LESSONS

- Including local and national restaurants within a mixed-use development can be effective in balancing risk and return while serving to activate the project and differentiate it from others on the market.
- Hosting food-focused events in a publicly accessible area of a mixed-use development can support on-site restaurant and retail tenants.
- Building a lively, walkable district with a large number of food-based businesses can transform the site of an underperforming shopping center into a regional amenity.

QUICK FACTS

Location
800 Town & Country Boulevard, Houston, TX 77024

Project type
Mixed use

Development team
Midway

Project cost
Retail development costs of $240 to $280 per square foot ($2,583 to $3,014 per sq m)

Project size
50 acres (20 ha); total gross building area 2,212,000 square feet (205,502 sq m)

Project status
Phase I opened in 2009; additional phases/final phase opened in 2016

Financing
Multiple partners

Equity partner
Multiple partners
CITYCENTRE is a 50-acre (20 ha) development in Houston, Texas, that transformed a site formerly occupied by a failing shopping mall into a thriving mixed-use district. The project, developed by Midway, is anchored by a variety of restaurants and features multifamily residential units, townhomes, hotels, retail space, and a movie theater. CityCentre also includes a central public plaza and a walkable street design, which encourages residents, workers, and visitors to spend time at food-oriented events and sidewalk cafés.

Features and Innovations

- A large and diverse mix of restaurants: CityCentre includes over 25 restaurants, most of which are the first or second location in the Houston area.
- Restaurants placed at the base of office and mixed-use buildings or around a public plaza: Restaurants serve to activate the street and common areas of the development, including the central public plaza.
- Food-focused events: A public plaza hosts a range of events that celebrate food, including farmers markets, food competitions, and movie nights with meals available from CityCentre’s restaurants.

Creating Value: People, Planet, Profit

In 2004, developer Midway purchased the underperforming Town and Country Mall, located 14 miles west of downtown Houston. Midway worked to transform the property into a mixed-use district, with public spaces, walkable streets, and a mix of restaurant tenants that could support other uses in the project. Midway focused on leasing restaurant spaces at CityCentre before other retail spaces to help create a lively, attractive destination.

The project opened in phases between 2009 and 2016. As of 2015, CityCentre housed more than 25 restaurants, with many opening directly onto a large public green space or located along sidewalks at the bases of buildings.

Jonathan Brinsden, Midway CEO and ULI trustee, explains the view behind assembling a large number of restaurants at the development, stating: “We realize the shoppers, office tenants, and residents at CityCentre are the same people our competitors want in their projects. It is crucial to create an authentic place and a variety of experiences that these customers enjoy. We know that elevating experiences with food differentiates our product.”

As of 2015, average restaurant sales were $626 per square foot ($6,738 per sq m)—well above projections—with some restaurants reaching sales of $1,200 per square foot ($12,917 per sq m). Within a year of the opening of the first phase of the project, the office and apartment space at CityCentre was over 95 percent occupied.

Part of CityCentre’s success is because of its unique mix of local and national restaurants. Brinsden explains, “We work on creating a healthy mix of different types of food offerings for all times of the day, from fast casual, to salads, to fine dining establishments.”

Brinsden adds: “The advent of celebrity chefs, food programs on television, and explosion of social media and food bloggers built a foodie movement. You can tap into that movement to energize your project. Local, unique restaurants require a higher risk tolerance, but when they work, they bond you with the community and create that feeling of authenticity consumers crave. We also have national brands that are very popular, which are carefully chosen to be appropriate for the project and to round out our offerings. Giving people new and unique places to experiment with alongside trusted brands has worked out well.”

“You buy a sofa once a decade, but you eat three times a day. Food is a critical attraction for CityCentre and a way to activate projects.”

Brad Freels, Chairman, Midway Companies

CityCentre’s central public green space, which hosts food-centric events, is also a key element in the success of the project. More than one event is held per day at CityCentre, with some events drawing nearly 20,000 people.

Brinsden notes: “Activation of the public green space is a critical part of CityCentre’s success. Food-focused events have included farmers markets and cooking competitions. We also include food from our restaurants in our events, so attendees have valuable sampling opportunities. One restaurant provides healthy snacks for parents and toddlers; another serves smoothies at movie nights. The synergy of a well-curated mixed-use project with on-site events encourages diners to shop in the stores at CityCentre and the shoppers to dine.”