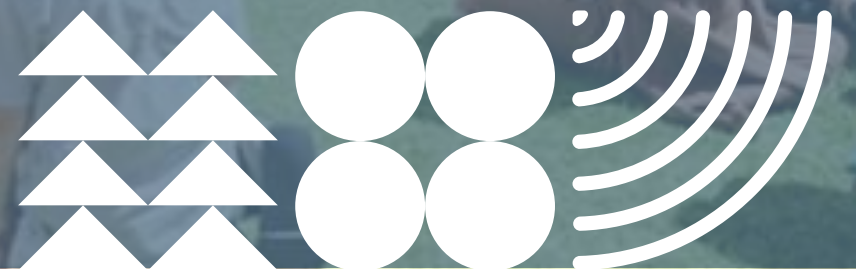


# Retrofitting Strip Malls: Triumphs and Challenges

CNU 31

June 2, 2023



# About Us

Kimco Realty Corp. (NYSE: KIM) is a real estate investment trust (REIT) headquartered in Jericho, N.Y., that is one of North America's largest publicly traded owners and operators of open-air, grocery-anchored shopping centers and mixed-used assets. Publicly traded on the NYSE since 1991, and included in the S&P 500 Index, the company has specialized in shopping center acquisitions, development and management for more than 60 years.

## Founded in 1958

IPO Initiated  
Modern REIT Era

## Investment Grade

BBB+ S&P | Baal MOODY's | BBB+ FITCH

## NYSE

S&P  
500



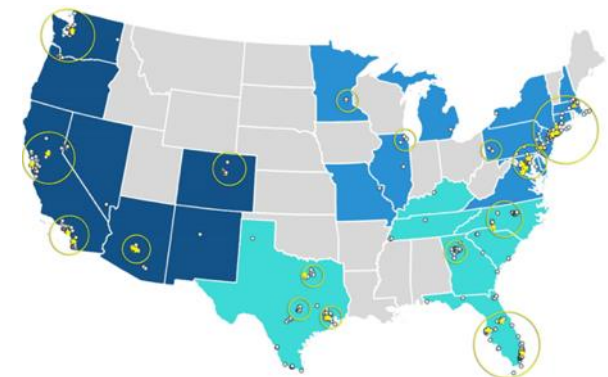
**529** Properties and  
**90M** Square Feet  
of leasable space

**+60**  
Years of  
Experience  
in development &  
management

Approximately  
**\$11B**  
Total Market Cap

**Our Mission:** To create destinations for everyday living that **inspire a sense of community** and **deliver value** to our many stakeholders

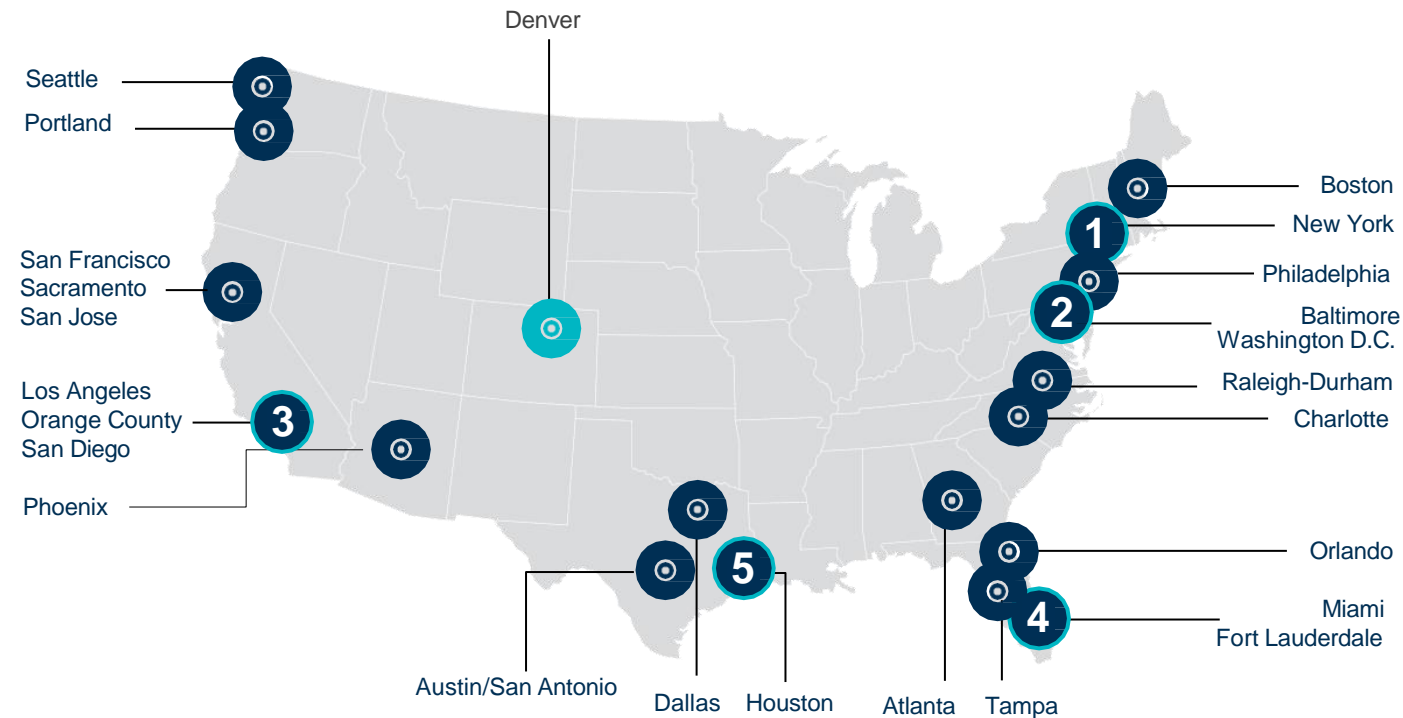
## 529 Properties in Top U.S. Markets



\*As of Q3 2021

# Well-Located, Grocery Anchored Portfolio in Major Sun Belt & Coastal Markets

86% of Annual Base Rent (ABR) comes from Our Top Major Metro Markets<sup>1</sup>



1. Markets noted on the map are Kimco Realty's top major metropolitan markets by percentage of pro-rata ABR as of 3/31/2023

Major Metro Markets ABR Contribution

84% Coastal and Sun Belt Markets

2% Other Major Metro Markets

86% Major Metro Markets

- 94% of the portfolio is within **Sun Belt and/or Coastal markets**
- KIM's **Top Sun Belt markets** estimated 5yr population growth **64%** > the U.S. average.
- KIM's **Top Coastal markets** exceed the U.S. average by **22%** for median household income

# Entitlements Overview

Fully Entitled Today:



**5,300+**  
Residential Units



**914K SF**  
Office Space



**800+**  
Hotel Keys



More than  
**2,200** Multifamily Units  
currently operating on  
our assets

Over  
**\$2B** Spent on  
**Development/  
Redevelopment**  
In the past 5 years

Actively working on  
**10%**  
of the portfolio for  
**Additional Density**

**Goal: 12,000 Multifamily Units** entitled in the next 5 Years



# Why Mixed-Use?

The retail landscape is evolving at a faster pace than ever before, and our strategy is evolving with it.



## Changing Consumer Demands

Shoppers want technology, convenience & live/work/play lifestyle



## The Rise of Ecommerce

Retailers are downsizing store footprints as they perfect their omnichannel strategies



## Demand for Housing

Significant population migration to first & second-ring suburbs creates housing shortage

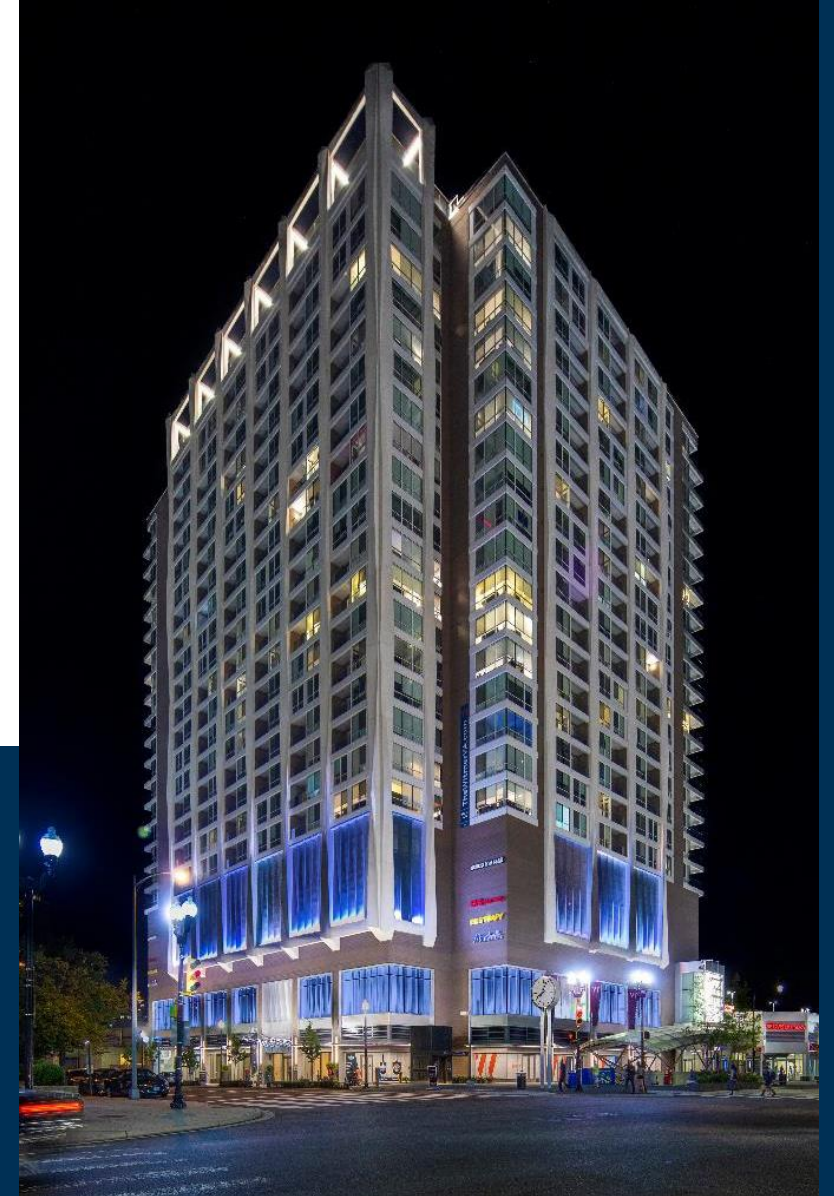


## Desire for Urban Living

Increased demand, especially among millennials, for walkable communities with an urban feel

## Our Mixed-Use Strategy

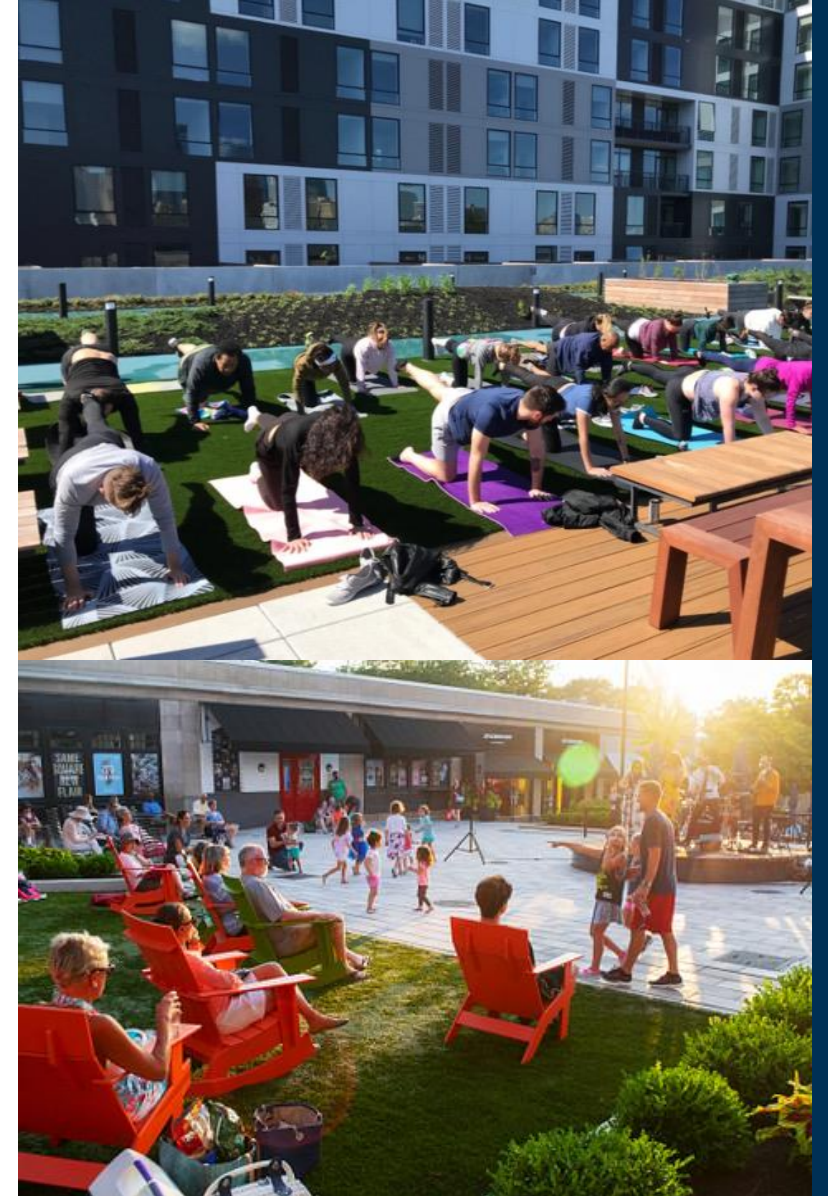
Kimco is expanding our mixed-use platform as we seek to create 24-hour environments that deliver an appealing mix of convenience, experience, and amenities. Our focus is on creating a complementary mix of uses that adds value to the community and drives traffic the existing retail.



# The Benefits of Mixed-Use

Offers a variety of economic, social, and environmental benefits to the immediate community

- ▶ **Decreased Traffic:** With demand coming from residents that live/work onsite, traffic is reduced.
- ▶ **Increased Tax Revenue:** Mixed-use developments provide significantly higher returns to local governments through property and sales taxes.
- ▶ **More Open Space:** Landscaping/open space is typically increased.
- ▶ **Job Creation:** Both short term (construction jobs) and long term (employees).
- ▶ **Enhanced Safety & Security:** New development brings the existing property up to current codes, which may improve life safety. Security improves with more eyes on the property which is active for a greater portion of the day (5am-11pm vs. 10am-8pm for the average strip center).
- ▶ **Walkability:** Redevelopment typically adds to the area's walk score, which could help increase housing values in the surrounding communities.
- ▶ **Support For Local Businesses:** More residential density nearby helps support local small businesses.
- ▶ **Lower Cost Of Housing:** Increased housing opportunity helps push down rents due to basic supply/demand economics.



# A Focus on ESG

Kimco is committed to leading the industry on environmental, social and governance issues (ESG). We are committed to long-term sustainability, and we recognize our obligation to conserve natural resources and enhance the communities in which we own and operate shopping centers.

## Program Highlights:

- We include sustainable design criteria in our development and redevelopment projects
- We maximize the efficiency of our operations through programs such as LED lighting retrofits, tenant submetering, irrigation management, and solar energy
- We developed innovative programs to help tenants survive the pandemic, helping them secure \$20 million in PPP funding

## Our Commitments:

- Give \$1 million annually in support of small businesses & charitable causes in the communities where we operate
- Reduce Scope 1 and 2 greenhouse gas emissions by 30% from 2018 to 2030, with the goal of achieving net zero emissions by 2050
- Increase the proportion of diverse employees to 60% of management by 2030

## Recognition



## Program Pillars



**COMMUNICATE**  
Openly With Our Stakeholders



**EMBRACE**  
The Future Of Retail



**ENGAGE**  
Our Tenants & Communities



**LEAD**  
In Operations & Resiliency



**FOSTER**  
An Engaged, Inclusive & Ethical Team

# Representative Projects





# Wilde Lake

## Columbia, MD

### Project Highlights:

- Repositioning of one of Columbia's original "Village Centers"
- Ground-leased residential to Wood Partners
- Notable tenants: David's Natural Market, CVS & Starbucks
- LEED Certified project, incorporating outdoor common space, innovative storm water management, LED lighting

#### Before GLA:

Retail: 77,602 SF

Office: 21,215 SF

#### After GLA:

Retail: 61,300 SF

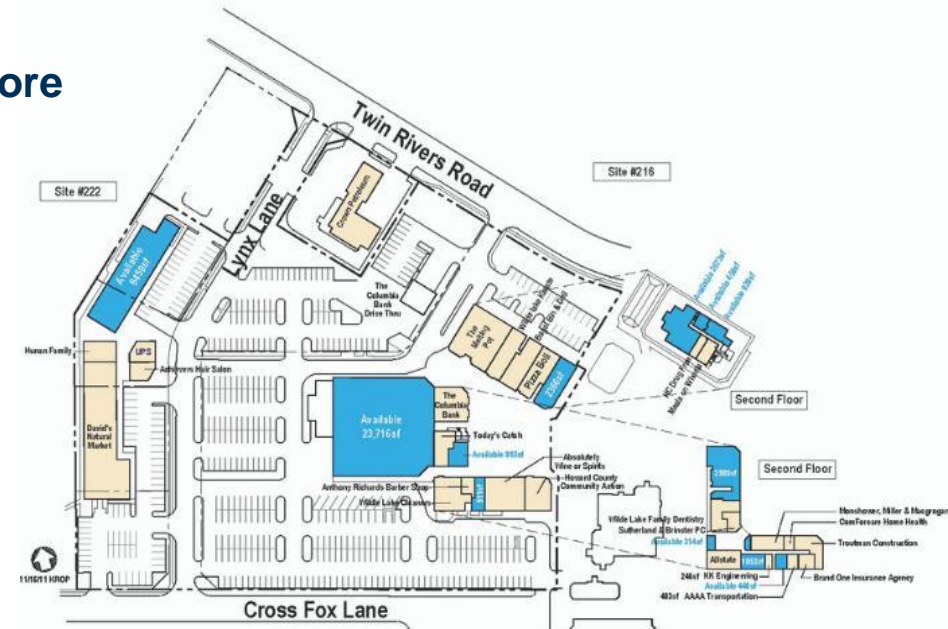
Office: 26,700 SF

Residential: 230 Units

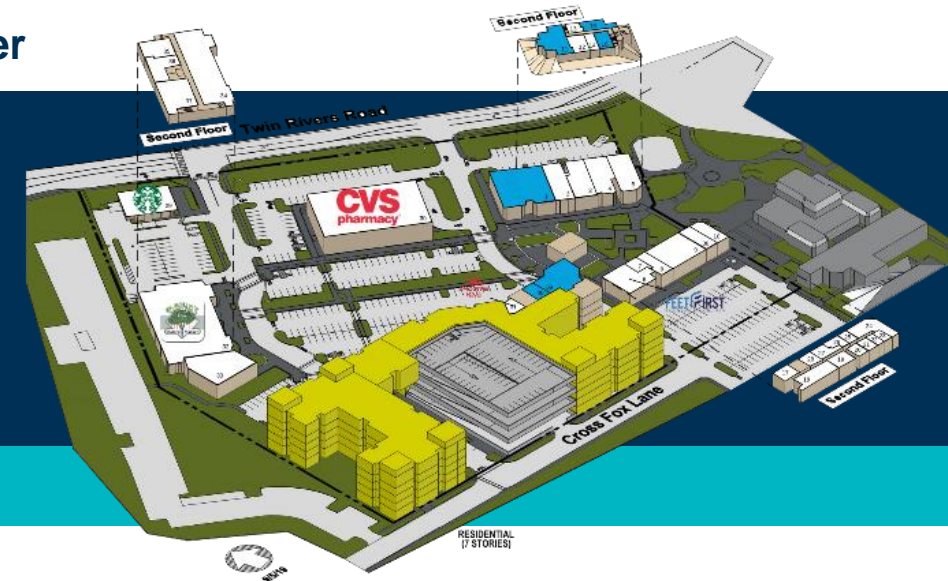
Completion Date: **2016**



Before



After





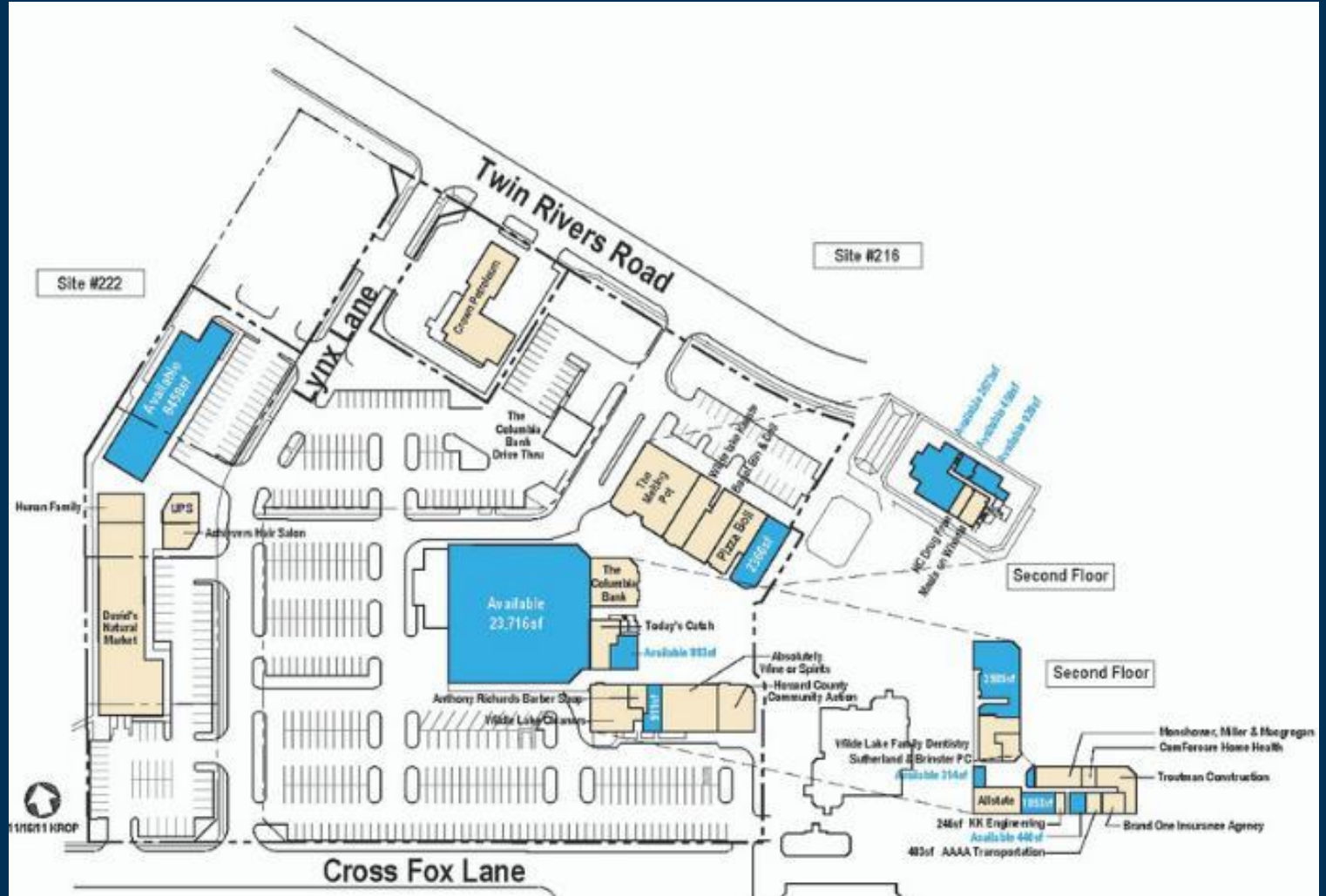
# First Planned Community in Maryland

1967 by Jim Rouse

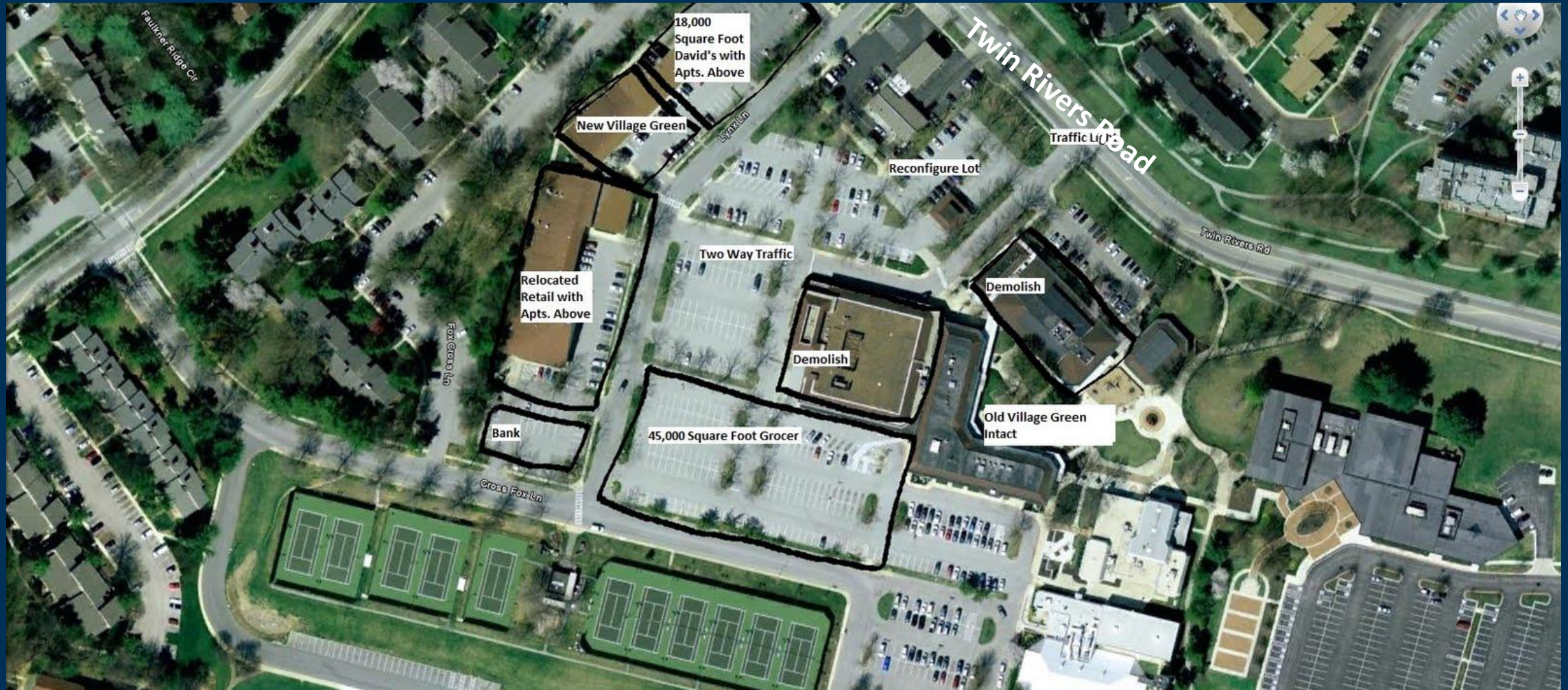
Columbia's hierarchical plan made up distinct neighborhoods gathered into nine different villages, which were clustered around a single "downtown" core. Each village had its own schools, libraries, hospitals, and other civic institutions.

The village centers evolved to include retail and grocery stores.

# Wilde Lake - Columbia, MD



# Wilde Lake - Columbia, MD



## Wilde Lake - Columbia, MD



## Wilde Lake - Columbia, MD



# Pleasant Valley

Raleigh, NC

## Project Highlights:

- A ground-up residential urban infill development in Raleigh, North Carolina at the north end of the Pleasant Valley Promenade Power Center
- Phase 1 anticipated for ~365 residential units with new 50,000 SF grocery store.
- Phase 2 adds additional ~375 residential units



Today



Proposed  
Phase 1  
Site Plan

Existing Total GLA:

Retail: 359,922 SF

Proposed GLA (All Entitled Phases):

Retail: 526,00 SF    Residential: 740 Units

Completion Date: Phase I - 2026, Phase II - 2030

## Pleasant Valley - Raleigh, NC





# Pleasant Valley - Raleigh, NC



365 units and new 50k grocer



375 units

# Pentagon Centre

Arlington, VA

## Project Highlights:

- A multi-phase mixed-use redevelopment of an existing 329,000-sf retail center located directly above the Pentagon City Metro Station and across from Amazon's HQ2
- Phase I included The Witmer, a 26-story residential tower with 440 luxury apartments (managed by Bozzuto) and 7,000 sf of ground floor retail
- Phase II includes The Milton, a new 11-story residential tower under construction with 253 units and approximately 16,000 sf of new retail
- Beyond Phase II, Kimco has secured entitlements for future phases which would result in a fully developed site to include 346,000 sf of retail; 705,000 sf of office space; and a 200-room hotel in addition to the 693 residential units, which would combine to bring the total project size to nearly two million square feet



### Before Total GLA:

Retail: **329,000 SF**

### Existing Total GLA:

Retail: **333,871 SF** Residential: **440 Units**

### Future GLA (All Entitled Phases):

Retail: **346,000 SF** Office: **705,000 SF** Residential: **693 Units** Hotel: **200 Rooms**

Completion Date: **Phase I - 2019, Phase II - 2023**



# Pentagon City

## Location





# Pentagon Centre

## Overview Today

Pentagon Centre is a 340,000 square-foot retail center located just across the street from Amazon’s planned National Landing headquarters. With direct entry to the Pentagon City Metro Station, the site offers easy access to the Pentagon, Downtown DC and Reagan National Airport.

**341,357**

**GLA Retail**

Costco, Nordstrom Rack, Marshalls, Best Buy, CVS, Five Below, IKEA (coming soon)

**693**

**Residential Units**

Witmer (440) and the Milton (253)

# Pentagon Centre

Overview Tomorrow

269,000

GLA Retail

1,833

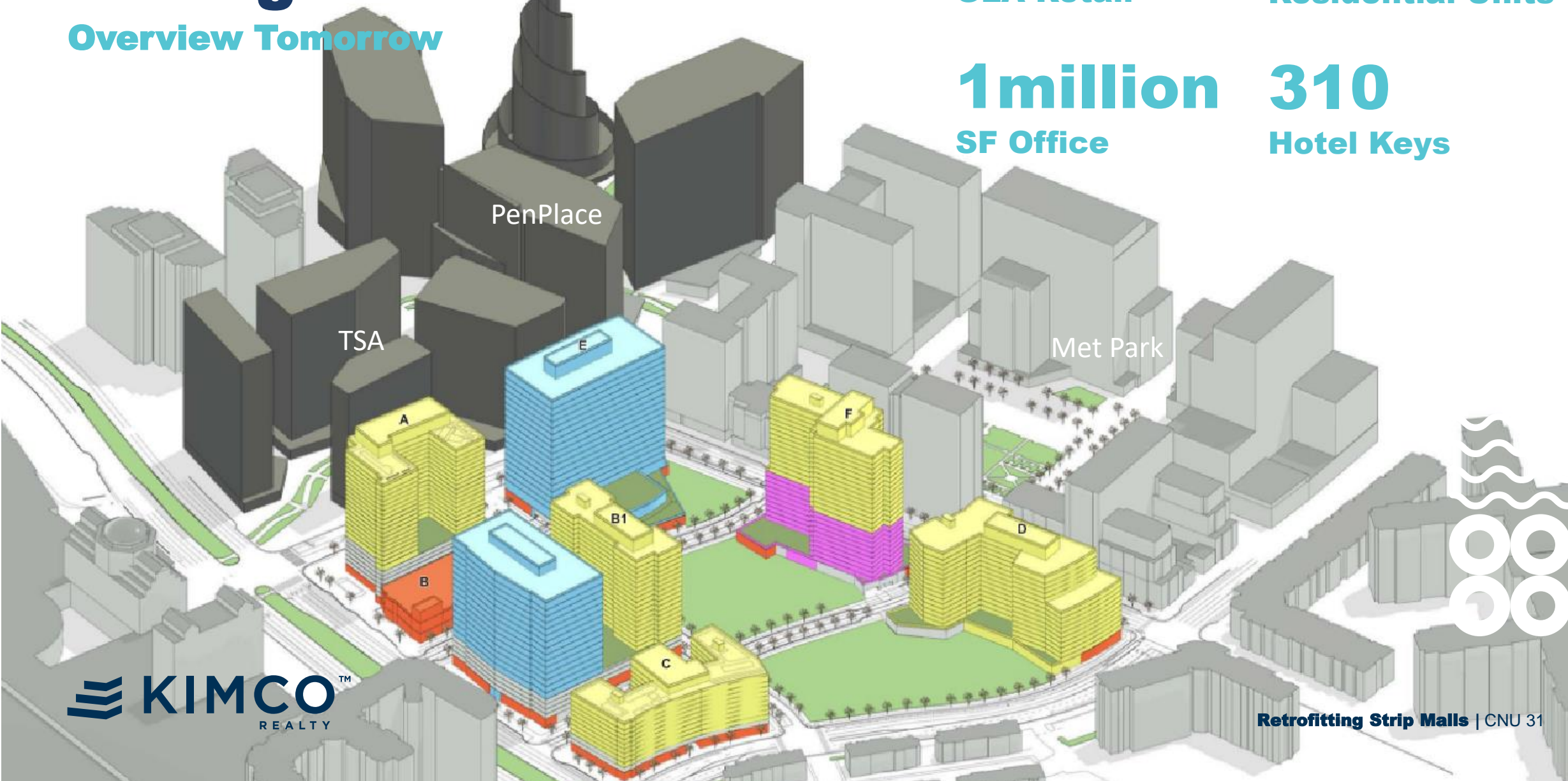
Residential Units

1million

SF Office

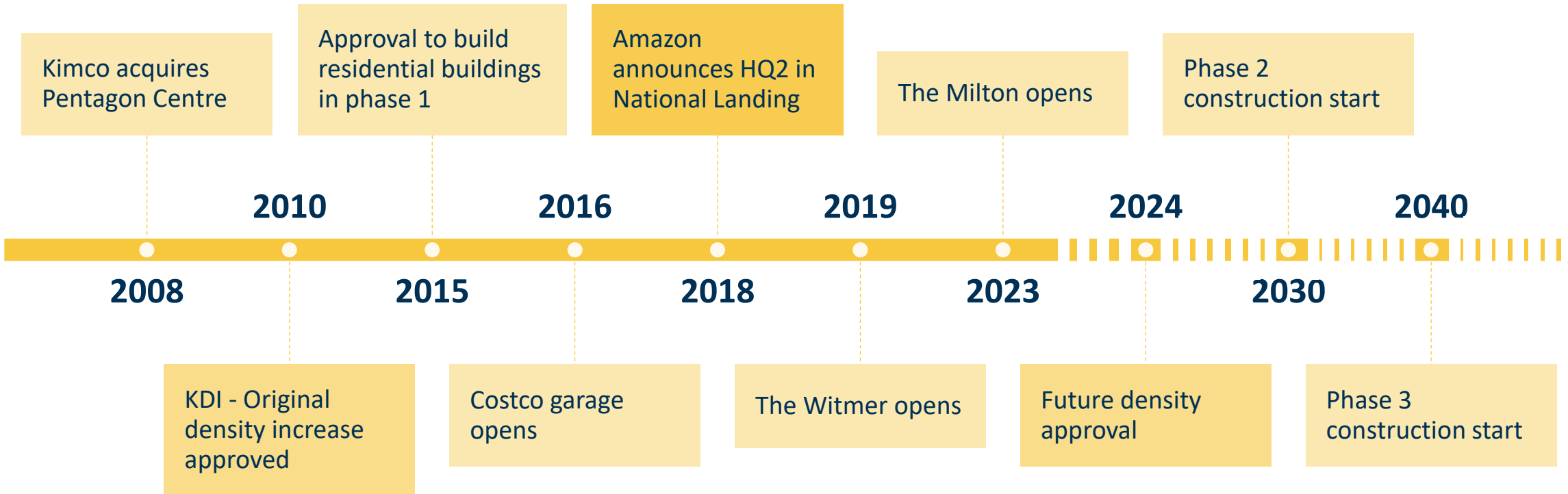
310

Hotel Keys



# Timeline

## A Decades Long Process



# Mall becomes Mixed-Use

Phase 1 in Peripheral Locations, Phase 2 and 3 require Tenant Relocations



Phase 1



Phase 2



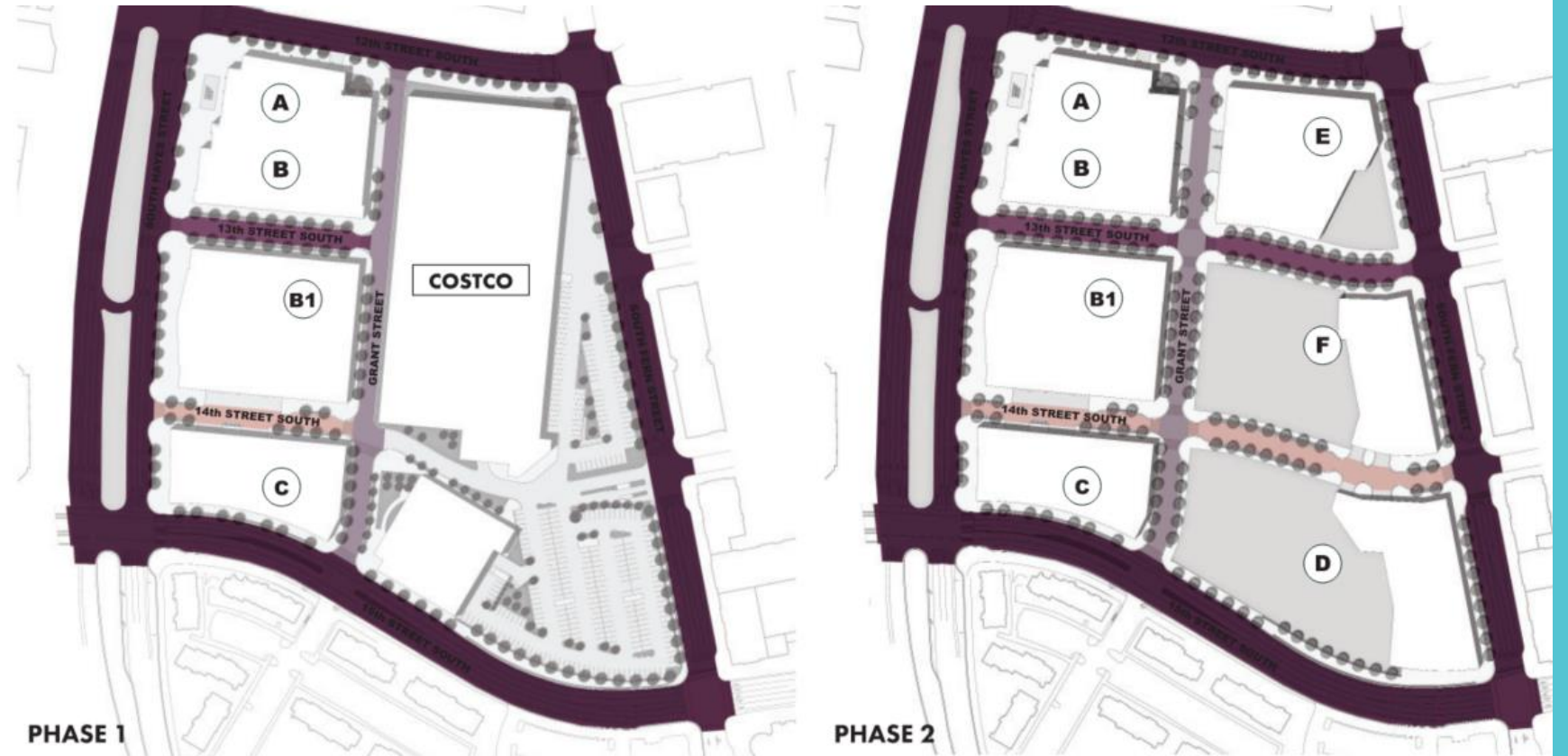
Phase 3

# Street Grid Phasing

## Infrastructure First

### Street Grid, Utilities followed by Individual Blocks

- Major utilities relocated for Block C (the Milton) in 2020
- Grant Street and 14<sup>th</sup> Street started with Block C (the Milton)
- Grant Street and 13<sup>th</sup> Street will continue with Mall redevelopments (blocks B and B1)
- 14<sup>th</sup> and 13<sup>th</sup> Streets will continue with Costco redevelopment (Blocks E, F and D)





# Parking is Phased Too

## Retail Parks in the Mall and Costco Garage

Each block parks its own use except for retail. Retail parking is centralized.

Future development will park at the required rate when developed.

Shared parking strategies will be key to minimize unused parking

Some parking floors will be designed to be renovated to other uses in the future

EV parking is the future – goal for 20-30%

### Retail

1,333 spaces;  
1 space / 256 SF today

### The Whitmer

360 spaces;  
0.8 space / unit

### The Milton

253 spaces;  
1 space / unit



# Lessons Learned

## From 2015 Approval

- Begin public engagement with community groups early
  - Understand the political environment
  - Realize densification is political
- Plan for changing parking ratios
  - One of the only projects in Arlington County approved to build parking above grade in the past 20 plus years
- Mass transit system is important
  - Evaluate carefully
- Plan for flexibility where you can



# Pentagon Centre - The Witmer - Arlington, VA



