Decapitated in the 1960s
One developer purchased entire block

Full square block development

East tower 562 residential units; 135,000 sf retail

Entrance on Ludlow street

Main entrance

Significant success & quickly started west tower
Both towers & retail now open

Full square block development

175,000 sf of office space

Marketplace design center tenants

Mom’s Organic Market
Marketplace Design Center
Bohlin Cywinski Jackson
Coworking

Open plan office

Retail walkway through to Chestnut Street
Renovation of historic Stephen Girard building

And connecting to 13th Street/ Midtown Village

City incentives: 10 year tax abatement
Large format signs
State grants
PREIT assembled 3 city blocks: Gallery + Strawbridges

First step: Century 21 in Strawbridge Building

2nd step: “Fashion District”
Where The District Fits

As defining the national retail landscape, The District has established four key brand pillars in one operating platform: Style, Dining, Entertainment, and Arts & Culture.

Dining

Helping to cement Philadelphia’s reputation for great food and solidify the destination experience, The District will offer a collection of unique dining concepts, ranging from fast casual to sit down, to quick bites and cross-over live entertainment.

Entertainment

With growing consumer demand for social experiences, The District will deliver an engaging atmosphere through a dedicated third-floor entertainment core and additional entertainment options throughout the center.

Arts & Culture

As part of Fashion District’s commitment to fostering positive change and civic engagement, Fashion District has undertaken a series of steps highlighting its commitment to the Philadelphia community:

- $1 million in commissioned Permanent Art
- Uniquely Philly
- PECO Philly
- Corporate Philanthropy program
- Philadelphia Works Job Fair

Business Incubation

A vibrant collection of local small businesses with authentic, Philadelphia offerings. The small businesses will have an opportunity to connect and grow their brand in a highly trafficked shopping environment.
Complete transformation of exterior

Removing the lower facade

Open up for outward facing retail

What's Next

- Entertainment opens November/December
  - AMC
  - Round 1
  - Wonderspaces
  - Sephora
  - Disney
  - Interactive holiday experience
Outward facing: animated sidewalks

Changing Filbert from service alley into urban street

Depressed entrance eliminated

Main entrance at grade
Step 3: New upper floor uses: housing & office

Limited demand for upper floor office use

Success at 1100 Ludlow helpful

Lits has secured 5 below’s corporate headquarters

But major gaps remain that diminish retail vitality

Obsolete low-rise structures
Asking prices beyond market realities
Little willingness or legal ability to use condemnation

Lessons from Chicago’s State Street
Strong public sector role

Two blocks west of Millennial Park

Historic downtown shopping street

Loop: at center of Chicago’s transit system
Drove growth in the early 20th Century

Louis Sullivan’s Carson Pirie Scott

Daniel Burnham’s Marshall Fields

Marshall Field & Co. Retail Store, Chicago

Now Macy’s

1960s Street goes into decline
Lower end retail

Converted to transit mall in 1970s

All cars are eliminated

Traditional 1920s downtown & Michigan Avenue

North Michigan Avenue becomes the high end street
Generous commitment to landscaping

Funded by merchants

Public amenities that animate all seasons

1997: State Street Redevelopment

Comprehensive redevelopment plan
Theater district at northern end

Retail in the center
Price conscious shopping

Macy's & Target
Michelle Tan, Anthropologie
PUMA, Sephora
Disney Store,
Magnolia Bakery
Akira, American Apparel,
Forever 21
Urban Outfitters, Old Navy
H&M, DSW,
Nordstrom Rack,
Burlington Coat Factory
T.J. Maxx.

Public Library at southern end

DePaul University; School of Art Institute of Chicago

State Street TIF: Multiple developers; City guarantee

80% resources devoted to individual project financing
20% to comprehensive streetscape enhancements & maintenance

State Street Tax Increment Financing District
Increment pledged to debt service & maintenance

Key tool: tax increment financing districts

- First TIF established in 1984
- 1989: Mayor Daley took office – 12 TIFs
- 2011: Mayor Daley left office – 160 TIFs
- 40% (64) of all TIFs established between 1998-2002
- 30% of total Chicago area covered by TIFs
- Annual Collections: $500 million

- Most TIFs are area-wide, not project specific - funded both development & surrounding public area improvements & long-term maintenance

30% of total Chicago area covered by TIFs

Not just downtown; neighborhoods at all income levels

Reopening the street to all modes of traffic

Coordinated streetscape improvements
Use of condemnation to facilitate new development

Between Millennium Park & Financial District

Central Loop office supply:
- 44 million square feet
- 2nd largest submarket
- 28% of downtown supply
- Occupancy & rental rates rising

Burnham Hotel outdoor dining

mixed-use new development
Joffrey Ballet & Walgreens

Central City District
Over 300,000 jobs within the Loop Alliance area
62% of downtown jobs; 31% of citywide jobs

58,000 students in the Loop
22 colleges & universities

Thriving mixed use street

High volumes of pedestrians

But river north is drawing tech firms & millennials

West loop is larger & enjoys better suburban & regional connectivity