

INDIAN RIVER COUNTY, FLORIDA
M E M O R A N D U M

TO: Board of County Commissioners

THROUGH: John A. Titkanich, Jr., County Administrator

PREPARED BY: Ryan Sweeney, Assistant Planning & Development Services Director

DATE: August 28, 2024

SUBJECT: Indian River Mall Redevelopment Items

It is requested that the data herein presented be given formal consideration by the Board of County Commissioners at its regular meeting of September 10, 2024.

BACKGROUND:

The overall Indian River Mall development consists of five separate parcels, and those parcels include the four original department stores and the “common area” parcel (see Attachment 1). Each of the four department store parcels include their respective building footprint and a portion of the shared parking area. The common area parcel includes the remaining building area (i.e. the food court, various tenant spaces, the movie theater), as well as, the remainder of the shared parking area, the mall driveway connections and ring road, the stormwater pond, and all other common elements.

Over the past year, a commercial real estate developer, DTS Properties, has purchased the former Macy’s parcel, the former Sears parcel, and the common area parcel. On July 8, 2024, County staff held a formal pre-application conference to discuss the developer’s conceptual proposal to redevelop those three parcels, and to maintain/incorporate the existing JC Penney parcel and Dillard’s parcel into the redevelopment plans.

The developer’s conceptual proposal included demolishing the former Sears building and portions of the common mall building area and redeveloping those areas with new/additional retail tenant spaces. The conceptual proposal also included a proposed hotel, private school, and residential apartments.

ANALYSIS:

Upon review of the conceptual proposal, two “big picture” items were identified, and those items would require formal amendments to the County’s Comprehensive Plan and Land Development Regulations, respectively. Therefore, prior to staff and the applicant proceeding with the formal amendment processes, staff is requesting that the Board of County Commissioners (BCC) consider the two proposed big picture items and provide a general consensus on how to proceed with each item.

➤ *Item #1: Allowable uses within the RC, Regional Commercial future land use designation*

The subject mall parcels, along with most of the adjacent commercial parcels, have an RC, Regional Commercial future land use designation (see Attachment 1). Per Policy 1.30 of the Comprehensive Plan's Future Land Use Element, "The Regional Commercial land use designation shall be applied to regional malls and associated retail shopping centers designed to accommodate the needs of the retail market areas that extend beyond the boundaries of the county. These developments will include one or more "magnet" retail stores that are branches of statewide, multiple-state, or national organizations and satellite stores integrated through a common plan of development..." Therefore, the RC land use designation is very limited/specific to regional retail/shopping uses. Also, the Indian River Mall and surrounding properties is the only area within unincorporated Indian River County that has an RC land use designation.

Over the past ±20 years, a number of factors such as online shopping/direct to consumer shipping, the Great Recession, and COVID have created major challenges for regional shopping malls. As such, many outdated malls are being redeveloped as next generation mixed use projects, with housing, entertainment, dining, hotels, and schools on site. Accordingly, the applicant is proposing to amend Policy 1.30, to allow multi-family residential (up to 8 units per acre), hotels and motels, and institutional uses as additional permitted uses within the RC land use designation.

➤ *Item #2: Maximum building height within the RC, Regional Commercial future land use designation*

During the July 8, 2024, pre-application conference and a subsequent meeting between the developer group and Planning staff, the developer identified that the hotel was proposed at five-stories with a building height of 58 feet (as defined/measured in the County's current LDRs). Staff notified the developer during both meetings that the maximum building height throughout all of unincorporated Indian River County is 35 feet, with only two very specific exception areas (i.e. coastal hotels east of Highway A1A or the West County Industrial Park area west of I-95). Subsequently, the applicant indicated they would like to apply for a formal LDR amendment that would create a third height exception area that would only be applicable to the mall area. The specifics of the height exception area (e.g. increased setbacks, compatibility measures, etc.) would be further defined during the formal LDR amendment process. Also, the developer recently indicated they would be amenable to reducing their request to 45 feet, which could accommodate a four-story hotel.

RECOMMENDATION:

Staff recommends that the Board of County Commissioners consider the proposed changes to the County's Comprehensive Plan and Land Development Regulations and authorize staff and the applicant to proceed with the formal amendments to the County's Comprehensive Plan and Land Development Regulations.

ATTACHMENT:

1. Parcel and Future Land Use Map