

Shopping Areas and Strategic Planning

Introduction

During the last years, the pressure of traffic on the cities and the lack of space requirements for mega shopping centres has shifted the nature of commercial areas in many European cities. The cities' areas presenting more problems are the historical centres that are structurally unsuitable for the intrusive vehicle's presence. This paper analyses the overall situation in France, Italy and Portugal, countries that have dealt in different ways with both problems: the decline of shopping areas in traditional city centres and the rise of mega shopping areas in the periphery. The possibility to attract anchor shops, the fights with traditional shops associations, the upsurge of informal associations and the spread effects on both territory and business' competitiveness will be discussed.

The actions of local and central governments have administrative, economical and technological consequences that may ask for new tools and approaches. The complexities involved in today's planning paradigms may lead the actors to basic economic and legal security without much consideration towards sustainable, participated, equitable, qualified development. Nevertheless, from another point of view, these problems can be seen as an opportunity for change in planning processes and a better adaptation to reality, namely a better understanding of the location choices of the new operators.

The paper is organized as follows. First, the empirical analysis of the last fifty years evolution in the commercial sector versus its location, impact on intervention and surrounding areas, infrastructures development, namely road network and mobility. Based on literature review, own assessment and field work on three European countries, more in detail as described in sections three and four, some policy recommendations concerning cities management and the commercial sector are put forward.

Shopping areas shifts

Traditionally, shops would locate on small units aiming at the street floor on city centres. Later on, big department stores were introduced within a concept of entire building, more visible in large towns. The concept of the shopping centre arrives later in Europe compared to the introduction of the mall in USA. The compact plan of the mall reduced the walking distances for the customers and also reduced the construction and land costs for the developer (Bednar, 1989). But this new model of shopping is emerging together with a new model of city in a territory under urban sprawl beyond the compact cores, bringing the European city closer to the North American one (Rio Fernandes, 2006). Over the last fifty years, the design of the suburban shopping mall has evolved into a universal type, albeit this global design is often criticized (Crawford, 1992). This fact says a lot about the changes that have taken place in the inner cities themselves as hubs in a network of suburban style shopping centres and as the hierarchy of functions and amenities they used to contain, has made way for a much more diffuse system (Kooijman, 1999). Some authors (Freitas, 1996) go as far as to say that the shopping centre can typify the ideal utopian village lost during modernity. In which people may even feel the pleasure of window shopping without worrying. Forum des Halles in Paris is a remarkable example with security guards with dogs. Following this brief contextual analysis, an introduction to the legislative context in the three countries under study is presented.

In France, in the seventies, there was an invasion by shopping centres as well as laws to deal with shopping and city centre crisis. Planning for shopping areas can be described to have started in 1963, when the first shopping centre opened. In between that year and the nineties and due to the industrial crisis, Municipalities gave building permits to commercial enterprises in the peripheral industrial areas and national governments supported the hypermarkets as a way to fight inflation. The Chambers of Commerce pushed development of big surfaces towards the periphery in order to protect the historical centres, making for even a more accrued fall of the city centres. In 1990, the by-laws of Ducrin are about land plotting along main axes of penetration towards cities. The 1992-95 crisis in France was due essentially to the following factors: consumption, single model of shopping centres with hypermarket and inter-municipal competition, made it imperative to change the context, not only legal (By-law Sapin) but also on procedures with debates between CCI and elected politicians.

As such, new and global political action was undertaken, namely new accessibility, parking and feasibility plans, upgrading of urban habitat (OPAH) and joint transportation. Therefore, directives for commercial upgrading and qualification in city centre were implemented in coordination with studies about synergies between city centre and the periphery and internationalisation of lessons learned. Several laws were passed in this period (1996: Lois Raffarin, Chevenement, Gayssot, Besson; 1998/2000: Loi Voynet).

In Italy, several laws include shopping programming under land-use planning, namely law 1150 from 1942 about urban plans, law 426 from 1971 about shopping developing in cities under land-use plans and law 114 from 1998 (so called law Bersani) about the need to innovate due to commercial development delay. In the last ten years, a step by step approach has been undertaken to insert the commercial sector within strategic planning. Furthermore, the location strategies of this sector are being confronted with other strategies, namely the ones from management of the cities.

Therefore, the decision-making level was handed over from the State to the regional authorities that got autonomy to decide on quantity, size and location of commercial development and, later on, in July 2006, liberalization occurred. As an example of regional rules, Liguria shows a restrict application where the neighbourhood shops can have maximum areas of 150 m² in towns up to 10 000 inhabitants, 1500m² in towns up to 10 000 inhabitants and 2500m² above 10 000 inhabitants. In the last 15 years, the Italian selling net has changed radically, namely: conquest of the market of international retails in direct management or in franchising; arrival of medium and large commercial areas.

In Portugal, the shopping tissue has been going through structural changes since the mid eighties, especially in the two Metropolitan areas of Oporto and Lisbon, due to higher population densities and greater purchasing power. The regulations on shopping centers date back to 1985 (P. n^o 424/85, D.L n^o 339/85) and were later updated in some aspects, namely opening hours, in 1996 (P. n^o 153/96), and between 1999 and 2001, about legal authorizations, development and urbanization, later modified and specified in 2004 (Law 12/2004, P. n^o 518, 519 and 520/2004).

For example, shops can open from 6 am to 12 pm, every day including weekends and after major complaints from owners of traditional shops, big surfaces implying basically the hypermarkets have to close at 1 pm on Sundays. The issue is that in a shopping centre, the Management sets opening times at 10 am and closings at 9 pm, 10 or 12 pm, depending on the attractivity of the shopping centre and all shops have to follow the same schedule, while initiatives in historical downtowns to open, for example, on Friday night or first Friday of the month, are not followed by an expressive majority of the shops. As such, the liberalization of opening hours, a major difference in the eighties, still carries on the inertia of the past and only the most important commercial streets will now have traditional shops open during lunch

time and on Saturday afternoons. The regional and local commissions were defined and a technocratic approach was fostered, for example, by undisclosed formulae for evaluation of commercial projects. They halted to a standstill in 2001, for a period of three years, originating a complaint by the Portuguese Association of Distributors to the European Union.

In fact, since the end of the nineties, the highways revolution helped spread shopping malls also to medium and small sized cities with specific location demands, a format diversity and more aggressive commercial attitudes, being considered that the national commercial quota for Portugal has been reached. The sector has not been liberalised, contrarily to Italy, but after the law of 2004 and until the end of 2006, 1000 commercial areas, including super and hypermarkets, shops and shopping centers totalizing 1.5 million square meters of sales area have been authorized and 31 shopping centers were vetoed in the last three years, according to the Observatory for Commerce.

In sum, shopping malls are now well established in the three countries under study as well as in many other countries, due to globalization trends. The structural reforms in the economy that placed an emphasis on a liberal and outward-looking development strategy resulted in the introduction and rise of corporate powers within multi-national partnerships in shopping centers which made possible the large investments required to meet new consumer demands. This trend invaded most countries, including developing ones (Abaza, 2001; Abbas, 2000; Al-Otaibi, 1990, Feyzan, 2005)

But shopping centers, intertwined with office-towers and upscale housing combined with higher levels of personal mobility and an accrued car ownership, have been responsible for opening up new escalating urban fronts. The sustainable urban policies of re-urbanization and in-filling are being undermined by commercial locations dispersed throughout the territory.

Mobility and Urban Planning around Shopping Areas

At first, even with the expansion of urban areas, the commercial sector remained in the city centres but later on, shops followed the path already set for housing. And if in the mid eighties they followed housing, nowadays they are leading housing suburbs being built and even more urban expansion areas are being opened. But the specialized functions of the city centre only started to be threatned in the nineties as the central shopping made its appearance, supported by urban expansion models and showing commercial formulae that prefer the periphery and concentrate diversity such as food markets and courts with leisure and services. Therefore, in this context, historical centres are facing a complex situation that can be synthetized in general in the following SWOT matrix (see Table 1).

Table 1 - SWOT Analysis for a typical historical centre

Intervention areas	
Strengths Diversity of goods and services Urban structure and architectural heritage Personal treatment Nature of products (including handcrafts) Prices	Weaknesses Accessibility and parking Traffic jamming of bridges and squares Urban dilapidation Inadequacy of urban equipment/street furniture Lack of attractiveness Poor commercial sophistication Poor professional qualification Poor commercial cooperation Drive destination versus drive-through Dependency on too few commercial branches Poor social ambiance
Intervention areas and their surroundings	
Opportunities Public and private partnerships Local groups/associations Central nature of the area Beautification Tradition and history Possibility of gentrification	Threats Increase in competitiveness New shopping habits Retailing commerce schedules Lack of commercial diversity Lack of intervention from public powers Lack of public investment Mono-functionality of area Possibility of gentrification

Adapted from Balsas, 1999.

The use of shopping centres in the open in historical areas with underground parking supplied in abundance, albeit not free, or ideas to cover traditional streets as a boost for shopping shows how politicians and local shops associations perceive the adherence of consumers to the shopping mall concept and try to imitate it. What city centres still miss is the power of the managing entity that fosters promotion, marketing, integrated approaches and projects, in other words, that controls the shopping centre instead of the shop renters. In traditional city centres area like Oporto's, the shop renters demand high prices for subletting the commercial areas which can be associated with the typical unproductive landlord behaviour and in this case, also for the shop renter.

The fragility of the traditional city centres forced public administration to apply measures like free parking (still not widely used even at night), cultural promotion and animation, but some say that the loss of employment and housing in city centres is more responsible for the loss of vitality of the centre than the competition with peripheral shopping.

Urban policies should promote the special character of the city centre in all sectors and not just in commercial areas, framing but new centralities as they appear within urban planning and management policies. The characteristics of the modern shopping centre make it an indisputable driving motor for the simultaneous creation of several uses, thus being a relevant tool for renovation and dinamization of both peripheral and centre areas.

The actions of the Public Administrations are administrative, economical and technological in nature. Public interventions on the commercial sector have meant a strong segmentation: support of traditional shops and development to regulate new formats. This practice withdraws structuring power to the measures: maximization and integration of efforts is not promoted, thus positive results are not very visible, apart from some areas where master plans included specific commercial planning, typically a shopping centre that bears the cost of free parking and the necessary road revolution.

When this does not happen, it is typical to have shopping centers around important traffic nodes that get congested on special occasions like Christmas time, weekends at specific hours, etc.

The problems of historical centres are essentially about the mobility of the goods and about the users' possibility to access the activities inside. These elements are seen as unfavourable for the commercial business' competitiveness. But, from another point of view, these problems can be seen as an opportunity for the location choices of the new operators. In the next pages, there follows an attempt to understand if, and how, these factors can influence the commercial operators' choices.

Case Studies

Taking into account that shopping centres show a critical dimension offer creating new attractiveness, it is a fact that already in 1959, in Kalamazoo, Michigan, USA, a shopping mall was inserted strategically within a master plan for the downtown, in an effort to counteract increasingly stronger suburban retail competition. A civic group retained the services of an architectural firm that submitted a master plan proposing a large-scale traffic separation between transit vehicles and pedestrians, to the point of including completely traffic-free pedestrian grounds. While city officials disagreed and discarded most of the proposed ideas, the concept of pedestrian-only corridors was maintained and implemented. A master plan was also proposed for the City of Fresno, California. Along with the same concepts of vehicle-pedestrian traffic separation, the plan also included a series of highway loops around the target downtown area, preventing the invasion of automobile traffic. The area located inside the innermost highway ring was to be reserved exclusively for pedestrian traffic. Like for Kalamazoo, the master plan was not adopted in its entirety, save for the pedestrianization of particular streets, as proposed.

Pedestrian malls are the result of widely implemented planning strategies focused on preventing downtown businesses and consumers from fleeing to suburban shopping centres. They can be best described as downtown corridors that include a few linear blocks along a main shopping street, designed to maximize human interaction, where pedestrians are given the highest priority.

According to Robertson (1994), three phases can be identified where pertaining to mall development. From 1959 to 1965, the only purpose of pedestrian malls was to revitalize downtown retail activity, with planning and design focusing mainly on increasing sales and dismissing concerns over quality of downtown life. There was some beautification but not necessarily pedestrian comfort. "Shop or leave" was the motto. A second phase (1966-1970) addressed social interaction concerns, by designing streetscapes that included playgrounds and seating areas, inviting the consumer to shop and linger, thus boosting spending. A third phase was mainly seen during the 1970s and 1980s, where planning and design of pedestrian malls equally addressed concerns of stimulating retail trade along with enhancement of the downtown environment. Places of civic pride, they encouraged the participation of the community in activities such as concerts and festivals in venues such as

open spaces and amphitheatres, specifically incorporated and seen as social, cultural and economical beacons of the community.

Take recent shopping centers in the downtown of European cities such as Oporto, Lisbon, Genova, Bilbao, Berlin: it is obvious that they all offer around 20% of the total covered surface for public use. They are fine examples of a much better integration of shopping malls with respect for the form, the urban structure and surrounding materials in use and, there is normally an underground stop in the proximities as well as a very considerable amount of parking places, generally not free. Some authors (Rio Fernandes, 2006) defend that modernity or better, post-modernity, should be given an opportunity, as a city is made of several periods in time, all of which, should be entitled to their own place within a balanced and respectful atmosphere and a mix of land-uses or re-uses, especially in the old fabric.

This fact contrasts with a typical multinational chain with megashops encompassing built areas around 30 000m² at a 2007 normal average price per unit of 60 million euros. They will normally propose in the project another shopping unit and a hotel for example, strategically aiming at sub-regional to regional capacity. They put forward stated objectives about driving times and estimations of potential clients and visitors. Dynamos for local and regional economies, value-added in social terms (job creation) and tourism flows, they are the main reasons for neighboring Mayors to compete with each other in order to capture the investment in their territories. According to the investors (IKEA, as an example, in this case, the world leader in furniture and home products distribution, has around 224 shops in 33 countries, with an estimated flow of visitors of 410 million people), the Municipality of Matosinhos meets the necessary criteria, namely good accessibility, good construction area (supposedly large enough, flat terrain), parking places and an important surrounding draining area.

Megashopping surfaces spreading urban and road revolution combined with value-added enterprises and innovative activities (at times, only on project) appeal to Municipalities as they see these anchor commercial projects as dynamos for attractiveness. In the example stated above, it is a 100 ha area between the highway A28/IC1 and Leça river, nearby the harbour and the airport, an economic strategic pole having IKEA as an anchor shop and a trigger agent for the expected revolution. As the Municipality acknowledges, the location of the megashop forced the Municipality to re-think its territory. As such, in this new area, a total of five new avenues and other streets totaling an investment of 7.5 million euros, with 3600 parking places and 350 new trees, is expected to take place. One of the new avenues, with an extension of 1.5 Km connecting two neighborhoods (Leça stadium and Santa Cruz do Bispo) has waited 20 years to be built. The remaining road complex amounts to 6 Km of which 1.9 Km will be paid by IKEA. The Municipality is still negotiating with the Roads Institute of Portugal. The redoing of the Freixeiro access node, an area that did not develop much since 10 years ago as part of the logistics between harbour and airport.

Furthermore, with this IKEA location, Exponor – the huge site for Trade and Exhibit fairs belonging to the Portuguese Enterprise Association (Associação Empresarial de Portugal) - can become an opportunity for a real estate mega operation at which the Association and the Municipality are looking carefully. Matosinhos Plaza, the first shopping centre of IKEA in Portugal, to be opened in 2008, represents a total investment of 165 million euros, together with IKEA shop will be the biggest IKEA commercial complex in Europe, as it will occupy 67,000m², including 3,200 parking places exclusive, estimates of 12 million visitors in the first year and 110 direct and 2,800 indirect jobs. Some owner shifts were necessary, involving action from the Municipality, which supposes some degree of innovation through operational urban planning. But the mimetization of several shopping centres makes them “no-places” without individuality and the surrounding areas of IKEA are non-urban places with big industries and open fields.

Further away (15 Km) from Oporto Metropolitan area, a few kilometers towards Spain, is another example of this megalomania of banks, investors and Mayors, in this case a factory outlet. Built on areas of the National Agricultural Reserve, abandoned by a Siemens factory proposal when they did not win the Oporto Metropolitan Area subway competition, Nassica outlet also projected an urban pole that five years past has not yet succeeded, having been built only the outlet and two commercial units, two blocks out of a dozen.



Source: <http://www.amigosdomindelo.pt/empresas/nassica.htm>

Figure 1 – Expected Development Plan



Source: <http://www.amigosdomindelo.pt/empresas/nassica.htm>

Figures 2 a) and b) – Sub-regional and local settings of Nassica

This is then the paradox of the successive opening of commercial fronts as they do not have the power to attract further investments. Meanwhile, agricultural or forest lands are destroyed, road nodes are congested with no visible advantages whatsoever in economic or urban development.

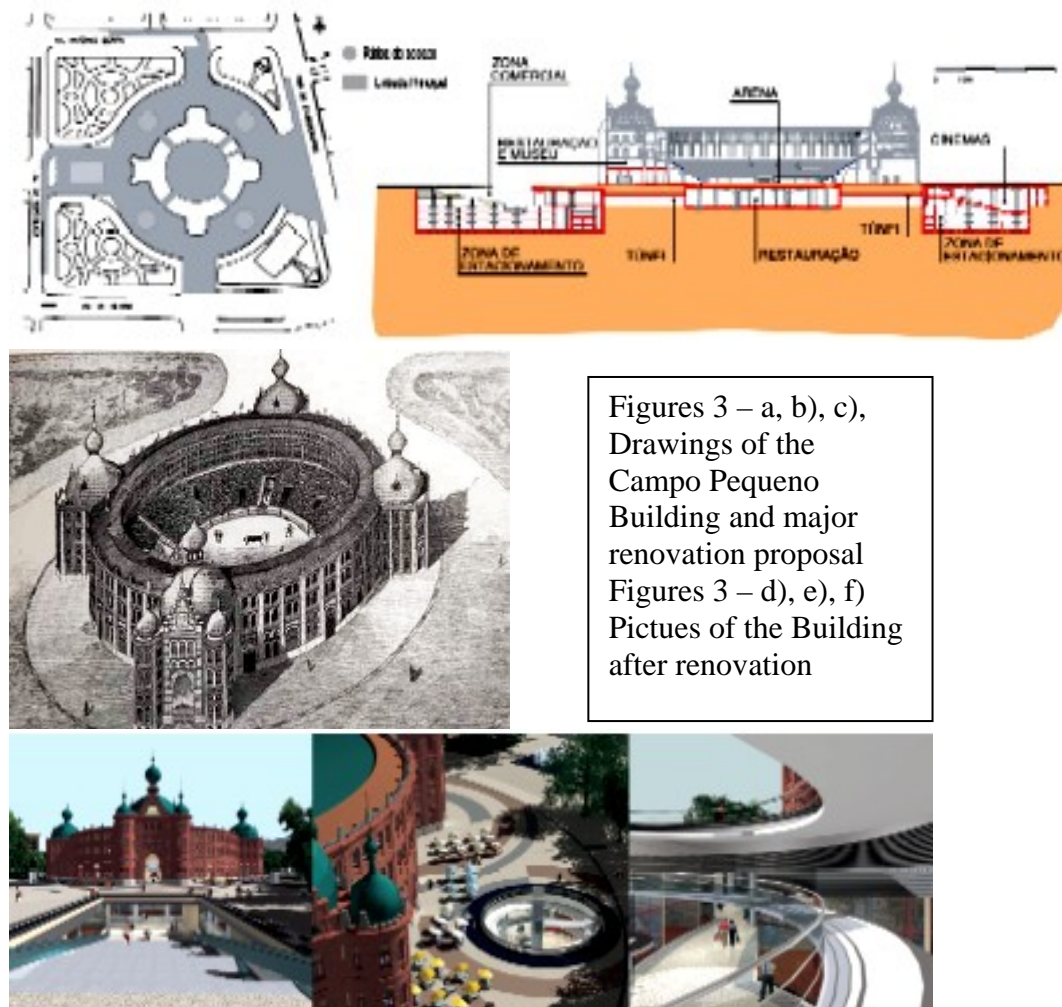
Whereas the unique character of each traditional city centre or each unique building makes them a powerful asset that starts now to be perceived as such.

The case of Braga in Portugal is one of the most successful of a city centre with traditional shops surviving in a competitive atmosphere (Mendes, 2001) with the shopping centres located 1 Km away near the inner ring axis with a poor urban quality but very functional. These were banned for some years in the eighties until the city centre had been pedestrianized with car parking under the two main squares and connecting tunnels through the city centre. At a time of financial constraints in which the University of Minho is withdrawing students from the city centre into the campus located in the periphery, the attractiveness of the area remains high with private developers refurbishing or renovating seventeenth and eighteenth century houses for upscale shops and housing.

As an example of unique building, the hundred year old bullfight ring arena building in Campo Pequeno, Lisbon, that underwent a massive rehabilitation, including the construction of a commercial centre inside (see Figures 3 – a)- f)) can be mentioned.

This unique character is given by the heritage patrimony, urban morphology, local life and the awareness of the smaller capacity to attract large numbers of clients due to the decrease in attractiveness. In this case, public and private investments converged but this is not the true picture for most investments in late eighties and nineties. As Somoza Medina (2006) puts it, public initiatives in Europe came back to the inner cities whereas private

investments went to the outer suburbs. And this is one of the major problems for many city centres: difficulty in attracting new development as well as inhabitants and investors.



Figures 3 – a, b), c),
Drawings of the
Campo Pequeno
Building and major
renovation proposal
Figures 3 – d), e), f)
Pictures of the Building
after renovation

Source: Ingenium, nº 89

Evidence from USA shows that projects in innercities have been developed more frequently in larger-city downtowns, with larger downtown workforces, greater market areas and more complementary downtown attractions (Robertson, 1999).

Conclusions

The development of shopping areas has raised a number of policy issues for planning institutions that need to be studied in depth due to the paradoxes unveiled. A true wish to safeguard European cities seems to be already put forward on four documents:

- "The green book on shopping"
- "The white book on shopping"
- "The Malaga and Lille declarations"
- "The Bologna charter".

A synthesis for the change motivations for relocating commercial areas not in peripheral areas can be made in providing space at lesser costs per m², wider and better parking, safety aspects, promotion, animation and policies, leisure and cultural activities, attention to retail providers' conditions, climate protection and mixing of activities.

For urban historical centres to become competitive it is necessary that multi-criteria analysis are performed regarding shopping demands and policies for urban quality, to introduce the shopping system in mobility plans. The coordination between local and regional authorities in decision making is decisive for a successful output.

To shift from an integrated approach to a participatory approach is needed to start with public participation at production stages with task forces, multidisciplinary groups, etc. Confronting mobility and commercial logistic location allows to highlight factors for dependence, consensus and competition in both topics.

Is it possible to find equilibrium between the needs under presence so that better shopping areas do not represent a threat to city centers sustainability? In order for this to occur a set of principles has to be followed. Namely, a shopping area must:

- become an anchor for existing shops and not a predator of them;
- harmonize with surrounding urban morphology and typology;
- open widow shops avoiding the blind façade to prevent the disruption of the commercial continuous;
- maximize its articulation with public space;
- minimize effects in urban traffic and the environment;
- obey to a typology of interventions that should encompass administrative (circulation rights, out-of-hours policy, ticket for entrance, surveillance and transit nodes), technological (GPL and methano vehicles, automated control access, simulation models) and financial (payment tolls, infrastructure interventions and learning courses) aspects.

As such, a strategic vision is required at local and regional/metropolitan levels so that commercial planning can integrate new formats while respecting land uses and built heritage, targeting a win-win situation for consumers, investors, city managers and heritage.

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