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Seasons signal a shift in retail

OUTLET MALL ANCHORING HIGH-DENSITY MIXED USE, RESIDENTIAL PROJECT

By: Danielle Da Silva

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On a retail landscape dotted with vacant big box stores, languishing malls, and growing competition online, developers need to find new angles to make their projects stand out.

So when the people behind the soon to be open 400,000-square-foot outlet mall at the corner of Kenaston Boulevard and Sterling Lyon Parkway had an opportunity to enter the Winnipeg marketplace, they took a fresh approach to the role a shopping centre can play in the community.

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John Scott, senior vice-president of development with Ivanhoé Cambridge, takes media through a tour of Outlet Collection Winnipeg prior to its opening on May 3.

Blair Forster is the development manager of the 117-acre Seasons site north of Sterling Lyon between Kenaston and McCreary Road and president of Forster Projects, one half of the duo building the mixed-use destination centre.

Saskatchewan-based Forster Projects and Harvard Developments Inc. — equal partners in the project — purchased the former CN rail intermodal terminal about four years ago.

The plot across from IKEA and Cabela's had a lot going for it, Forster said, being fully serviced, surrounded by a good road network, and situated near some of the highest earning neighbourhoods in the city. However, the site was also neighbour to Kenaston Commons and a dozen popular stores a few blocks away.

"Most of our retail partners, the large format retailers who you need to get interest in your site to kick it off, were already represented on Kenaston," Forster said. "It's a densely populated retail node in the city, so we knew that if we were going to execute on this project, it had to be something different and unique."

Outlet malls were just beginning to get a foothold in other Canadian markets at the time, and the two development agencies saw an opportunity to build something that was more than a "buying centre" — a retail outlet that you drive to, buy what you need, get back into your car and leave, Forster said.

At its completion, the Seasons area will have nearly 3,000 residential units, a grocery store, physician, a dozen restaurants, two car dealerships and a hotel, in addition to the mall.



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An aerial look at the Seasons development facing southwest. The Hilton Garden Inn is pictured at the far left and Outlet Collection Winnipeg is pictured at the centre. The building has a white membrane roof to reduce heat absorption. To the right, three residential developments are under construction, including a facility specializing in memory care for people with Alzheimer's, a 10-storey 55-plus life lease building, and 416 suite luxury apartment block. To the south, about 50 acres of land remains to be developed over the next five years.



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Blair Forster, president of Forster Projects, is a 50/50 partner in the Seasons development with Harvard Developments Inc.

"I think most of the major players at that time felt the Winnipeg marketplace might be too small to house a large scale fashion outlet mall, and we didn't," Forster said.

"There's a significant trade area when you include portions of Ontario, the northern U.S., and Saskatchewan into Winnipeg's draw, and we felt that we could get three million people to the site within a seven hour drive time."

Outlet Collection Winnipeg expected to be an economic driver

With 150,000-square-feet of leasing agreements inked between Forster, Harvard and retailers keen on joining an outlet mall in Winnipeg, Montreal-based real estate developer Ivanhoé Cambridge joined the mix, becoming an equal partner in the mall and the project lead.

Ground was broken on Outlet Collection Winnipeg (555 Sterling Lyon Parkway) on Sept. 25, 2015 and less than two years later the mall will welcome its first customers on May 3. The \$200-million enclosed mall boasts up to 100 stores offering strictly factory outlet items and is anchored by new market arrivals Saks OFF 5th, F21 Red, Designer Shoe Warehouse, and the Nike Factory Store.

Ivanhoé Cambridge also operates Outlet Collection at Niagara (in Niagara-on-the-Lake, Ont.) and is building a premium outlet mall at the Edmonton International Airport, scheduled to open in 2018.

John Scott, senior vice-president of development with Ivanhoé Cambridge, said Winnipeg was previously missing outlet options in the "retail hierarchy" of the city, and while he declined to comment on the competitiveness of pricing versus U.S. counterparts, he said the merchandise won't be lacking.

"The fact that it's all together under one roof, the fact that it's climate controlled is very unique, particularly to the outlet development game," Scott said.

"Certainly the offering will be here and we fully expect that people will be very happy to stay local as opposed to travelling six and a half hours south," he added.

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When asked about the number of visitors anticipated in the mall's opening months, Scott said it's difficult to predict but expects a good response, with about 20 per cent of visitors travelling from outside of the city to check out the mall. A brand-new Hilton Garden Inn will open just east of the mall this summer, with 127 rooms and a 3,740-square-foot beer vendor, to accommodate the anticipated tourists.

"We think (Outlet Collection Winnipeg) will be extremely well received in this market, so we're excited to see what those numbers will look like," Scott said.

Loren Remillard, president and CEO of The Winnipeg Chamber of Commerce, said the entrance of Outlet Collection Winnipeg in the city is a bit of good news and believes the shopping centre will help grow the number of retail dollars spent in Winnipeg.

"It signifies a strong vote of confidence by the investors in the outlet mall in the Winnipeg market and surrounding market, that they can go into this venture confident that the market is there, and the interest is there, and they see good things ahead for Winnipeg," Remillard said.

As with the arrival of IKEA and the Canadian Museum for Human Rights, Remillard said visitors to Outlet Collection Winnipeg won't be spending their money at one destination only, creating an opportunity for other retailers to get their products in front of a new audience. The boost the mall will provide to the retail tourism industry could be significant, and Remillard said he wouldn't be surprised if he receives a call from his counterpart in Grand Forks lamenting the movement of dollars north.

"They're bringing new retail customers to the Winnipeg market that historically had not been there," Remillard said.

"When you bring new entries into the market, there's opportunities for other retailers to say 'Great, now we have more people coming to the marketplace, how do I become part of that growth in the retail tourism component,'" he said. "And that has to be the strategy for our retail sector."



Scale of development is a 'game changer'

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It creates a situation where high-end retailers are in the backyards of thousands of people who live in the Charleswood-Tuxedo-Whyte Ridge ward. — Marty Morantz, city councillor



Over his 30 years working in the industry, Forster said retail developments are becoming smaller year after year, and tenants occupy 25 per cent less floor space than decades past.

The inclusion of high-density residential and amenities, such as a grocery store on site was "critical" to make a development the scale of Seasons viable, Forster said.

"Now we're seeing with the increased demand for online shopping, you're seeing the bricks and mortar side of real estate start to contract a little bit," he said. "It's our opinion that for these projects to remain relevant they have to be mixed-use, and they have to be amenity-rich, and they have to provide an entertainment aspect to the customer."

Brightwater Senior Living, a care home specializing in Alzheimer's and dementia care, is set to open at 741 Sterling Lyon Pkwy. in the coming months. The three storey, 47,240-square-foot building will have 133 units, with 30 dedicated to memory care. It will also include a private theatre and spa.

To the north, phase one of Altern Apartments' The Summit at Seasons is set to open this summer and will offer 416 luxury suites with a clubhouse, swimming pool, and a commercial-grade fitness centre. To the west, a 10-storey concrete building geared to the 55-plus market will open in summer 2018.

When the residential build is complete, Forster expects about 4,000 people to call Seasons area home.

"It adds to the vibrancy of the shopping centre, it embeds some customers directly onto the site within walking distance of the retail, and it makes it feel more like a village than a stand alone retail project," Forster said. "We want the nightlife there to be animated and active and we want the residents... to feel like Seasons is their home and our retailers are part of their life."

Coun. Marty Morantz (Charleswood-Tuxedo-Whyte Ridge) said the development is a game changer for the city.

"In terms of the ward, it's obviously a tremendous amenity," Morantz said. "It creates a situation where high-end retailers are in the backyards of thousands of people who live in the Charleswood-Tuxedo-Whyte Ridge ward."

Morantz was confident incoming traffic through the area could be handled through infrastructure investments and the City's new traffic management centre and offered few critiques of the project, calling it a perfect use of the land.

"If you turn the clock back 15 or 20 years none of that was there," he said. "I really do think that from the City's perspective building the right infrastructure and improving our road system is what creates the environment for all of this to happen."

Forster said work will continue on the site for the foreseeable future and 100,000-square-feet of building permit applications will be processed over the next couple of months. The 50 remaining acres to be developed will take about five years to complete.

"There's 400,000-square-feet left to build on the site, and if we can do 100,000-square-feet a year I think that is good momentum," Forster said.

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Read more by Danielle Da Silva.

Outlet Collection Winnipeg by the numbers

At 570,000 total square-feet, Outlet Collection Winnipeg is defined by big numbers:

- 2,300 parking spaces.
- 1,300 full and part-time retail jobs.
- 400 construction related jobs.
- 100 retail stores.
- 80 bicycle parking spaces.
- \$200-million investment.

Outlet Collection Winnipeg's first to market retailers

- DSW Designer Shoe Warehouse
- F21 Red (opening in September)
- Nike Factory Store
- Saks OFF 5th
- Banana Republic Factory Store
- Calvin Klein Outlet
- Gap Factory Store
- Justice (opening September)
- Lolë Outlet
- Lucky Brand Jeans Outlet
- Mountain Warehouse
- Under Armour
- Skechers
- Michael Hill
- Call it Spring Outlet
- Browns Outlet
- American Eagle Outfitters (opening in September)
- ThinkKitchen
- Nine West Shoe Studio
- Samsonite Outlet
- Soft-Moc Shoe Rack
- Boathouse, and more.

— Staff

'Industrial chic' mall design pre-certified for LEED



John Scott, senior vice-president of development with Ivanhoé Cambridge, said the people at 505 Design (based out of Colorado) chose a stripped down, raw material look for Outlet Collection Winnipeg to place the emphasis on the retailers.

"They coined the term 'industrial chic,'" Scott said. "We believe it's a great way of describing a warm but contemporary feel for the centre, to give people a great environment to wander and enjoy."

The beams and scaffolding in the mall's roof are exposed and interior finishing touches include simulated reclaimed wood and tiles finished to resemble wood or stone.

While many outlet malls are open air, Outlet Collection Winnipeg is enclosed adding to building costs, maintenance, and environmental impact.

"They are significantly more costly to develop and operate," Blair Forster, president of Forster Projects, said. "You've got a shopping centre that's got about 120,000-square-feet of common area that has to be heated and cleaned and maintained over the period, but we're firm believers that the change to an enclosed shopping centre is going to make the project more viable on a go forward basis."

The mall is pre-certified for LEED and has a white membrane roof to reduce the heat island effect, employs water efficient fixtures, and sourced materials that were low carbon emission.

— Staff

New restaurants coming to Tuxedo



To keep shoppers and tourists satiated, the Seasons development will include half a dozen new restaurants, with more to be announced in the coming months.

Currently Pronto Pizza and Dairy Queen are open on the property. A McDonald's is scheduled to open in the fall.

A 200-seat International House of Pancakes will open this summer and a Good Earth Coffeehouse is also scheduled to open at the same time.

Inside the mall, Bar Burrito, Big Smoke Burger, and Chachi's are three new food offerings in the Winnipeg market.

— *Staff*